



September 2, 2021

The Honorable Karyn Cunningham, Mayor
The Honorable Leanne Tellam, Vice Mayor
The Honorable Patrick Fiore, Council Member
The Honorable Steve Cody, Council Member
The Honorable Marsha Matson, Council Member
The Residents of Palmetto Bay

Dear Mayor, Vice Mayor, Council Members and Residents of Palmetto Bay:

In accordance with section 4.5 of the Village of Palmetto Bay Charter, I am pleased to submit the proposed operating and capital budget for Fiscal Year 2022.

This coming fiscal year will differ in many ways from the years that preceded it due to not only the continuing impact of the Coronavirus Pandemic and its attendant economic effects, but also the additional revenue stream from the American Recovery Plan Act (ARPA).

As we look forward into Fiscal Year 2022, I think it's important to remember that the pandemic can turn conventional wisdom, and a budget forecast, on its head in just a short period of time. Just one month ago as of this writing, we appeared to be on the downside of the pandemic, then the Delta variant began to spread. Now, I think it's less clear how long the pandemic will be with us and impacting our daily lives.

It's counterintuitive, but the economic effects of the pandemic have not all been negative. For example, real estate values have soared, more than doubling the historical rate of increase in taxable value, bringing the total to \$3,366,980,359, an all-time high. Sales taxes, similarly, have recovered from the initial pandemic lows as much of the artificially suppressed demand finds its way back into the economy. The most reasonable forecast for 2022 is continued growth in economic activity, jobs and real estate values which would improve the Village's fiscal condition and outlook.

The Village Council has made difficult decisions and established its priorities throughout the pandemic, most recently during this year's Visioning Session and subsequent Budget Workshops. Following years of declining revenues, the Village Council set the maximum millage rate at 2.400; if implemented, that would represent a modest increase over the current rate of 2.235 and represent about a \$53.00 annual increase for the average taxable value in Palmetto Bay. More importantly, a millage rate of 2.400 would set the Village on firm fiscal footing for the long-term.

There's one more important piece to the macro-outlook for 2022, the Federal ARPA Funds. The Village expects to receive two tranches of \$6,141,217 in 2021 and 2022 for a total of \$12,282,434 to be spent on the following categories:

- Support public health expenditures
- Address the negative economic impacts caused by the public health emergency
- Replace lost public sector revenue
- Provide premium pay for essential workers; and
- Invest in water, sewer, and broadband infrastructure

An improving economy, increased Village Revenues and the additional Federal ARPA dollars together present a unique opportunity for the Village to replace revenue lost during the pandemic and address much needed deferred maintenance, public safety as well as stormwater and other capital improvements. Together with the Village Council's decisions and priorities, we have established a roadmap towards **Building a more Resilient Palmetto Bay**.

The proposed General Fund Budget for Fiscal Year 2022 is \$15,720,911, which represents a 1.1% decrease from the \$15,842,769 approved budget for Fiscal Year 2021. The growth in revenues is the most significant difference as revenues are forecasted at \$16,487,846 in this proposed budget compared to \$14,387,070, which is our estimate for the end of Fiscal Year 2021. That represents the difference between a primary operating *deficit* of \$680,241 in Fiscal Year 2021 and a primary budget *surplus* of \$819,726 in Fiscal Year 2022. This budget proposes to allocate \$100,000 of that surplus into a Special Maintenance Fund and place the remainder into Fund Balance which will raise the Village's "savings account" to \$10,701,377.

Additionally, I'd like to highlight that the Village has maintained its Triple-A bond rating, one of only eleven municipalities in the State to not only bear that distinction, but also benefit from lower interest payments. The Village took full advantage of that in Fiscal Year 2021 and refinanced General Obligation Bonds that will save over \$200,000 annually. This proposed budget reflects that reduction in interest payments.

Most significantly for Fiscal Year 2022, this budget proposes to spend \$6,323,336 of Federal ARPA funding on qualified items like public safety, stormwater projects, capital improvements and other Village Services and Programs. That total includes \$1,615,000 in stormwater, sewer and other resiliency projects, \$1,013,622 in public safety funding and \$600,000 to begin the design and construction of the Coral Reef Park recreation facility.



BUILDING A MORE RESILIENT PALMETTO BAY

As this year's budget theme indicates, our goal for the upcoming fiscal year is to build a more resilient community. Resiliency, as formally defined, is "the ability of an organization to respond to or recover readily from a crisis, disruptive process." This budget incorporates priorities to make Palmetto Bay more resilient in several ways. Firstly, to be financially resilient following the unexpected economic downturn caused by the COVID-19 pandemic, and secondly, to be environmentally resilient with plans to reduce our Community Rating System and stabilize our canals. Critically, we are continuing to focus on community safety, providing sufficient resources to our Policing Unit to ensure that our residents feel safe and protected.

The budget represents an action plan that effectively uses our available resources, both in monetary and human capital, to their maximum potential while implementing Council goals previously established by the Strategic plan and this year's Visioning Session. This budget continues to provide the high standard of quality services that enhance our quality of life. Its foundation is based on the goals set forth in our Mission and Vision Statements adopted by the Council, as part of our Strategic Plan.

MISSION STATEMENT

The dedicated staff of the Village of Palmetto Bay strives to provide high-quality services that preserve and enhance the quality of life of our residents.

VISION STATEMENT

The Village of Palmetto Bay incorporated to secure public safety and land use control of this suburban community, known for its great schools, parks and recreational opportunities. As development came to south Miami-Dade County, the Village is embracing the need for an urbanized Village center connected to multimodal transportation options and the desire to create an accessible, walkable, bikeable community with entertainment and employment options and an expanding tax base that protects the Village's ability to ensure that the "Village of Parks" remains the best place in Miami to live, work and play!

The budget was therefore prepared based on the priorities set forth by Council on the approved Strategic Plan and the visioning session held with Councilmembers this past January, further refined with other initiatives identified during the budget process.

THE STRATEGIC PLAN AND VISIONING SESSION

A strategic plan identifies specific tasks, milestones and the steps to implement priorities over a 3–5-year period. It differs from a budget in that the budget focuses on a shorter term, usually no more than a year, and serves a specific goal. Typically, a strategic plan sets forth broader goals, while the budget identifies more specific priorities that further such goals. Additionally, the budget is also tied to and nested within the goals established or modified by Council action throughout the year. With this as a backdrop, the present Council convened on January 26, 2021 at the Edward & Arlene Feller Community Room to hold a Visioning Session facilitated by an outside consultant. The goals of the day-long exercise were to review the strategic initiatives that were part of the Strategic Plan and its seven Focus Areas, to identify future Village projects that are consistent with the Focus Areas, and to prioritize such projects based on need and available resources. In other words, to prioritize needed projects in the short-term to financially plan for each one. As a short recap, the seven Focus Areas identified in our Strategic Plan, adopted in 2019, are as follows:

Figure 1. Strategic Focus Areas



During the session, Councilmembers worked jointly to arrange a listing of priority projects, specifically two, for each of the seven focus areas. Some of these projects were capital projects, while others were aspirational in nature seeking to establish a better level of customer service to the Palmetto Bay community. The table below shows the outcome of the visioning exercise.



Table 1. Strategic Focus Areas & Priority Projects

FOCUS AREA	TOP 2 PRIORITIES
#1: Transparent, accessible and efficient government, energized by engaged and informed residents.	<ol style="list-style-type: none"> 1) Update Village website 2) Improve and finalize the Village's communications division, including updating the village website and identifying roles and responsibilities for Village communications, which facilitates engagement with citizens
#2: Financial stability secured by focused economic development.	<ol style="list-style-type: none"> 1) Business community survey 2) Well written budget based on a mission , survey, and goals in order to get the Village's financial house in order to identify opportunities for securing additional revenue (no specific project)
#3: Well-planned and maintained public assets and an attractive built environment resulting from responsive land use planning and zoning.	<ol style="list-style-type: none"> 1) Initiate update to Parks Master Plan 2) Identify program funding for maintenance and repairs of all Village assets such as facilities, parks and streets
#4: A walkable, bikeable community with access to multi-modal transportation options.	<ol style="list-style-type: none"> 1) Create and continuously update a comprehensive document that identifies all proposed multi-modal, mobility-enhancing projects, and proposed funding sources (Village, County and State), including an evaluation of the Village's sidewalk system that will further develop relationships with the County to facilitate transit improvements 2) Complete 10-mile Palmetto Bay path around perimeter of Village
#5: A consistent priority on ensuring Palmetto Bay is a safe community.	<ol style="list-style-type: none"> 1) Establish a Community Emergency Response Team, including all schools, places of worship and other community organizations 2) Encourage continued school-based programs by police force (i.e., DARE) by fully funding law enforcement services while maintaining police budget and staffing at current levels
#6: Environmental stewardship and sustainability.	<ol style="list-style-type: none"> 1) Increase efforts to improve Community Rating System, including exploring purchase options for waterfront properties to expand access to bay 2) Engage with and leverage the ideas and energy of Village youth to create and facilitate implementation of local projects that benefit the natural environment
#7: Outstanding opportunities for lifelong learning.	<ol style="list-style-type: none"> 1) Restore, replace, or establish facilities in village parks that facilitate entertainment, recreation, and learning activities for residents of all ages 2) Exploring volunteer senior-visiting program and collaborating with organizations that will establish monthly town hall educational sessions while evaluating revenue generating options that would allow increase in educational programming

STRATEGIC FOCUS AREAS & RESPECTIVE PRIORITIES

The following section presents a review of each of the seven strategic focus areas and accompanying priorities established by the Village Council during the visioning session. As the fiscal year progresses, other ongoing or new projects arise that are within the scope of the approved budget and Village priorities. Information on those projects have been included as well.

FOCUS AREA 1

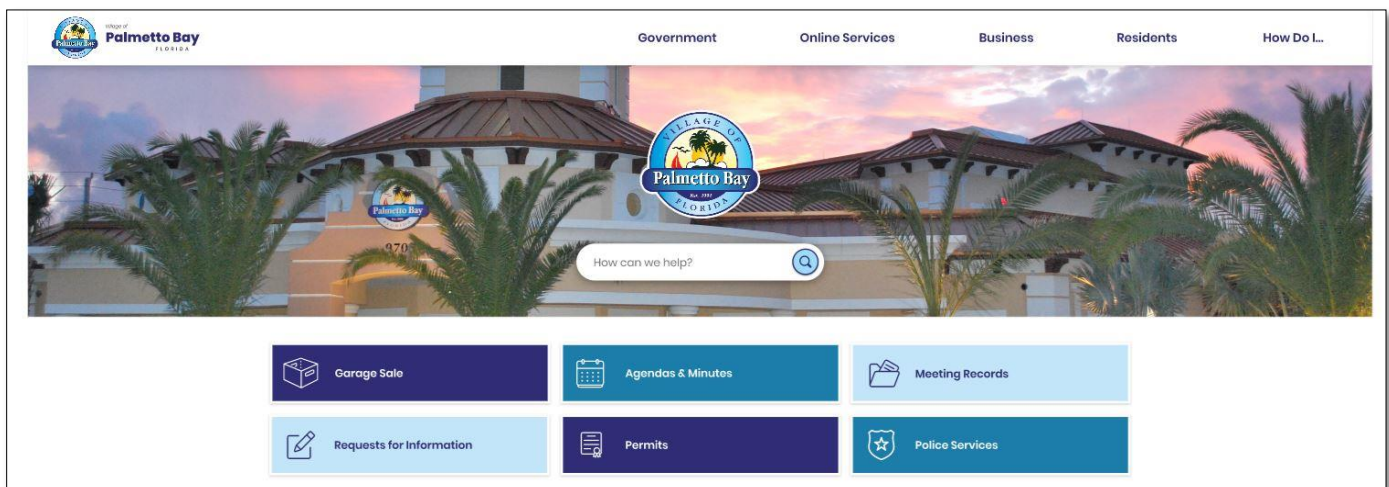
FOCUS AREA #1

Transparent, accessible and efficient government, energized by engaged and informed residents.

PRIORITY PROJECTS:

- 1) Update Village website
- 2) Improve and finalize the Village's communications division, including updating the village website and identifying roles and responsibilities for Village communications, which facilitates engagement with citizens

Updating the Village website is an important goal for the Village as the website is one of the avenues that we employ to keep residents abreast of what is happening in their community. For us, it is critical that residents can effortlessly navigate the site and locate information and documents related to the Village. In the past, residents have complained about not finding information on the website even though most of our approved policies, documents and projects are uploaded to the site. During the redesign of the web, our goal is to design a landing page that is simple and easy to read, where the search box is easily spotted on the homepage. New one-click buttons are part of the design, along with improved color designs that are more representative of the calm nature of the Village, such as greens, blues, and whites.



The overall vision and goal are to make a more user-friendly website. To accomplish this, the Village first embarked on a survey requesting feedback from residents on their likes and dislikes of the current site. Based on the information gathered, the new site will contain information sought by residents right from the homepage with more emphasis on the search engine feature of the website. The search engine is the simplest option to locating documents and information about specific projects, programs, events, or initiatives of the Village.

The proposed budget includes funding for additional personnel in the communications division which handles the update and maintenance of the website. The additional staff will enable the division to stay on top of the website updates. In addition, feedback from residents will be sought regularly to ensure that our residents are able to navigate the site easily. The beta site will be available for review by October. It should be noted that the web redesign is part of the contract between the Village and the website provider to be done periodically at no additional cost.

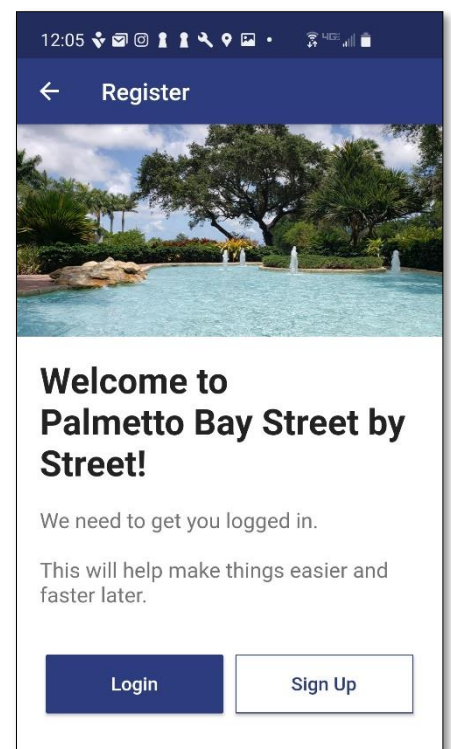


Our goal in providing the additional, needed resources to the communications division is to enhance our level of engagement with residents. To that extent, we have already launched the “Palmetto Bay Connect” app which allows the Village to share information and alerts with subscribers in real time. By downloading the *Palmetto Bay Connect* app, subscribers receive notifications of community events and meetings,

and read announcements and reminders of importance to the community. Staff can report road closures and police activity and post information about park programs, public meetings, community events, project updates, and more. Most importantly, the app allows the Village to send emergency alerts. This is of particular importance for emergency communications, including pre and post emergency situations and police and health & safety alerts. The app, which was officially launched only a couple of months ago, has been very well received by the community with more than 280 subscribers so far.

Another resident-driven engagement initiative is our “Street by Street” app. Like “Palmetto Bay Connect”, the new app allows staff to communicate directly with residents in real time. While Palmetto Bay Connect serves as a quick one-way communication system, the new “Street by Street” app provides a platform for residents to report issues or concerns to the Village and receive a response from the appropriate personnel who will relay the progress or resolution of the reported concern in a timely manner. It is a two-way communication system that allows the resident to make reports, submit pictures if applicable or make inquiries of the Village from the comfort of their phone or other mobile device. The new app is ready to be rolled out and will be launched over the next few weeks.

Aside from the website redesign and new communication apps, the Village is also increasing its presence on Instagram to reach and engage with younger families who prefer the photocentric social network to Facebook. In fact, 63% of young adults in the US choose Instagram over Facebook. This does not change the more engaging nature of Facebook, and the Village has been very successful in increasing its followers on that social media platform. In a short 30-day period, the Village increased followers by 772 to




reach a total of 7,773. The Village has also experienced an increase in YouTube viewership. Following the closures and social distancing mandates resulting from COVID-19, the Village quickly pivoted to online programming and leveraged YouTube as an alternative to Facebook for online viewing. This is extremely important, as YouTube is the second largest social network after Facebook. We will continue to promote our social media outlets, email communications and website appeal as part of our resident engagement strategy.

Resident engagement is also accomplished through community events that allow people to socialize and get to know one another. Funding in this year's budget has been increased for such community events. The Village will follow and enforce CDC guidelines concerning the COVID-19 virus that are in effect at the time of any planned event. We remain hopeful that our residents will be able to enjoy socializing responsibly and carefully and will implement any changes as we continue to navigate through this pandemic.

FOCUS AREA 2



FOCUS AREA #2
Financial stability secured by focused economic development.

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- PRIORITY PROJECTS
- 1) Business community survey
 - 2) Well written budget based on a mission , survey, and goals in order to get the Village's financial house in order to identify opportunities for securing additional revenue (no specific project)

As the budget process moves forward, Palmetto Bay will be launching its very first community-wide survey. While this survey is geared towards residents, it will accomplish two important goals. Firstly, the survey will provide important feedback to the Council and Staff on priorities, projects and programs relevant to the community. Secondly, the data will be used as the foundation for an upcoming business community survey to be conducted jointly with the Palmetto Bay Business Association. Finally, the survey will familiarize our residents with the municipal survey process and increase participation in future surveys.

An equally important priority for our Council, as expressed during the visioning session, was to ensure that our budget was well written based on a clear mission and on goals intended to increase revenue. Accordingly, the information presented in this budget book was developed based on the established mission as its foundation, elaborating on specific Council priorities.

As previously mentioned, real estate values experienced an unprecedented rise, with double digit rates of increase year on year. That growth, coupled with a conservative budgeting approach and prudent Council decisions has led to a remarkable turnaround in the Village's fiscal condition. The Village is projecting a revenue shortfall of \$680,241 in Fiscal Year 2021 and a \$819,726 revenue surplus in Fiscal Year 2022 – nearly a \$1,500,000 improvement in the Village's net position over a one-year period. The Village has also recently refinanced a previously issued bond with a value of \$13,000,000, which will save the Village an estimated \$200,000 annually in expenses. This is a

considerable level of savings considering that Palmetto Bay's overall operating budget is lower than \$16.5 million.

Economic conditions over the past year and a half were highly volatile because of the unprecedented COVID-19 pandemic. The CDC, State, County and Village-level COVID protocols may have helped slow the spread of the pandemic, but they also had a negative impact on individuals and businesses. The Village Government experienced those same disruptions. Following an executive order by the County Mayor, the Village closed all facilities in March 2020. A month later, the Building & Permitting Division began to accept permits on a limited basis. Under certain restrictions, Park facilities re-opened July 2020 and most Village employees returned to in-person work although Village Hall was not re-opened until March 2021. All facilities were not fully open until May 2021, more than a year following the initial closures.

While preparing the budget for Fiscal Year 2021 there were still a lot of unknowns for the economy as some businesses, such as gyms and bars, were still required to remain closed while others were not operating at full capacity due to COVID-related restrictions.

The Village maintains a conservative approach with its revenue projections while still maintaining services in accordance with federal, state and local COVID protocols. Based on the economic climate and the uncertainty of the pandemic's real fiscal impact, a budget shortfall of \$1.6 million projected for FY 2021 was to be covered by Fund Balance Reserves. Since that budget was prepared, COVID vaccines have suppressed COVID-19 infections enough to allow the reopening of businesses and travel which has improved the economy to pre-pandemic levels in some industries. The current estimations for the Village's operating revenues and expenditures reduces the FY 2021 shortfall from \$1.6 million to \$680,000. For the FY 2022 budget, the Village has taken the position that the economy will return to pre-pandemic levels and with the assistance of the American Rescue Plan Act funding, we are projecting a surplus of approximately \$800,000.

Despite the pandemic and relative closures, Palmetto Bay aggressively sought available grant opportunities to defray a portion of the costs of many of its capital projects. During FY 2021, the Village successfully secured more than \$1.3 million in grant funding for Village projects. That is \$1.3 million less that was spent from taxpayer dollars, and which could be reassigned to other services and initiatives. The table below provides the detail of the grants approved for FY 2021.

Table 13. Grant Awards for FY 2021

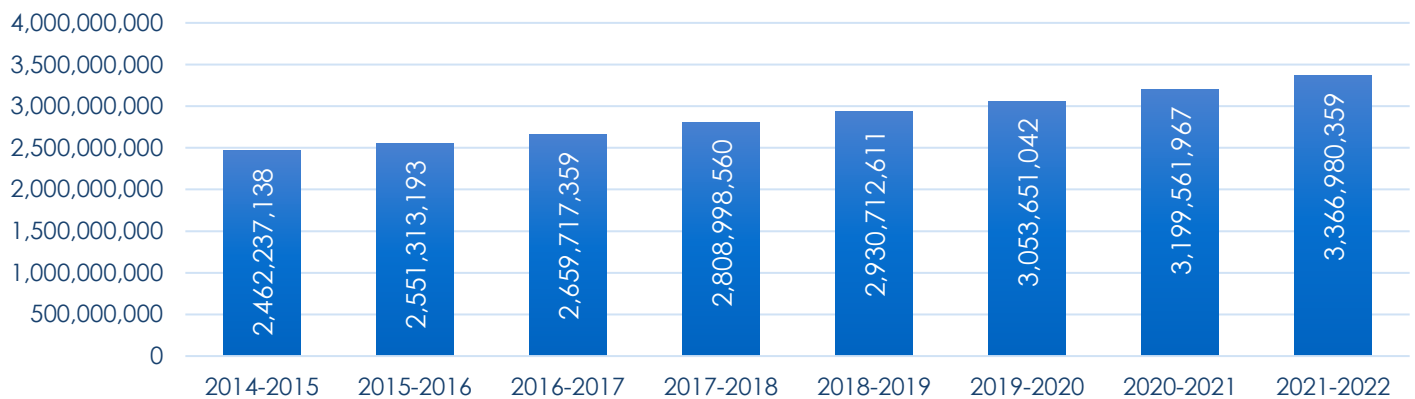
Program/ Agency	Project	Grant Award
TPO	Palmetto Bay Multi-use Trail Feasibility Study	\$80,000
DOJ	COVID Relief	\$110,000
DOJ	COVID Supplemental	\$50,000
MDC Cultural Affairs Council	Virtual "Light Up Your Holidays"	\$7,338
FIND	Thalatta Estate Park Pier	\$500,000
JAG	radKIDS Outreach Equipment	\$3,410
JAG	DARE Student Uniforms	\$5,938
HGMP	Sub-Basin 61	\$635,829
	TOTAL	\$1,392,565

It is important to understand some of the factors that are used to establish our budget and its long-term implications. As required by the Village Charter and State law, the proposed operating and

capital budget for FY 2021-22 is a balanced budget, which means expenses and ending fund balances equals projected revenues and other financing resources for our general operating budget.

As the Council and residents review this budget, they should be proud to realize what our Village, celebrating its 20th year, has accomplished in our very short history, in the services we provide, what has been built, maintained, and improved upon. We hope that all who read this budget understand that this is a resident driven, Council led collaboration on policy directive which utilizes our revenues to its fullest capacity. This budget also provides a glimpse of the short-term goals Council has adopted and, in the manner, it is implemented by the administration in meeting these Council goals.

Chart 1. Property Valuations in Palmetto Bay (2014-2021)



The Village must continue to be vigilant in our expenditures while also looking for new avenues to increase revenues and keep up with rising costs. It is important to note that our residential sector continues to provide an oversized share of property taxes for our Village. This unbalanced approach to property taxes places an unfair burden on the residents and could present a potential valuation issue down the road. In Palmetto Bay, the gap in the tax share is significantly greater than in all other cities combined throughout Miami-Dade County. Residential properties in Palmetto Bay cover 93% of all property tax, while the commercial sector only accounts for 7% of all property tax revenue. In contrast, the average for countywide taxes paid by residents is 62%, with businesses encompassing 38% of the total.

Figure 1. Palmetto Bay's Tax Share Comparison

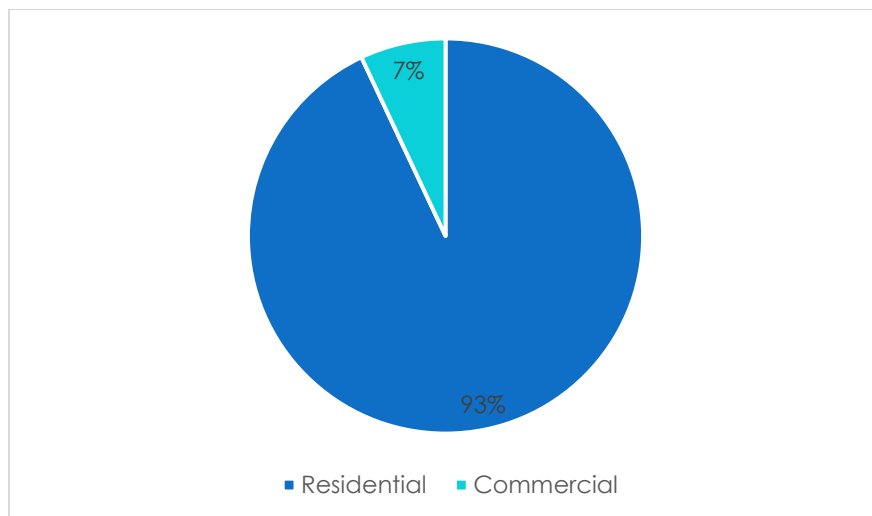
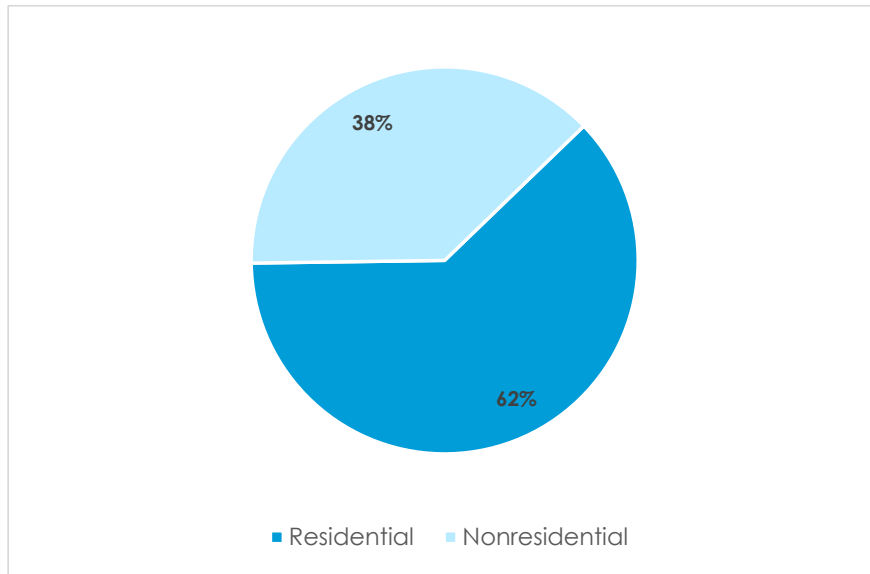


Figure 2. Countywide Average Tax Share for all Municipalities



To address the two concerns noted above, the Village has rewritten the zoning policies for our main commercial area to attract redevelopment to that area. As a measure of success, insofar, the Village has completed 2 projects, approved 8 and 5 are pending. One goal of the redevelopment is to shift the share of taxes paid closer to the Countywide average of 62% residential/38% commercial and to triple the commercial base from \$500 million to \$1.5 billion, which has a tax value cap of 10% annually versus 3% for residential properties. Another goal is to ensure that redevelopment is complimentary to the rest of the Village in scope and size and that single family neighborhoods are protected to the maximum extent possible under law.

Staff recently completed an analysis that compares Palmetto Bay to its two neighboring municipalities to the North and to the South. All three municipalities are similar in size and because they are generally located within the same region, share some of the same challenges. It is important to note however, that Pinecrest has the largest tax base of the three by a significant amount. The tables below show the comparison for property rolls.

Table 2. Tax Roll Comparison

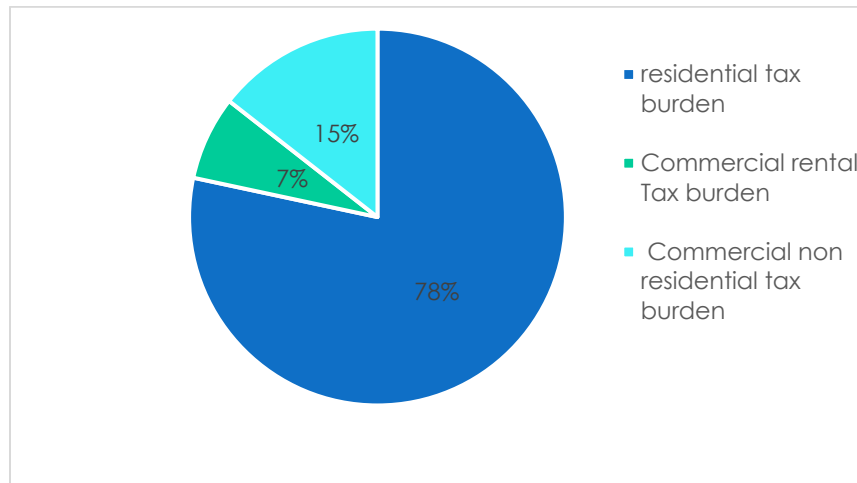
Tax Roll Comparison						
Municipality	Population	Annual Tax Cost (per household)	No. of Single-Family Units	No. of Commercial Units	% Residential	% Commercial
Palmetto Bay	24,870	\$782.59	7,177	1,542	82%	18%
Cutler Bay	45,480	\$456.03	10,752	4,374	71%	29%
Pinecrest	18,619	\$1,765.67	5,083	1,415	78%	22%

Table 3. Comparison of Taxable Values

Comparisons of Taxable Values					
Municipality	Single Family Taxable Value	Multi-Family/Condo Taxable Value	Commercial Taxable Value	Other Taxable Value	New Construction
Palmetto Bay	\$2,381,869,726	\$209,446,986	\$433,479,183	\$109,747,516	\$57,499,047
Cutler Bay	\$1,776,769,924	\$447,124,199	\$419,129,436	\$46,852,066	\$11,050,290
Pinecrest	\$4,101,724,163	\$262,240,501	\$570,133,919	\$165,017,796	\$49,328,424

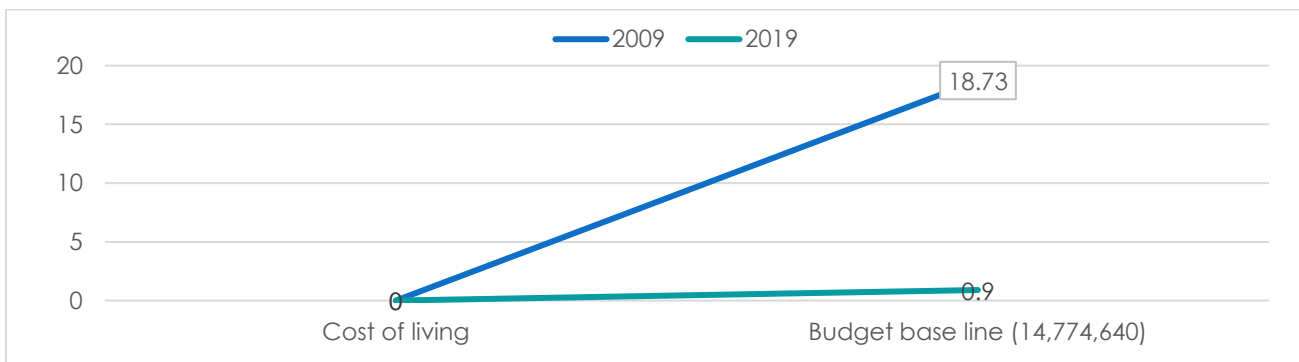
In analyzing the current approvals for the downtown area, the revenue tax share pie changes slightly.

Figure 3. Potential Tax Burden Distribution



The levels shown in the graph above are substantially lower than neighboring municipalities and one of the lowest in all Miami-Dade County and shows the challenge in easing the burden from our residential backbone by diversifying into more commercial sources. On average, our growth in revenues specifically from property taxes (not including other revenue sources) has been less than the growth in expenditure levels over the history of our Village.

Table 4. Cost of Living Comparison



The growth in government spending has also been substantially lower than the cost-of-living increase over the last ten years. This is attributable to conservative budget execution, deferring maintenance and other cost cutting measures implemented after the great recession of 2007 and now COVID-19.

What increase there is in government spending is attributed to increasing costs in policing services which are provided by the Miami-Dade County Police Department through an inter-agency agreement. Aside from rising costs, Palmetto Bay is also largely built-out and most of our residential properties are "homesteaded," which are properties subject to a 3% maximum growth in taxable value. What that means is that regardless of the market value, the property value upon which taxes are paid cannot grow by more than 3% each year. In addition, these homes also receive an exemption of up to \$50,000, which is further deducted from the tax valuation. Consequently, the homestead valuation cap and exemptions also cap the tax revenue to the Village, which is derived from the property valuation.

As shown on the table below, Palmetto Bay has the third-highest number of homesteaded properties in Miami-Dade County.

Table 5. Comparison of Homesteaded Properties

City	% of Homesteaded Properties
Biscayne Park	81.59%
El Portal	80.57%
Palmetto Bay	79.51%
Miami Shores	78.97%
Miami Springs	78.79%
West Miami	77.38%
Pinecrest	74.74%
Virginia Gardens	73.37%
Miami Lakes	71.94%
Cutler Bay	70.94%

Despite these economic pressures, our Village staff continues to look for innovative ways to provide the level of service expected by the residents while keeping expenditures under control.

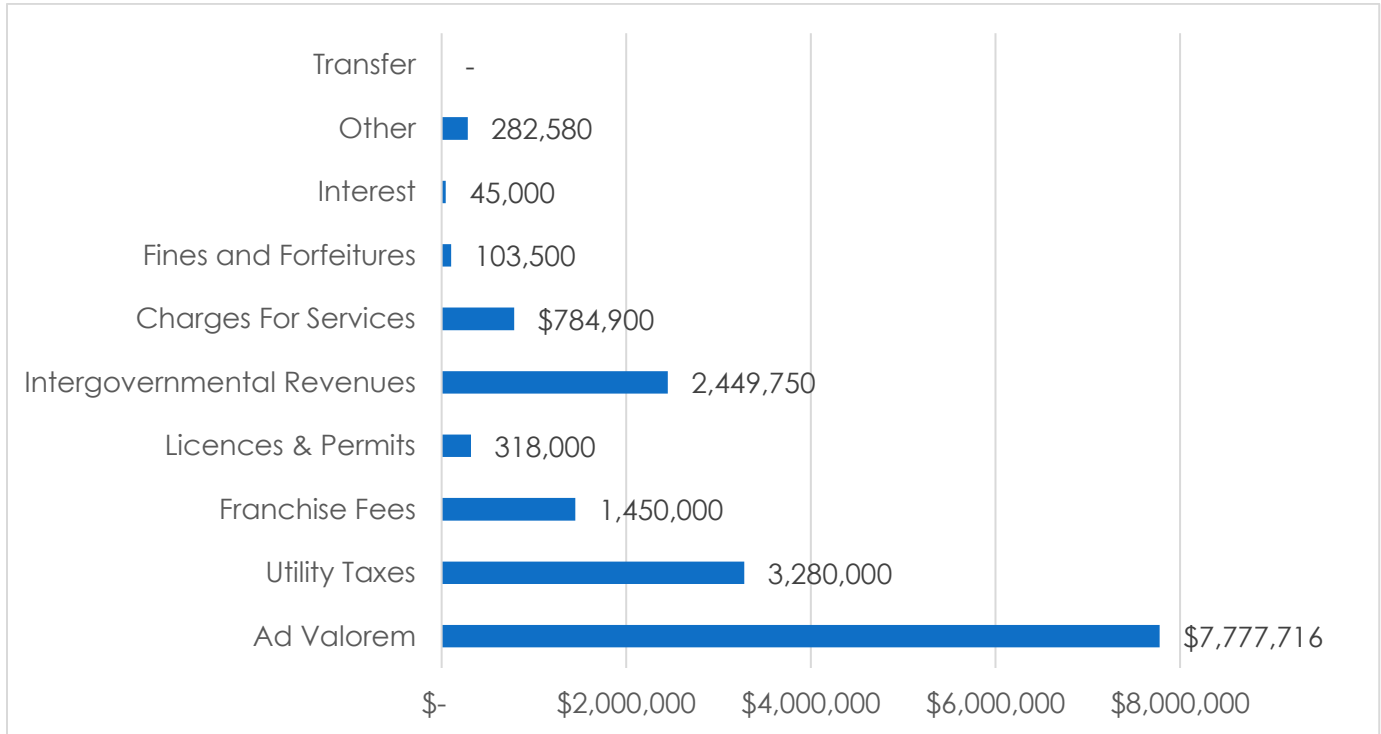
Budgetary Implications:

Funding allocated for the upcoming fiscal year addresses all the goals established by the Council. One of the Council goals is financial stability. Some of the steps Council has taken to ensure stability is to reestablish the FPL Franchise to 6% and increasing the ad-valorem (property tax) rate from 2.235 mills to 2.4 mills. A mill is the rate paid by a property owner based on the taxable value of the property divided by 1,000. The taxable value differs from the real estate or market value since the taxable value can only increase by a maximum percent and it is often subject to one or more exemptions, which essentially are discounts on the taxable value.

The steps Council has taken, has allowed the Village to restore the quality of service to pre-COVID levels, such as a full schedule of special events and personnel to provide the level of services expected.

The increase in FPL franchise fees has added approximately \$600,000 to revenues for FY 2022. As the economy continues to improve, Intergovernmental Revenues (mainly Sales Taxes) are similarly expected to increase by \$400,000 over FY 2021. With the re-opening of Village facilities and businesses, park rentals are projected to increase by \$150,000. Additionally, revenues from utility taxes are projected to be higher than last year's figure by an estimated \$150,000. Utility taxes are collected based on electrical, water, and gas services and are transmitted to the Village by the County. The total projected revenue amount for FY 2021-22 is \$ 16,487,846, a total of \$ 2,279,146 higher than FY 2020-21. *This is essentially the total amount that the Village has available for recurring operating expenditures.*

Chart 2. General Fund Revenue Distribution



Ad-Valorem Taxes: Using the 2.4 millage rate, ad-valorem taxes, or the amount paid by our property owners minus exempt properties such as schools, churches and governmental uses is projected at \$7,777,716, an increase from Fiscal Year 2020-21 of \$883,246. Even at the new millage rate, our rate is the 6th lowest in the County even with our high homestead exemption rate and our low commercial tax base. The municipalities with the four lowest rates have taxable values three to five times that of Palmetto Bay and are not comparable.

Additionally, new development in the future downtown district will have a positive impact on ad-valorem revenues. At this time, it is projected that the 7 new projects currently completed or in the pipeline will generate an additional \$489,892 in ad-valorem or property tax revenue annually. The table below shows the detail for each project.

Table 6. Anticipated Ad-Valorem Revenue Increase

Anticipated Ad-Valorem Revenue Increase			
Development	Units	Anticipated Appraised Value	Annual Amount
Soleste	210	\$55,000,000	\$123,130
Park View	235	\$25,000,000	\$55,875
The Collection	0	\$50,000,000	\$111,750
Opus	0	\$7,000,000	\$15,645
Franjo Medical	0	\$12,000,000	\$26,820
9400 Richmond Drive	36	\$10,000,000	\$22,350
Palmetto Station	270	\$60,000,000	\$134,322
		TOTAL	\$489,892

Unassigned Fund Balance and Reserves: Historically, Palmetto Bay has always closed the budget year with a surplus. With decreasing revenues and rising expenditures, that surplus was threatened this past fiscal year. In fact, for FY 2021, a deficit of \$680,241 was anticipated due to the economic effects of the COVID-19 pandemic. Since the Village is required to have a balanced budget each year by law, surplus funding from prior year would have been used to cover this shortage.

Previously, the Village Council had amended the surplus fund policies assigning a specific expense category to and allocating funds to each for a specific purpose, namely for unforeseen events or emergencies. One of those categories include “revenue volatility” specifically created to cover unexpected drops in revenue collection. Under this reserve policy, reserve funding is appropriated as indicated below.

Table 7. Fund Balance Allocations

Category	Current Budget Allocation
Declared Emergencies	\$ 650,000
Community Growth	500,000
Litigation Reserves	350,000
Revenue Volatility	1,000,000
Asset Repairs, or Replacement and Maintenance	2,200,000
Unassigned Fund Balance (Surplus)	6,001,377
Total Assigned Funds	\$ 10,701,377

The reserve balance policy was established to better manage the expenditure of annual surpluses in a responsible and objective manner. The policy accomplishes three main goals: complying with the existing reserve policy, avoiding future debt, and reducing outstanding debt. The final categories and allocations were identified based on recommendations by the Government Finance Officers Association (GFOA) upon the completion of a thorough analysis of the Village’s surplus funds and reserves.

As a result of the stewardship of the Village Council and the sound fiscal management of the staff, the deficit turned into a surplus of approximately \$819,000. This surplus amount is reflected in the General Fund or operating fund budget, and it is part of the “unassigned fund balance”, which is currently \$6,001,377. As the name implies, these funds are unassigned and unrestricted or otherwise available at the discretion of the Council to be invested in projects and initiatives of importance to Palmetto Bay. Consequently, this balance does not include emergency or “rainy day” funds, which are specifically reserved for any unanticipated occurrences.

Surpluses realized in the General Fund at the end of each fiscal year are to be first allocated to meet the reserve levels set forth in the financial reserve policy. Excess surplus is then to be used for capital replacement programs, refinancing of existing debt, or cash payments for capital improvement program projects. As illustrated in Table 7 above, total reserves equal \$ 10,701,377, which represents approximately 68% of the total General Fund budget.

Our strong fiscal policies have allowed the Village to maintain and boost our bond capacity rating to AAA. One of the strategies recently approved by the Council was the increase in reserves to levels that far exceed those set in GFOA guidelines and the assignment of certain budgetary categories for reserves that provide for better financial security in the event of any potential future challenges.

FOCUS AREA 3

FOCUS AREA #3

Well-planned and maintained public assets and an attractive built environment resulting from responsive land use planning and zoning.

PRIORITY PROJECTS

- 1) Initiate update to Parks Master Plan
- 2) Identify program funding for maintenance and repairs of all Village assets such as facilities, parks and streets

During its Visioning Session, the Council identified the update of the Parks Master Plan as a priority project under Focus Area 3. Accordingly, a Request for Proposals (RFP) was issued during the Summer soliciting consulting firms to create a comprehensive master plan that addresses the needs of Village residents and sets milestones to accomplish over the next 15 years. In addition to serving as a roadmap for the expansion and maintenance of our parks system, the master plan also serves as a basis to apply for grants.

A second priority for the Council under Focus Area 3 is the funding of a long-term maintenance and repairs program for all Village assets. This would include creating a new budgetary line item for routine maintenance expenses related to Village buildings, equipment, vehicles, tools, and electronic and computer systems. For this purpose, the proposed budget includes the allocation of \$100,000 to the Maintenance Fund as a starting point. The fund will be increased each year as funding becomes available.

Consistent with this priority, the Village recently completed the migration from an outdated analog-based telephone system to a modernized cloud-based system that not only costs less to service and maintain, but also allows the employees the ability to answer calls made to their extension from any location, including home. This new phone system allows the Village to discontinue purchasing mobile phones for employees for official business.

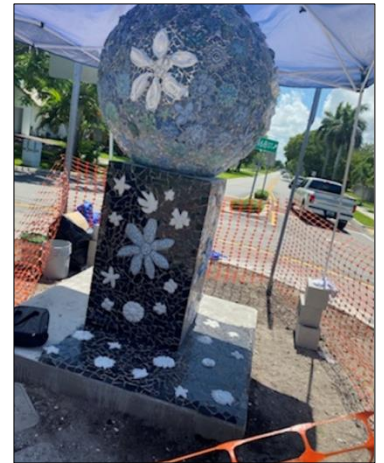


Furthermore, in accordance with Strategic Focus Area 3, Palmetto Bay continues to create an attractive built environment with the goal of improving the quality of life of our residents and create lasting value for the community. To that extent, the Village Council allocated \$350,000 during

FY 2019 to resurface roads at 18 locations throughout the Village. During FY 2020, the Council funded an additional 11 locations at the tune of \$250,000. These locations were identified based on a road

assessment study that prioritized Village streets to be resurfaced according to their condition. As a recap, over the past two fiscal years, a total of 29 locations have been resurfaced and \$600,000 was invested in this project.

As this budget is being finalized, Plant Professionals, Inc. is working on the beautification of the US 1 center landscape island for the portion between SW 144th Street to Coral Reef Drive. New native trees and shrubs are being installed, along with a new irrigation system. The project has been partially funded through a grant from the Florida Department of Transportation. Another addition to our beautification projects is the new art piece for the traffic circle at the intersection of SW 168th Street and SW 82nd Avenue. The project was designed by local artist, Xavier Cortada to celebrate South Florida's fauna and it is part of the Village's Art in Public Places.



As we discuss maintenance and repairs to Village facilities, it is important to note that for Coral Reef Park, the Council approved a contract for the renovation of the sports fields at Coral Reef Park and authorized the purchase and installation of a new picnic pavilion at Coral Reef Park for \$394,756 and \$104,205 respectively for a total investment of \$498,961. Both projects were partially funded by a state grant. The Village also approved funding to the tune of \$177,000 to design the future Veterans' Park, which will be the latest addition to our beautiful park system. This new neighborhood park will properly honor past, present and future war veterans. Earlier this year, the Council also took another step which is consistent with this focus area to "build an attractive environment by establishing responsive zoning policies" by adopting a resolution directing staff to prepare all necessary zoning amendments to limit building heights to 45 feet in the Village. An ordinance amending the current code will soon follow.

FOCUS AREA 4

FOCUS AREA #4

A walkable, bikeable community with access to multi-modal transportation options.

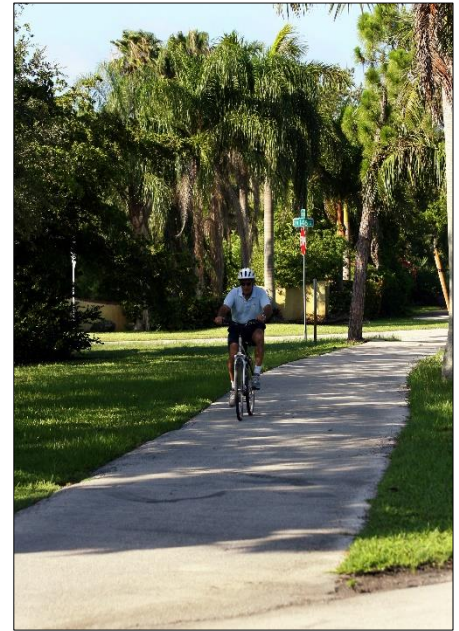
PRIORITY PROJECTS

- 1) Create and continuously update a comprehensive document that identifies all proposed multi-modal, mobility-enhancing projects, and proposed funding sources (Village, County and State), including an evaluation of the Village's sidewalk system that will further develop relationships with the County to facilitate transit improvements
- 2) Complete 10-mile Palmetto Bay path around perimeter of Village

The Strategic Plan commits to building and designing infrastructure for pedestrians and cyclists by disseminating best practices and designing strategies throughout the community, which in turn will promote and increase alternative modes of transit services for our residents and commuters. The recently-completed Franjo Road improvement project is one example of a pedestrian-friendly initiative in the future downtown area. Our Safe Routes to School projects and the county's SW 136th

Street improvement projects are also great examples of walkable streets. The Safe Routes to School project is based on building sidewalks that connect schools and neighborhoods; the SW 136th Street improvements include the reconstruction of the road from US 1 to Old Cutler Road, and the construction of a new shared use path. Palmetto Bay is also studying site conditions to determine the cost of a future perimeter walking and bicycle path around the Village to increase its connectivity.

Along with the pedestrian and bicycle connectivity projects, the Village is also studying the feasibility of providing various pedestrian and bicycle trails throughout the community. The Village Council recently approved a grant for that purpose and awarded the contract to Marlin Engineering to complete the study. The firm is currently assessing existing conditions for bicycle and pedestrian connectivity along SW 144th Street, SW 152nd Street, SW 168th Street and SW 184th Street between the Transitway and Old Cutler Road. This study will identify which 2 corridors are best suited for multi-modal improvements. Once existing conditions have been analyzed, the firm will develop a conceptual design of its proposed bicycle and pedestrian improvements, which will be presented to the community for feedback. Upon a final evaluation for constructability, the firm will develop 15% design plans for the two corridors. The project will be completed by the end of this calendar year.



FOCUS AREA 5

FOCUS AREA #5

A consistent priority on ensuring Palmetto Bay is a safe community.

PRIORITY PROJECTS

- 1) Establish a Community Emergency Response Team, including all schools, places of worship and other community organizations
- 2) Encourage continued school-based programs by police force (i.e., DARE) by fully funding law enforcement services while maintaining police budget and staffing at current levels

The Village recently partnered with Miami-Dade County's Emergency Management Department to organize and launch a community-wide Community Emergency Response Team (CERT) training. The CERT program educates volunteers on disaster preparedness for any hazards that may impact their area and trains them in basic disaster response skills, such as fire safety, light search and rescue, team organization, and disaster medical operations.

CERT is a national FEMA program which offers a consistent approach to volunteer training that professional responders may rely upon following a disaster situation, allowing them to focus on more complex tasks. Additionally, CERT members can assist others after an incident when professional responders are not immediately available.



The training was offered free of charge to the community at large as part of Palmetto Bay's comprehensive approach to emergency response and its commitment to community safety. In fact, the goal of maintaining and improving our safety is the most basic of our priorities for the Village. We maintain a safe community through our policing unit by assigning well-trained police officers to the Village through our contract with Miami-Dade County. The contractual relationship with the county started upon incorporation, and the model has proven to be effective and fiscally advantageous to the Village.

Palmetto Bay is committed to the principle of community-driven policing and remaining proactive on immediate concerns related to public safety issues. The community-policing principle focuses on preventing crimes through community outreach and education using prevention programs such as RAD (Resisting Aggression Defensively) for kids and RAD (Rape Aggression Defense) for women. Additionally, our officers continue to engage school-aged children through important educational programs such as our drug prevention and education program; DARE (Drug Abuse Resistance Education.) These types of programs have rightfully earned our police officers the trust of our children and our community.

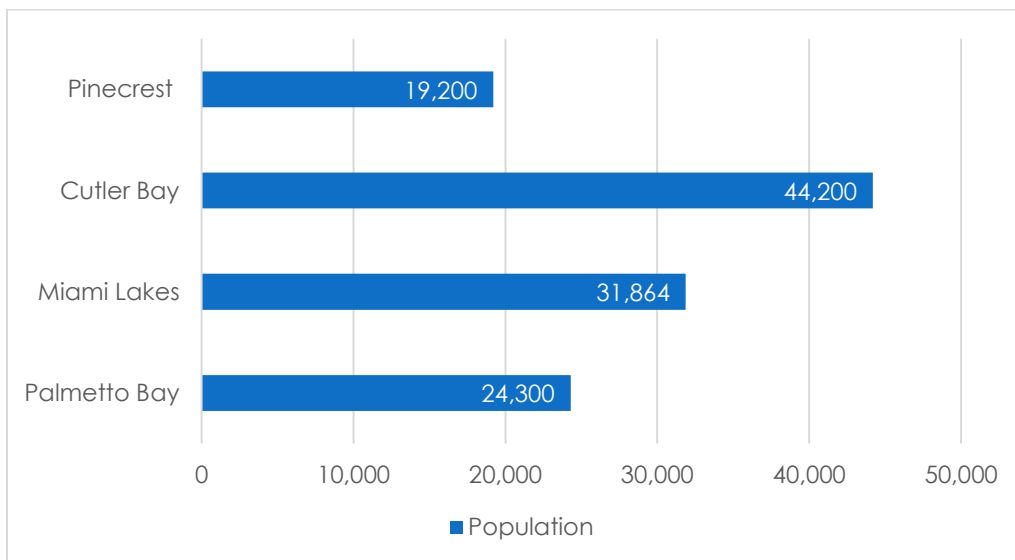
Police funding continues to be the largest operating expense for the Village. Palmetto Bay currently spends about 49% of its General Fund budget on public safety. The results are clear, as the Village's crime rate remains relatively low. This is indicated by another drop in our crime rate; in fact, our crime rate has dropped over 18% in the past year alone.

Table 8. Village of Palmetto Bay Crime Data (2017-2021 YTD)

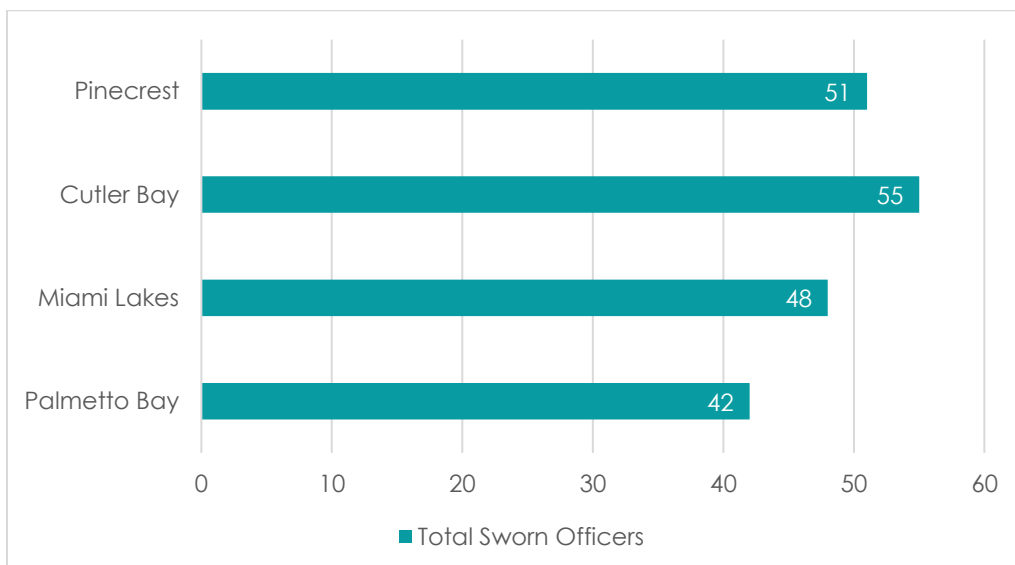
VPB COMPSTAT CRIMES												
Type of Crime Reported	2017	2018	+/- %	2018	2019	+/- %	2019	2020	+/- %	2020 YTD 01/01-07/31	2021 YTD 01/01-07/31	+/- %
Homicides	0	0	0	0	0	0	0	0	0	0	1	100%
Sexual Batteries	3	6	100%	6	7	17%	7	3	-57%	3	1	-67%
Robberies	20	12	-40%	12	12	0%	12	7	-42%	2	3	50%
Larcenies (over)	122	115	-6%	115	90	-22%	90	49	-46%	26	30	15%
Vehicle Burglaries	254	222	-13%	222	192	-14%	192	117	-39%	81	55	-32%
Residential Burglaries	72	63	-13%	63	58	-8%	58	35	-40%	13	8	-38%
Auto Thefts	30	21	-30%	21	36	71%	36	28	-22%	18	16	-11%
Commercial Burglaries	27	21	-22%	21	11	-48%	11	20	82%	12	7	-42%
Aggravated Assaults/Batteries	29	15	-48%	15	14	-7%	14	13	-7%	8	12	50%
Totals	557	475	-15%	475	420	-12%	420	272	-35%	163	134	-18%

Aside from the low crime rate, which the Village monitors regularly, the Village also studies comparison data from the two other municipalities that have a similar contractual relationship with the Miami-Dade County Police Department for policing services as Palmetto Bay. These municipalities include the Town of Cutler Bay and the Town of Miami Lakes. The comparison is often the basis of negotiation during the contract renewal process, but more importantly, it provides a basis for the Village to assess whether the service provided locally matches the level provided to other cities. In addition to contracting cities, the analysis rightfully includes data from the Village of Pinecrest, as our neighboring city to the North. Although Pinecrest operates its own police department, the two Villages share many of the same concerns due to its shared borders. The Town of Cutler Bay is studied as both; a neighboring city and a contractual one. The comparison analyzes several factors including, overall population, total sworn personnel, officer-to-resident ratios, calls for services, and response time averages. The charts below show the data formerly described for the current year.

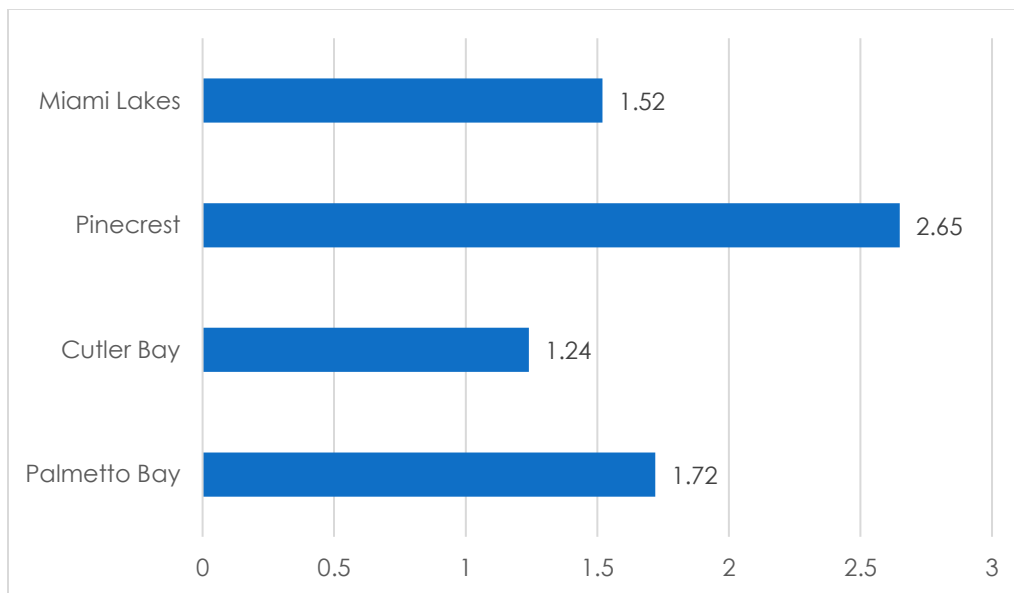
Graph 1. Population by City



Graph 2. Total Sworn Officers by City



Graph 3. Police to Resident Ratio (per thousand)



The data provided in Graphs 1 and 2 above is essentially collected for the purposes of determining the officer-to-resident ratio shown on Graph 3 above. As illustrated, Palmetto Bay ranks second in police-to-resident ratio with a robust 1.72, well ahead of the other two contracting cities of Cutler Bay and Miami Lakes. The Village of Pinecrest has a higher ratio. However, it should be noted that as an autonomous city, Pinecrest does not have the same fiscal limitations that contracting cities have. The north side neighbor, however, does not have access to certain specialty services that can only be offered by a larger police department such as Miami-Dade County, which contracting cities are able to employ when necessary.

Another important performance measure is the number of calls for service received by the cities, as that figure is the most significant determining factor in efficient service delivery which is measured by response times. For the purposes of response times, only contracting cities were considered based on contractual provisions contained in the agreement with the county.

An analysis of service calls shows the Village had fewer calls than the other two contracting cities, again reflecting the safety of our community. As mentioned earlier, service calls and response times are critical factors in determining the service levels to the community in terms of police activity. Table 9 below shows the total calls for service for all three contracting municipalities.

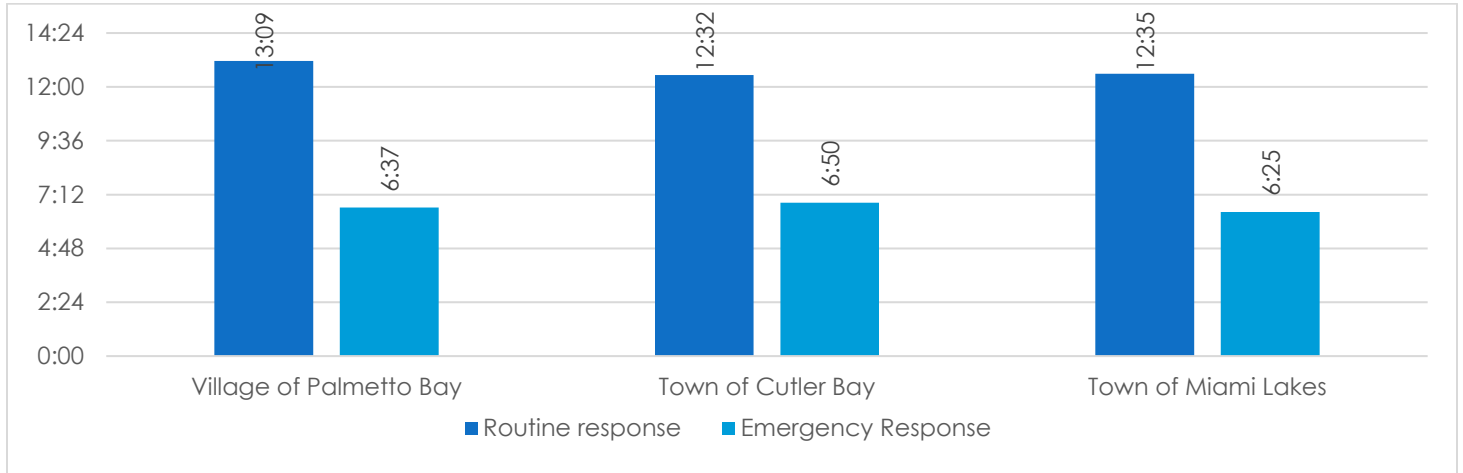
Table 9. Calls for Service Comparison

Municipality	Calls for Service 2021 YTD
Village of Palmetto Bay	4,139
Town of Cutler Bay	7,360
Town of Miami Lakes	4,542

As illustrated above, Palmetto Bay leads with the lowest number of calls for service, which serves as a testament to the Village's commitment of actively patrolling the area, educating our residents on safety protocols, providing outreach when necessary, and ensuring our officers are well versed in community policing policies and strategies.

The Village continues to enjoy shorter-than-normal response times. Although not the lowest in emergency response times, Palmetto Bay trails Miami Lakes only slightly despite certain challenges affecting response times, which are unique to the Palmetto Bay community. These include increased traffic and a disconnected street grid system. Non-emergency response times exceed the Council-established goal of 15 minutes on average and far exceed the county goal of 30 minutes.

Graph 4. Response Time Comparisons

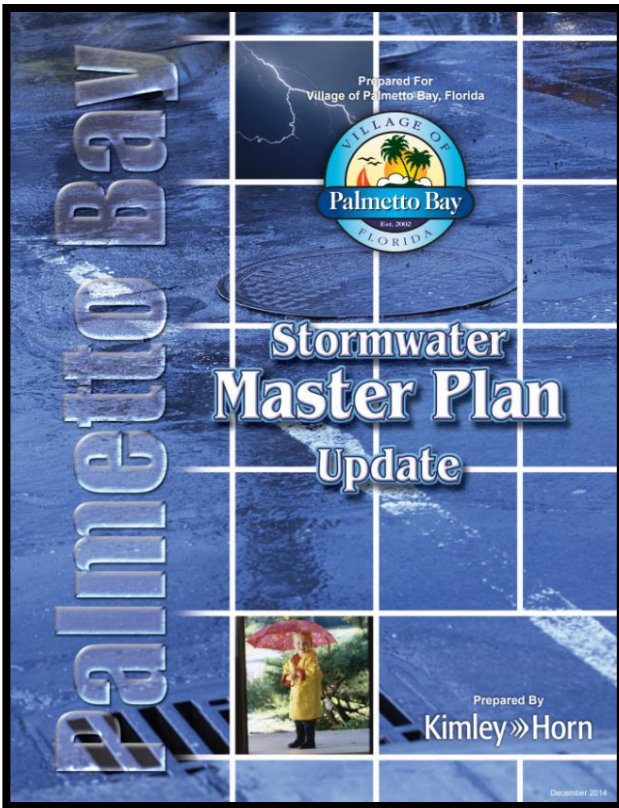


Palmetto Bay remains committed to the safety of its citizens. Growth, whether within or outside the Village, is an inevitable fact in South Florida. However, our policing unit will continue to run their assessments and shift resources where they are needed most to protect residents, schools, parks, Village streets and commercial areas. The proposed budget recommends an increase to the number of sworn personnel to ensure that our safety goals are reached.

FOCUS AREA 6

FOCUS AREA #6
Environmental stewardship and sustainability.

- PRIORITY PROJECTS**
- 1) Increase efforts to improve Community Rating System, including exploring purchase options for waterfront properties to expand access to bay
 - 2) Engage engagement with and leverage the ideas and energy of Village youth to create and facilitate implementation of local projects that benefit the natural environment



As a bayfront community, Palmetto Bay is no stranger to flooding events and, in fact, the Village is always looking for ways to minimize its effects on residents either through funding requests for important drainage projects, resident outreach and education or annual community-wide drain cleaning. In order to identify and prioritize the right drainage projects, Palmetto Bay follows its Stormwater Master Plan and makes yearly requests to the state and federal governments to appropriate funding for those critical projects. This past year, the Council also embarked on an effort to actively seek a lower rating number under the Community Rating System or CRS that translates into direct discounts to the residents on their flood insurance premium. A task force approved by the Village Council is currently working on identifying flooding mitigation principles that Village residents can employ to reduce the effects of flooding. Such education strategy is one of the cornerstones of the CRS program that will decrease our current community rating from 8 to 7. As we get closer to our goal of 5, insurance companies will apply certain discounts that will be realized by Palmetto Bay homeowners.

Aside from the CRS initiative, the Council also approved a FEMA grant in the amount of \$635,829 and a state DEP grant for \$150,000 to start the construction of our next drainage project, sub-basin 61. Palmetto Bay also approved \$150,000 for drain cleaning in advance of the hurricane season which started on June 1st. Since flooding conditions have a negative impact on septic tanks, Palmetto Bay is also exploring the feasibility of eliminating the Village's septic system and converting to sewer as an alternative. This effort is only in the preliminary stages, and it is expected to be a multi-year initiative, with a feasibility study expected to cost approximately \$150,000. Miami-Dade County is also taking similar steps and has created a task force to address the environmental and health hazards posed by septic tanks, an action that has been formally supported by the Village Council as a whole.

Consistent with our goal for environmental stewardship and sustainability, staff is currently actively researching the Village to locate potential sites for pocket parks for possible acquisition. This effort is not only consistent with Council policy, but it is also a complimentary initiative to the charter amendment recently approved by Palmetto Bay voters supporting the conservation of parkland and protecting parks by preventing the reduction of any park property. In the area of conservation, Palmetto Bay has also taken steps in environmental protection. The Village has passed legislation adopting the Florida Department of Environmental Protection's Model Ordinance for Florida-Friendly Fertilizer Use for Urban Landscapes, which limits the frequency and annual period during which fertilizers can be applied and establishes restrictions on nitrogen and phosphorus.

As this year's budget theme is "Building a More Resilient Palmetto Bay", we are giving more attention to our resiliency achievements, as provided above, while also keeping our focus on potential future projects the Village might consider. Including the following:

Sea level Rise Strategy Study: intended to reduce the impacts of storm surge, tidal flooding, and waves by studying potentially vulnerable areas of high flooding and prepare a strategy to reduce future deterioration of property and shoreline caused by rising sea levels. Estimated Project Cost: \$150,000

Enhance Flood Protection by Expanding Greenways & Blue ways Feasibility Study: the purpose of this project is to design and encourage landscape materials and structures that creates permeable surfaces, encourages water abatement, and reduces flooding within paved areas. It is also intended to create greenways that absorb the overflow of water caused by over pavement and impervious hard surfaces. Estimated Project Cost: \$150,000

Installation of Salt tolerant trees and living shorelines Study: installation of salt tolerant trees along the bay can assist in the natural process of water quality, water management, it can also contribute to cleaner air, cooler spaces, and a more pleasant environment. These can help hold, manage, and treat stormwater. This method can be integrated into projects, at a marginal cost, and can help reduce the risks of flooding and water pollution. They should be suitable for the local conditions and habitat to ensure they will work long-term. Estimated Project Cost: \$100,000

Project Title: Drainage Sub Basin # 43 Design Development and Construction Funds: drainage improvements for the priority sub basin 43 will meet the performance goal of reducing flooding and water quality improvement. The completion of the design development for Sub Basin 43 would assist in flood prevention and optimizing the lowering of the FEMA Community Rating System. Estimated Project Cost: \$1,780,000 (design & construction)

Project Title: Drainage Sub Basin # 57/96 Design Development and Construction Funds: drainage improvements for the priority sub-basin 57 will meet the performance goal of reducing flooding and water quality improvement. The completion of the design development for Sub Basin 57/96 would assist in flood prevention and optimizing the lowering of the FEMA Community Rating System. Estimated Project Cost: \$2,200,000 (design & construction)

Project Title: Localized Drainage Improvement Projects Construction Funds: improvements to major areas of flooding, alleviating water ponding and surrounding drainage flow improvement as well as water quality. Estimated Project Cost: \$100,000 (annually)

FOCUS AREA 7

FOCUS AREA #7
Outstanding opportunities for lifelong learning.

PRIORITY PROJECTS

- 1) Restore, replace, or establish facilities in village parks that facilitate entertainment, recreation, and learning activities for residents of all ages
- 2) Exploring volunteer senior-visiting program and collaborating with organizations that will establish monthly town hall educational sessions while evaluating revenue generating options that would allow increase in educational programming

Palmetto Bay has set aside funding in the upcoming budget year to rebuild the demolished recreation room at Coral Reef Park. Consistent with the priorities assigned to this Focus Area by Council, the facility is a place where programming for residents of all ages will be provided. Notwithstanding the absence of this building, the Village moved forward with new options that offer quality educational services to our seniors.



By partnering with different organizations, the Palmetto Bay Parks and Recreation Department organized monthly virtual gardening and painting classes. Seniors also enjoyed socializing with one another during the virtual bingo games where they won prizes and recognition and participating in nature-based photography sessions at Thalatta Estate Park and Coral Reef Park. The Village even offered an online, live cooking class with renowned Chef Carlos Sarmiento.

FINANCIAL HIGHLIGHTS

Throughout its history, Palmetto Bay has functioned with an operations philosophy based on fiscal conservatism. The Village strives to provide high-quality service to residents without burdening its citizens with unnecessary costs or fees. Palmetto Bay residents pay an average of \$783 in property taxes to the Village of Palmetto Bay. In exchange, residents receive the equivalent of \$1,939 in services provided, as shown on Table 10 below.

Table 10. Residential Property Tax Information – Year 2019

Residential Property Tax Information (2019)	
Average Home Market Value	\$475,587
Average Home Taxable Value	\$326,075
Millage Rate (\$1 for every \$1,000 in taxable value)	2.4
Average Annual Tax Paid per Household	\$783
Average Annual Cost for Village Services per Household	\$1,939
Difference in Taxes Paid and Services Received	\$1,156

Table 11. Average Taxes Paid by a Household for Departmental Services

Average Taxes Paid by Household for Departmental Services			
Description	Allocation (%)	Annualized Cost Paid by Household	Services Received
Police Services	54%	\$343	\$1,047
General Government	14%	\$89	\$271
Parks and Recreation	6%	\$38	\$116
Facilities Maintenance (Public Services)	5%	\$32	\$97
Debt Payment	5%	\$32	\$97
Finance Department/Information Tech.	3%	\$19	\$58
Village Manager	3%	\$19	\$58
Human Resources/Communications	3%	\$19	\$58
Village Clerk	2%	\$13	\$39
Village Council	2%	\$13	\$39
Village Attorney	1%	\$13	\$39
Total:	100%	\$636	\$ 1,939

We remind our residents that 37% of our revenues come directly from our residential properties and only 6% from our businesses and commercial properties. The taxes residents pay annually are divided into many different sections, with only 13% of every dollar paid, staying in the Village. The picture below illustrates how a single tax dollar is divided among the various taxing authorities. The Village of Palmetto Bay Council has the authority to allocate resources from the Palmetto Bay portion only. In essence, only 13% of the tax bill is levied by and spent by Palmetto Bay for Village operations and services.



FY 2022 Budgetary Priorities

Below is a recap of the funding priorities for the upcoming fiscal year. These priorities represent the shorter-term goals to be accomplished during the budget year. Therefore, some of the initiatives identified may include only a portion of the total funds required for the completion of the longer term or multiyear projects.

- **Public Safety:** The contractual amount for police services for FY 2021-22 increased by \$238,000. This increase is primarily attributed to the addition of one police officer to our force and includes expenditures relative to salaries and benefits. Other increases are related to specialty services provided to us by Miami-Dade County.
- **HR & Communications:** the HR & Communications budget is increasing in consonance with the goals established by Council to be more proactive in resident engagement. To accomplish this, two positions have been added to the budget, one of which was eliminated due to the economic impact of the COVID-19 pandemic on the Village. The position of Public Information Officer is reinstated in this budget and a new position of Audiovisual Tech has been added to assume all responsibilities related to the production and editing of informational videos and more.
- **Parks & Recreation:** Last budget year, the Village returned park maintenance functions to the parks department to ensure that parks were maintained as expected. Following a full year of operations, the department is looking to establish the appropriate level of personnel to execute the required maintenance tasks. Consequently, a slight increase of full-time staff is being proposed along with a decrease in park time staff.
- **Street Resurfacing:** Palmetto Bay has invested \$600,000 over the past two years to resurface roadways in 29 locations based on an assessment of all Village streets, which graded and prioritized roadways for future resurfacing. This coming year, we have allocated \$250,000 to continue resurfacing the worst-rated streets in the Village.
- **Sidewalk Construction and Repairs:** The staff is proposing the allocation of \$125,000 to complete the sidewalk network in the Village and repair damaged sidewalks on Village-owned streets. This funding level is above and beyond the funding for the Safe Routes to School project.
- **Traffic Calming at Various Locations:** Miami-Dade County is moving forward with this project. The scope of work includes milling and resurfacing, adjustment of valve boxes and manholes, ADA ramps and connectors, pavement markings, and signage. Project completion is anticipated for December 2021.
- **Tree Planting:** A total of \$50,000 has been allocated to plant additional trees throughout the Village. Palmetto Bay is a designated "Tree City USA", and this allocation furthers our commitment to plant new trees in our neighborhoods every year.
- **Park Improvements:** Funding in the amount of \$150,000 has been set aside in the budget to renovate walking trails and subsequently, the addition of new trails at Palmetto Bay Park.

During the height of the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act to provide emergency assistance and health care response for individuals, families and businesses affected by the pandemic. The legislation was intended to address the economic impacts of the coronavirus outbreak. Under certain eligibility limitations, Palmetto Bay received funding in the amount of \$ 312,105 to defray some of the unexpected expenses relative to the virus, including the closure of Village facilities and lessen the impact of decreased revenues. Following the CARES Act, Congress enacted the American Rescue Plan Act (ARPA) providing \$130.2 billion to local governments nationwide, including Palmetto Bay.

Based on our Village's population, Palmetto Bay is poised to receive funding under the Act to be disbursed to the Village in two equal tranches totaling \$12,282,434. Eligible expenses under the recovery program must be incurred by December 31, 2024. Pursuant to program rules and requirements, the Village has identified the ARPA projects listed below. Expenses for the one-year fiscal calendar are included in the proposed budget. However, projects will be completed in advance of the deadline established by the Act.

Table 12. ARPA Projects for FY 2022

ARPA Category	Project	Allocation
Negative Impact (positions/ programs eliminated due to the pandemic)	Reinstate Façade Program	\$50,000
	Reinstate Public Information Officer position	\$93,000
	Reinstate Reservation Specialist position	\$57,000
	Reinstate Special Events Coordinator position	\$75,000
	Reinstate Parks Maintenance Worker position	\$61,000
	Reinstate Tree Maintenance staff position	\$87,000
	Reinstate PS Administrative Asst. position	\$57,000
	TOTAL NEGATIVE IMPACT	\$480,000
REVENUE LOSS	TOTAL REVENUE LOSS	\$3,369,622
INFRASTRUCTURE	Sewer Feasibility Study	\$100,000
	CRS Consultant	\$50,000
	Resiliency Coordinator	\$63,000
	Coral Reef Park Sewer	\$350,000
	Coral Reef Park WiFi	\$55,000
	Sub-basin 43 (design)	\$100,000
	Sub-basin 57/96 (design)	\$100,000
	Sub-basin 11 (design)	\$100,000
	Sub-basin 41 (design)	\$100,000
	Sub-basin 43 (construction)	\$750,000
	TOTAL INFRASTRUCTURE	\$1,768,000
	TOTAL ARPA PROJECTS FOR FY2022	\$5,617,622

CONCLUSION

This past budget year has been one of the most challenging in the Village's history because of the pandemic. I'm proud of the dedication and performance of the Village Staff through it all. Throughout the pandemic, Staff was able to adapt procedures to meet not only the CDC and County requirements, but also provide a consistent level of service that residents have come to expect. Sound fiscal management by each Department Director has been an important factor in keeping the revenue shortfall nearly 30% of the original projection.

As I mentioned at the beginning of this Budget Message, the pandemic will still take some unexpected turns, and while we expect the economy to continue to improve there is a great deal of uncertainty at the macro level. Inflation and continued supply chain interruptions are of particular concern as we publish this budget. Positioning the Village on a sound fiscal footing is critically important as we begin a new budget year within an uncertain economic environment. The modest millage rate increase to 2.400 combined with new revenues from the electric franchise fee will set the Village on that firm fiscal footing for the long-term. The Village will be in a much more stable and resilient position should economic conditions worsen in 2022.

The Federal ARPA Funding makes FY 2022 a unique year as the Village is able to make unprecedented investments in resiliency, capital infrastructure, public safety and services. The reduction in the Village CRS rating alone will reduce insurance premiums for Village residents and more than offset any increase in property taxes or electric fees. Similarly, the reconstruction of the Coral Reef Park recreation building, and the potential purchase of coastal property are two long-term community priorities made possible by ARPA Funding.

This is my first budget that I am privileged to the Village Council for their consideration. I would like to thank Mayor Karyn Cunningham and the Members of the Council for their guidance and thoughtful deliberations throughout the process. I would particularly like to thank Communications Director Olga Cadaval and Finance Director Desmond Chin for their diligence in pulling this all together.

Respectfully,

Nick Marano

Nick Marano
Village Manager

Signature: *Nick Marano*
Nick Marano (Sep 2, 2021 16:08 EDT)

Email: nmarano@palmettobay-fl.gov




FY2022 Proposed Budget Message Signature Request

Final Audit Report

2021-09-02

Created:	2021-09-02
By:	Olga Cadaval (ocadaval@palmettobay-fl.gov)
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-  Document created by Olga Cadaval (ocadaval@palmettobay-fl.gov)
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