



Legislation Text

File #: 12085, Version: 1

**TITLE**

FY 2024 Non-Ad Valorem Assessment Rate Increase for Orchard Park III Multipurpose Municipal Service Benefit Unit and Establishment of Future Maximum Rate

**BRIEF OVERVIEW**

The Orchard Park III Multipurpose Municipal Service Benefit Unit (MSBU) was created by Ordinance 2004-23 to provide for the maintenance and operation of a street lighting system and for maintenance and improvements of grounds within the County right-of-way located at the front entrance.

Over the life of the MSBU, the annual operational expenses have steadily increased beyond the annual assessment revenue received, thus diminishing reserves. As a result, the Orchard Park III Multipurpose MSBU district’s assessment revenue can no longer support the increasing annual operating expenses and maintain the required 18% reserves at the current assessment rate of \$205.00. Orchard Park’s Homeowner’s Association held a budget meeting with the residents in February 2023 during which a proposed rate of \$216.00 was approved for FY2024 and an understanding that the rate may need to increase again in future years.

Therefore, staff recommends increasing the FY24 non-ad valorem assessment rate to \$216.00 per unit to cover the annual operational expenses and appropriate required reserve amount; and increasing the maximum assessment rate from \$205.00 to \$255.00.

<u>MSBU Name</u>	<u>Fund</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Proposed Max</u>	<u>Rate Adjustment</u>
Orchard Park III	7032	\$205.00	\$216.00	\$255.00	\$11.00 - \$50.00

In accordance with Section 197.3632 Florida Statutes, a non-ad valorem assessment roll shall be adopted at a public hearing if the non-ad valorem assessment is increased beyond the maximum rate authorized by law or judicial decree, at the time of initial imposition. Property owners must be notified of the public hearing and assessment increase by first-class mail and newspaper advertisement at least 20 days prior to the public hearing.

**FINANCIAL IMPACT**

The recommended assessment rate of \$216.00 to each of the 55 units is anticipated to generate \$11,286.00 at 95% collection rate and is included in FY 2024 Revenue Budget Account No. 7032-09032-3252001 for Orchard Park III Multipurpose MSBU and appropriated to various operating accounts to provide street lighting and grounds maintenance within the district boundaries.

**LEGAL NOTE**

The Board has legal authority to establish MSBUs and set assessment rates pursuant to Sections

125.01 and 197.3632, Florida Statutes.

## **RECOMMENDATION**

It is recommended that the Board approve and authorize the Chairman's signature on the attached resolution increasing the annual non-ad valorem assessment rate for Orchard Park III MSBU for FY 2024 and establish the Maximum assessment rate for future years.