



CITY COMMISSION POLICY MANUAL

Local Option Sales Tax Program Management Policy

Department:
Public Works

Date Adopted:
September 8, 1999

Last Revised Date:
N/A

232.01 AUTHORITY

City Commission action on September 8, 1999.

232.02 PURPOSE

This Policy provides directions and identifies responsibilities for management of the City's Local Option Sales Tax Program.

Its purpose is to ensure proper coordination and timely implementation of the City's Local Option Sales Tax Program in accordance with all applicable laws, ordinances, and Commission policies and directions; and to ensure annual updates to the Commission and the community on the Sales Tax Program.

On September 19, 1989, a Local Option One Cent Sales Tax was approved 61%: 39% (yes - 14,476; No - 9,276) by referendum of Leon County voters. The tax became effective December 1, 1989, and will expire November 30, 2004. The City's share of the anticipated revenues was programmed to fund roadway capital projects and an expansion of the Police Station, over the 15-year life of the tax. The roadway projects included intersection improvements and advance funding (with repayment) of State and Leon County projects. Funding (without repayment) of State projects and 2020 Transportation Plan projects was later added to the project listing. The ballot language and the original City Resolution identify the types of projects and specific projects on which the Sales Tax funds can be spent. By ballot language, the applicable types of projects for the City are "... law enforcement capital projects, road and traffic improvements identified in the Tallahassee-Leon County Year 2010 Transportation Plan and other road and traffic improvements." (See Appendix A.) By Resolution No. 89-R-0024 (adopted August 30, 1989, prior to the Sales Tax referendum on September 19, 1989), the City committed to spend its Sales Tax funds for "advance funding of state road projects", "advance funding of county projects", a "City law enforcement project", "City 2010 projects", and "Intersection Improvements". Specific projects were listed. The resolution also indicated, "The list of projects may be amended by the City Commission to reflect changes in the 2010 Transportation Plan as determined by the Metropolitan Planning Organization, changes in the City of Tallahassee or Leon County Comprehensive Plans, or changing transportation needs due to unforeseen circumstances . . ." (See Appendix C.1)

232.03 STATEMENT OF POLICY

This Policy applies to all City departments and operations and their involvement in the Sales Tax Program.

232.04 DEFINITIONS:

Sales Tax Program: Refers to the City's Capital Projects Program funded, partially or entirely, by revenues or interest from the Local Option Sales Tax, approved by Leon County voters on September 19, 1989, effective December 1, 1989 through November 30, 2004.

232.05 RESPONSIBILITIES:

A. City Treasurer-Clerk:

The Revenue Division shall be responsible for timely collection of Local Option Sales Tax revenues from the Florida Department of Revenue and for posting these revenues and applicable interest earnings to the appropriate funds.

B. Department of Management and Administration (DMA):

The Budget and Policy Division shall be responsible for:

1. Monitoring the revenue collections and postings by the Accounting Services Division;
2. Recommending appropriations of Sales Tax Funds to the Commission for appropriate Capital Projects as a part of the annual Capital Budget process; and coordinating during this process with the Public Works and Legal Departments to ensure that such appropriation recommendations are legal and consistent with City Policy; and
3. Including known potential Sales Tax Capital Projects List amendments in citizens opinion polls, for citizen input.

C. Department of Public Works (DPW) shall be responsible for:

1. Managing all Sales Tax Capital Projects;
2. Preparing, as a minimum, annual reports on the status of Sales Tax Projects for delivery to the City Commission and the general public in September of each Fiscal Year, as a part of the Capital Budget review process;
3. Initiating a public hearing by the City Commission for any necessary amendments to the Sales Tax Project Listing;
4. Erecting signs on Sales Tax Road construction projects identifying them as Sales Tax Projects;
5. Providing the Budget and Policy Division, in conjunction with development of citizen surveys, a list of any known new proposed Sales Tax projects;
6. Coordinating with FDOT for City loans (advance funding) for FDOT Roadway projects, negotiating and recommending applicable Joint Project Agreements (JPA's) for Advance Funding for approval by the City Commission; identifying repayment schedules for such loans in accordance with approved JPA's; and ensuring FDOT repayment to the City in accordance with these schedules and reimbursement of any unused loan funds and applicable interest earnings;
7. Ensuring, within assigned scope of authority, compliance with this policy of all Sales Tax Project activities; and
8. Performing an annual review of this Policy, making recommendations for amendments, and ensuring timely updates.

D. Other City departments shall be responsible for cooperating with DMA and DPW for adherence to this policy and timely, cost-effective implementation of the Sales Tax Program.

232.06 PROCEDURES:

A. Policy Goals

1. All development will mitigate for its traffic generation above an adopted threshold for all major roads. (Adopted by Commission August 30, 1989.)
2. No expenditures will be made for road improvements, if the current and future land use decisions cause the road to operate below the adopted level of services on the scheduled date of completion. (Adopted by Commission August 30, 1989.)
3. Every road improvement must include, as a part of its design criteria, compatibility with the neighborhood and protection and preservation of the environment. (Adopted by Commission August 30, 1989.)

B. General Policies

1. Local Employment: All bidders on Sales Tax construction projects, with the exception of those projects where this requirement would conflict with bid requirements of the Florida Department of Transportation (FDOT) or the Federal Highway Administration (FHWA), are required to submit a certification as part of the bid package and the final pay request, certifying that a minimum of 60% of their employees and of their subcontractor's employees (considered as a group) are residents of Leon, Gadsden, Wakulla, or Jefferson Counties. City bid specifications shall enable the City to inspect contractor's payroll records, should the City desire to verify the employees' places of residence, and shall provide for deduction of 5% of the base contract amount, not to exceed \$50,000, as liquidated damages if a contractor fails to comply with this employment policy. (Commission committed to establishing a local preference policy on September 6, 1989; adopted by Commission December 13, 1989.)
 2. Bike Lanes and Sidewalks: Bike lanes and sidewalks are to be provided along all Sales Tax Roadway Projects. (Adopted by Commission January 10, 1990.)
 3. Amendments to Sales Tax Capital Projects List: The Sales Tax Capital Program shall be reviewed annually (generally during the budget development time frame, to coordinate the two programs). If amendments to the program are necessary, a public hearing shall be held for such amendments, after which, any amendments found to be necessary shall be made by adoption of a Commission Resolution to amend the list of Capital Projects to be funded with Sales Tax revenues. Known potential amendments are to be included in citizens opinion polls, for citizen input. (Adopted by Commission March 10, 1993.)
- C. **Interim Financing:** On May 16, 1990, the Commission approved an interim financing mechanism, which authorizes the City Treasurer-Clerk to establish a short-term loan program to finance potential cash flow shortages, resulting from "fast-tracking" Sales Tax Road projects. The mechanism enables the City Treasurer-Clerk, subject to the Commission's approval of each issuance amount, to issue variable rate commercial paper for indefinite time periods (callable by the City at any time) to finance funding shortfalls in the Program. Under this mechanism, the City Treasurer-Clerk is to issue "short-term debt", only as additional cash is required to pay expenses incurred by the Program, and is to retire this debt as Sales Tax revenues, excess to the current and short-term needs of the Program, become available.

D. Funding of FDOT Projects:

1. With Repayment: The City Commission may elect to advance-fund specific local FDOT projects with an agreement for repayment by the State. FDOT is allowed by state statute (F.S. 339.12) to accept such advance-funding and enter into a refund agreement without limitation, for any phase of a project which is funded within FDOT's adopted 5 Year Work Program. With limitations (see F.S. 339.12(4)(C)), FDOT can also enter into a refund agreement for high priority projects of the local Metropolitan Planning Organization (MPO) not included in the adopted 5 Year Work Program.
2. Without Repayment: If the City Commission, after conducting a public hearing and based on the City's road priorities and anticipated FDOT funding and scheduling of local FDOT projects, determines that funding without refunding is in the best interests of the citizens of the City of Tallahassee, the Commission may elect to advance-fund specific FDOT projects without an agreement for repayment by the State. (Adopted by Commission December 6, 1995.)

232.07 EXCEPTIONS:

Exceptions to this Policy may be approved by the City Commission, when in its determination, the exception is deemed to be in the best interests of the citizens of the City of Tallahassee.

232.08 SUNSET PROVISION:

This policy is also subject to sunset review by the City Commission no later than five (5) years from the date of adoptions. Subsequent reviews by the City Commission are to occur no later than five (5) years from the date of the prior review. Revisions will become effective immediately upon City Commission approval.

232.09 EFFECTIVE DATE:

September 8, 1999.

232.10 APPENDICES:

- A. One-Cent Local Option Sales Tax Ordinance
- B. City-County Interlocal Agreement on Sales Tax
- C. Resolutions Identifying and Modifying City Sales Tax Project List:
 1. Resolution No. 89-R-0024 (adopted 8/30/89)
 2. Resolution No. 94-R-0030 (AA) (adopted 9/14/94)
 3. Resolution No. 95-R-0039 (adopted 9/27/95)
 4. Resolution No. 95-R-0060 (AA) (adopted 12/6/95)
 5. Resolution No. 97-R-0034 (adopted 9/24/97)
 6. Resolution No. 98-R-0046 (adopted 9/23/98)

REVISIONS:

List every date that the policy was brought before Commission.