

Meeting Date
August 8, 2017



AGENDA	
Section	Unfinished Business
Item No.	V B

AGENDA REPORT
 BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Discussion Re: Transportation Improvements Funding Critical Dates for Potential BOCC Implementation of Local Option Gas Tax Changes, Public Service Tax, Infrastructure Sales Tax - All Districts Fiscal Impact: Varies
DEPT/OFFICE:	Public Works Department

Requested Action:
 It is requested that the Board of County Commissioners provide direction to staff concerning any desired actions regarding funding options for transportation improvements using; 9th Cent Fuel Tax, 1-5 Cent LOGT, Public Service Tax, or Infrastructure Surtax.

Summary Explanation & Background:

Over many workshops and reports in 2017, the BOCC together with staff have identified that the County has a backlog of approximately 589 miles of roads with current pavement conditions that are in need of resurfacing. If the resurfacing is not completed before the roads reach failed conditions status, reconstruction at 4 to 7 times the cost of resurfacing will be required. During these workshops, the BOCC reprioritized budgetary needs and directed numerous General Fund and Gas Tax revenues to fund resurfacing of County roads. These efforts have resulted in a major increase in the amount of roads being resurfaced in a timely manner so significant that we expect to achieve close to or more than the 55 miles per year which is needed to stop the growth of the resurfacing backlog. Currently, the County reconstruction backlog includes 145 miles of roads with pavement conditions in failed status that need reconstruction now. The reconstruction backlog is estimated to cost approximately \$86 million to resolve. Additionally, there is also recurring unfunded roadway maintenance needs including sidewalks, signals, signs, old metal drainage pipes, etc. These ongoing maintenance needs are currently estimated to be \$2 million per year. Combined, these remaining needs and the identified unfunded road capacity needs of \$389 million, are estimated to cost approximately \$15 million per year for 15 years of which \$2 million per year will be ongoing (see attached "Barrel" diagram).

In the Board of County Commissioner's Workshop meeting on May 23, 2017, the Board discussed various concerns including the potential implementation schedule of any change to the 9th Cent Fuel Tax and the Local Option Gas Tax (LOGT). During the Workshop, the next deadline to implement a change to the LOGT was misreported as July 1st. That date incorrectly seemed to render further discussion by the Board on this topic to be untimely when the actual deadline had changed to October 1st (in 2012). Therefore, in the event that the Board desires to make changes to the LOGT it has until October 1st to file the ordinance(s) and Inter-local Agreements (if any) with the Secretary of State for the change to become effective on January 1, 2018.

Currently, the County has six pennies per gallon of LOGT that was previously implemented and is being used to fund various road improvements and repay bonded debt that also funded road improvements. This source of revenue is fully obligated for these purposes as has been reported in numerous workshops. Attached to this agenda report for informational purposes is a listing that provides some details regarding the projected revenue associated with potential options of implementing additional LOGT either using the 9th Cent Fuel Tax or from one up to five cents of LOGT.

The gas tax options require either implementation of an ordinance by County Commission supermajority or a successful Countywide Referendum (>50%). The 1-5 cent portion of the LOGT revenue must be shared with Cities in the County by statutory formula unless otherwise approved by an Inter-local Agreement approved by the County and sufficient Cities to represent a majority of the municipal population of the County. The 9th Cent Fuel Tax is distributed only to the County.

Further, we have included on the attachment information regarding implementation and potential revenue associated with Public Service Tax and Infrastructure Sales Tax (Surtax). Both the Public Service Tax and the Infrastructure Sales Tax require a successful referendum (>50%) to be implemented. We have also attached a listing of these revenues for six counties for comparison.

Fiscal Impact: Varies

Clerk to the Board Instructions: Forward Board Direction to the Public Works Department

Exhibits Attached: Potential Additional Revenue Sources Chart, Barrel Diagram, Listing of Typical Comparable Counties regarding Revenues for Transportation

Contract /Agreement (If attached): Reviewed by County Attorney		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager	Interim Assistant County Manager, Jim Liesenfelt	Interim Department Director / Extension					
Frank Abbate	Interim Assistant County Manager, John P. Denninghoff	Andrew J. Holmes, P.E. 57202					



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Tammy.Rowe@brevardclerk.us

August 9, 2017

MEMORANDUM

TO: Andrew Holmes, Interim Public Works Director

RE: Item V.B., Discussion of Transportation Improvements Funding Critical Dates for Potential Board of County Commissioners Implementation of Local Option Gas Tax (LOGT) Changes, Public Service Tax, and Infrastructure Sales Tax

The Board of County Commissioners, in regular session on August 8, 2017, discussed and considered funding options for transportation improvements using the 9th Cent Fuel Tax, 1-5 Cent LOGT, Public Service Tax, or Infrastructure Surtax, but took no formal action.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

cc: Assistant County Manager Denninghoff
Finance
Budget

Programs & Services

Funding Sources

Roadway Maintenance 2018

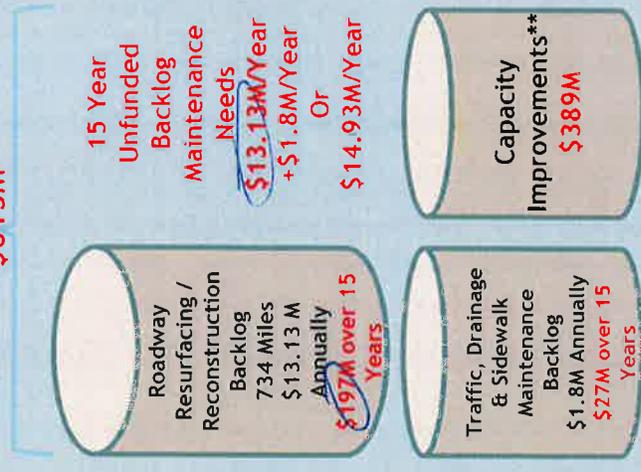
Current Budgeted Expenses Using Recurring Funding \$31M*



Unfunded Additional Recurring Funding Requirement \$2M Annually



Unfunded Additional Backlog Funding Requirement \$613M



1. Costs are based on planning level estimates. Individual roads/infrastructure require individual evaluation
2. Costs have no adjustment for inflation
3. Conditions and costs require re-assessment based on actual road conditions
4. *Assumes \$1.5M LOGT is permanently dedicated to periodic road maintenance
5. ** Impact Fees have recently (Jan. 2017) been re-implemented and are currently the only County funding source dedicated to capacity improvements, they are non-recurring and are unpredictable

Unfunded Needs:
\$2M Per Year Permanently
+\$14.93M Per Year for 15 Years
\$16.93M Total (Capacity not included)

Potential Additional Revenue Sources

Updated from Blue Ribbon Committee (2014)

	Total Unrealized	County Share	City Share	Super Majority	Referendum
9th cent LOGT	\$2,520,479	\$2,520,479	\$0	Yes	Yes
1-5 cent LOGT Per Penny*	\$2,349,060	\$1,107,347	\$1,241,713	Yes	Yes
1-5 cent LOGT*	\$11,745,300	\$5,536,734	\$6,208,566	Yes	Yes

*City and County share shown assumes the same distribution as the existing 1-6 cent LOGT

	Total Unrealized (estimated)	County Share	City Share	Referendum
Public Service Tax (Osceola County in 2014)	\$12,727,228 (+/-)	\$12,727,228 (+/-)	\$0	Yes
Infrastructure Sales Tax (.5%)	\$43,269,088	\$24,161,338	\$19,107,750	Yes

Revenues are as estimated and published by the DOR 2016 or as noted

Total Funding Per Mile By County								
	Brevard	Polk	Volusia	Indian River	Orange	Osceola	Seminole	
LOGT 1-6, CGT	\$14,266	\$7,219	\$12,520	\$7,866	\$15,004	\$11,179	\$13,618	
9th Cent Diesel Fuel Tax	\$1,131	\$323	\$275	\$241	\$432	\$166	\$238	
Communication Services Tax	\$5,557	\$3,642	\$3,048	\$1,656	\$7,691	\$5,722	\$7,566	
LOGT 1-5	\$0	\$2,824	\$5,683	\$0	\$0	\$8,606	\$0	
Local Government Infrastructure Surtax	\$0	\$0	\$0	\$24,855	\$0	\$39,407	\$51,991	
9th Cent Motor Fuel Tax	\$0	\$933	\$2,131	\$0	\$0	\$1,846	\$2,343	
Public Services Tax	\$0	\$11,201	\$7,372	\$0	\$26,084	\$12,570	\$7,532	
Total Miles	\$1,193	\$2,677	\$1,057	\$700	\$2,687	\$1,013	\$861	
Total Revenue Per Mile	\$20,954	\$26,143	\$31,028	\$34,617	\$49,211	\$79,496	\$83,288	

SOURCE: "All funding information from the Local Governmental Financial Information Handbook 2016 (Information thru 9/30/17). **Revised 3/1/17**"

Total Funding By County									
	Brevard	Polk	Volusia	Indian River	Orange	Osceola	Seminole		
LOGT 1-6, CGT	\$17.02M	\$19.32M	\$13.23M	\$5.51M	\$40.32M	\$11.32M	\$11.73M		
9th Cent Diesel Fuel Tax	\$1.35M	\$.86M	\$.29M	\$.17M	\$1.16M	\$.17M	\$.21M		
Communication Services Tax	\$6.63M	\$9.75M	\$3.22M	\$1.16M	\$20.67M	\$5.79M	\$6.52M		
LOGT 1-5	\$0	\$7.56M	\$6.01M	\$0	\$0	\$8.71M	\$0		
Local Government Infrastructure Surtax	\$0	\$0	\$0	\$17.4M	\$0	\$39.9M	\$44.78M		
9th Cent Motor Fuel Tax	\$0	\$2.5M	\$2.25M	\$0	\$0	\$1.87M	\$2.02M		
Public Services Tax	\$0	\$29.98M	\$7.79M	\$0	\$70.09M	\$12.73M	\$6.49M		
Total Miles	1193	2676.8	1056.7	700	2687.1	1012.5	861.3		
Total Revenue	\$25. M	\$69.98M	\$32.79M	\$24.23M	\$132.24M	\$80.49M	\$71.74M		

NOTE: Figures are rounded to the nearest Million per year

SOURCE: "All funding information from the Local Governmental Financial Information Handbook 2016 (Information thru 9/30/17). **Revised 3/1/17**"

011

ADD ON

Meeting Date
August 8, 2017



AGENDA	
Section	Unfinished Business
Item No.	V B

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Discussion Re: Transportation Improvements Funding Critical Dates for Potential BOCC Implementation of Local Option Gas Tax Changes, Public Service Tax, Infrastructure Sales Tax - All Districts Fiscal Impact: Varies
DEPT/OFFICE:	Public Works Department

Requested Action:

It is requested that the Board of County Commissioners provide direction to staff concerning any desired actions regarding funding options for transportation improvements using; 9th Cent Fuel Tax, 1-5 Cent LOGT, Public Service Tax, or Infrastructure Surtax.

Summary Explanation & Background:

Over many workshops and reports in 2017, the BOCC together with staff have identified that the County has a backlog of approximately 589 miles of roads with current pavement conditions that are in need of resurfacing. If the resurfacing is not completed before the roads reach failed conditions status, reconstruction at 4 to 7 times the cost of resurfacing will be required. During these workshops, the BOCC reprioritized budgetary needs and directed numerous General Fund and Gas Tax revenues to fund resurfacing of County roads. These efforts have resulted in a major increase in the amount of roads being resurfaced in a timely manner so significant that we expect to achieve close to or more than the 55 miles per year which is needed to stop the growth of the resurfacing backlog. Currently, the County reconstruction backlog includes 145 miles of roads with pavement conditions in failed status that need reconstruction now. The reconstruction backlog is estimated to cost approximately \$86 million to resolve. Additionally, there is also recurring unfunded roadway maintenance needs including sidewalks, signals, signs, old metal drainage pipes, etc. These ongoing maintenance needs are currently estimated to be \$2 million per year. Combined, these remaining needs and the identified unfunded road capacity needs of \$389 million, are estimated to cost approximately \$15 million per year for 15 years of which \$2 million per year will be ongoing (see attached "Barrel" diagram).

In the Board of County Commissioner's Workshop meeting on May 23, 2017, the Board discussed various concerns including the potential implementation schedule of any change to the 9th Cent Fuel Tax and the Local Option Gas Tax (LOGT). During the Workshop, the next deadline to implement a change to the LOGT was misreported as July 1st. That date incorrectly seemed to render further discussion by the Board on this topic to be untimely when the actual deadline had changed to October 1st (in 2012). Therefore, in the event that the Board desires to make changes to the LOGT it has until October 1st to file the ordinance(s) and Inter-local Agreements (if any) with the Secretary of State for the change to become effective on January 1, 2018.

Currently, the County has six pennies per gallon of LOGT that was previously implemented and is being used to fund various road improvements and repay bonded debt that also funded road improvements. This source of revenue is fully obligated for these purposes as has been reported in numerous workshops. Attached to this agenda report for informational purposes is a listing that provides some details regarding the projected revenue associated with potential options of implementing additional LOGT either using the 9th Cent Fuel Tax or from one up to five cents of LOGT.

The gas tax options require either implementation of an ordinance by County Commission supermajority or a successful Countywide Referendum (>50%). The 1-5 cent portion of the LOGT revenue must be shared with Cities in the County by statutory formula unless otherwise approved by an Inter-local Agreement approved by the County and sufficient Cities to represent a majority of the municipal population of the County. The 9th Cent Fuel Tax is distributed only to the County.

Further, we have included on the attachment information regarding implementation and potential revenue associated with Public Service Tax and Infrastructure Sales Tax (Surtax). Both the Public Service Tax and the Infrastructure Sales Tax require a successful referendum (>50%) to be implemented. We have also attached a listing of these revenues for six counties for comparison.

Fiscal Impact: Varies

Clerk to the Board Instructions: Forward Board Direction to the Public Works Department

Exhibits Attached: Potential Additional Revenue Sources Chart, Barrel Diagram, Listing of Typical Comparable Counties regarding Revenues for Transportation

Contract /Agreement (If attached): Reviewed by County Attorney Yes No PR

County Manager	Interim Assistant County Manager, Jim Liesenfelt	Interim Department Director / Extension
Frank Abbate	Interim Assistant County Manager, John P. Denninghoff	Andrew J. Holmes, P.E. # 57202

Programs & Services

Funding Sources

Roadway Maintenance 2018

Current Budgeted Expenses Using Recurring Funding \$31M*

Routine Maintenance
 Equipment, Roadways, Drainage, ITS, Signs, Signals, Marking, Pothole Repair
 \$25,789,401

Periodic Annual Resurfacing Funding
 @ 55 Miles/Year
 \$635,000
 +\$1,651,000
 +\$1,500,000*
 \$1,500,000
 \$746,000

Equipment Capital Outlay
 \$1,419,797

Landscape
 \$438,396

Unfunded Additional Recurring Funding Requirement \$2M Annually

~~Annual Resurfacing Backlog of 21 Miles/Year \$197M over 15 Years~~

Annual Traffic, Drainage & Sidewalk Maintenance
 \$2.0M
 \$30M over 15 Years

Unfunded Additional Backlog Funding Requirement \$613M

Roadway Resurfacing / Reconstruction Backlog
 734 Miles
 \$13.13 M Annually
 \$197M over 15 Years

15 Year Unfunded Backlog Maintenance Needs
 \$13.13M/Year
 +\$1.8M/Year
 Or
 \$14.93M/Year

Traffic, Drainage & Sidewalk Maintenance Backlog
 \$1.8M Annually
 \$27M over 15 Years

Capacity Improvements**
 \$389M

1. Costs are based on planning level estimates. Individual roads/infrastructure require individual evaluation
2. Costs have no adjustment for inflation
3. Conditions and costs require re-assessment based on actual road conditions
4. *Assumes \$1.5M LOGT is permanently dedicated to periodic road maintenance
5. ** Impact Fees have recently (Jan. 2017) been re-implemented and are currently the only County funding source dedicated to capacity improvements, they are non-recurring and are unpredictable

Unfunded Needs:
 \$2M Per Year Permanently
 +\$14.93M/Per Year for 15 Years
 \$16.93M Total (Capacity not included)

Potential Additional Revenue Sources

Updated from Blue Ribbon Committee (2014)

	Total Unrealized	County Share	City Share	Super Majority	Referendum
9 th cent LOGT	\$2,520,479	\$2,520,479	\$0	Yes	Yes
1-5 cent LOGT Per Penny*	\$2,349,060	\$1,107,347	\$1,241,713	Yes	Yes
1-5 cent LOGT*	\$11,745,300	\$5,536,734	\$6,208,566	Yes	Yes

*City and County share shown assumes the same distribution as the existing 1-6 cent LOGT

	Total Unrealized (estimated)	County Share	City Share	Referendum
Public Service Tax (Osceola County in 2014)	\$12,727,228 (+/-)	\$12,727,228 (+/-)	\$0	Yes
Infrastructure Sales Tax (.5%)	\$43,269,088	\$24,161,338	\$19,107,750	Yes

Revenues are as estimated and published by the DOR 2016 or as noted

Total Funding Per Mile By County								
	Brevard	Polk	Volusia	Indian River	Orange	Osceola	Seminole	
LOGT 1-6, CGT	\$14,266	\$7,219	\$12,520	\$7,866	\$15,004	\$11,179	\$13,618	
9th Cent Diesel Fuel Tax	\$1,131	\$323	\$275	\$241	\$432	\$166	\$238	
Communication Services Tax	\$5,557	\$3,642	\$3,048	\$1,656	\$7,691	\$5,722	\$7,566	
LOGT 1-5	\$0	\$2,824	\$5,683	\$0	\$0	\$8,606	\$0	
Local Government Infrastructure Surtax	\$0	\$0	\$0	\$24,855	\$0	\$39,407	\$51,991	
9th Cent Motor Fuel Tax	\$0	\$933	\$2,131	\$0	\$0	\$1,846	\$2,343	
Public Services Tax	\$0	\$11,201	\$7,372	\$0	\$26,084	\$12,570	\$7,532	
Total Miles	\$1,193	\$2,677	\$1,057	\$700	\$2,687	\$1,013	\$861	
Total Revenue Per Mile	\$20,954	\$26,143	\$31,028	\$34,617	\$49,211	\$79,496	\$83,288	

SOURCE: "All funding information from the Local Governmental Financial Information Handbook 2016 (information thru 9/30/17). **Revised 3/1/17**"

Total Funding By County								
	Brevard	Polk	Volusia	Indian River	Orange	Osceola	Seminole	
LOGT 1-6, CGT	\$17.02M	\$19.32M	\$13.23M	\$5.51M	\$40.32M	\$11.32M	\$11.73M	
9th Cent Diesel Fuel Tax	\$1.35M	\$.86M	\$.29M	\$.17M	\$1.16M	\$.17M	\$.21M	
Communication Services Tax	\$6.63M	\$9.75M	\$3.22M	\$1.16M	\$20.67M	\$5.79M	\$6.52M	
LOGT 1-5	\$0	\$7.56M	\$6.01M	\$0	\$0	\$8.71M	\$0	
Local Government Infrastructure Surtax	\$0	\$0	\$0	\$17.4M	\$0	\$39.9M	\$44.78M	
9th Cent Motor Fuel Tax	\$0	\$2.5M	\$2.25M	\$0	\$0	\$1.87M	\$2.02M	
Public Services Tax	\$0	\$29.98M	\$7.79M	\$0	\$70.09M	\$12.73M	\$6.49M	
Total Miles	1193	2676.8	1056.7	700	2687.1	1012.5	861.3	
Total Revenue	\$25.1M	\$69.98M	\$32.79M	\$24.23M	\$132.24M	\$80.49M	\$71.74M	

NOTE: Figures are rounded to the nearest Million per year

SOURCE: "All funding information from the Local Governmental Financial Information Handbook 2016 (Information thru 9/30/17). **Revised 3/1/17**"