

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)

End of Agenda Item