

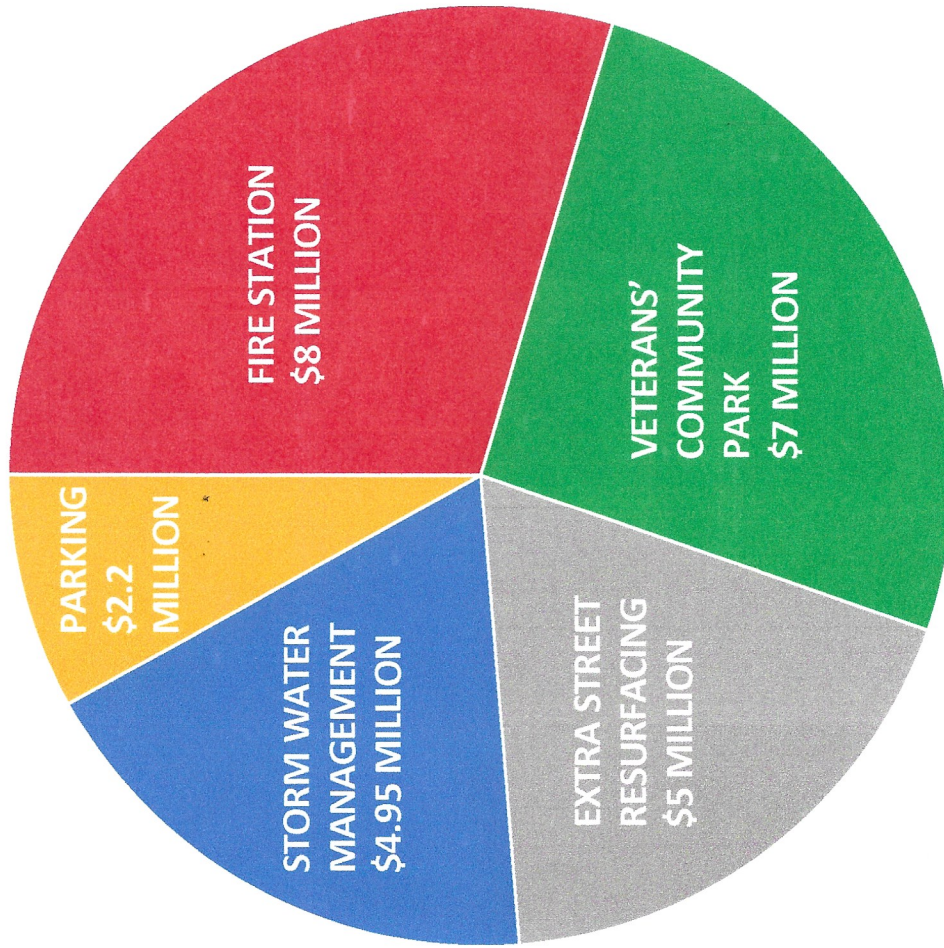
1% SALES TAX

PURPOSES OF CITY COUNCIL DISCUSSION ON JAN. 6:

- MAKE SURE THE COMMUNITY UNDERSTANDS THE TAX
 - WHAT IT WILL PROVIDE TO MARCO ISLAND
 - HOW WE PLAN TO SPEND THE MONEY
- REVIEW PAST AGREEMENT ON SPENDING PRIORITIES
- REVIEW IMPLICATIONS FOR 5-YEAR C.I.P. AND BORROWING
- SIGNAL OUR CONSENSUS (OR CHANGE OF DIRECTION)
- PROVIDE DIRECTION TO CITY STAFF FOR REGULAR UPDATES

INCLUDED FOR BACKGROUND:

- Ball chart (will have slide in the Jan. 6 meeting)
- Sources & Uses summary (will have slide for meeting)
- Table prepared by Finance Director in December 2019
(Gil Polanco updated the May spreadsheet, including 1% tax funds received to date)
- Table discussed by City Council in Workshop May 2019
(Directed by Mgr. Harden, included to show Council priorities in 5-yr. C.I.P. format)
- Minutes of May 2019 workshop meeting (3 pages)
(Shows that Council reviewed the numbers, but nothing indicating that Council approved)
- Veterans' Community Park phasing recommendations
(All 5 phases apparently approved, but "Flex Phases" – the Bandshell and Bathrooms – are indicated at \$800,000 to \$2 million "plus," but the C.I.P. includes \$1.25 million for these)



SOURCES & USES (PROJECTS) FROM 1% SALES TAX + STATE/FEDERAL GRANT FUNDS

8 YRS. 2019 – 2026		COMMENTS
<u>SOURCES</u>		
FROM 1% SALES TAX	\$24,546,956 _*	\$2.6 million received to date, future yrs. estimated
FROM STATE/FEDERAL GRANTS	1,934,101	\$650,000 in this category vetoed last yr. by Gov.
TOTAL SOURCES	\$26,481,057	Total does not include possible grants after 2021
<u>USES (PROJECTS)</u>		
FIRE STATION 50	\$ 8,000,000	Current estimates are higher, \$10 – \$12 million
VETERANS COMMUNITY PARK	7,000,000	\$1.25mm bandshell + bathrooms (est. up to \$2mm)
STREET RESURFACING – EXTRA	5,000,000	Council voted acceleration extra \$1mm/yr. X 5 yrs.
STORM WATER MANAGEMENT	4,950,000	Projects up from zero, to ~\$5 mm through 2025
PARKING SOLUTIONS	2,200,000	Council accepted “low cost” Committee solutions
TOTAL USES (PROJECTS)	\$27,150,000	Total assumes projects come in on/below budget
SHORTFALL (USES > SOURCES)	(\$ 668,943)	Shortfall can be borrowed or taken from Gen. Fund

NOTES:

- “Sources” portion above assumes 1% sales tax sunsets as per current legislation and is not renewed or replaced
- Borrowing will likely be required for cash-flow management purposes (e.g., to complete projects before funds are received)
 - Some projects (e.g., Fire Station) might qualify for lower interest rates over longer periods of time, saving money
 - If directed by Council, City staff can prepare more specific details for borrowing alternatives and timing considerations
- Two major taxes sunset in 2021 (i.e., taxes go down): Sales Tax Bond (~\$405,000) and Special Voted [Glon] Bond (~\$785,000)
- Table above assumes no grant funds available after 2020, even though grant funds have been received each year since 2014
- Current Council cannot bind future Councils, i.e., figures reflective only of intent at the time projects are publicly reviewed

Infrastructure Sales Surtax
Capital Improvement Plan FY 2019 - 2026

	2019	2020	2021	2022	2023	2024	2025	2026
Balance Brought Forward	-	2,646,956	31,057	781,057	1,331,057	1,381,057	1,731,057	2,431,057
Revenue*	2,646,956	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	900,000
Total 1 Cent Sales Tax Available	2,646,956	6,146,956	3,531,057	4,281,057	4,831,057	4,881,057	5,231,057	3,331,057
State Funds Station 50**			650,000					
Fire Station 50 HMGP***		1,284,101						
Fire Station 50 Note****		4,000,000						
Veterans Park Note		4,000,000						
Total Revenues and Other Financing Sources	2,646,956	15,431,057	4,181,057	4,281,057	4,831,057	4,881,057	5,231,057	3,331,057
Olde Marco Parking		400,000						
Fire Station 50**		8,000,000						
Veterans Park		7,000,000						
Veterans Park Note			800,000	800,000	800,000	800,000	800,000	
Durnford Way			600,000					
Street Resurfacing			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Herb Savage Way				150,000				
Muspa Way					700,000			
Wells Sawyer Way						350,000		
Stormwater Projects			1,000,000	1,000,000	950,000	1,000,000	1,000,000	
Balance Net of Infrastructure Expenditures	2,646,956	31,057	781,057	1,331,057	1,381,057	1,731,057	2,431,057	3,331,057

*The 2019 revenue amount reflects the actual amount recognized. The remaining years represent projections based on fiscal 2019.

**State funds were vetoed by the governor for fiscal 2020. The City has submitted a new application to the legislative delegation for fiscal 2021.

***The estimated federal share of the Hazard Mitigation Grant Program (HMGP) has been revised downward from the original estimate of \$1,500,000.

****The Fire Station 50 Note is to be repaid from the ongoing annual allocation of \$560,000 to the "pay go" capital plan for the replacement of Station 50.

The preliminary design work has the estimated cost at a range of \$10 to \$12 million which will affect the amount of the loan necessary.

PREPARED BY FINANCE
DIRECTOR, DEC. 2019

Infrastructure Sales Surtax

	2019	2020	2021	2022	2023	2024	2025	2026
Balance Before Revenue	-	2,400,000	200,000	-	250,000	-	50,000	450,000
	2,400,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	800,000
Total Available	2,400,000	5,600,000	3,400,000	3,200,000	3,450,000	3,200,000	3,250,000	1,250,000
State Funds Station 50		500,000						
HMGF Station 50		1,500,000						
Station 50 Note		4,000,000						
Vet. Park Note		4,000,000						
Total	2,400,000	15,600,000	3,400,000	3,200,000	3,450,000	3,200,000	3,250,000	1,250,000
Olde Marco Parking		400,000						
Fire Station 50		8,000,000						
Veterans Park		7,000,000						
Veterans Park Note			800,000	800,000	800,000	800,000	800,000	
Durnford Way			600,000					
Street Resurface			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Herb Savage Way				150,000				
Muspa Way					700,000			
Wells Sawyer Way						350,000		
Stormwater Project			1,000,000	1,000,000	950,000	1,000,000	1,000,000	
Balance	2,400,000	200,000	-	250,000	-	50,000	450,000	1,250,000

**DISCUSSED BY COUNCIL
MAY 20, 2019**

City of Marco Island Florida

51 Bald Eagle Drive
Marco Island, Florida
cityofmarcoisland.com



Meeting Minutes - Final

Monday, May 20, 2019

9:00 AM

CAPITAL BUDGET WORKSHOP

Community Meeting Room

City Council

Chair: Erik Brechnitz

Vice-Chair: Victor Rios

*City Council: Jared Grifoni, Larry Honig, Howard Reed,
Charlette Roman and Sam Young*

Interim City Manager: David Harden

City Attorney: Alan L. Gabriel

City Clerk: Laura Litzan

1. Call to Order

Chair Brechnitz called the meeting to order at 9:00 A.M.

2. Roll Call

Present: 7 - Councilor Reed, Councilor Honig, Chair Brechnitz, Councilor Young, Councilor Roman, Councilor Grifoni and Vice-Chair Rios

Also Present

David Harden, Interim City Manager
Laura Litzan, City Clerk
Mike Murphy, Fire Chief
Dave Batiato, Deputy Fire Chief
Chris Byrne, Hurricane Irma Incident Commander
Dave Baer, Police Captain
Guillermo Polanco, Finance Director
Zach Simpson, Budget Analyst
Tim Pinter, Director of Public Works
Jeff Poteet, General Manager of Water and Sewer
Justin Martin, Water and Sewer Senior Project Manager
Daniel Smith, Community Affairs Director
Jason Smalley, Planner II
Samantha Malloy, Parks, Culture and Recreation Manager
Lisa Smith, Recording Specialist
Citizens and Visitors

3. Business - Capital Budget Workshop FY20

Interim City Manager David Harden called on Finance Director Guillermo Polanco to provide an overview of the five (5) year capital budget and how it works along with an explanation of the bucket plan. Finance Director Guillermo Polanco provided background information on both plans and answered Council's questions and concerns.

ID 19-187 Proposed Projects for the 1% Collier County Infrastructure Sales Tax

(Editorial History: At the February 20, 2018 City Council meeting, it was agreed to discuss priorities for the County Infrastructure Sales Tax as proposed for referendum by the Board of County Commissioners. Attached are the Florida Statutes that prescribe the formula to calculate the amounts due to Municipalities from the additional revenues as well as the estimates published by the Florida Department of Revenue. Marco Island expects to receive approximately \$3.2 million annually. The executive summary listed projects that had been previously discussed.)

Interim City Manager David Harden held a discussion on the County infrastructure sales tax and proposed how to fund the City's two (2) large projects; Fire Station 50 and Veteran's Community Park. He also addressed other issues that have arisen since he has been here that Council has indicated they would like to put money towards and answered Council's questions and concerns.

ID 19-299 City of Marco Island Capital Improvement Budget Priorities

Interim City Manager David Harden held a discussion on the five (5) year capital improvement replacement schedule and noted it is his intention not to discuss the out years unless Council has a specific question.

The following staff presented Council a summary of their budget, prioritizing their budget item requests, highlighting accomplishments in the prior fiscal year, projects for the current year and proposed budget items for the next year and answered questions and concerns:

Fire Department - Fire Chief Mike Murphy

Public Works - Director Tim Pinter

Growth Management (Parks and Recreation) - Community Affairs Director Dan Smith

Police Department - Administrative Police Captain Dave Baer

It is noted for the record, there was not a representative from the Information Technology Department available to present their summary.

MEETING WENT INTO RECESS AT 10:48 A.M. IT IS NOTED FOR THE RECORD THAT THE SAME COUNCILORS WERE PRESENT WHEN THE MEETING RECONVENED AT 11:00 P.M.

Following recess, the following departments presented their initiative requests:

Public Works Department - Director Tim Pinter

Growth Management (Parks and Recreation) - Community Affairs Director Dan Smith

Hurricane Recovery - Incident Commander Chris Byrne

Water and Sewer General Manager Jeff Poteet presented Council a summary of the Water and Sewer Capital Improvement budget, prioritizing his budget item requests, highlighting accomplishments in the prior fiscal year, projects for the current year and proposed budget items for the next year and answered questions and concerns.

Following the presentations, discussions ensued and Council concurred with the majority of Interim City Manager David Harden's proposed budget. In reference to funding of the initiatives, the following was determined by consensus in order of priority:

- 1 - hydraulic excavator*
- 2 - emergency fuel supply*
- 3 - resurfacing walkway at Leigh Plummer Park*
- 4 - citywide swale grading program*

Based on Council's input, Interim City Manager David Harden to forward to Council a proposed capital budget with his recommendations for Council to adopt or adjust.

4. Public Comment

Mr. David Rasmussen, 1495 Caxambas Court, expressed his displeasure in Council not providing funding to address water quality in the budget.

5. Adjournment

There being no further business to come before City Council, the meeting adjourned at 12:23 P.M.

Erik Brechnitz, Council Chairman

ATTEST:

Laura Litzan, City Clerk

PREPARED BY:

Lisa Smith, Recording Specialist



Veterans' Community Park

Master Plan Update and Preparation of Site Plan



Phasing / Sequencing Recommendations



Phase 1 - \$2.5 Mil

1. Memorial Enhancements
2. Memorial Garden

Phase 2 - \$1.35 Mil

1. Parking Enhancements
2. Flex Parking
3. Central Promenade
4. On-street Parking

Phase 3 - \$600 K

1. Multi-Generational Area
2. Daily Use Spaces

Phase 4 - \$500 K

1. Farmer's Market / Event Lawn
2. On-street Parking

Phase 5 - \$700 K

1. On-street parking

Flex Phases - \$800 K - \$2 Mil +

1. Bandshell
2. Restroom