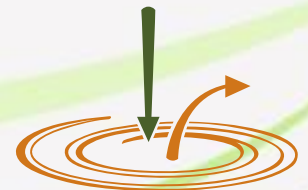




# Non-ad Valorem Assessment for Residential Solid Waste Collection and Disposal

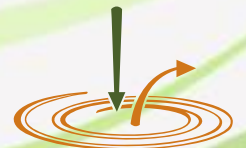
Fort Pierce City Commission Conference Agenda Meeting  
Monday, August 10, 2015



**kessler consulting inc.**  
innovative waste solutions

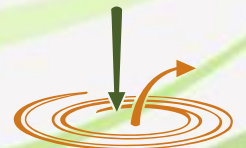
# Purpose of Study

- Research possible framework for a residential NAV assessment for solid waste services on the 2016 tax bill
  - Outline legal and regulatory framework
  - Identify NAV assessments in other jurisdictions
  - Develop preliminary estimate of residential NAV assessment
  - Prepare preliminary implementation timeline



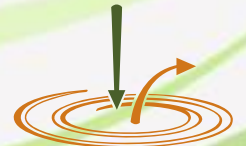
# What is a Non-ad Valorem (NAV) Assessment?

- An assessment placed on property tax bills
- Based on the cost of a service or improvement provided to properties
- Not based on property value
- Used by a number of jurisdictions for solid waste services instead of a utility bill
- Can be levied on residential and commercial properties, however residential NAV assessments are more common



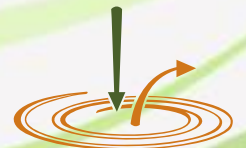
# Legal and Regulatory Framework

- Defined area and class of properties subject to assessment is referred to as the Municipal Service Benefit Unit (MSBU)
- Certified by jurisdiction to the tax collector and merged with ad valorem tax roll.
- Subject to all tax collection provisions, e.g. early discount, installment payment, delinquent payment penalty, and liens



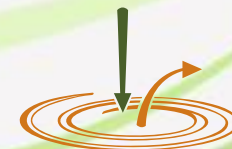
# NAV vs. Utility Bill Trade-Offs

- Do not pay Utility Authority fee but incur County Appraiser and Tax Collector fees
- Gain predictable year-round revenue versus variations due to seasonal shut-offs
- Provide customers an option for early payment discount
- Provide jurisdiction with ability to place liens for non-payment



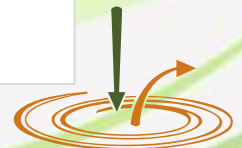
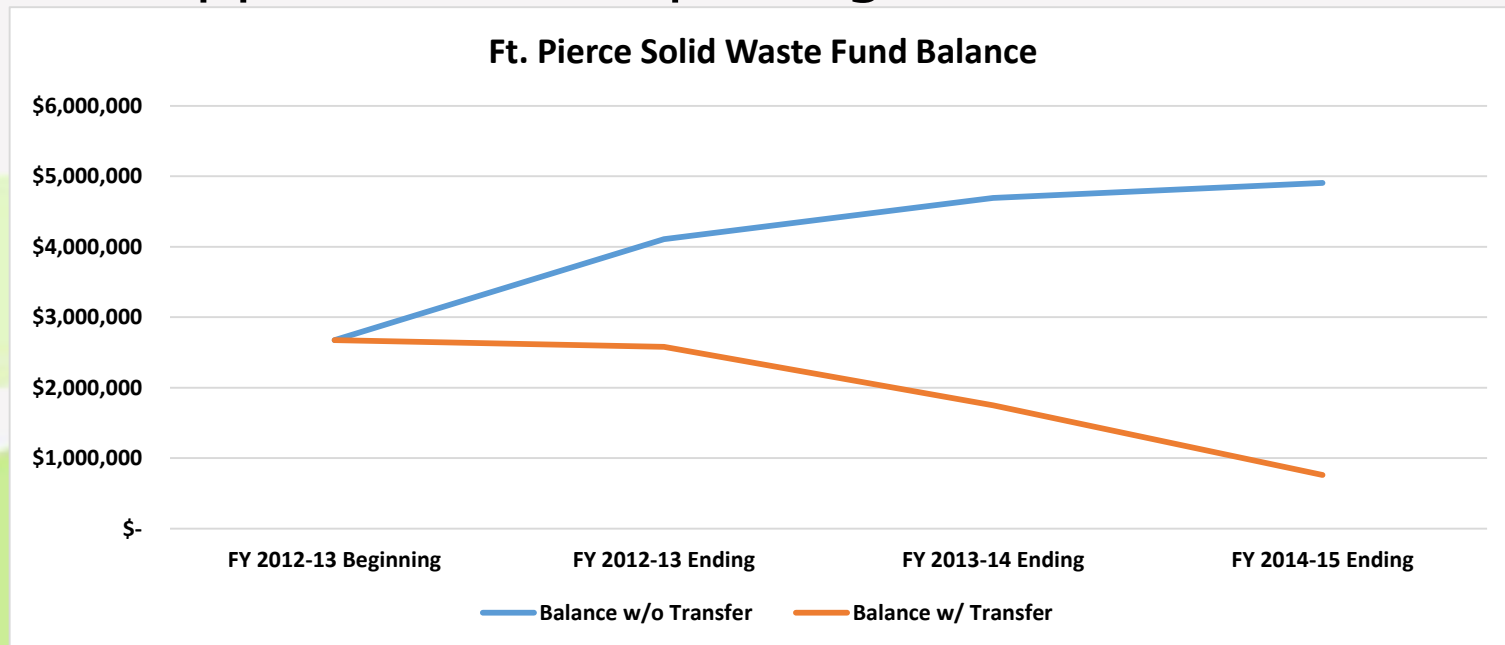
# Solid Waste NAVs in Other Jurisdictions

Jurisdiction	NAV (\$/unit/yr)	Services Included	Collection Service	# of Units
<b>City of Port St. Lucie</b>	\$268.36	Collection and disposal	2-1-1	66,066
<b>Indian River County</b>	\$102.61	Disposal and recycling (no collection)	Not applicable	74,409
<b>Martin County</b>	\$299.52	Collection and disposal	2-1-1	46,288
<b>Okeechobee County</b>	\$220.00	Collection and disposal	1-1-1	11,503
<b>St. Lucie County</b>	\$252.06	Collection, disposal, facilities, programs	2-1-1	19,430



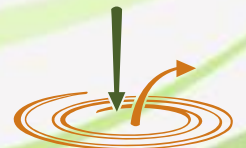
# Solid Waste Enterprise Fund

- Revenue is sufficient to cover expenditures and some transfer to General Fund
- However, recent transfers to General Fund appear to be depleting fund balance



# NAV Assessment Considered for Ft. Pierce

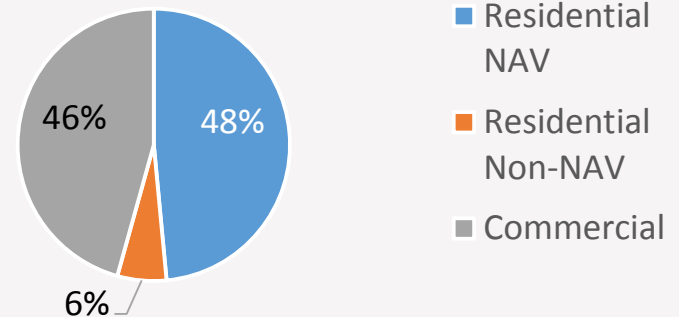
- MSBU: all residential properties receiving curbside carted collection services, further defined as 1-3 unit properties
- Approximately 9,836 units
- Assessment includes waste & recycling collection and disposal services



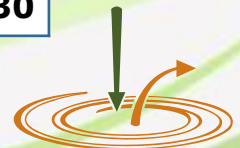
# Estimating NAV Assessment

- Utilize FY2014-15 Approved Budget
- Allocate solid waste costs based on tonnage: residential NAV (MSBU) versus residential non-NAV and commercial
- Allocate fund transfers to commercial sector

Tonnage by Customer Sector



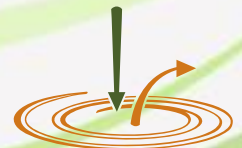
	Residential NAV	Residential Non-NAV	Commercial	Total
<b>Operating Expenses</b>	\$2,560,320	\$307,458	\$2,411,152	\$5,278,930
<b>Capital Purchases</b>	\$121,252	\$14,561	\$456,188	\$592,000
<b>Fund Transfers</b>	\$0	\$0	\$1,204,000	\$1,204,000
<b>Total Expenditure</b>	<b>\$2,681,572</b>	<b>\$322,019</b>	<b>\$4,071,339</b>	<b>\$7,074,930</b>



# Estimating NAV Assessment

- Exclude utility administration fee from expenditures
- Include estimated NAV assessment expenditures:
  - Statutory requirements for discount, delinquencies and under-payment
- Estimated funding requirement is approx. \$2.8 million

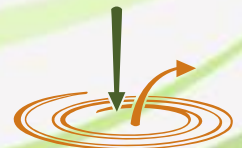
<b>Operating &amp; Capital Expenditures</b>	
Operating Expenditures	\$2,469,527
Capital Expenditures	\$121,252
<b>Subtotal</b>	<b>\$2,590,779</b>
<b>Assessment Expenditures</b>	
Statutory Discount	\$139,289
Assessment Collection Costs	\$55,716
<b>Subtotal</b>	<b>\$195,005</b>
<b>Total Assessment Funding Requirements</b>	<b>\$2,785,784</b>



# Comparison to Existing Fee

- Residential units currently pay \$21.95 per month (\$263.40 annually) for waste & recycling service
- Estimated residential NAV assessment would be \$23.60 per month (\$283.23 annually)

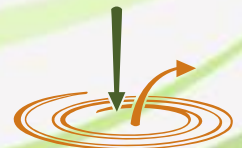
Assessment Funding Requirement	\$2,785,784
Assessable Dwelling Units	9,836
<b>Estimated NAV Assessment per Unit</b>	<b>\$283.23</b>
<b>Current Annual Fee per Unit</b>	<b>\$263.40</b>
<b>Percent Difference</b>	<b>7.5%</b>



# Costs and Benefits of NAV Assessment

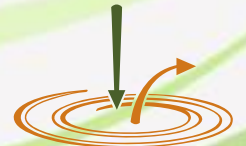
- Estimated net benefit to the City based on FY2014-15 budget is \$115,000

Description	Annual Cost/Benefit
<b>Estimated Benefits of Assessment</b>	
Year-Round Revenue	\$219,220
UA Fee Savings	\$90,793
<i>Estimated Benefits</i>	<i>\$310,013</i>
<b>Estimated Costs of Assessment</b>	
Statutory Discount	(\$139,289)
Assessment Collection Costs	(\$55,716)
<i>Estimated Costs</i>	<i>(\$195,005)</i>
<b>Net Benefit of NAV Assessment</b>	<b>\$115,008</b>



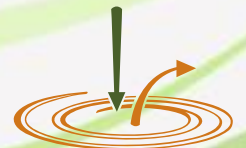
# Steps to Establish NAV Assessment

- 2015H2:
  - Decision whether to implement
  - Agreement with appraiser and tax assessor
  - Draft resolution and ordinance
  - Public notice & hearing regarding resolution
  - Adopt resolution and ordinance
- 2016H1:
  - Certify NAV assessment roll
  - Confirm amount of NAV assessment
  - Public notice
- 2016H2:
  - Public hearing to adopt NAV assessment
  - Certify assessment roll
  - Distribute tax bills with assessment



# Questions and Discussion

*Thank you for your time!*



**kessler consulting inc.**  
innovative waste solutions