Re-Evaluation Of Fire District Special Assessment Fees

RFP NO. 2016-0020 | SEPTEMBER 15, 2016

PROPOSAL FOR
CITY OF TAVARES, FLORIDA

BURTON & ASSOCIATES
A Hawksley Consulting Company

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A Hawksley Consulting Company

September 15, 2016

City Clerk
City of Tavares
201 East Main Street
Tavares, FL 32778

Re: Bid #2016-0020 – Re-Evaluation of Fire District Special Assessment Fees

Dear Members of the Selection Committee:

Burton & Associates is pleased to present this proposal to provide a Re-Evaluation of Fire District Special Assessment Fees for the City of Tavares, Florida (City). Burton & Associates is a subsidiary of Hawksley Consulting and specializes in the development, review, and provision of implementation assistance regarding cost of service, cost apportionment, and rate/fee revenue recovery programs, including utility rates, non-ad valorem assessments and other fee programs for local governments in Florida. We have successfully developed, reviewed, updated, and assisted in the implementation of over 80 such programs for local governments in the State of Florida ranging from fire assessments to road and drainage fee programs.

Fire Protection Program Methodologies – **Burton & Associates has been providing financial planning services in Florida for over 28 years.** We offer the City the flexibility to consider multiple approaches and alternative methodologies in the development of fire assessment fees. We have experience using the calls-for-service or "demand" approach and the "availability" method that is based upon the premise that parcels receive benefit from fire protection service from the availability of the service whether or not a call-for-service is ever requested. During this study, we will evaluate these methods, and any other identified alternative apportionment methodologies that are legally defensible in order to find the methodology that best serves the City.

Interactive Modeling Approach – Our unique approach to providing comprehensive municipal financial consultation services is to use our automated financial model discussed herein, to explore numerous assessment and financial plan scenarios to develop a logical and defensible financial management plan and cost recovery mechanisms, in the context of predicted financial impact, market reality, public acceptability and political reality. **A unique aspect of our approach is that we do this in interactive workshops with local government staff, with our Microsoft Excel-based models up-and-running.**

Cost Effective Approach that Provides Clear Vision of the Impact Upon Property Owners - Our development and use of our automated, interactive process allows very cost effective integration of your staff into the fiscal planning process while reducing substantially the man hours and calendar time which would otherwise be necessary. Most importantly, this process gives you a clear vision through graphical representations as to the implications of alternative scenarios upon key financial indicators as well as the

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impact upon property owners in terms of their assessment. Given the legal environment surrounding certain funding programs, it is important to analyze those alternatives which provide you with significant fiscal and legal security.

We have used this interactive process in Fire Assessment Program Development projects for the many cities and counties in Florida including the Cities of North Port, Coconut Creek, Cape Coral, Daytona Beach, Ocala, New Port Richey, Lynn Haven, Okeechobee and Palatka, as well as the Towns of Lauderdale-by-the-Sea and Orange Park, and DeSoto, Okeechobee, Brevard, and Putnam Counties. For more than twenty years we have used this process to assist many communities in Florida to develop successful funding programs that best suit their requirements. We have also developed non-ad valorem assessments for stormwater and solid waste service for a number of Florida clients.

Legal Advisors – We have extensive experience in working with law firms and legal counsel throughout the fire assessment study process. It is integral to have the necessary legal assistance to ensure that all methods are legally sufficient and to have them provide assistance in the development or modification of required ordinances and resolutions. Therefore, we have included the law firm of Bryant, Miller & Olive (BMO) on our project team. We have worked with BMO on many similar studies, and have utilized the experience and expertise of BMO to assist our Project Team in developing legally defensible assessments, rates and fees. We worked with BMO on the recent Florida Supreme Court case in which the availability method was upheld as a valid fire assessment methodology; BMO served as the City of Cape Coral's special legal counsel and we served as the City's Fire Assessment consultant.

Authorized Contact – Mr. Michael Burton is authorized to represent Burton & Associates. Mr. Burton is located in our St. Augustine Office and can be reached at michael.burton@hawksley.com, (904) 247-0787 or 200 Business Park Circle, Suite 101, St. Augustine, FL 32095.

Summary - We believe that our Team's financial planning, assessment development, and legal expertise in this area would serve the City well and we look forward to the opportunity to work with you on this important project. All requirements of the Request for Proposals have been included herein. If you have any questions or need any additional information, please do not hesitate to contact me at (904) 247-0787.

Very truly yours,

Michael Burton
President

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TAB 1

Experience

1. Experience

This section presents an overview of the experience and qualifications of our firm and project team.

1.1 Company Background

Founded in 1988, Burton & Associates (a fully-owned subsidiary of MWH Americas, Inc.) provides financial planning and assessment and rate consulting services primarily to local government agencies. **For 28 years, we have provided such services to local governments including cities, counties, special districts, and authorities.**

A primary field of expertise for Burton & Associates has been the development, review and provision of implementation assistance regarding cost of service, cost apportionment and fee revenue recovery programs, including rates, fees, and assessment programs for local governments in Florida. **We have successfully developed, reviewed, updated and assisted in the implementation of over 80 such programs for local governments in the State of Florida ranging from fire service assessments to road and drainage fees to street lighting assessments**. Burton & Associates also provides consulting assistance to a range of industries, including general government services, water resources, solid waste, stormwater, electricity, and natural gas, in the following areas of practice:

- **Assessment Program Development**
  - *Fire Rescue*
  - *Road and Drainage*
  - *Stormwater*
  - *Solid Waste*
  - *Street Lighting*
  - *Underground Utilities*
- **Long-Term Financial Plan Development**
- **Development of Impact Fees**
  - *System Development Fees, Capital Cost Recovery Fees, etc.*
- **Development of Capital Finance Plans**
  - *Integrated within an overall financial management program*
- **Utility Cost of Service & Rate Studies**
- **Financial Feasibility Reports in Support of Revenue Bond Financing**
  - *Including presentations to major rating agencies, including Moody's, S&P and Fitch*
- **Operations and Performance Reviews, Strategic Planning, Financial Feasibility Analyses and Annexation Analyses**
- **Assistance with the preparation of ordinances, inter-local agreements, and regulatory applications**
- **Expert Witness Testimony Services**

Burton & Associates is highly qualified to perform a wide range of activities, including the services requested by the City. We encourage you to contact our references in Section 3 who can attest to the quality of the services we provide.

1.2 Introduction to Project Team

Our proposed project team organization was developed as a result of our understanding of the objectives, scope and key issues of this project and our prior experience with similar projects. We structure our project teams to provide our clients with project team members with experience in:

- ✓ **Cost of service analyses and the development of non-ad valorem assessment/rate programs** for numerous local governments.
- ✓ **Program structure and assessment rate design concepts, theory** and their practical application to specific local circumstances.
- ✓ **Providing apportionment of costs in accordance with legal standards** and your specific configuration and requirements to develop a fair and equitable distribution of the cost of service to property classes.
- ✓ **Development of special non ad valorem service assessments to recover the costs of service** and methodologies which appropriately determine logical relationships between the services provided and the benefit to real property assessed.
- ✓ **Providing legal services with respect to the development and implementation of special assessment programs**

The chart below presents our proposed project team organization, and resumes for all project team members are presented in the following section.

1.3 Resumes

Resumes for all project team members identified above are presented on the following pages.

Selected Clients

- City of Cape Coral, FL
- City of North Port, FL
- City of Cocoa, FL
- City of Fort Lauderdale, FL
- Putnam County, FL
- City of Deltona, FL
- City of Fort Myers, FL
- City of Ocala, FL
- City of Coconut Creek, FL
- City of Cooper City, FL
- City of Palatka, FL
- City of New Port Richey, FL
- Brevard County, FL
- Town of Orange Park, FL

Industries

- *Fire/EMS*
- Water Resources
  - *Water & Sewer*
  - *Reclaimed Water*
  - *Stormwater*
- Sanitation
- General Government
  - *Police*
  - *Parks & Recreation*
  - *Library*
  - *Roads*

Industry Publications/ Presentations

AWWA Manual M54 – Developing Rate for Small Systems, Co-Authored for AWWA, 2004

Effective Water Conservation Rate Structures – Presented to the St. Johns River Water Management District, Palatka, FL, 2009

Michael Burton

Title: President
Office Location: St. Augustine, FL
Years of Experience: 37

General Qualifications

Mr. Burton has over 35 years of industry experience in government resources financial analysis and rate setting. He was a principal at Arthur Young and Company (now Ernst & Young); one of the largest national accounting and management consulting firms, and served as Director of the Florida Governmental Service – Financial Consulting Practice. Mr. Burton served on the National AWWA Rate & Charges Committee where he co-authored AWWA Manual M-54 – Developing Rates for Small Systems published in 2004. He also served on a Water Rates Affordability Sub-Committee.

Experience

Mike has extensive experience in a broad range of industries and issues. He regularly provides service in the following areas:

- Development of Assessment Program Methodologies and Assessments/Fees
- Defense of Assessment Methodology in Court Proceedings
- Design of Financial Management and Rate Programs
- Development of Infrastructure Financing Programs & Cost Recovery Mechanisms
- Development of User Charges
- Impact Fee Studies
- Financial Advisory & Feasibility Services for Assistance in the Issuance of Revenue Bonds
- Strategic Planning for the Provision of Services for Governmental Jurisdictions & Private Developers
- Rate Case Assistance to Private Utilities
- Rate Regulation Assistance to Jurisdictional Counties

Education

Bachelors of Industrial Engineering, 1970, University of Florida, Gainesville, FL

Selected Clients

- City of Fort Myers, FL
- City of St. Petersburg, FL
- City of Tamarac, FL
- City of Tarpon Springs, FL
- City of Port St. Joe, FL
- City of Lake Worth, FL
- City of Fort Lauderdale, FL
- City of Coconut Creek, FL
- St. Johns River Water Management District, FL
- Village of Key Biscayne, FL
- City of Zephyrhills, FL
- City of Clearwater, FL
- City of Bonita Springs, FL
- City of Cape Coral, FL
- City of Daytona, FL
- Hendry County, FL
- City of Huntsville, AL
- City of Lake City, FL
- City of Dunnellon, FL
- Marion County, FL
- City of Minneola, FL
- City of Naples, FL
- Pasco County, FL
- City of Port St. Lucie, FL

Industries

- Fire/EMS
- Water Resources
  - *Water & Sewer*
  - *Reclaimed Water*
  - *Stormwater*
- Sanitation
- General Government
  - *Parks & Recreation*
  - *Library*
  - *Roads*

Erick van Malssen

Title: Manager
Office Location: St. Augustine, FL
Years of Experience: 11

General Qualifications

Mr. van Malssen is a Consultant with Burton & Associates. He has over ten years of experience in providing financial and rate consulting services in Florida and he is our Fire Assessment Practice Leader. He has superior financial, business, and analytical skills and has continuously provided our clients with exemplary financial analysis based upon applications of sound financial and economic concepts. He has strong Excel modeling skills and has experience working with large data sets and financial models, including our interactive FAMS© model and specific user charge and assessment modules.

Experience

Erick's experience includes serving as Project Consultant in the following areas:

- Development of Fire Assessment Program Methodologies and Assessments/Fees
- Long-Term Financial Plan Development
- Cost of Service, Cost Allocation & Rate Studies
- Development of Impact Fees
- Development of Capital Finance Plans
- Bond Feasibility Reports & State Loan Applications
- System & Property Valuation and Analysis
- Operations and Performance Reviews, Strategic Planning, Financial Feasibility Analyses, and Annexation Analyses

Education

Masters of Business Administration, 2005, University of Central Florida, Orlando, FL; Bachelors of Science in Business Administration, Concentration in Finance, 2004, University of Central Florida, Orlando, FL

Selected Clients

- City of Cocoa, FL
- City of Clearwater, FL
- City of Fernandina Beach, FL
- Marion County, FL
- City of Tarpon Springs, FL
- Okaloosa County, FL
- City of Casselberry, FL
- City of Gilbert, AZ
- BVU Authority, VA
- City of Lynn Haven, FL
- City of Dunnellon, FL
- City of Wauchula, FL
- City of Mount Dora, FL
- City of Edgewater, FL
- City of Palmetto, FL
- City of Columbia, MO
- Town of Longboat Key, FL
- City of Dunedin, FL
- Lake St. Charles Community Development District, FL

Industries

- Water Resources
  - *Water & Sewer*
  - *Reclaimed Water*
  - *Stormwater*
- General Government
  - *Fire Rescue Service*
  - *Solid Waste*

Vita Paltridge

Title: Project Consultant
Office Location: St. Augustine, FL
Years of Experience: 3

General Qualifications

Ms. Paltridge is a Project Consultant with Burton & Associates. She has three years of experience with Burton & Associates providing financial services, including the development and update of fire assessment fees and the analysis of other taxing/fee programs.

She has superior financial, business, and analytical skills and has experience in performing day to day project activities, including scheduling, budgeting and client meetings.

She has strong Excel modeling skills and is experienced in developing financial models, and in working with our proprietary interactive FAMS© model.

Experience

Vita's experience includes serving as Project Analyst in the following areas:

- Development of Fire Assessment Program Methodologies and Assessments/Fees
- Long-Term Financial Plan Development
- Rate Structure Design & Rate Studies
- Cost of Service, Cost Allocation & Rate Studies
- Customer, Demand, and Revenue Forecasts
- Comparative Rate Surveys

Education

Bachelor of Science in International Economics, 2002, Florida Atlantic University, Boca Raton, FL

Masters of Business Administration in Finance, 2010, Nova Southeastern University, Davie, FL

Selected Clients

- Tamarac, FL
- Sarasota, FL
- Stuart, FL
- Coconut Creek, FL
- Nassau County, FL
- Neptune Beach, FL
- Lynn Haven, FL
- St. Cloud, FL
- Temple Terrace, FL
- Okeechobee County, FL
- City of Okeechobee, FL
- DeSoto County, FL
- Village of Royal Palm Beach, FL
- Miramar, FL
- Toho Water Authority, FL
- The Villages, FL
- Lake Helen, FL
- Lake St. Charles CDD, FL
- Anna Maria, FL
- Clay County Utility Authority, FL
- Effingham, IL

Industries

- Water Resources
  - *Revenue Sufficiency Analysis*
  - *Rate Design*
  - *Capital Financial Planning*
  - *Impact Fee Development*
- General Government
  - *General Fund Financial Sustainability*
  - *Special Assessment Programs*
  - *Impact Fee Development*

Peter Napoli

Title: Project Analyst
Office Location: St. Augustine, FL
Years of Experience: 1

General Qualifications

Mr. Napoli has experience in populating and customizing the long-term financial planning, impact fee and rate design modules in our FAMS-XL modeling system. He has also been an integral part of the growing General Government Financial Sustainability modelling and consulting team where he has participat3ed in the development of a number of fire assessment programs. He has superior financial, business and analytical skills and has provided our clients with exemplary financial analysis based on application of sound financial and economic concepts.

Peter has strong Excel modeling skills and has experience working with large data sets and financial models. Peter has a high level of proficiency within our modeling systems, and he has been very involved in recent engagements requiring substantial model customization and in providing ongoing support services to our clients using our financial forecasting module. In addition, Peter excels at live interactive modeling, a crucial component to successful consulting and live just-in-time decision making.

Experience

Pete's experience includes serving as Project Analyst in the following areas:

- Long-Term Financial Plan Development
- Development of Impact Fees
- Development of Special Assessments
- Development of Capital Finance Plans
- Property Data Analytics
- Comparative Rate Surveys

Education

Bachelors of Business Administration in Finance, 2015, University of North Florida, Jacksonville, FL

Bryant
Miller
Olive

Christopher B. Roe

Education

Florida State University, Law School - J.D., 2001
University of Central Florida - B.A., *English, with Honors*, 1998

Bar Admissions

The Florida Bar, Local Government Law Section Member
United States District Court for the Middle District of Florida

Certifications

Board Certified in *City, County and Local Government Law* by The Florida Bar.

Biography

Chris Roe devotes his practice to state and local government matters. His experience with Bryant Miller Olive includes a wide range of local government undertakings including development and maintenance of special assessment programs to fund the delivery of infrastructure and essential services including fire protection, solid waste disposal, roadway potable water and wastewater improvements, development, implementation and administration of community redevelopment projects, public water and wastewater utility matters including rate setting and expansion of infrastructure, impact fees programs, tax increment and other revenue generating mechanisms, creation and implementation of stormwater utilities and related financing, municipal annexation, water purchase and wheeling agreements, charter review and revision, sunshine laws and ethics laws applicable to local government officials, and special district establishment and governance.

Mr. Roe has successfully conducted more than forty bond validation proceedings pursuant to Chapter 75, Florida Statutes, on behalf of local government clients and the funding of capital projects including the City of Marco Island's wastewater expansion program, Hillsborough County's improvement and modernization of U.S. highway 301, the City of Panama City Beach's Front Beach Road community redevelopment initiative, and most recently St. Lucie County's PACE financing program pursuant to which the county will provide low-interest financing for renewable energy, energy efficiency and conservation and solar energy improvements for residential and commercial properties. Mr. Roe played a significant role in several cases decided and reported by the Florida Supreme Court in favor of local governments, including *Citizens Advocating Responsible Environmental Solutions, Inc. v. City of Marco Island,* 959 So. 2d 203 (Fla. 2007) and *City of Parker v. State,* 992 So. 2d 171 (Fla. 2008). He recently worked with the cities of St. Petersburg, Brooksville and Springfield in developing, implementing and validating innovative special assessment programs to fund fire protection services and facilities, and is currently engaged in similar projects on behalf of several others.

1.4 Project Management Structure

At Burton & Associates, we pride ourselves on providing the highest level of service to our clients in the timeliest and cost-effective manner possible. We exercise significant internal quality assurance and quality control prior to meeting with clients or publishing study results using the quality control and project management techniques we have developed over the years to ensure our projects meet stated objectives, stay within budget, and are completed on schedule. Our experienced and cross-trained team will ensure that the City receives an unparalleled quality of service throughout the conduct of the study.

Mr. Michael Burton will be responsible for managing the overall quality and accuracy of all aspects of the study through regular internal reviews with our project team and review of all work products. He will also provide general oversight of the concepts and methodologies used during the study, using his 35+ years of experience. Mike will be responsible for the overall success of the project. Mr. Erick van Malssen will be the Project Manager and the City's primary point of contact for the study. Erick will manage all day to day activities of the project and will attend and facilitate all meetings and public presentations. Erick will direct the activities of all project staff members and will provide oversight of the concepts and methodologies used in the analysis.

We will conduct several interactive review sessions during the project. Through the course of these review sessions, we will ensure that all data, assumptions and results are thoroughly vetted with all team members (including City staff) involved in the study, resulting in the highest quality final work products. We will provide interim work products to staff throughout the study for their review, input and feedback, which will then be incorporated before moving on to the next step in the study.

In addition, we use internal scheduling tools, including a Detailed Internal Critical Path & Key Date schedule, to map out all of our projects from start to finish. We include key meeting dates with staff, internal deadlines for work products, and internal QA/QC reviews in order to ensure not only that our projects are completed within the desired timeframe, but also to ensure the accuracy of all work products we prepare.

As a subsidiary of Hawksley Consulting, we have access to and utilize advanced project management training, tools, and processes including scope planning and control, quality planning and management, resource planning, financial planning and risk monitoring, as well as schedule control and budget control tools that ensure we will stay within scope, on time, and within budget.

TAB 2

Approach

2. APPROACH

This section presents our understanding and approach to providing fire assessment fee studies, including an overview of all legally accepted methodologies to cost apportionment.

2.1 UNDERSTANDING & METHODOLOGY

It is our understanding that the City is requesting a Re-Evaluation of Fire District Special Assessment Fees to be conducted by a qualified consultant in order to review and update Fire and Rescue Special Assessment Fees for the City. The study will ensure that adequate revenues are generated to cover operations, maintenance, replacement costs, capital improvements, existing debt, and potential future debt expenses. As part of the study, we will also develop required ordinances and resolutions as well as notices for the required public hearing.

There are several approaches to the apportionment of costs and assessment rate design for fire assessment programs. For many years, the calls-for-service approach has been adopted by many communities. This is sometimes referred to as the "demand" approach because the cost apportionment is based upon the demand for fire protection by property class as reflected in historical calls for service records. However, in recent years an "availability" approach has become prevalent and has been validated by the Florida Supreme Court. This approach is premised upon the finding that properties receive benefit from fire protection service by the availability of fire protection service regardless of whether a property or property class ever requests a call for service.

All the approaches listed herein meet the legal requirements established through State statutes and case law. During the initiation of the Study, we will discuss with the City which approach would best serve its current situation and its constituents. Upon determination of the desired approach, we will proceed with the development of assessment rates and an assessment roll based upon the selected methodology. The following sub-sections provide a more detailed description of the "calls-for-service" approach, the "availability" approach and the potential for additional alternatives.

Calls-for-Service Method

The "calls-for-service" method has been used for some time in Florida and a number of fire assessments around the State were developed using this methodology. The premise of the methodology is that costs are apportioned to property classes based upon each class's demand for service based upon the percentage of calls for service to each property class. Although this is an accepted methodology, it doesn't recognize the benefit conferred upon properties by the availability of fire rescue service independent of calls for service. It also requires updating of the cost apportionment with updated calls for service, or incident analyses, sometimes resulting in shifting of the cost burden among property classes as calls for service shift from year to year and is sometimes difficult for property owners to understand that they are assessed even though they never have a call for service.

Availability Method

In recent years, an availability method has been validated, the premise of which is that properties receive a benefit from fire protection service by its availability, independent of calls for service to specific property

classes. **The availability approach is a simple approach, is intuitive to most property owners and requires minimal updating as it is essentially self-adjusting as properties move from un-improved to improved status**. The costs of providing fire protection service are recovered through 1) assessments to properties in proportion to the benefit received by the general availability of fire protection service to all properties, and 2) by the specific availability of fire protection service apportioned to benefit by protection from loss of structures due to fire on improved property.

We have extensive experience in using the availability method, and it should be noted that we recently went through a successful bond validation and Florida Supreme Court validation of a fire assessment that we developed for the City of Cape Coral using the availability method. The validation was contested by eight interveners and the assessment was upheld by the court on all counts. Four of the interveners then appealed the case to the Florida Supreme Court. Amicus briefs were filed in support of the City by the Florida League of Cities in conjunction with the City of Cocoa and also by the City of North Port. The Florida Supreme Court recently issued its order which affirmed the circuit court's finding. Therefore, **the availability method is now a method that has been upheld by the Florida Supreme Court and can be used as deemed appropriate by cities and counties throughout Florida**.

Alternative Approaches

In addition to evaluating the methodologies described above, to the extent desired, we will also provide the City with alternatives that may better suit the needs of the City but would be legally defensible, possibly a combination of calls-for-service for some component of Fire Rescue costs and availability for other components of Fire Rescue costs. **Given our experience and expertise in developing assessment programs and the legal expertise available to our Project Team, we are confident that we will find the best possible approach for the City.**

2.2 Detailed Approach

Based on our experience in providing similar services and the understanding of the City's desired scope of work, we have developed the following project approach. This section presents a narrative approach to accomplishing the tasks, including an introduction to our interactive Financial Analysis and Management System (**FAMS-XL**) model that will be utilized during the Study. Detailed pricing information is presented in Section 4 – Cost of Services, along with a detailed work plan.

To begin the study, we will meet with City staff in a planning meeting in order to discuss the alternative cost apportionment methodologies available, data requirements, timeline and finalize the scope of services. Throughout the study, we will use the City's official data as provided by the property appraiser and will not manipulate the data which will preserve the integrity of the actual assessment that will be billed on the real property tax roll. Over the many assessments that we have developed, we have adopted a strict policy of adherence to "official" data and we believe that it is critical to use independent, un-manipulated property data from the Property Appraiser. We will also develop the assessment using the same file that ultimately becomes, without manipulation, the file used to create the first class mail notices and the assessment role that is certified to the Tax Collector.

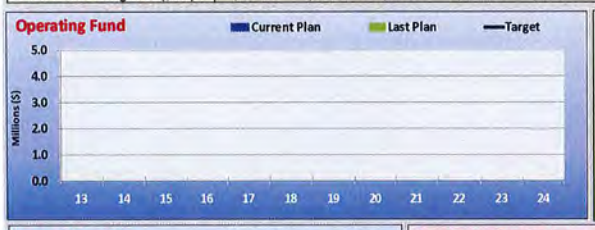
When we have reviewed and discussed all data in detail, we will prepare a long term (ten year) financial plan for the funding of fire rescue services. To do so, we will use our interactive FAMS-XL Assessment Model to develop alternative ten-year financial management plan scenarios for your Fire Rescue program that will truly integrate the capital and financial planning processes. **We will analyze current and historical budgets to determine the expenses (including capital improvements and equipment) that can be recovered through an Assessment Fee for Fire Service.**

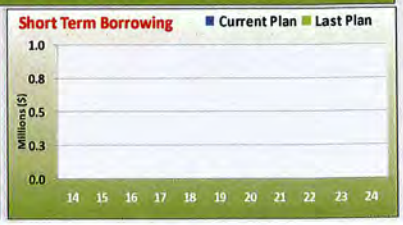
We will meet with City staff to discuss the potential methodologies that could be used and determine the methodology to be used in this study. Once the eligible portion of the budget for Fire Rescue has been identified and the long-term financial plans have been established, we will **develop alternative scenarios using the methodologies described in the previous section to allocate the appropriate amounts to properties in the City**. Regardless of the methodology, in order to develop assessment fees by property class we will use the cost apportionment and assessment/fee modules of our FAMS-XL model to properly apportion costs to cost pools, property classes and individual parcels and to explore alternatives. These alternatives will be reviewed in interactive work sessions with City staff and will include evaluation of the impact of the assessment upon property classes and upon specific properties within each class as required.

An example of the control panel of our Financial Management Plan model for an actual fire assessment that we developed is presented below. The assumption in this plan is that the assessments will be adopted at 38% cost recovery in FY 2014, increased to 70% cost recovery in FY 2015 and increase gradually to 75% cost recovery in the final year of the projection period (FY 2024). A subsidy from the general fund to account for the difference is also displayed to demonstrate the full cost to fund fire protection services.

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

SAVE CALC	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Cumulative Change FY 2019	Cumulative Change FY 2024
Override ▶	0.00%	70.00%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%		
FIRE ASSESSMENT INCREASES	0.00%	70.00%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	96.97%	136.78%
Last Plan	0.00%	70.00%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	96.97%	136.78%
CIP Execution % ▶	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	PS FY15 ▶	100%
Operating Reserve % ▶	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	OMV FY15 ▶	100%
Assessment Cost Recovery % ▶	38%	64%	64%	63%	65%	66%	68%	70%	71%	73%	75%	OMF FY15 ▶	100%
General Fund Obligation ($1M) ▶	$18.45	$11.73	$11.48	$12.54	$12.42	$12.69	$12.19	$11.85	$11.49	$11.05	$10.66	OMF FY15 ▶	100%





We will then present the assessment program findings to appropriate City Management and prepare a Report of the analysis and proposed methodologies used during the analysis. The Report will include details of the budget analysis conducted as well as a detailed explanation of the apportionment methodologies reviewed and ultimately employed in the analysis. We will also prepare a comparative survey of the fire assessments of other similar communities to demonstrate how the City compares to its peers. Also, if requested, we will conduct community outreach and educational campaigns which include public workshops and meetings with stakeholders.

Finally**, we will provide assistance with the assessment adoption process**. We will work closely with City Staff and our legal advisor Chris Roe of Bryant, Miller & Olive to acquire approval of the assessment fees and ultimately assist in the implementation of the assessments. We will assist the City with any required actions leading up to the approval process including the development of the required ordinances and resolutions, any required notices of hearing, participation in public hearings, and certification of the final assessment roll as required.

TAB 3

References

3. References

This section presents a sampling of Burton & Associates experience with fire funding studies, such as fire assessments and fees, completed within the past 5 years, including descriptions of recent projects with reference information. We encourage you to contact each of these references as they can attest to our ability to complete these studies on time and within budget.

Many of these entities are very similar to the City of Tavares, and all of them are located within the state of Florida. As such, we have extensive experience with Florida statutes and current legal issues in regards to implementing supplemental funding for fire protection services. **Each of these references presents an example of a successful implementation of a fire services assessment fee.**

City of Cocoa, Florida (2009 - Present)

We recently completed an integrated financial sustainability analysis for the City. This analysis included the General Fund, the Water and Wastewater Fund, and the Fire Assessment. The analysis identified an integrated solution to the identified budget shortfall that involved a water and wastewater transfer to the General Fund and an increase in the fire assessment to fund the portion of additional staffing, facilities and equipment that cannot be funded by the general fund. We are in the process of updating the fire assessment in conformance with the plan developed in the above described integrated financial sustainability analysis.

Also, two years ago we completed a Fire Protection Assessment Study for the City. The objective of this study was to develop a recommended methodology for the City's Fire Protection Assessments that would result in assessment rates that **would recover a portion of the full cost requirement of providing fire protection service to properties within the City limits** for FY 2014 and subsequent years in proportion to the benefit received from the fire protection service provided by the City. During this study, we identified the full FY 2014 cost requirements for the provision of fire protection service that recognized the high level of service that has traditionally been provided by the City. We also **projected annual cost requirements for providing fire protection service in each year of a ten-year projection period from FY 2014 through FY 2023.**

We accomplished this through interactive work sessions with City staff. We have also conducted a comprehensive water, wastewater, and reclaimed water cost of service and rate study for the City, including development of a ten-year financial management plan, rate design, impact fees, and specific service charges, and developed updated water and wastewater impact fees, including assessment of the effects of adjusted impact fees upon the rate plan scenarios in the rate revenue forecast. **We also developed an indirect cost allocation model and determined appropriate transfers to the General Fund for the City's Water and Sewer Enterprise Fund.**

B&A Team: Michael Burton, Andrew Burnham, Erick van Malssen, Vita Paltridge
Client Contact: Mr. John Titkanich, City Manager, 65 Stone Street, Cocoa, FL 32922 (321) 433-8484, jtitkanich@cocoafl.org

City of North Port (2012)

We recently completed a Fire Service Assessment for the City. **We met with City staff to evaluate alternative assessment methodologies to be used to develop fair and equitable Fire Services assessments to recover the cost of the City's Fire Service District**. We reviewed and analyzed the City's Fire/EMS budget, performed a cost allocation analysis to isolate the fire services costs, compiled historical calls by property type, worked with the Sarasota County property appraiser to identify and compile the necessary property data, as well as growth and other required information.

Utilizing our Benefit Assessment Module of FAMS-XL, we compiled and sorted the property data. **We identified cost recovery options for the City to satisfy political objectives to ease the burden on City residents.** We tested each scenario for revenue sufficiency over a ten-year projection period. We conducted several interactive work sessions with City staff and several informational sessions with City residents. We have also used a similar process to develop an alternative cost apportionment methodology and resultant alternative road and drainage assessments for the City.

B&A Team: Michael Burton, Andrew Burnham
Client Contact: Chief William Taaffe, Fire Chief, 4980 City Center Blvd., North Port, FL 34286, (941) 240-8150, wtaaffe@cityofnorthport.com

City of Stuart, Florida (2014)

We recently completed a Fire Rescue Assessment for the City. **We met with City staff to evaluate alternative assessment methodologies to be used to develop fair and equitable Fire Rescue assessment to recover the cost of the City's Fire Service District**. We reviewed and analyzed the City's Fire/EMS budget, performed a cost allocation analysis to isolate the fire services costs, compiled historical calls by property type, worked with the Sarasota County property appraiser to identify and compile the necessary property data, as well as growth and other required information.

Utilizing our Benefit Assessment Module of FAMS-XL, we compiled and sorted the property data. **We identified cost recovery options for the City to satisfy political objectives to ease the burden on City residents.** We tested each scenario for revenue sufficiency over a ten-year projection period. We conducted several interactive work sessions with City staff and several informational sessions with City residents. We have also used a similar process to develop an alternative cost apportionment methodology and resultant alternative road and drainage assessments for the City.

B&A Team: Michael Burton, Andrew Burnham
Client Contact: Louis J. Boglioli, III, CGFO, Financial Services Assistant Director, 121 SW Flagler Ave, Stuart, FL 34994, (772) 288-5324, jboglioli@ci.stuart.fl.us

CITY OF CAPE CORAL, FLORIDA (2008 & 2013)

In FY 2013 we conducted an interactive financial sustainability analysis for the City. We determined that the City was facing a significant cash flow shortfall of approximately $17.0 million per year and that reserves would be depleted within two years. We conducted a number of interactive work sessions with City staff and the City Council and ultimately assisted the City in developing a solution that involved three components: 1) a fire assessment at 64% cost recovery, adoption of a public service tax on electricity usage of 7%, and a reduction in millage of 1.0 mil. We have subsequently performed annual updates and are assisting the City in bring salaries back to market levels and increasing FTEs to levels necessary to provide the desired levels of service.

As a result of the financial sustainability analysis described above, we also developed a new fire service assessment for implementation by the City. We met with City staff to **evaluate alternative assessment methodologies to be used to develop fair and equitable fire services assessments to recover the cost of the City's fire service program**. We reviewed and analyzed the budget, performed a cost allocation analysis to isolate the fire services costs, apportioned fire costs to specific cost recovery pools, worked with the County property appraiser to identify and compile the necessary property data, as well as growth and other required information.

Utilizing our Benefit Assessment Module of FAMS-XL, we compiled and sorted the property data and allocated costs between property types. We tested each scenario for revenue sufficiency over a ten-year projection period. We conducted several interactive work sessions with City staff and informational sessions with City residents. Earlier this year, we were contracted to perform an update to the fire assessment methodology. **During the update, we evaluated several alternative methodologies and levels of cost recovery for the fire assessment.** We are currently finalizing the update to the Study.

B&A Team: Michael Burton, Andrew Burnham, Erick van Malssen
Client Contact: Mr. John Szerlag, City Manager, 1015 Cultural Park Blvd., Cape Coral, FL 33990, (239) 574-0451, jszerlag@capecoral.net

CITY OF FORT MYERS, FL (2014 - 2015)

We recently completed a Fire Service Assessment Program for the City. We first evaluated the feasibility of a fire assessment program in terms of the relief that it would provide to the General Fund and the expected impact upon various classes of properties in the City. We presented this analysis to the City Council in an interactive workshop and the Council decided to proceed with the development of a Fire Assessment Program. We then met with City staff to evaluate alternative assessment methodologies to be used to develop fair and equitable Fire Services assessments to recover the cost of the City's Fire Service Program.

We reviewed and analyzed the City's Fire/EMS budget, performed a cost allocation analysis to isolate the fire services costs, compiled historical calls by property type, worked with the Lee County Property Appraiser to identify and compile the necessary property data, as well as growth and other required information. **Utilizing our Benefit Assessment Module of FAMS-XL, we compiled and sorted the property data and identified two primary property classes: Res SF, Res MF, Commercial, Warehouse/Industrial**

and Institutional. We used the model to allocate the costs between these property types and further to each specific parcel. We identified cost recovery options for the City to satisfy political objectives to ease the burden on City residents. We tested each scenario for revenue sufficiency over a ten-year projection period. We conducted several interactive work sessions with City staff and several informational sessions with the City Council.

B&A Team: Michael Burton, Andrew Burnham, Erick van Malssen
Client Contact: Ms. Maria Joyner, Director of Finance, 2200 Second Street, Fort Myers, FL 33901, (239) 321-7145, mjoyner@cityftmyers.com

TAB 4

Cost of Services

4. Cost of Services

We have prepared a Project Work Plan & Cost Estimate Schedule (Schedule), presented on the following pages and summarized below. The Schedule includes a breakdown of estimated labor hours and costs associated with each task of the desired Scope of Services listed in the Request for Proposals. The proposed fees presented herein are fixed, not-to-exceed fees and include all expenses.

Task Description	Principal-in-Charge	Project Manager	Project Consultant	Legal (BMO)	Total Hours	Cost
Task 1 Evaluate Existing Data & Research Issues	3	4	4	0	11	$ 2,070
Task 2 Identify Full Costs of Service	10	15	23	2	50	$ 9,140
Task 3 Determine Revenue Requirements	1	2	4	0	7	$ 1,200
Task 4 Provide Updated Assessment Database	2	4	7	0	13	$ 2,255
Task 5 Apportionment Methodology	2	8	17	5	32	$ 5,770
Task 6 Calculate Pro Forma Schedule of Rates	0	1	2	4	7	$ 1,535
Task 7 Implementation Assistance	1	9	18	2	30	$ 5,055
Task 8 Prepare and Present Assessment Report to City Council	4	8	16	4	32	$ 5,860
Total Hours & Consulting Fee	23	51	91	17	182	$ 32,885
Estimated Expenses						$ 1,315
Total Not-To-Exceed Project Cost						**$ 34,200**

If we are selected, we recommend meeting with City Staff to discuss the specific scope of services desired at which time we could modify our work plan and cost estimate as appropriate to ensure that the City receives the specific scope of services desired for the most cost effective price.

If additional services, such as additional analysis, meetings or presentations, are requested, they would be charged at the following hourly rates which correspond to the rates presented in the work plan on the following page.

Project Title	Hourly Rates
Principal-in-Charge	$250
Project Manager	$185
Project Consultant	$145
Legal (BMO)	$265

Please see below for a detailed work plan including all tasks and sub-tasks that will be accomplished during the conduct of the study.

	Project Tasks	Estimated Labor Hours				
		Principal-in-Charge	Project Manager	Project Consultant	Legal (BMO)	
	Hourly rates →	$250	$185	$145	$265	Total
Task 1	**Evaluate Existing Data & Research Issues**					
1.1	Conduct project kick-off meeting with City staff to discuss data requirements and to finalize project schedule and timeline.	2	2	2	0	6
1.2	Evaluate the City's ad valorem tax roll information, fire call data, agreements, reports and other data pertaining to the provision of fire rescue services.	1	2	2	0	5
Task 2	**Identify Full Costs of Service**					
2.1	Identify full cost of the fire protection service delivery using the City's most current financial information and identify service delivery issues.	0	1	4	0	5
2.2	Identify the alternative sources of revenue to fund the service delivery costs and determine the net service delivery requirements.	0	2	3	0	5
2.3	Conduct internal review and adjustment of model with consulting team.	1	2	4	2	9
2.4	Conduct interactive work session with City staff to review preliminary model results.	6	6	6	0	18
2.5	Make adjustments based upon input from the prior sub-task.	1	1	2	0	4
2.6	Conduct second interactive work session via Go-to-Meeting with City staff to review adjusted results.	2	2	2	0	6
2.7	Make adjustments based upon input from interactive work session.	0	1	2	0	3
Task 3	**Determine Revenue Requirements**					
3.1	Determine revenue requirements and determine the total fire protection assessment revenue requirements to ensure the City recovers the cost of: a. Net fire protection service delivery revenue requirements b. Implementing the program c. Collecting the assessment	1	2	4	0	7
Task 4	**Provide Updated Assessment Database**					
4.1	Provide an updated assessment database using existing data and updated Property Appraiser data to construct the assessment database for the assessment program.	1	2	4	0	7
4.2	Make adjustments based upon review and input from City staff.	0	1	2	0	3
4.3	Provide final assessment database.	1	1	1	0	3
Task 5	**Apportionment Methodology**					
5.1	Develop the apportionment methodology using the ad valorem roll, the City's assessment bill records, assessment database, fire rescue incident data and revenue requirements.	1	4	12	0	17
5.2	Apply the assessment database to test the data validity and legal sufficiency.	0	2	2	2	6
5.3	Conduct conference call with staff to review methodologies.	1	1	1	1	4
5.4	Revise the apportionment methodology reflecting all comments from City staff.	0	1	2	2	5
Task 6	**Calculate Pro Forma Schedule of Rates**					
6.1	Calculate proforma schedule of rates based on the apportionment methodology and revenue requirements for the FY 2015-2016 assessment program.	0	1	2	4	7
Task 7	**Implementation Assistance**					
7.1	Work with City's utility billing department to ensure that updated rate schedule works within existing framework of billing system (as current fees are billed on monthly utility bills and the intent is to continue with this approach.	1	8	16	2	27
7.2	Make revisions, as necessary, and provide final rate schedules to City staff.	0	1	2	0	3
Task 8	**Prepare and Present Assessment Report to City Council**					
8.1	Prepare Draft Report, including legal sufficiency opinion, and distribute to City staff for review and comment.	1	4	12	4	21
8.2	Prepare Final Report.	1	2	4	0	7
8.4	Present Final Report to City Council.	2	2	0	0	4
TOTAL ESTIMATED LABOR-HOURS		23	51	91	17	182
TOTAL ESTIMATED FEES		$5,750	$9,435	$13,195	$4,505	**$32,885**
ESTIMATED TRAVEL EXPENSES	4%					$1,315
TOTAL NOT-TO-EXCEED FEE						**$34,200**

TAB 5

City Required Forms

5. City Required Forms

This section presents all forms required by the Request for Proposals, including:

- ✓ Certificate of Corporate Principal
- ✓ Affidavit of Non-Collusion
- ✓ Affidavit on Public Entity Crimes

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the Secretary of the corporation named as Principal in the foregoing Bond; that _____, who signed the said Bond on behalf of the Principal was then _____ of said corporation that I know his signature, and his signature thereto is genuine; and that said Bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing body.

_____

(SEAL)

Secretary

STATE OF FLORIDA)
COUNTY OF St. Johns)
CITY OF Saint Augustine)

Before me, a Notary Public duly commissioned, qualified, and acting personally appeared Michael E. Burton to me well known, who being by me first duly sworn upon oath says that he is the Attorney-in-Fact for _____, Surety, and that he has been authorized by said Surety corporation to execute the foregoing Bond on behalf of the Contractor named therein in favor of the City of Tavares, Florida.

Subscribed and sworn to before me this 6th day of September, 2016.

Robin W. Lightsey

Notary Public

State of Florida at Large

My Commission Expires:

(S E A L)

ROBIN W. LIGHTSEY
MY COMMISSION # FF 912390
EXPIRES: November 24, 2019
Bonded Thru Notary Public Underwriters

AFFIDAVIT OF NON-COLLUSION

STATE OF FLORIDA

COUNTY OF St. Johns

Burton & Associates *, being first duly sworn, deposes and says that he (it) is the bidder in the above bid, for the included proposal, that the only person or persons interested in said bid are named therein that no officer, employee or agent of the City of Tavares or of any other bidder is interested in said bid; and that affiant makes the above bid with no past or present collusion with any other person, firm or corporation.

Affiant: _____ Title: President

Sworn and subscribed to before me this 6th day of September 2016 in the state of Florida, County of St. Johns

Attest: _____
Notary Public

My Commission Expires: November 24, 2019

(Notary Seal)

ROBIN W. LIGHTSEY
MY COMMISSION # FF 912390
EXPIRES: November 24, 2019
Bonded Thru Notary Public Underwriters

*NOTICE: State name of Bidder followed by name of authorized individual (and title) who is signing as Affiant. If Bidder is an individual, state name of Bidder only.

AFFIDAVIT ON PUBLIC ENTITY CRIMES

(SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(a), FLORIDA STATUTES)

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to City of Tavares
   by Michael E. Burton, President
   (Print individual's name and title)
   for Burton & Associates
   (Print name of entity submitting sworn statement)
   whose business address is Burton & Associates
   200 Business Park Cir. Ste. 101
   St. Augustine, FL. 32095

   and (if applicable) its Federal Employer Identification Number (FEIN) is 59-3301950 (If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement:_____).

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:

   a. A predecessor or successor of a person convicted of a public entity crime; or

   b. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in

the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person.

c. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. **(Indicate which statement applies)**

   √ Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

   ____The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

   ____The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. **(Attach a copy of the final order).**

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO

INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

_____

(Signature)

9-6-2016

(Date)

STATE OF Florida

COUNTY OF St. Johns

PERSONALLY APPEARED BEFORE ME, the undersigned authority, Michael E. Burton who, after first being sworn by me, affixed
(Name of individual signing)
his/her signature in the space provided above on this 6th day of September, 2016

Attest: Robin W. Lightsey
Notary Public

My commission expires: November 24, 2019

(Notary Seal)

ROBIN W. LIGHTSEY
MY COMMISSION # FF 912390
EXPIRES: November 24, 2019
Bonded Thru Notary Public Underwriters

Hawksley Consulting is dedicated to bringing innovative and impactful solutions to its clients

BURTON & ASSOCIATES

A Hawksley Consulting Company

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Suite 101
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Phone: 904.247.0787
[illegible]