

**Indian River County, Florida
Department of Utility Services
Board Memorandum**

Date: April 11, 2023
To: John A. Titkanich, Jr., County Administrator
From: Sean C. Lieske, Director of Utility Services
Prepared by: Robert J. Tobar, EI, Utility Design Engineer
Subject: North Sebastian Septic to Sewer and Water Project Phase 2, Resolution IV

Background:

On March 9, 2021, the Indian River County (IRC) Board of County Commissioners (BCC) approved the adoption of Resolution I (2021-020) and Resolution II (2021-021) for the benefitting property owners in the North Sebastian Septic to Sewer and Water Phase 2 project. Subsequently, on April 20, 2021, the BCC adopted Resolution III (2021-030), making special assessments against certain properties to be specially benefited and serviced by a water main extension (“Assessment Project”). After the adoption of Resolution III (2021-030), the notice to proceed was issued on June 28, 2021.

Analysis:

There are 161 parcels in the water assessment portion, and the assessment amount was calculated to be \$2,247.76 per parcel and \$361,889.36 total at the adoption of Resolution II on March 9, 2021. The interest rate was set at 3.25% on December 4, 2020. However, it is 7.5% as of January 17, 2023. At an interest rate of 3.25%, benefitting property owners who elect to finance the assessment amount in 10 annual payments will need to pay a total of \$2,649.58. At an interest rate of 7.5%, benefitting property owners who elect to finance the assessment amount in 10 annual payments will need to pay a total of \$3,175.03, a difference of \$525.45 over the 10 years. Benefitting property owners have 90 days from the date Resolution IV is approved to pre-pay the principal amount in full or may choose to have the assessment amount on their tax rolls from 2024 to 2034. The table below provides a breakdown of assessment fee payments based on interest rate.

Assessment Fee Breakdown				
Interest Rate	Number of Annual Payments	Total Interest	Principal	Total Amount
3.25%	10	\$ 401.82	\$ 2,247.76	\$ 2,649.58
7.50%	10	\$ 927.27	\$ 2,247.76	\$ 3,175.03

Since the effort was initiated in 2021 when the interest rate was 3.25%, staff is recommending we amortize the \$2,247.76 over 10 years at 3.25%.

Funding:

There is no funding necessary for this agenda item.

Recommendation:

Staff requests authorization from the Board of County Commissioners to adopt Resolution IV and the final assessment roll and to establish 3.25% as the interest rate for the assessment.

Attachments:

Resolution No. IV and Final Assessment Roll