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**CITY OF RIVIERA BEACH**

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**TO:** HON. MAYOR AND CITY COUNCILMEMBERS

**THROUGH:** JONATHAN E. EVANS, CITY MANAGER, MPA, MBA, ICMA-CM

**FROM:** RANDY M. SHERMAN, DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES

**SUBJECT: ONE-CENT INFRASTRUCTURE SALES SURTAX  
APPOINTMENT OF OVERSIGHT COMMITTEE**

**DATE:** FEBRUARY 5, 2020

**CC:** GENERAL PUBLIC

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**Background:**

On November 8, 2016, Palm Beach County voters approved a ballot initiative to levy a one-cent infrastructure sales surtax to pay for public infrastructure improvements. The collection was authorized under Florida Statutes, Section 212.055(2), effective January 1, 2017, and extending for ten years. With the levy of one-cent sales surtax, it is projected that over this 10-year period that the County would benefit from an estimated \$2.69 billion in infrastructure investments, repairs, renovations, and improvements. The monies are apportioned appropriately among Palm Beach County, Palm Beach County School District, and thirty-nine local municipalities. Local municipalities are projected to receive 20% of the anticipated proceeds, resulting in \$537.6 million. The largest recipient, the Palm Beach County School District, is projected to receive \$1.345 billion.

This one-cent sales surtax funds may be used for local government infrastructure. The surtax differs from transactions subject to state sales tax in that the local-option sales tax base only applies to the first \$5,000 of the purchase price of taxable personal property, while sales tax applies to the entire purchase price, regardless of the amount, pursuant to Florida Statutes, Section 212.054(b). This surtax does not apply to certain groceries, medical products, and supplies, or other specified goods, as listed in Florida Statutes, Section 212.08. This one-cent sales surtax can be utilized to fund public infrastructure facilities and allows local municipalities to provide safe, efficient, and uninterrupted provisions of essential public services, including buildings, equipment, technology and security, roads, bridges, sidewalks, streetlights, signalization, parks and recreation facilities, general government facilities, drainage, wastewater facilities, and public safety vehicles and equipment.



Additionally, subsequent conversations revealed that the City Council desired that the surtax funds be utilized for startup capital to assist in funding a new municipal complex. Also, Resolution 77-19 (Attachment A), which was adopted on September 16, 2019, stipulated criteria that established the composition and tenure of the board. More specifically, it allowed for the Mayor and each sitting City Council member to appoint one person to serve as a member of the Citizen's Oversight Committee. It also designated a term of three years upon appointment unless removed before a three-year term expires.

On January 21, 2020 the City Council appointed Mr. Jeffery Jackson, Ms. Darlene Cruz, Mrs. Marybeth Coffey, and Ms. Eunice Terrell.

**Fiscal/Budget Impact:**

Revenues generated through the one-cent sales surtax program are administered, collected, and enforced under Florida Statutes, Section 212.054, and rules are promulgated by the Florida Department of Revenue, which is also responsible for the distribution of the surtax proceeds directly to the City by an inter-local agreement. The City of Riviera Beach is anticipated to collect approximately \$23 million over 10 years.

During the City Council budget workshop held on August 26, 2019, city departments made presentations to the council in which several departments expressed concerns regarding the City's infrastructure needs and investments. The City's tentative Five-Year Capital Projects Plan for Fiscal Years 2019/2020 through 2023/2024 estimates capital projects totaling \$343.557 million and the capital budget for FY 2019/2020 amounts to \$19.862 million. Included in the City's tentative Five-Year Capital Projects Plan is the construction of a new municipal complex, which is projected to cost \$150 million.

**City Goals:**

The City goal is to enhance government stewardship.

**Recommendation:**

On January 21, 2020, the City Council appointed Mr. Jeffery Jackson, Ms. Darlene Cruz, Mrs. Marybeth Coffey, and Ms. Eunice Terrell to serve as members of the Citizen's Oversight Committee. Staff recommends the appointment of Marvelous Washington and requests that the City Council provide the City Manager with one additional appointees so that the meetings may begin March 2020. Applications for consideration are on file in the City Clerk's Office.

**Attachment:**

A. Resolution 77-19