



CITY OF BELLE ISLE, FL

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MEMORANDUM

From the Desk of Bob Francis, City Manager

To: City Council

Date: April 19, 2022

Re: Council Questions on proposed County Sale Tax Initiative and Response from County

As a result of the Council Workshop on March 29, 2022, there were several questions that the Council wanted answered by the County. I contacted the County and received responses from County Administrator Byron Brooks.

Question: The City is listed as receiving an estimated \$862,000 annually. The City has \$1.6 million in projects. Once the City does its projects and may not have any additional capital projects, will the City continue to receive the \$862,000 for O&M? If so, since we cannot "stockpile" this funding, will our allocation be reduced or be stopped prior to the 20/30 year period. If so, what happens to that money? The Council would not want to have residents continue to pay the tax if we are not going to continue to receive it.

Response: The City Revenue Allocation chart shows the formula or methodology of how funds would be made available to the Cities. As you may recall, after much discussion with the Mayors and City Administrators in 2020 about the Cities' desire to have a firm commitment of dollars they could be entitled to receive on an annual basis, the final 45% for transit, 45% for County projects and 10% for cities allocation was agreed upon. It was decided that the amount allotted to the Cities would be based on percentage of population, thus the calculation shown on the chart. Cities could count on receiving that amount TO THE EXTENT THE CITY HAD ELIGIBLE TRANSPORTATION PROJECTS with costs that matched or exceeded the revenue allotted. By law, no jurisdiction or agency, including the County, is allowed to receive or retain revenue from this transportation sales tax that is not needed for an eligible transportation project.

O&M related activities or expenses related to transportation projects is an eligible use of the Charter County Regional Transportation Surtax sales tax proceeds. So, the City of Belle Isle could receive whatever amount is needed to accomplish the projects submitted (for example, the \$1.6 million list) AND whatever amount is needed on an annual basis for operation and maintenance of transportation projects or activities in your City, up to the maximum amount of \$862,000 per year.

If the City of Belle Isle's, or any other jurisdiction's, eligible transportation related needs on an annual basis are LESS THAN the allotted \$862,000 (or whatever is the adjusted amount based on any population changes among the cities as well as changes in the annual collections of this sales tax), then the UNNEEDED portion would remain in the Trust Fund in the "Cities bucket." It would remain available for cities, as there may be another jurisdiction that identified needs in an upcoming year that exceeded their percentage allocation, and that City could make a request to the Board of County Commissioners to consider an adjustment for that one year. Or, a city could demonstrate that they are accumulating the funds for a major project that would exceed the amount of an annual allocation, thus would need the commitment of all of "their" allotted dollars to reach the amount needed for the future large expenditure.

With respect to residents paying taxes for projects that are only in their jurisdiction, I simply note that Belle Isle residents also drive on county roads and roads of other jurisdictions, as well as some Belle Isle residents may benefit from SunRail or Lynx services; Belle Isle residents rely on various services that are delivered by those using the area road network; Belle Isle residents may own businesses, or be employed by businesses, that benefit from the positive economic impacts resulting from this Initiative; Belle Isle residents may be bicyclist that cycle in areas beyond the city limits. In essence, the benefits to those paying the tax extend beyond just those projects in their immediate jurisdiction.

Question: For the Ballot measure, will there be an option to vote for either the one-cent or a half-cent sales tax?

Response: State law requires the ordinance establishing the ballot to state the duration and rate. The Board of County Commissioners indicated yesterday, during the April 5th BCC work session, that the rate and duration that will be placed in the ordinance will be 1% for 20 years. The duration and rate had to be identified for purposes of advertising the ordinance the BCC will consider on April 26th. The proposed ballot question will ask the electorate to vote either for or against the one-cent surtax and will not provide an option between a once-cent and a half-cent surtax.

Question: Is there a draft of the ordinance available now that can be reviewed that will set out the allocation and the procedures governing the use of the funds?

Response: Attached

Question: If we cannot stockpile the funds for a project that is a multi-year project, how do we receive funding for the project in the earlier years prior to completion when bills are due for engineering, design, etc.?

Response: If the City is prepared to start work on a project that will take several years and has a price tag that exceeds the annual allocation, you could identify and submit what your estimated funding need would be as part of your annual funding request, or seek to lock up the total project cost at the onset and report at the conclusion of each year how you're drawing down on the money received. We'll endeavor to identify the option that works best for the City that also maintains appropriate transparency and accountability standards. Ideally, each funding recipient would balance their transportation programs in a manner that allows shorter-term improvements to be completed concurrent with longer-term projects so that citizens

can benefit from some investments early, understanding that other projects will require multiple years to complete (either due to duration of the project development or due to cash flow requirements).

Question: If we are 5 years into the tax period, can we change or add to the number of projects and what is that process?

Response: Yes, a city can propose changes to their project lists any year by submitting a request to the Board of County Commissioners. By law, only the BCC can approve a change.

Question: If revenues come in more (or less) than anticipated, can and will the County increase (or decrease) our allocation? If we have a project ready to go and the amount of the allocation is decreased, does the City have to make up that difference?

Response: As noted in the answer to question 1, the dollar amount allotted to a city, and to all entities, is based on the actual sales tax collection for that year. Then, for cities, the percentage apportionment based on population is made. The city population percentages will be updated annually using the State Office of Economic and Demographic population estimates.

Question: I think Mayor Fouraker alluded to this, but can a future BCC change the allocation or restrict its eligible uses by adopting a new ordinance?

Response: As we know, a current elected body cannot bind a future elected body, preventing them from revisiting certain policy decisions or previous board action. Specific to this sales tax initiative, the eligible uses are established by the State Statutes governing local option sales tax, so a future BCC cannot make any changes that are inconsistent with State law. The allocation is being set by the BCC and will be part of the documents associated with the Ordinance and the material the County must send to the State Office of Program Policy Analysis and Government Accountability (OPPAGA), and will be posted on the county website for public view and available to the citizens as they consider their position leading to the referendum. One would presume that any decisions a future BCC may make regarding the parameters established in this sales tax proposal would be weighed against the plan that was approved by the citizens in 2022, and any proposed changes would be well vetted and discussed in the public realm.