

October 19, 2016

**Via E-Mail Transmission**

Dawn M. Bowne  
City Clerk/Interim City Manager  
City of Dunnellon  
20750 River Drive  
Dunnellon, FL 34431

**Re: City of Dunnellon – Fire Services Assessment Program Proposal**

Dear Ms. Bowne,

This correspondence is written to present a scope of services for Government Services Group, Inc. (“GSG”) to provide professional services and specialized assistance to the City of Dunnellon (“City”) and its staff with the development of a non-ad valorem funding alternative for the City’s fire services through the development of a special assessment program.

The objective of this project is to develop non-ad valorem special assessments based on public policy established by the City within the constraints of readily available data and legal precedent. To fulfill this objective, we will accomplish the following tasks:

- (1) Provide specialized services that assist the City in developing a legally defensible method of apportioning the assessments;
- (2) Review of the legal documents prepared by the City Attorney that provide the implementation documentation for imposing and collecting the special assessments using the tax bill collection method for Fiscal Year 2017-18; and
- (3) Provide an assessment roll that will collect the annual assessments; the roll will be capable of being efficiently updated in subsequent years.

The attached work plan is designed to provide the following deliverables during this project:

- An Assessment Report which includes (a) the assessment cost calculations, (b) the description of the apportionment methodology, and (c) an implementation schedule;
- Review of all implementing resolutions for the annual assessment program that will allow for collection using the tax bill collection method for Fiscal Year 2017-18;
- Billing algorithms necessary to calculate the fire protection assessments pursuant to the proposed methodology;
- The final fire assessment rates;
- An assessment roll in an electronic format capable of merging with the City’s real property tax roll in conformity with the requirements of the uniform method of collection for Fiscal Year 2017-18; and,

- The statutorily required notice and billing documentation that is required for using the tax bill collection method for the annual assessment program in subsequent years.

Attached as Appendix A is the work plan under which GSG will assist the City in developing and implementing the assessment program. The scope of services is based on the assumption that the City will be an active participant and provide all of the requisite information and data to develop the Assessment Methodology. GSG will work under a lump sum professional fee arrangement as described in the attached scope of services. The appendix also provides a list of project deliverables, delivery schedule and payment schedule. Upon receiving notice to proceed, we will provide a detailed critical events calendar and a schedule for project deliverables that is tailored to the City.

The professional fees required to assist the City in developing and implementing the contemplated assessment program does not include litigation defense services. However, we do all of our work with an eye on potential legal challenges in an attempt to maximize both the efficiency and the effectiveness of any defense. In the event there is a challenge, we would be available, on an hourly basis, to assist the City in its defense. Upon review and satisfactory determination, please execute where indicated to acknowledge acceptance of the attached proposal and to serve as proper Notice to Proceed. Upon execution, please provide our office with a signed copy for our files.

We look forward to working with the City of Dunnellon on this very important project. If you or any other City officials have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Camille P. Tharpe". The signature is written in a cursive style with a large initial 'C'.

Camille Tharpe  
Senior Vice President

# Appendix A

FIRE SERVICES ASSESSMENT PROPOSAL  
FISCAL YEAR 2017-18

# Scope of Services

## PHASE I - FIRE ASSESSMENT PROGRAM DEVELOPMENT

- Task 1: Project Initiation:** GSG will meet with City staff to ensure complete understanding as to the engagement's objectives and required time frame. All parties will agree as to the proper course of events and tasks to be accomplished. GSG will then provide the City with a detailed Critical Events schedule that identifies pertinent deliverables along with a project timeline for completion.
- Task 2: Evaluate Data Pertaining to Fire Rescue Services:** GSG will evaluate City documents, ad valorem tax roll information, fire call data, agreements, reports, levels of service, five-year budget requests, projected long-term capital needs and other data pertaining to the provision of the fire services.
- Task 3: Review and Evaluate Outstanding Issues:** Research, identify and evaluate outstanding funding issues that need to be addressed during the development of the fire services funding options and apportionment methodology and assist the City in identifying policy decisions necessary to implement a City assessment program for Fiscal Year 2017-18.
- Task 4: Determine Full Costs of Services:** Evaluate the full cost of fire service delivery, using the City's most current financial information including direct and indirect costs.
- Task 5: Analyze Call Data and Correlate with Property Data:** Evaluate a minimum of one year of the City's fire incident reports, correlate the fixed property uses on the reports to comparable property uses on the tax roll. Analyze all property use categories within the City to determine which parcels receive a special benefit from the provision of Fire Rescue Services.
- Task 6: Develop Apportionment Methodology:** Develop a fair and reasonable method of apportionment and accurate classification of parcels using the current ad valorem roll and fire incident data reports. Review the assessment methodology for legal sufficiency and compatibility with the tax bill method of collection. Create a preliminary assessment roll database using the current tax roll and apply the apportionment methodology to the database to test validity and legal sufficiency.
- Task 7: Identify Service Delivery Issues:** Identify and analyze any potential service delivery issues that may affect the apportionment methodology.
- Task 8: Determine Assessment Rates:** Calculate a proforma schedule of rates based on the developed apportionment methodology and revenue requirements for the assessment program using the developed assessment roll.
- Task 9: Identify Revenue Requirements:** Advise the City in determining the total fire department service assessment revenue requirements to ensure recovery of the costs of net fire service delivery revenue requirements, implementing the program and collecting the assessment.
- Task 10: Review Legal Sufficiency of Assessment Methodology:** Review the assessment methodology for legal sufficiency and compatibility with the tax bill method of collection. Ensure that the data approach used is the data needed for the tax bill collection method in recurring years.
- Task 11: Present Results to City:** Prepare a draft Assessment Report that identifies the apportionment methodology, benefitted properties, proforma assessment rates, and alternatives for funding fire services. The report will also include a cost analysis, revenue generation options, and the steps and timetable for implementing the fire assessment to be collected on the November 2017 tax bill. Present the draft report to City staff for input, revise as necessary, produce a final report, and present the report to the City Council.

## **PHASE II - FIRE ASSESSMENT PROGRAM IMPLEMENTATION**

- Task 12: Assist with Fire Services Assessment Ordinance** Advise the City's legal counsel in the drafting of a fire services assessment ordinance to establish the procedures for implementation of a fire services assessment program.
- Task 13: Assist with Assessment Resolutions** Advise the City's legal counsel in drafting the assessment resolutions that conform to the assessment ordinance and that implement the City's policy decisions and proposed methodology.
- Task 14: Assist with Rate Adoption Process** GSG will advise and assist with fulfilling the legal requirements for the adoption of the annual assessment rate resolution and certification of the assessment roll in accordance with section 197.3632, Florida Statutes, including:
- (a) Produce Notice Roll** After verification of rates for the assessment program, GSG will create the notice roll by applying the rates to the assessment roll.
  - (b) Distribution of First Class Notice** GSG will develop the first class notice and distribute to any affected property owners (only if required).
- Task 15: Create Final Assessment Roll** GSG will update the assessment roll with any corrections and updates received from the City. Final rates will be verified and extended to the updated data in order to create the final assessment roll. The final roll will be provided to the City.
- Task 16: Certify, Export and Transmit the Final Assessment Roll in Conformance with Uniform Method** Using the final assessment roll, GSG will prepare export files on compatible electronic medium capable of merger with the ad valorem tax roll files and will transmit the file to the Tax Collector in the prescribed format.

## **FEES AND COSTS**

### **PHASE I**

For the professional services and specialized assistance described in Phase I of the Scope of Services, GSG will work under a "lump sum" fee arrangement of \$12,500. Except as noted below, this lump sum fee includes reimbursement for all out-of-pocket expenses.

The lump sum fee for professional services for Phase I includes a total of one (1) on-site visit to the City by GSG staff.

### **PHASE II**

For the professional services and specialized assistance described in Phase II of the Scope of Services, GSG will work under a "lump sum" fee arrangement of \$10,000. Except as noted below, this lump sum fee includes reimbursement for all out-of-pocket expenses.

The lump sum fee for professional services for Phase II includes a total of two (2) on-site visits to the City by GSG staff.

Additional on-site meetings may be arranged at our standard hourly rates, as authorized by the City. Expenses related to on-site meetings will be billed in accordance with section 112.061, Florida Statutes. In lieu of on-site visits, GSG staff can be available to participate in periodic telephone conferences to discuss project status.

GSG’s standard hourly rates are as follows:

**GOVERNMENT SERVICES GROUP, INC.**

Chief Executive Officer .....	\$225
Senior Vice President .....	\$175
Vice President .....	\$160
Senior Project Manager/Consultant/Project Coordinator .....	\$160
Consultant/Database Analyst/Technical Services.....	\$130
Administrative Support.....	\$ 50

The lump sum fee does not include the costs of producing and mailing the statutorily required first class notices (if required) and/or separate bills. Mailing and production costs depend on the number of assessable parcels of property within the assessment program area, but average approximately \$1.35 per parcel. Payment of mailing and production costs is due at the time of adoption of the initial assessment resolution or like document. For non-domestic notices, mailing charges will include the actual amount of postage beyond the domestic rate and if U.S. postage rates increase prior to mailing, the additional postage per notice will be charged.

The City is responsible for any and all newspaper publications, including, but not limited to, making arrangements for publications and any costs associated therewith.

The City is also responsible for any costs incurred to obtain information from the property appraiser or other public officials that is necessary for the assessment program.

Please note that GSG works with the premise of developing and implementing assessment programs with an eye on potential legal challenges in an attempt to maximize both the efficiency and the effectiveness of any defense. Nonetheless, the fees outlined above for professional services do not include any provision for litigation defense. Accordingly, in the event there is a legal challenge, GSG would be available, on an hourly basis, to assist the City in its defense.

**DELIVERABLES SCHEDULE**

**PHASE I**

<b>Deliverable</b>	<b>Schedule</b>
Notice to Proceed	October 2016
Kick-off Meeting/Data Collection	November – December 2016
Data Analysis	November – December 2016
Proforma Budget Development	November – December 2016
Proforma Assessment Rates	December 2016 – January 2017
Assessment Report	January – February 2017

**PHASE II**

<b>Deliverable</b>	<b>Schedule</b>
Ordinance	January – February 2017
Initial Assessment Resolution	February – July 2017
First Class/TRIM Notices	February – August 2017
Published Notice	February – August 2017
Final Assessment Resolution	March – September 2017
Certify Fiscal Year 2017-18 Assessment Roll	By September 15, 2017

## PAYMENT SCHEDULE

The fees for professional services will be due and payable, based on the following schedule and assuming that notice to proceed is received in October 2016. If notice to proceed occurs after this date, the payment schedule will be condensed over the anticipated number of months remaining to complete the project.

<b>Schedule</b>	<b>Payment</b>
December 2016	\$6,250 – 50% of Lump Sum Fees for Phase I
March 2017	\$6,250 – 50% of Lump Sum Fees for Phase I
June 2017	\$5,000 – 50% of Lump Sum Fees for Phase II
September 2017	\$5,000 – 50% of Lump Sum Fees for Phase II

### ACCEPTED AND AGREED TO:

BY: \_\_\_\_\_  
City of Dunnellon

\_\_\_\_\_  
Date