Anna Maria Island

Government Structure and Services

JANUARY 8, 2025



Executive Summary

The Legislature directed OPPAGA to analyze the potential benefits of consolidating local government services for the three incorporated cities on Anna Maria Island—the City of Anna Maria, the City of Holmes Beach, and the City of Bradenton Beach—and present options for future government structure for Anna Maria Island.

Anna Maria Island Has Three Cities

Anna Maria Island is a seven-mile-long barrier island off Florida's central western coast just west of the City of Bradenton and part of Manatee County. The island is made up of three cities—the City of Anna Maria, the City of Holmes Beach, and the City of Bradenton Beach.

Government Services Are Provided by Both County and City Governments

Anna Maria Island residents receive government services from both Manatee County and municipal governments. Funding for the municipal services comes mainly from property taxes (ad valorem) for each of the cities. For each of the cities on Anna Maria Island, per capita revenues generally matched per capita expenditures, and each city had some outstanding debts and reserve funding.

The Three Cities on Anna Maria Island Could Streamline Government Services

There are some municipal services on the island that could be streamlined through interlocal agreements, contracts, or government reorganization. This streamlining of services could result in savings for island residents who are currently paying for both city and county services, such as with law enforcement and emergency management services.

OPPAGA Explored Considerations for Four Options to Restructure Local Government on Anna Maria Island

There are precedents for municipal mergers and dissolutions in Florida. OPPAGA explored four options for the local government structure of Anna Maria Island and identified several important considerations for each option. The options are

- 1. maintaining the status quo and leaving the existing three cities on Anna Maria Island as is:
- 2. combining the three cities into one new city;
- 3. including the island as part of unincorporated Manatee County; or
- 4. combining all three cities into the City of Bradenton.

Background

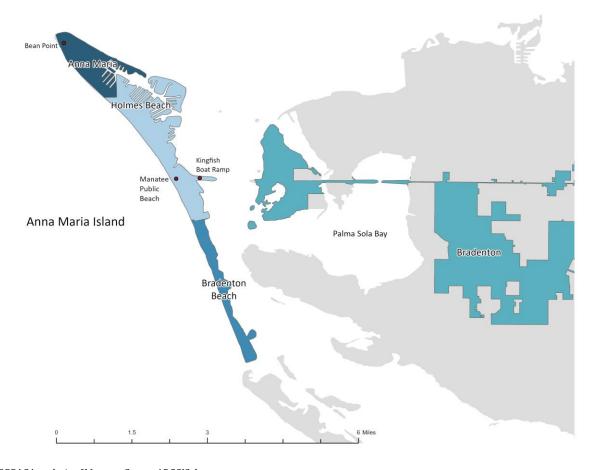
Anna Maria Island Location



Source: OPPAGA analysis of Manatee County ARCGIS data.

Anna Maria Island is located in western Manatee County and includes three cities

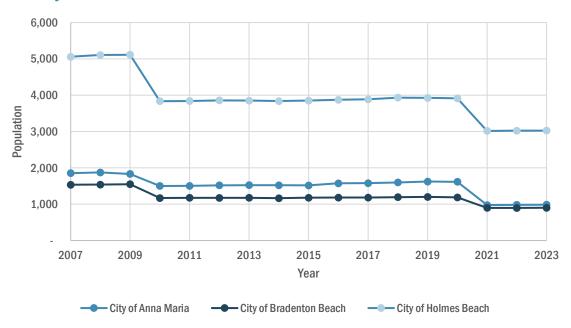
Anna Maria Island is a seven-mile-long barrier island covering 2.87 square miles (1,837.7 acres) located off the coast of Bradenton, Florida, and part of Manatee County. The island includes three incorporated areas which are, from north to south, the cities of Anna Maria (incorporated in 1923), Holmes Beach (incorporated in 1950), and Bradenton Beach (incorporated in 1952). Unincorporated areas on Anna Maria Island include a public boat ramp maintained by Manatee County.



 $Source: OPPAGA\ analysis\ of\ Manatee\ County\ ARCGIS\ data.$

Anna Maria Island Population Changes

From 2007 to 2023, the number of permanent residents on the island declined by 42%



Source: OPPAGA analysis of Florida Office of Economic Demographic Research population data.

The population of permanent residents on Anna Maria Island has declined 42%, from 8,449 in 2007 to 4,915 in 2023. All three island cities experienced two declines in the population of permanent residents that coincided with the Great Recession of 2008 and the COVID-19 pandemic of 2020. Specifically, from 2007 to 2010, the island population decreased by 351 residents in Anna Maria, 1,223 residents in Holmes Beach, and 365 residents in Bradenton Beach. From 2020 to 2021, the island population decreased by 641 residents in Anna Maria, 896 residents in Holmes Beach, and 288 residents in Bradenton Beach.

According to Census Bureau guidelines, a permanent residence is the place a person lives and sleeps most of the time. Consequently, temporary residents such as tourists are not included in these estimates. Many places in Florida have large numbers of temporary residents during certain times of the year, making actual populations much larger than permanent resident populations.

Anna Maria Island Residential and Vacation Rental Properties

From 2018 to 2023, the overall number of residences on the island decreased slightly



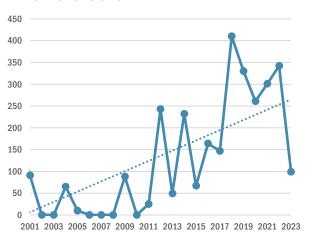
Source: OPPAGA analysis of Manatee County Property Appraiser data.

Although the total number of residences on Anna Maria Island has decreased slightly from 2018 to 2023, the number of new vacation rental properties on the island that are licensed through the Florida Department of Business and Professional Regulation (DBPR) has increased, with a total of 1,743 new vacation rental properties on the island from 2018 to 2023. From 2000 to 2017, a total of 1,375 new vacation rental properties on Anna Maria Island were licensed through DBPR. Since 2000, the largest number of new vacation rental properties occurred in 2018 (410) and the second largest occurred in 2022 (342).¹

From 2018 to 2023, an average of 291 new vacation rental properties were licensed. During this period, the City of Bradenton Beach had the largest total number of new vacation rentals (707), followed by Holmes Beach (584) and Anna Maria (452).

From 2018 to 2023, the total number of residences on the island decreased from 4.405 in 2018 to 4.290 in 2023, a decrease of 115 residences. The total number of residences decreased slightly for both the City of Holmes Beach (from 2,348 to 2,231) and the City of Bradenton Beach (from 566 to 559) during this period, while the total number of residences in the City of Anna Maria increased slightly (from 1,491 to The 1,500). City of Holmes experienced the largest change in number of single-family residences during this period, from 1.869 decreasing single residences in 2018 to 1,768 in 2023. However, the number of single-family residences in the cities of Anna Maria and Bradenton Beach increased by 31 and 5, respectively, during this same period. The multi-family residences of decreased in each city during this period (a decrease of 11 residences in Anna Maria, 32 in Bradenton Beach, and 33 in Holmes Beach).

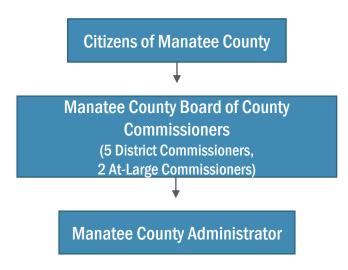
From 2000 to 2023, 66% of all new vacation rental properties in Manatee County were on Anna Maria Island



Source: OPPAGA analysis of Department of Business and Professional Regulation vacation rental data.

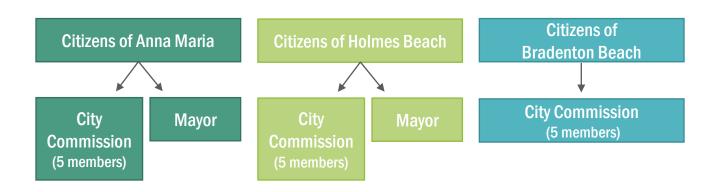
 $^{^{1}}$ An additional 302 vacation rental properties on Anna Maria Island are not included because these properties did not have valid license dates. Of these properties, 299 are associated with just 14 licenses.

Current Local Government Structures



Manatee County is a non-charter county governed by seven county commissioners

The county has two at-large commissioners elected by all eligible county residents. The seven-member Manatee County Board of County Commissioners develops policy for the management of Manatee County and appoints the county administrator to carry out the day-to-day business of the county. County ordinances guide county operations and services such as emergency management.



Each of the three cities on Anna Maria Island operates its own municipal government as specified in its city charter

The charters for the cities of Anna Maria and Holmes Beach specify a mayor-council system that includes an elected mayor and a five-member city commission. The charter for the City of Bradenton Beach specifies a balanced commission form of government where the city commission has both legislative and executive authority and the mayor is one of five voting members of the city commission. Each of the city commissions creates and regulates ordinances to guide municipal operations and services.

Service Configurations and Funding

County Services

Manatee County provides several services to residents of the island cities

For all three cities, the county is responsible for maintaining the water system infrastructure (e.g., piping and valves), providing fresh water, and treating wastewater. Similarly, the county provides the island cities emergency medical services (e.g., 9-1-1 dispatch and ambulances) and disaster-related emergency management. Residents on the island pay for these county services through their taxes. In some instances, services on the island are provided in a cooperative manner between the cities and Manatee County. For example, the county provides the Anna Maria Island Trolley, which runs island-wide and provides a fare-free option of public transportation. The cities are responsible for maintaining the trolley stop areas.



Animal Control



Beach Maintenance



Community
Development/Capital
Investment Projects



Emergency Management Services



Emergency Medical Services



Lifeguard/Beach Rescue



Law Enforcement Services (Sheriff)¹



Potable Water and Related Infrastructure



Public Libraries



Public Schools



State and Federal Elections



Trolley



Wastewater and Related Infrastructure



Water Taxi

¹ This county service includes marine law enforcement.

City Services

All three Anna Maria Island cities provide some common services to residents









Building and Planning

Code Enforcement

Municipal Elections

Public Works

These common services include building and planning officials who issue building permits and oversee city construction projects among other responsibilities. Code enforcement services are provided by a standalone department in the City of Anna Maria, whereas the City of Holmes Beach groups code enforcement with building and planning officials in a development services department, and the police department provides these services in the City of Bradenton Beach. The clerk position for each of the Anna Maria Island cities serves as the city's local election official. However, Bradenton Beach's city clerk also manages human resources-related duties for the city, while Holmes Beach employs a human resources manager who is independent from its city clerk. In Anna Maria, the city clerk also serves as the city's treasurer, a shared duty established within its city charter. Public works manages city equipment, performs tasks such as landscaping, and oversees solid waste removal contracts on behalf of the city. Below are the city departments for each city.

City of Anna Maria	City of Holmes Beach	City of Bradenton Beach
General Government	Administration	Administration
Building and Planning	Development Services	Building and Planning
Code Enforcement	Police	Police
Public Works	Public Works	Public Works

To provide city services, each city employs varying numbers of employees. Holmes Beach has 60 city employees, Bradenton Beach has 29 city employees, and Anna Maria has 19 city employees.

Services Provided by the Cities and the County

Some island cities provide services also provided by the county

Law Enforcement

The Manatee County Sheriff's Office provides law enforcement services for the island cities. In addition, the City of Holmes Beach and the City of Bradenton Beach operate city police departments, while the City of Anna Maria exclusively relies on the sheriff. All three cities use the county's dispatch service; however, Holmes Beach also employs a secondary dispatch service that receives calls routed through the county dispatch center as well as through a direct line.

Emergency Management

As required by state law, Manatee County provides emergency management services through its public safety department, including disaster preparedness, managing hurricane shelters, and emergency response and recovery. Holmes Beach and Bradenton Beach both reported that the cities have the capacity to provide emergency recovery services, such as by removing debris from roadways in response to storms.¹

Source: OPPAGA interviews and data from the City of Anna Maria, the City of Holmes Beach, and the City of Bradenton Beach.

¹ Section <u>252.38(2)</u>, *F.S.*, authorizes but does not require municipalities to create emergency management programs to operate in conjunction with county management agencies.

Other Service Provision Arrangements on Anna Maria Island

Some municipal services, funding, and equipment are not provided directly by the cities or county, but through interlocal agreements, contracts, and special districts

Examples of Interlocal Agreements With Manatee County

- Law enforcement (including marine law enforcement)
- Potable water and related infrastructure



- Wastewater and related infrastructure
- Island-wide capital investment through beach concession funds¹
- Community Development Block Grant projects²

Examples of Contracts

- Purchasing some city equipment
- Consulting services (e.g., structural evaluations and infrastructure repairs)

Solid waste removal

Examples of Special Districts

- Entertainment district (Bradenton Beach Community Redevelopment Agency)
- Fire (West Manatee Fire District)
- Mosquito control (Manatee County Mosquito Control District)



¹ The projects funded under these agreements include island-wide uses. Past examples have included sidewalks and crosswalks.

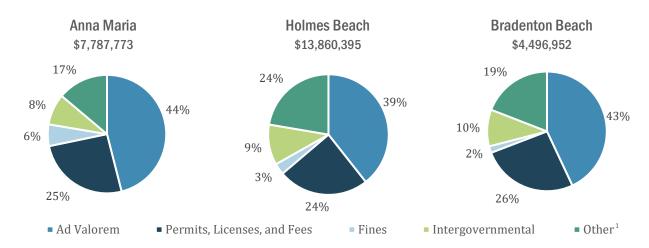
² Federal Community Development Block Grant funds can be applied toward public improvement projects primarily benefiting low- and moderate-income residents.

City Revenues



For local Fiscal Year 2022-23, several revenue sources funded government services for the three island cities. Total revenues for each city ranged from \$4.5 million (Bradenton Beach) to \$13.9 million (Holmes Beach). In all three cities, property taxes (ad valorem) were the largest revenue source.

2022-23 Revenues by Source



¹ Other revenue sources for the City of Anna Maria include grants and interest revenues. Other revenue sources for the City of Holmes Beach include grants and interest revenue, private donations, and other taxes. Other revenue sources for the City of Bradenton Beach include various taxes imposed for services, such as electricity and water, as well as business taxes and interest.

Source: OPPAGA analysis of revenue data from the City of Anna Maria, the City of Holmes Beach, and the City of Bradenton Beach.

2023 Residential Property Tax Collections

	City of Anna Maria	City of Holmes Beach	City of Bradenton Beach
Property taxes collected	\$3,459,857	\$5,457,892	\$1,934,571
Number of residential properties	1,491	2,348	566
Average home valuation ¹	\$2,181,612	\$1,489,486	\$1,202,204
Millage rate	2.05	2.05	2.3329

¹ Average home value is the average appraised residential home value.

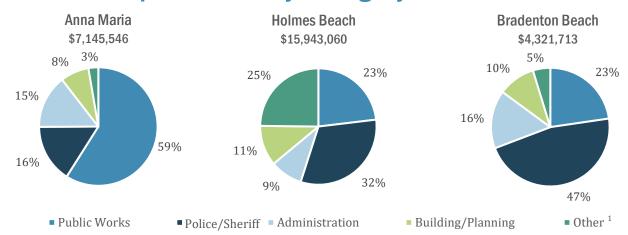
Source: OPPAGA analysis of revenue data from the City of Anna Maria, the City of Holmes Beach, the City of Bradenton Beach, and data from the Manatee County Property Appraiser.

City Expenditures



For local Fiscal Year 2022-23, the three island cities spent revenues on public works, police/sheriff, administration, building and planning, and other services. Total expenditures ranged from \$4.3 million (Bradenton Beach) to \$15.9 million (Holmes Beach). Police/sheriff services were the largest expense in the cities of Holmes Beach and Bradenton Beach, with public works being the greatest expense for the City of Anna Maria.

2022-23 Expenditures by Category

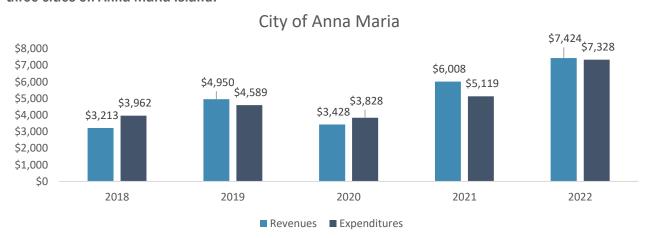


¹ Other expenses for the City of Anna Maria primarily included debt servicing. Other expenses for the City of Holmes Beach included expenditures used for road improvements. Other expenses for the City of Bradenton Beach included expenditures that are not included in any city departmental expenditures, such as those for its city commission.

Source: OPPAGA analysis of expenditure data from the City of Anna Maria, the City of Holmes Beach, and the City of Bradenton Beach.

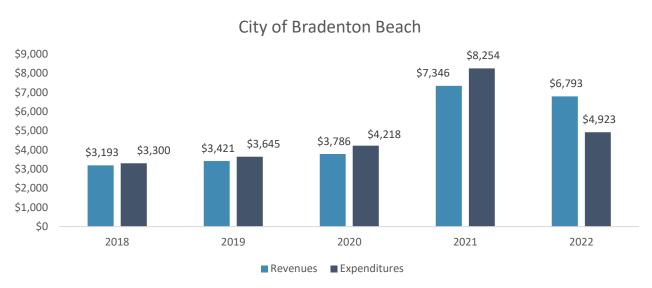
Per Capita Revenues and Expenditures

From 2018 through 2022, per capita revenues generally matched per capita expenditures for all three cities on Anna Maria Island.

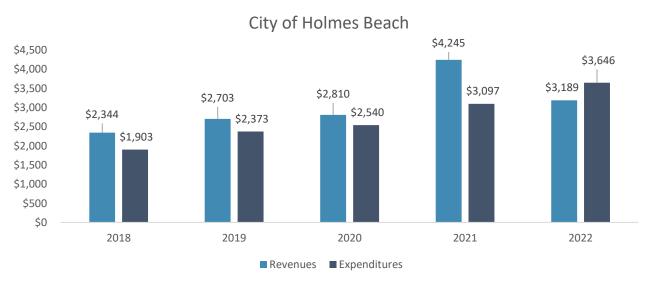


Source: OPPAGA analysis of annual financial report data submitted to the Florida Department of Financial Services and prepared by the Florida Office of Economic and Demographic Research.

Per Capita Revenues and Expenditures



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Debt and Reserves



The three island cities had some outstanding debt

For local Fiscal Year 2021-22, the City of Anna Maria had \$2.1 million in outstanding debt, the City of Holmes Beach had \$5.5 million, and the City of Bradenton Beach had \$197,000.



The cities' outstanding debt was primarily related to local retirement systems

All City of Anna Maria employees and most City of Holmes Beach employees are members of the Florida Retirement System. However, both Holmes Beach and Bradenton Beach operate local retirement systems for police department employees. In addition, Bradenton Beach has a privately administered retirement system for city employees.

The local Fiscal Year 2020-21 unfunded liabilities for the retirement systems were \$947,784 for the City of Anna Maria and \$5 million for the City of Holmes Beach.



Each city has reserve funds, most of which were unassigned

In local Fiscal Year 2021-22, the City of Anna Maria held about \$2.7 million in total reserves (\$2.3 million unassigned), the City of Holmes Beach held \$12.0 million in total reserves (\$3.1 million unassigned), and the City of Bradenton Beach held \$3.7 million in total reserves (\$1.4 million unassigned). Unassigned reserve funds are not restricted for specific uses. Assigned reserve funds are encumbered for specific purposes such as purchasing vehicles and equipment.

See Florida Auditor General Fiscal Year 2021-22 reports for the City of Anna Maria, the City of Bradenton Beach, and the City of Holmes Beach.

Options for Future Government Structure

Options for Streamlining Services

Streamlining services could result in savings for island residents who are currently paying for both city and county services. The existing city governments of Anna Maria Island could use interlocal agreements and contracts to reduce duplication and associated costs.

Law Enforcement: Residents in Holmes Beach and Bradenton Beach currently pay for county and city law enforcement services. Interlocal agreements with the Manatee County Sheriff's Office could be used, which would allow for the elimination of city law enforcement services. The budget for the county sheriff's office is funded by the Manatee County Board of County Commissioners as required by law. In Fiscal Year 2022-23, the City of Holmes Beach spent \$4.9 million for police, while the City of Bradenton Beach spent \$2.0 million.

Emergency Management: Residents in Holmes Beach and Bradenton Beach pay for county and some city emergency management services. Interlocal agreements could be used to reduce duplication of emergency management services. As required by state law, Manatee County already provides emergency management services through its public safety department. These services include disaster preparedness, managing hurricane shelters, and emergency response and recovery.

Contracted Services: Island residents are potentially paying higher costs for contracted services (such as solid waste removal) because each city independently contracts for certain services. Negotiating an island-wide contract for these services may provide savings.

¹ Section <u>252.38(2)</u>, *F.S.*, authorizes but does not require municipalities to create emergency management programs to operate in conjunction with county management agencies.

Options for Restructuring Local Governance

There are precedents for municipal mergers and dissolutions in Florida

OPPAGA explored options for future local government structures of Anna Maria Island and identified several important considerations for each option.

Several state laws provide processes for municipalities and counties to change local government structure.¹ Mergers of formerly incorporated cities have previously occurred in the state. For example, the City of St. Pete Beach formed through a merger of four smaller cities and portions of unincorporated Pinellas County; this incorporation occurred by voter referendum in 1957. In addition, several Florida municipalities have dissolved since 1977. Dissolutions have occurred through special acts of the Legislature as well as through voter referenda. The first occurrence of a voter referendum dissolution took place in 2008 when the Town of Cedar Grove dissolved and became part of unincorporated Bay County. The most recent dissolution occurred through a special act of the Legislature in 2020; Ch. 2020-196, *Laws of Florida*, dissolved the former City of Weeki Wachee.

Former Municipality	County	Year Dissolved	Method of Dissolution
Bayview	Bay	1977	Special act
Bithlo	Orange	1997	Special act
Munson Island	Monroe	1981	Special act
Painters Hill	Flagler	1981	Special act
Hacienda Village	Broward	1984	Special act
Pennsuco	Dade	1986	Authority of Dade County Charter
Ward Ridge	Gulf	1987	Voter referendum
Golfview	Palm Beach	1997	Special act
North Key Largo Beach	Monroe	2003	Special act
Cedar Grove	Bay	2008	Voter referendum
Islandia	Miami-Dade	2012	Abolished by Miami-Dade County Commission
Hastings	St. Johns	2018	Voter referendum
Weeki Wachee	Hernando	2020	Special act

 $Source: OPPAGA\ analysis\ of\ the\ \textit{Laws\ of\ Florida},\ Florida\ legislative\ bill\ analyses,\ and\ related\ documents.$

¹Sections <u>165.041</u>, <u>165.051</u>, <u>165.061</u>, and <u>171.0413</u>, *F.S.*

Options for Restructuring Local Governance

The Legislature could consider several options for future government structures on Anna Maria Island

Restructuring the municipal governments on Anna Maria Island requires consideration of a broad range of issues, including constitutional and general law requirements and shifts in tax burdens for citizens. There are several ways that governance on Anna Maria Island could be restructured.

Options for Restructuring Governance on Anna Maria Island

- Leave Anna Maria Island structure as is
- Combine the existing three cities on Anna Maria Island into one new city
- Include the island as part of unincorporated Manatee County
- Combine the three existing cities on Anna Maria Island with the City of Bradenton

Government restructuring has previously been considered on Anna Maria Island. In 2005, residents of the cities of Holmes Beach and Bradenton Beach voted in favor of a non-binding referendum to explore the feasibility of combining the three island cities. The Anna Maria City Commission voted against holding a similar referendum. Because the City of Anna Maria did not vote on the referendum, the feasibility study was not conducted. Members of the Anna Maria City Commission opposed holding the referendum because polling data indicated that a majority of polled city voters had negative views of the referendum, costs of conducting the referendum, and scope of the feasibility study. Representatives of the island cities recently expressed concerns regarding potential losses of unique local elements in the event of governance restructuring. Changes to local government structure could lead to elimination of local initiatives or result in fewer opportunities for citizen involvement.

Options for Restructuring: Status Quo

Leave All Three Cities Existing As Is on Anna Maria Island

All county services, city agreements, and current financing agreements remain the same.

- The three cities of Anna Maria Island would continue to have duplication of some services and processes (e.g., building and planning, code enforcement, municipal elections, and public works).
- The cities would continue to incur some of the financial impacts from duplication such as the costs of having three separate contracts for waste management.
- If Manatee County opts not to renew the current interlocal agreement for potable water or wastewater infrastructure when it expires in 2026, each city would be responsible for maintaining its own infrastructure.
- Residents of Anna Maria Island would likely continue to pay the same rate of property taxes that they
 currently pay.
- Avoids the expense, time, effort, and disruption of changing city governance.
- Residents of Anna Maria Island would not have to change their address on official documents or incur some related costs, such as for obtaining a new driver license.
- Existing local initiatives and citizen input boards would remain in place.

Options for Restructuring: Combine into One New City

The Three Cities on Anna Maria Island Combine into One New City

The new city would create its own new city charter that would establish its local municipal governance structure.

- This option would result in the consolidation of all municipal services, which may result in some economies of scale and related cost savings.
- Some of the financial impacts from duplication, such as the costs of having three separate contracts for waste management, would be eliminated.
- If Manatee County opts not to renew the current interlocal agreement for potable water or wastewater infrastructure when it expires in 2026, the new city would be responsible for maintaining its own infrastructure.
- Would require the expense, time, effort, and disruption of establishing a new charter, for performing municipal functions, and rendering municipal services.
- Residents of Anna Maria Island may continue to pay approximately the same rate of property taxes that
 they currently pay, as millage rates for the three cities are approximately the same and may not change
 significantly if the three cities were combined.
- Residents of Anna Maria Island may have to change their address on official documents and may incur some related costs, such as for obtaining a new driver license.
- There may be some financial impacts during the transition as existing municipal contracts for solid waste disposal would have to be terminated and restructured.¹
- Existing city ordinances would no longer be in effect, which may result in the loss of some unique city characteristics.
- Existing local initiatives and citizen input boards would be eliminated or recreated by the new city.

¹ Section <u>165.061</u>, *F.S.*, provides that plans for incorporations or mergers must honor existing solid waste contracts for five years or the remainder of the contract term, whichever is less.

Options for Restructuring: Cities Become Part of Unincorporated Manatee County

All Three Cities on Anna Maria Island Become Part of Unincorporated Manatee County

Residents of Anna Maria Island would be governed by the regulations and policies of the Manatee County Board of County Commissioners.

- This option would result in the consolidation of all municipal services, which may result in some economies of scale and related cost savings.
- Some of the financial impacts from duplication, such as the costs of having three separate contracts for waste management, would be eliminated.
- Manatee County would continue to be responsible for maintaining and repairing the system infrastructure for potable water and wastewater as these systems would now become part of unincorporated Manatee County.
- Unless otherwise resolved, Manatee County would inherit existing municipal debts and obligations, as well as municipal properties and assets.
- Residents of Anna Maria Island may pay lower property taxes as the millage rate for citizens of unincorporated Manatee County is currently less than the millage rate for the three cities on the island.
- Would require the expense, time, effort, and disruption of performing municipal functions and rendering municipal services.
- Residents of Anna Maria Island may have to change their address on official documents and may incur some related costs, such as for obtaining a new driver license.
- There may be some financial impacts during the transition as existing municipal contracts for solid waste disposal would have to be terminated or restructured.¹
- Existing city ordinances would no longer be in effect, which may result in the loss of some unique city characteristics.
- Existing local initiatives and citizen input boards would be eliminated or recreated by the Manatee County Board of County Commissioners.

¹ Section <u>165.061</u>, *F.S.*, provides that plans for incorporations or mergers must honor existing solid waste contracts for five years or the remainder of the contract term, whichever is less.

Options for Restructuring: All Three Cities Become Part of the City of Bradenton

Combine All Three Cities With the City of Bradenton

Residents of Anna Maria Island would be governed by the regulations and policies of the City Council for the City of Bradenton.

- This option would result in the consolidation of all municipal services, which may result in some economies of scale and related cost savings.
- Some of the financial impacts from duplication, such as the costs of having three separate contracts for waste management, would be eliminated.
- The City of Bradenton would inherit existing municipal debts and obligations, as well as municipal properties and assets.
- If Manatee County opts not to renew the current interlocal agreement for potable water or wastewater infrastructure when it expires in 2026, the City of Bradenton would be responsible for maintaining the island's infrastructure.
- Residents of Anna Maria Island may pay higher property taxes as the millage rate for citizens of the City
 of Bradenton is currently higher than the millage rate for the three cities on the island.
- Would require the expense, time, effort, and disruption of modifying the city charter, for performing municipal functions, and rendering municipal services.
- Residents of Anna Maria Island may have to change their address on official documents and may incur some related costs, such as for obtaining a new driver license.
- There may be some financial impacts during the transition as existing municipal contracts for solid waste disposal would have to be terminated and restructured.¹
- Existing city ordinances would no longer be in effect, which may result in the loss of some unique city characteristics.
- Existing local initiatives and citizen input boards would be eliminated or recreated by the City of Bradenton.

¹ Section <u>165.061</u>, *F.S.*, provides that plans for incorporations or mergers must honor existing solid waste contracts for five years or the remainder of the contract term, whichever is less.

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