

# **Additional Information**

## **Budget Workshop Item #5**

*Consideration of Stormwater and Solid Waste Non-Ad Valorem Assessments and Transportation Taxes and the Associated Budget Impacts – This additional information provides clarification related to Universal collection and billing alternatives*

**Meeting of Tuesday, April 23**

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# Leon County Board of County Commissioners

## Budget Workshop Item # 5 Additional Information

April 23, 2013

**To:** Honorable Chairman and Members of the Board

**From:** Vincent S. Long, County Administrator 

**Title:** Additional Information: Consideration of Stormwater and Solid Waste Non-ad Valorem Assessments and Transportation Taxes and the Associated Budget Impacts – This additional information provides clarification related to Universal collection and billing alternatives

<b>County Administrator Review and Approval:</b>	Vincent S. Long, County Administrator
<b>Department/ Division Review:</b>	Alan Rosenzweig, Deputy County Administrator
<b>Lead Staff/ Project Team:</b>	Scott Ross, Director, Office of Financial Stewardship Timothy Barden, Principal Management and Budget Analyst Timothy Carlson, Senior Management and Budget Analyst

As presented, the budget workshop materials provide three alternative scenarios for Solid Waste:

- Subscription service offered throughout the unincorporated area and the Rural Waste Service Centers (RWSC) supported through a user fee
- Subscription service offered throughout the unincorporated area and the RWSCs supported by all residents in the unincorporated area through the non-ad valorem assessment
- Universal collection throughout the entire unincorporated area and the RWSCs closed (Item #5, Solid Waste Option #5).

For the Universal Collection option, the workshop materials presumes the County would collect the entire cost of disposal and collection through the non-ad valorem assessment placed on the tax bill. An alternative approach to the County utilizing the non-ad valorem assessment process is to allow the vendor (Waste Pro) to provide the billing services related to collection and the County to continue to collect for disposal through the non-ad valorem assessment. Table 12 provides a summary of this approach compared to the County billing through the non-ad valorem process.

The option of the vendor billing provides an alternative to the universal collection fee for service being collected by the uniform method of collection (property tax bill), and as such, no first class notice would be required for the collection fee. While the uniform method of collection is a more effective method of collection, having the vendor bill the customer directly avoids the perception that the County is somehow “increasing taxes” as the contract escalates for CPI and fuel over the term of the contract. However, if the County elects to utilize the uniform method of collection (tax bill option) all unincorporated area residents save \$20 per year. The savings result from the vendor charging the County less for collection services due to the presumed losses the vendor would realize under the vendor billing option. Tables 13 and 14 reflect the fiscal impacts to a subscriber and a current RWSC user if transitioning to universal collection.

**Table 12: Universal Collection Billing Alternatives**

Summary	Universal: County Billing	Universal: Vendor Billing
<ul style="list-style-type: none"> <li>• In either scenario, current subscribers will see cost savings</li> <li>• In either scenario, current RWSC users will see a cost increase as the current system is subsidized through general revenues; users are not currently paying to utilize the RWSCs</li> <li>• Increase in the non-ad valorem assessment requires public hearing to be noticed through a first class mailing to all effected properties for implementation</li> </ul>	<ul style="list-style-type: none"> <li>• RWSC closed</li> <li>• All residents receive curbside collection</li> <li>• General revenue subsidy eliminated completely</li> <li>• Non-ad valorem assessment would provide for disposal and collection</li> <li>• First class mailing would note the FY2014 non-ad valorem assessment set at \$202.25</li> <li>• First class mailing would set maximum rate at \$293.75</li> <li>• Board would adopt 10 year rate schedule; annual votes not required unless a rate needs to be modified.</li> </ul>	<ul style="list-style-type: none"> <li>• RWSC closed</li> <li>• All residents receive curbside collection</li> <li>• General revenue subsidy eliminated completely</li> <li>• Non-ad valorem assessment only for disposal</li> <li>• Vendor provides billing for curbside collection</li> <li>• FY2014 costs: \$158.40 (collection) and \$63.75 (non-ad valorem), total of \$222.15</li> </ul>

**Table 13: Subscriber FY2014 Fiscal Impact**

	Vendor Billing			County Billing		
	Current Rate	Proposed Rate	Difference	Current Rate	Proposed Rate	Difference
Solid Waste: Assessment	\$40.00	\$63.75	\$23.75	\$40.00	\$202.25	\$162.25
Solid Waste Subscription Collection Services	\$231.96	\$158.40	(\$73.56)	\$231.96	\$0	(\$231.96)
<b>Subscriber: Net Fiscal Impact</b>	<b>\$271.96</b>	<b>\$222.15</b>	<b>(\$49.81)</b>	<b>\$271.96</b>	<b>\$202.25*</b>	<b>(\$69.71)</b>

*\* Non-Ad Valorem assessment is subject to the statutory 1% to 4% discount applied to the early payment of the property tax bill. If paid in full in November, payment would be \$193.92.*

**Table 14: Rural Waste Service Center User FY2014 Fiscal Impact**

	Vendor Billing			County Billing		
	Current Rate	Proposed Rate	Difference	Current Rate	Proposed Rate	Difference
Solid Waste: Assessment	\$40.00	\$63.75	\$23.75	\$40.00	\$202.25	\$162.25
Solid Waste Subscription Collection Services	\$0	\$158.40	\$158.40	\$0	\$0	\$0
<b>RWSC User: Net Fiscal Impact</b>	<b>\$40.00</b>	<b>\$222.15</b>	<b>\$182.15</b>	<b>\$40.00</b>	<b>\$202.25*</b>	<b>\$162.25</b>

*\* Non-Ad Valorem assessment is subject to the statutory 1% to 4% discount applied to the early payment of the property tax bill. If paid in full in November, payment would be \$193.92.*