

TOWN OF PALM BEACH

Information for Special Town Council Meeting on: September 12, 2023

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 - Adoption of Assessment Roll and Service Assessments for FY2024
Resolution No. 113-2023

DATE: September 1, 2023

STAFF RECOMMENDATION

Town staff recommends Town Council adopt Resolution No. 113-2023, which is the Annual Assessment Rate Resolution for the proposed Non-Ad Valorem Service Assessments for the Commercial Solid Waste Collection rates in FY2024.

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 final steps of implementing the FY2024 proposed service assessments for the collection of commercial solid waste that will appear on a property owner's tax bill mailed on or about November 1st. By adopting Resolution No. 113-2023, you will be concluding a process whereby each affected property owner was advised of the amount of their proposed service assessment and the date, time, and place of this public hearing to adopt the final assessment and associated assessment roll on the Property Appraiser's TRIM notice issued in late August of this year, and by letter from the Town in late August.

The Commercial Solid Waste Collection Non-Ad Valorem Assessment for FY2024 uses a rate analysis methodology by the Town using the Palm Beach County Solid Waste Authority's reporting and is calculated as follows:

Service for 5-day customers	\$ 383,932
Service for 7-day customers	\$ 357,176
Service for apartments	<u>\$ 124,661</u>
Total Assessment Revenues	\$ 865,769
Total Direct Cost for Commercial Solid Waste Collection	\$ 514,592
Disposal Cost (\$42/ton collected)	<u>\$ 312,087</u>
Total Net Cost	\$ 826,679

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 use 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.

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 FY2024 net assessment of \$826,679 is derived by reducing the required gross total assessment of \$865,769 by these factors.

Resolution No. 113-2023 implements the intended assessments for FY2024. The Resolution, among other things:

- References the properties to be assessed;
- References past Town Council actions to properly effectuate Commercial Solid Waste Collection Assessments;
- Adopts the updated assessment roll for the fiscal year commencing on October 1, 2023;
- Reimposes the assessments;
- Provides for Proof of Publication;
- If applicable, provides an executed Affidavit of Mailing executed by staff;
- Provides a Certificate to Non-Ad Valorem Assessment Roll for the Mayor to sign and be transmitted to the Tax Collector of Palm Beach County.

Non-Ad Valorem Assessment rates for the commercial solid waste collection services are as follows:

	<u>FY23</u>	<u>FY24</u>
1. Apartments	\$ 13.10/Unit/Month	\$ 13.20/Unit/Month
2. Low Volume (5 day)	\$ 0.029/SF/Year	\$ 0.029/SF/Year
3. Medium Volume (5 day)	\$ 0.191/SF/Year	\$ 0.193/SF/Year
4. High Volume (5 day)	\$ 0.837/SF/Year	\$ 0.844/SF/Year
5. Low Volume (7 day)	\$ 0.035/SF/Year	\$ 0.036/SF/Year
6. Medium Volume (7 day)	\$ 0.238/SF/Year	\$ 0.246/SF/Year
7. High Volume (7 day)	\$ 1.041/SF/Year	\$ 1.075/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 benefiting, as opposed to all property owners in Town.

TOWN ATTORNEY REVIEW

This format has been utilized by the Town in previous recommendations and was approved by the Town Attorney. This Resolution was prepared in a format consistent with that developed by the law firm of Nabors, Giblin, and Nickerson, which previously prepared the Town’s ordinances that established Chapter 90 of the Town Code pertaining to special assessments.

Attachments

cc: Robert Miracle, Deputy Town Manager
Jason Debrincat, P.E., Assistant Director of Public Works
John C. Randolph, Town Attorney
Chester Purves, Services Division Manager
Dean Mealy, Town Procurement and Contract Manager