



Legislation Text

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TITLE

Ordinance Merging Holland Springs Multi-Purpose, Barony Woods East Street Lighting, and Holland Spring Industrial Park Street Lighting Municipal Service Benefit Units Into West Hernando Street Lighting Municipal Service Benefit Unit and Repealing Ordinance No. 1990-30, Ordinance No. 2007-03 and Ordinance No. 2022-21

BRIEF OVERVIEW

Periodically staff reviews Municipal Service Benefit Unit (MSBU) forecasted budgets with a goal of decreasing assessment cost and increasing efficiencies. A five-year analysis was completed which identified three small MSBUs with assessment rates expected to increase significantly due to rising operational costs and the depletion of reserves over the years. These include Holland Springs Multipurpose MSBU (Ordinance 2007-03), Barony Woods East Street Lighting MSBU (Ordinance 1990-30), and Holland Spring Industrial Park Street Lighting MSBU (Ordinance 2022-21).

After analyzing the different facets of each existing lighting MSBU, staff proposes to merge these three individual MSBU's with the existing larger West Hernando Street Lighting MSBU (Ordinance 2013-42). These MSBU's were chosen to be merged with West Hernando MSBU as opposed to the Spring Hill Street Lighting MSBU because they all contain similar operational costs (i.e., types of lighting fixtures and concrete poles). The merge will exclude nine (9) units from the Holland Springs multipurpose MSBU identified as not platted within the Village Van Gogh subdivision. The merge will also eliminate the sidewalk purpose within the Holland Spring Multipurpose MSBU as the sidewalks reside in the County right-of-way and are therefore maintained by the County. Any existing reserves from the individual MSBUs will be moved to the merged West Hernando MSBU as the refund amounts do not meet Policy 16.01 limits of \$500.00 minimum per unit.

<u>MSBU</u>	<u>CURRENT</u>		<u>PROJECTED TAX RATE</u>					
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	
West Hernando	\$60	\$60	\$60	\$60	\$60	\$60	\$60	
Holland Spring Multi-Purpose	\$70	\$70	\$75	\$80	\$85	\$90	\$95	
Barony Woods East	\$80	\$80	\$92	\$104	\$104	\$106	\$106	
<u>Holland Spring Industrial</u>	<u>N/A</u>	<u> N/A</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	
PROPOSED MERGE	--	--	\$60	\$60	\$60	\$60	\$60	

In the event the proposed ordinance is adopted merging the four-street lighting MSBUs, a preliminary annual budget and assessment rate has been prepared for Fiscal Years (FY) 2025 and 2026. The proposed FY25 budget is \$333,070 creating a per unit assessment of \$60.00 and assumes an estimated 2% annual inflation on utility services and gradual reduction of combined reserves. The budget is divided among approximately 3,381 units and will operate approximately 1,243 streetlights. A unit is considered each platted lot, parcel, tract, cooperative parcel, and condominium parcel. A maximum assessment rate of \$80.00 is estimated to accommodate future light installations and upgrades.

FINANCIAL IMPACT

All costs associated with the merger is estimated at \$2,099.00 and will be paid from the following Transportation Trust Fund Accounts. 1011-03071-5304205 Postage and Freight (\$1,377), 1011-03071-5304701 Printing & Binding (\$610) and 1011-03071-5304923 Fees/Costs - Filing Fees (\$112). The recommended assessment rate of \$60.00 to each of the 3,381 units is anticipated to generate \$192,700.00 at 95% collection rate and is included in the proposed FY2025 revenue budget account 7421-09421-3252001 for the merged West Hernando Street Lighting MSBU and appropriated to various operating accounts to provide street lighting within the district boundaries.

LEGAL NOTE

The Board has legal authority to establish MSBU's and set assessment rates pursuant to Sections 125.01 and 197.3632, Florida Statutes.

RECOMMENDATION

It is recommended that the Board approve the Ordinance merging the Holland Springs Multi-Purpose, the Barony Woods East Street Lighting, and the Holland Spring Industrial Park Street Lighting MSBUs into the West Hernando Street Lighting MSBU; amending the West Hernando Street Lighting MSBU boundaries; and repealing the to-be-merged MSBUs. If the ordinance is approved, a second public hearing will be held early 2024 to adopt the resolution setting the final budget and actual non-ad valorem assessment rate to be levied against each lot, which would be reflected on the 2024 annual property tax bill.