



CITIZEN TAX OVERSIGHT COMMITTEE AND INFRASTRUCTURE SURTAX

2017



WHAT IS INFRASTRUCTURE TAX?

- The infrastructure surtax is a one-cent sales tax that funds many capital improvement projects for Sarasota County, the School District and the municipalities of Sarasota, Venice, North Port and Longboat Key.
- It is imposed by most Florida counties (also called a local option county sales tax).
- Rates vary: Sarasota 1%
Manatee .5% (Effective Jan 1, 2017)
- Proceeds are distributed to Longboat Key based on population.
- Expenditures shall comply with Florida Section 212.055 (2).



HISTORY

- **Sarasota County Ordinance 97-083** (Established the 1% tax)
 - Duration -10 Years – FY1999 to FY2009
- **Sarasota County Ordinance 2007-087** (Renewal)
 - Duration – 15 Years – FY2010 – FY2025
- **Manatee County Ordinance 16-35** (Established the .5% tax)
 - Duration – 15 Years – Jan 1 2017 through Dec 31, 2031
 - Resolution R-16-128 establishes a County Oversight Committee and encourages local municipalities to do the same, but is not required

County provided an estimate of revenues and municipalities created and submitted a 15 Year Budget



ROLE OF CITIZENS OVERSIGHT COMMITTEE

Formed in 1998 (Resolution 98-04) in Accordance with
Sarasota County Ordinance 97-083 and 2007-087

Committee is tasked with:

1. Annual Review of expenditures from sales tax proceeds to ensure they are in accordance with the project list and any changes thereto;
2. 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;
3. Report the Committee's findings to the Town Commission



REVIEW OF INFRASTRUCTURE SURTAX PHASE III

- Phase III Revenue collections begin September 1, 2009 and end December 31, 2024 estimated at \$8,062,737 (over 15 years).
- Town sets aside all revenue in a special revenue fund.
- Expenditure Budget is put in place for certain functional areas:
 1. Comprehensive beach management
 2. Streets and Drainage
 3. Parks and Recreation Improvements
 4. Canal dredging
 5. Public Safety
 6. Improvements to Public Facilities



LONGBOAT KEY 15 YR BUDGET

EXHIBIT F

TOWN OF LONGBOAT KEY PROJECTS LIST - PHASE III INFRASTRUCTURE SURTAX FY 2010 - FY 2024

Updated: 05/06/2017

CATEGORIES	PROJECT TITLE	SURTAX FUNDING BUDGET	CUMULATIVE EXPENDITURES	SURTAX REMAINING	PROJECTED FY 17 EXPENDITURES	SURTAX REMAINING
COMPREHENSIVE BEACH MANAGEMENT	Longboat Key Beach Nourishment Project and Erosion Control Structures	\$ 1,015,569	\$ (300,000)	\$ 715,569	\$ -	\$ 715,569
STREETS and DRAINAGE	Street Resurfacing and Drainage Improvements	-	-	-	-	-
PARKS and RECREATION IMPROVEMENTS	Parks & Recreation Improvements	2,922,000	(994,040)	1,927,960	(337,000)	1,590,960
CANAL DREDGING	Dredging maintenance	900,000	(200,000)	700,000	-	700,000
PUBLIC SAFETY	Fire and Police Vehicles and Equipment	2,303,168	(1,516,511)	786,657	(445,000)	341,657
IMPROVEMENTS TO PUBLIC FACILITIES	Facilities Maintenance	922,000	(399,935)	522,065	(135,000)	387,065
Infrastructure Surtax Project Grand Total Through 2024		\$ 8,062,737	\$ (3,410,486)	\$ 4,652,251	\$ (917,000)	\$ 3,735,251



PERMITTED USES OF FUNDS

- To finance, plan and construct capital assets and infrastructure
- To acquire land for public recreation, land conservation or protection of natural resources
- 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.*



FY17 USES OF FUNDS

Park and Recreation (Transfer Out)

Budget Amount \$300,000

Bayfront Park Renovation, estimated at \$3.9 million, is a Town and Sarasota County collaboration to improve the Park. The County will contribute \$2 million and the Town's share is being funded by other grants, Infrastructure Surtax, beach funds and available fund balance. The project includes shade structures, playground, additional restrooms, paddle sport launch and storage, fishing piers, mangrove walks, open space / play field, dog park, walking paths, bay front pavilions, covered picnic areas, landscape buffer and ADA Beach access.

Ambulance

Budget Amount \$315,000

Replacement of the 2003 Medic master.

Police Building Improvements

Budget Amount \$20,000

Long term structural strengthening on the Police Building. This includes shutters and tie downs.

HVAC Upgrade/replacement

Budget Amount \$50,000

Scheduled Replacement/upgrades of HVAC systems at Town owned facilities.

Police HVAC replacement

Budget Amount \$30,000

The Police Department building is need of new AC handlers.



FY17 USES OF FUNDS

Police Patrol Vehicles

Budget Amount \$100,000

Three Police Department patrol vehicles are scheduled for replacement annually. Patrol cars experience higher wear and tear due to constant idling to support electrical equipment.

Police roof replacement

Budget Amount \$35,000

The Police Department building needs replacement of the single flat membrane roof.

Tennis Center fencing

Budget Amount \$7,000

Fencing for 590 and 561 Bay Isles Rd.

Tennis Center court resurfacing

Budget Amount \$30,000

The tennis Har-Tru clay courts 1-6 need resurfacing.

Radio Enhancements

Budget Amount \$30,000

The Police are having difficulty with lost signals on certain areas of the Key and plans to use repeaters to enhance communication.

Total projected FY17 Expenditures including carryovers

\$917,000



REVENUE – PHASE III SINCE INCEPTION

Sarasota County		using lower confidence bound 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		637,093	actual	
2018		651,316	forecast	2%
2019		667,073	forecast	2%
2020		683,678	forecast	2%
2021		700,840	forecast	3%
2022		718,405	forecast	3%
2023		736,277	forecast	2%
2024		754,395	forecast	2%
	\$	9,498,849		
Current 15 Yr Budget		8,062,737		
	\$	1,436,112		

- Average annual surtax revenue is about \$559,000 since 2010.
- Using an excel forecasting model, the estimated Sarasota County surtax revenue is projected to increase by 7% from 2017 to 2024. (\$4.6 million since inception and another \$4.9 million projected.)
- We have the potential to add another \$1.4 million in spending to our 15 year budget.



TOWN OF LONGBOAT KEY INFRASTRUCTURE FUND (FY14 –FY16)

	Audited Actual <u>FY2013-2014</u>	Audited Actual <u>FY2014-15</u>	Audited Actual <u>FY2015-16</u>
Revenue:			
Infrastructure Surtax	\$ 567,058	\$ 604,404	\$ 638,229
Net Investment Income	<u>4,869</u>	<u>11,636</u>	<u>4,146</u>
Total Revenue	571,927	616,040	642,375
Expenditures:			
Public Facilities - Generator Replacement		43,820	
Public Facilities - CISCO Network Switch		23,431	
Public Facilities - Telephone System		77,125	4,337
Public Facilities - Server Replacement	85,907	53,251	
Public Facilities - Improvements	7,426		
Public Facilities - Floor Coverings	3,851	6,828	7,700
Public Facilities - South Fire Assessment		22,470	2,530
Parks/Rec- Transfer to Bayfront Park			960,000
Canals - Transfer to Canal Fund			200,000
Public Safety-Fire SCBA Cylinders		179,868	
Public Safety - Police Vehicles	214,916		
Public Safety - Defibrillators			76,653
Public Safety - Police Radio Equipment	-	99,000	-
Total Expenditures	<u>312,100</u>	<u>505,793</u>	<u>1,251,220</u>
Revenues over expenditures	<u>259,827</u>	<u>110,247</u>	<u>(608,845)</u>
Fund Balance, Beginning	1,091,978	1,351,803	1,462,050
Fund Balance, Ending	<u>\$ 1,351,805</u>	<u>\$ 1,462,050</u>	<u>\$ 853,205</u>



TOWN OF LONGBOAT KEY

REVIEW OF INFRASTRUCTURE SURTAX PHASE III FY2016-17 BUDGET PROCESS

RESOLUTION 2016-17				
TOWN OF LONGBOAT KEY PROJECTS LIST - PHASE III				
INFRASTRUCTURE SURTAX FY 2010 - FY 2024				
RESOLUTION 2016-17	PROJECT TITLE	REMAINING BUDGET	FY 2016 AMENDMENT	AMENDED SURTAX BUDGET
COMPREHENSIVE BEACH MANAGEMENT	Longboat Key Beach Nourishment Project and Erosion Control Structures	\$ 1,430,569	\$ (715,000)	\$ 715,569
PUBLIC SAFETY	Fire and Police Vehicles and Equipment	71,657	715,000	\$ 786,657

During the FY2016-17 budget workshops, we discussed that the Infrastructure funds available for Public Safety Vehicles and Equipment would be 100% expended by the end of FY2017. The Town Commission adopted Resolution 2016-17 which reallocated \$715,000 from the functional category of Comprehensive Beach Management to Public Safety. The beach project has several funding sources available to accomplish the project, while public safety vehicles and equipment require ad valorem taxes in order to purchase them. With the Public Safety functional category completely expended, there would have been a growing burden on the General Fund budget moving forward.



15 YR BUDGET AND PROJECTED ENDING BALANCES SEPT 30, 2017

EXHIBIT F

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