



TOWN OF LONGBOAT KEY

# **Citizen Tax Oversight Committee and Infrastructure Surtax**

April 14, 2020



TOWN OF LONGBOAT KEY

# Infrastructure Surtax



# Overview

- The infrastructure surtax is a one-cent sales tax that funds many capital improvement projects.
- Expenditures shall comply with Florida Statutes Section 212.055 (2)
- It's imposed by most Florida counties, is also called local option county sales tax
- The rates varies in each county
  - Sarasota County 1%
  - Manatee County .5% ( Effective Jan 1, 2017)
- Proceeds are distributed based on population



# Background

- Sarasota County established the 1% Tax by Referendum
  - Ordinance 89-040 – Term of 10 years (Fiscal Year 1989-1998)
  - Ordinance 97-083 – Renewal - Term of 10 years (Fiscal Year 1999-2009)
  - Ordinance 2007-087 – Renewal - Term of 15 years (Fiscal Year 2010-2024)
- Manatee County established .5% Tax by Referendum
  - Ordinance 16-35 – Term of 15 years (Jan 1, 2017-Dec 31, 2031)
- Sarasota County provided an estimate of revenues for all municipalities in a 15 year budget



# Citizens Tax Oversight Committee

- Formed in 1998 (Resolution 98-04) in Accordance with Sarasota County Ordinance 97-083 and 2007-087
- Committee shall act solely in an oversight capacity to conduct:
  - Annual Review of expenditures from sales tax proceeds to ensure they are in accordance with the project list and any changes thereto;
  - Review any changes made by the Town to the project list or to the allocation of the sales tax proceeds, to ensure all procedural requirements have been followed;
  - Report the Committee's findings to the Town Commission



# Infrastructure Surtax Phase III

- Phase III Revenue collections began September, 2009 and end December 31, 2024 and are estimated at \$9,562,737.
- The Town sets aside all revenue in a special revenue fund.
- An Expenditure Budget was put in place for certain functional areas:
  - Comprehensive Beach Management
  - Streets and Drainage
  - Parks and Recreation Improvements
  - Canal Dredging
  - Public Safety
  - Improvements to Public Facilities



# Permitted Uses of Funds

- To acquire land for public recreation, land conservation or for the protection of natural resources
- To finance, plan and construct capital assets and infrastructure.
- To finance the closure of government owned solid waste landfills

Infrastructure are costs associated with the construction, reconstruction or improvement of public facilities having a life expectancy of five or more years and any related land acquisition, land improvement, design and engineering costs.



# Infrastructure Surtax III Categories

<u>Project Categories</u>	PHASE III	AMOUNT EXPENDED OR COMMITTED THROUGH FY20	AMOUNT REMAINING
Beach Nourishment	\$1,015,569	\$300,000	\$715,569
Streets & Drainage	0	0	0
Park& Recreation Improvements	2,922,000	1,694,040	1,247,960
Canal Dredging	900,000	900,000	0
Public Safety	3,803,168	3,181,494	621,674
Public Facility Improvements	922,000	853,335	68,665
	\$9,562,737	\$6,908,869	\$2,653,868





# FY20 Uses of Funds

## **PUBLIC SAFETY**

- **Aerial Fire Truck**

Replacement of 2003 Pierce Aerial ladder truck.

Budget Amount     \$850,000

- **Fire/Rescue Ambulance**

Scheduled replacement of 2007 Ambulance.

Budget Amount     \$315,000

- **Portable Radios**

Purchase of two P25 compliant portable radios.

Budget Amount     \$10,000

- **Marine Patrol Pickup Truck**

To replace the 2010 Marine Patrol Truck used to tow the two vessels.

Budget Amount     \$45,000



# FY20 Uses of Funds (Continued)

## **PARKS AND RECREATION**

- **Tennis Court Resurfacing**

Periodic resurfacing schedule for tennis courts.

Budget Amount     \$10,000

- **Tennis Teaching Court**

Court resurfacing and new lines for the teaching court.

Budget Amount     \$5,000

- **Pickleball Court**

Expansion of pickleball courts at Bayfront Park

Budget Amount     \$80,000

## **PUBLIC FACILITIES**

- **HVAC Upgrades/Replacement**

Ongoing replacement/upgrade of facilities HVAC Systems as necessary

Budget Amount     \$25,000



# Revenue Projections-Phase III Since Inception

Sarasota County	using trend forecast		
2009	33,584	actual	
2010	499,998	actual	
2011	522,189	actual	
2012	541,034	actual	
2013	543,276	actual	
2014	567,058	actual	
2015	604,404	actual	
2016	638,229	actual	
2017	653,046	actual	
2018	685,829	actual	
2019	725,745	actual	
2020	748,745	forecast	3%
2021	773,351	forecast	3%
2022	797,957	forecast	3%
2023	822,563	forecast	3%
2024	847,169	forecast	3%
	\$10,004,177	Total	
Current 15 Yr Budget	9,562,737		
	\$441,440	Excess	

- Average annual increase has been 4% since 2010.
- Using an excel forecasting model, the estimated Sarasota County surtax revenue is projected to increase by 3% per year from 2020 to 2024 (\$6 million since inception and \$4.0 million projected)
- COVID-19 is likely to have a negative impact on these projections.



# History of Audited Expenditures FY2015-FY2019

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual
Fiscal Year 2015-2019	FY2014-2015	FY2015-2016	FY2016-2017	FY2017-2018	FY2018-2019
<b>Revenue:</b>					
Infrastructure Surtax	\$ 604,404	\$ 638,229	\$ 653,046	\$ 685,829	\$ 725,744
Net Investment Income	11,636	4,146	5,360	4,395	22,554
<b>Total Revenues</b>	<b>\$ 616,040</b>	<b>\$ 642,375</b>	<b>\$ 658,406</b>	<b>\$ 690,224</b>	<b>\$ 748,298</b>
<b>Expenditures:</b>					
Canals- Transfer to Canal Fund		200,000		700,000	
Parks/Rec- Fencing Tennis Courts			7,266	4,900	
Parks/Rec- Pickle Ball Courts					7,515
Parks/Rec- Tennis Court Resurfacing			29,734	15,529	137,023
Parks/Recs- Transfer to Bayfront Park		960,000	300,000		
Public Facilities - Police Space Renovation				44,012	2,624
Public Facilities- Chamber Audio					34,000
Public Facilities- Fire Fitness Equipment				26,427	8,203
Public Facilities- Generator Replacement	43,820				
Public Facilities- HVAC			64,196	16,619	14,057
Public Facilities- Roofing,Floor covering, etc.	6,828	7,700		83,986	
Public Facilities- Server Replacement	53,251				
Public Facilities- South Fire Assessments	22,470	2,530			
Public Facilities- Telephone System	77,125	4,337			
Public Facilities-Network Switch	23,431				
Public Safety- Defibrilators		76,653			
Public Safety- Ambulances			21,624	288,550	
Public Safety- Fire CBA Cylinders	179,868		22,053	4,656	3,291
Public Safety- Police Radio Equipment	99,000				4,755
Public Safety- Police Vehicles			99,983		
<b>Total Expenditures</b>	<b>\$ 505,793</b>	<b>\$ 1,251,221</b>	<b>\$ 544,856</b>	<b>\$ 1,184,679</b>	<b>\$ 211,468</b>



# Questions?