

M E M O R A N D U M

To: Town Commission

From: Howard Tipton, Town Manager
Sue Smith, Finance Director

Report date: August 30, 2023

Meeting date: September 11, 2023

Subject: Resolution 2023-24, Reallocation and Amendment of Revenues for Sarasota County Infrastructure Surtax (IST) Phase III FY10-FY24 Budget

Recommended Action

Pass Resolution 2023-24.

Background

The IST is a 1% sales tax collected on the first \$5,000 of the sale, use, lease, rental, or license to use any item of tangible personal property. The IST was originally approved by referendum and effective on September 1, 1989, for a ten-year period. It was renewed, (known as IST Phase II) on September 1, 1999, for another ten-year period. The Sarasota County Phase III Infrastructure Surtax referendum was passed in November of 2007 for revenue collection beginning in September 1, 2009, and continuing through December 31, 2024, a fifteen-year plus 3-month period. The Sarasota County Phase IV Infrastructure Surtax referendum was passed in November of 2022 for revenue collection beginning in January 1, 2025, and continuing through December 31, 2040, a fifteen-year period.

The Town provided the County with a list of areas to be funded with the anticipated Infrastructure Surtax revenue, as well as Project Titles, and probable amounts to be allocated to each as reflected in Exhibit "F" of the County Ordinance.

During the June 20, 2023, Special Workshop Meeting for the FY24 Budget, Town staff provided estimated projections of remaining Infrastructure Surtax Funds available for Infrastructure Surtax Phase III through December 2024. In addition, staff also reviewed requested projects in the five-year (FY24 through FY28) Capital Improvement Plan (CIP), for eligibility under the IST program and presented a five-year capital project list schedule with applicable IST Functional Categories (Parks and Recreation, Public Facilities, and Public Safety).

The amounts requested for Public Safety and Parks and Recreation in future years exceed the projected balances remaining in these categories in the IST 2010-2024 Budget by \$858,695 and \$390,381, respectively.

Sarasota County Ordinance 2007-087, Section 5.H. addresses the authorization of the local governing body to adopt changes to the local funding allocations. Each Local Governing Body shall have authority, after a public hearing, to adopt by Resolution

changes to the infrastructure projects to be funded and to reallocate its share of the Sales Tax proceeds.

The Town has previously made six amendments to Exhibit “F” of the Original Ordinance 2007-087, through the adoption of Resolution 2012-13, Resolution 2013-31, Resolution 2014-21, Resolution 2016-17, Resolution 2018-20, and Resolution 2021-13.

A revised calculation of actual revenue received and projected through the end of December 31, 2024, including actual sales tax, accumulated investment earnings, sales of capital assets, and other revenue sources will provide additional income to the Infrastructure Surtax III Fund, estimated at \$1,077,917. We recommend increasing the total 15-Year Budget by this amount to \$11,007,785.

Proposed Reallocation of Funds:

CATEGORIES	15 YEAR SURTAX FUNDING BUDGET	PROPOSED ADJUSTMENTS	REVISED BUDGET
Beach Management	\$300,000	-	\$300,000
Parks and Recreation	2,202,494	390,381	2,592,875
Canal Dredging	900,000	-	900,000
Public Safety	5,366,773	858,695	6,225,468
Public Facilities	1,160,601	(171,159)	989,442
Total	\$9,929,868	\$1,077,917	\$11,007,785

The seventh amendment to the IST 2010-2024 budget, shown above, is being proposed to add the additional revenue of \$1,077,917 and reallocate a balance of \$171,159 remaining in the Public Facilities to Public Safety in the amount of \$858,695 and Parks and Recreation Improvements of \$390,381 in order to fund the requested projects contained in the CIP.

Proposed Spend Down of Funds:

CATEGORIES	REVISED BUDGET	CUMULATIVE EXPENDITURES through FY22	FY23-FY25 CAPITAL PROGRAM	BALANCE
Beach Management	\$300,000	(\$300,000)	-	-
Parks and Recreation	2,592,875	(1,857,875)	(735,000)	-
Canal Dredging	900,000	(900,000)	-	-
Public Safety	6,225,468	(3,441,005)	(2,784,463)	-
Public Facilities	989,442	(795,644)	(193,798)	-
Total	\$11,007,785	(\$7,294,524)	(\$3,713,261)	-

The Town has expended \$7,294,524 through the FY22 audit. The current budget for FY23 and capital program for FY24 and FY25 for IST Phase III is \$3,713,261. A list of projects included in the FY23–FY25 Capital Program, applicable to Phase III Revenue sources, is available in the attached PowerPoint presentation. Any eligible Infrastructure projects exceeding this amount will be allocated to the Phase IV IST Program which begins January 1 2025.

Resolution 2023-24 is being presented at the September 11, 2023 Regular Meeting for public hearing and formal action.

Staff Recommendation

Pass Resolution 2023-24.

Attachments

- A. Resolution 2023-24
- B. Exhibit F
- C. PowerPoint presentation

RESOLUTION 2023-24

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, INCREASING THE SARASOTA COUNTY PHASE III LOCAL GOVERNMENT INFRASTRUCTURE SURTAX 15-YEAR BUDGET, AMENDING THE PHASE III FUNCTIONAL PROJECT CATEGORIES INCLUDED ON EXHIBIT F IN SARASOTA COUNTY ORDINANCE 2007-087, REALLOCATING FUNDS FROM THE PUBLIC FACILITIES TO PUBLIC SAFETY AND PARKS AND RECREATION IMPROVEMENTS FUNCTIONAL AREAS; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in 1997, Sarasota County enacted Ordinance 97-083 (the "County Ordinance") which provided for a one percent local government Infrastructure Sales Tax for the construction of infrastructure projects subject to referenda approval; and

WHEREAS, the voters within Sarasota County subsequently approved the Infrastructure Sales Tax (also known as Infrastructure Surtax); and

WHEREAS, pursuant to Section 212.055(2), Florida Statutes, Sarasota County voters approved the extension of Phase II of the Sales Tax be continued commencing September 1, 2009 through December 31, 2024, with the extension known as Phase III; and

WHEREAS, at the request of Sarasota County, the Town of Longboat Key provided the County with a list of areas to be funded with the anticipated Infrastructure Surtax revenue, as well as Project Titles, and probable amounts to be allocated to each as reflected in Exhibit "F" of the County Ordinance; and

WHEREAS, in accordance with Sarasota County Ordinance 2007-087, Section 5.H., each Local Governing Body shall have the authority, after a public hearing, to designate changes to the infrastructure projects to be funded and to reallocate its share of the sales tax; and

WHEREAS, the Town has previously made changes to Exhibit "F" through the adoption of Resolution 2012-13, Resolution 2013-31, Resolution 2014-21, Resolution 2016-17, Resolution 2018-20 and Resolution 2021-13; and

WHEREAS, during the fiscal year 2024 ("FY24") budget process, the Departments reviewed scheduled capital requests and adjusted estimated costs for supply chain issues and inflation, and certain projects were moved up in the schedule due to longer lead times for fleet replacement orders; and

WHEREAS, the revised capital projects requests for Public Safety and Parks and Recreation Improvements through fiscal year 2025, provided for in the FY24-FY28 Capital Improvement Plan, exceed the budgeted revenue sources allocated for these functional areas; and

WHEREAS, a revised calculation of actual revenue received and projected through the end of December 31, 2024, including actual sales tax, accumulated investment earnings, sale of capital assets and other revenue sources will provide additional income to the Infrastructure Surtax III Fund, estimated at \$1,077,917; and

WHEREAS, the Town Commission wishes to amend Exhibit “F” - “Functional Area” Improvements to Public Facilities, decreasing “Facilities Maintenance” from \$1,160,601 to \$989,442 a reduction of \$171,159; and

WHEREAS, the Town Commission wishes to amend Exhibit “F” - “Functional Area” for Parks and Recreation Improvements, increasing “Park and Recreation Improvements” from \$2,202,494 to \$2,592,875, an increase of \$390,381; and

WHEREAS, the Town Commission wishes to amend Exhibit “F” - “Functional Area” for Public Safety, increasing “Fire and Police Vehicles and Equipment” from \$5,366,773 to \$6,225,468, an increase of \$858,695; and

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY, FLORIDA, THAT:

SECTION 1. The above Whereas clauses are true and correct and are hereby ratified, confirmed and fully incorporated by reference.

SECTION 2. The Town Commission hereby amends Exhibit “F” of the Phase III Infrastructure Surtax program as reflected in Exhibit “A” attached to this Resolution by increasing the funding allocation for the Functional Area of Public Safety by \$858,695, increasing the Functional Area of Improvements to Parks and Recreation Improvements by \$390,381, and decreasing the Functional Area of Improvements to Public Facilities by \$171,159. Exhibit A is incorporated herein fully by reference.

SECTION 3. If any section, subsection, sentence, clause, or provision of this Resolution is held invalid, the remainder of the Resolution shall not be affected.

SECTION 4. This Resolution shall become effective immediately upon adoption.

Passed, following public hearing, by the Town Commission of the Town of Longboat Key, Florida, on the 11th day of September, 2023.

Kenneth Schneier, Mayor

ATTEST:

Trish Shinkle, Town Clerk

Exhibit A – Exhibit “F” of Sarasota County Ordinance 2007-087

EXHIBIT "A"

EXHIBIT "F"
 TOWN OF LONGBOAT KEY PROJECTS LIST
 FOR INFRASTRUCTURE SURTAX FY 2010 - FY 2024

CATEGORIES	PROJECT TITLE	CURRENT SURTAX FUNDING	SURTAX FUNDING REVISED	PROJECT IMPLEMENTATION DATE
COMPREHENSIVE BEACH MANAGEMENT	Longboat Key Beach Nourishment Project and Erosion Control Structures	\$300,000	\$300,000	2010 - 2025
	Comprehensive Beach Management Total	\$300,000	\$300,000	
STREETS and DRAINAGE	Street Resurfacing and Drainage Improvements	\$0	\$0	2010 - 2025
	Streets & Drainage Total	\$0	\$0	
PARKS and RECREATION IMPROVEMENTS	Parks & Recreation Improvements	\$2,202,494	\$2,592,875	2010 - 2025
	Parks & Recreation Total	\$2,202,494	\$2,592,875	
CANAL DREDGING	Dredging maintenance	\$900,000	\$900,000	2010 - 2025
	Canal Dredging Total	\$900,000	\$900,000	
PUBLIC SAFETY	Fire and Police Vehicles and Equipment	\$5,366,773	\$6,225,468	2010 - 2025
	Public Safety Total	\$5,366,773	\$6,225,468	
IMPROVEMENTS TO PUBLIC FACILITIES	Facilities Maintenance	\$1,160,601	\$989,442	2010 - 2025
	Public Facilities Improvements Total	\$1,160,601	\$989,442	
	Town of Longboat Key Infrastructure Surtax Project Grand Total	\$9,929,868	\$11,007,785	
	Town of Longboat Key Estimated Infrastructure Surtax Revenue FY 2010-FY 2024	\$9,929,868	\$11,007,785	



TOWN OF LONGBOAT KEY

Resolution 2023-24 Infrastructure Surtax Phase III Budget Amendment

Town Commission Regular Meeting
September 11, 2023



Sarasota Infrastructure Surtax

- 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 rate varies in each county
 - Sarasota County 1%
 - Manatee County .5% (Effective Jan 1, 2017)
- Proceeds are distributed to municipalities based on population



Background

- Sarasota County established the 1% Tax by Referendum
 - Ordinance 89-040 – Term of 10 years (9/1/89-8/31/99)
 - Ordinance 97-083 – 10 Year Renewal (9/1/99-8/31/08)
 - Ordinance 2007-087 – 15 Year Renewal (9/1/09-12/31/24)
 - Ordinance 2022-001 – 15 Year Renewal (1/1/25-12/31/40)
- Sarasota County Ordinances provide an estimate of revenues and proposed Project Lists for the County and all municipalities in a 15 year budget
- Longboat Key’s Project List is shown as “Exhibit F” in Ordinance
- Any Amendments to “Exhibit F” are approved through Town Resolutions
- Manatee County established .5% Tax by Referendum
 - Ordinance 16-35 – Term of 15 years (Jan 1, 2017-Dec 31, 2031)



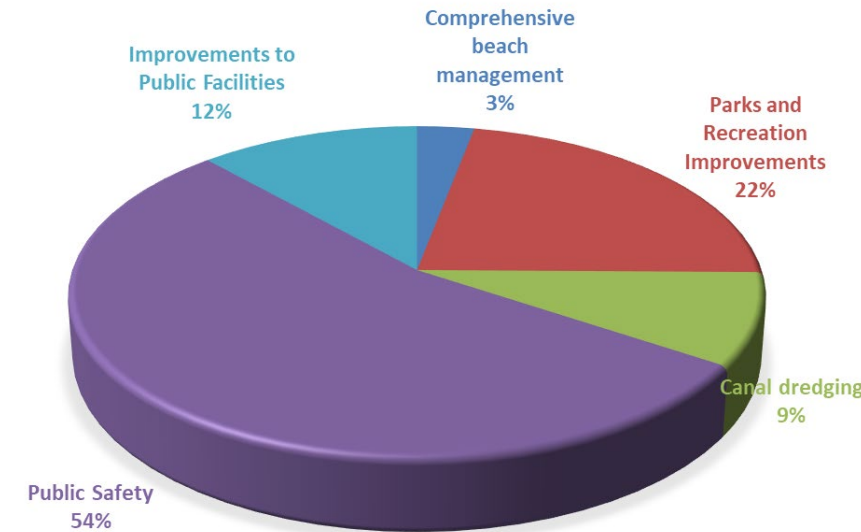
Infrastructure Surtax III Categories and Current Budget (as Amended)

Functional categories

Current 15 Year Budget for functional areas-Phase III:

1. Comprehensive beach management	\$ 300,000
2. Parks and Recreation Improvements	\$2,202,494
3. Canal dredging	\$ 900,000
4. Public Safety Vehicles and Equipment	\$5,366,773
5. Improvements to Public Facilities	<u>\$1,160,601</u>
Total	\$9,929,868

IST PHASE III BUDGET



Phase III began September 2009 and ends December 31, 2024
Updated Projected Revenue estimated to reach \$11 million by Dec 2024.



TOWN OF LONGBOAT KEY

Infrastructure Surtax Phase III History of Budget Amendments

EXHIBIT F HISTORY		ORIGINAL	FY2012	FY2014	FY2014	FY2016	FY2018	FY2021
CATEGORIES	PROJECT TITLE	SURTAX FUNDING	Recession Budgetary Adjustment RES 2012-13	Reallocation between projects RES 2013-31	Adjusted revenues investment income RES 2014-21	Reallocation between projects RES2016-17	Revised based on Growth in Sales tax RES 2018-20	Revised Revenue and Reallocation between projects RES 2021-13
				SURTAX FUNDING	SURTAX FUNDING	SURTAX FUNDING	SURTAX FUNDING	SURTAX FUNDING
COMPREHENSIVE BEACH MANAGEMENT	Longboat Key Beach Nourishment Project 2014 and Erosion Control Structures	\$3,529,636	\$ (1,699,067)	\$1,830,569	\$ (100,000)	\$1,730,569	\$ (715,000)	\$1,015,569
	Comprehensive Beach Management Total	\$3,529,636		\$1,830,569		\$1,730,569		\$1,015,569
STREETS and DRAINAGE	Street Resurfacing and Drainage Improvements	\$1,000,000	\$ (1,000,000)	\$0	\$ -	\$0		\$0
	Streets & Drainage Total	\$1,000,000		\$0		\$0		\$0
PARKS and RECREATION IMPROVEMENTS	Parks & Recreation Improvements	\$3,000,000	\$ -	\$3,000,000	\$ (78,000)	\$2,922,000		\$2,922,000
	Parks & Recreation Total	\$3,000,000		\$3,000,000		\$2,922,000		\$2,922,000
CANAL DREDGING	Dredging maintenance	\$2,000,000	\$ (1,000,000)	\$1,000,000	\$ (100,000)	\$900,000		\$900,000
	Canal Dredging Total	\$2,000,000		\$1,000,000		\$900,000		\$900,000
PUBLIC SAFETY	Fire and Rescue Capital Vehicle Acquisitions	\$2,000,000	\$ (1,065,000)	\$935,000	\$ 356,000	\$1,291,000	\$ 297,168	\$1,588,168
	Public Safety Total	\$2,000,000		\$935,000		\$1,291,000	\$ 715,000	\$1,588,168
IMPROVEMENTS TO PUBLIC FACILITIES	Facilities Maintenance	\$1,000,000		\$1,000,000	\$ (78,000)	\$922,000		\$922,000
	Public Facilities Improvements Total	\$1,000,000		\$1,000,000		\$922,000		\$922,000
	Town of Longboat Key Infrastructure Surtax Project Grand Total	\$12,529,636	\$ (4,764,067)	\$7,765,569	\$ -	\$7,765,569	\$ 297,168	\$8,062,737
	Town of Longboat Key Infrastructure Surtax Revenue FY2010-FY2024	\$12,529,636		\$7,765,569		\$7,765,569	\$ -	\$8,062,737

Sarasota Infrastructure Surtax Phase III Projects FY23 - FY25

	<u>FY23 Projects</u>	<u>FY 24 Projects</u>	<u>FY 25 Projects</u>	<u>Total</u>
Public Facilities:				
Police Roof/Window Restoration	\$ 10,970	\$ -	\$ -	\$ 10,970
Recreation Center Roof	35,000	-		35,000
HVAC Upgrades	97,829	25,000	25,000	147,829
	143,799	25,000	25,000	193,799
Parks and Recreation:				
Tennis Fencing	340,000	-		340,000
Tennis Canopies			20,000	20,000
Quick Point Park Connectivity Study		50,000		50,000
Dog Park - Artificial Turf		175,000		175,000
Transfer to Parks Fund-Recreation Center Planning		100,000		100,000
Tennis Center Improvements		35,000		35,000
Tennis Canopies	15,000	-		15,000
	355,000	360,000	20,000	735,000
Public Safety:				
Fire-Fire Truck		850,000		850,000
Fire-Defibrillator Replacement		40,000	40,000	80,000
Fire-Extrication Equipment	15,909	10,000	25,000	50,909
Fire-Jetski and Trailer	19,717			19,717
Fire-Fire Command Vehicle	57,918			57,918
Fire-Ambulance	350,000			350,000
Fire-Portable Radios	10,000	26,000		36,000
Fire-Hose	10,000			10,000
Fire-Communication Equipment			105,000	105,000
Fire-Stretchers	61,024			61,024
Fire-Express Cargo Trailer	5,000			5,000
Fire-Fire Marshal Hybrid Vehicle	25,128			25,128
Fire-Powerlift for Stretchers			54,500	54,500
Police-Police Patrol Cars	459,000	124,000	229,218	812,218
Police-Police Patrol Car MDTs	90,000			90,000
Police-Patrol Car Equipment	3,161			3,161
Police-License Plate Recognition System	49,130			49,130
Police - In Car Cameras	63,000			63,000
Pooice - In Car Cradles	25,000			25,000
Police-Crime Scene Van	36,757			36,757
	1,280,744	1,050,000	453,718	2,784,462
Total Infrastructure Fund	\$ 1,779,543	\$ 1,435,000	\$ 498,718	\$ 3,713,261

Capital Projects FY23-FY25

Public Safety Projects of \$2,784,462 exceed the amount of money available in this category by \$858,695

Parks and Recreation Projects of \$735,000 exceed the amount of money available in this category by \$390,381.

Public Facilities has more money budgeted than required by \$171,159.

A Resolution is being proposed to reallocate \$171,159 from Public Facilities and add \$1,077,917 of revenue to the 15 Year Plan.



Sarasota Infrastructure Surtax Ph III Fund 15 Year Plan Covering FY10 – FY24

TOWN OF LONGBOAT KEY

EXHIBIT F TOWN OF LONGBOAT KEY PROJECTS LIST - PHASE III SARASOTA INFRASTRUCTURE SURTAX FY 2010 - FY 2024									
CATEGORIES	15 YEAR SURTAX FUNDING BUDGET	PROPOSED ADJUSTMENTS for FY24	REVISED BUDGET	CUMULATIVE EXPENDITURES FY22	FY22 SURTAX REMAINING 9/30/2022	FY23 CAPITAL PROGRAM	FY 24 CAPITAL PROGRAM	FY 25 CAPITAL PROGRAM	Updated 6/7/2023
									BALANCE
COMPREHENSIVE BEACH MANAGEMENT	\$ 300,000	\$ -	\$ 300,000	\$ (300,000)	\$ -	\$ -	\$ -	\$ -	\$ -
STREETS and DRAINAGE	-	-	-	-	-	-	-	-	\$ -
PARKS and RECREATION IMPROVEMENTS	2,202,494	390,381	2,592,875	(1,857,875)	735,000	(355,000)	(360,000)	(20,000)	\$ -
CANAL DREDGING	900,000	-	900,000	(900,000)	-	-	-	-	\$ -
PUBLIC SAFETY	5,366,773	858,695	6,225,468	(3,441,005)	2,784,463	(1,280,745)	(1,050,000)	(453,718)	\$ -
IMPROVEMENTS TO PUBLIC FACILITIES	1,160,601	(171,159)	989,442	(795,644)	193,798	(143,798)	(25,000)	(25,000)	\$ -
SARASOTA Infrastructure Surtax Project Totals	\$ 9,929,868	\$ 1,077,917	\$ 11,007,785	\$ (7,294,524)	\$ 3,713,261	\$ (1,779,543)	\$ (1,435,000)	\$ (498,718)	\$ -

- The requests for Public Safety and Parks/Recreation in the future years exceed the balances remaining by \$858,695 and \$390,381 respectively.
- A Resolution is being proposed to reallocate \$171,159 from Public Facilities and add \$1,077,917 of revenue to the 15 Year Plan.
- Additional income of \$1,077,917 was added based on accumulated collections and latest projections through Dec 2024 including the sale of capital assets and investment earnings added to the fund.

End of Agenda Item