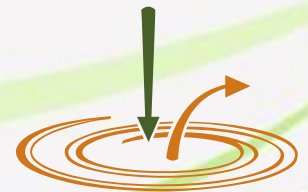




Non-ad Valorem Assessment for Residential Solid Waste Collection and Disposal

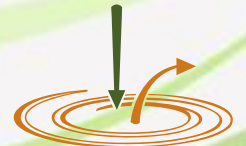
Fort Pierce City Commission Conference Agenda Meeting
Monday, August 10, 2015



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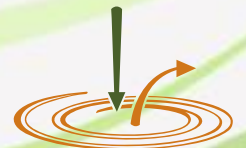
What is a Non-ad valorem (NAV) Assessment?

- An assessment placed on property tax bills
- Based on the allocated 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



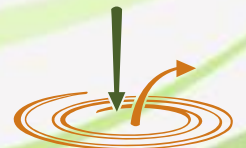
Legal and Regulatory Framework

- Define area and class of properties subject to assessment is referred to as the Municipal Service Benefit Unit (MSBU)
- Certified by 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

- Avoid utility admin fee but incur assessment and tax collection fee
- Gain predictable year-round revenue versus variations due to seasonal shut-offs
- Enable customers early payment discount options

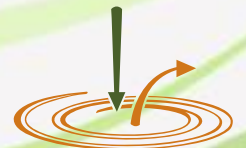


Solid Waste NAVs in Other Jurisdictions

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

NAV Assessment Considered for Ft. Pierce

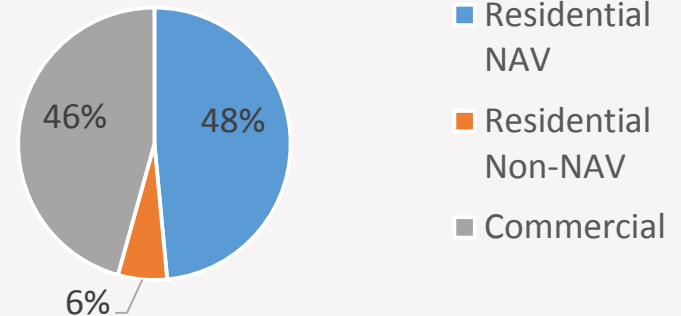
- MSBU: all residential properties receiving curbside carted collection services, further defined as 1-3 unit properties
- Approximately 9,836 units
- Assessment includes collection, recycling & disposal services



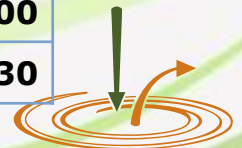
Estimating NAV Assessment

- 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



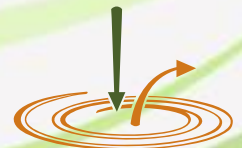
	Residential NAV	Residential Non-NAV	Commercial	Total
Operating Expenses	\$2,560,320	\$307,458	\$2,411,152	\$5,278,930
Capital Purchases	\$121,252	\$14,561	\$456,188	\$592,000
Fund Transfers	\$-	\$-	\$1,204,000	\$1,204,000
Total Expenditure	\$2,681,572	\$322,019	\$4,071,339	\$7,074,930



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 \$2.8 million

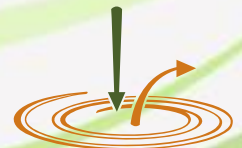
Operating & Capital Expenditures	
Operating Expenditures	\$2,469,527
Capital Expenditures	\$121,252
<i>Subtotal – Operating & Capital Expenditures</i>	\$2,590,779
Assessment Expenditures	
Statutory Discount	\$139,289
Assessment Collection Costs	\$55,716
<i>Subtotal – Assessment Expenditures</i>	\$195,005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



Comparison to Existing Fee

- Residential units currently pay \$21.95 per month, or \$263.40 annually for solid waste service.

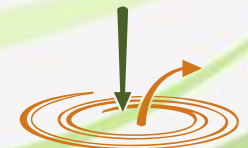
Assessment Funding Requirement	\$2,785,784
Assessable Dwelling Units	9,836
Estimated NAV Assessment per Unit	\$283.23
Current Annual Fee per Unit	\$263.40
Percent Difference	7.5%



Costs and Benefits of NAV Assessment

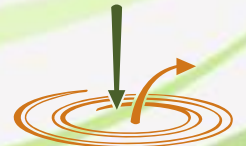
- Overall net benefit to the City

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



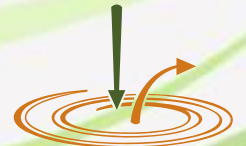
Steps to Establish NAV Assessment

- 2015H2:
 - 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

DRAFT



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