

Village of Palm Springs Office of the Village Manager



August 10, 2017

Honorable Mayor and Members of the Village Council:

In accordance with the Village Charter [Section 4.04(f)], I hereby submit for your review and consideration, the proposed operating and capital budgets for the general, debt service and enterprise funds for the fiscal year beginning October 1, 2017 (FY 2018). This budget document is intended to establish an operational and financial plan for the delivery of Village services, programs and projects during the upcoming fiscal year. Additionally, the proposed budget serves as an aid to our residents, businesses and stakeholders in providing a better understanding of the Village's operating and fiscal programs and how their tax dollars will be spent.

Village Goals and Past Year Highlights:

This past year has been another exciting year of challenges and change for the Village that has resulted in new growth along our commercial corridors and within our residential neighborhoods, increased assurance that we are receiving the lowest feasible cost for all purchases and redefining our organizational responsibilities and structure to ensure that the highest levels of productivity are achieved. Our primary focus continues to ensure that the Village remains a vibrant community filled with neighborhoods that fosters a "small town feel" and values our various cultures and our natural environment. We have an incredible staff, and every day they strive to provide customer service that is second to none. At the same time, we work to provide facilities, services, programs, activities and projects to our community that support a high quality of life.

In an effort to clearly identify the expectations and accountability for the Village's governmental activities, six (6) goals have been identified to be considered in all Village operations and activities:

- . Financial Stability/Sustainability
- . Grow Our Community (Annexation)

- . Promote Economic (Re-)Development within Our Commercial and Residential Areas
- . Ensure We Provide a Clean and Safe Village
- . Maintain Our Small Town Feel within Our Diverse Community
- . Maintain the Village of Palm Springs as an Excellent Place to Work

Financial Stability/Sustainability: The Village continuously seeks to obtain financial sustainability through diverse and stable revenues as well as through good planning, consistency and cost awareness. By achieving our financial goal, the Village will be able to maintain/provide the highest levels of municipal services to our residents and stakeholders, while maintaining the small town feel that has made Palm Springs unique among municipalities in Palm Beach County. Some of the areas where the Village has improved our financial condition this past year include:

- . Reduced total millage rate paid by all property owners within the Village for the 5th consecutive year – 12.8% reduction
- . Maintained 20-25% of General Fund expenditures in Unassigned Fund Balance to assist with unexpected/unplanned events and/or needs and \$1.5 million for disaster recovery (i.e., emergency issues, severe storms) and \$1.5 million for one-time large capital needs
- . Utilized a specialized procurement website to promote Village bidding opportunities throughout Florida as well as the country to receive the lowest possible pricing/cost for Village expenditures (e.g., utility project that was budgeted for approximately \$150,000 received a low, responsive bid that resulted in an approximate \$85,000 savings to the Village)
- . Received numerous grant awards (i.e., CDBG - \$99,289, Library State Aid - \$20,962, FDOT Street Lighting - \$104,519, Library Technology Grant - \$2,082, FMIT Safety Grant - \$3,547, PBC Road Construction & Paving Reimbursement - \$231,000, etc.)
- . Property valuations increased 22% (approximately \$200 million in new taxable assessment value). This is the 4th consecutive increase in Village-wide property valuations
- . Continued to utilize on-line auctions to better dispose of unneeded assets and generate unexpected and higher revenues
- . Continued implementation of a stormwater management fee to support the costs associated with repairing long-overdue infrastructure issues and providing improved safety for our property owners and those travelling over our roadways
- . In November 2016, the one-cent sales tax was approved by 56.63% of the voters of Palm Beach County. As a result, the Village will receive approximately \$14,839,500 million over a 10-year period to support various capital improvement projects and equipment. A three (3) member Infrastructure Surtax Citizen Oversight Committee was established to review and confirm that the proposed projects met the requirements of the voter approved one-cent infrastructure surtax
- . Approved a new thirty (30) year Florida Power & Light Franchise Agreement that provides for a 6% franchise fee of billed revenues from the sale of electrical energy to residential, commercial and industrial customers within the Village
- . Connected to Palm Beach County's fiber optic network to enable Village facilities to increase internet speeds from 50Mbps to 100 Mbps and is expected to generate approximately \$7,000 in savings per year in communications expenses

Annexation: This past year, the Village continued our annexation initiative in an effort to attract quality businesses, enhance surrounding residential neighborhoods and expand our tax base. The Village has continued to grow within our identified future annexation area and we are currently the 12th largest city in Palm Beach County with an estimated 23,193 residents. Although the Village is moving ahead with this initiative, we are proceeding in a more conservative manner to ensure resources are available to continue the delivery of the superior services that our community has become accustomed to receiving at the lowest possible cost.

This year the Village completed a number of annexation related initiatives, including:

- . Recorded 168 voluntary annexation petitions with the PBC Clerk of the Courts that were received as a result of the recently completed wastewater system improvement on the western edge of the Village to enable annexation at a future timetable that is more conducive to ensuring funding is available to support requisite personnel and equipment costs
- . Expanded the Village's central boundary by annexing 27 properties (totaling 9.89 acres) along the 10th Avenue North corridor (just west of Kirk Road to Military Trail) - 74% of all property owners consented to the annexation
- . Annexed 40 properties (totaling 86.78 acres) along South Congress Avenue (generally located south of the L-12 canal and north of the City of Atlantis) – 87.5% of owners consented to annexing into the Village
- . Continued to establish partnerships with neighboring cities with the intent of growing the Village, eliminating gaps/pockets of unincorporated areas to promote a “clean and safe” community and encouraging investment (i.e., re-development)

Promote Economic (Re-)Development: The Village Council recently committed to slowing our annexation efforts and to begin focusing our efforts on economic development and re-development opportunities to help create jobs, grow our tax base and increase our overall quality of life by making the Village a more attractive community. A primary goal of the Village is to enhance the quality of life within our residential communities as well as to promote a vibrant business environment within our commercial corridors - Congress Avenue, Forest Hill Boulevard, Lake Worth Road, 10th Avenue North and Military Trail. The Village utilizes our utilities and our annexation initiative to assist with meeting this goal. Following annexation, the Village works to enhance the appearance and livability for all stakeholders and to meet our goal of providing a Clean and Safe Village through our policing, code enforcement and building/inspection services (“three-legged stool approach”).

The Village will continue our efforts to aggressively amend our land development code, reduce chronic code violations, remove unsafe structures and annex unincorporated areas just outside of our Village to eliminate undesirable activities from occurring. To assist in achieving this goal and ensure that the Village remains a great place to live, work and play, we will work to create and promote a positive pro-business and residential image, continue to install/provide necessary infrastructure and offer/promote grant and other financial opportunities to stimulate economic (re-)development within our residential and

commercial communities. Thus, resulting in a desirable business climate where quality businesses want to be and/or expand, new jobs will be created and attractive and community-based neighborhoods will be found throughout our Village.

We are proud of the progress that has occurred within the Village this past year and are excited about the growth and economic development/re-development opportunities that are available to our community. This year the Village completed a number of initiatives to facilitate future economic (re-)development activities, including:

- . Selected a consultant to assist with the creation of a Community Redevelopment Agency (CRA) within various locations of the Village (Congress Avenue - north of Forest Hill Boulevard, Lake Worth Road - E-4 Canal west to Military Trail and Military Trail - Lake Worth Road north to Forest Hill Boulevard) to assist with funding necessary infrastructure and safety improvements and incentives to promote economic development opportunities and improve the overall quality of life within the designated areas (Note: Preliminary meetings with PBC have also been held communicating the Village's intention to proceed and request approval of a CRA)
- . Continued to develop a partnership with Palm Beach County to improve the infrastructure within the Forest Hill Boulevard, Kirk Road and Military Trail corridors [i.e., streetscaping, pedestrian cross walks, roadway striping, construction of wastewater force main, extending our future annexation area to the west, etc.]
- . Implemented the new electronic lien search option, Net Assets software system, for title companies to complete lien searches for properties being sold within the Village (The Village averages approximately 70 searches per month)
- . Implemented an e-Recording option to quickly submit and record documents (i.e., liens, financing agreements, etc.) related to a property within the Village with the PBC Clerk of Courts
- . Acquired a portion of the City of Lake Worth's utility service area along the east side of Congress Avenue (between 10th Avenue North and the LWDD's Canal 11) to service ten (10) properties/businesses that are within the Village limits
- . Adopted the Village's College-Hospital Overlay provisions to provide an incentive for redevelopment of the South Congress Avenue corridor
- . Development of the Off-Lease Only sales center and headquarters (42,152 square foot vehicle sales establishment, 6,000 square feet of retail, and 2,000 square feet of restaurant use). Off-Lease Only has become the country's largest used vehicle sales company and maintains their home-base in Palm Springs
- . Development of the new Preston Square townhome community began, which is expected to include 164 fee-simple townhouse units within 34 two-story buildings
- . Expansion of the Palm Springs Apartments complex to add forty-eight (48) new townhomes within two (2) new buildings, located south of Forest Hill Boulevard
- . Construction of the 2nd McDonalds (3,905 square feet) within the Village on Forest Hill Boulevard
- . Completion of two (2) new Wawa fueling stations, convenience stores and food restaurants, which were the first stores to be opened in PBC and provided the Village with significant marketing and press across the state and around the country

- . Various renovated retail and professional office spaces have been completed: Legend Plaza (former Inspiration House) on Military Trail (south of Forest Hill Boulevard), dental office (former Ocean Cleaners site) located on Congress Avenue (south of Greenbrier Drive), architect office (former single-family residential home) on 10th Avenue North (just east of Congress Avenue) and a new Off-Lease Only call center (former Regency Party Rental building) on South Congress Avenue (across from the new Off-Lease vehicle sales site)
- . Provided owners of vacant properties with the opportunity to finance various utility infrastructure (expense) improvements with the Village as utilities become available within their community and to facilitate infill development
- . Strengthened the Village's cost recovery for consultant professional services (i.e., engineering, legal and/or other professional services) by implementing an escrow account to support the cost for permit, utility/civil plans and/or land development review by the Village
- . Improved our customer service experience during the application and approval process by expanding the counter area within the in Land Development (a.k.a. Planning Zoning & Building) lobby within Village Hall
- . Awarded twenty (20) Property Improvement Program (PIP) re-development matching grants (up to \$5,000 each), totaling \$84,669.59 to help Village property owners make needed improvements within our residential and business communities – Resulted in an approximate property valuation increase of \$188,521.07
- . Continued the process of branding the Village by installing new park signage and Village banners throughout the Village (including our newly annexed areas), which is expected to promote home ownership and property and business investment
- . Note: Approximately 168 new jobs have been created within the Village this year with the opening of various new commercial developments

Ensure a Clean and Safe Village: This initiative is designed to ensure that the Village provides safe and clean places, including public spaces, commercial corridors and residential neighborhoods, for the entire community to enjoy. To achieve this goal, our staff (i.e., Police, Code Enforcement, Planning and Building Official/Inspectors, Public Service, Parks and Recreation, etc.) has been focused on programs and activities to assist in making the Village a more livable community. This year we have taken the following steps to meet this goal:

- . Connected to PBC's new P25 trunked radio system to provide the Police department with increased safety (for our community and officers). This system replaced the 15-17 years old system that was being utilized
- . Purchased/replaced Police Department - 911 communications center radios, equipment and furniture to provide an improved, safer work environment for our officers/staff, which will enhance the overall safety of our community
- . Expecting to install three (3) ADA compliant entrances/doorways – Village's 1st Completed Sales Tax Funded Project
- . Constructed and paved four (4) unpaved roads that were annexed into the Village - Childs Street, Erie Terrace, Lone

Pine Way and Sally Lane (1/3 of the cost will be funded by PBC)

- . Began the process of developing a stormwater master plan (expected to be completed by the end of FY 2017) that will identify drainage concerns throughout the Village and will support the need for planning, design, construction, operation and maintenance, regulation, surveying and inspection of the Village's stormwater system
- . Completed the milling and paving of approximately fourteen (14) lane miles of roadways within the Village at the end of FY 2017 including 31 roadways that are expected to be completed by the end of the current fiscal year
- . Developed and mailed a new garbage, bulk and recycling brochure to all residential property owners and tenants to communicate and ensure a better understanding of pick-up days and disposal requirements
- . Continued our concrete sidewalk installation program - Lake Frost Park (multi-year project that has now been completed) and San Fernando Drive, which was uneven and hazardous for pedestrians
- . Selected and approved six (6) vendors to assist with immediate debris removal services following a disaster/storm event to provide normal operations/access throughout our community as quickly as possible and to better ensure funding from FEMA and the state of Florida
- . Entered into a Street Lighting Agreement with City of Lake Worth to ensure proper operation, repair and maintenance of all street lighting equipment within the Lake Worth Electric Utility Franchise Area

Maintain Our Small Town Feel within Our Diverse Community: The Village is located within the 8th most populous urban area within the country. However, we maintain a unique small town feel that many communities work very hard to duplicate. Our residents throughout the Village know each other and our governmental staff maintains a strong emphasis on providing the highest levels of customer service and events, programs, services and activities to ensure that the Village remains a great place to live, work and play. Some of the ways we have continued to promote this atmosphere within our Village include:

- . Completed thirteen (13) amendments to various sections of the Village's code of ordinances (including our Land Development Regulations) to ensure the Village maintains its small town feel, safety and livability while also promoting our business community
- . In addition to our various annual community events, a number of new events were held (i.e., Snores and S'mores - outdoor movie and camp out, Senior Prom dinner and dance and Bark in the Park dog event)
- . Installed a majority of the Village's park signage in an effort to brand our facilities in a consistent and recognizable fashion (additional signs are planned to be installed at Sago Palm Park and Frost Lake Park before the end of FY 2017). Additionally, solar lighting, irrigation and landscaping were installed to promote a positive image of our community
- . Continued to plan the development of the new Foxtail Palm Park, located at Kirk Road and Park Lane, including the design of the park's layout and amenities, Kirk Road drainage improvements and the (reshaping of the) on-site pond
- . Improvements to Sabal Palm Park (Summer Street) are being completed (i.e., new fencing along swale and commercial corridors to prevent cut-throughs, new backstop to prevent balls from going into neighboring properties, new irrigation

- and sod) to promote utilization of this park for pick-up soccer and other related athletic opportunities
- . Various repairs and maintenance have been completed to our Village Center facilities, including the Police Department (i.e., flooring) as well as all of the buildings within our Village Center campus (i.e., repainted roofs and sealed windows)
- . Reinforced the structural integrity of the Davis Road Bridge (just south of Winged Foot Road and Tam O' Shanter Drive) and replaced the pedestrian bridge to ensure the safety of pedestrians and bikers, which was partially funded through the Community Development Block Grant (CDBG) program
- . Continuing the process of working with the property owners, PBC and the LWDD to construct and pave Canal Road, which was annexed as a dirt road
- . Replaced the filter media at the Main Water Treatment Plant to continue our efforts to provide the best water possible to our customers
- . Continuing the implementation of the new Utility Billing Customer Information System (UBCIS) software that will provide better customer self-service, enable staff to more quickly answer customer's questions and increase staff productivity
- . Implemented the Public Service Department's reorganization placing water treatment, water distribution and sewage collection all under the same superintendent; and creating Crew Leader positions in both Public Works and Utilities to establish an appropriate span of control for supervisors, thereby using our work force more efficiently and effectively
- . Implemented a computerized work order system which enables us to better prioritize our work, determine the true cost of various tasks, and create repair and maintenance histories for equipment and facilities (This was the last remaining recommendation from the Inspector General's report)
- . Began a number of new library programs [i.e., PAWS to Read, STEAM Robotics, Cultural Tapestry, Tertulias (Spanish Adult book club) and Cuentos en Español (Spanish stories for children)] to improve reading habits and school readiness as well as to engage our diverse community members (of all ages)
- . Implemented a new E-Books platform/opportunity that permits the Library to expand our on-line offerings to those that prefer Spanish language books

Maintain the Village of Palm Springs as an Excellent Place to Work: Our staff is our most important asset that we maintain as a Village. We have a dedicated workforce that works very hard to meet the goals of our Village. As a result, it is important to ensure that we are able to offer competitive wages, benefits and a work life that is comparable with larger organizations that continue to look to our organization to fill vacancies. Thus, the Village has continued to maintain its commitment to offering excellent work related opportunities to our staff this past year (in a manner that is affordable to the Village):

- . Offered the highest levels of benefits (i.e., health, dental, retirement, etc.) to ensure retention of our workforce and attract the best candidates for open positions. The 1.8% annual premium increase for medical and dental coverage (a 1% premium discount was provided for bundling health and dental together) resulted in an total savings of \$357,000 above the estimated premium increase as determined by the health carriers and our consultant

- . Continued to provide opportunities for training, education and networking throughout our organization to ensure our staff is apprised of the most up-to-date practices as well as to ensure the highest levels of safety and increased productivity
- . Partnered with Palm Beach State College (PBSC) to develop supervisory trainings, assist with Village job recruitments and provide “work study” opportunities for PBSC students to assist with department workloads (funded by PBSC)
- . Implemented the Employee Roundtable meetings with 15 to 20 (randomly selected) employees, which has been a great opportunity to discuss various operational issues within the Village as well as to provide information to staff throughout our organization and ensure they are informed about the direction of the Village (i.e., annexation, growth – redevelopment, Village goals, etc.) as well as current issues (i.e., budget, benefits, operational changes, etc.)
- . Held our 1st Employee Recognition BBQ to recognize employees for their years of service and to thank our staff for all of their hard work (the 2nd BBQ will be held prior to the end of the fiscal year)
- . Began to promote succession planning and encouraged department management teams to identify and provide new opportunities (i.e., training, planning, re-organization, responsibilities and accountability) for our next generation of leaders
- . Continued to develop positive employee union relationships with the Village’s three (3) unions - Police Benevolent Association (PBA) – Officers & Sergeants and the Service Employees International Union (SEIU) - and are in the process of negotiating salary increases for FY 2018 as well as other financial and non-financial operational changes to improve productivity and increased customer service
- . Hired various leadership staff, including a new Public Service Director, Executive Assistant to the Village Manager, Village Clerk and Assistant Public Service Director (who is also the Village’s first staff licensed engineer) and staff within our Public Service Department as a result of the re-organization, that maintain significant experience and knowledge while enhancing the chemistry within our management team and emphasizing a strong work ethic and a desire to provide the highest levels of customer service within our organization

Goals and Objectives for FY 2018:

The Village will continue to work towards meeting our identified priorities and objectives in an effort to meet the Village’s six (6) Goals, as outlined above. Additionally, as we continue to recover from the extended downturn in the economy, we will work to facilitate new residential and commercial construction projects that will result in new jobs and significantly contribute to an increase in our taxable valuation. Further, these new opportunities will assist with our community image and livability, thus, resulting in an increase in the viability of home ownership (rather than investment and rental properties) within the Village.

Budget Objectives:

The following budget objectives have been considered during this budget process:

1. Reduce the operating millage rate and the total millage rate for FY 2018
2. Balance the proposed budget while providing for needed non-recurring capital projects and equipment expenditures
Fund Balance is requested to be appropriated to support the cost for eight (8) one-time projects (i.e., Capital, Contracted Planning Services, etc.):
 - . Construction of Canal 11 Road (\$475,000)
 - . New Police CAD and records management system (\$450,000)
 - . Police Vehicles – 8 vehicles (\$225,750)
 - . Replacement of the Library’s A/C system (\$170,000)
 - . Installation of new Library Flooring (\$45,000)
 - . Continued implementation of a new Community Redevelopment Agency (\$75,000)
 - . Village Welcome Signage – Four (4) Locations (\$60,000)
 - . Village Street Signs (\$120,000)
3. Evaluated current staffing levels in all departments to ensure the best service delivery
4. Ensured that Village equipment is replaced in a timely and consistent fashion to allow staff to achieve and maintain high levels of quality and services
5. Provided funding to maintain the Village’s infrastructure, roadways and facilities
6. Explored “outsourcing” opportunities as a cost savings measure
7. Ensured sufficient training and educational opportunities are available for staff

Significant Financial Factors:

The Village obtains a major portion of its’ annual General Fund financial resources (17%) from property taxes. Since FY 2008, this revenue has decreased over 18.22%. We are starting to see a recovery and experienced a 22% increase in property valuations from \$913 million in FY 2017 to \$1.109 million for FY 2018 - a continued sign that we are moving in a positive direction. In addition to increased ad-valorem revenues, the Village will expect to receive a larger share of state revenues (i.e., half-cent sales tax, local option gas tax, state revenue sharing, etc.) in FY 2018.

Please note that although the Village experienced the highest taxable valuation increase in the County in terms of percentage (22%) and we are ranked 12th in terms of population, our total taxable valuation ranks 17th of 39 in Palm Beach County. This is indicative of the continued need to maintain a strong focus on economic (re-)development to promote taxable valuations and, thus, fund municipal services that citizens have become accustomed to receiving in the Village.

The Village continues to refine and develop our organizational structure to help shape and focus staff’s responsiveness,

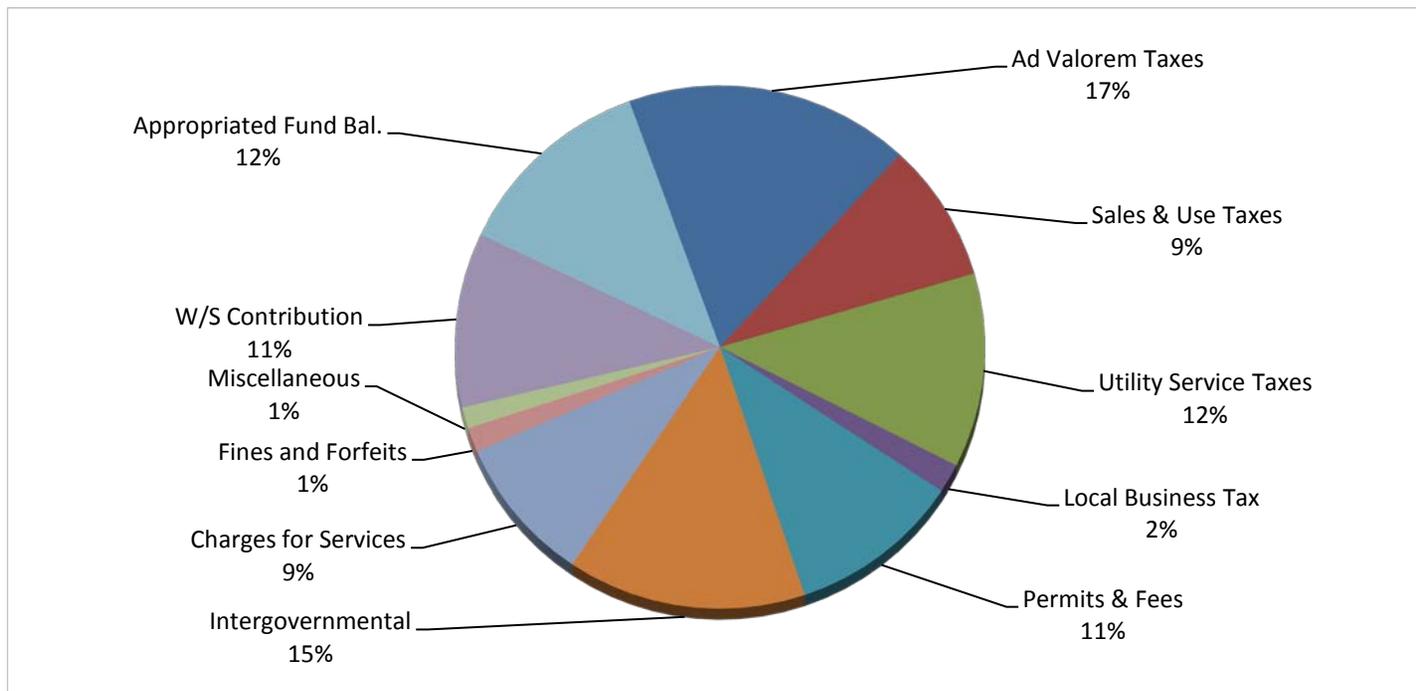
accomplishments, training, supervision and performance. The employees of the Village are our most valuable asset and are the most significant cost associated with the budget, accounting for roughly 58% of the Village's General Fund expenditures (or \$12,029,574). Many of the costs associated with the personnel side of our proposed budget are essentially fixed and/or based upon salaries. Although these costs make up approximately 3/5's of our operating budget, they are important to meeting our goal of maintaining the Village as an excellent place to work and retaining our staff. It should be noted, however, that this amount also limits or reduces our spending flexibility as it makes up such a significant portion of our overall budget.

Village Budget:

The Village has established a budget with four (4) separate funds within the FY 2018 Budget: General, Debt Service, Water and Sewer Enterprise (Utilities Fund) and Stormwater Management Enterprise (Stormwater Fund).

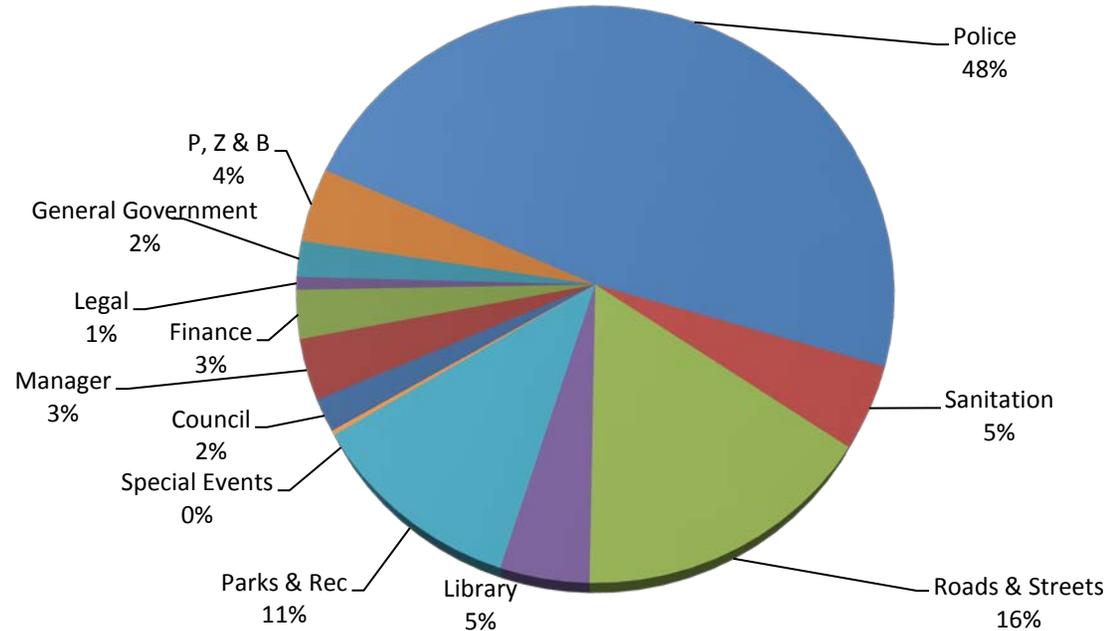
1. General Fund: This Fund provides the majority of services available to Village residents.
 - a. Revenue Summary - General Fund Revenue sources are projected to generate \$22,393815 in FY 2018.

REVENUE BUDGET BY SOURCE FY 2018



- b. Expenditure Summary - The proposed budget reflects expenditures necessary to maintain the current operations at their present level of service.

EXPENDITURES BY DEPARTMENT FY 2018



2. Debt Service Fund: This Fund accounts for the current principal and interest payments due on outstanding general obligation debt for the Village Center complex (\$4.9 million total outstanding principal remaining). The millage rate necessary to generate sufficient funds to pay our debt obligations for FY 2018 is \$0.4062.
3. Utilities Fund: This Fund provides funding for water treatment and distribution as well as sewage collection and disposal for Village residents as well as unincorporated areas of Palm Beach County within our utility service area. FY 2018 utility fund revenues and expenses are budgeted at \$24,935,800. The proposed budget reflects expenses necessary to maintain current operations at the present level of service.
4. Stormwater Fund: This new Fund supports the costs related to our storm water management program (i.e., drainage improvement projects, maintenance, comprehensive planning and understanding of all drainage needs within the Village) in an attempt to manage stormwater and eliminate flooding throughout the Village, which is critical to improving the livability of our community. The budget for this Fund is proposed to be \$629,331.

FY 2018 Recommendations:

Ad-Valorem (Property Tax) Rate:

I am proposing to reduce the operating millage (property tax) rate by 6.4% from its current position of 3.9000 mills to 3.6500 per \$1,000 of taxable value, which I have utilized as the basis to support personnel, operational and capital expenses within the proposed FY 2018 Budget. Further, the proposed debt service millage rate is proposed to be lower - 0.4062 mills – and when combined with the operating millage rate results in a .3368 mills decrease in the total property tax rate to the property owners within the Village of Palm Springs from the FY 2017 property tax rate.

Revenues:

Notable projected revenue changes within the proposed budget include:

- . Community Development Block Grant (CDBG) funding (3rd year) to support the cost of developing a new covered outdoor exercise/fitness pavilion at the southwest corner of Cypress Lane and Dolan Road
- . Additional CDBG funding will be provided by PBC to assist with the development of the new Foxtail Palm Park, which will reduce the need for planned funding (Phase II) by the Village
- . Ad-valorem (or property taxes) revenue increase of 13.6% due to annexation, an improved economy and an increase in construction and development activity within the Village
- . Utility and Franchise Fees due to the completion of the various wastewater projects on the Village's western boundary
- . Code enforcement violation fines due to our aggressive efforts to ensure that long-time non-compliance is resolved
- . Contribution from the Water & Sewer Enterprise Fund was reduced from 13% to 12% of FY 2016 gross audited revenues

Expenditures:

Some of the more notable expenditures that are provided for within the proposed budget are as follows:

Pension Costs – Village Payments and Staff Contributions:

<u>Type of Pension Plan</u>	<u>Projected FY 2018 Village Contribution</u>	<u>Projected FY 2018 Village Contribution %</u>	<u>FY 2018 Employee Contribution %</u>	<u>Estimated FY 2017 Village Contribution</u>	<u>Village Contribution % Increase from FY 2017</u>	<u>FY 2013 Village Contribution</u>	<u>Village Contribution % Increase from FY 2013</u>
Village - General	\$862,047	97.00%	3.00%	\$828,922	3.84%	\$1,027,980	-19.25%
Village - Police	\$1,422,000	93.40%	6.60%	\$1,422,000	0.00%	\$1,343,382	5.53%
FRS - Regular	\$404,295	7.52%	3.00%	\$366,068	9.46%	\$159,169	60.63%
FRS - Special Risk	\$490,957	22.57%	3.00%	\$415,891	15.29%	\$173,509	64.66%
FRS - Elected Official	\$6,173	42.47%	3.00%	\$4,226	31.54%	\$1,051	82.97%
FRS - Senior Management	\$39,988	21.77%	3.00%	\$34,846	12.86%	\$0	100.00%
Total	\$3,225,460			\$3,071,953		\$2,705,091	

Village Insurance Costs:

<u>Type of Insurance</u>	<u>Projected FY 2018 Rate</u>	<u>% Increase from FY 2017</u>	<u>% Increase from FY 2013</u>
Worker's Compensation	\$268,450	15.25%	39.63%
General Liability	\$184,138	10.71%	38.89%
Property Liability	\$98,310	-2.00%	3.56%
Auto Liability	\$49,799	9.09%	4.01%

Employee Benefit Costs – Health & Dental:

<u>Type of Insurance</u>	<u>Projected FY 2018 Rate</u>	<u>% Increase from FY 2017</u>	<u>% Increase from FY 2013</u>
Health & Dental	\$2,160,570	1.86%	24.53%

Note: The Village moved to United Healthcare this year and absorbed the full increase for employee benefits (approximately \$45,000 annually) without impacting our staff

Sanitation Collection Revenues & Costs (Charged by the Village's franchised hauler):

<u>Village's Franchised Hauler</u>	<u>Projected FY 2018 Revenues</u>	<u>Projected FY 2018 Rate</u>	<u>% Increase from FY 2017</u>	<u>% Increase from FY 2013</u>
Republic Services	\$1,113,814	\$1,077,000	7.34%	14.69%

Note: Includes a 3% rate increase that has been applied at the request of the Hauler as provided within the approved franchise agreement)

- . Continue funding the Employee Recognition Program to recognize and thank our Employees for their years of service and commitment to the Village (\$2,500)
- . Purchase and implement a new automated attendance and payroll/timekeeping system – \$76,305
- . Implement new software to convert to an automated requisition system that will enable staff to more quickly and efficiently encumber funding to support/complete projects, activities and programs
- . Continue the Village's successful Property Improvement Program (PIP) to provide up to \$5,000 in matching grants for approved property improvements - \$100,000
- . Continue the process to create a new Community Redevelopment Agency (CRA) along major corridors Village to support our economic (re-)development goal – \$75,000 (**Fund Balance** is requested to support this one-time contracted planning services cost)
- . Fund the cost for Light Detection and Ranging (LIDAR) mapping of the Village to assist with identifying flood prone areas and, potentially, reduce property insurance costs - \$2,500
- . The following new projects/developments are expected to be completed and/or started during FY 2018:
 - . Village of Valor – 2nd Avenue – west of the LWDD's E-4 Canal
 - . Marathon Fuel Station and Checkers Restaurant – Corner of 10th Avenue North and Congress Avenue
 - . Cabrera Single-Family Residential Subdivision – Kirk Road
 - . The Oaks Assisted Living Facility – South Congress Avenue
 - . Alzheimer's Assisted Living Facility – Prairie Road
 - . CircusTrix Trampoline Center and retail project – South Congress Avenue
 - . 3rd Wawa Fuel Station and Restaurant – Corner of Military Trail and 10th Avenue North
 - . 3rd Cumberland Farms Fuel Station – Intersection of Military Trail and Cresthaven Boulevard
 - . New Chase Bank freestanding bank building – Corner of 10th Avenue North and Florida Mango Road
- . Select a contracted GIS consultant to take on the mapping responsibilities for the Village - \$50,000 (contracting this activity out is expected to provide the Village with an estimated \$40,000 savings in payroll and benefit costs)
- . Continue improvements to the PZ&B lobby including painting, new waiting chairs, tables (large enough for viewing engineering plans), etc. (a new counter area was completed in FY 2017)
- . New Village Welcome Signage (4 Locations) to continue our branding and promotion efforts - \$60,000 (**Fund Balance** is

- requested to support a portion (\$30,000) of this large, one-time purchase and installation cost]
- . Funding to support various community/holiday banners throughout the Village to promote the our small town feel - \$7,500
- . Design and construction of the new Foxtail Palm Park (Kirk Road and Park Lane) - \$339,900 (Grant funded)
- . Utilized Community Development Block Grant (CDBG) funding (3rd year) to support the cost of the development a new covered outdoor exercise/fitness pavilion with 17 exercise equipment stations at the southwest corner of Cypress Lane and Dolan Road - \$150,000 (Grant Funded)
- . Install two (2) new water fountains with dog watering options along the Village's Pathway Park - \$4,970
- . Continue re-design (utilizing a consultant) of the Village's newsletter to better communicate and promote Village activities, programs, projects and accomplishments to our community - \$3,000
- . Begin a new community outreach program – Walk with the Mayor – that is expected to begin in the summer of 2018 and will be held once a month to provide our community an opportunity to get fit while also spending time with our Mayor to learn about the operations and direction of the Village – \$500
- . Replace two (2) existing 22 year old (65 passenger) buses with new vehicles that maintain air conditioning system and Village branding wrap for various children's camp activities and programs - \$220,000 (Sales Tax Funded)
- . Purchase a new 31 passenger bus to be utilized for various Village events and activities including Council workshops, travel club, sporting activities and staff operations - \$100,000 (Sales Tax Funded)
- . Replacement of existing three (3) metal pavilions – Sago Palm Park - \$75,000 (Sales Tax Funded)
- . Installation of new playground equipment and shade structure – Sago Palm Park - \$90,000 (Sales Tax Funded)
- . Replace fishing dock – Sago Palm Park - \$25,000 (Sales Tax Funded)
- . Install playground shade structure – Royal Palm Park - \$17,500 (Sales Tax Funded)
- . Construct a new fishing dock - Royal Palm Park - \$17,500 (Sales Tax Funded)
- . Replacement of existing fishing dock - Lake Frost Park - \$25,000 (Sales Tax Funded)
- . Installation of new playground shade structure - Lakewood Gardens Park - \$17,500 (Sales Tax Funded)
- . Installation of a new playground shade structure - Village Center - \$35,000 (Sales Tax Funded)
- . Implement numerous improvements to our Library to ensure that it remains a community-gathering place for our community:
 - . Install a new A/C system – \$170,000 (**Fund Balance** is requested to be appropriated to support this large, one-time purchase and installation cost)
 - . Install new vinyl flooring throughout the Library's public areas - \$45,000 (**Fund Balance** is requested to be appropriated to support this large, one-time purchase and installation cost)
 - . Provide sun protection/tinting to the windows to lower electric utility costs - \$10,000
 - . Paint the entire interior of the Library – To be completed by Village staff
 - . Purchase a new sensory island and chairs within the toddler area - \$1,454
 - . Purchase and install new, sturdier computer desks a new round study table within the children's area - \$2,800

- . Upgrade the technology and sound systems throughout the Library - \$13,000
- . Install new Fire Alarm System (no sprinklers)

Note: We are planning to close the Library for 1 to 2 weeks during the fall 2017/winter 2018 to complete all proposed renovations. Further, an annual maintenance program would be established that would close the Library for a week each year to ensure that it remains a wonderful and clean facility

- . Design, permit and construct a building expansion (2nd Story) of the Village's Police Department facility to accommodate our growing department - \$2,625,000 (Sales Tax Funded)
- . Continue the vehicle replacement program and purchase related safety tools within the Police Department – twenty-two (22) new vehicles (\$696,250) and thirteen (13) in-car cameras (\$69,000) **Fund Balance** is requested to support a portion (\$225,750) of this large, one-time purchase cost for eight (8) vehicles – Additionally, six (6) vehicles are planned to support new staff hires that are dependent on the Village completing the proposed annexation and implementation of a CRA on Military Trail
- . Purchase and installation of new Police Computer Aided Dispatch (CAD) and records management software to replace the existing fifteen (15) year old system to assist in better managing our resources and increasing productivity - \$450,000 (**Fund Balance** is requested to be utilized to support this initial, one-time purchase and installation cost)
- . Purchase body worn cameras as a pilot program to provide a higher level of safety for our officers and community through increased accountability and transparency - \$20,000
- . Continue the Village's milling and resurfacing program - \$180,000 (\$1,267,630 will have been spent on resurfacing since FY 2015)
- . Engineering and construction costs to build Canal 11 Road - \$475,000 (**Fund Balance** is requested to support large, one-time construction cost - Palm Beach County is expected to reimburse 1/3 of the project cost following construction)
- . Replacement of Village Street Signs to continue with the branding and promotional efforts of the Village - \$120,000 (**Fund Balance** is requested to be appropriated to support this large, one-time purchase and installation cost)
- . Stabilize and strengthen the structural integrity of the Davis Road Bridge (Canal 9 and Gilpin Road) and install pedestrian bridge - \$120,200 (Sales Tax Funded - \$105,200)
- . Install LED street lights throughout the Village's commercial corridors to improve vehicle and pedestrian safety (a resulting cost savings is expected within the Village's monthly FPL and Lake Worth utility bills due to lower electric usage)
- . Complete various stormwater projects (i.e., Alameda/Dolan Road Project and Miller Road Projects), including projects outlined within the detailed master plan study (expected to be completed by the end of summer 2017) to improve community drainage - \$402,870 (Revenues and expenditures are being tracked within a separate enterprise fund)
- . Install sidewalk to provide needed safety for homeowners and pedestrians on Reo Lane (west side of roadway) and Lakewood Road - \$320,420 (Sales Tax Funded)

- . Intersection improvements (i.e., raised paver bricks) to promote reduced motorist speeds and improve neighborhood aesthetics within various heavily traveled corridors (i.e., Davis Road/Greenbrier Drive, Davis Road/Lakewood Road, Gulfstream Road/Park Lane, Davis Road/Alemeda Drive-Dolan Road) - \$384,000
- . Implement numerous improvements within our Public Service - Utility Billing Office to promote an increased customer service experience:
 - . Purchase additional radios to communicate with field staff (completed in FY 2017)
 - . Promote the use of electronic billing and bill pay options to save printing, postage and payment/collection costs – develop marketing campaign and financial incentive program
 - . Improvements to the Drive Thru Window and renovations to the Lobby area - \$50,000
 - . Implement a phone tree system to enable utility customers to leave message and enter a queue to receive a return call in the order that they were submitted
 - . Purchase and utilize phone headsets to promote a better work experience
 - . Implementation of the new utility billing software
- . Replacement of our 12 year old MIEX Control Systems (software) and construction upgrade to the Village's 12 year old MIEX Regeneration System [Three (3) year construction process - \$4 million over (3) years] at both water treatment plants - \$1,230,000
- . Installation of a System Control and Data Acquisition (SCADA) system to control and ensure the operational safety of our two (2) water treatment plants - \$325,000 [Three (3) year installation process – \$975,000 over three (3) years]
- . Continue the five (5) year implementation process (2nd Year) of adding a SCADA system to Village wastewater lift stations - \$300,000 [Five (5) year installation process - \$1.5 million over five (5) years]
- . Replacement the 32 year old spiractors, which are utilized as part of the water treatment process, at the R.L. Pratt Water Treatment Plant - \$500,000 (Carryover Project)
- . Construct an 12" force main interconnect with PBC wastewater system, at Purdy Lane and the LWDD's Canal 9, to ensure safe and continuous sewer collection - - \$661,000 (Carryover Project)
- . Continue the Villages' Annual Lift Station Rehabilitation program to ensure proper operation and safety of wastewater collection and treatment process - \$750,000 (Carryover Project)
- . Replacement of all water meters with Advanced Metering Infrastructure (AMI) metering system that enables meters to be read from the Utility Billing Office and enable customers to monitor their real-time water consumption - alerts may be sent to customers with unusually high usage (i.e., indication of a leak) - \$500,000 [Five (5) year installation process - \$2.5 million over five (5) years]
- . Begin process to install two (2) new raw water wells to assist with future water production needs (i.e., identify possible sites – purchase property, determination of possible water availability, design and permitting, construction, etc.) - \$300,000
- . Replacement of 17 year old Vac-Con Truck used to clean utility lines - \$400,000

- . Purchase of two (2) electronic message boards to better communicate with the public regarding various projects and activities - \$40,000

Capital:

I have recommended Capital Improvement expenditures of more than \$4,969,009, which represents 22.19% of the total General Fund Budget. This proposed funding is an increase of more than \$343,056 from FY 2017 and \$699,473 from FY 2016. I firmly believe that we must continue to fund our vehicles, equipment and infrastructure to ensure that our staff has the appropriate (and safe) tools to provide the highest levels of service, programs, activities and projects that our community expects and deserves.

Additionally, within the Public Service Water and Sewer Enterprise Fund, we are proposing to fund \$5,870,000 for the renewal and replacement (R&R) of equipment and infrastructure. This is a change in our budgeting process, as we are documenting these projects to be completed with recommended funding. Previously, these projects were funded utilizing cash and capital contributions (i.e., impact fees) that were paid as customers hooked up to the Village's water and wastewater systems. However, the projects were not provided within the budget process and available for review; they were presented at a later date for approval as funding was determined to be available.

Further, this year, proposed FY 2018 projects to be funded utilizing the recently approved Infrastructure Surtax (One Cent Sales Tax) are included within our Annual Capital Improvement Plan (CIP) for approval by the Village Council (See projects that are italicized and bolded in CIP). These projects, following Council approval, will then be presented to the Infrastructure Surtax Citizen Oversight Committee, as required, to ensure that all expenditures are completed in accordance with County Ordinance 2016-032 and State Statute Sections 212.055(2), 163.3164, 163.3221 & 189.01.

This funding is available to the Village as a result of 56.63% of the voters of Palm Beach County approving a one-cent infrastructure surtax for capital improvement projects and equipment that were not funded due to the recent economic recession and dramatic decreases in assessed property values over the past decade. The chart below outlines the expected distribution to the Village over a 10-year period to complete various capital improvement projects:

1 Year Distribution	10 Year Distribution	10 Year Distribution (PBC Projected 3% Revenue Increase)
\$1,256,754	\$12,567,545	\$14,839,500

Note: Based on 2015 State of Florida Sales Tax Distribution Formula. Additionally, the approved surtax includes a sunset provision that would stop collection of the sales tax once \$2.7 billion of total revenue is received. Voter approval for this new sales tax increase was approved in November 2016.

In March 2017, the Village began to receive monthly sales tax revenue distributions that are expected to total approximately \$1,153,686 throughout the remainder of FY 2017. As a result, staff developed a list of projects that were approved by the Village Council (May 11, 2017) and presented and approved by our new Infrastructure Surtax Citizen Oversight Committee (June 20, 2017). Each of the projects was confirmed (by the Committee) to ensure that they meet the requirements of the PBC Sales Tax Ordinance as well as state law.

Note: Going forward (and beginning with the FY 2018 budget), proposed sales tax funded projects will be included and identified as a sales tax project within our Annual Capital Improvement Plan (CIP), which will be included and approved during our budget process.

Staffing:

The following changes are being requested to the Village’s organizational structure:

- . Funding to support the Village’s first formal internship program is requested within the FY 2018 budget. This program would provide the Village with an opportunity to bring in individuals that maintain significant potential and knowledge that would assist in taking the Village to the next level and ensure that we continue to meet the needs of our community. Further, development of an internship program would enable our departments to train talented students and/or new individuals (without government experience) in Village practices and operations with the potential opportunity of hiring them for full-time positions. Thus, providing the Village with a training program to develop the next generation of leaders within our organization.
- . The Public Service Department – Roads and Streets Division is recommended to be changed to the Public Works Division and the Land Development Department is recommended to be changed to the Village’s Planning, Zoning and Building (PZ&B) Department. These changes will better represent the responsibilities that our staff within these areas of

our organization provides to our community.

- . Addition of one (1) new Community Service Aid (CSA) full-time, civilian position to the Police department to assist with the numerous traffic issues that have previously been handled by a sworn, road-patrol officer. This would not only assist with department productivity, but, would also ensure that our police officers are utilized in a more effective manner to promote increased safety within the Village.
 - . Increase the hourly rate for the Library's part-time Circulation Clerk positions to encourage retention and as they gain experience, possibly fill open, full-time positions with these trained individuals.
 - . Reclassify the existing full-time Inspector/Plans Reviewer position to the title of Building Official to better represent the work that is being completed by the individual within this position. Currently, this position is responsible for direct regulatory administration of the Village's plan review process, provides building inspections and interprets/enforces the Florida Building Code as provided by state law.
 - . Conversion of two (2) permanent part-time Inspector/Plans Reviewer positions into a single, full-time Inspector/Plans Reviewer (completed mid-year FY 2017) to reduce the significant building inspection contract vendor costs that the Village has been experiencing due to the growth within the Village. Additionally, this position would enable the Village to train a single discipline/license individual under an apprenticeship program to be multi-licensed, which would ultimately provide increased customer service levels above those that we have experienced with a contracted vendor.
- Note: If this position cannot be filled as a single position, it is requested that staff make the determination during FY 2018 to go back to two (2) part-time positions.
- . Eliminate the GIS Technician position from the budget to experience an estimated salary and benefits savings of \$44,000. The GIS workload would be contracted out and the general mapping services would be taken on by existing staff within the Planning, Zoning & Building Department.
 - . Addition of one (1) new full-time Land Development Technician within the Planning, Zoning & Building Department that will only be filled if needed. This position would help with the increased permit activity as well as the Village's desire to be business-friendly/customer service oriented and assist in the planning and building functions within the Village (i.e., intake, review/comment distribution process, permit issuance, tracking of inspections, issuance of certifications, etc.). Funding to support this position is expected to be largely recovered from increased building permit fees collected by the Village.

- . Additional new on-call Plan Reviewer, who would work on a limited basis to assist in our plans review and inspection process to help lower our costs paid to our contracted inspection firm. This position would not require benefits.
- . Convert a previously existing full-time Utility Field Service I position into a new full-time Electrician II (completed mid-year FY 2017). This position is expected to assist with the significant electrical work throughout the Village. Further, this position is expected to assist in reducing the significant costs that are being utilized to bring in an outside electrical contractor in to resolve electrical issues.
- . Provide employee educational training within the Public Service Department to serve as the Village's horticulturalist to assist with landscaping throughout the Village - \$2,000 [Two (2) year installation process - \$4,000 over two (2) years]

An operational and organizational structure change is being proposed within the Parks & Recreation Department to ensure increased productivity through better distribution of workload responsibilities as well as to provide leadership opportunities. Currently, the department maintains five (5) full-time employees [i.e., Director, three (3) Program Supervisors and an Administrative Assistant], two (2) part-time Facility Supervisor employees, twelve (12) on-call camp Counselors, two (2) on-call camp Bus Drivers, one (1) on-call Counselor/Bus Driver and five (5) on-call Concession Workers.

The proposed restructuring would not change the number of full-time employees (nor would there be a budgetary impact), but would require significant cross-training of all areas of the department to utilize the knowledge and skills of the existing staff. Further, this will provide a succession planning and leadership opportunity to encourage our staff to achieve their ambitions and goals while enabling them to take on decision-making opportunities in the field that will result in better accountability and increased productivity throughout the department.

Additionally, staff will be encouraged to identify contracting opportunities to offer and manage Travel Club trips rather than the existing practice of utilizing a full-time staff member. This will enable our full-time staff to address the needs of our community on a more regular basis, which is expected to result in a higher level of customer service.

The Village's camp programs are expected to be re-focused to ensure parents and campers are provided with a safe, healthy and fun camp program (primary goals) that are focused on cultural/educational learning, sports and/or programmed activities and at least one major/destination trip per week of camp. To ensure that this change is achieved within our camp program, counselor staffing is recommended to increase to incorporate at least two (2) on-call counselors that are experienced in cultural learning (i.e., art, music, reading, math, science, etc.) and will ensure that all campers receive at least two hours of cultural learning per day. The Village will aggressively pursue high energy counselors that are interactive and focused on the primary

goals of our camp (an increase in the hourly rate is requested for all counselor positions). Further, the proposed hours that a counselor is expected to work will be changed to provide for full coverage (1 counselor to every 10 to 11 campers) during camp hours. A separate fee will be requested at a later date for before-camp hours as well as after-camp care.

Additionally, in anticipation of the planned annexations within the western boundaries of the Village's future annexation area (which will be requested to be expanded), the following proposed positions will not begin to be filled until the voluntary and involuntary annexations are expected to be completed and the implementation of the proposed Community Redevelopment Agency (CRA) occurs:

- . Addition of one (1) new Lieutenant position to serve as the evening shift watch commander, which will relieve the single, road patrol Lieutenant from being responsible for all activities throughout the day and evening. Further, this position would enable the department (and the Village) to promote succession planning and ensure that when there is an opening and/or an opportunity to "step up", we will have trained, professional staff ready to lead.
- . Addition of four (4) new Police Officer positions; one position will be added to each of the four road patrol teams.
- . Addition of one (1) new Emergency Communications Officer Supervisor to oversee the activities of the Village's communications center and staff, while also serve as a working dispatcher. This position will relieve the Sergeant on road patrol duty from the responsibility of managing the communications center and staff, and will enable the Sergeant to be more focused and effective on the road. This position will also provide a succession and leadership opportunity within the department.
- . Addition of one (1) new Code Enforcement Officer to assist with the significant code issues that are evident within the proposed annexation area.
- . Addition of six (6) new School Crossing Guards to provide safe crossing of intersections during school drop-off and pick-up at Military Trail and Purdy Lane and Military Trail and Forest Hill Boulevard.

Note: The PD Chief has ensured that the department will solicit available grant opportunities (i.e., COP Hiring Grant, etc.) to assist the Village with the initial funding of these necessary positions if the Village is able to complete the annexation of properties west of our current boundary and if the proposed CRA is approved by Palm Beach County.

There are two (2) positions that will remain unfunded in the General Fund for Fiscal Year 2018:

1. Deputy Building Official (Planning, Zoning & Building)
2. Multi-Licensed Plans Reviewer (Planning, Zoning & Building)

Note: These functions are currently outsourced, but as warranted, funding consideration for each position will be reviewed as needed.

Training and Education:

Training and education is an area that we have continued as priority within the proposed budget and I am recommending that we increase our total training and education by \$192,596 as an investment in our greatest resource/asset – our employees. Some of the major areas addressed included: specialized/professional knowledge, ethics, supervisory and management, employee safety, software, cyber security (IT), customer service, communications and health & wellness.

Salaries:

Our employees are our most valuable asset we have and they continue to serve as ambassadors for the Village. We are continuing to work to ensure that the Village promotes innovative practices, tools and resources, training and other programs that result in a positive work environment at all levels of the organization. As a result, I am recommending a 2% MERIT increase for all employees (based on a pre-determined evaluation score).

Please Note: At this time the Village is engaged in negotiating contract re-openers with both the Police Benevolent Association (PBA) and the Service Employees International Union (SEIU). The Village has made an initial proposal of a 2% MERIT increase (based on a determined evaluation score) for FY 2018 and it is being considered by the unions. At this time the proposed budget includes funding to support a pay increase only as a MERIT increase for all employees that are eligible and are not topped out within their pay grade.

Further, I am requesting consideration of possibly expanding the Village's pay grades, which would be dependent on union negotiations, to provide additional salary earning potential for our topped out staff. This expansion of our pay grades would assist with retention of our long-term members of our organization.

As a result, I am requesting the ability to continue negotiating with the unions on the discussed re-opener issues to provide for an across the board increase as well as an increase in the maximum pay range for all pay grades that would enable those that are topped out to continue receiving MERIT pay increases.

Annual Sanitation Collection Costs:

The proposed fees for sanitation collection services are proposed to remain constant for a 3rd year in a row despite the contractor's request to increase the cost to the Village in accordance with the approved contract – minimum of 3% or CPI (whichever is more) per year. This year the hauler has increased the cost to the Village by 3%; thus, the administrative margin that will be received by the Village to offset staff costs has been reduced. The proposed garbage, trash and recyclables collection services costs for single family, multi-family and mobile home properties for Fiscal Year 2018 are as follows:

Single Family Homes	\$151.20
Multi-Family Homes	\$ 94.50
Mobile Homes	\$ 94.50

Note: Residential garbage rates were increased two years ago (2015) for the 1st time in seven (7) years in an effort to assist with the reduced administrative margin to offset staff costs. Due to a continued decreasing margin (as a result of the Village's hauler increasing annual costs at the 3% rate), a rate increase may be needed to be proposed within next year's budget (FY 2019).

Drainage & Stormwater Fee:

The proposed Budget includes the stormwater management fee that began last year to assist in mitigating problems caused by excess stormwater runoff (i.e., flooding) within the Village. The proposed fee would provide a funding mechanism for the construction and maintenance of needed stormwater management facilities. All fees collected would be used for stormwater management expenditures within the Village. The proposed fees, as recommended within the Engineer's Stormwater Study for Justification of Interim Fees," that will be collected as an annual non ad-valorem assessment to support our stormwater issues within the Village are as follows:

	Monthly Rate	Annual Rate
Single Family Residential & Condominiums	\$3	\$36
Multifamily	\$3	\$36
Commercial (Less than 1 acre)	\$5	\$60
Commercial (1 to 5 acres)	\$10	\$120
Commercial (More than 5 acres)	\$15	\$180

The proposed annual non ad-valorem assessment for stormwater management services began on October 1, 2016 and is expected to continue each year until amended. The stormwater management assessments will be included on the 2017 property tax bills issued to property owners in November (similar to the Village's charges for solid waste collection costs) and will be collected by the Palm Beach County Tax Collector (payable at the same time as all other annual property taxes and assessments). The assessment will be determined based on the total number of units per parcel or total parcel acreage [PBC Property Appraiser Property Control Number (PCN)]. The projected total annual assessment for FY 2018 is expected to be \$399,720 (96% of total assessment - \$383,731 - will be included within the FY 2018 revenue budget).

Economic (Re-)Development:

Finally, I am proposing to continue funding (\$100,000) the Village's successful Property Improvement Program (PIP) re-development matching grants that will assist with the redevelopment of residential and commercial areas within our community. This matching grant provides eligible applicants with funding of up to \$5,000 to make building related improvements that would improve neighborhood aesthetics and/or business opportunities, reduce code enforcement and policing issues, increase taxable values and contribute to Village pride and "buy-in".

Conclusion:

The proposed Fiscal Year 2018 budget represents a continued commitment to providing a clean and safe community in a fiscally responsible manner. The budget, as presented, represents the fundamental operating tool used to guide Village operations throughout the upcoming year.

As can be expected, this year's budget had its challenges. However, due to realistic budget requests from our departments (in an effort to meet the Village's desire to deliver the highest levels of services available) and continued implementation of the Village's Capital Improvement Plan (CIP), we were able to provide you with a balanced budget that will assist in meeting our goals and ensure that the Village remains a great place to live, work and play.

Further, I want to thank each of the Departments for critically looking at their budget proposals and evaluating each line within their operating and capital budgets. As a result of their commitment and efforts, we are able to present the Village Council with a balanced budget (with the use of reserve funding for only one-time large capital needs and one-time planning consulting services). This ongoing change in (budgeting) culture will continue to enable the departments to operate throughout the year with planned funding while presenting the public with an accurate picture of the funding needed to support the operations of the Village.

I want to personally thank Rebecca Morse, Finance Director, and her staff for the overall coordination and preparation of this FY 2018 Budget.

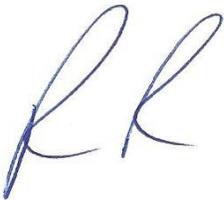
I would like to personally thank all of the Village's staff, including Brent Morgan, Janette Piedra and Ashley Saingilus for their continued assistance and support this past year. Our staff, throughout the Village, continues to provide the highest levels of service while always considering ways to reduce our costs. We have extremely dedicated and cost conscience staff, which has contributed to the overall success of our organization.

Additionally, I would like to thank each of the Department Directors for all of their hard work this year. I value their professionalism, experience and dedication that they offer to the Village. Our neighboring communities look upon the Village favorably and our leadership is a major reason.

Further, I would like to acknowledge each member of the Council for your continuous professionalism, respect for the Village as a whole, collective guidance/decision-making and support for staff. Your efforts have served as the foundation for the success of the organization and have contributed to the Village being "A Great Place to Call Home".

Thank you for the opportunity to serve as the Village Manager for the Village of Palm Springs. I am truly honored to serve in this capacity.

Respectfully Submitted,

A handwritten signature in blue ink, consisting of the letters 'R' and 'R' written in a stylized, cursive font.

Richard J. Reade
Village Manager

**VILLAGE OF PALM SPRINGS, FLORIDA
ORGANIZATIONAL CHART
August 2017**

