ADD ON



PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM SUMMARY

| Meeting Date: | March 1, 2016 | [] | Consent Ordinance | [X] [] | Regular Public Hearing |
|---------------|------------------------------|----|----------------------|------------|---------------------------|
| Department: | County Administration | | | | |
| Submitted by: | County Administration | | | | |

I. Executive Brief

Motion and Title: Infrastructure surtax update by the County Administrator.

Summary: On February 9, 2016, the Board directed Staff to continue to work towards a discretionary local government infrastructure surtax for the upcoming November ballot by meeting with Municipalities, the School District, Cultural Council, community organizations and the business community and to discuss implementation of the surtax and allocation of the proposed penny for infrastructure with the League of Cities, School District and Cultural Council.

On February 24, 2016, the following proposal was presented to the League of Cities:

School Board 46.5% County 28.5% Municipalities 18.5% Cultural Facilities 6.5%.

The discussion at the League was generally supportive and a motion to not oppose was passed. However, since the League meeting, staff has continued to refine the proposal and is now presenting a revised proposed distribution for consideration of the parties as follows:

School Board 48.0% County 28.5% Municipalities 18.5% Cultural Facilities 5.0%.

As directed, staff is working diligently to compile the infrastructure project lists and will be prepared to present the lists at the March 22, 2016, BCC meeting. With Board concurrence, staff will work with the Municipalities and School Board to secure agreements for the proposed plan and present to the BCC an ordinance with proposed ballot language providing for placement of the surtax on the November 8, 2016 ballot. Interlocal agreements with the governing bodies of the Municipalities representing a majority of the County's population are needed to establish a distribution formula that would be inclusive of all proposed partners. Countywide (PFK)

Background and Policy Issues: On July 28, 2015, and November 24, 2015, the Board discussed financing infrastructure needs and directed staff to review a possible sales tax, bonds, and hire consultants to review projects and spending. On February 9, 2016 the Board gave direction to work with the Municipalities, School Board, and Cultural Council to develop a joint plan specific to an infrastructure surtax. The proceeds of such tax would finance the renewal and replacement of existing capital investments including roadway surfaces, bridges, drainage improvements, canals, park amenities and government buildings; all of which were deferred during the recent recession and remain outstanding; and projects to maintain levels of service. An independent oversight committee would be established to insure that spending is in line with the statutory requirements.

Attachments:

| 1. | Revenue | projections | and p | proposed | distribution mod | lei |
|----|---------|-------------|-------|----------|------------------|-----|
|----|---------|-------------|-------|----------|------------------|-----|

| Recommended by: | N/A | | |
|-----------------|----------------------|---------|--|
| | Department Director | Date | |
| Approved By: | 1Challen | 2/29/16 | |
| | County Administrator | Date / | |

II. FISCAL IMPACT ANALYSIS

| A. F | ive Year Summary of I | iscal Impa | act: | | | |
|--|--|--------------------------------|---|-------------------|-------------|-------------|
| | Fiscal Years | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| Oper Exte Prog In-Ki NE No. | tal enditures rating Costs rnal Revenues ram Income (County) nd Match (County) I FISCAL IMPACT ADDITIONAL FTE SITIONS (Cumulative) | | | | | |
| Is Ite Budç Obje | m Included In Current get Account No.: F ct Repor | Budget? und D ting Categ | Yes Department_ ory | No _X _ Unit _ | (Vario | us Budgets) |
| В. | Recommended Sour | ces of Fur | nds/Summar | y of Fiscal | Impact: | |
| C. | Departmental Fiscal | Review: _ | *************************************** | | | |
| | | III. <u>F</u> | REVIEW COI | <u>MMENTS</u> | | |
| A. | OFMB Fiscal and/or | Contract [| Dev. and Cor | ntrol Comm | ents: | |
| | De AK OFMB | 2/29/11 | <u> </u> | ract Dev. a | nd Contro | <u> </u> |
| B. | Legal Sufficiency: | | | | | |
| | Assistant County A | 2 29 torney | [16 | | | |
| C. | Other Department R | eview: | | | | |
| | | | | | | |

REVISED 9/03 ADM FORM 01 (THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

Department Director

INFRASTRUCTURE SURTAX

- Florida Statutes has County and Municipalities as partners
- Distribution based on population
- Agreements needed from majority of municipal population to change distribution

PROPOSAL

- One-Cent
- 10 Years
- Include School Board & Cultural Council
- Create oversight committees to audit spending for compliance with approved projects
- Distribution:
 School Board

| 0 | School Board | 48.0% |
|---|------------------|-------|
| 0 | County | 28.5% |
| 0 | Municipalities | 18.5% |
| 0 | Cultural Council | 5.0% |

Local Discretionary Sales Surtax

Revenue Estimates for the Local Fiscal Year Ending September 30, 2016

2015 Local Government Financial Information Handbook

| | State Distribution | l con constituent in | ,4,1016 | ai information Handi | Jour | <u> </u> | | | | | | 2,691,486,189 |
|----------------------|--------------------|----------------------|----------|----------------------|------|------------------|--------------------------|-----------------------|----|-------------------------|----|------------------|
| | Formula | | 11-15-0 | | | | | | | | | |
| | Distribution | | - | Half Cent | | | | One Cent Distribution | | | | |
| | | | 1 | 0 Years, No revenue | 10 Y | ears, 3% Revenue | Distribution | 1 Year | | 10 Year | | 10 Year |
| Local Government | Percentage | Yearly | | Increase | | Increase | Percentage | | No | Revenue Increase | 3% | Revenue Increase |
| PALM BEACH BOCC | 59.318244 | | | 676,054,362 | \$ | 798,271,178 | 28.500% S | 64,963,316 | | 649,633,161 | \$ | 767,073,564 |
| Atlantis | 0.107709 | | | 1,227,566 | \$ | 1,449,485 | 0.0490% \$ | 111,647 | | 1,116,470 | \$ | 1,318,305 |
| Belle Glade | 0.935553 | | | 10,662,571 | \$ | 12,590,146 | 0.4254% \$ | 969,759 | | 9,697,593 | \$ | 11,450,720 |
| Boca Raton | 4.652370 | \$ 5,302,34 | | 53,023,404 | \$ | 62,608,952 | 2.1157% \$ | 4,822,471 | S | 48,224,712 | \$ | 56,942,754 |
| Boynton Beach | 3.844876 | | 3 \$ | 43,820,327 | S | 51,742,147 | 1.7485% \$ | 3,985,453 | | 39,854,526 | S | 47,059,411 |
| Briny Breeze | 0.022122 | | | 252,122 | S | 297,701 | 0.0101% \$ | 22,930 | | 229,305 | \$ | 270,759 |
| Cloud Lake | 0.007141 | | 9 \$ | 81,389 | \$ | 96,102 | 0.0032% \$ | 7,402 | | 74,023 | S | 87,405 |
| Delray Beach | 3.366575 | | 0 \$ | 38,369,100 | \$ | 45,305,449 | 1,5309% \$ | 3,489,664 | | 34,896,643 | \$ | 41,205,243 |
| Glen Ridge | 0.011759 | | | 134,016 | \$ | 158,244 | 0.0053% \$ | 12,189 | | 121,888 | \$ | 143,923 |
| Golf | 0.013370 | | 7 \$ | 152,375 | \$ | 179,921 | 0.0061% \$ | 13,858 | | 138,585 | \$ | 163,638 |
| Greenacres | 2.072028 | | 5 \$ | 23,615,049 | | 27,884,167 | 0.9423% \$ | 2,147,785 | | 21,477,854 | \$ | 25,360,611 |
| Gulf Stream | 0.052566 | \$ 59,91 | 0 \$ | 599.096 | | 707,401 | 0.0239% \$ | 54,488 | | 544,877 | \$ | 643,380 |
| Haverhill | 0.105722 | \$ 120,49 | 2 \$ | 1,204,924 | \$ | 1,422,750 | 0.0481% \$ | 109,588 | | 1,095,877 | \$ | 1,293,989 |
| Highland Beach | 0.192276 | \$ 219,13 | | | \$ | 2,587,541 | 0.0874% \$ | 199,306 | | 1,993,060 | \$ | |
| Hypoluxo | 0.143469 | \$ 163,51 | 2 \$ | 1,635,123 | \$ | 1,930,720 | 0.0652% \$ | 148,714 | | 1,487,142 | \$ | 2,353,365 |
| Juno Beach | 0.171497 | | | 1,954,560 | \$ | 2,307,904 | 0.0780% \$ | 177,767 | | 1,777,669 | \$ | 1,755,987 |
| Jupiter | 3.074644 | \$ 3,504,19 | | | \$ | 41,376,809 | 1.3982% \$ | 3,187,060 | 9 | 31,870,598 | \$ | 2,099,036 |
| Jupiter Inlet Colony | 0.021263 | \$ 24,23 | | | \$ | 286,140 | 0.0097% \$ | 22,040 | | | | 37,632,150 |
| Lake Clarke Shores | 0.180410 | | | 2,056,143 | | 2,427,852 | 0.0820% \$ | 187,006 | | 220,400 1,870,059 | \$ | 260,244 |
| Lake Park | 0.455159 | \$ 518,74 | | | \$ | 6,125,268 | 0.2070% \$ | 471,800 | | | \$ | 2,208,128 |
| Lake Worth | 1.955674 | | | 22,288,959 | | 26,318,347 | 0.8893% \$ | 2,027,178 | | 4,718,004 20,271,777 | \$ | 5,570,923 |
| Lantana | 0.572210 | | | | \$ | 7,700,481 | 0.2602% \$ | 593,132 | | 5,931,316 | \$ | 23,936,500 |
| Loxahatchee Groves | 0.170906 | \$ 194,78 | | | \$ | 2,299,956 | 0.2002 % \$ | 177,155 | 9 | 1,771,547 | | 7,003,577 |
| Manalapan | 0.021907 | \$ 24,96 | | 249,675 | | 294,811 | 0.0100% \$ | 22,708 | | 227,079 | S | 2,091,807 |
| Mangonia Park | 0.105883 | | | 1,206,760 | | 1,424,918 | 0.0482% \$ | 109,755 | | 1,097,547 | \$ | 268,130 |
| North Palm Beach | 0.654093 | \$ 745.47 | | 7,454,743 | | 8,802,408 | 0.2974% \$ | 678,008 | | | \$ | 1,295,961 |
| Ocean Ridge | 0.095574 | | | 1,089,266 | | 1,286,183 | 0.0435% \$ | 99,069 | 9 | 6,780,078 | \$ | 8,005,778 |
| Pahokee | 0.293112 | | | 3,340,621 | \$ | 3,944,537 | 0.1333% \$ | 303,829 | | 990,686 | \$ | 1,169,782 |
| Palm Beach | 0.438675 | | | 4,999,610 | | 5,903,437 | 0.1995% \$ | 454,714 | | 3,038,290 | \$ | 3,587,551 |
| Palm Beach Gardens | 2.688266 | \$ 3,063,83 | | | \$ | 36,177,160 | 1.2225% \$ | 2,786,555 | | 4,547,138 | \$ | 5,369,168 |
| Palm Beach Shores | 0.061586 | \$ 70.19 | | 701,904 | | 828,793 | 0.0280% \$ | | | 27,865,554 | \$ | 32,903,077 |
| Palm Springs | 1.121494 | | | | \$ | 15,092,423 | 0.5100% \$ | 63,838 | | 638,380 | \$ | 753,787 |
| Riviera Beach | 1.810970 | | | 20,639,761 | \$ | 24,371,008 | 0.8235% \$ | 1,162,498 | | 11,624,979 | \$ | 13,726,538 |
| Royal Palm Beach | 1.947190 | | | 22,192,271 | \$ | 26,204,181 | 0.8855% \$ | 1,877,183 | | 18,771,834 | \$ | 22,165,398 |
| South Bay | 0.161671 | | | 1,842,574 | | 2,175,673 | 0.0735% \$ | 2,018,384 | | 20,183,840 | \$ | 23,832,666 |
| South Palm Beach | 0.073130 | | | 833,472 | | 984,147 | | 167,582 | | 1,675,818 | \$ | 1,978,772 |
| Tequesta | 0.302240 | | | 3,444,652 | | 4,067,374 | 0.0333% \$ | 75,804 | | 758,042 | \$ | 895,080 |
| Wellington | 3.175212 | | | | \$ | 42,730,192 | 0.1374% \$ 1.4439% \$ | | \$ | 3,132,906 | \$ | 3,699,271 |
| West Palm Beach | 5.601454 | | | | \$ | 75,381,186 | | 3,291,304 | \$ | 32,913,044 | \$ | 38,863,050 |
| School District | | 0,004,01. | <u> </u> | 00,040,100 | ٥ | 10,001,186 | 2.5473% \$ | | \$ | 58,062,559 | \$ | 68,559,084 |
| Cultural Council | | | - | | | | 48.000% \$ | | \$ | 1,094,119,008 | \$ | 1,291,913,371 |
| Countywide Total | 100,000000 | \$ 113,970,730 | 110 | 4 420 707 000 | ^ | 4045740005 | 5.000% \$ | 11,397,073 | \$ | 113,970,730 | \$ | 134,574,309 |
| ywide rotar | 100.000000 | ¥ 113,370,730 | 1 3 | 1,139,707,300 | \$ | 1,345,743,095 | 1.000000 \$ | 227,941,460 | \$ | 2,279,414,600 | \$ | 2,691,486,189 |

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