



**MINUTES, VILLAGE COUNCIL BUDGET WORKSHOP
VILLAGE HALL - COUNCIL CHAMBERS
226 CYPRESS LANE ▪ PALM SPRINGS, FLORIDA
JULY 7, 2026, AT 5:30 PM**

CALL TO ORDER

Mayor Bev Smith called the Workshop meeting to order at 5:31 PM.

ROLL CALL

Present: Mayor Bev Smith, Mayor Pro Tem Johnnie Tieche, Council Member Kim Schmitz, and Council Member Gary M. Ready

Absent: Vice Mayor Patti Waller

Also present were Village Manager Michael Bornstein, Village Clerk Kimberly M. Wynn, Assistant Village Manager Kim Glas-Castro, Police Captain Rogelio Torres, as Sergeant-In-Arms, Planning, Zoning, and Building Director Iramis Cabrera, Utilities Director Jimmie Johnson, Assistant Utilities Director Paul Ward, Public Works Director Felipe Lofaso, Assistant Public Works Director Timothy Crespo, Finance Director Mara Frederiksen, Interim IT Assistant Director Travis Williams, Assistant Finance Director Corinne Elliot, Parks and Recreation Director Juan Ruiz, Assistant Parks and Recreation Director Lauren Bennett

ADDITIONS, DELETIONS OR MODIFICATIONS, AND APPROVAL OF AGENDA

There were no changes to the Workshop Budget meeting agenda.

Mayor Pro Tem Tieche made a motion to approve the Workshop agenda, and Council Member Ready seconded. The motion passed unanimously.

ORDER OF BUSINESS

1. Proposed FY 2027 Budget Workshop Overview

Staff: Mara Frederiksen, Finance Director

Proposed Fiscal Year 2026/2027 Budget

A. Proposed FY 2027 General Fund Presentation (by Department)

- Revenue Highlights
- Expenditure Highlights

B. Proposed FY 2027 Palm Springs Community Redevelopment Agency (CRA)

- Revenue
- Expenditures

C. Proposed FY 2027 General Obligation Debt Service Fund

- Revenue
- Expenditure

D. Proposed FY 2027 Enterprise Fund - Utilities (Water & Wastewater)

- Revenue
- Expenditure

E. Proposed FY 2027 Enterprise Fund-Stormwater

- Revenue
- Expenditure

F. Proposed Capital Improvement Program

- One-Year Review (2027)

FISCAL IMPACT:

1. General Fund \$40,642,717
3. Community Redevelopment Agency \$2,055,888
4. G.O. Debt Service \$408,692
5. Water & Sewer \$41,889,446
6. Stormwater \$592,442
- All Funds Budget \$85,999,679

Village Manager Michael Bornstein opened the workshop by discussing the challenges facing local governments in preparing future budgets. He noted rising operational costs, including employee salaries, health insurance, construction materials, equipment, fuel, and contractual services, and noted that municipalities have little control over these market-driven expenses.

The Village Manager also discussed proposed statewide property tax initiatives and their likely impact on city revenues. He expressed concern that additional homestead exemptions and other proposed tax reductions might significantly reduce local government revenues, leading to future cuts in staffing, programs, and services.

Ms. Frederiksen gave a budget overview. She presented the proposed Fiscal Year 2026–2027 budget and thanked Village departments for their help throughout the budget preparation process.

Ms. Frederickson reviewed the upcoming budget schedule, including:

- Budget Workshop – July 7, 2026
- Public Hearings – September 10 and September 24, 2026
- Compliance with House Bill 1329, which requires the presentation of a 10% budget reduction scenario.

The Finance Director reported on General Fund Revenues.

- The proposed millage rate remains 3.5000 mills, unchanged since 2019.
- Property values continue to increase, resulting in additional ad valorem revenue while continuing the current millage rate.
- Building permit revenues are projected to remain stable.
- The Village continues to budget conservatively while continuing adequate reserves.

The Staff reviewed expenditure categories, including the General Fund Expenditures: Staff reviewed major expenditure categories, including:

- Personnel costs
- Public safety
- General government
- Public Works

- Parks and Recreation
- Planning and Zoning
- Code Enforcement

The Finance Director noted that expenditure continues to rise due to inflation, market conditions, and contractual obligations, while departments work to minimize operating increases.

The proposed budget includes the following personnel adjustments:

- Transfer of one Code Enforcement position to Planning and Zoning.
- Addition of one Community Policing Sergeant in the Police Department.
- Addition of one HVAC Technician in Public Works.
- Addition of one Meter Technician in the Water and Sewer Department.

The Finance Director reviewed the Village's financial position, noting:

- Total Fund Balance: approximately \$21.9 million
- Restricted Fund Balance includes:
 - Required operating reserve
 - Penny surtax reserve
 - CRA loan reserve
- Emergency reserve of approximately \$3 million
- Capital reserve of approximately \$1.6 million
- Unassigned Fund Balance projected to decrease significantly during FY 2027, requiring future financial planning.

The proposed budget includes:

- Police bargaining unit:
 - 3.5% Cost of Living Adjustment (COLA)
 - Additional contractual pay adjustments.

- SEIU employees:
 - 3% salary increase
 - 2% merit increase.

Staff reviewed departmental expenditures and year-over-year budget comparisons.

The Finance Director explained that the Legislative Department budget reflects transfers to:

- Stormwater Fund
- Community Redevelopment Agency (CRA)

These transfers account for a significant portion of that department's overall budget.

She advised that the proposed operating millage remains 3.5000 mills

The Finance Director explained the following:

- The rollback rate for FY 2026–2027 is approximately 3.7319 mills.
- Adopting the rollback rate would generate approximately \$431,000 in additional revenue.
- The proposed debt service millage is 0.1746 mills, which funds repayment of the Village Hall debt.
- The Village Hall debt is scheduled to be fully paid in 2032, at which time the debt service millage will be eliminated.

Staff reviewed the proposed constitutional amendment on homestead exemptions scheduled for the November 2026 ballot.

Highlights included:

- Increasing the homestead exemption from \$50,000 to \$150,000 beginning January 1, 2027.
- Increasing the exemption to \$250,000 beginning January 1, 2028.
- Five-year phase-in for new Florida residents.
- Reduction of the non-homestead assessment cap from 10% to 5%.
Estimated annual Village revenue impacts include:
- Approximately \$790,000 annual reduction under the \$150,000

exemption.

- Approximately \$1.2 million annual reduction under the \$250,000 exemption.

Staff noted that approximately 20% of Village revenues are generated from ad valorem taxes and emphasized that property tax revenues alone do not fully fund public safety operations.

The proposed FY 2026–2027 Capital Improvement Program totals approximately \$24.7 million.

Major projects include:

General Government

- Village Commons Park improvements – approximately \$2.7 million
- Stormwater
- Dolan Road stormwater improvements and complete street enhancements
- Public Safety
- Computer-Aided Dispatch/Records Management System (CAD/RMS)
- Water and Sewer
- Water Utilities Operations Center
- Water treatment improvements
- Transmission system capacity improvements
- Water Main Replacement – Florida Mango Road Phase II

Council members discussed the potential fiscal impact of future property tax reductions. Additional property tax proposals that the Legislature may consider. They also discussed the importance of maintaining adequate reserves while continuing to provide essential public services.

Staff responded to questions regarding projected revenue losses and future financial planning.

Fiscal Impact: All Funds Budget \$85,999,679

PUBLIC COMMENT

There were no comments from the public.

ADJOURNMENT

Hearing no further business, Mayor Smith adjourned the meeting at 5:52 PM. The undersigned is the Village Clerk of Palm Springs, Florida, and the information provided herein is the Minutes of the Regular Council Meeting held on **July 7, 2026**. The minutes were formally approved and adopted by the Village Council on **July 23, 2026**.

Kimberly M. Wynn

Village Clerk

NEXT REGULAR MEETING: