



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#16-0177

TO: Honorable Mayor & Members of the Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: February 16, 2016

TITLE: Discussion Regarding the Local Government Infrastructure and Charter County and Regional Transportation System Discretionary Sales Surtaxes

Florida law authorizes county governments to levy various types of discretionary sales surtaxes, if approved by county's electorate. The Commission has expressed interest in discussing two of these discretionary surtaxes, the Charter County and Regional Transportation System Surtax and the Local Government Infrastructure Surtax, as potential funding sources for the City's initiatives. The purpose of this conference item is to continue a discussion of the merits of each type of surtax and the process that must be followed in order to impose either. The timeliness of this discussion is important because of the formal approvals and/or resolutions that are required from the Broward County Board of Commissioners and/or other municipalities. These approvals must occur prior to a countywide referendum that is required to impose either surtax tentatively being discussed for the general election that will occur in November of 2016.

The Broward Metropolitan Planning Organization (MPO) has taken the lead in educating and facilitating discussions between the County and municipalities in regards to the surtax options. The MPO has formed a Surtax Subcommittee consisting of the municipalities representing over 51% of the County's population. This subcommittee has held and will continue to hold meetings throughout the next few months to discuss the potential surtax options and initiate action as necessary to meet the required timelines. Concurrently, MPO representatives have met with representatives from Broward County to discuss the "must haves" from each group and to negotiate a compromise between the County and municipalities. A proposed compromise was discussed and supported by the MPO Surtax Subcommittee at their February 4, 2016 meeting. A summary of the compromise is included as Exhibit 3, which proposes the collection of a one-cent transportation surtax that is allocated 50% to Broward County, 25% to local governments for infrastructure needs and 25% to a regional transportation bank.

Over the past several years, the City of Fort Lauderdale has conducted numerous studies and developed plans that identify its most important capital needs. Exhibit 2 summarizes existing studies and plans which have identified over \$1 Billion in capital

needs throughout the City. The exhibit also provides Neighbor Survey results related to the priority of and need for infrastructure improvements.

Table 1 provides basic information about each tax. Exhibit 1 from the MPO also provides an overview of each option.

Table 1. Surtax General Information		
	Local Government Infrastructure Surtax	Charter County and Regional Transportation System Surtax
Allowable Rate	Either 0.5 or 1 percent	Up to 1 percent
Limits	Combined 1 percent maximum including Small County Surtax, Indigent Care and Trauma Center Surtax, and County Public Hospital Surtax	Not subject to a combined rate limitation
Distribution of Proceeds	Two (2) methods of distribution: 1) - Interlocal agreement between the county and the municipalities representing the majority of the population. 2) - County Portion = (pop. of unincorporated + 2/3 incorporated pop.) / (total county pop. + 2/3 incorporated pop.) (40.3%) City Portion = pop. of city/ (total county population + 2/3 incorporated pop.) (59.7%) based on based on 2014 adjusted population	Proceeds are deposited into county trust fund or remitted to the transportation authority
Eligible Uses of Funds	Funds can be used to finance, plan, and construct fixed capital improvements with a life expectancy of 5 or more years. Funding can also be used for some other capital expenditures such as acquiring land and emergency rescue vehicles. Funds may not be used operations and maintenance.	Funds can only be used for transportation projects such as transit, roadways, and bridges. These funds can also be used to pay for operations and maintenance.
Method of Adoption	Majority of county governing body and approval in countywide referendum; or Municipalities representing the majority of the county population can initiate the surtax through the adoption of uniform resolutions calling for a countywide referendum.	Majority vote of the county's electorate or a charter amendment approved by a majority vote of the county electorate

At the January 11th Budget Advisory Board (BAB) meeting, Commissioner Roberts and MPO staff presented Exhibit 1 and answered questions about each tax. City staff shared Exhibit 2 with the BAB at this meeting as well. After a subsequent discussion, the BAB unanimously approved a motion to recommend that the City Commission support the Local Government Infrastructure Surtax at a rate of one cent, with the caveat that the surtax should sunset after 30 years and the additional revenue generated from this tax should not be used to supplant General Funds or to reduce the City's Ad Valorem Taxes.

Broward County Commissioners are expected to discuss surtaxes and the proposed compromise at a workshop scheduled for February 16, 2016.

Resource Impact

There is no fiscal impact associated with this action.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the **Internal Support Cylinder**, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Community*.

Attachments

Exhibit 1 – MPO Surtax Options Fact Sheet

Exhibit 2 – Future Infrastructure Needs and Neighbor Survey Support

Exhibit 3 – MPO Local Funding Compromise Option

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