

Item # 58

**SEMINOLE COUNTY GOVERNMENT  
AGENDA MEMORANDUM**

**SUBJECT:** ONE CENT FUEL TAX ACTION

**DEPARTMENT:** County Manager's Office **DIVISION:** Planning

**AUTHORIZED BY:** J. Kevin Grace **CONTACT:** Alice Gilmartin **EXT.** 7383

<b>Agenda Date:</b> <u>10/14/03</u> <b>Regular</b> <input type="checkbox"/> <b>Consent</b> <input type="checkbox"/> <b>Work Session</b> <input type="checkbox"/> <b>Briefing</b> <input checked="" type="checkbox"/>
<b>Public Hearing – 1:30</b> <input type="checkbox"/> <b>Public Hearing – 7:00</b> <input type="checkbox"/>

**MOTION/RECOMMENDATION:**

To brief the Board of County Commissioners on the subject of levying an additional one cent local option fuel tax. Staff seeks direction from the Board on the subject.

County Wide Alice Gilmartin, Principal Coordinator

**BACKGROUND:**

This is a briefing item to discuss with the Board of County Commissioners (BCC) the need to establish an alternative funding source to assist in funding transit operating costs, particularly paratransit services under the American with Disabilities Act (ADA). To summarize events of the recent past couple of years:

- Transit costs began to exceed the revenues of the 9<sup>th</sup> cent gas tax five years ago. The County scrambled each year to find a way to balance the budget.
- Last year, the BCC directed staff to approach the Cities to assist in this funding burden. Working through the Mayors and Managers Group, a short-term solution was developed to utilize the 9<sup>th</sup> cent gas tax for fixed route transit and share the ADA transit-related costs between the County and the seven Cities. Although some Cities were not happy with this approach, they all participated with the understanding that a long-term funding solution (i.e., one cent fuel tax) would be implemented soon.
- County Staff intended to present the one cent fuel tax proposal to the BCC in early 2003. However, due to the controversy surrounding LYNX, and the uncertainty of its continued existence, the matter was delayed.
- In reviewing the FY 2003/04 transit budget by the Mayors and Managers Group on July 31, 2003, the City

<b>Reviewed by:</b> _____ <b>Co Atty:</b> <u>SA</u> <b>DFS:</b> _____ <b>Other:</b> <u>MW</u> <b>DCM:</b> _____ <b>CM:</b> <u>AG</u>  <b>File No.</b> <u>bpdp02</u>
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representatives spoke of respective city budget constraints but agreed to come forward for FY 2003/04 to pay their share of ADA costs with the stipulation of the need to implement a long-term solution to fund rising transit operating costs, especially ADA paratransit costs. The Group supported the concept of the BCC levying an additional one cent local option fuel tax and dedicating the revenues to fund ADA costs and other public transportation operating expenses. (For historical information on transit costs and funding, see the attached summary, entitled, "Explanation of Need for Additional One Cent Local Option Fuel Tax and History of Funding Shortfall")

According to Florida Statutes 336.025, the fuel tax may be levied either by voter referendum or a majority plus one vote of the Board of County Commissioners. Approval of an additional One Cent Local Option Fuel Tax must occur before July 1, 2004, in order to begin to generate revenue on January 1, 2005. An additional One Cent Local Option Fuel Tax is anticipated to generate approximately \$1.74 million in its first year. This \$1.74 million assumes that the cities would pledge, via an Interlocal Agreement, their portion to pay for ADA operating expenses beginning with FY 2004/05. The Mayors and Managers Group suggested that revenues beginning January 1, 2005 should pay for ADA services for FY 2004/05. The attached graph, entitled, "Projection of LYNX Costs and 9<sup>th</sup> Cent Revenue", displays the projected total transit costs and the 9<sup>th</sup> cent gas tax revenue. An Interlocal Agreement will need to be adopted by each local government authorizing funds to be paid to the County.

To date, the BCC with the Cities has agreed to fund ADA paratransit services county-wide at a cost this fiscal year of \$693,380 of which \$257,980 is the County's contribution (assuming all Cities pay their fair share as identified on the attachment, entitled, "FY 03-04, ADA Cost Analysis, Seminole County" which displays trips and costs). However, federal requirements only require providing ADA paratransit service within 3/4s of a mile on either side of a fixed bus route. If service was cut back to federal requirements, the total cost of ADA paratransit services this fiscal year would be \$351,460 of which \$106, 838 would be the County's portion.

Should the BCC levy the new one cent fuel tax and agree to continue to fund county-wide ADA paratransit service, the new tax would generate more than the current and near future costs of the paratransit service. The Cities and the BCC would need to decide through Interlocal Agreements what to do with the difference between the tax revenue and the cost of the paratransit service. Choices include:

- banking the surplus in anticipation of rising costs of ADA costs;
- using the money to fund rising costs of bus service or providing improved or new bus routes;
- or a combination of the above.

To date, the County has received resolutions from the Cities of Oviedo, Casselberry and Winter Springs in support of levying an additional one cent fuel tax for ADA paratransit and other public transportation services (resolutions attached).

For your information, the attached summary, entitled, "Local Option Fuel Taxes" gives a background on the local option fuel taxes in the state of Florida. Seminole County levies six cents local option fuel tax in cooperation with the cities, by an Interlocal agreement. This fuel tax is anticipated to generate \$ 6.66 million in 2003/04 for the County's portion. These revenues primarily fund county road maintenance. The County also levies the 9<sup>th</sup> cent gas tax. All proceeds go to the County and are dedicated revenues to transit operating expenses. The 9<sup>th</sup> cent gas tax is anticipated to generate \$1.9 million in 2003/04.

The Disabled Advisory Council for the BCC has discussed the dedication of an additional One Cent Local Option Fuel Tax to fund county-wide ADA paratransit services and other public transportation operating costs. A letter of endorsement of levying the tax for ADA and transit costs is attached.

Attachments:

1. Explanation of Need for Additional One Cent Local Option Fuel Tax and History of Funding Shortfall
2. FY 03-04, ADA Cost Analysis, Seminole County
3. Resolutions from the Cities of Oviedo, Casselberry and Winter Springs
4. Local Option Fuel Taxes
5. Letter from the Disabled Advisory Council
6. Graph of Projection of LYNX Costs and 9<sup>th</sup> Cent Tax Revenue
7. Graphic of Locally Imposed Motor Fuel Taxes

**EXPLANATION OF NEED FOR ADDITIONAL  
ONE CENT LOCAL OPTION FUEL TAX  
AND HISTORY OF FUNDING SHORTFALL**

The BCC has historically paid transit operating expenses with the county-wide revenues of the 9<sup>th</sup> Cent Local Option Fuel Tax. This revenue source has not generated sufficient funds to cover the cost of transit operating expenses for approximately five years (including projected amount for FY 03/04 of \$1.9 million with a total transit operating cost to Seminole County of \$3.5 million). Transit operating expenses include the cost of the fixed bus routes (of which there are currently seven bus routes in Seminole County), the cost of being a member of the Central Florida Regional Transportation Authority (RTA) and the cost of providing paratransit or door-to-door service for those qualifying under the ADA. (For FY 03/04, LYNX asked the BCC to fund some additional operating and capital costs to include new communication equipment for buses and assist in funding for paratransit for Medicaid and increases in the cost of health insurance for LYNX employees.)

The shortfall in the previous years has been paid by a variety of funds: annual participation by the cities of Altamonte Springs, Sanford and Oviedo to offset costs for fixed bus routes in their respective city; the one cent sales infrastructure tax paying for capital items for LYNX (in exchange LYNX paid equal amount of operating costs for the County to offset operating shortfall); use of telecommunication tax; and in one instance, where Planning and Development's budget had money targeted for transit expenditures. For FY 02/03, based on cooperative action through the Mayors and Managers Group, all cities in Seminole County came forward and paid for the cost of providing county-wide ADA paratransit service for the residents within their jurisdiction, thus reducing the shortfall for the entire transit operating expenses. At this time, Planning Staff is checking with City Staff to confirm whether each City has committed to pay transit costs in each of the Cities' adopted budgets and will relay this information at the October 14<sup>th</sup> briefing.

The Mayors and Managers Group in July of this year expressed a need for an alternative funding source to pay for ADA services and other public transportation needs and advocated for the use of an additional one cent fuel tax to cover these costs. An additional one cent fuel tax is estimated to generate \$1.74 million in its first year in 2005.

# FY 03 - 04 ADA Cost Analysis Seminole County

	Clients			Projected Trips			Projected Cost		
	Inside 3/4 mi	Outside 3/4 mi	Total	Inside 3/4 mi	Outside 3/4 mi	Total	Inside 3/4 mi	Outside 3/4 mi	Total
<b>Altamonte Springs</b>	46	0	46	5,418	899	6,317	\$ 109,384	\$ 18,147	\$ 127,531
<b>Casselberry</b>	18	9	27	1,505	3,552	5,057	30,389	71,711	102,100
<b>Lake Mary</b>	0	4	4	12	871	883	239	17,589	15,838
<b>Longwood</b>	9	25	34	776	2,156	2,932	15,672	43,536	59,208
<b>Oviedo</b>	9	0	9	477	256	733	9,626	5,173	14,799
<b>Sanford</b>	34	1	35	2,805	698	3,503	56,641	14,087	70,728
<b>Seminole Unincorporated</b>	86	67	153	5,292	7,387	12,679	106,838	149,152	257,980
<b>Winter Springs</b>	5	9	14	1,123	1,116	2,239	22,672	22,524	45,196
<b>Total Seminole County</b>	<b>207</b>	<b>115</b>	<b>322</b>	<b>17,408</b>	<b>16,935</b>	<b>34,343</b>	<b>\$ 351,461</b>	<b>\$ 341,919</b>	<b>\$ 693,380</b>

**RESOLUTIONS FROM THE CITIES OF OVIEDO,  
CASSELBERRY AND WINTER SPRINGS**

RESOLUTION NO. 745-03

A RESOLUTION OF THE CITY OF OVIEDO, FLORIDA, PROVIDING FOR SUPPORT OF SEMINOLE COUNTY COMMISSION TO LEVY AN ADDITIONAL ONE CENT LOCAL OPTION FUEL TAX TO BE DEDICATED TO FUNDING THE COST OF ADA PARATRANSIT SERVICES AND OTHER PUBLIC TRANSPORTATION OPERATING EXPENSES IN SEMINOLE COUNTY.

WHEREAS, LYNX, the Central Florida Regional Transportation authority, is the transit agency for Seminole, Orange and Osceola Counties and has been designated the Community Transportation Coordinator since 1992 by the State Commission for the Transportation Disadvantaged;

WHEREAS, LYNX provides door-to-door van paratransit service called ACCESS LYNX for medically qualified, physically challenged customers through its contracted carrier, MV Transportation and that currently the County and Cities pay LYNX for providing paratransit trips to those eligible individuals who in their jurisdiction qualify for the van paratransit service specified by the American Disabilities Act (ADA);

WHEREAS, approximately 35,000 ADA paratransit trips are projected to occur County-wide in Seminole County in Fiscal Year 2003/2004 of which \$14,799 are projected to occur in the City of Oviedo;

WHEREAS, the Cities and Seminole County Government have cooperated in the past in allotting the "9<sup>th</sup> Cent Local Option Gas Tax" to be dedicated to the payment of operating expenses for LYNX transit services;

WHEREAS, the revenues from the 9<sup>th</sup> Cent Local Option Gas Tax have not covered the entire cost of fixed bus route services, ADA paratransit services and membership in the regional transportation authority for a number of years, thus requiring supplemental funding from the Cities and the County;

WHEREAS, additional revenue is needed to ensure that paratransit services continue for those residents of Seminole County qualifying for ADA paratransit transportation from LYNX; and

WHEREAS, Seminole County currently levies in full the "Six Cent Local Option Fuel Tax" and the "9<sup>th</sup> Cent Local Option Gas Tax" and has the ability to levy additional fuel revenues under Section 336.025, Florida Statutes and that these revenues may be used for public transportation operations and maintenance.

Now, therefore be it resolved, that the City Council of the City of Oviedo supports an action of the Board of County Commissioners of Seminole County to levy an additional one cent local option fuel tax to be dedicated to funding the cost of ADA paratransit service and other public transportation operation expenses in the Cities and in Seminole County.

The foregoing Resolution No. 745-03 was passed and adopted by the City Council of the City of Oviedo, Florida on the 15<sup>th</sup> day of September, A.D. 2003.

RECEIVED  
SEP 11 2003

City of Oviedo, Florida



ROBERT DALLARI  
Chairman of the City Council

ATTEST:



Barbara J. Barbour  
City Clerk

I HEREBY CERTIFY that a true and correct copy of the foregoing Resolution No. 745-03 was by me, on the 16<sup>th</sup> day of September A.D., 2003, posted at City Hall, within the City of Oviedo, Florida.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Oviedo, Florida, this 16<sup>th</sup> day of September, A.D., 2003.



Barbara J. Barbour  
CITY CLERK of the City of Oviedo,  
Florida

RESOLUTION 03-1437

“A RESOLUTION OF THE CITY OF CASSELBERRY, FLORIDA, SUPPORTING AN ACTION OF THE BOARD OF COUNTY COMMISSIONERS OF SEMINOLE COUNTY TO LEVY AN ADDITIONAL ONE CENT LOCAL OPTION FUEL TAX TO FUND THE COST OF ADA PARATRANSIT SERVICE AND OTHER PUBLIC TRANSPORTATION OPERATION EXPENSES IN THE CITIES AND IN SEMINOLE COUNTY; PROVIDING FOR CONFLICTS, SEVERABILITY, AND EFFECTIVE DATE.”

WHEREAS, LYNX, the Central Florida Regional Transportation Authority, is the transit agency for Seminole, Orange and Osceola Counties and has been designated the Community Transportation Coordinator since 1992 by the State Commission for the Transportation Disadvantaged; and

WHEREAS, LYNX provides door-to-door van paratransit service called ACCESS LYNX for medically qualified, physically challenged customers through its contracted carrier, MV Transportation; and that currently the County and Cities pay LYNX for providing paratransit trips to those eligible individuals who in their jurisdiction qualify for the van paratransit service specified by the American Disabilities Act (ADA); and

WHEREAS, approximately 34,343 ADA paratransit trips are projected to occur county-wide in Seminole County in Fiscal year 2003/04, of which 5,057 are projected to occur in the City of Casselberry; and

WHEREAS, the revenues from the 9<sup>th</sup> Cent Local Option Gas Tax have not covered the entire cost of fixed bus route services, ADA paratransit services, and membership in the regional transportation authority for a number of years, thus requiring supplemental funding from the Cities and the County; and

WHEREAS, additional revenue is needed to ensure that paratransit services continue for those residents of Seminole County qualifying for ADA paratransit transportation from LYNX; and

WHEREAS, Seminole County currently levies in full the “Six Cent Local Option fuel Tax” and the “9<sup>th</sup> Cent Local Option Gas Tax” and has the ability to levy additional fuel revenues under Section 336.025, Florida Statutes and that these revenues may be used for public transportation operations and maintenance.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF CASSELBERRY, FLORIDA, AS FOLLOWS:

SECTION I. The City Commission of the City of Casselberry hereby supports an action of the Board of County Commissioners of Seminole County to levy an additional one cent local option fuel tax to be dedicated to funding the cost of ADA paratransit service and other public transportation operation expenses in the Cities and in Seminole County.

SECTION III. Conflicts. All Resolutions or parts of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

SECTION IV. Severability. If any Section or portion of a Section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other Section or part of this Resolution.

SECTION V. Effective Date. This Resolution shall become effective immediately upon its passage and adoption.

PASSED and ADOPTED this 25<sup>th</sup> day of August, AD 2003.

ATTEST:

  
Thelma McPherson  
City Clerk

  
Bruce A. Pronovost  
Mayor/Commissioner

## RESOLUTION 2003-41

### A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF WINTER SPRINGS ENDORSING THE ACTIONS OF THE SEMINOLE COUNTY COMMISSION TO LEVY A ONE PENNY LOCAL OPTION GAS TAX TO FUND ADA PARATRANSIT SERVICES IN SEMINOLE COUNTY.

**WHEREAS**, LYNX, the Central Florida Regional Transportation Authority, is the transit agency for Seminole, Orange, and Osceola Counties and has been designated the Community Transportation Coordinator since 1992 by the State Commission for the Transportation Disadvantaged; and

**WHEREAS**, LYNX provides door-to-door van paratransit service called ACCESS LYNX for medically qualified, physically challenged customers through its contracted carrier, MV Transportation and that currently the County and Cities pay LYNX for providing paratransit trips to those eligible individuals who in their jurisdiction qualify for the van paratransit service specified by the American Disabilities Act (ADA); and

**WHEREAS**, approximately 35,000 ADA paratransit trips are projected to occur county-wide in Seminole county in Fiscal Year 2003-04, of which 2239 are projected to occur in the City of Winter Springs; and

**WHEREAS**, the Cities and Seminole County Government have cooperated in the past in allotting the "9<sup>th</sup> Cent Local Option Gas Tax" to be dedicated to the payment of operating expenses for LYNX transit services; and

**WHEREAS**, the revenues from the 9<sup>th</sup> Cent Local Option Gas Tax have not covered the entire cost of fixed bus route services, ADA paratransit services and membership in the regional transportation authority for a number of years, thus requiring supplemental funding from the cities and the County; and

**WHEREAS**, additional revenue is needed to ensure that paratransit services continue for those residents of Seminole County qualifying for ADA paratransit transportation from LYNX; and

**WHEREAS**, Seminole county currently levies in full the "Six Cent Local Option Fuel Tax" and the "9<sup>th</sup> Cent Local Option Gas Tax" and has the ability to levy additional fuel revenues under Section 336.025, Florida Statutes and that these revenues may be used for public transportation operations and maintenance.

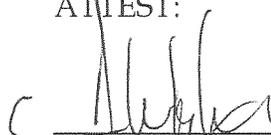
**NOW, THEREFORE, Be It Resolved,** that the City Commission of the City of Winter Springs, Florida supports an action of the Board of County Commissioners of Seminole County to levy an additional One Cent Local Option Fuel Tax to be dedicated to funding the cost of ADA Paratransit Service and other public transportation operation expenses in the Cities and in Seminole County.

**PASSED AND ADOPTED THIS 8th DAY OF SEPTEMBER, 2003.**

*In witness I have hereunto set my hand and caused  
this seal to be affixed.*

  
\_\_\_\_\_  
JOHN F. BUSH, MAYOR

ATTEST:

  
\_\_\_\_\_  
CITY CLERK

DATE: September 8, 2003

RECEIVED

SEP 23 2003

SEMINOLE COUNTY  
COUNTY MANAGER

## LOCAL OPTION FUEL TAXES

Three separate local option fuel taxes may be levied by local governments in the State of Florida. These include the Local Option Fuel Tax, which consists of two separate levies, (a "First Six Cent Tax" and a "Second Five Cents Tax"), and the 9<sup>th</sup> Cent Fuel Tax.

In Seminole County currently, the "First Six Cent Tax" is levied in full and the revenues go to fund primarily county road maintenance. The tax is levied on both gasoline and diesel fuel. The County has an Interlocal with all cities for the revenue of this tax. The Cities divide 36.4 percent of the tax and the County receives 63.6 percent. In FY 2003/04, the estimated revenues for the County are projected to be \$ 6.66 million.

None of the "Second Five Cents Tax" is presently levied in Seminole County. The proposed One Cent Local Option Fuel Tax for funding ADA paratransit and other transit operating expenses would be one penny of the "Second Five Cents Tax". If approved, this would still allow for the potential for levying in the future an additional four cents of fuel tax, if needed. This tax is not levied on diesel fuel, only on gasoline. Should the additional One Cent Local Option Fuel Tax be approved, the tax would begin January 1, 2005 and is anticipated to generate \$1.7 million its first year. The Florida Attorney General Office has offered an opinion that this fuel tax may be used for funding operating expenses of public transportation as long as it is supported in the adopted comprehensive plan. The County Attorney's Office has concurred with this.

The 9<sup>th</sup> Cent Fuel Tax (originally labeled this when the state's fuel excise tax totaled 8 cents) is levied in Seminole County. The County receives all proceeds of the tax of which the BCC has dedicated the revenue to fund transit operating expenses. Its projected revenue for 2003/04 is \$1.9 million and the cost to continue current transit services from LYNX to Seminole County is \$3.5 million. With the Cities paying their share of ADA costs and the monies from Sanford, Altamonte Springs and Oviedo for fixed route service, the amount due to LYNX for 2003/04 is reduced to \$2.9 million.

The current total amount of locally imposed fuel taxes levied by Seminole County is 7 cents out of a potential allowed by statute of 12 cents. Various surrounding counties levy different amounts (see attached graphic entitled, "Locally Imposed Motor Fuel Taxes"). Volusia levies the full 12 cents. Orange County and Brevard County levy 6 cents; Lake and Osceola – 7 cents.

PLANNING AND DEVELOPMENT DEPARTMENT  
COMMUNITY DEVELOPMENT OFFICE



September 19, 2003

Hon. Daryl G. McLain, Chairman  
Seminole County Board of County Commissioners

Subject: Proposed One-Cent Local Option Fuel Tax for ADA Paratransit Expenses.

Dear Chairman McLain:

It has come to our attention that the Board of County Commissioners will soon be considering the approval of an additional one cent in Local Option Fuel Tax to fund ADA Paratransit costs. It is our understanding that, if the additional one cent is approved, sufficient funding will be made available to provide transportation to all eligible ADA transportation-disadvantaged individuals in Seminole County.

Seminole County and its Cities have been very generous in past years in providing funding for paratransit costs. However, as you know, costs escalate each year, and some of the Cities are having a difficulty funding this program, and the threat arises each year for the County to provide not only its share of paratransit funding, but also for any shortfalls if one or more of the cities fail to participate.

Passage of the additional one cent tax would preclude the County and the Cities having to make room in their annual budgets for paratransit funding. In fact, we understand that the proposed tax would provide sufficient funding for many years to come.

The Seminole County Disability Advisory Council wholeheartedly supports the allotment of an additional One-Cent Local Option Fuel Tax to be dedicated to the payment of ADA paratransit services and other LYNX transit services that benefit the disability community in Seminole. At our meeting on September 11, 2003, we voted to endorse the Board approving the additional one cent.

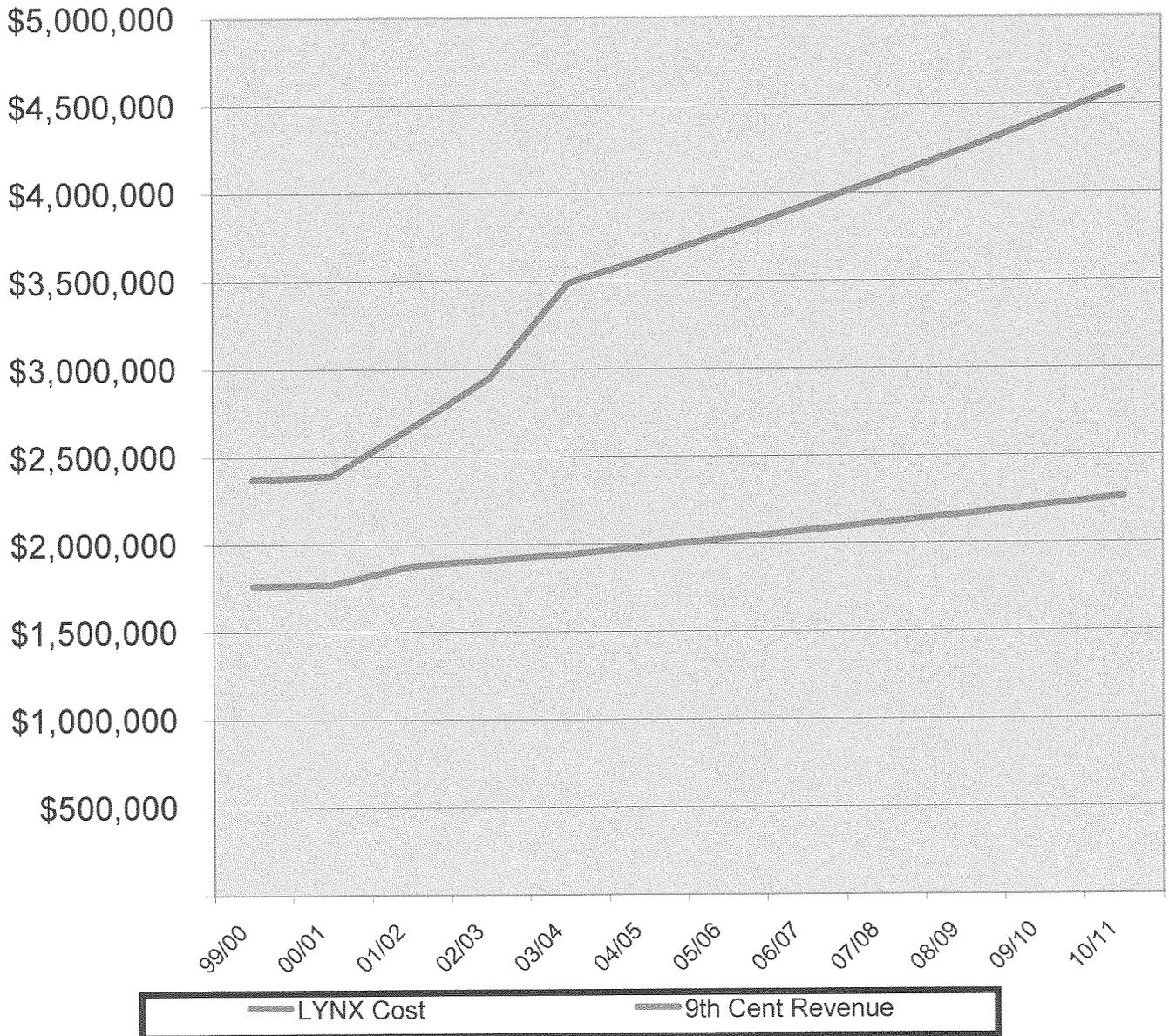
Thank you for your attention to this matter, and thank you for your concern for Seminole County's citizens with disabilities.

Sincerely,

  
Connie Kreinbring, Chair  
Disability Advisory Council

Copy: Kevin Grace, County Manager  
Sally Sherman, Deputy County Manager

## Projection of LYNX Costs and 9th Cent Revenue



# Locally Imposed Motor Fuel Taxes

Tax Rates (¢/gal) as of January 1, 2003

