



January 12, 2023
Infrastructure Surtax Advisory Committee
Meeting

The regular meeting of the Okaloosa County Infrastructure Surtax Advisory Committee was called to order at 10:00 A.M. in the Okaloosa County Administration Building, 1st Floor Training room. Members present were: Matthew Turpin, Chairman and District 4 representative; District 1 representative: Larry Ward; District 2 representative, Jeff Fanto; District 3 representative: Hannah Wilbur; District 5 representative: Jim Foreman. Also present were: John Hofstad, County Administrator, Craig Coffey, Deputy County Administrator; Jason Autrey, Public Works Director; Faye Douglas, OMB Director, Jordan Steffens, County Finance Director; Carisse LeJeune, Surtax Project Manager; Roy Petrey, Engineering Manager, Steve Blalock, Project Engineer; Glynn Stringer, Surtax Project Coordinator, and Melissa Wilson, Surtax Project Coordinator.

Opening Remarks and Approval of Previous Meeting Minutes

The meeting was opened by Chairman Turpin and Mr. John Hofstad stated that the meeting had been properly noticed in accordance with section 286.011, Florida Statutes on May 16, 2022.

Approval of Previous Meeting Minutes

Chairman Turpin made a motion to approve the previous meeting minutes as written. The motion was seconded by Hannah Wilbur. Approved unanimously 5-0.

Mr. Foreman welcomed Mr. Jeff Fanto of District 2 and new addition to county team. It was announced that Brig. General (Retired) Robert Buhrow, District 2, resigned as Vice Chair and District 2 representative. The committee will need to nominate and elect a new Vice Chair. Mr. Foreman motioned to elect Mr. Fanto of District 2 to serve as Vice Chair. Motion was seconded by Ms. Hannah Wilbur. Approved unanimously 5-0.

Chairman Turpin advised in October of 2021 the committee voted the Chair and Vice Chair will be limited to a two (2) year term and his two-year term ends on October of 2023. Chairman Turpin will resign per the newly established two-year term limitations and a new Chair will be need to be nominated and voted in.

Ms. LeJeune introduced new Surtax Project Coordinator team members, Melissa Wilson and Glynn Stringer.

Public Comments

None.

Presentations

None.

Project Updates

A. Surtax Project updates –

- a. Ms. LeJeune provided a full Surtax project update list to the committee. Mr. Autrey stated they will highlight the six (6) or seven (7) on the list in the meeting. Chairman Turpin asked if there are any concerns. Mr. Autrey advised the projects are healthy and in good shape.

B. Surtax Project Reconciliation –

- a. Chairman Turpin opened the discussion to review the Surtax Project Reconciliation data provided. Mr. Autrey added that we can use bond debt service as a fourth (4th) bucket but it is not categorized on the reconciliation sheet provided. Ms. LeJeune reminded the committee the Surtax team is wanting to bring Surtax Admin fee discussions back to the committee at a later date. Chairman Turpin agreed.

C. Annualized Funding Projection –

- a. Ms. LeJeune advised the Annualized Funding Projection document is being updated and will provide the original estimates versus the current estimates, per cost increases due in fuel, materials, labor, etc. She further noted that year one (1) through year five (5) yellow highlights depicts previously approved allocations of Surtax funding by the committee. This will provide a living document for original estimated costs, current estimations, and approved allocations. Mr. Autrey stated the projection amount was our original projection, as it was a reverse road-map, but noted year one (1) is projecting ten (10) year costs and the projections are not static but dynamic. The document reflects planned and current costs, and the blue highlighted projects are complete, and yellow highlighted projects are in progress. Mr. Foreman inquired into the year that Surtax is currently in. Mr. Autrey stated that we are in year five (5) with the first year being a nine (9) month and the last to be a three (3) month year. Ms. Lejeune asked if the committee was comfortable with the direction of the Annualized Funding Projection sheet. The committee approved.

D. Project Update List-

1. SW Crestview ByPass (ST000009) –

Ms. LeJeune recognized Mr. Schmidt's hard work on the SW Crestview ByPass spreadsheet and indicated we are past the point of snapshot views for the project with a lot of the original buckets of money already spent. The spreadsheet has been updated to demonstrate a more current look at the project. The top in blue reflects a snapshot of the entire budget with a breakdown of Surtax, Triumph grants, FDOT grants, County match for FDOT, Bond, Crestview contribution, Crestview JPA, and other county funds. We have a remaining budget in the far right of \$25 million available. The rest of the spreadsheet to the right drills down into the different phases of the projects and noted that PJ Adams 85 turn lanes are in the Design phase paid for by Okaloosa County. The graph provides an overall budget glance at the contract obligations, expenses to contracts paid to date, remaining contract obligations due, and remaining budget. She noted that footnotes of unquantifiable amounts of budget represents other contractual obligations like fuel & bit, labor & materials, which have been increasing and are fluctuating in nature. Mr. Autrey added the remaining \$25 million is not a surplus as it will include fuel and bit at roughly \$1

million, material cost escalation clauses that could easily run \$1 million on the bridge alone. He further noted that PJ Adams turn lanes have work to be contracted out which could be \$3 to \$8 million, so there is still work to be obligated. Triumph is a match percentage, so if the contract values are lower than anticipated, their contribution could decrease along with our match, which would decrease our budget. He explained that positive numbers mean we are in good shape with some decent size obligations still to come. Phase 5 is stated as doing well, the bridge has concerns due to its size but they are making good headway. He stated that we are in really good shape financially as the spreadsheet demonstrates.

Ms. LeJeune inquired if the committee is comfortable with changes made to the reporting spreadsheet. Chairman Turpin stated he likes the look of the sheet. Mr. Foreman stated he liked it and it is an improvement. He added the way we interact with the Board (BCC) is important and asked with a surplus if will it increase project work? Mr. Autrey stated we have had multiple add on projects and are also combining projects. On one of our agenda items we are sliding one project that was planned over multiple years into one year. We are working to not overspend, spend effectively, and are on-par with staying within budget. Mr. Autrey invited the committee to have a site visit to see the details and agreed we want to be on same page with the Board (BCC). Ms. Wilbur mentioned that Mr. Autrey gave her a tour and it put all in perspective. Mr. Autrey stated that Nick Tomecek (Okaloosa County Interim Public Information Officer) is working on a video update and noted the bridge is going up.

2. Bob White Stormwater Improvement (ST000025) –

Chairman Turpin opened the discussion. Ms. LeJeune reminded the committee the Bob White Stormwater project is one of several sub projects under the West 98 stormwater, with five (5) active projects in the area. We received the 90% design and secured a bid at \$1,084,687. The committee had previously allocated \$1,087,776, which is being included in the budget calculation. Estimates for CEI and construction, along with contingency costs, put the total project cost at \$1.3 million. She added that in order to proceed with construction, we request the committee approve \$212,224 of Surtax allocations for construction to be recommended to the BCC. This would allow the finalization of negotiations with the contractor. Mr. Autrey added that we had originally anticipated \$750k would be the estimated construction cost. The \$1 million is 25% over due to an increase in construction costs and we are seeing construction cost increases become more typical. Chairman Turpin entertained a motion to approve as presented, Vice Chair Fanto made the motion to approve, Mr. Foremen seconded. Motion approved 5-0.

3. College Boulevard (ST000030) –

Ms. LeJeune explained the committee had previously allocated \$550k to begin the traffic study and we are preparing to enter into a task order with HDR for the design phase. We also received legislative appropriation for an FDOT grant of \$1.5 million and our responsibility is a match of \$1.5 million. Ms. LeJeune made a request for the allocation of \$1.5 million from Surtax in order to move forward with the project. Chairman Turpin stated this type of a grant match is the type of projects the committee enjoys. Chairman Turpin entertained a motion to approve \$1.5 million for College Blvd. Ms. Wilbur motioned to approve, Mr. Ward seconded. Motion approved 5-0.

4. County Road Hwy 2 (ST000014) –

Ms. LeJeune reminded the committee there were numerous allocations from the legislative appropriations and this is another FDOT grant for \$3 million with a \$4 million County match. The committee had already allocated for final design costs in the amount of \$1 million to date. Staff is requesting another \$10.2 million allocation, which will include the \$4 million match requirement. Mr. Autrey stated that County Road 2 was on the identified needs list and a planned project. Initially the allocation was for \$7.8 million five (5) years ago. Since then, the construction costs have increased taking it to a \$12.3 million project. This reflects a huge increase in construction costs over time. He furthered that it was to be two (2) different years to pay for the project, with the left half first at \$4 million and the second half at \$4 million two (2) years down the road. It has since moved into one (1) contract to help avoid any further construction cost increases. Staff is wanting to utilize the cash we have currently and get the project going now, which is why we are requesting the increase for both to address the need at this time.

Vice Chair Fanto stated that Staff may have to come back for additional Surtax funding based on potential cost increases to action the committee has recently taken. Mr. Autrey mentioned that we bid this in about a month, which will avoid lag time and we put contingencies in the contracts but agrees it is a possibility. He noted there will not be a huge lag time between the request and the expected bids, so we are cautiously optimistic we will not need to make an immediate additional request. Mr. Foreman asked to confirm that we are now doing two (2) projects. Mr. Autrey confirmed.

Chairman Turpin inquired, of the \$10.2 million, is there a concern to come back for more money. Mr. Autrey added this is the best estimate now but it is a volatile market and is still overinflated so it may be possible. Chairman Turpin entertained a motion to approve \$10.2 million for County Road 2, Vice Chair Fanto motioned to approve, Mr. Foreman seconded. Motion approved 5-0.

5. Live Oak Church Road (ST000028) –

Ms. LeJeune explained Surtax is asking for an amount for construction, CEI, Post-Design, and contingency. The project is going to increase the operational capacity of the intersection of Live Oak Church Road and SR85. Ms. LeJeune added that the committee previously allocated \$500k for design and it has been utilized for the design of the road and the bridge that is a part of this project. Total estimated project costs are \$5.5 million. We have a \$1.5 million grant from FDOT and \$1.2 million developer contribution. Staff is requesting \$2.4 million to complete the project. Mr. Autrey added that there is also an in-house bridge crew that will do the bridge construction and is saving the project money. The project will be a \$2.9 million project to get a \$5.6 million worth of work. Chairman Turpin asked if there are any concern the developer will back out. Mr. Autrey stated there is an executed agreement and the contractor is building.

Chairman Turpin entertained a motion to approve the \$2.4 million. Ms. Wilbur motioned to approve and it was seconded by Mr. Ward. Motion approved 5-0.

6. Carmel / Beal (ST000010) –

Ms. LeJeune advised a task order was approved by the BCC for design for the Carmel and Beal Parkway project in the amount of \$241,196.41 with a budget transfer of Surtax reserves in

the amount of \$250k. She stated the project was originally identified as a Surtax project to be fully funded by the County. However, both the right of way and construction costs were very conservatively estimated. We have a unanimous recommended approval of an FDOT County Incentive Grant which needed to be acted upon quickly. Ms. LeJeune requested the Committee approve action by Staff. Chairman Turpin reminded the Committee that Staff reached out to committee members individually regarding the matter. Mr. Autrey reminded the Committee that two (2) or three (3) years ago the Committee allocated Surtax funds to apply for this grant and further added this is housekeeping matter due to grant awards time limit constraints. Funds were previously approved to approach FDOT for a \$1 million match, which leverages the project to 50/50 funding base.

Chairman Turpin entertained a motion to approve a transfer of \$250k from reserves as presented. Mr. Foreman motioned to approve, Ms. Wilbur, seconded. Motion approved 5-0.

7. West 98 Stormwater (ST000025) –

Mr. Autrey opened the discussion and referred the committee to the project map provided. He stated Scott Bitterman has done a fantastic job identifying ways to improve traffic flow on West Hwy 98 from Hurlburt westwards. We looked at ways to improve the interactions between the side streets and Hwy 98. FDOT is currently working on a PD&E to six (6) lane Hwy 98 in the area but noted that the left turns that enter it will impact it. FDOT has stated they will work on a grant to construct roadway if we meet front half costs on right of way (ROW). He noted it would not be a 50/50 match in that we would pay the front portion of the project and they would pay for the construction portion. He furthered we want to move to secure two pieces of property shown as proposed pond 34B that FDOT needs in order to begin construction for the project. North on Woodland there is an entire residential area that will now be able to come out onto Hwy 98 at a signal, which will significantly improve traffic flow without adding lanes to Hwy 98.

Mr. Foreman inquired if the land owners support the purchase? Mr. Autrey responded they are open and willing to sell. Mr. Foreman further asked if we are looking at imminent domain and Mr. Autrey responded no. Chairman Turpin asked if the five (5) left turns will go away or still be there? Mr. Autrey advised they will remain but they will probably be avoided with an option to turn at a light being an improvement. Vice Chair Fanto asked if the team is speaking about 2 ponds? Mr. Autrey clarified we previously acquired and already own the other side (2 parcels).

Mr. Autrey requested to have \$2.4 million for the acquisition of property to utilize for this portion of the West 98 Stormwater Improvement Project. He reminded the committee that West 98 Stormwater Improvement Project is identified on the surtax project needs list. Chairman Turpin inquired if the property was in low area. Mr. Autrey advised that it is not one of the higher grounds and it is a great use for a stormwater management facility. Chairman Turpin inquired if there are any objections or resistance from surrounding property owners. Mr. Autrey responded no.

Chairman Turpin entertained a motion to approve \$2.4 million for ROW acquisitions. Vice Chair Fanto motioned to approve and Mr. Foreman seconded. Motion approved 5-0.

B. Annual Summary -

Chairman Turpin stated that the Annual Summary is following last year's template and needs to go before the Board of County Commissioners for review. Mr. Autry stated the agenda item has been created for the BCC meeting on January 17th. Mr. Autrey stated there are 31 current projects.

Chairman Turpin made a motion to approve the annual report. Mr. Foreman moved to approve, Ms. Wilbur seconded the motion. Motion approved 5-0. Chairman Turpin will present the report to the Board.

Office of Management and Budget

Ms. Faye Douglas stated that we have received \$3.7 million in the first quarter of the 2023 fiscal year (FY) and expect to receive \$20 million by the end of 2023 FY. Year five (5) is estimated at \$22 million for a \$43 million bucket.

Clerk of Court and Comptroller

Chairman Turpin stated we are at \$21.7 million for 2022 and inquired if that is up or down from FY 2021. Mr. Jordan Steffens stated that in FY 2021 we received \$20,076,386 in Surtax funds. We have a projection of \$23.1 million for FY 2023, per five (5) years of historical data. Mr. Hofstad added that is consistent with our other tax revenue sources, with the exception of gas tax.

Mr. Steffens added in coordination with Ms. LeJeune, the Clerks' function is to oversee compliance with the Surtax dollars and added they are also revamping their report for the Committee. He further stated that they will not duplicate Ms. LeJeune's data and will focus on actuals, and comparisons/analysis. The report is through Dec 31st, 2022 and January 2023 and will be ready for the website next week.

No public comment cards noted.

Public Comments

None.

Schedule Next Meeting

The next meeting is scheduled for Thursday, March 30th at 10:00 am in the Okaloosa County Administration Building, 1st Floor Training Room.

Vice Chair Fanto stated that he appreciated the welcome and inquired if a Surtax dashboard could be an option for reporting presentations? Mr. Autrey asked if they would want it to reflect the project budget and percent complete? Vice Chair Fanto stated the SW Crestview ByPass report visual is a good example. Mr. Autrey added that we will bring in an example to the next meeting for review. Mr. Foreman included that the graph was very helpful. The Surtax team can create an example for review and Ms. LeJeune added that we want to support a strong public presence for our five (5) year progress. The Committee agreed. Mr. Hofstad added that Mr. Nick Tomecek currently does some of that with videos and drone work. Ms. Wilbur suggested that district/ location information be added to the Annual Funding Project report. Ms. LeJeune commented the team can add references to maps that can also be provided. Mr. Autrey stated a dashboard is a good place to capture both.

Adjournment

The meeting adjourned at 11:03 am.

Respectfully Submitted,

Melissa Wilson

Surtax Project Coordinator