

**VILLAGE COUNCIL MINUTES
BUDGET WORKSHOP
226 CYPRESS LANE
VILLAGE OF PALM SPRINGS, FLORIDA
JULY 28, 2016 at 5:30 P.M.**



Mayor Bev Smith called the Budget Workshop meeting of the Village Council to order at 5:30 p.m.

Present: Mayor Bev Smith, Vice Mayor Brinkman, Mayor Pro Tem Waller, Council Member Gunther, Council Member Shields, Village Manager Richard Reade, Village Clerk Susan Caljean.

Staff present: Police Chief Tom Ceccarelli, Land Development Director, Kim Glas-Castro, Finance Director, Rebecca L. Morse, Leisure Services Director, Bill Golson, and Library Director, Suvi Manner.

Opening Remarks by Village Manager Reade:

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, 2016 (FY 2017). 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 an 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 supports 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
- . Maintain Our Small Town Feel within Our Diverse Community
- . Ensure We Provide a Clean and Safe Village
- . 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 the total millage rate paid by all property owners within the Village for the 4th consecutive year
- . Maintain 20-25% of General Fund expenditures in Unassigned Fund Balance to assist with unexpected/unplanned events and/or needs and \$3 million for disaster recovery (i.e., emergency issues, severe storms) and one-time large capital projects
- . Overhauled the Village's purchasing practices to ensure compliance with our Code, thus, assuring that we are receiving the lowest feasible cost for Village expenditures (e.g., 17 new contracts for services/goods have been approved within the Public Service Department that has resulted in an estimated \$100,000 in savings to the Village)
- . Received numerous grant awards (i.e., CDBG - \$99,701, FDOT - Impaired Driving & Speed - \$22,032 and FDOT - Aggressive Driving - \$41,344, REAP \$5,608, Library State Aid - \$21,594, FMIT Safety Grant - \$1,729, etc.)
- . Property Valuations increased 11.46%. This is the 3rd consecutive increase in Village-wide property valuations
- . Utilized on-line auctions to better dispose of unneeded assets and generate unexpected and higher revenues
- . Implementation of new stormwater management fee that is expected to support the costs associated with repairing long-overdue infrastructure issues and provide improved safety for our property owners and those travelling over our roads

Annexation: This past year, the Village has 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 22,282 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:

- Expanded the Village's northern future annexation area to Southern Boulevard to assist in encouraging the development of the vacant properties and capitalize on the area's growth potential
- Continued to establish a partnership with Palm Beach County by requesting the design (currently underway) and construction of a wastewater force main along Congress Avenue (north of Forest Hill Boulevard)
- Reached out to property owners along Congress Avenue (south of Lake Worth Road) and neighboring cities with the intent of growing the Village to our southern boundary within the Village's future annexation area by the end of 2016

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.

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:

- Enhanced our customer service in permitting/inspection process by introducing more 1-on-1 meetings to address code issues and make field adjustments

Completed Phase IV of the Village's sewer utility and road improvement project (10th Avenue south to Canal 11 and Kirk Road west to Military Trail) resulting in more than 600 new sewer customers

Development of a new Chili's Grill and Bar (Palm Springs Plaza – south of the former Pier 1 site)

The opening of two (2) new grocery stores within existing shopping plazas – Wal-Mart Neighborhood Market (former Syms site – Military Trail and Forest Hill Boulevard) and Presidente Supermarket (former Winn Dixie site – Congress Avenue and Forest Hill Boulevard)

Completion of The Retreat - a high-end in-patient treatment facility on Lake Worth Road

Construction of a new AutoZone retail building (former Excel Car Wash site) on Congress Avenue

Construction of new daycare facility - Kingswood Academy, which is located across from Palm Beach State College to accommodate the childcare needs of the faculty and students

Development of a new RaceTrac fueling station and market at the corner of Congress Avenue and Lake Worth Road

Note: Approximately 450 new jobs have been created within the Village this year with the opening of various new commercial developments (with the potential of creating almost 650 as they become more established in future years)

A comprehensive façade renovation at the Strawberry Fields Shopping Plaza (location of the new Wal-Mart Neighborhood Market)

Continued to establish 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, extend our future annexation area to Southern Boulevard, etc.]

Met with property and business owners to identify future needs and planned growth that resulted in the development of the Congress Avenue Corridor Study and will assist in the establishment of overlay districts (e.g., new land development regulations) that are expected to encourage annexation, economic (re-)development and provide incentives to ensure development is consistent with surrounding and planned uses

Awarded ten (10) Property Improvement Program (PIP) re-development matching grants (up to \$5,000 each), totaling \$33,081, to help make needed improvements within our residential and business communities – Resulting in an increase in property valuation of \$74,150

Continued the process of branding the Village by installing new park signage and holiday banners throughout the Village (including our newly annexed areas)

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:

- Offered a number of new community events (i.e., Mother-Daughter Tea Party, Daddy-Daughter Dance, Bike Rodeo, Father Son Fishing Day, Mother-Son Hoe Down & BBQ)
- A Village Charter referendum was approved by our citizens that amended the Council's previous 2-year term to 4-years, which assists in promoting stability and consistency within our elected body and, ultimately, within the Village
- Improvements to our Village Center facilities, including the Library Meeting Room and Land Development Conference Room (i.e., flooring, painting and technology upgrades) as well as all of the buildings within our Village Center campus (i.e., repainting roofs and sealing windows)
- Began a number of new library programs (i.e., Adult Summer Reading Program, Bilingual Story Time, Adult Coloring Club, Language Learning classes, Family Game Night, Collectible Card Games Club, Socrates Café, Coffee and Classics and guest presenters during the summer reading program) to improve reading habits and school readiness as well as to engage our diverse community members (of all ages)

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:

- Hired a new Code Enforcement officer to assist with issues occurring on the weekends and evenings within our newly annexed and existing communities
- Began to utilize a code enforcement software module and purchased four (4) tablets to be utilized in the field to assist with increased productivity
- Installed an electronic door access system within Village Hall and forty-seven (47) cameras within facilities throughout the Village
- Purchased five (5) police patrol vehicles, one (1) unmarked detective vehicle and two (2) new Code Enforcement trucks
- Renovated the Police Department's Criminal Investigations Unit (CIU) to provide an additional interview room and updated technology equipment to provide for audio/visual recording
- Purchased laser mapping system software and equipment to support vehicular homicide investigations
- Established a stormwater management utility within the Village to support the planning, design, construction, operation and maintenance, regulation, surveying and inspection of the Village's stormwater system

- Demolition of four (4) unsafe structures (in partnership with Palm Beach County)
- Completed the milling and paving of approximately nine (9) lane miles of roadways within the Village
- Developed a new garbage, bulk and recycling brochure in partnership with our contracted hauler that will be mailed out to all residential property owners and tenants to ensure a better understanding of pick-up days and disposal requirements
- Dedicated an employee to assist with daily collection management of the Village's contracted sanitation services
- Continued concrete sidewalk installation program - Lake Frost Park and Adonidia Palm Park (Emerson Ave & Poe Drive)

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 staff 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):

- Began the succession planning process 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
- Redefined our organizational structure within the Village Manager's/Clerk's Offices and the Public Service Department to ensure that the highest levels of productivity are provided to our residents, businesses, customers and stakeholders while also providing increased work/growth opportunities to our staff
- Hired two (2) new Department Directors (i.e., Library and Public Service), a new Village Clerk and Assistant to the Village Manager with the focus of enhancing the chemistry within our management team and emphasizing customer service
- 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 completed negotiations that resulted in new three (3) year agreements
- 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
- 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

Goals and Objectives for FY 2017:

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. Do not increase the operating millage rate and reduce the total millage rate for FY 2017
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 four (4) large one-time capital projects – construction of Canal 11 Road, a new Police CAD and records management system, migration to a P25 compliant Police radio system and replacement of the Library's A/C system – as well as the implementation of a new Community Redevelopment Agency)
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 education opportunities are available for staff

Significant Financial Factors:

The Village obtains a major portion of its' annual General Fund financial resources (19%) from property taxes. Since FY 2008, this revenue has decreased over 18.22%. We are starting to see a recovery and experienced an 11.46% increase in property valuations from \$821 million in FY 2016 to \$913 million for FY 2017 - 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 2017.

Please note that although the Village experienced the fifth highest taxable valuation increase in the County in terms of percentage (11.46%) and we are ranked 12th in terms of population, our total taxable valuation ranks 19th of 38 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.

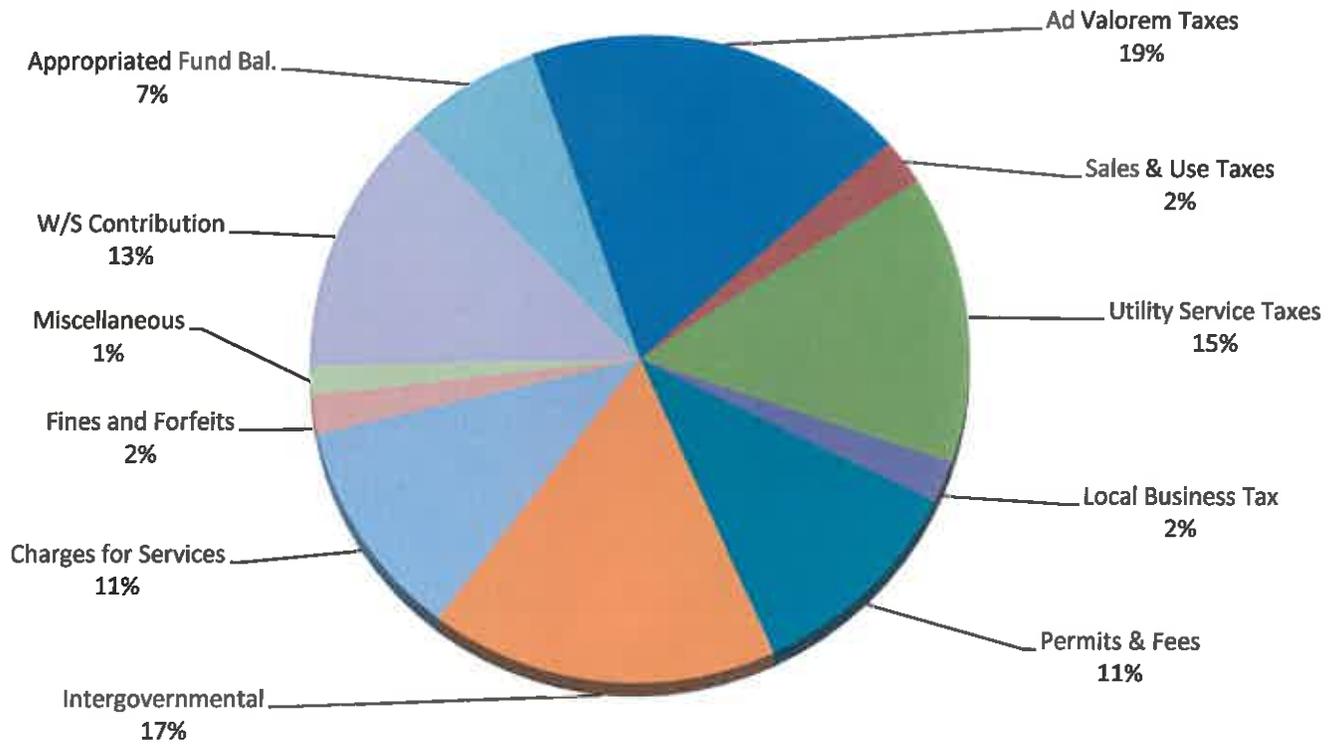
The Village continues to refine and develop our organizational structure to help shape and focus staff's responsiveness, accomplishments, training, supervision and performance. The employees of the Village are our most valuable asset and are the most significant cost associated with the budget, accounting for roughly 66% 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 2/3rds 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 2017 Budget: General, Debt Service, Water and Sewer Enterprise (Utilities Fund) and Stormwater Management Enterprise (Stormwater Fund).

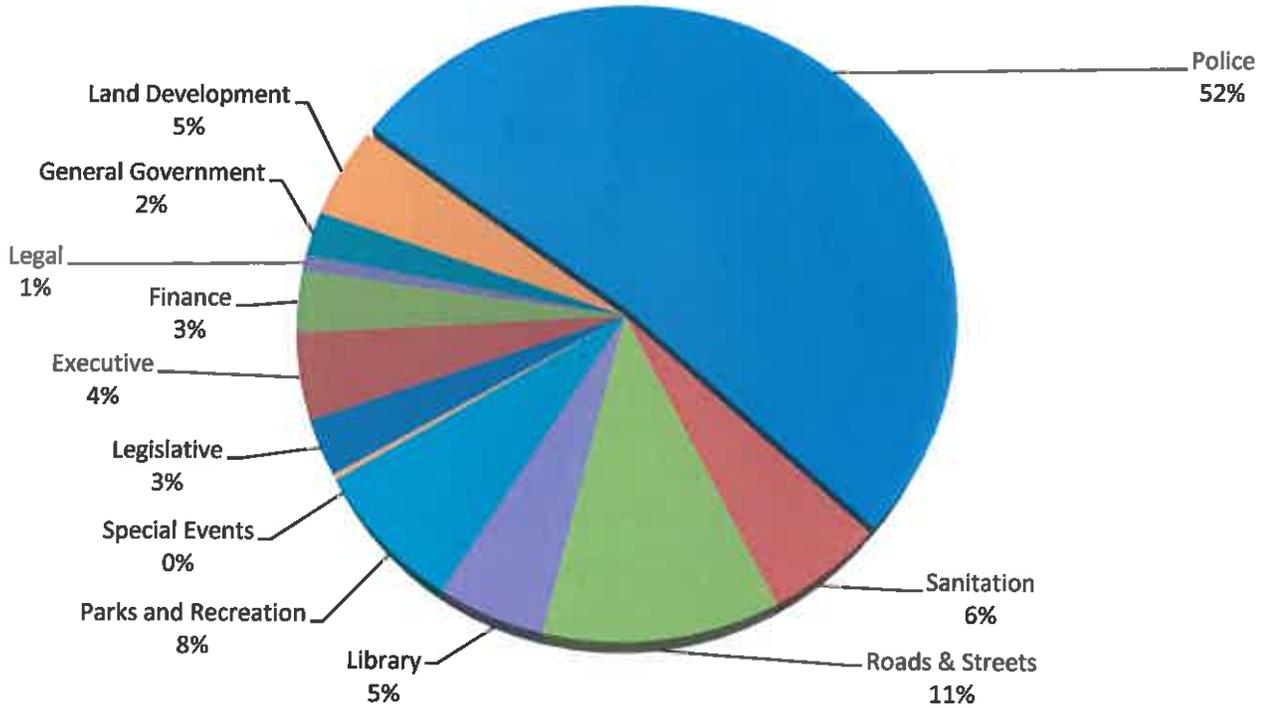
1. General Fund: This Fund provides the majority of services available to Village residents.
 - a. Revenue Summary - General Fund Revenue sources are projected to generate \$18,222,298 in FY 2017.

REVENUE BUDGET BY SOURCE FY 2017



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

EXPENDITURE BY DEPARTMENT FY 2017



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 (\$5.2 million total outstanding principal remaining). The millage rate necessary to generate sufficient funds to pay our debt obligations for FY 2017 is \$0.4930.
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 2017 utility fund revenues and expenses are budgeted at \$18,801,280. 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) that not only manages stormwater, but

also attempts to eliminate the issue of flooding throughout the Village, which is critical to improving the livability of our community. The initial budget for this Fund is proposed to be \$372,822.

FY 2016 Recommendations:

Ad-Valorem (Property Tax) Rate:

I am proposing to maintain the operating millage (property tax) rate at its current position of 3.9000 mills, which I have utilized as the basis to support personnel, operational and capital expenses within the proposed FY 2017 Budget. Further, the proposed debt service millage rate is proposed to be lower - 0.4930 mills – and when combined with the operating millage rate results in a decrease in the total property tax rate to the property owners within the Village of Palm Springs.

Revenues:

Notable projected revenue increases within the proposed budget include:

- Community Development Block Grant (CDBG) funding (2nd year) to support the cost of the development a new park at the northeast corner of Kirk Road and Park Lane
- Ad-valorem (or property taxes) increase of 11.46% due to 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 increased from 12% to 13% of FY 2015 gross audited revenues (if based on FY 2017 projected revenues, the contribution percentage would be equivalent to 12.65%)

Expenditures:

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

- Contract with Palm Beach County to connect into their fiber optic network that will enable Village facilities to increase internet speeds from 50 Mbps (megabits-per-second) to 100 Mbps - \$32,046
- Upgrade the Village's software systems (i.e., Applicant Tracking, Employee Self-Service & Parks and Recreation, MapLink Munis modules) and provide training to improve customer

service to our end-users (i.e., community and employees) as well as increase our staff's overall performance - \$22,375

Replacement of the Library's air conditioning system - \$220,000 (Fund Balance is requested to be appropriated to support this large, one-time purchase and installation cost)

New Village Welcome Signage to continue our branding and promotion efforts - \$30,000

Funding to support various community/holiday banners throughout the Village to promote the our small town feel - \$7,500

Approval of a new Community Redevelopment Agency (CRA) along major corridors to support the Village's economic (re-)development goal – \$160,000 (Fund Balance is requested to support 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

Continue the vehicle replacement program and related safety tools within the Police Department - six (6) new cars (\$195,000) and eight (8) in-car cameras (\$40,000)

Migration to the new P25 radio system, renovation of the Police Dispatch Center and re-programming of thirty-five (35) existing Police radios - \$385,285 (Fund Balance is requested to be appropriated to support initial, one-time installation cost – annual costs will be included within future Police operating budget requests)

Purchase and installation of new Police CAD and records management software to assist in better managing our resources and increasing productivity - \$450,000 (Fund Balance is requested to be utilized to support initial, one-time purchase and installation cost)

Design and construction of the new Fox Tail Palm Park (Kirk Road and Park Lane) – Phase I - \$149,365 (Grant funded)

Installation of irrigation and sod at the Sabal Palm Park (Summer Street) - \$10,000

Purchase two (2) new Village buses with air conditioning system and Village branding wrap - \$90,000

Continue the Village's milling and resurfacing program - \$200,000 (\$668,649 has been spent on resurfacing since 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)

Stormwater detailed study, community drainage improvements and related staff costs - \$372,822 (Revenues and expenditures will be tracked within a new enterprise fund)

Funding for the payment of the Palm Beach County Inspector General that may be required

Continue funding the Employee Recognition Program to recognize and thank our Employees for their years of service and commitment to the Village (\$2,500)

Replacement of filter media used to treat water at both plants - \$400,000

Continue lining sewer pipes to reduce infiltration and therefore reducing our disposal costs - \$250,000

Capital:

I have recommended Capital Improvement expenditures of more than \$2,239,520, which represents 12% of the total General Fund Budget. This proposed funding is an increase of more than \$1,261,397 from FY 2016 and \$1,605,831 from FY 2015. 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.

Staffing:

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

- Addition of two (2) new Police Officer positions in anticipation of the planned annexations within the southern and western boundaries of the Village's future annexation area. These positions will not be filled until the annexations are completed.

- Upgrade an existing part-time Evidence Technician to a full-time position within the Police Department to assist with the technology and legal requirements associated with crime scene processing and evidence storage and disposal.

- Addition of one (1) on-call Police Officer to assist with the significant overtime costs that the Village has been experiencing (above the identified grant funded overtime).

- Convert a previously existing contract position into a new part-time IT Support Technician position within the Library (completed mid-year FY 2016). This position is expected to serve as a first line support for the Library staff and our patrons as well as to support network operations and security. This position has become increasingly important as our Library becomes more technology driven. Pay for this position will not change, however, due to FRS rules, we would be required to provide pension benefits. This position will be largely funded utilizing annual Library State Aid that is received by the Village.

- Addition of one (1) new Permit Technician within the Land Development Department (approved mid-year FY 2016). Due to our growing economy and increased permit activity as well as the Village's desire to be business-friendly/customer service oriented, this position was needed to assist in the planning and building functions within the Village (i.e., in-take, 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.

Additionally, an organizational structure change is being proposed within the Public Service Department to ensure increased productivity through better distribution of workload responsibilities as well as to provide leadership opportunities and remove many of the longstanding (un-necessary) certification and licensing requirements that have been placed upon all positions. Currently, the department maintains eighty-two (82) full-time employees and two (2) casual part-time employees and the proposed restructuring would result in eighty-three (83) full-time employees and two (2) casual part-time employees. These changes would enable our staff to take on decision-making opportunities in the field that will result in better accountability and increased productivity throughout the department. Further, these changes will 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.

The proposed changes within the Public Service Department are incorporated into the revised Organization Chart (see attached) and listed below:

- Addition of one (1) new Field Service/Crew Leader within the Public Works division. This position has become increasingly important as our Village Center facilities grow older and the need to be more proactive with our day-to-day building and grounds maintenance needs. This position would assist in preserving and protecting our facilities and is expected to oversee our existing Building Custodian (2) positions.

- Transfer the Public Works Superintendent from the Water and Sewer Fund to the General Fund. All of utilities maintenance responsibilities that were previously assigned to this position have been assigned to the Water and Sewer Superintendent.

- Re-title two (2) Foreman positions – Utilities Foreman and Field Service Foreman – to the new titles of Public Works Supervisor and Utilities Supervisor.

- Reclassify one (1) Wastewater Workforce Leader to a Crew Leader within the Water and Sewer division.

- Reclassify two (2) Water Field Service II positions to Crew Leader positions within the Water and Sewer division and reclassify two (2) Field Service II positions to Crew Leader positions within the Public Works division. These positions will be working supervisors and will provide each division with an increase in on-site supervisory staff that has been historically undervalued and is expected to contribute to increasing productivity.

- Reclassify one (1) Mechanic to a Lead Mechanic, who will now be required to be Automotive Service Excellence (ASE) certified and will provide oversight over the remaining Mechanic position.

Reclassify one (1) Project Representative position to Inspector/Special Project Liaison within the Water and Sewer division. This position will be responsible for review and oversight of all Village related civil construction projects.

Re-title two (2) Water Treatment Plant Operators to the new title of Lab Technician (these positions currently serve in this capacity and this change will not result in a budgetary impact). Further, these position titles are being changed to ensure independence from the Water Treatment Plant Lead Operator positions to comply with state regulations.

Transfer the Environmentalist position from the Water and Sewer Fund to the newly created Stormwater Fund. This position's title will be changed to Stormwater Coordinator and will take on the responsibilities to maintain compliance with the Village's National Pollutant Discharge Elimination System (NPDES) permit as well as oversight of all stormwater management programs and projects within this new enterprise fund.

There are two (2) positions that will remain unfunded in the General Fund for Fiscal Year 2017:

1. Deputy Building Official (Land Development)
2. Multi-Licensed Plans Reviewer (Land Development)

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 \$49,438 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, cash handling, customer service, GIS, communication training 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% across the board increase and a 2% MERIT increase for all employees (based on a pre-determined evaluation score).

Annual Sanitation Collection Costs:

The proposed fees for sanitation collection services are proposed to remain constant for a 2nd 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 2017 are as follows:

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

Drainage & Stormwater Fee:

The proposed Budget includes a new stormwater management fee 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 (beginning in October 2016 – FY 2017) 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 would begin on October 1, 2016 and would continue each year until amended. The stormwater management assessments will be included on the 2016 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 2017 is expected to be \$388,356 (96% of total assessment - \$372,822 - will be included within the FY 2017 revenue budget).

Economic (Re-)Development:

Finally, I am proposing to continue funding (\$75,000) 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 2017 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 2017 Budget.

I would like to personally thank all of the Village's staff, including Lynette Levy and Vicki Van Fossen (who will be retiring from the Village after 15+ years of dedicated service), for their continued assistance and support this past year. Our staff 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.

Village Manager Reade explained what the handouts were. Rebecca Morse commended Mariana and the Land Development Department for addressing the tax on the sale of propane that is due and payable to the Village.

Council Comments:

Mayor Pro Tem Waller had a question regarding NetAssets regarding lien searches. Village Manager Reade explained the expenditure.

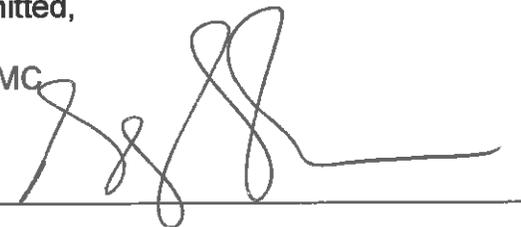
Mayor Pro Tem Waller also had a question regarding the costs of education. Ms. Morse reported that was the training for Munis software for the various departments.

Adjournment at 6:27 p.m.

Respectfully submitted,

Susan Caljean, CMC
Village Clerk

Mayor, Bev Smith

A handwritten signature in black ink, appearing to be 'Susan Caljean', written over a horizontal line. The signature is stylized with loops and a long horizontal stroke at the end.