

AGENDA AND PUBLIC NOTICE CITIZEN TAX OVERSIGHT COMMITTEE

THERE WILL BE A PUBLIC MEETING OF THE
CITIZEN TAX OVERSIGHT COMMITTEE
ON APRIL 14, 2020 AT 9:30 AM.

VIRTUAL MEETING DIAL IN INSTRUCTIONS PROVIDED IN THE ATTACHMENT TO THIS AGENDA

1. Call to Order, Roll Call, and Overview of Virtual Meeting Process.
2. Opportunity for Public to be heard.
3. Approve Minutes (July 8 2019).
4. Finance Presentation and Discussion
 - a. Role of the Committee.
 - b. Review Town process and compliance
 - c. Forecasting of Revenue
 - d. Review of Budget and Uses of Infrastructure Surtax Funds
 - e. Audited Financial Reports of Infrastructure Surtax for the Fiscal Year Ended Sept 30, 2015 (FY15) through 2019 (FY19)
 - f. Project Commitments FY20
5. Review Draft of Memo to Town Commission
6. Committee Comments
7. Adjourn

Please be advised that the Florida Governor's Office has declared a State of Emergency due to the Coronavirus (COVID-19) pandemic. As reported by the Center for Disease Control and World Health Organization, COVID-19 can spread from person-to-person through small droplets from the nose or mouth, including when an individual coughs or sneezes. These droplets may land on objects and surfaces. Other people may contract COVID-19 by touching these objects or surfaces, then touching their eyes, nose or mouth. Therefore, merely cleaning facilities, while extremely important and vital in this crisis, may not be enough to stop the spread of this virus. Those with weakened immune systems may want to avoid the Town Commission's meeting in order to avoid a potential exposure to the virus.

While it is necessary to hold the above referenced meeting of the Citizens Tax Oversight Committee despite the current public health emergency, the Town fully encourages public participation in a safe and efficient manner. Toward that end, anyone wishing to listen to the meeting can do so by dialing into the above referenced virtual meeting. Additionally, the public can submit comments on agenda items to the Finance Director in advance at ssmith@longboatkey.org. Please submit comments on agenda items to the Finance Director no later than 8:45 a.m. on Monday, April 14, 2020, to facilitate the consideration of such questions and comments during the meeting.

No verbatim record by a certified court reporter is made of these proceedings. Accordingly, any person who may seek to appeal any decision involving the matters noticed herein will be responsible for making a verbatim record of the testimony and evidence at these proceedings upon which any appeal is to be based (see Section 286.0105, Fla. Stat.).

In accordance with the Americans with Disabilities Act and Section 286.26, F.S., persons needing a special accommodation to participate in this proceeding should contact the Town Clerk's office at 941-316-1999 forty-eight (48) hours in advance of this proceeding. If you are hearing impaired, please call 941-316-8719. No verbatim record by a certified court reporter is made of these proceedings. Accordingly, any person who may seek to appeal any decision involving the matters noticed herein will be responsible for making a verbatim record of the testimony and evidence at these proceedings upon which any appeal is to be based (see Section 286.0105, Fla. Stat.).

In accordance with the Americans with Disabilities Act and Section 286.26, F.S., persons needing a special accommodation to participate in this proceeding should contact the Town Clerk's office at 941-316-1999 forty-eight (48) hours in advance of this proceeding. If you are hearing impaired, please call 941-373-7002.

The April 14, 2020, Tax Oversight Committee public meeting will be conducted virtually. The Town encourages public participation in all of its public meetings, including those meetings that are held virtually.

To participate in the Tax Oversight Committee meeting on April 14, 2020, which begins at 9:30 a.m., you have the following options:

1. Listen to the meeting via phone

You may listen to the audio only from your phone by dialing 1-669-900-9128, and when the meeting ID is requested, enter 359 673 133 and then press the # key.

2. Watch the meeting and participate during the public comment in the meeting using Zoom:

Request to Speak instructions:

To request to speak during the virtual meeting, you must send an email request the Finance Director at ssmith@longboatkey.org on or prior to 8:45 AM on April 14, 2020, to be placed on a participant list. All Public to be Heard comments will be taken at the beginning of the meeting for both Agenda and Non-Agenda items.

Zoom instructions:

For the April 14, 2020, meeting, please use the meeting link <https://zoom.us/j/359673133> to virtually attend and watch the meeting by computer, tablet, or smartphone. Those whom have pre-registered to speak, will be called upon and the Town's 3-minute time limit will be enforced. If joining from a tablet or smartphone, you will need to download the free Zoom app from your device's app store. If joining from a computer, your computer will automatically download and install (if needed) the Zoom program. If you currently have Zoom installed on your computer, tablet, or smartphone, you may join the meeting by entering the meeting **ID 359 673 133**. In the event you encounter difficulties in participating, please check the Town's website for any updated information.

For additional information or assistance please contact the following prior to the meeting:

1. For public comment questions: Sue Smith, ssmith@longboatkey.org or (941) 316-6882
2. For questions on connecting to the meeting: Jason Keen, Information Technology Director, jkeen@longboatkey.org or (941) 316-1999.

3. Listen to the meeting via phone or watch the meeting using Zoom without participating, and provide public comments prior to the meeting:

Please follow all of the phone or zoom instructions, as provided in #1 or 2 above. In addition to listening or watching the meetings, you may also provide written comments by e-mailing the Finance Director at ssmith@longboatkey.org no later than 8:45 AM on April 14, 2020, or by regular mail at 501 Bay Isles Road, Longboat Key, FL, 34228. If requested by the commenter within the requestor's email, timely submitted written comments will be read into the record by the Finance Director during the public comment portion of the meeting. If not specifically requested within the written comments, all other written comments received by the deadline will be distributed to the Committee members prior to the start of the meeting. Time limits will be enforced for written comments that are read into the record, so all written comments must be limited to 3 minutes.

**MEETING MINUTES
TOWN OF LONGBOAT KEY
CITIZEN TAX OVERSIGHT COMMITTEE
MEETING
July 8, 2019**

At 9:30 AM on Monday, July 8, 2019, a public meeting of the Town of Longboat Key Citizen Tax Oversight Committee commenced in the Commission Chamber located in Town Hall, 501 Bay Isles Road, Longboat Key, Florida.

Members attending: Leonard Garner (Chair), Cheryl Loeffler, Christopher Carman, Kevin Magnus attended in person and Penny Gold attended by phone.

Also attending: Budget Analyst Sandi Henley, Accounting and Budget Manager Elizabeth Ramsden and Town Deputy Clerk Savannah Shield.

Leonard Garner opened the meeting at 9:30 AM and no members of the public were present.

- 1. SWEARING IN NEW APOINTEE.** New appointee Kevin Magnus was sworn in by Deputy Town Clerk Savannah Shield.
- 2. APPROVAL OF MINUTES.** Committee members reviewed the minutes of the 2018 meeting. A motion was made and seconded to accept the minutes and all members voted in favor.
- 3. FINANCE PRESENTATION AND DISCUSSION.** Discussion was led by Sandi Henley. Mr. Garner preceded Sandi's discussion to explain the new appointee a short description of the Tax Oversight committee functions. Sandi started the discussion with a review of the role of the committee, an explanation of what an infrastructure tax is, and a review of the permitted uses of the fund. Sandi noted that we are now in the third phase of the program which runs until the end of 2024. Sandi also provided background information of the previous years and where we are now. Sandi also explain what would come in the future and explain that the next round of infrastructure surtax uses will go out for referendum. Penny Gold asked what is the population trend, Sandi answered that the population maintains a steady trend. Sandi reviewed with the commission the budget for the Infrastructure III, Mr. Garner explained the rest of the board that the budget is determined by the County. Sandi also review with them the forecast. Kevin Magnus asked if the funds have a specific timeframe to be spent down each year. Sandi explained that we can carry a fund balance over as long as we fulfill the contract requirements of the period of time stipulated in the agreement. Mr. Garner also explained to Mr. Magnus that the Town Commission Board approves the spending and that the Tax Oversight Committee function is to make sure is spent correctly. Peggy Gold asked if we are looking into use any funds for the Arts Center. Sandi explained that the use is allowable,

but right now that is not being considered. Peggy Gold explained the role of the Ringling in the fundraising process and provided an update of the status of their involvement. Peggy also asked about how investments income is used. Sandi explained at a high level the Town invests according to Town policy and income is allocated through all the funds. Mr. Magnus also asked if the Town can make changes to the Infrastructure budget to spend down between categories. Sandi explained that its possible if it is approved by Town Commission through a Resolution (Public meeting).

4. **REVIEW DRAFT OF MEMO TO TOWN COMMISSION:** Sandi covered the audited funds expenditures draft memo to the commission. Leonard Garner made a motion to approve annual report and submit the Resolution to the Commission. The motion was seconded and all voted in favor.
5. **ADJOURNMENT:** A motion was made to adjourn which was seconded and passed. The meeting was adjourned at 9:58 AM.

Leonard Garner

Minutes Approved



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 II 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 |
| Revenue: | | | | | |
| 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 |
| Total Revenues | \$ 616,040 | \$ 642,375 | \$ 658,406 | \$ 690,224 | \$ 748,298 |
| Expenditures: | | | | | |
| 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 | | |
| Total Expenditures | \$ 505,793 | \$ 1,251,221 | \$ 544,856 | \$ 1,184,679 | \$ 211,468 |



TOWN OF LONGBOAT KEY

Questions?

MEMORANDUM

DATE: APRIL 14,2020

TO: TOWN COMMISSION

FROM: LEONARD GARNER, TAX OVERSIGHT COMMITTEE

SUBJECT: ANNUAL COMMITTEE REPORT

The Citizens Tax Oversight Committee held its annual meeting on April 14, 2020 9:30 am at 501 Bay Isles Road and reviewed the following:

1. Audited Results

The Accounting and Budget Manager reviewed the 2019 audited results of operations with the Citizens' Tax Oversight Committee which showed that the fund balance increased \$536,830 for a total fund balance of \$1,009,131 as follows:

| | Audited Actual FY2019 |
|---|--------------------------------------|
| Revenue: | |
| Infrastructure Surtax | \$725,744 |
| Net Investment Income | 22,554 |
| Total Revenue | \$748,298 |
| Expenditures: | |
| Public Facilities – Pickle Ball Courts | \$7,515 |
| Public Facilities – Tennis Courts Resurfacing | 137,023 |
| Public Facilities - Police Space Renovation | 2,624 |
| Public Facilities- Chamber Audio | 34,000 |
| Public Facilities- Fire Fitness Equipment | 8,203 |
| Public Facilities- HVAC | 14,057 |
| Public Safety- Fire CBA Cylinders | 3,291 |
| Public Safety – Police Audio Equipment | 4,755 |
| Total Expenditures | \$211,468 |
| Revenues over expenditures | \$536,830 |
| Fund Balance, Beginning | \$472,301 |
| Fund Balance, Ending | \$1,009,131 |

2. Town Process Compliance

The Citizen Tax Oversight Committee's role is to ensure the Town is complying with proper procedures with regards to the infrastructure surtax budget process.

The Committee has determined, based on the materials provided, that the Town has complied with the proper process regarding infrastructure surtax approvals.

The current budget covering Phase III Allocation of Funds for the period FY2009-FY2024 is presented below:

| <u>Project List</u> | <u>PHASE III ALLOCATION</u> |
|-------------------------------|--|
| Beach Nourishment | \$1,015,569 |
| Streets & Drainage | 0 |
| Park& Recreation Improvements | 2,922,000 |
| Canal Dredging | 900,000 |
| Public Safety | 3,803,168 |
| Public Facility Improvements | 922,000 |
| | <u>\$9,562,737</u> |

3. Project Commitments (Budget)

There have been no expenditures of Infrastructure Surtax funds except for items on the approved project list. The approved project list was developed as part of the five-year capital plan during the budget process and are shown below.

| | <u>Public Safety Improvements</u> | <u>Facility Improvements</u> | <u>Parks Improvements</u> | <u>Canal Dredging</u> |
|---------------------------------|--|---|--------------------------------------|----------------------------------|
| <u>FY 2018-19 BUDGET</u> | | | | |
| Task Chair Seating- Town Hall | | \$18,000 | | |
| HVAC Upgrades | | \$25,000 | | |
| Police-Flooring Replacement | | \$20,000 | | |
| Tennis Watering System Phase 1 | | | \$150,000 | |
| Rec Center Roof | | | \$25,000 | |
| Tennis Fencing | | | \$5,000 | |
| Rec Center Flooring | | | \$10,000 | |
| Pickleball Design | | | \$20,000 | |

| | <u>Public Safety Improvements</u> | <u>Facility Improvements</u> | <u>Parks Improvements</u> | <u>Canal Dredging</u> |
|---------------------------------|---------------------------------------|----------------------------------|-------------------------------|---------------------------|
| <u>FY 2019-20 BUDGET</u> | | | | |
| Aerial Fire Truck | \$850,000 | | | |
| Fire Rescue Ambulance | \$315,000 | | | |
| Portable Radios | \$10,000 | | | |
| Marine Patrol Pickup Truck | \$45,000 | | | |
| Tennis Court Resurfacing | | | \$10,000 | |
| Tennis Teaching Court | | | \$5,000 | |
| Pickleball Court | | | \$80,000 | |
| HVAC Upgrades/Replacement | | \$25,000 | | |

The Current budget is shown below with respective balances after FY2020 expenses have been paid, providing for a remaining budget of \$2,653,868 for future use.

| <u>Project List</u> | <u>PHASE III</u> | <u>AMOUNT EXPENDED OR COMMITTED</u> | <u>BALANCE</u> |
|-------------------------------|--------------------|---|--------------------|
| | <u>ALLOCATION</u> | <u>THROUGH FY20</u> | |
| 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 |
| | <u>\$9,562,737</u> | <u>\$6,908,869</u> | <u>\$2,653,868</u> |

4. Conclusion

The Citizens' Tax Oversight Committee has reviewed expenditures to ensure they are in accordance with the scope of the project budget and we have no findings to report to you at this time.

Leonard Garner
Citizens' Tax Oversight Committee