

MARCH 2016 COUNCIL UPDATE

...from Jeff Hmara's Point of View

PROPOSED COUNTY SALES TAX INCREASE

At the February meeting of the PBC League of Cities, County Administrator, Verdenia Baker gave a new update to the Board of Directors on the County's proposal for a 1-CENT SALES TAX INCREASE (aka, surtax)...this would raise our Sales Tax to 7-CENTS ON EACH DOLLAR SPENT...food, medicine and other essentials excluded, over a 10 year period...

The proposal presented was newly expanded from its original purpose which was to catch-up on the county's infrastructure back-log to include: County and City Infrastructure (roads, bridges, buildings maintenance/repair back-log); School District capital repairs and improvements (new computers, also); and Cultural Council improvements...the County Staff is still working on the list of specific projects that the surtax revenue would be used for...a County Oversight Board would ensure the surtax money is used as intended...the Board of County Commissioners (BCC) is expected to decide at the March 22nd BCC Meeting whether to put a referendum item on the November 2016 Ballot to either: issue a bond, or increase property tax (ad valorem tax) or increase sales tax...all three funding options are still on the table, as well as, the per cent allocations to County, Cities, School District & Cultural Council...the details of the oversight process remain to be decided, as well...at present, the sales tax increase seems to be the most likely funding method, but, at least one County Commissioner has expressed his preference for a bond issue...this is a very fluid situation with a lot of moving parts...

Currently, it appears that the Fire-Rescue proposal to change the way that service is paid for by relying on a Sales Tax Increase (in part) will *not* be part of the County's proposal, since it would require a permanent Sales Tax Increase, not one that would have a "sunset" (10 years), as the others being considered do...

The League of Cities Board of Directors directed the Executive Director to continue working with the County on the Sales Tax Increase...but, since there was a lot of new information presented at the meeting, a number of the

members (myself included) wanted to postpone any further Board action on the proposal, to allow time for individual research and consultation with others before indicating any kind of support of this expanded version of the Sales Tax Increase Proposal.

**GL HOMES REQUESTS TO BUILD 4000 HOMES 2 MILES WEST OF
ACREAGE GETS APPROVAL FROM COUNTY PLANNING
COMMISSION**

At the January 2016 County Planning Commission Meeting, the GL Homes application to increase the number of homes to be built on about 4900 acres, known as Indian Trail Groves, two miles west of The Acreage was considered...currently, the County Comprehensive Plan allows about 490 homes; GL Homes is asking for just under 4000 homes, plus some additional commercial area...

I presented the Village Council Resolution opposing the GL Homes requested increase...explaining that our concern was for the traffic impact that the residents of RPB, Loxahatchee Groves and surrounding communities will experience...including, much longer commutes, greater commuting frustration as they sit through several cycles of traffic light changes and drivers cutting through normally quiet neighborhoods looking for shortcuts ...these things are not good for the quality of life in RPB or its neighboring communities...

Just how much additional traffic are we talking about? We've seen estimates as high as 185,000 additional trips/day, if all proposed development densities are approved, as currently discussed...GL Homes increase, alone will generate about 47,000 additional trips/day on Seminole Pratt Whitney Rd., Northlake, Okeechobee and Southern Blvd.'s and the newly widened 60th St., through The Acreage...what makes this such a significant adverse impact is that these roads are currently "failing" to adequately handle the traffic they now have and they cannot be realistically extended or widened nor can we add enough roadway to substantially reduce these impacts...**THERE IS NO VIABLE, COST-FEASIBLE TRAFFIC SOLUTION IN SIGHT.**

The Village Council Resolution goes on to say, however, if a land use change is to be granted by the BCC, the Village Council would support a request that

the change only be from 0.1 units/acre (about 490 homes) to 0.2 units/acre (about 980 homes)...

Unfortunately, the County Planning Commission recommended that the BCC approve and forward the GL Homes Application for 4000 homes (0.8 units/ac)...the BCC will probably vote on this requested increase in April...the Village Council plans to continue working with the County to prioritize road developments to minimize traffic impacts on RPB and keep pace with the growth of traffic...unfortunately, the Florida State Legislature has shown its willingness to pass laws supporting this high level of growth here in Palm Beach County...this is definitely, an uphill battle, but one that must be fought at multiple levels and in a variety of ways.

VILLAGE COUNCIL DECIDES NEW FINANCIAL STRATEGY FOR SUBSTANTIAL RESERVES

Since 2006, when the Village Council decided to sell the Water Utilities to the County for about \$69M, the Village has been able to stabilize its finances thorough sound investment and reserve use strategy, even throughout the Great Recession...so, for the past 18 years, the Village of RPB has not raised its tax rate once...during the last 10 years, we have had the advice of a professional financial management firm (PFM Asset Management LLC) that specializes in municipal finances...the Village's reserves have been invested in a portfolio that minimized risk and applied reserves only when necessary to avoid tax increases, while not reducing services...

With the sale of the Village-owned Crestwood Property to Lennar in January 2016, netting about \$33M, we wanted to revisit our financial reserves strategy to ensure that we continue our financial stability and best apply the accumulated reserves...so, at a recent Council Meeting, based on advice from our financial management firm, it was decided:

- 1) to payoff the Village's only debt (Commons Park bond);
- 2) to change Village's portfolio make-up to maintain diversification to enhance return while minimizing risk; and,
- 3) to allow a prudent amount of reserves to be used annually to fund our Capital Improvements Plan (including a 5-year Road Resurfacing Plan and a Canal Dredging Plan, among other projects, normally funded out of Operating Funds)...

The Village of RPB has a uniquely sound financial position, not only among the cities of Palm Beach County, but statewide and, perhaps, for its population size, nationwide...the new financial strategy will continue that strong position and, through the careful use of reserves, continue to support our unique quality of life and low taxes, decades into the future...

REMEMBER TO VOTE, TUESDAY, MARCH 15, 2016

Polls are open from 7 am to 7 pm, on Tuesday. The Election Ballot contains choices among Presidential Primary Candidates and Candidates for Village Council, as well...so, whether you have a party affiliation or not, don't miss this opportunity to pick your local decision-makers, here in Royal Palm Beach.

As always, your input and feedback is appreciated and makes a difference...my contact information: jhmara@royalpalmbeach.com or (561) 371-3581.