

# **TOWN OF PALM BEACH**

Information for Special Town Council Meeting on: July 12, 2022

---

TO: Mayor and Town Council

VIA: Kirk W. Blouin, Town Manager

FROM: H. Paul Brazil, P.E., Director of Public Works

RE: Non-Ad Valorem Assessment Rates for Commercial Solid Waste Collection and Disposal - Adoption of Assessment Roll and Service Assessments for FY23  
**Resolution No. 081-2022**

DATE: June 29, 2022

---

## **STAFF RECOMMENDATION**

Town staff recommends Town Council adopt Resolution No. 081-2022, which is the Preliminary Assessment Resolution for the proposed Non-Ad Valorem Service Assessments for the Commercial Solid Waste Collection and Disposal rates for FY23.

## **GENERAL INFORMATION**

The Non-Ad Valorem Assessment process that causes special assessments implemented by the Town to appear on a property owner's property tax bill, dovetails with the statewide budget and millage rate adoption schedule. Accordingly, it is time to begin the formal steps of implementing the FY23 proposed service assessments for the collection and disposal of commercial solid waste that will appear on a property owner's tax bill mailed on or about November 1, 2022.

By adopting Resolution No. 081-2022, you will be initiating a process whereby each affected property owner will be advised of the amount of their proposed service assessment and the date, time, and place of the public hearing to adopt the final assessment, and associated assessment roll on the Property Appraiser's TRIM notice, and by letter from the Town issued in late August of this year.

The Commercial Solid Waste Collection for FY23 Non-Ad Valorem Assessment uses a rate analysis methodology using the Palm Beach County Solid Waste Authority's reporting and is calculated as follows:

<b>Cost Description</b>	<b>Amount</b>
Service for 5-day customers	\$361,072
Service for 7-day customers	\$341,175
Service for apartments	<u>\$119,158</u>
<b>Total Assessment Revenues</b>	<b>\$821,405</b>
Total Direct Cost for Commercial Solid Waste Collection	\$483,359
Disposal Cost (\$42/ton collected)	<u>\$301,360</u>
<b>Total Net Cost</b>	<b>784,719</b>

To employ a defensible assessment methodology to ensure that property owners are only paying costs in proportion to the benefits they derive from the services or costs related to the services, we again used the methodology developed in 2003 which was previously found by the Town Council to provide benefits from the services that were/are in proportion to the assessments to be allocated to each benefitted property and that the apportionment of the special benefits to each benefitted property is fair and reasonable. This methodology was again validated and reviewed recently with the original consultant.

In order to place assessments on the property tax bill, which virtually assures that the Town will receive payment and avoid having to create an internal billing and collection function, a number of steps are required to be taken in coordination with the Tax Collector and Property Appraiser. The Tax Collector charges a fee for the work they undertake on the Town's behalf that is one percent (1%) of the value of the assessments. These costs are passed on to a property owner being assessed. In addition, since a property owner can receive a four percent (4%) discount for early payment of their property tax bill in November of each year, the assessments have to be adjusted upward by like amount to ensure the sum needed to pay expenses is realized in full. All totaled, for every \$100 in assessments the Town needs to collect, the assessment will be approximately \$105 in order to net the \$100 needed.

The additional five percent (5%) is attributable as follows:

- Tax Collector – 1%
- Potential early property tax bill payment discount – 4%
- Total – 5%

**The Town's proposed FY23 net assessment of \$784,719 is derived by reducing the required gross total assessment of \$821,405 by these factors.**

Resolution No. 081-2022 formally initiates the process to implement the intended assessments for FY23. The Resolution describes the property to be assessed, the services to be provided, determines the estimated cost to be assessed for the fiscal year commencing on October 1, delineates which properties will be assessed, and, among other things, directs staff to take certain required steps to effectuate the assessment process. The final public hearing will begin at 5:01 p.m. in the Town Hall Council Chambers on September 14, 2022.

Resolution No. 081-2022 is attached hereto. The FY23 Preliminary Assessment Roll and estimated assessments for this service are indicated in Appendix C of Resolution No. 081-2022. These estimates are subject to change as all items associated with the assessment are finalized for the property owner's notice and Final Assessment Resolution to be considered in September. Resolution No. 081-2022 sets rates from which the assessment can be calculated for each property.

The notices that property owners will receive from the Town prior to the final public hearing via first class mail and the TRIM notice provided by the Property Appraiser alerts the property owner to their right to object or call to the Town's attention any mistakes that they believe may have been made in applying the assessment formula to any given property. The law recognizes the difficulties that can exist in the assessment process and creates a check and balance into the process whenever an assessment is proposed for the first time, or there is an increase in the cost or method in calculating the assessment.

Non-Ad Valorem Assessment rates for commercial solid waste collection are established as follows, with a comparison to the prior year's rate:

	<b><u>FY22</u></b>	<b><u>FY23</u></b>
1. Apartments	\$ 12.80/Unit/Month	\$ 13.10/Unit/Month
2. Low Volume (5 day)	\$ 0.029/SF/Year	\$ 0.029/SF/Year
3. Medium Volume (5 day)	\$ 0.190/SF/Year	\$ 0.191/SF/Year
4. High Volume (5 day)	\$ 0.832SF/Year	\$ 0.837/SF/Year
5. Low Volume (7 day)	\$ 0.035/SF/Year	\$ 0.035/SF/Year
6. Medium Volume (7 day)	\$ 0.235/SF/Year	\$ 0.238/SF/Year
7. High Volume (7 day)	\$ 1.030/SF/Year	\$ 1.041/SF/Year

### **FUNDING/FISCAL IMPACT**

This is a "zero-sum" initiative, in that revenues are intended to balance/offset the costs. It is anticipated that this action will provide and generate the requisite funding. All direct costs borne by the Town to accomplish this service are paid for by the properties benefitting, as opposed to all property owners in Town.

### **TOWN ATTORNEY REVIEW**

This Resolution has been reviewed by the Town Attorney for legal form and sufficiency. This Resolution was developed and prepared by the law firm of Nabors, Giblin, and Nickerson, who previously prepared the Town's ordinances that established Chapter 90 of the Town Code pertaining to Special Assessments.

#### Attachment

cc: Jane Le Clainche, Director of Finance  
Eric B. Brown, P.E., Assistant Director of Public Works  
John C. Randolph, Town Attorney  
Chester Purves, Services Division Manager  
Dean Mealy, Purchasing Manager