

MEMORANDUM

DATE: MARCH 12, 2021

TO: TOWN COMMISSION

FROM: CHRISTOPHER CARMAN, TAX OVERSIGHT COMMITTEE

SUBJECT: ANNUAL COMMITTEE REPORT

The Citizens Tax Oversight Committee held its annual meeting on March 12, 2021 10:00 am in a public meeting and reviewed the following:

1. Audited Results

The Budget Manager reviewed the 2020 audited results of operations with the Citizens' Tax Oversight Committee which showed that the fund balance decreased \$595,695 for a total fund balance of \$413,437 as follows:

	Audited Actual FY2020
Revenue:	
Infrastructure Surtax	\$707,970
Proceeds from Sale of Fixed Assets	26,350
Net Investment Income	9,826
Total Revenue	<hr/> \$744,146
Expenditures:	
Public Facilities – Roof Replacement	\$53,539
Parks and Recreation– Tennis Courts Resurfacing	25,817
Parks and Recreation– Pickleball Courts	43,939
Public Safety- Police; Marine Patrol Pickup (Tow Police Boat)	44,000
Public Safety- Fire; Communication Equipment	44,902
Public Safety- Fire; Ambulance	277,644
Public Safety – Fire; Aerial Fire Truck	850,000
Total Expenditures	<hr/> \$1,339,841
Expenditures over revenues	<hr/> <hr/> \$595,695
Fund Balance, Beginning	\$1,009,132
Fund Balance, Ending	\$413,437

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>	PHASE III ALLOCATION
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	<u>922,000</u>
	<u><u>\$9,562,737</u></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>FY 2019-20 BUDGET</u>	<u>Public Safety Improvements</u>	<u>Facility Improvements</u>	<u>Parks Improvements</u>	<u>Canal Dredging</u>
Aerial Fire Truck	\$850,000			
Fire Rescue Ambulance	\$315,000			
Portable Radios	\$10,000			
Marine Patrol Pickup Truck	\$45,000			
HVAC Upgrades/Replacement		\$25,000		
Tennis Court Resurfacing			\$10,000	
Tennis Teaching Court			\$5,000	
Pickleball Court			\$80,000	

	<u>Public Safety Improvements</u>	<u>Facility Improvements</u>	<u>Parks Improvements</u>	<u>Canal Dredging</u>
<u>FY 2020-21 BUDGET</u>				
Crime Scene/Evidence Van	\$30,000			
Defibrillator	\$35,000			
Boat Motors-Police (Boston Whaler)	\$20,000			
Gear Extractor-Fire	\$25,000			
HVAC Upgrades		\$25,000		
Tennis Watering System			\$178,831	
Tennis Center Monument Sign/Landscape			\$15,000	
Tennis Court Resurfacing			\$12,000	

The Current budget is shown below with respective balances after FY2021 budgeted expenses have been paid, providing for a remaining budget of \$2,447,674 for future use.

<u>Project List</u>	<u>AMOUNT EXPENDED OR COMMITTED</u>		<u>BALANCE</u>
	<u>PHASE III ALLOCATION</u>	<u>THROUGH FY21</u>	
Beach Nourishment	\$1,015,569	\$300,000	\$715,569
Streets & Drainage	0	0	0
Park& Recreation Improvements	2,922,000	1,772,494	1 149 506
Canal Dredging	900,000	900,000	0
Public Safety	3,803,168	3,287,968	515,200
Public Facility Improvements	922,000	854,601	67,399
	<u>\$9,562,737</u>	<u>\$7,115,063</u>	<u>\$2,447,674</u>

4. Conclusion

The Citizens' Tax Oversight Committee has reviewed, but has not verified actual, expenditures, subject to the final audit report to be issued, 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.

Christopher Carman
Citizens' Tax Oversight Committee

Citizen Tax Oversight Committee and Infrastructure Surtax

March 12, 2021



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 FY21	AMOUNT REMAINING
Beach Nourishment	\$1,015,569	\$300,000	\$715,569
Streets & Drainage	0	0	0
Park & Recreation Improvements	2,922,000	1,772,494	1,149,506
Canal Dredging	900,000	900,000	0
Public Safety	3,803,168	3,287,968	515,200
Public Facility Improvements	922,000	854,601	67,399
	\$9,562,737	\$7,115,063	\$2,447,674



FY21 Uses of Funds

PUBLIC SAFETY

- **Crime Scene / Evidence Van** Budget Amount \$30,000
Scheduled replacement of Crime Scene Van.
- **Fire/Rescue Gear Extractor** Budget Amount \$35,000
Equipment to clean the fire gear after a fire or Haz-mat incident which removes the toxins in the fire gear.
- **Defibrillators** Budget Amount \$10,000
Scheduled replacement and upgrade of heart monitors and defibrillators used on the ALS units.
- **Police Boat Motors** Budget Amount \$20,000
Scheduled replacement of boat motors on the 24' Marine Patrol Boat, replaced every two years.



FY21 Uses of Funds (Continued)

PARKS AND RECREATION

- **Tennis Court Resurfacing** Budget Amount \$12,000
Periodic resurfacing schedule for tennis courts.
- **Tennis Court Watering System** Budget Amount \$178,831
Replacement of court underground watering system originally installed in 1998.
- **Tennis Center Monument Sign/Landscape** Budget Amount \$15,000
Expansion of pickleball courts at Bayfront Park

PUBLIC FACILITIES

- **HVAC Upgrades/Replacement** Budget Amount \$25,000
Ongoing replacement/upgrade of facilities HVAC Systems as necessary



History of Audited Expenditures FY2016-FY2020

TOWN OF LONGBOAT KEY

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual
Fiscal Year 2016-2020	FY2015-2016	FY2016-2017	FY2017-2018	FY2018-2019	FY2019-2020
Revenue:					
Infrastructure Surtax	\$ 638,229	\$ 653,046	\$ 685,829	\$ 725,744	\$ 707,970
Proceeds from Sale of Fixed Assets	0	0	0	0	26,350
Net Investment Income	4,146	5,360	4,395	22,554	9,826
Total Revenues	\$ 642,375	\$ 658,406	\$ 690,224	\$ 748,298	\$ 744,146
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	43,939
Parks/Rec- Tennis Court Resurfacing		29,734	15,529	137,023	25,817
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- HVAC		64,196	16,619	14,057	
Public Facilities- Roofing, Floor covering, etc.	7,700		83,986		53,539
Public Facilities- South Fire Assessments	2,530				
Public Facilities- Telephone System	4,337				
Public Safety- Defibrilators	76,653				
Public Safety- Ambulances		21,624	288,550		277,644
Public Safety- Fire Trucks					850,000
Public Safety- Fire CBA Cylinders		22,053	4,656	3,291	
Public Safety - Fire Radio Equipment					44,902
Public Safety- Police Radio Equipment				4,755	
Public Safety- Police Vehicles		99,983			\$ 44,000
Total Expenditures	\$ 1,251,221	\$ 544,856	\$ 1,184,679	\$ 211,468	\$ 1,339,841



Future Phase IV

- **Sarasota County will ask the voters to approve Phase IV which would extend the surtax to 2039.**
- **We have begun preparing our project list to submit to the County in March 2022 as they prepare for a referendum.**
- **The Town Commission will be receiving an update from the Town Manager in April or May 2021.**
- **There will be a discussion with the Town Commission at the October 2021 Workshop Meeting.**



Questions?