

M E M O R A N D U M

To: Town Commission

From: Tom Harmer, Town Manager
Sue Smith, Finance Director

Report date: June 21, 2021

Meeting date: July 2, 2021

Subject: Resolution 2021-13, Reallocation and Amendment of Revenues for Sarasota County Infrastructure Surtax (IST) Phase III FY10-FY24 Budget

Recommended Action

Pass Resolution 2021-13.

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 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 May 18, 2021 Special Workshop Meeting for the FY22 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 (FY22 through FY26) 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 Public Facilities in future years exceed the projected balances remaining in these categories in the IST 2010-2024 Budget, by \$1,563,605 and \$238,601, 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 changes 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, and Resolution 2018-20.

A sixth amendment to the IST 2010-2024 budget is being proposed to reallocate Infrastructure Surtax Phase III balances remaining in Beach Management and Parks and Recreation Categories to the Public Safety and Public Facilities Categories in order to complete the requested projects contained in the CIP.

This amendment leaves \$310,000 available for use in the Parks & Recreation Function. In order to provide that balance, the five year CIP was amended to move the Police Communication Equipment to IST Phase IV.

In addition, based on cumulative receipts and estimated projected growth, the budget is being increased \$367,131. The fund earned investment income and received proceeds from the sale of surplus assets that were paid with IST funds.

Further amendments may be necessary for future changes in the five-year Capital Plan and for the close out of Phase III.

Proposed Reallocation of Funds:

PUBLIC SAFETY	\$1,563,605
PUBLIC FACILITIES	238,601
COMPREHENSIVE BEACH MANAGEMENT	(715,569)
PARKS AND RECREATION IMPROVEMENTS	<u>(719,506)</u>
NET INCREASE TO BUDGET	\$367,131

Resolution 2021-13 is being presented at the July 2, 2021 Regular Meeting for public hearing and formal action.

Staff Recommendation

Pass Resolution 2021-13.

Attachments

- A. Resolution 2021-13 (Available in Town Clerk’s Office)
- B. Exhibit F (Available in Town Clerk’s Office)
- C. PowerPoint presentation (Available in Town Clerk’s Office)

RESOLUTION 2021-13

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, INCREASING THE SARASOTA COUNTY PHASE III LOCAL GOVERNMENT INFRASTRUCTURE SURTAX BUDGET, AMENDING THE PHASE III FUNCTIONAL PROJECT CATEGORIES INCLUDED ON EXHIBIT F IN SARASOTA COUNTY ORDINANCE 2007-087, REALLOCATING THE COMPREHENSIVE BEACH MANAGEMENT AND PARKS AND RECREATION REMAINING FUNDS TO PUBLIC SAFETY AND PUBLIC FACILITIES; 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 referendum 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, and Resolution 2018-20; and

WHEREAS, the requested capital projects for Public Safety and Public Facility Improvements exceed the revenue sources available as provided for in the Capital Improvement Plan FY22 through FY26; and

WHEREAS, a revised projection of revenue through the end of December 31, 2024, including accumulated investment income and other revenue sources will provide additional income to the Infrastructure Surtax III Fund, estimated at \$367,131; and

WHEREAS, the Town Commission wishes to amend Exhibit "F" - "Functional Area" Comprehensive Beach Management, decreasing "Longboat Key Beach Nourishment Project and Erosion Control Structures" from \$1,015,569 to \$300,000, a reduction of \$715,569; and

WHEREAS, the Town Commission wishes to amend Exhibit “F” - “Functional Area” for Parks and Recreation Improvements, decreasing “Park and Recreation Improvements” from \$2,922,000 to \$2,202,494, a reduction of \$719,506; and

WHEREAS, the Town Commission wishes to amend Exhibit “F” - “Functional Area” for Public Safety, increasing “Fire and Police Vehicles and Equipment” from \$3,803,168 to \$5,366,773, an increase of \$1,563,605; and

WHEREAS, the Town Commission wishes to amend Exhibit “F” - “Functional Area” for Improvements to Public Facilities, increasing “Facilities Maintenance” from \$922,000 to \$1,160,601, an increase of \$238,601.

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 by increasing the funding allocation for the Functional Area of Public Safety by \$1,563,605, increasing the Functional Area of Improvements to Public Facilities by \$238,601, decreasing the Functional Area of Comprehensive Beach Management by \$715,569, and decreasing the Functional Area of Parks and Recreation Improvements by \$719,506.

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 2nd day of July, 2021.

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	\$1,015,569	\$300,000	2010 - 2024
	Comprehensive Beach Management Total	\$1,015,569	\$300,000	
STREETS and DRAINAGE	Street Resurfacing and Drainage Improvements	\$0	\$0	2010 - 2024
	Streets & Drainage Total	\$0	\$0	
PARKS and RECREATION IMPROVEMENTS	Parks & Recreation Improvements	\$2,922,000	\$2,202,494	2010 - 2026
	Parks & Recreation Total	\$2,922,000	\$2,202,494	
CANAL DREDGING	Dredging maintenance	\$900,000	\$900,000	2010 - 2026
	Canal Dredging Total	\$900,000	\$900,000	
PUBLIC SAFETY	Fire and Police Vehicles and Equipment	\$3,803,168	\$5,366,773	2010 - 2026
	Public Safety Total	\$3,803,168	\$5,366,773	
IMPROVEMENTS TO PUBLIC FACILITIES	Facilities Maintenance	\$922,000	\$1,160,601	2010 - 2026
	Public Facilities Improvements Total	\$922,000	\$1,160,601	
	Town of Longboat Key Infrastructure Surtax Project Grand Total	\$9,562,737	\$9,929,868	
	Town of Longboat Key Estimated Infrastructure Surtax Revenue FY 2010-FY 2024	\$9,562,737	\$9,929,868	