

MINUTES

MEETING OF THE WELLINGTON VILLAGE COUNCIL

**Wellington Village Hall
12300 Forest Hill Blvd.
Wellington, Florida 33414**

Tuesday, July 22, 2014

**(Continued from the July 8, 2014 Regular Wellington Council Meeting)
5:00 p.m.**

Pursuant to the foregoing notice, a meeting of the Wellington Council was held on Tuesday, July 22, 2014 as a continuation of the July 8, 2014 Regular Wellington Council meeting commencing at 5:00 p.m. at Wellington Village Hall, 12300 Forest Hill Boulevard, Wellington, FL 33414.

Council Members present: Bob Margolis, Mayor; John Greene, Vice Mayor; Matt Willhite, Councilman; Howard K. Coates, Jr., Councilman and Anne Gerwig, Councilwoman.

Advisors to the Council: Paul Schofield, Manager, Laurie Cohen, Esq., Attorney, Awilda Rodriguez, Clerk, and Jim Barnes, Director of Operations.

1. **CALL TO ORDER** – Mayor Margolis called the meeting to order at 5:00 p.m.
2. **PLEDGE OF ALLEGIANCE** – Mayor Margolis led the Pledge of Allegiance.
3. **INVOCATION** – Deacon Al Payne, St. Therese de Lisieux Catholic Church, Wellington delivered the Invocation.
4. **PUBLIC HEARINGS**
- A. 14-502 **ACME IMPROVEMENT DISTRICT 502 14-504**
RESOLUTION NO. AC2014-04 (ENGINEER'S REPORT FOR THE PROPOSED FIRST AMENDMENT TO THE 2010 ACME IMPROVEMENT DISTRICT WATER CONTROL PLAN): A RESOLUTION OF BOARD OF SUPERVISORS OF THE ACME IMPROVEMENT DISTRICT APPROVING THE ENGINEER'S REPORT FOR THE PROPOSED FIRST AMENDMENT TO THE 2010 WATER CONTROL PLAN; AND PROVIDING AN EFFECTIVE DATE

The Public Hearing for this item was closed at the July 8th meeting; Council reconvened the meeting opening it with the Regular Agenda and the discussion on the TRIM resolutions.

5. REGULAR AGENDA

- A. 14- 504 RESOLUTIONS ADOPTING PRELIMINARY TRIM RATES FOR WELLINGTON AND THE ACME IMPROVEMENT DISTRICT
 - A. RESOLUTION NO. R2014-43 (PRELIMINARY AD VALOREM MILLAGE RATE): A RESOLUTION OF WELLINGTON FLORIDA'S

COUNCIL ADOPTING THE PRELIMINARY AD VALOREM MILLAGE RATE FOR WELLINGTON FOR TRUTH-IN-MILLAGE ("TRIM") PURPOSES FOR THE MUNICIPALITY'S FISCAL YEAR 2014-2015 BUDGET WITHIN THE JURISDICTIONAL BOUNDARIES OF WELLINGTON; AND PROVIDING AN EFFECTIVE DATE.

B. RESOLUTION NO. AC2014-05 (PRELIMINARY NON-AD VALOREM FOR SURFACE WATER MANAGEMENT): A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ACME IMPROVEMENT DISTRICT ADOPTING THE DISTRICT'S PRELIMINARY NON-AD VALOREM ASSESSMENT RATE FOR TRUTH-IN-MILLAGE ("TRIM") PURPOSES; AND PROVIDING AN EFFECTIVE DATE.

Mr. Schofield introduced the agenda item. He announced that Ms. Quickel would be presenting the budget.

Ms. Quickel reported that they were there to adopt the Preliminary Trim rates for Wellington and the Acme Improvement District. As part of that presentation, Ms. Quickel provided an overview of the FY2014/2015 budget.

Ms. Quickel presented the following:

- The total budget including transfers was \$79.21 million representing an increase of \$4.75 million over the current year's budget of \$74.4 million. This includes in the Operating Budget: Governmental Funds of \$45.41 million which covers the General Fund, Acme, Special Revenue Funds for Building and Gas Tax and Road Maintenance Operations and Debt Service.
- The Enterprise Funds stand at \$14.63 million which is down approximately \$500,000 which covers water and wastewater, solid waste and debt service.
- The Capital Budget includes governmental capital projects of \$5.11 million which is an increase of approximately \$1.78 million; Enterprise Capital Projects of almost \$4.0 million which is a slight decrease of \$266,000. This also includes transfers and debt service: transfers of \$10.14 million and debt service of \$1.23 million which is down \$1.5 million primarily due to the utility bond payoff.
- The proposed operating budget for the General Fund, Acme, Special Revenue Funds and Debt Service stands at \$45.4 million which is slightly higher than the current year by approximately \$203,000 which is primarily due to the addition of Lake Wellington Professional Center operations, the addition of the Legal Department staff, proposed increases for health insurance of approximately 10%, new fixed assets and software and inclusion of costs to go to the five-day work week.
- The total Enterprise Operating Budget stands at \$14.6 million compared to the current \$15.1 million which is an overall decrease of almost \$500,000 which is due to the payoff of the utility bond debt.
- The Capital Projects are at \$9.0 million which is an increase of \$1.5 million.
- The total budget including transfers of \$79.2 million compared to the current budget of \$74.4 million.
- The five fundamentals were observed: Neighborhood Renaissance; Economic Development; Protecting Our Investment; Responsive Government; and Respecting the Environment.
- The 2015 proposed rates and the budget provided to Council include a Preliminary Ad Valorem TRIM rate of 2.46 mills, the Acme assessment with an increase of \$100.00 to go from \$200.00 to \$300.00; the Solid Waste assessment and utility rates were unchanged.
- A chart was shown showing governmental revenues and comparative for taxable value, tax revenues and total governmental revenues from a historical perspective. Overall, the Village

shows higher Ad Valorem tax revenues due to the increase in property values which is approximately 10%. Increases are anticipated from the ½ cent sales tax, State Revenue Sharing, and Electric Utility Taxes as a result of economic conditions. Building permit revenues and Business Tax Receipts are budgeted to remain stable based on the current year activity.

- The millage rate options being presented to Council show a proposed rate of 2.46 mills. A chart was then shown showing the rollback rate of 2.3 mills as well as other optional rates, majority maximum, 2/3 vote max, the prior rate for the current year at 2.47 mills as well as an alternate rate of 2.72 mills. The alternate rate is based on the request from the past meeting where Council requested staff consider dividing the proposed Acme improvements between Acme and the Ad Valorem assessment.
- Each additional 1/10 of a mill adds approximately \$600,000 in revenue. A chart was shown indicating the historical preliminary tax rates adopted since 2008.
- Governmental revenues total \$70.8 million which includes \$47.3 million for General Government as was shown on the slide and the next page showed \$23.5 million from the Enterprise Revenue.
- The primary increases are in Acme where the increase was included for a \$300,000 assessment as well as in the Ad Valorem taxes the revenue generated by the increase in property values. Changes are shown in other areas: Intergovernmental Revenue (1/2 cent sales tax); State Revenue Sharing; Gas Taxes; CDBG funds which a slight increase of approximately \$394,000; slight increase in franchise fees; a decrease in the capital grants because of the CDBG grant that was being completed, a slight change in Business Tax Receipts, Charges for Services include a reclassification of the engineering fees as well Wycliffe drainage payment and the Boys & Girls Club Loan repayment noting the first payment was received this year. Miscellaneous revenues show an increase of approximately \$524,000 which includes Lake Wellington Professional Center and Fines and Forfeitures. The chart shown showed the columns on the right showed alternates B&C for the split in millage per Council's request. If they split the Acme assessments it would slightly change the governmental revenue because it would change the Acme assessment depending on the version that was selected.
- The Enterprise Revenues are \$23.5 million noting that the increase is mainly from Utility Capacity fees received for increased building activity.
- The budget changes from the prior year: Capital Projects increase of approximately \$1.7 million which is primarily Acme CIP projects; Water and Wastewater: the increase is due to the merit and cost of living increases from personnel; Professional Center: is a new program that was added; Construction and Engineering: showed a redistribution of staff salaries to better align with actual usage and the 3% CPI and merit increase; Information Technology: increases because of additional licensing and software; Risk Management: Workers Compensation has been reclassified into this department out of the department; Culture & Recreation: primarily program increases; Public Safety: 1% contractual increase with PBSO; Solid Waste: includes increases for vehicle and shed replacements; and Building Department: increase due to wage increases. There are decreases in Community Services and CDBG because of the completion of the Yarmouth project; Planning & Zoning: reduction from outside services and contracts; Non-Departmental: elimination of the old Mall lease as well as a reduction of other services; Administration and Financial Services: decrease due to reduced lobbying contract and position eliminations; Legal: reduced from Outside Services; however, that may need to be reconsidered; Public Works and Acme: reduced asset replacements; and Debt Service: reduced because of payment of the final utility bond.
- Proposed departmental budgets reflect staffing as well as overall changes between departments. General Administration: decrease of approximately \$227,000 because of staffing eliminations; Legal: decrease of changes in Outside Services; Risk Management: Workers Compensation was reassigned; Information Technology: increases in software technology and licensing; Public Works and Acme: reduced asset replacement program; Community Services and CDBG: completion of

Yarmouth project; Construction and Engineering: reduction of salaries to reflect actual with where they are aligned; Professional Center: new program; Parks & Recreation: expanded programming; Building Department: related to wages; Planning & Development Services: fewer outside contracts; Public Safety: 1% contractual increase with PBSO; Water and Wastewater: operating and position changes; Solid Waste: includes vehicles and shed replacement; Non-Departmental is the reduced leave buy-back program and cancellation of old Mall lease; Debt Service: pay-off of utility bond and increased capital projects for Acme Improvements being discussed.

- Overall Staffing: Current year started at 292 positions; four positions were added mid-year- one in Legal and three from the acquisition of the Professional Center to bring the positions to 296. There is a proposed net increase of one position to go to 297 positions. This includes \$77,550 part-time hours, 3% raises (2 % based on CPI and 1% to be distributed based on merit); up to a 10% increase in medical insurance is anticipated, and increased FRS employer contributions per approved legislation.
- The Capital Plan includes \$5 million for total government projects – the Acme 10-year flood mitigation program is almost half of that at \$2.4 million. CDBG-funded projects: \$170,000; General Facility Maintenance: \$207,000; Neighborhood Parks & Trails program: \$400,000; Parks Capital Maintenance: \$470,000; Pedestrian Paths and Roadways Overlay: \$685,000; Safe Neighborhoods: \$125,000; Shellrock Program: \$159,000; Swale Maintenance Program: \$150,000 and Surface Water Management Systems and Rehab and Maintenance: \$300,000.
- Water and Wastewater projects: Budgeted at \$3.9 million: \$350,000 for collection system renewal and replacement; water distribution and transmission repair and replacement at \$750,000; reused transmission lines of \$995,000; water system repair and replacement sinking fund: \$150,000; Water Treatment Plant renewal and replacement: \$1,010,000; Wastewater System replacement and repair sinking fund: \$360,000; and the Wastewater Treatment plant renewal and replacement: \$300,000 for a total of \$9,028,000.
- There are additional capital and operating budgets for other major maintenance programs of \$183,000 including \$125,000 for the comprehensive sidewalk repair program and Professional Center repairs of \$58,000; replacement assets: \$2.4 million; new assets: \$800,000 for a total for a total of almost \$12.5 million.
- Budget Calendar: They are on track and they hoped to adopt the Preliminary Trim rates at this meeting and will then move into Capital Improvement Workshops with Council in August.

In response to Council's request at the July 8th meeting, Ms. Quickel said that Council had been provided with some options to consider dividing the Acme Improvements between conveyance and road Improvements. She said that approximately \$8 million remains with conveyance to be assessed through a \$35.00 increase to Acme; and approximately \$15 million would be assessed through an additional millage or an increase of .26 mills. She explained that the addition of the .26 mills brings the millage to 2.72 mills with the \$235.00 Acme assessment. She explained that Option 1, shown in yellow on the chart, presented, was what staff initially presented: 2.46 mills and a \$300.00 Acme assessment while the blue option showed the split of 2.72 mills and \$235.00 Acme assessment. Ms. Quickel further explained that staff selected actual properties to show the impact of the various options. The areas staff selected were: Palm Beach Point; Aero Club, Sugar Pond Manor, Olympia, Hidden Pines, Commercial, Agricultural exemption, VillageWalk and Buena Vida.

Ms. Quickel summarized that there were several millage and assessment options: (1) millage of 2.46 (original proposal); (2) millage of 2.72 includes doing all of the projects, but split between Acme and Ad Valorem assessment; and (3) if there is no additional funding, then stay with the 2.46 and straight \$200.00 assessment for Acme. She also noted that staff provided a summary addressing the questions regarding Statutory Millage cap information.

At this point, Mr. Quickel indicated that staff was available to answer questions.

Councilwoman Gerwig addressed the five-day work week noting that it had been discussed at an Agenda Review after she had left the meeting. She asked Ms. Quickel what the cost would be to go back to a five-day work week. Ms. Quickel explained that it would cost an additional \$100,000 for the Village Hall building only to revert to a five-day work week. Mr. Schofield explained that not all employees went to a four-day work week when the Village went to that schedule. He further explained that there are certain parts of the Village staff that work 24/7 days per week who will continue to operate that way. There are other parts of the operations which are principally maintenance; Public Works and Parks Maintenance; and the intention is to leave them on the four-day work schedule because they prefer that schedule and are more productive. Mr. Schofield said that they planned to take just the Village Hall building back to a five-day work week. He noted that the Budget Challenge responses for the five-day work week were such that 77% of the people did not support the Village changing back to a five-day work week. He said that they looked at taking this building to a five-day, 8 hour day, but they are looking at another option that was suggested by Council allowing employees to keep the four-day work week. He said that would work for some departments; however, it would not work for those that are relatively small.

Councilwoman Gerwig asked Mr. Schofield to explain how Council was originally told going to a four-day work week would save the Village \$600,000; however, they were now being told that it would cost \$100,000 to revert back. Mr. Schofield said that part of the savings was on the field operations side which will remain on a four-day work week. Councilwoman Gerwig was concerned that the Village would no longer have the extended hours which allow people to come in and do their Village business before or after work. Councilwoman Gerwig asked for the percentages of people that came in at 7:00 a.m. and after 5:00 P.M. Ms. Quickel said that 4% came in at 7:00 a.m. and 8:00 a.m. and 4% between 5:00 p.m. and 6:00 p.m.

Councilwoman Gerwig asked what portion of the \$200.00 Acme assessment goes towards surface water management. Ms. Wadleigh indicated that 85% of it goes to surface water. Councilwoman Gerwig asked what else was funded from that assessment. Ms. Wadleigh explained that it is also Environmental Services/BMP as well as mosquito control in the Acme District and general pest control. Councilwoman Gerwig asked if the mosquito control was done in other areas besides the Acme District. Mr. Schofield explained that the Village does mosquito control in areas broader than Acme. He noted that the Village does mosquito control in Rustic Ranches, but Pine Tree makes a payment to the Village for that service. Mr. Schofield explained that the Village does not do surface water east of SR7. Councilwoman Gerwig asked what were the areas that actually utilize the funds that are collected. She said that Mr. Schofield said that they do not use funds that are collected from Acme for services outside of Acme's boundaries. Mr. Schofield said that was correct. He pointed out that out of the Village's \$77 million budget; about \$5 million is generated in revenue from the Acme assessments. He said that the reason those funds are spent mostly on surface water and shellrock road maintenance because they are limited to Acme. Mr. Schofield said that the funds for the small neighborhood parks also come out of Acme.

With regard to the legal budget, Councilwoman Gerwig was of the understanding that the Village had lowered that budget. Ms. Quickel explained that they lowered the outside services portion of the budget. Councilwoman Gerwig asked how much of the legal budget was expended last year. Ms. Quickel believed that, year to date; they were about \$300,000 with about that much remaining.

Councilwoman Gerwig referred to the expense for the Professional Center that was shown on page 10 of Ms. Quickel's presentation. She asked where the receipts were shown since it was anticipated that building would not cost the Village anything. Ms. Quickel pointed out that the receipts were shown

on the revenues on page 8 of the presentation. She said that the revenue is included in Miscellaneous Revenue for Lake Wellington Professional Center along with a few other items. Councilwoman Gerwig asked how much the anticipated profit from Lake Wellington was. Ms. Quickel said that staff budgeted approximately \$725,000 in revenues for next year which is on par with what was presently being collected. Councilwoman Gerwig asked if the Village would be spending about half of that on maintenance. Ms. Quickel believed that net profit was about \$300,000. Councilwoman Gerwig asked how many staff positions were unfilled at this point. Ms. Quickel did not know the exact number, but believed it was 10.

Regarding capital project for neighborhood parks and the trails program indicated on page 13, Councilwoman Gerwig asked if that was for walking trails or equestrian trails. Mr. Riebe indicated it was the equestrian trails. Councilwoman Gerwig asked if the Village's walking trail project was also included. Mr. Schofield said that there was another budget item in the Roadway and Overlay Program for paved pathways which is part of that system.

Vice Mayor Greene expressed his thanks to Ms. Quickel, Ms. Wadleigh and Mr. Riebe for meeting with each Councilmember following the last Council meeting and for the time and effort they had put into this. He then referred to page 11, Capital Projects and Programs, noting there was an increase of \$1.7 million. He asked if any of those projects were attributed to the proposed Acme rate. Ms. Quickel responded affirmatively noting that a portion of that increase is attributed to Acme. Vice Mayor Greene then addressed page 13, Acme 10-Year Flood Mitigation Program for \$2.4 million. He asked if that was based on having the assessment or were those in the capital improvement budget regardless. Ms. Quickel said that they were based on the assessment increase of \$100.00. Vice Mayor Greene asked if it was correct that without the \$100.00 assessment those projects would not get funded. Ms. Quickel said that was correct.

With regard to the five-day work week, he indicated that he had suggested a hybrid schedule to Mr. Schofield if it was allowed by the departments; however, they would offer Customer Service five days a week. He said that when he is in the building on Fridays, he sees many employees working; however, the front door is not open so the customers see people working and cars in the parking lot; but they can't get in. Councilman Willhite said that he appreciated the idea of opening some customer service back up on Fridays to allow those County employees that work a four-day work week the opportunity to come in on Fridays to take care of their business. He appreciated the aspect of meeting the needs of the customers on the five-day work week which he felt was beneficial.

With regard to the Acme proposals, Councilman Willhite said that Ms. Quickel put together a proposal based on Council's needs and discussions. He said that many of the projects were derived because of the past storms. Councilman Willhite pointed out that the plan includes eight major roadways that need improvements for different reasons. He said that their goal was to meet the needs of the residents and to make the Village's evacuation roads passable in the event of a major storm. He said that last year due to a clerical error, the assessment was not increased; however, some of the projects have already been started. He said that they are now at the point where Council has to decide whether they start, stop or continue some of the projects. Councilman Willhite appreciated the spread sheet that staff prepared where they spread the cost across the entire Village. He said he would be happy to hear from the residents who live in some of the communities that will be impacted. Councilman Willhite said that over the past year, Council has collectively said that the improvements were needed which came from the request of residents.

Councilman Coates recalled that Council approved the four-day work week as part of the budget discussions when they went to that schedule. He said that there was no decision at this time to go to a five-day work week yet, but it was occurring as it has in the past in the context of the budget

discussions. He said that he concurred with Councilman Willhite about going back to a five-day work week with respect to the Customer Service aspect. He thought that there is an added cost to revert back to that schedule which he felt was justified because they are providing another day of service to the citizens. He spoke of his experience in needing something done on Friday and having to wait until Monday. He felt there would be people that would be happy to see the Village go back to a five-day work week; however, Council will vote on that when they approve the budget.

Councilman Coates said that the spread sheet that staff provided made it clear that there was no easy answer to the dilemma that Council was faced with. He said that he wanted to focus on the benefit to the community at large versus the benefit to just those residents who reside within Acme. He said that they were at this point because of a concern that they would unfairly be penalizing the Acme residents by imposing the full increase on them for projects that might have a Village-wide benefit although he was sure residents living east of 441 would said that they were being asked to pay for benefits that do not at all benefit them. Councilman Coates wanted to focus on Mr. Riebe's analysis on the Capital Improvements plan and how he came to the allocation of the benefit versus Acme compared to the rest of the community. He said that as he understood it of the approximately \$23.3 million of capital projects, approximately \$7.9 was very specifically related to Acme. He said that over \$15.4 million was considered more akin to a Village-wide benefit. He asked how Mr. Riebe arrived at those allocations. In response, Mr. Riebe said that he didn't base it whether it was a Village-wide or Acme arrangement, but rather what projects could specifically be attributed to the drainage component of Acme. He said that there had been a lot of discussion and debate about roadways and those improvements not being related to drainage. He explained that he divided drainage-specific projects with only conveyance, and then the other projects that were roads-related were broken out and attributed to the Ad Valorem. Councilman Coates said that it was his understanding that Mr. Riebe considered anything road-related to be a Village-wide benefit even if the road was within Acme and the usage by the residents east of 441 to be minimal. Mr. Riebe said was correct indicating that it could be.

Councilman Coates said that tying the payment of the cost to the taxpayer with the benefit that was being received by them has been an issue for him. He asked Mr. Riebe to address that in terms of what was the best method to ensure the taxpayer who was paying for the improvement was actually receiving the benefit. Councilman Coates said that his understanding was that the people who paid for that project up front are paying 100%, but they might not be in that property for the next 20 years while there are other methods where the payment is staggered over the 10-20 year period tying the benefit with the people who were actually residing in the properties. Mr. Riebe explained that the pay-as-you-go strategy will most likely result in the lowest overall cost for the projects. He said that the people who are here now pay for it even though they may not be here the next year whereas If you finance by issuing a bond those principal and interest payments occur over time so everyone does pay a piece of that programmatic cost.

Councilman Coates asked Mr. Riebe to address the risk to the community of the pay-as-you-go approach versus a bond approach in terms of managing the inflationary risk over the next 10-20 years. Mr. Riebe said that historically inflation has been around 2%-3% noting that he used the 3% for his analysis; however, that doesn't mean it will stay at 3% recalling that inflation in the 1980's was 15% to 16%. He said that the further you get into the future the more risk there is for the change in the inflation. Mr. Riebe said he used 4% for the bond analysis where they lock in that risk so you know it will always be 4% and then you can build the projects without the risk of inflation. He said that it was more about managing risk.

Councilman Coates believed he had previously asked how they keep a \$23 million project from becoming a \$50 million project as a result of potential inflationary risk. He didn't believe that Mr.

Riebe could give a specific answer because they don't have a lot of control with pay-as-you-go because if a project wasn't done in 10 years it could cost substantially more than the current cost estimates. Mr. Riebe said that was correct. Councilman Coates indicated that he wasn't sure where he stood on the issuance of bonds as a solution of this, but he wanted to ensure that he understood the pros and cons. He believed they would hear criticism when they talk about a bond financing because they will be paying more with interest; however, they are also getting the benefit by setting what the inflationary risk is. Mr. Schofield pointed out that even if they did a bond financing they can't build every project in the first or two years, but they would probably shorten the construction horizon from 10 to 5 years. He said that where they typically face cost overruns was not in inflationary pressure, but in scope. Mr. Schofield said that the advantage of the Acme assessment has in controlling scope creep is that you have a defined plan, and specific defined projects. He said that over time, it is cheaper to do pay-as-you-go. He said that with government in terms of the rated, administration costs and all of the upfront costs; it generally costs about \$100,000 for every \$1 million that is borrowed. Councilman Coates asked Mr. Schofield if his position was that it exceeds what the inflationary risk is that the Village is normally subject to. Mr. Schofield said if the Village looked at borrowing \$23 million, they would look at paying about \$2.3 million a year for 20 years which would put them at approximately \$46 million, and they did not think they would look at inflationary pressures anywhere near that.

Councilman Coates wanted to ensure that the allocation of the benefit was being fairly received by those people who were paying for it. His concern with the increase in the Ad Valorem was that those properties that have an AG exemption would greatly benefit because their proposed taxes would be reduced from \$500 to less than \$200. He said that part of what was driving this was the need for drainage improvements in the areas where those AG exempted properties are located. He felt it didn't sound fair that the area the Village was trying to benefit with these improvements would end up paying less in taxes because the cost is spread out across the community. Councilman Coates questioned whether or not his concern was valid. Ms. Quickel said that was why they included the agricultural exemption to show an example on a specific property. She pointed out that it showed that if a property was AG exempt, they would proportionately pay less if the millage was increased.

Councilwoman Gerwig asked where staff determined there was a \$56,000 AG exempt property. Ms. Quickel explained that they have a specific address as they pulled it from the tax roll. Councilwoman Gerwig thought there could be no home on this property noting that the home is still taxed even though you may have an AG exemption on your property. Mr. Schofield said agricultural properties in Wellington are taxed at either one of two rates: \$7,000 or the new rate will go to \$15,000. He explained that a typical five-acre property if you are paying an assessment of \$15,000 per acre, they will be around \$75,000 in assessed value. He said that there would have to be some development on it for the property taxes to be that high. Mr. Schofield said that if there \$56,000 in taxes there is something on it because it is not just raw land because the value of the land would only be at the taxable rate of \$75,000. Ms. Quickel said that they could look at the exact property.

Councilman Coates asked if staff was presenting a recommended approach that they deem to be best suited for the Village's goals in terms of implementing Mr. Riebe's Capital Improvement Plan. Mr. Riebe said that he supported the original Engineer's Report and original plan that said that based on all of the assumptions that are in the plan which include 17 projects and 57 components; the overall net benefit is more than the cost. Councilman Coates asked if they kept the millage rate the same as had been proposed, could they achieve the same goal if this was phased in over the next three years at a \$35.00 increase each year. Mr. Riebe said that if they increased the assessment \$20.00 per assessment unit that is equivalent to about \$596,000. Councilman Coates asked if that would be a five-year implementation. Mr. Riebe said that at \$20.00, it would be about \$556.00 at about \$20.18. Councilman Coates asked if the timeline for the completion of the project was 10 years. Mr. Riebe

said it was 10 years for the implementation of the \$23 million program. Mr. Schofield said that if they implemented a \$35.00 additional assessment per year over 3 years, there would be a net savings of \$100.00 because the first year would be an added assessment of \$35.00; the second year it would be \$70.00 and the third year would be an extra \$100.00. Mr. Schofield explained that you would have two years where they would not be collecting the entire amount. He pointed out that for the most part the first year is a design year with the actual construction starting a year after, so they would push out the completion of the project from 10 years to about 11 or 12 years. He said that they have taken away one year of income so the projects are extended out by at least another year with no particular saving to the taxpayer.

Councilman Willhite believed that they would extend the projects out by more than just one year since Mr. Riebe was already in the plan and design phase and had already started doing some improvements. He said that last year Council was told that if they started the projects that as this came forward, they would try to play some catch up because they already knew what needed to be done. He said although he didn't believe it would take three times as long to complete the projects, he felt it would be more than one year if it was going to take the Village three years to collect the funds. Mr. Schofield believed that if they were going to do this, they would have to amend the Water Control Plan which required this type of hearing every year if they changed those assessments. Mr. Riebe felt that they could adopt the strategy now and use that plan to move forward.

Mr. Edwards said if the Council moved forward with what has been presented, they would be approving the Engineer's Report which is a determination of benefits with an estimated cost factor. He said as far as setting the budget to accomplish those works that was not part of the Engineer's Report as Council has that total discretion. He said that they could assess \$33.00; \$66.00 the second and \$100.00 the third and they would not have to go back and revise the plan. He said that Council's limitation was that they could not exceed the amount of determined benefits for the construction of those facilities.

Councilman Willhite said that the expectation of the assessment for the 10-year plan was that the assessment would benefit only these projects, and would then sunset at the end of the 10 years. He said that they also mentioned that if they didn't move forward with it, they would then need to bring it back because the projects weren't completed. He asked if Council could approve a project with all of the improvements if they weren't showing the assessment or collection of the funds up front. Mr. Edwards said that there were assumptions in the report and plan that don't need to be included. He said that staff attempted to provide Council with more information than what was required under a report which only requires a determined benefit and allocation of that determined benefit to all of the properties. Mr. Edwards further stated that as to how they levy the assessments, the amounts and the timeframe to construct them were not restricted in the document. He said that the Engineer made certain assumptions that they wanted to construct projects quickly in 10 years which the numbers were based on. He said that there was no obligation to complete the projects in 10 or 15 years.

Councilman Willhite asked what would happen if they hypothetically moved forward with one third of the assessment now and next year and did not move forward with the remainder of the assessment. Mr. Edwards said that at some point, the Village would have to complete their plan. They would have to levy assessments in order to do it, or they could come back and go through the amendment process to delete all of the work that wasn't done. Mr. Edwards explained that the Village is in control of its budget as they move forward. He further explained that the people were paying the assessment based on what was to be implemented, but if not everything was implemented then they were not being fair and equitable to the assessment payers. Mr. Edwards said that the Village has an obligation to complete the plan, but the timeframe for doing that was not spelled out in any of documents and they could complete it at a reasonable rate. They can't levy assessment and not

move forward. He said if they sell bonds then they will have a contractual obligation because that was done with the expectation that the Village would build all of these improvements and if they don't do that they would be violating their understanding with the bondholders.

Councilwoman Gerwig said that the overall engineering design is a \$23 million project that would take 50 years to get \$30 million worth of benefits. Mr. Riebe explained that he used the useful life. Councilwoman Gerwig said that this was a long list of improvements; however, the benefits only achieve about six hours less of a flood stage. She said that the report concluded that these improvements don't make a lot of difference to the drainage issue, and the only real way to solve the problem was to discharge faster or store more water which this plan doesn't do. She said that what they were really doing was fine-tuning their conveyance. Mr. Riebe said that was correct. Councilwoman Gerwig said that sounded like a maintenance issue and she had a hard time spending \$23 million for a plan that will take 50 years to achieve. She said that she could get involved in a project costing \$23 million if it was going to do storage or discharge. She was concerned that if there was a 100 year flood, there still would be water everywhere. Councilwoman Gerwig didn't believe that they could use six hours because it would depend on the storm. Mr. Riebe said that they used Tropical Storm Isaac to calibrate the model, but they can always run different scenarios on different floods, i.e., 10, 25, etc. Councilwoman Gerwig questioned where the six hours came from. Mr. Riebe said that it was a model duration that compares what the model would predict for a 100 year storm versus the existing conditions versus the prediction with the improvements. Councilwoman Gerwig asked Mr. Riebe to explain the discharge. Mr. Riebe said that for that storm, Wellington had everything on that they could. The Village's permitted discharge rate is 1.07 inches per day across the entire 18,500 acre basin. He said that if the Village gets rainfall at a rate higher than that, then there will be water buildup as was evidenced during Tropical Storm Isaac. Councilwoman Gerwig feared that even after they go through all of this that should another storm occur that people won't see the benefit that they paid for. She didn't believe this was the best way to spend the taxpayer money.

Vice Mayor Greene thought that they could assess at about \$20.00 but not have it tied to a determined benefit. He asked if that assessment could go to a maintenance program part of which could be for improvements that needed to be made. Mr. Riebe said that the plan included projects that could be classified as maintenance which are meaningful. He said that the assessment he came up with was \$20.18 based on the projects which could change. Vice Mayor Greene said that he looks at the community overall, and there is a shared expense that everyone in Wellington bears. He felt that everyone who is part of Wellington receives the benefit and value of being Wellington residents where sometimes you pay more while other times you pay less. He said that he could support it if Mr. Riebe was saying that they could possibly have a \$20.00 Acme assessment that is not tied to a determine benefit and it could be maintenance. He felt that the \$20.00 increase could alleviate some of the concerns about a significant increase and addresses the concerns of people who feel they don't get the benefit.

Mayor Margolis thanked staff for the presentation of the budget which he felt was user-friendly and transparent. He found it alarming that there was a reduction in interest income of about \$158,000 per year. He was aware that the Village used outside consultants and asked Ms. Quickel if she was comfortable with their advice and the information that the Village was receiving. Ms. Quickel explained that the biggest change related to the change in some of the Village's Reserves with the purchase of Lake Wellington Professional Center as well as the new tennis and community centers. She said that with those expenditures there was less money to earn on. Ms. Quickel said that she was comfortable with their consultant's advice.

Mayor Margolis asked Ms. Quickel to explain the anticipated increase in the cost of medical benefits. Ms. Quickel said that they anticipated a 10% increase for insurance benefits. Mayor Margolis said that

they were looking at the same level of benefits and at cost sharing with the employees versus the Village. Ms. Quickel said they had not pursued that at this point.

With regard to the Acme assessment, Mayor Margolis said that he was having a hard time finding the benefit to the residents in the report. He said he could accept it if the Engineer was saying that the Village needed to spend the money to improve the water drainage because the system is 30 years old; however, he felt that if this was approved and there was a lot of rain, residents would question why they were still getting flooded. Mayor Margolis said that the report doesn't say there will be a significant reduction in flooding or improvement in roads for the residents to get to work if such an event occurred. On the other hand, it was being said that it is more than a \$30 million benefit as compared to the \$23 million cost and it is more like \$50 or \$60 million. He felt it was difficult to have an assessment and not see an immediate benefit. Mayor Margolis said that he had a hard time approving the assessment, if the report did not show how the improvements will benefit the residents.

Public Comments

A motion was made by Councilman Coates, seconded by Vice Mayor Greene, and unanimously passed (5-0) to open the floor up for public comments.

1. Anthony Mazzo, 2221 Widener Terrace, Wellington. Mr. Mazzo identified himself as the current Vice President and Co-Treasurer for Olympia. He indicated that he was there not to debate the assessment vs. the Ad Valorem, but to advise the Council on how frail the Olympia community is. He pointed out that homeowners in Olympia are struggling noting that 1 out of every 4 homes in are in trouble either in foreclosure, bankruptcy protected, with attorneys or under attorney payment plans. It was his financial opinion that this was the worst time to consider this increase. He also asked Council to reconsider including the communities east of 441. Mr. Mazzo disagreed with Mr. Schofield about bond financing as he felt that this was the right time to do such a financing because there is a need for high quality municipal bonds.
2. William Flack, 9580 Phipps Lane, Wellington. Mr. Flack announced that he was the President of Olympia Homeowners Association and was representing the 1,763 homeowners. He said that Council had asked staff to show them what the benefits are, and he heard Mr. Riebe say that it was the roads that are shared by everyone throughout the Village. Mr. Flack pointed out that Olympia residents pay for the maintenance of the median east of 441 and Buena Vida and Village Walk pay for the maintenance on Lyons Road. He questioned why the other residents of the Village weren't being asked to share in that expense. He said that they were willing to pay for their fair share, but asked that Council look at the appropriateness in having them share in the roadway costs and how it would benefit them. He also noted that this was being done this year due to a clerical error last year for the Acme District which had not addressed their area. He asked Council to consider what benefit will come to Olympia and the other communities east of 441 if these improvements are implemented.
3. Dr. Carmine Priore, 2572 Cooper Way, Wellington. Dr. Priore said that they don't have a problem with the fact that the Acme assessment has to be made pointing out that 298 Districts must provide a purpose for the use of the money. He said the problem they had was how they could tax part of the community and co-mingle that money with Acme money in order to provide a service. He concurred with Mr. Flack in questioning what the benefit was to Olympia, Buena Vida and VillageWalk. He pointed out that Forest Hill Blvd. east of 441 is a state road and Lyons is a County Road, and the only road in their area that is a Wellington road is part of Stribling that also serves the two schools. Dr. Priore said that 85% of the Acme assessment is for the purpose of surface water; however, the residents east of 441 pay an assessment to the Lake Worth Drainage Districts who handles their water as well as any of their drainage and catchment problems. Dr. Priore said that those communities were not flooded during Tropical Storm Isaac. He felt that the

residents would be double taxes if they were to be taxed for an assessment that goes to an area that they are not a part of. Dr. Priore said that although they are part of Wellington; he reiterated what was the benefit to the communities east of 441. Dr. Priore pointed out that the Village receives gas tax money for the roads which doesn't go to Acme or the General Fund, but their use of the money is to be used for the improvement and maintenance of the roads. He believed that the communities were not receiving a benefit with the millage increase which they believe will be a substantial increase.

There being no further public comments, a motion was made by Vice Mayor Greene, seconded by Councilman Coates, and unanimously passed (5-0) to close the floor to public comments.

Mayor Margolis asked if the Council had to approve the Engineer's Report before the approval of the Ad Valorem. Mr. Riebe advised him that they would have to accept the plan prior to making a decision on the assessment.

At this time, the Council then moved their discussion from the approval of the TRIM rates for Acme to the approval of the Engineer's Report:

RESOLUTION NO. AC2014-04 (ENGINEER'S REPORT FOR THE PROPOSED FIRST AMENDMENT TO THE 2010 ACME IMPROVEMENT DISTRICT WATER CONTROL PLAN): A RESOLUTION OF BOARD OF SUPERVISORS OF THE ACME IMPROVEMENT DISTRICT APPROVING THE ENGINEER'S REPORT FOR THE PROPOSED FIRST AMENDMENT TO THE 2010 WATER CONTROL PLAN; AND PROVIDING AN EFFECTIVE DATE

Councilwoman Gerwig said that the Council could refuse the Water Control Plan, but still increase the Acme assessment by \$20.18 or \$25.00 maintenance.

Mr. Edwards said that Councilwoman Gerwig indicated that Council would add \$20 to the O&M Account for Acme as opposed to doing a capital assessment. He explained that they were allowed to set their O&M at whatever number they desired. He noted that number was not limited by the benefits. Councilwoman Gerwig asked if it would be problematic if the Council decided that they needed \$100.00 for O&M. Mr. Edwards explained that if the Council did not approve the Water Control Plan Amendment, they could add the money to the O&M for the current plan. He further explained that he had the impression that a significant amount of the culvert type of facilities that are part of these projects could be considered as upgrade for maintenance purposes as opposed to being a capital project. He explained that the plan was presented to Council in this form because of the dollar amounts involved because when you get to \$20+ million you are talking about capital improvements rather than maintenance.

Councilman Willhite said that the Lake Worth Drainage District ties in directly to the C-51 canal, and questioned whether that District was not held to any discharge rate standards. Mr. Riebe explained that the Lake Worth Drainage District has similar permit conditions. Councilman Willhite said that there were no structures stopping the canal at 441 into the C-51. Mr. Schofield explained that there are structures that control it. He further explained that there are two different discharge rates that govern Acme and the Lake Worth Drainage District noting that Acme was in the western C-51 drainage basin and its limitation is 1.07 inches; but when you get east of SR7, the allowable discharge rate is higher so Lake Worth has a higher discharge rate because they discharge to tide water and don't back pump to the Everglades.

Councilman Willhite asked if Acme could discharge into the Lake Worth Drainage District. Mr. Schofield said that they could not do that explaining that there are sub-basins for each of the canals

and that the cross sections, pumping facilities and structures are designed for very specific areas. He said that most people will notice that there is now a divide structure at SR7 and Southern Blvd. He said that everything from that point goes back to the west. Mr. Schofield said that during Tropical Storm Isaac, the rainfall volumes that occurred east of SR7 were much lower than in Wellington, the Acreage and Royal Palm Beach. He said that during those days the Village was discharging more than the 1.07 inches because they were actually pumping into the conservation area and the gravity structures were open as well.

Councilman Willhite said that the plan for the C-51 basin moves the water completely eastward without any structures in place under the proposal that was going forward in the C-51 project. Mr. Schofield said that they have the ability to move water east for water supply purposes. Councilman Willhite thought that would include Wellington's water and would be included in the eastward discharge project. Mr. Schofield said that one of the things that happened during Tropical Storm Isaac was that the West Palm Beach Canal – C-51 could come up to 17 or 18 feet, but wasn't anywhere near that as they were letting the Village put water into it. He said if the water comes up that high, they will not send it east because the more they send east they would put some cities underwater.

Councilman Willhite felt that the benefit to this program was actually what would be received in the future as there are plans to try and move water south that were happening at the rate of a \$300 million project. He said that there is the potential of the Village's discharge rate changing if that moves forward because Broward County is looking for more water because they don't have enough. Councilman Willhite said that it has been said that the Strazzulla project is two years out; however, he felt that the Village needed to be ready for that. He said that if they can't discharge into that property then nothing they have done has gotten them ahead because they will then play catch up. Councilman Willhite believed that Council had to be mindful of what the future could bring and not what they are currently able to do.

Councilman Willhite asked if the Village charged \$20.00 and called it an O&M, would that go towards any of the capital projects. He said he could not support any increase in the Ad Valorem taxes because he felt that would be a triple assessment to those properties east of 441. Councilman Willhite said that not only were they paying Lake Worth Drainage District, but they were doing their own surface water mitigation with their HOA fees. He said that he appreciated staff showing that this plan may benefit residents in certain areas, such as Sugar Pond; however, areas like Palm Beach Point and Aero Club already have HOA assessments. Councilman Willhite said that when he and Councilman Coates were running for office it was alarming to see the divide between the two parts of Wellington: the equestrians and non-equestrians. He felt there would be an even more of a divide if they increased the Ad Valorem to do the improvements because the AG exempted properties would actually pay less. He said that he heard that Basin A has already paid for much of the improvements because Basin B water went south; however, when that was changed and Basin B water had to come through there, there were improvements that had to be done which were improvements that had to be paid for. He noted that Basin A would be paying for it again because he sees the agricultural exemptions in Basin B would not even be recognized if the increase was added to the Ad Valorem. Councilman Willhite said it was very concerning to him that there are 4,500 residents in the Equestrian Area which means that there are 55,000 in the northern parts who will pay for this. He felt that doing that would further divide the community.

Councilman Willhite reiterated that he would not support raising the ad valorem. He said that brings him to the assessment part of the Acme Improvement boundaries of the residents that would have to cover the benefits. He said that when he looks at it, he saw the benefits looking into the future of what needs to be done to mitigate the water. He questioned whether there would a guarantee when a

home was assessed this year that the things that are offered will be the best and to the homeowner's standard now. He believed there was no guarantee as they were being assessed under the assumption that they would offer the best service. Councilman Willhite said that they were putting an assumption forward that the Engineer has done the work that he has been charged to do to find improvements that will benefit the Acme Improvement District residents which is his guarantee. He said that he was believed the Engineer that these are the improvements that he feels will be a benefit to the Acme Improvement District residents. He pointed out that he did not mention the Rustic Ranches residents because they are already under another assessment rate under the Pine Tree Water Control District so they are already being mitigated for surface water. Councilman Willhite said that they should look at what rate they should be charging the Acme Improvement District residents.

Councilman Willhite asked staff to elaborate on how the residents in the Acme Improvement District pay their assessment when it is \$100.00 per unit. He asked if it was correct that a person living in a townhome will pay the same as someone who has an acre of property. Mr. Riebe said that was correct. Councilman Willhite said that the townhome owner is already paying more for his 1/8 of an acre than someone who has 1 acre. He also said that he could not support a bond financing regardless of how beneficial it might be at this time. Councilman Willhite said that his belief as long as he has been on Council as well as that of other Councilmembers is that the Village should have no debt. He felt that doing a bond financing would take them back into the debt area where they haven't wanted to be. Councilman Willhite said that he has advised Mr. Schofield that he wants to be debt free, but understands that isn't good because of the bond rating. He said that if they did a bond financing, all they could guarantee would be the rate and the payment, but there was no guarantee how much the construction would cost in the future because everything that was planned could not be built right now. Councilman Willhite thought that if Mr. Riebe believed the assessment could be charged over a three year incremental period and it would only extend the life of the project to over two years, then he felt that was a viable option. He said that would be an assessment to the residents of the Acme Improvement District. Councilman Willhite said that Mr. Riebe talked about eight roadway improvements, six of which needed to be done because Council has directed they want more bicycle lanes. He felt if they were to work on that this could be incorporated into it rather than just doing patchwork. Councilman Willhite thought they should set a 10 or 12 year plan to do all of the improvements, i.e., bicycle lanes, landscaping, drainage, etc. He said that he could not give the direction to do nothing because Council has charged the Engineer to do something. He said that he would approve the increase to the Acme Improvement for the projects. He felt that there would be a benefit if raising the road puts three inches on the road versus 12 inches that is an improvement. Councilman Willhite said that things have changed over the 30 year period, they have identified improvements and he felt there would be a benefit. He would support a motion with some type of Acme assessment over time to do the improvements.

Councilwoman Gerwig said if the Village was able to acquire storage on the southern border, she asked if they could put a bond out for that particular project. Mr. Schofield said that he was not completely opposed to bonding. He said that he did not believe that the project they were discussing should be bonded because the need was not immediate. He then spoke of Section 24 which was an \$18 million project. In order to let the project, the Village had to have the money in-house and the only way to do that type of project today would be to bond it. He felt that was a reasonable way to bond. Mr. Schofield said if they were to find another storage area like that he would recommend doing a bond financing.

Councilwoman Gerwig asked what would have to be done to let the bond. Mr. Schofield explained that there were several ways that bonds could be done: (1) tax-payer supported bond or (2) general obligation bond which is approved by Council. Councilwoman Gerwig said that she was supporting what the gentleman from Olympia said regarding doing a bond financing. She said that they would

have to live in close proximity to where the raised roadway improvement was in order for there to be a benefit because it was not lowering the water level. She pointed out that they talked about putting this into a roadway project; however, they were not talking only about spot elevations by raising a particular place. She said that you can drive through the Village and see where those areas are which she felt had been designed for the water to cross the road. She did not feel that this plan really benefitted anyone, and if it did, she would support it any way it needed to get done as a community. She said that the water will just recede six hours sooner. She did not feel it was worth the expense.

Councilwoman Gerwig said that the Forest Hill roadway was completely redesigned which included drainage planning, and she didn't want to tell the residents that they were going to redo that. She felt that this should have been addressed at that time if it is such a major problem for the community. She said that she realized that it does have some conveying issues which can be addressed via a maintenance plan. She did not see any projects that would increase storage or discharge. Councilwoman Gerwig felt that they needed to find a better way to handle the problem and she couldn't support taxpayers being charged for this.

Vice Mayor Greene thought he was clear about this during the last discussion. He said that he was trying to get an answer as to what was an engineering strategy that would guarantee flooding that would have a huge impact on the community. He felt that roads and their flooding work the way they were designed to perform. He wasn't given the assurance that spending \$23 million and trying to determine the benefit and being locked into a long-term program would engineer a storm which he didn't think was possible. He said that there were clearly some improvements that needed to be made, but he did not feel comfortable accepting a \$100.00 assessment for Acme for a long-term project that can't be guaranteed that the flooding problems experience in the past won't continue. He said that people up north deal with snow storms and they are impacted for days and weeks and sometimes months, and when they look at how a 100 year storm impacted the community, it was only six hours for the most part. He thought that perhaps people were inconvenienced for a short period of time, but he did not feel; it was significant enough to justify the proposed expense. Vice Mayor Greene said he would not support an Ad Valorem increase although he did appreciate the analysis that was done. He said that he would support a reduced increase to what was proposed on the Acme assessment and that they start looking at the top priorities which need to be addressed. He said that he would be more comfortable with an assessment of somewhere between \$20.00 and \$35.00, but would not support anything in excess of that.

Councilman Coates stated that he has served on Council for the past six years, and he has been and continues to be one of the most fiscally conservative Council members. He said that he couldn't allow his general philosophy of being fiscally conservative to override his fiduciary responsibility to the residents to ensure they have the necessary infrastructure to protect them in times of emergencies. Councilman Coates said that it was very easy to do nothing, but he felt that if they were closer to the events that led to this discussion, the room would be packed with people having a much different sentiment. He said that as time passes on, they forget how bad things were and assume they will never happen again. Councilman Coates said that you always hear hope for the best and plan for the worst which they don't have the luxury of doing because their job is to plan for the worst and to ensure that if the crisis does occur that the residents are protected. He said he witnessed the problems that were encountered in the Village during Jeanne, Frances and Isaac, and felt those areas needed to be fixed. He said that he had received numerous calls from residents after Isaac about what was going to be done to fix the roads yet he was now hearing there was no problem.

Councilman Coates concurred that the concept of moving water around was difficult; however, he disagreed that raising the level of some of the roads was not a benefit to the community. In looking at the impact of Isaac on the roads, South Shore, parts of Forest Hill and Big Blue and Paddock were

under water. He said that he knew that they would not resolve the flooding and levels issue, but he refused to accept that they can't put a system in place that will allow the emergency responders to get to people who need urgent care, and allows the residents the ability to get in and out of the community. He spoke of the recent snowstorm in Atlanta and the mayhem that was created for the residents when a community fails to prepare for the worst. Councilman Coates felt that if Wellington had another Isaac event, and someone drives off of South Shore into a canal and drowns, the question would be how the government could have been so stupid not to raise the road so that this could have been avoided. He said that he takes this personally because Council knows about those these issues and saw firsthand what Isaac brought to the community, so doing nothing would not be the acceptable approach. Councilman Coates believed that there are problem areas in the Village and that the roads needed to be remedied so that the Village has the basic infrastructure in place which he did not believe the Village presently had.

Councilman Coates concurred that this is a lot of money to spend; however, it was money being used to provide basic infrastructure to the community. He noted that they just spent \$5 million to relocate the tennis facility at the eastern edge of Wellington which he didn't consider to be a basic need compared to the infrastructure of the roads, drainage control or public safety services. He did not want to scrimp on providing the basic infrastructure because they are spending money on frill. Councilman Coates didn't want them to lose sight that at the end of the day they have to have a system in place for people to get to their destinations when they need to get there.

Councilman Coates said that he concurred with those Councilmembers who were opposed to an Ad Valorem increase because he saw there was a disparity on the impact of the communities as it overly benefits some while overly burdening others. He said that in looking at the analysis that was provided, he wanted to keep the Ad Valorem at 2.46. On the other hand, he did not support adding \$100.00 to a \$200.00 base assessment because he recognized that level of increase was difficult for the community. He did support a three-year staggered implantation of the assessment at \$35.00/\$35.00 and \$30.00 to get to the point where they can still get the projects in place which he felt was necessary. He did not believe that Mr. Riebe would include projects in the plan which he did not believe were absolutely necessary for the community. He felt that assessment more closely tied the payment of the benefit with the use of the benefit. Councilman Coates clarified that the reason he supported putting the assessment through Acme and not the Ad Valorem was because he found it hard to justify having a Village-wide Ad Valorem increase when 100% of the improvements were in the Acme Improvement District. He was also persuaded by the fact that the communities east of 441 have to pay Lake Worth Drainage District and the residents in Rustic Ranches pay the Pine Tree Water Control District. He felt if they were also imposing an increase on them in Ad Valorem that really relates to what was being done in Acme that it would be double and triple taxing those individuals.

Councilwoman Gerwig agreed that the Village has a problem; however, she did not agree that this was solving that problem particularly when Engineer's Report indicates that the improvements were only helping with one inch storage. She said that the report indicates in the last paragraph that the only way to solve the problem was to increase storage or increase discharged. She said that if this solved the problem, she would be on board because it would be a safety issue. Councilwoman Gerwig questioned if anyone had experienced any safety issues during Tropical Isaac. She said that they experienced a 100 year flood which they don't design for. With regard to the bond issue, Councilwoman Gerwig said that her understanding of a bond was that it was more like a mortgage than a credit card. Mr. Schofield said that was correct. Councilwoman Gerwig said if they were solving this problem, she would be on board with getting a mortgage (doing a bond financing) if that was the only way to do it and the only way to improve the situation.

Mayor Margolis thanked staff for the information on the Ad Valorem which Council had requested. He concurred that increasing the Ad Valorem to do these projects just did not work. He said that the issue was whether to increase the Acme assessment. He concurred with everyone that the improvements had to be done through an Acme assessment. Mayor Margolis said that he wasn't fully against Mr. Riebe's plan; however, he did not see the benefit for spending all of that money. He said that previous Councils have raised Acme assessments referring to it being raised 50% in 2009. He said that everyone wants to maintain the Village's infrastructure as it is known for providing services that are far superior to other municipalities. Mayor Margolis said that he could support it if Mr. Riebe could give him a dollar amount for maintenance issues or culvert issues that he could say they need to do although it would not decrease the amount of flooding on the streets, but they would protect the residents from having to pay later on. He said that it wasn't that the Village didn't need maintenance; but he didn't believe it was to the extent that was being presented. Mayor Margolis asked what the dollar amount would be for Mr. Riebe to be able to improve and maintain the problem areas. In response, Mr. Riebe said that he had looked at the projects on the list and identified those which they could classify as maintenance and things that could be done that would make a difference at this time. He said that those projects totaled about \$2.8 million which could be done over five years at an added assessment of \$20.18 per year per unit. He said that Greenbriar at the entrance of the old Municipal Complex is a very troubled area that would be one that they overlay if they don't change out the culvert. He said that there are projects like that they can do. Mr. Riebe believed that Council could set the Acme TRIM at an additional \$35.00. He thought when they did the final rate, it could be somewhere between \$25.00 and \$30.00 and they would be able to accomplish the highest priority needs and still be able to make some noticeable difference. He said that type of assessment would not require a plan amendment. Mayor Margolis said that the Council is charged with either approving or not approving the Engineer's Report. He asked if Council would still be able to do what Mr. Riebe has said could be done if the plan was not approved.

Councilman Willhite asked what the problem was if Council accepted the Engineer's Report if they don't do the \$300.00 and only do a smaller assessment and adjust the plan to that dollar amount. Mr. Riebe said that there were 17 total projects, 57 components, and when he sat down with the engineers that work with him and the consultants, they felt that list of projects would make some difference. He said that the derived benefit would exceed the cost. Councilman Willhite asked if there was a problem with accepting the report and identifying the issues that Mr. Riebe addressed with an Acme assessment, but doesn't delineate a certain amount of money. He asked if they could vary the projects. Mr. Edwards said that Mr. Riebe has proposed 17 projects as his amended plan. Based on that amendment, adding in those 17 projects, he did a revised Engineer's Report which shows the benefits derived from them. He said that it was his understanding that Mr. Riebe has since gone back and calculated some additional benefits which would be supplemental to what is currently shown in the report. Councilman Willhite asked if Council did not support the plan, could they move forward with an assessment to start working on some of the portions of the plan and do them arbitrarily as the Acme Improvement Board. Mr. Edwards indicated that could be done using O&M funds to upgrade maintenance under the old plan. He assumed that they were addressing the drainage improvements and not the roadway improvements because he didn't know if those were part of the authorized expenditures under the current plan. Councilman Willhite said he wasn't just looking to do maintenance, but was looking to do improvements. Mr. Riebe explained that Acme was the 298 District that did neighborhood parks, roadways, drainage, sidewalks and all of those things noting that authority still exists with them. He said that up until this point, the Board hasn't pulled the trigger to do that. He said if Council looked at the Water Control Plan that was adopted in 2011 it sets the mechanisms to put that into place. He said that it is there but it depends on if the Board wants to actually start using Acme dollars to do road improvements. Councilman Willhite asked Ms. Cohen if she concurred with Mr. Riebe. In response, Ms. Cohen felt that if the plan provides a mechanism for improving roads and they can justify doing the improvements under the O&M through the Acme

assessment then they can reject the plan and fund those projects as part of the existing plan. She said that it is up to Council whether they accept or reject the plan. Ms. Cohen thought that Councilman Willhite's earlier question to Mr. Edwards was could Council accept the plan and then not do the project which she believed they could not do. Councilman Willhite then asked Mr. Schofield if he agreed that Acme could do roadway improvements as well as drainage. Mr. Schofield explained that Acme is an improvement district and its authorized legislation allows the Village to do far more than just drainage. He said that they can do roads, parks and a whole variety of things.

Vice Mayor Greene said that the number that he derived was around \$20.00 for an assessment. He said that Mr. Riebe had \$20.18 listed; however, he then mentioned that an assessment of \$25.00 helped him achieve some of the goals that he set. He asked what the lowest number was that Mr. Riebe would feel would have the greatest impact in achieving some of the improvements that need to be done. Mr. Riebe felt that the bare minimum, taking into account inflation, would be \$25.00, and he thought that \$30.00 might be a more appropriate number as there may be some other things that would make a difference, i.e., Big Blue at Wellington Trace by the Temple. He said that they went into the plan with the intent that they were going to solve the problem, but they may be able to do some fewer things like structural overbuilds and do the best they can with some of the drainage. Vice Mayor Greene reiterated that he would not support the \$100.00, but he did not want to create an assessment that was not going to provide Mr. Riebe with the level of funding to do the projects that would make a difference.

A motion was made by Councilman Willhite, seconded by Councilwoman Gerwig to deny the Engineer's Report through Resolution No. AC2014-04 as presented.

Councilman Coates said that he wanted to be clear that he was supporting the motion to deny the plan not because he disagreed with what was included, but he believed the Village had greater flexibility by not having the proposed plan passed because he felt they could accomplish the same things under the existing plan. He said that he had concern how they could protect themselves from the obligations that the amended plan would place on them. He liked the idea of the flexibility that the O&M gave them. He felt there was a better way to achieve the end result.

The motion was voted on and was unanimously passed (5-0).

Councilwoman Gerwig expressed her appreciation for all of the engineering work that was done which she felt was important. She felt that the information was valuable and did not want to give the impression that it was disregarded.

Councilman Coates asked if Council could pass a motion that would provide for the staggered implementation of the assessment or were they only authorized to approve this year's number, and then would have to make another decision next year. Ms. Cohen said that since Council rejected the Engineer's Report, they would have to go with the assessment and then they will have to set the rate again next year if they want to continue with the assessment.

Councilman Willhite thought that one inch was a lot of water over 45 square miles explaining that it could equate to a foot in one person's yard while nothing in another yard. He said that not everyone was hit comparing that to the tornado. He said that he is also from up north and that people just live with the impact of a snow storm as they don't have a choice. He said that the difference with a snow storm is that it doesn't typically enter your home whereas here you can't stop the water when it is rising. He said that the Council also can't take a do nothing approach. He appreciated Mr. Riebe's work, and he did not reject the plan because he didn't appreciate it. He hoped that they would raise the amount to a rate that would allow Mr. Riebe to start paying for the projects that Council has

already charged him with doing and were already underway.

Council then took a short recess.

At this time, Council went back to discussing the TRIM rates.

RESOLUTIONS ADOPTING PRELIMINARY TRIM RATES FOR WELLINGTON AND THE ACME IMPROVEMENT DISTRICT

A. RESOLUTION NO. R2014-43 (PRELIMINARY AD VALOREM MILLAGE RATE): A RESOLUTION OF WELLINGTON FLORIDA'S COUNCIL ADOPTING THE PRELIMINARY AD VALOREM MILLAGE RATE FOR WELLINGTON FOR TRUTH-IN-MILLAGE ("TRIM") PURPOSES FOR THE MUNICIPALITY'S FISCAL YEAR 2014-2015 BUDGET WITHIN THE JURISDICTIONAL BOUNDARIES OF WELLINGTON; AND PROVIDING AN EFFECTIVE DATE.

Mr. Schofield introduced the agenda item.

Ms. Quickel stated that Council was provided with several options and staff was recommending a millage rate of 2.46 mills. She said that the suggested rate was .01 below the prior year's rate and 6.98 percent above the rollback rate of 2.30 mills. She noted that the rates do not provide Ad Valorem funding of projects within the First Amendment of the Acme Water Control Plan which was denied.

Councilman Willhite stated that Council setting the rate that staff was suggesting was not the ultimate goal and that the final adoption of the rate would be selected at the September 23rd meeting. He believed that setting the millage rate at 2.5, would assure Council that the rate would be able to be lowered. He said if the millage rate was currently set at 2.46, which he supported, the rate would not be able to be raised. Ms. Quickel replied affirmatively. Councilman Willhite added that the residents would be aware that the initial TRIM assessment was set at 2.5 because the information would be mailed to them; however, they would not be aware that the amount could be lowered at the final budget hearing. Ms. Quickel replied affirmatively. Councilman Willhite explained that during the budget workshops and challenges, staff would be able to explain the procedure how Council implements the final millage rate specifically how they would have the leeway to lower the millage rate on September 23rd of the rate was set at 2.50. Ms. Quickel replied affirmatively.

Councilwoman Gerwig stated that she supported the procedure that Councilman Willhite had just outlined because the procedure was similar to the prior year's practice and that Council's intention was to lower the amount to 2.46. She said that after Council views the results of the upcoming budget challenge or if public outcry was different, the procedure would provide Council with some flexibility to make changes.

Mayor Margolis agreed that Council would need an amount that provided some flexibility due to the legal fees. Ms. Cohen stated that she would be providing Council with an update on the pending legal fees during the meeting. Mayor Margolis stated that he wanted the residents to be aware that the rates could be lowered, but not increased and this meeting when the final rate was set. Ms. Quickel replied affirmatively.

Councilman Coates stated that he would not support increasing the millage rate amount to 2.5 and would defer the amount that the Chief Financial Officer was recommending; 2.46 because he did not foresee a need to increase the amount to 2.50.

A motion was made by Councilman Willhite, seconded by Councilwoman Gerwig, and passed (3-2) with Vice Mayor Greene and Councilman Coates dissenting, approving Resolution No. R2014-43 adopting a Preliminary TRIM rate of 2.50 mills.

B. RESOLUTION NO. AC2014-05 (PRELIMINARY NON-AD VALOREM FOR SURFACE WATER MANAGEMENT): A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ACME IMPROVEMENT DISTRICT ADOPTING THE DISTRICT'S PRELIMINARY NON-AD VALOREM ASSESSMENT RATE FOR TRUTH-IN-MILLAGE ("TRIM") PURPOSES; AND PROVIDING AN EFFECTIVE DATE

Mr. Schofield introduced the agenda item.

Mayor Margolis said that there were no comment cards for this item.

Ms. Quickel stated that staff provided Council with several options regarding the increase of \$20, \$25, \$30, or \$35. She said if it was the desire of Council, Mr. Riebe and staff would provide specific recommendations.

A motion was made by Councilman Willhite, seconded by Councilman Coates, and unanimously passed approving Resolution No. AC2014-05 adopting a Preliminary TRIM rate of \$230.00 representing a \$30.00 increase to the \$200.00 presently being assessed.

6. PUBLIC FORUM

1. David Bradley, 11066 67th Place North, West Palm Beach. Mr. Bradley explained that he was not a Wellington resident and lives in unincorporated Palm Beach County, specifically the Acreage. He indicated that he was not representing a specific group or individual. He explained that Indian Trails, Loxahatchee Groves, Village of Royal Palm Beach and a handful of landowners, homeowners and equestrian associations were drafting and/or passing resolutions against the new Minto West Development. Mr. Bradley spoke of how the Minto West expansion would impact Wellington's neighbors. He requested Council's support by joining the other western communities in their opposition to the project

Mayor Margolis noted that the Minto West project would heard at August 12, 2014 Wellington Council meeting.

7. ATTORNEY'S REPORT

MS. COHEN: Ms. Cohen presented the following report:

- Ms. Cohen indicated that the petition from Palm Beach Polo Holdings was received. The petition was in regards to the Code Enforcement hearing that was held June 19, 2014 involving the Blue Cypress Preserve. She said it was her opinion that the motion should have been filed as a direct appeal and that she would prepare the appropriate response. Ms. Cohen added that she would also question the timeliness of the appeal.

8. MANAGER'S REPORTS

MR. SCHOFIELD: Mr. Schofield indicated he had no report.

9. COUNCIL REPORTS

COUNCILWOMAN GERWIG: Councilwoman Gerwig indicated she had no report.

VICE MAYOR GREENE: Vice Mayor Greene presented the following report:

- Vice Mayor Greene wanted the public to know that the reason why he voted for a Preliminary TRIM rate of 2.46 instead of 2.5 was because he felt the 2.46 amount was a tax increase which he would not support.

COUNCILMAN WILLHITE: Councilman Willhite presented the following report:

- At the MPO meeting, there was a lengthy discussion about the SR 7 Extension project. He said the MPO supported an Environmental Impact Study (EIS) which was sent to the FDOT. He said FDOT's response was that they would continue to do their environmental analysis, and should they decide at the end of the environmental analysis that an EIS needed to be done, then they will do it at their request. If they found that an EIS was not needed, FDOT would move forward with the project. It was estimated that the study would be completed within the next several months. He said that the meeting was well attended by members and residents from the western communities and he felt that the message was conveyed well because of the unity from the community.
- Councilman Willhite asked Mayor Margolis if he had reviewed the Education Committee applicants because several committee positions were still vacant. Mayor Margolis replied that he reviewed the nominations and agreed to make the appointments. Councilman Willhite stated that he appreciated two applicants and his recommendation was Ms. Baxter who works at Palm Beach Central High School and Wellington High School Project Graduation for years and was very involved within the community along with assisting staff with beautification projects. Councilwoman Gerwig stated that she had mentioned Ruth Anne Retterbush who is a teacher at Wellington Elementary but that she would support either applicant.

A motion was made by Councilman Willhite, seconded by Councilman Coates, and unanimously passed (5-0) appointing Donna Baxter as an At-Large appointment to the Education Committee.

COUNCILMAN COATES: Councilman Coates presented the following report:

- With regard to the Minto West presentation that was scheduled for August 12th, Councilman Coates requested that it include facts, educated assumption and how the project would impact Wellington's residents, schools, infrastructure and businesses rather than speculation and conjecture. He felt that there was an increased amount of emotion surrounding the issue and he did not want their decision to be driven by the emotionalism. Councilman Coates thought many people could oppose the project just because it was a developmental project in their area. Mr. Schofield stated that he took note of his request.

At this point, Councilman Willhite indicated that he had another item to report:

- He reported that he had attended the Water Resource Task Force meeting and a presentation on flood maps was given. He believed that within the next month the Village will be notified if Wellington's flood maps were going to be accepted and asked Mr. Schofield to add the item to the agenda. He further reported that there was a lot of discussion at the meeting about the manner that the maps were accessed. He hoped that the residents would realize the benefit from the analysis that was done. He noted that there is an appeal process and an on-going timeframe and it could go on for several years. He asked if staff could do a break-down of the process and bring a presentation forward of the entire process showing what Wellington did. He wanted the residents to be aware of how staff assisted in the process and the work that was done. Councilman Willhite pointed out that Wellington was positively mentioned several times

throughout the meeting.

At this point, Vice Mayor Greene indicated that he had another item to report:

- At this point, Vice Mayor Greene announced that he was appointing Carlos Fernandez to the Public Safety Committee. Ms. Rodriguez stated that the application was received and a letter of acknowledgement was sent to Mr. Fernandez.

MAYOR MARGOLIS: Mayor Margolis indicated he had no report.

10. ADJOURNMENT

There being no further business to come before the Village Council, the meeting was adjourned.

Approved:

Bob Margolis, Mayor

Awilda Rodriguez, Clerk