

Village of Wellington

*12300 Forest Hill Blvd
Wellington, FL 33414*



Meeting Agenda

Friday, May 4, 2018

9:00 AM

DIRECTIONS WORKSHOP

Village Hall - Conference Rooms 1E & 1F

Village Council Workshop

*Anne Gerwig, Mayor
Michael Drahos, Vice Mayor
John T. McGovern, Councilman
Michael J. Napoleone, Councilman
Tanya Siskind, Councilwoman*

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **INTRODUCTION TO DIRECTIONS WORKSHOP**
 - A. [18-2083](#) DIRECTIONS 2018 WORKSHOP
DIRECTIONS 2018 WORKSHOP AGENDA PACKAGE
 - B. **HOUSING AND ECONOMIC IMPACT STUDY**
 - C. **LONG RANGE FINANCIAL PLAN UPDATE**
 - D. **SALES SURTAX PROJECTS**
 - E. **LAKE WELLINGTON WATERFRONT**
 - F. **PERFORMING ARTS CENTER**
 - G. **VILLAGE ENTRY WAY SIGNS**
 - H. **LANDSCAPE SECTIONS**
4. **CLOSING COMMENTS**
5. **ADJOURN**



Legislation Text

File #: 18-2083, **Version:** 1

ITEM: DIRECTIONS 2018 WORKSHOP

REQUEST: Directions 2018 Workshop.

EXPLANATION: A Directions Workshop will be held with staff and Council. The topics that will be discussed during the workshop are in support of four major goals:

1. Housing & Economic Impact Study
2. Sustainability - Long Range Financial Plan
3. Quality of Life
4. Marketing/Branding

BUDGET AMENDMENT REQUIRED: N/A

PUBLIC HEARING: N/A

QUASI-JUDICIAL:

FIRST READING:

SECOND READING:

LEGAL SUFFICIENCY: N/A

FISCAL IMPACT: N/A

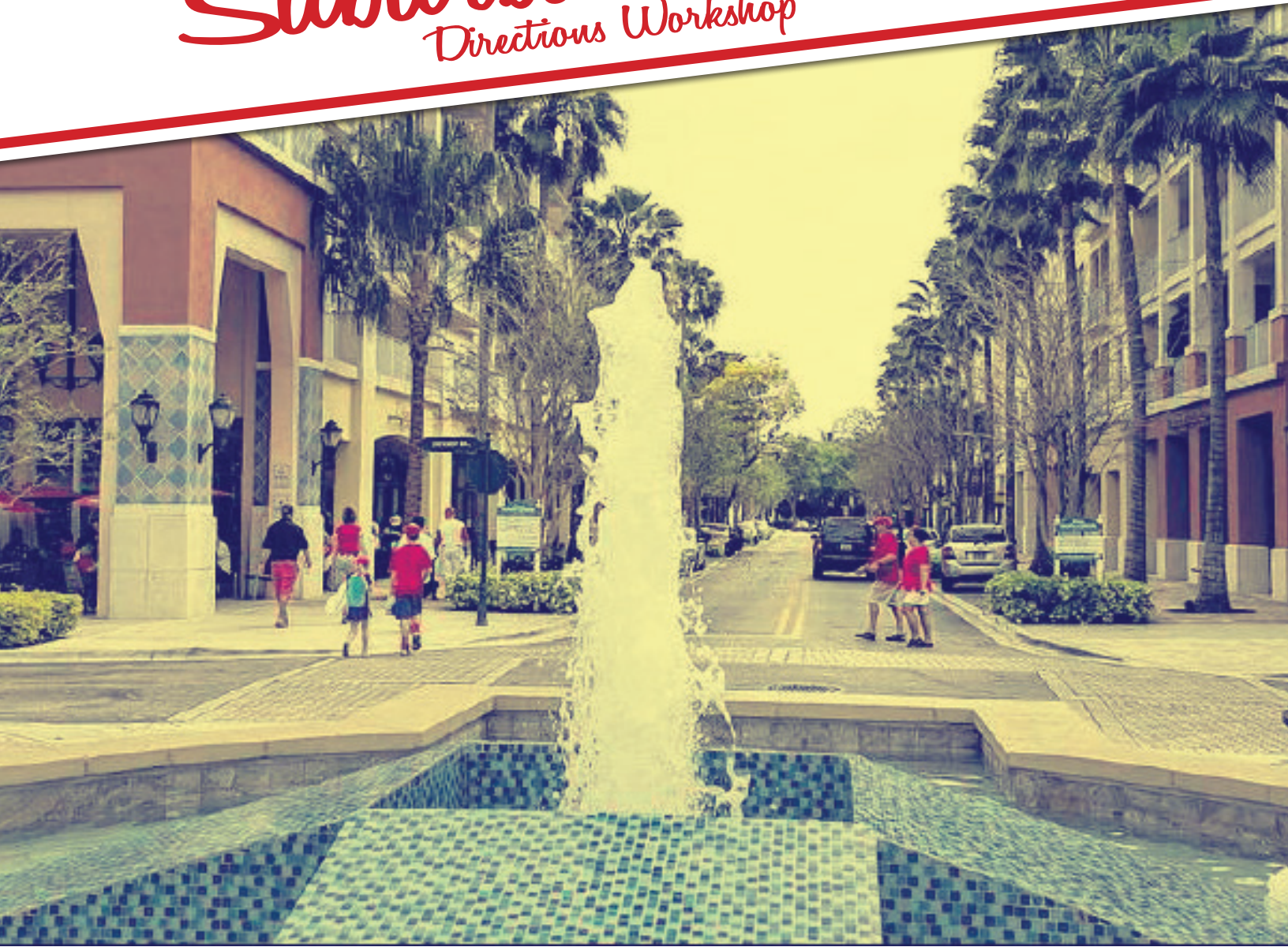
WELLINGTON FUNDAMENTAL: Responsive Government

RECOMMENDATION: Directions 2018 Workshop.



Suburban Remix

Directions Workshop



SUBURBAN REMIX - DIRECTIONS WORKSHOP

- 9:00 AM SETTING THE STAGE - HOUSING & ECONOMIC IMPACT STUDY**
DR. NED MURRAY, KEVIN GREINER & MARIA ILCHEVA
THE METROPOLITAN CENTER, FLORIDA INTERNATIONAL UNIVERSITY
- A) INTRODUCTION**
 - B) PRESENTATION**
 - C) STUDY**
- 11:00 AM SUSTAINABILITY - LONG RANGE FINANCIAL PLAN**
(HARD COPY PROVIDED UNDER SEPARATE COVER.)
- 1:00 PM QUALITY OF LIFE**
- A) NEW PARKS – GREENBRIAR AND SOUTH SHORE PARKS**
 - B) LAKE WELLINGTON WATERFRONT PLAN**
 - I) PHASE I**
 - II) MASTER PLAN**
 - III) PHASE I PRELIMINARY COST INFORMATION**
 - C) PERFORMING ARTS CENTER**
- 2:00 PM MARKETING / BRANDING**
SIGNAGE – VENUE MARKETING



Setting the Stage

Housing & Economic Impact Study





Wellington's next 40 plus years of life will be different from its previous 40 years. Build-out is approaching; the community's master plan nears completion and the combination of advanced technologies and 60+ thousand residents is changing the voice of Wellington. These changes will continue to move us from the voice of a single master developers to the voices of our residents. Harnessing these voices to create a comprehensive vision will require strong leadership and guidance. Additionally, the creation of obtainable near-term objectives will aid the long-term sustainability of our community. Sustainability includes reinvestment and redevelopment, private/public partnership along with realistic financial goals that in total, equal the preservation of our hometown lifestyle. As a first step towards developing this strategy for reinvestment and redevelopment of Wellington, we can look to our current assets. Assessing these assets, creating flexible, and adaptability will move us forward towards implementing a strategy that seeks to improve the Wellington lifestyle over the next 40 years.

Portions of this strategy are implementable upon Councils directive; others will require additional research to establish financial constraints, still others will need time to realize their potential. We could label this a "plan" and parts of this strategy are generally a first step, and concrete in nature. However, formulating an overall strategy that is implementable over the next 10-20 years and provides flexibility will allow the community to adapt, thus maintaining our great hometown.

A "road" well traveled

Wellington's living standard was conceived during the mid to late 1960's and came to life as development began in the mid 1970's. By design, this self-contained residential community was centered around nature and open spaces, with homes that offered additional space and updated amenities. This was akin to the "country club" type lifestyle, popular during this era. Central Palm Beach County was ripe for suburbia during this era, and was the idyllic location to create this nature-based lifestyle, which included the freedom of an individual's automobile for transportation. These components were thought to be the primary drivers to sustain development.

During the 1970's, as Wellington and other suburban communities began developing, South Florida's coastal communities were struggling with aging homes and public infrastructure. Concurrently, population growth was taxing transportation and utility systems. Public schools struggled to provide quality education, while crime and safety concerns grew in some communities, which in part spurred the suburban movement. Suburban communities offered fresh ideas, new homes, clean spaces, quality infrastructure, and most importantly, new schools with quality education. All these conveniences, however, would come at a price. The price of Suburbia? A "commute" to the job centers, entertainment venues, quality dining and most of the recreation venues located along the coast and the I-95 corridor, within the aforementioned coastal communities. IBM, Motorola, and Pratt & Whitney served as the major employers in Palm Beach County during this same era.

Today, 40 years later, the I-95 corridor has expanded its job opportunities and these same coastal communities have undergone a significant revitalization, boasting clean walkable waterfronts with unique downtown experiences. Utility and transportation systems have improved and pedestrian friendly streetscapes now provide a fresh look to these original communities; now easily twice the age of the suburbs. Schools have incorporated magnet programs providing high-quality specialized education, drawing some suburban residents back to these cities. West Palm Beach and Delray Beach, for example, expanded their housing markets through choice and design within core areas. In all, these improvements have raised property values, created historic residential districts where many homes now top the million-dollar mark, and placed premiums on water and near water locations. A contributing factor to the county's growth was the additional million people who came to Palm Beach County during this 45-year era, between 1960 and 2005. Much of this growth occurred in South County, predominantly west of Military Trail, which before the 1970's, was considered to be the beginning of western Palm Beach County.



Fast-forward to today and we see suburbs expanding westward; Westlake, Avenir, Arden, the Grove, Bella Sera, Gulfstream, the Aggregates, Iota Carol, and Village Royale, are approved for 17,464 residential units along with 8 million plus square feet of commercial and employment areas in un-incorporated Palm Beach County. Infill development is also taking place between Military Trail and the Turnpike. Population totals from these new approved western communities is estimated to be 52,000 people and with these improvements, the Florida Department of Transportation (F.D.O.T) estimates Southern Blvd will see an increase of 120,000 trips per day over the next 20 years. FDOT is planning for the future with right-of-way acquisition, additional lanes of travel, and alternative modes of travel to accommodate this increase in residents and required services. Therefore, like FDOT, Wellington should also look long range at our viability, along with learning from the past, and investing in our infrastructure. This reinvest/redevelop planning will yield long-term dividends including:

- Supporting quality education and the advancement of learning in our schools.
- Defining our core values and maintaining a living standard within our community.
- Improving (change) portions of our community in order to remain relevant.
- Defining and honing our destination status within central Palm Beach County.
- Determining Wellington's willingness to become the "hub" of Central Palm Beach County
- Utilizing our leadership to affect positive change.

Staying ahead of the curve, learning from the past

As a Village, we invest annually in our infrastructure, supporting and improving our roads, streetscapes, pathways, storm drainage, water and wastewater systems, and schools. We value our public green space and take great pride in our parks and recreational programs. We are unique and world renowned as an equestrian community, which has provided the community a market and a brand. We can seek ways to work with the Palm Beach County School Board to improve the level of education offered within our boundaries. Excellent schools and strong residential support for education, is a major economic driver within our community. We must continue to enhance and expand Wellington schools' educational opportunities. Our commercial venues have become a destination within central Palm Beach County. Health care is a growing "hub" in Wellington; anchored by Wellington Regional Medical Center, Palms West Hospital to our north, and Bethesda Memorial Hospital to our south. Recently, Joe DiMaggio's Children's Hospital is under construction on its outpatient facility within the Village and Cleveland Clinic has opened its medical outpatient facility at Village Green Center. We are also home to a host of medical specialists and general practitioners, which when combined, form the onset of a "Wellington Medical Hub", keeping the Village competitive amongst its sister cities in Palm Beach County.

There are trends that indicate the urbanization of central Palm Beach County is occurring and expanding outward from the State Road 80 corridor. There are specific approvals that expansion will occur to the north and west of Wellington, throughout the next two decades. Historically biomedicine, financial services, and advanced industrial manufacturing have concentrated along the I-95 corridor. These jobs, and their spinoffs, will continue expanding towards the available lands near and along the Turnpike corridor. Additionally, beyond Wellington's western boundary is an approved 7 million square feet of employment centers within Westlake, Avenir, and Palm Beach Aggregates, in addition to the approved 1.5 million square feet of commercial/retail space. This development area will continue to promote demographic changes in central Palm Beach County, urbanizing both the State Road 80 and State Road 7 corridors. As job growth occurs within Wellington and along our borders, housing will play a key role in the urbanization of central Palm Beach County. The large lots and homes of the county club era of the 60's and 70's have partially shifted to smaller more efficient homes, providing choices for singles, couples, and an aging population. Current trends indicate



wages may not support the large homes of the past and a mix of housing and amenity rich environments, would offer more opportunities for sustaining our community. However, home base business and the expanding tele-a-commuting market may be a perfect fit for the home office.

Standards and core values

As Wellington ages, our community's living standards and core family values form the framework that makes Wellington a great hometown. This framework also supports a balance between public investment and our resident's maintenance of the \$8.76 billion dollar residential asset. Property values are partly supported by both public assets of the community and private investments made to one's property. Providing continued maintenance to this diverse and privately owned housing asset presents challenges, not only for some individuals with limited means, but also for the community as a whole in operating and maintaining its public equity. In support of these standards and values, Wellington is:

- Continuing to provide public investment were possible, support for our parks, infrastructure and community safety.
- Improving education and seeks to maintain high quality schools, as they are a major driver in our community in maintaining home values.
- Expanding our school partnership and building on the strengths of Wellington's Parks & Recreational Programs, along with the educating ability of the County Schools.
- Wellington could offer partly or wholly, to maintain and operate some of the schools' athletic facilities. This allows maintenance dollars to be reallocated toward educational advancements. Additionally, this aids in leveraging the ½-cent sales tax dollars, while in turn providing additional recreational facilities for the community.
- Encouraging the use of state and local grant funds to promote homeownership. These programs can provide residential down payment assistance, aid to Wellington homeowners for home maintenance, with the goal of preserving and protecting homeownership and their values. Wellington's Neighborhood Improvement Program is one program funded in part through the Community Development Block Grant (CDBG). Other grants include, the Florida Housing Finance Corporation, the County Pace Program, and Wellington's own neighborhoods improvement program. These programs provide funding for; home safety, energy savings and exterior building envelope improvements.
- Developing neighborhood improvement projects to provide neighborhood identification, improving streetscapes, and on street parking.
- Enacting a model block program to enhance appearances, maintaining the quality of the housing and preventing negative influences, which can lead to neighborhood decline.
- Supporting the Village's redevelopment initiatives by requiring quality housing to meet the growing need of our seniors and linkage fees payments that would be utilized to improve existing housing for those who work in Wellington, thus, enhancing the Villages housing choices. Developers of residential housing could construct senior housing or pay the linkage fee to improve existing housing. Linkage fees would be paid into a housing trust fund. Additionally, new commercial developments would be required to pay a linkage fee based on the housing demand created by the commercial development.
- Maintaining a housing registry to monitor new home construction and the improvements to our existing housing inventory. This registry would track and confirm that the Village is meeting the housing needs of our seniors, working families, and residents with special needs.
- Developing a Housing Trust fund will support reinvestment. Funding for the trust would come in part from the grant programs noted herein and from linkage fees required for senior and Wellington work force housing.



- Utilizing our existing police powers, building officials, code officers and some outside professional expertise (i.e. mold/testing services); we can uphold our existing building codes, land development regulations, thereby formulating a “livable” housing standard for Wellington. This livable housing standard is the International Property Maintenance Code (IPMC), which exists within the adopted Village Building Code. These standards form the foundation for livability and improving our housing choices and include:
 - o Structural soundness
 - o Appropriate occupancy spaces
 - o Access and egress requirements for fire safety
 - o Appropriate parking
 - o Functioning sanitary facilities
 - o Functioning food prep and disposal areas
 - o Operable heating and air-conditioning systems
 - o Sufficient ventilation for air quality
 - o Operable lighting and electrical systems
 - o Adequate water supply
 - o Lead-free painting
 - o Proper rubbish and garbage collection
 - o Pest estimation and control
- Maintaining a registry of rental property owner, for easy contact and notification regarding the property. Wellington’s Rental Dwelling Unit Licenses are located within the Code of Ordinances, Section 71-1 – 71-20. This ordinance requires the contact information of the owner and agent, the exterior inspection, annual application fee and penalties for non-performance. Codification of this existing ordinance, building codes and IPMC standards for Wellington would represent the enforcement portion of a Neighborhood Preservation Policy.
- Establishing a Neighborhood Preservation Policy (NPP), improving the annual/bi-annual, rental housing/rental community review will improve housing choices. To improve housing choices would be to review not only the exterior, but the interior as well. This review would evaluate properties for code and Land Development Regulation (LDR) compliance and would enforce Wellington’s living standards. The interior review proposes to “raise the bar”, to enforce the IPMC standards which are a minimum living standard. As our structures age, we are seeing exterior issues that potentially affect the quality of life within the structure. The interior review would only be necessary if the exterior review found “cause” to review the interior. Examples of “cause” would include leaks around openings, roofs, or walls, as well as evidence of structural deficiencies or life safety issues. If the exterior review found cause, Wellington Building Department officials would be notified and the appropriate actions taken to legally, access the structure.

In summary, the proposed Neighborhood Preservation Policy codification would include: 1) the housing trust fund and grant operations, 2) the housing and neighborhood improvement programs, 3) establishing the housing stock registry, 4) enforceable livable standards in Wellington and 5) Chapter 71, rental licensing with the addition of single-family rentals and interior reviews. By including these five major components in the Neighborhood Preservation Policy (NPP), Wellington would take the next step to advance the housing improvements by utilizing our available codes, community policing, and community services personnel.



To this point, the neighborhoods of White Pine, 12th Fairway, Yarmouth, Golden Rod/Hyacinth, Hawthorne, Westhampton, and Montauk have seen an overall 15% drop in crime between 2012 and 2017. In these same neighborhoods, code violations peaked in 2014 with 1,331 violations written. Since this peak, violations have trended downward with 2016-17 seeing the largest one time drop of 32%. Meanwhile, the general appearance of these neighborhoods has improved between 2012 and 2017. Additionally, the economic recovery has also affected this revitalization; foreclosures have dropped significantly, property owners are reinvesting in their properties, and Code has shifted its emphasis from abatements to enforcement.

All good news; however, Wellington's 24,529 (19,538 SF & 4,991 MF) residential units are aging. One sign of an aging home is its roof. In comparing the actual number of re-roofs, which has occur over time to the year built data, assuming a 20 year roof life, the Village should be issuing about 800 re-roofing permits annually. Wellington's Building Department has issued 8,825 re-roofing permits between January of 2000 through February 2018, or about 500 re-roofing permits annually. This suggest that as a barometer to residential maintenance activities there is a short fall of 300 re-roofs annually. There are some significant variables, which could account for this difference: 1) the re-roofing data for homes in Wellington constructed or re-roofed prior to 2000 is available through the County, but these records are not fully compatible with today's software. 2) Simply based on time and the South Florida elements, one could assume that most of the 15,500 residential units constructed between, 1974 and 1999 have had their roofs replace at least once and some cases possibly twice, over this 40 plus year period. 3) Many of these roofs were replaced in 2004, 5 & 6 because of the hurricanes Wilma and Jean. During this 3-year period, reroofing permits spiked to 3,176. 4) As of 2001, wind speeds and structural reinforcement became part of the mitigation measures within the Florida building code and all new construction along with re-roofs are required to meet this code. In addition, there have been advancements in roofing materials that may extend a roofs life beyond 20 years. These variables may in part explain this discrepancy in permit activities. Assuming these variables have had an impact on roof maintenance activities and barring any major hurricanes, an increase in re-roofing should begin between 2020 and 2025. One last point to this example is that Wellington's residents strive to maintain their homes and have a pride of ownership. Roof replacement is a substantial reinvestment in a residence and the dollars needed to perform improvement typically come from insurances claims or a cash outlay. General home maintenance is a major component to sustaining residential values. As with any community, some residents struggle to maintain their homes and providing some assistance to aid these residents in upholding the community's living standard would benefit the street, the block, and the neighborhood.

Merriam Webster defines "Living Standards" as the necessities, comforts, and luxuries enjoyed or aspired to be an individual or group, a minimum of necessities, comforts, or luxuries held essential to maintaining a person or group in customary or proper status or circumstances.

Changing a little for our future

"You cannot escape the responsibility of tomorrow by evading it today." Abraham Lincoln

Redevelopment has been a part of the coastal city vocabulary for decades. Many of our coastal cities have undertaken redevelopment by forming a Community Redevelopment Agency (CRA). This occurred after the communities endured unsafe conditions, filth, and crimes that shook the local community and drove down property values.

As we look to avoid similar circumstances, developing a comprehensive Neighborhood Preservation Policy would utilize our existing regulations, codes, and police powers to maintain our community. Formation of a neighborhood assessment team created from our existing Community Services personnel, Code and Building departments to review rental properties on regular intervals, would ensure compliance with life safety issues, along with Wellington's living standards or the International Property Maintenance Code (IPMC). The goal of enacting this policy would be to raise the living standard in Wellington over the next 5-7 years. These reviews would also help propel our community into a



period of reinvestment and redevelopment. While doing nothing is an option, it can no longer be a recommendation. We have seen how limited actions have unraveled other communities and required decades to rebuild. Although our approach proposes multiple avenues, the overarching intent is to preserve the majority of our neighborhoods, sustain our community throughout the next 10-15 years and beyond, and keep Wellington viable. There are no simple solutions, and time has a way of eroding a community's vitality. This public/private sector reinvestment/redevelopment strategy would promote private sector investment by providing housing choices based on public sector incentives, walkable amenities, active code enforcement, higher living standards, and grant funding will aid in ownership, will add value to our great hometown.

The areas of proposed redevelopment and reinvestment include the Mall at Wellington Green, the neighborhood commercial centers (Four Corners), and eight residential communities: French Quarter, Woodwind, Sturbridge, White Pine, 12th Fairway, Yarmouth, Periwinkle, and portions of Westhampton, representing 1,099 existing units. The residential incentive for these communities pencils out on paper at 1,363 added units as part of the redevelopment incentives, with the understanding that not every existing residential property will undergo redevelopment. Additional units could be allowed should a developer commit to the additional incentives by design and through Council's site plan approvals. The minimum recommended lot area for redevelopment to occur would be as small as $\frac{1}{2}$ acre. As a practical matter, considering concentrations of homeownership, with some height and space limitations, one could assume that roughly 50% or about 700 additional units could be added to the existing neighborhoods within Wellington's core over the long term.

The neighborhood commercial centers may offer the greatest redevelopment opportunities sooner than the residential communities, as these centers typically have common ownership, which can accelerate the redevelopment process. One downside is long-term tenant leases, which can also slow redevelopment. However, over the long term, this private reinvestment would add value and could promote the transformation of adjacent multi-family neighborhoods.

One specific area where private investment, together with public sector improvements, may provide area wide value is The Town Square Commercial Center. This Center is adjacent to the Village's Town Center and located within MidTown. The Town Square Commercial Center is one of our Four Corners and is a part of a gathering place that is walkable for the surrounding neighborhoods. Together with the proposed density increases, these neighborhoods will be enhanced by the growth and walkability of this entire area.

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."
Charles Darwin

Hone our destination

Location, location, location is the mantra of the real estate industry and Wellington could not be in a better location as central Palm Beach County's destination community; but are we ready to be the destination "hub" of central Palm Beach County?

Nearly forty years ago, West Palm Beach was Wellington residents' destination for entertainment, dining, and for many personal services. Today, residents rarely need to travel east of the Turnpike to obtain these same amenities. Our location, just west of the Florida Turnpike with the east-west corridors of Southern Boulevard and Lake Worth Road, provides easy access to our community. The development activities proposed both north and south of Wellington would add 50,000 plus more residents to Central County. This would be in addition to the 290,000 that reside here today. This expanded population throughout the next 10-15 years is projected to grow to over 350,000 people. As residents of central Palm Beach County, they will be looking to reduce their commute, consolidate daily trips, locate housing near their place of employment and patronize local entertainment venues, which are in close proximity to their communities. Wellington is a destination in central Palm Beach County today and we can expand our hub by providing food, fun, and



family activities, coupled with employment and equivalent or better housing choices that meet the needs of singles, couples, and our aging population.

As we look to redevelop portions of Wellington's original inner core, the State Road 7 corridor offers job creation and additional dining and entertainment opportunities that may not be possible within our inner core area. "Wellingtonians" have highlighted the need to improve fine dining opportunities within the Village, along with more entertainment and cultural activities within our community. Assuming our residents' desires are equivalent to our new central County residents, an employment and entertainment district along the State Road 7 corridor should become a priority. As we focus attention on central Palm Beach County as a regional economic engine, Wellington has the potential to become the destination or "hub" of this region. The Mall at Wellington Green is a major asset that could support additional residential, entertainment, and employment options. Based on our conversations with the mall owners, Starwood Corporation, we believe these uses are also compatible with their own redevelopment strategies for the center portion (the egg) of the mall.

Nationally, mall redevelopment in general has repurposed retail space with a residential component as part of the revitalization activities. This trend could be supported within the Mall at Wellington Green property. In fact, portions of the mall transitioning into residential, could be considered a compatible mix of uses. The approved, but unbuilt Devonshire assisted living facility could also request residential units as well. In total, there could be 800–1,000 residential units proposed within the SR 7 corridor. This corridor also includes the 441 Partners 35 acre site, R & J Farms Inc. (aka Fina) 64-acre site, and the Village owned 69-acre K-Park site. These three properties represent the majority of all undeveloped and uncommitted lands in Wellington. These properties are viewed as prime lands for commercial and employment uses, with limited residential, combined into mixed-use developments. This as we look to promote the expansion of our medical hub that will create jobs adding to Wellington's sustainability.

Wellington Regional Medical Center has long been at the core of Wellington's medical services sector as such we have seen the conversion of 102,000 sf of retail space around the Mall at Wellington Green to medical use over the past five years. Specifically, it has occurred with nationally recognized medical facilities like Joe DiMaggio Children's Center, Cleveland Clinic, Bethesda Medical Center, along with a host of medical specialists, who continue to expand the types of medical treatment available within Wellington. Wellington's concept of a medical arts district nearly a decade ago may have been slightly ahead of market conditions. Today, aiding and allowing for the conversion of retail space to medical office, will continue to support the expansion of the medical service sector in Wellington, providing quality jobs, while expanding the uses in and around the Mall.

How will we lead?

With the community's input, Council sets policies and provides direction to formulate our reinvestment and redevelopment efforts within Wellington. This direction will determine the course of reinvestment and redevelopment throughout the next decade. Council's approvals of the forth-coming Land Development Regulations will provide the development community direction, commitment and certainty, while assure our residents a voice in the redevelopment process. Policies related to grants, homeownership promotion, residential maintenance, and capital improvements will require Village funding for some of these projects. Direction to prepare a Neighborhood Preservation Policy will be a commitment to uphold community standards as well as a commitment to Wellington's livability standards.

Development beyond Wellington's boundaries will require leadership to guide and voice our sentiments. Wellington's leadership role should be to influence change that will aid our community. This voice should support those development efforts that minimize deficiencies in our community, i.e. commercial lands and employment centers, while determining the types of development that will support our destination hub. Annexation of lands north and south of our borders may also be a consideration that will require strong leadership. Additionally, this voice will need to determine the effects



growth will have on Wellington's lifestyle. One area of concern will be our schools; will students from these new communities affect educational programs in Wellington? Addressing issues of possible overcrowding and educational standards, along with operational and maintenance concerns should be discussed now, before school ratings experience potential negative impacts.

Traffic and roadway improvements will also influence our residents' quality of life. Noise generated by traffic from the additional commuters may affect residents along our northern boundary, not to mention increased traffic volumes that will affect daily commutes. Will expending dollars for rights-of-way acquisition and increasing the number of travel lanes throughout the next 20 years really solve the commuting issue? Alternatively, should Wellington look to the private sector to improve transportation alternatives that may come at a lesser cost and yield dividends in less time?

Establishing working relationships with our sister communities will help to minimize quality of life issues as development progresses. Palm Beach County is the key governmental body that has or will be approving development activities both north and south of Wellington. Therefore, maintaining an open and ongoing line of communication with our elected officials and key staff members will result in the resolution of concerns, before they become problems. Utilizing our working relationships with local civic groups and Chambers of Commerce may also serve as a means of addressing concerns. Strong leadership will help guide and maintain our living standard while preserving Wellington's lifestyle. Wellington's future can evolve through:

Investments

- Neighborhood preservation (supporting community values, enforcing of minimum living standards, establish a housing trust fund with required funding to improve choice housing, and fund grants to improve values).
- Community infrastructure (support schools, parks, roads, streetscapes, pathways, storm drainage, water, and wastewater systems).
- Diversify economy (expand job creation, support a medical hub, foster an entertainment & arts district).

Incentives

- Create destinations (retain residents, attract visitors, and capture more business dollars).
- Attract new residents and employees (from broader county's projected growth areas).
- Broaden housing choices (smaller home options for singles, couples, and an aging population).
- Improve home based business opportunities within Wellington.

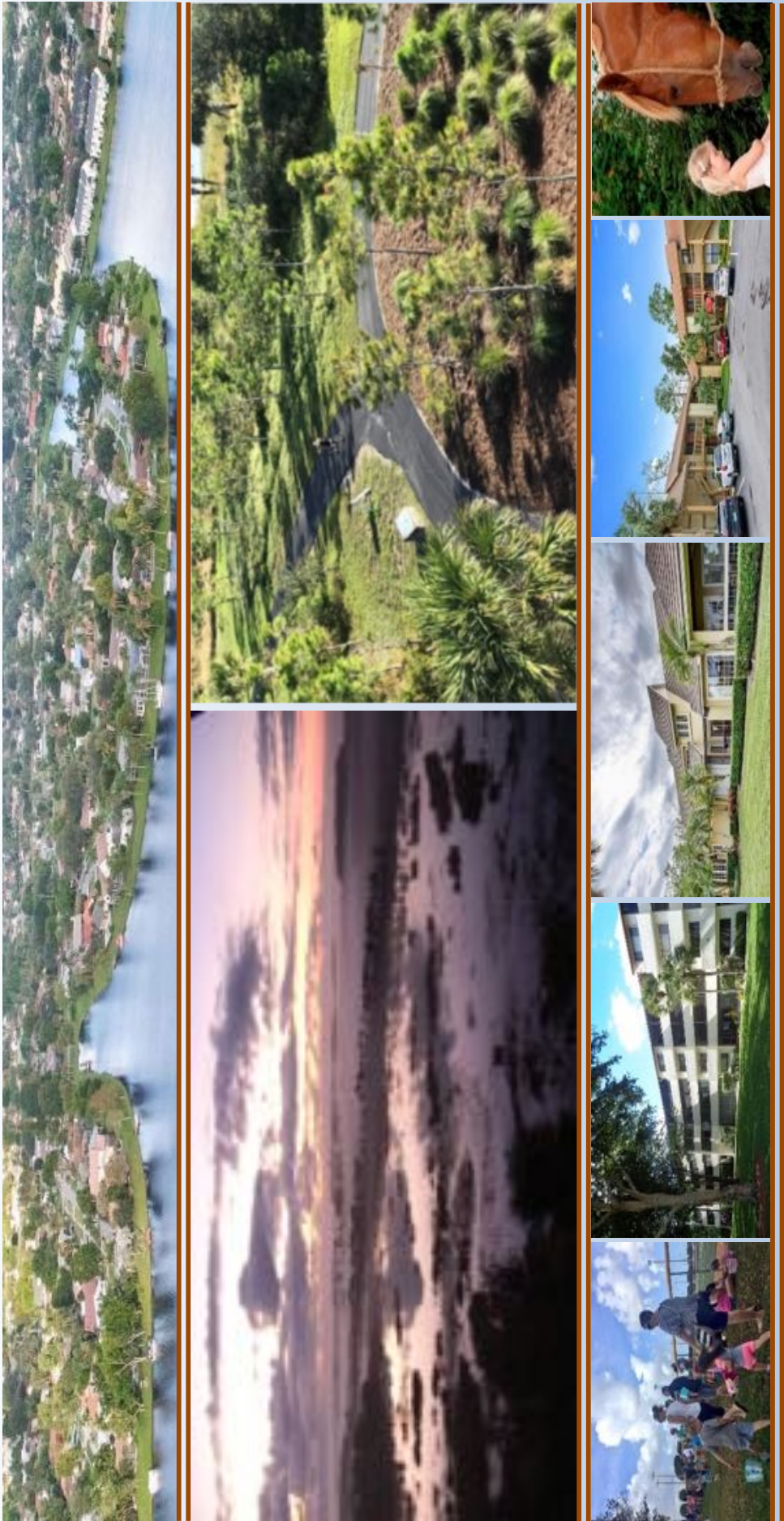
Innovation

- Expand mobility options (create potential live, work, play environments to lessen the commute).
- Advance educational opportunities (enhanced curriculums, improve the learning environment).
- Through leadership and the use of consensus building tools, provide guidance and a voice for the betterment of central Palm Beach County.

No doubt, Wellington will continue to invest in its neighborhoods, schools and infrastructure as the return on investment is measured annually through increased property values. The incentive strategy is a long-term proposal that does not provide this annual measurable return on investment. It will however, ensure that Wellington is protecting its investment by proactively preparing to eliminate conditions that contribute to the deterioration of the built environment and reduced stagnant property values in our older subdivisions by providing for redevelopment. In addition, Wellington can protect its investments by creating and administering programs and projects that encourage private investment and improve the quality of life for residents, businesses, and visitors. This strategy provides for continuous and steady



improvements with dividends being returned mid-life of the 20-year term. This incentive strategy is innovative and is one that focuses on preparing rather than repairing. Investment in innovation comes with peaks and valleys during this investment cycle and near the end, steady leadership will have fostered our family environment, promoted safe neighborhoods, and enhanced the communities values, thereby sustaining our great hometown.



HOUSING AND ECONOMIC IMPACT STUDIES 2018

Initial Analysis and Key Findings

Wellington Housing Impact Study

Study Purpose - Adapt to a changing housing and economic environment to maintain Wellington's unique character

Importance - A competitive housing market will augment Wellington's economic development position in Central Palm Beach County by offering young and older working professionals a range of housing choices and opportunities

Key Housing Market Demand Factors

An estimated 78 percent of the Village's households are families, compared to only 62.5 percent for the County

In the last five years, Wellington's population 55+ and 65+ has increased by 31.7 and 52.7 percent, respectively

How does Wellington's existing housing mix address changing housing preferences and the Village's own changing age structure and economic development goals?

Key Housing Market Supply Factors

An estimated 79.7 percent of Wellington's housing inventory are 1-unit detached (71.3 percent) and 1-unit attached (8.5 percent) structures

Only 19 percent of Wellington's housing units are 1-2 bedrooms compared to 50 percent in Palm Beach County

The age, condition and diminishing value of a significant share of Wellington's owner-occupied housing presents both a challenge and an opportunity

Housing Market Demand/Supply

Owner Housing Supply and Demand Analysis Village of Wellington

HH Income Category	HH Income Range	Total Owner Households (Demand)	Home Purchase at Affordable Price Levels		Number of Owner Units Within Affordable Price Range (Supply)		Surplus/Gap within Affordable Price Range
Low Income	51-80% Median		51% Median	80% Median	51-80% Median		
	\$42,468 -						
	\$66,616	2143	127,404	199,857	1,381 (9%)		-762 units
Moderate Income	81-120% Median		81% Median	120% Median	81-120% Median		
	\$66,617 -						
	\$99,924	3142	199,851	299,772	3,890 (6%)		748 units
Workforce Income	121-150% Median		121% Median	150% Median	121-150% Median		
	\$99,925 -						
	\$124,905	1811	299,775	374,715	2,304 (15%)		493 units

Source: U.S. Census, American Community Survey, 2012-2016; table and calculations prepared by the FIU Metropolitan Center.

Housing Market Demand/Supply

Renter Housing Supply and Demand Analysis: Village of Wellington

HH Income Category	HH Income Range	Number of Renter Households (Demand)	Affordable Rent Levels		Number of Renter Units Within Affordable Price Range (Supply)	Surplus/Gap within Affordable Rent Range
Low Income	51-80% Median		51% Median	80% Median	51-80% Median	
	\$42,468 - \$66,616	1,722	\$1,062	\$1,665	1,870 units (42%)	148 units
	81-120% Median		81% Median	120% Median	81-120% Median	
Moderate Income	\$66,617- \$99,924	1,022	\$1,666	\$2,498	1,386 units (31%)	364 units
	121-150% Median		121% Median	150% Median	121-150% Median	
Workforce Income	\$99,925 - \$124,905	526	\$2,499	\$3,123	25 units (< 1%)	(501 units)

Source: U.S. Census, American Community Survey, 2012-2016; table and calculations prepared by the FIU Metropolitan Center.

Housing Market Demand: Essential Workers

Annual Mean Wage: Leading Professional Occupations in Palm Beach County

Occupation	Annual Mean Wage	<50% MHI \$41,625	<80% MHI \$66,116	<100% MHI \$83,270	<120% MHI \$99,924
Elementary School Teachers	\$46,590		X		
Secondary School Teachers	\$54,700		X		
Librarians	\$57,390		X		
Register Nurses	\$66,530			X	
Nursing Assistants	\$25,270	X			
Police and Sheriff Patrol Officers	\$72,100			X	
Emergency Medical Technicians and Paramedics	\$47,974		X		
Firefighters	\$67,475			X	
Police, Fire and Ambulance Dispatchers	\$55,474		X		

Source: Bureau of Labor Statistics, Occupational Employment Statistics (OES), May, 2017, West Palm Beach-Boca Raton-Delray Beach, FL Metropolitan Division. Florida Department of Economic Opportunity, Florida Occupational Employment & Wages, 2017, West Palm Beach-Boca Raton-Boynton Beach MSA, Florida Occupational Employment & Wages Annual Mean Wage based on forty-hour work week; table prepared by FIU Metropolitan Center.

Housing Market Demand: Growing Tech Workers

Annual Mean Wage: Leading Creative Design Occupations in Palm Beach County

Occupation	Annual Mean Wage	<50% MHI \$41,635	<80% MHI \$66,116	<100% MHI \$83,270	<120% MHI \$99,924
Business Operations Specialists	\$72,460			X	
Computer User Support Specialists	\$47,430		X		
Software Developers	\$94,160				X
Computer Systems Analysts	\$79,080			X	
Civil Engineers	\$95,070				X
Graphic Designers	\$52,160		X		
Interior Designers	\$58,610		X		

Source: Bureau of Labor Statistics, Occupational Employment Statistics (OES), May, 2017, West Palm Beach-Boca Raton-Delray Beach, FL Metropolitan Division. Florida Department of Economic Opportunity, Florida Occupational Employment & Wages, 2017, West Palm Beach-Boca Raton-Boynton Beach MSA. Florida Occupational Employment & Wages Annual Mean Wage based on forty-hour work week; table prepared by FIU Metropolitan Center.

Economic Impact Study: Analytical Approach

- Relationship of Village Economy to County Growth Patterns
- Forensic Analysis of Village Economic Structure & Dynamics
- Separate Analysis of Equestrian Economic Impact
- Key Findings
- Identification of Key Policy Considerations

Wellington and the Regional Economy

Palm Beach County's Competitive Position

- Employment growth: 21% since 2010 / US = at 15%
- Private employer average wage = \$51,098 (2016) - is the highest in Florida
- Private employer average wages +5% since 2011, adjusted for inflation
- Diversified industry structure: Top 100 employers are concentrated in agriculture, aerospace, pharmaceuticals, computing equipment, medical devices, and research services.
- Leading traded sectors: 8 of the County's top 10 traded industries are concentrated in industries requiring advanced education and/or professional skills
- 15% Job Growth Forecast thru 2025

Wellington and the Regional Economy

Palm Beach County's Competitive Position

- Highest number of Florida annual patents - 55th highest patent rate of all US counties
- **Advanced Industries** — employ 39,319, or 8% of the County's workers / US = 9%
- **Firm Size Trending Smaller:**
 - Average number of employees per establishment has shrunk by 25 percent since 2001 (12 down to 9)
 - Employer establishments employing less than 20 employees make up 89 percent of all establishments.
 - 171,000 **non-employer** establishments
 - 98 percent of the County's business establishments have 20 or less employees.

Wellington: Key Economic Characteristics



Sizable, Diverse, Robust, and Dynamic

- 2,147 business establishments
- 19,060 workers
- Total sales over \$3.04 Billion
- 3% of County Jobs Base



Equestrian Industry Economic Impact Study



Equestrian Industry Impact

- Equestrian industry consisting of activities involved in maintaining and supporting horses in Wellington, and activities associated with recreational and entertainment uses of horses.
- Analysis based on individual business data
- 119 businesses directly involved in the industry, with annual sales of over \$95 million
- Economic contribution analysis calculates total impacts which include additional value generated by the industry.

NAICS	Description	Count	Employees	Additional Employment	Sales	Additional Output	Total Output
11	Horse & Other Eq. Production, Support Activities	53	660	655	\$61,614,913	\$30,034,960	\$91,649,873
23	Construction	1	2	1	\$100,000	\$34,392	\$134,392
42-45	Retail and Wholesale Trade	19	64	656	\$9,529,483	\$30,069,352	\$14,257,267
48	Transportation	1	1	0	\$135,000	\$63,427	\$198,427
51	Information	3	5	12	\$209,000	\$152,301	\$361,301
52	Finance and Insurance	3	7	6	\$698,000	\$488,920	\$1,186,920
53	Real Estate and Rental and Leasing	3	6	4	\$380,000	\$146,058	\$526,058
54	Professional, Scientific, and Technical Services	15	113	58	\$14,292,401	\$7,507,086	\$21,799,487
61	Education (Riding Schools)	4	7	1	\$438,000	\$201,607	\$639,607
71	Recreation	15	44	16	\$5,944,063	\$2,958,696	\$8,902,759
81	Other Services	2	24	12	\$1,560,055	\$545,829	\$2,105,884
		119	933	1,422	\$94,900,915	\$72,202,628	\$141,761,975

Wellington: Key Economic Characteristics

Growth Rate

- Outperformed County, State and the US
- 2010 – 2016: 332 new business establishments – 20% increase
- 3,399 Jobs - 26% increase

County:

- 14% increase in establishments
- 20.5 increase in jobs

Wellington: Key Economic Characteristics

Industry Structure – Atypically Diverse

- Retail Trade, Health Care and Social Assistance, and Accommodation and Food Services account for 44 percent of employment and 31 percent of sales of businesses in Wellington
- 797 establishments in these three industries = widely distributed
- Village is a retail destination for the Market area
- 35 percent of all retail establishments, and 32 percent of annual retail sales in the Market Area
- Health Care industry – Atypically Large and distributed for small economy
- Wholesale trade - significant impact - 2 percent of employees, but second highest grossing sales (\$518 M)
- Leading Industry sub-sectors: Restaurants, Offices of Physicians, Offices of Real Estate Agents and Brokers, Grocery Stores, Clothing Stores, and Building Material and Supplies Dealers comprise the largest combination of employment and annual sales

Wellington: Key Economic Characteristics

Wellington: Top 30 Industry Subsectors by Employment						
Industry Sub-Sector	Establishments	Employees	%	Sales	%	County Industry Average Wage
7225 Restaurants and Other Eating Places	126	2,684	14%	141,436,000	5%	\$19,344
6111 Elementary and Secondary Schools	16	1,352	7%	-	0%	\$37,752
6211 Offices of Physicians	138	962	5%	206,161,000	7%	\$80,392
5312 Offices of Real Estate Agents and Brokers	106	944	5%	89,224,000	3%	\$63,180
4451 Grocery Stores	8	841	4%	170,382,000	6%	\$23,816
6221 General Medical and Surgical Hospitals	1	800	4%	-	0%	\$56,680
8129 Other Personal Services	20	592	3%	41,893,000	1%	\$32,552
4481 Clothing Stores	43	586	3%	104,666,000	3%	\$21,632
8121 Personal Care Services	83	539	3%	28,967,000	1%	\$24,440
4522 Department Stores	4	518	3%	96,136,000	3%	\$22,984
7139 Other Amusement and Recreation Industries	36	505	3%	59,750,000	2%	\$33,436
4441 Building Material and Supplies Dealers	10	500	3%	165,385,000	5%	\$31,408
6212 Offices of Dentists	45	315	2%	43,201,000	1%	\$51,116
4461 Health and Personal Care Stores	29	279	1%	64,075,000	2%	\$37,076
2389 Other Specialty Trade Contractors	14	233	1%	48,969,000	2%	\$44,928
6214 Outpatient Care Centers	17	225	1%	43,107,000	1%	\$50,856
2361 Residential Building Construction	50	222	1%	83,767,000	3%	\$62,972
6213 Offices of Other Health Practitioners	81	204	1%	16,928,000	1%	\$44,668
5617 Services to Buildings and Dwellings	37	198	1%	17,627,000	1%	\$28,548
5419 Other Professional, Scientific, and Technical Services	32	192	1%	18,763,000	1%	\$53,768
2382 Building Equipment Contractors	32	189	1%	22,644,000	1%	\$50,752
6244 Child Day Care Services	11	179	1%	5,146,000	0%	\$26,468
5413 Architectural, Engineering, and Related Services	21	172	1%	27,764,000	1%	\$72,644
5311 Lessors of Real Estate	22	161	1%	47,007,000	2%	\$52,624
5411 Legal Services	51	161	1%	32,902,000	1%	\$79,456
5242 Agencies, Brokerages, and Other Insurance Related Activities	38	154	1%	24,132,000	1%	\$74,464
6116 Other Schools and Instruction	31	148	1%	7,992,000	0%	\$29,952
1119 Other Crop Farming	18	141	1%	14,029,000	0%	\$0
4511 Sporting Goods, Hobby, and Musical Instrument Stores	27	138	1%	26,636,000	1%	NA
5221 Depository Credit Intermediation	17	138	1%	37,061,000	1%	\$70,304
Subtotal	1,164	14,272	75%	\$1,685,750,000	55%	
Total, Wellington	2,147	19,060	100%	\$3,039,504,000	100%	



Wellington: Key Economic Characteristics

Industry Structure – Traded Sectors

Wellington: Top 30 Traded Industry Subsectors by Employment				
Traded Industry Sub-Sector	Establishments	Employees	Sales	
5419 Other Professional, Scientific, and Technical Services	32	192	18,763,000	
5413 Architectural, Engineering, and Related Services	21	172	27,764,000	
1119 Other Crop Farming	18	141	14,029,000	
5112 Software Publishers	9	102	32,580,000	
3364 Aerospace Product and Parts Manufacturing	1	100	20,927,000	
5239 Other Financial Investment Activities	27	98	35,396,000	
5418 Advertising, Public Relations, and Related Services	20	78	15,221,000	
5121 Motion Picture and Video Industries	8	75	6,978,000	
4234 Professional and Commercial Equipment and Supplies Merchant Wholesale	8	69	80,129,000	
5619 Other Support Services	24	67	8,973,000	
5417 Scientific Research and Development Services	9	67	-	
5416 Management, Scientific, and Technical Consulting Services	27	61	7,916,000	
5415 Computer Systems Design and Related Services	14	60	14,793,000	
5222 Nondepository Credit Intermediation	8	43	21,890,000	
3345 Navigational, Measuring, Electromedical, and Control Instruments Manufact	1	42	11,811,000	
6117 Educational Support Services	7	42	644,000	
4249 Miscellaneous Nondurable Goods Merchant Wholesalers	7	40	58,779,000	
2362 Nonresidential Building Construction	15	39	13,053,000	
4239 Miscellaneous Durable Goods Merchant Wholesalers	7	38	38,336,000	
5414 Specialized Design Services	15	37	4,812,000	
5191 Other Information Services	2	37	937,000	
7112 Spectator Sports	2	32	6,420,000	
5179 Other Telecommunications	5	31	12,469,000	
5615 Travel Arrangement and Reservation Services	9	31	3,521,000	
3311 Iron and Steel Mills and Ferroalloy Manufacturing	1	30	16,266,000	
3371 Household and Institutional Furniture and Kitchen Cabinet Manufacturing	6	29	7,927,000	
3344 Semiconductor and Other Electronic Component Manufacturing	1	27	7,693,000	
7211 Traveler Accommodation	1	27	2,962,000	
7111 Performing Arts Companies	5	27	2,225,000	
7121 Museums, Historical Sites, and Similar Institutions	2	27	-	
Subtotal	312	1,861	\$493,214,000	
Total, Wellington	2,147	19,060	\$3,039,504,000	

Wellington: Key Economic Characteristics

Industry Structure – Establishment Size Distribution

- 86 percent of businesses in Wellington employ less than 20 employees.
- Mostly locally owned – 84% percent are single location establishments

Employee Size	Establishments	Percentage
1-4	1,189	55%
5-9	444	21%
10-19	211	10%
20-49	117	5%
50-99	29	1%
100-249	29	1%
250-499	2	0%
500-999	2	0%
1000-4999	0	0%
5000-9999	0	0%
10000+	0	0%
Unknown	124	6%
Total	2,147	100%

Source: InfoUsa, 2018; Data analyzed by the FIU Metropolitan Center.

Wellington: Key Economic Characteristics

Industry Structure – Atypically Diverse

The mix of established, strong retail performance, combined with the Village’s high number of small professional services establishments indicates that it is a particularly well-balanced small economy.

Wellington is both a retail and professional services hub – its business mix serves the local residents as well as the region.

Wellington: Key Economic Characteristics

Job Quality - Industry Wage Structure

42% of establishments are in industries that pay an average salary above the County annual average

They Account for 36% of all employment

Wellington: Top Subsectors by Average Wage				
Industry Sub-Sector	Establishments	Employees	Sub-Sector Average Annual Wage	
5231 Securities and Commodity Contracts Intermediation and Brokerage	2	25	\$199,368.00	
3254 Pharmaceutical and Medicine Manufacturing	1	10	\$120,588.00	
5511 Management of Companies and Enterprises	2	6	\$100,620.00	
5112 Software Publishers	9	102	\$100,256.00	
5223 Activities Related to Credit Intermediation	1	25	\$99,268.00	
5222 Nondepository Credit Intermediation	8	43	\$97,032.00	
4234 Professional and Commercial Equipment and Supplies Merchant Wholesale	8	69	\$95,524.00	
3364 Aerospace Product and Parts Manufacturing	1	100	\$94,016.00	
5611 Office Administrative Services	8	126	\$90,428.00	
5182 Data Processing, Hosting, and Related Services	2	6	\$87,932.00	
5417 Scientific Research and Development Services	9	67	\$85,072.00	
5415 Computer Systems Design and Related Services	14	60	\$80,496.00	
6211 Offices of Physicians	138	962	\$80,392.00	
4812 Nonscheduled Air Transportation	2	7	\$80,028.00	
5411 Legal Services	51	161	\$79,456.00	
4242 Drugs and Druggists' Sundries Merchant Wholesalers	2	7	\$78,572.00	
5191 Other Information Services	2	37	\$78,520.00	
5179 Other Telecommunications	5	31	\$76,804.00	
5242 Agencies, Brokerages, and Other Insurance Related Activities	38	154	\$74,464.00	
5413 Architectural, Engineering, and Related Services	21	172	\$72,644.00	
5416 Management, Scientific, and Technical Consulting Services	27	61	\$72,072.00	
5111 Newspaper, Periodical, Book, and Directory Publishers	3	35	\$71,448.00	
4238 Machinery, Equipment, and Supplies Merchant Wholesalers	8	26	\$71,448.00	
3333 Commercial and Service Industry Machinery Manufacturing	1	7	\$70,512.00	
5221 Depository Credit Intermediation	17	138	\$70,304.00	
4237 Hardware, and Plumbing and Heating Equipment and Supplies Merchant V	2	7	\$70,200.00	
3344 Semiconductor and Other Electronic Component Manufacturing	1	27	\$69,732.00	
4232 Furniture and Home Furnishing Merchant Wholesalers	1	2	\$69,108.00	
3345 Navigational, Measuring, Electromedical, and Control Instruments Manufact	1	42	\$68,952.00	
5241 Insurance Carriers	4	13	\$68,796.00	

Wellington: Key Economic Characteristics

Job Quality – Labor Productivity

Total Annual sales in Wellington =
\$159,470 per worker

Miami-Fort Lauderdale-West Palm Beach
Labor Productivity =
\$109,528 per worker

Wellington: Key Economic Characteristics

Job Quality – Advanced Industry Sector

Services	Establishments	Employees	Sales
Architecture & Engineering	5413	21	\$27,764,000
Management Consulting	5416	27	\$7,916,000
Computer Systems Design	5415	14	\$14,793,000
Other Telecommunications	5179	5	\$12,469,000
Data Processing & Hosting	5182	2	\$2,133,000
Software Products	5112	9	\$32,580,000
Wireless Telecom Carriers	5172	0	\$0
Web Search and Internet Publishir	5191	2	\$937,000
R&D Services	5417	9	\$0
Metal Ore Mining	2122	0	\$0
Satellite Telecommunications	5174	0	\$0
Medical & Diagnostic Laboratories	6215	10	\$15,421,000
Cable & Other Programming	5152	2	\$7,079,000
Services Totals	101	621	\$121,092,000

115 Establishments
5% of Employment
7% of Sales



Manufacturing	Establishments	Employees	Sales
Semiconductors	3344	1	\$7,693,000
Precision Instruments	3345	1	\$11,811,000
Computer Equipment	3341	0	\$0
General Purpose Machinery	3339	0	\$0
Medical Equipment & Supplies	3391	3	\$802,000
Jewelry, Sporting Goods	3399	1	\$1,112,000
Aircraft Products & Parts	3364	1	\$20,927,000
Pesticides & Fertilizers	3253	0	\$0
Magnetic & Optical Media	3346	0	\$0
Stone & Mineral Products	3279	1	\$387,000
Commercial & Service Machinery	3333	1	\$1,159,000
Engine & Power Equipment	3336	0	\$0
Ships & Boats	3366	0	\$0
Railroad Rolling Stock	3365	0	\$0
Iron & Steel Products	3311	1	\$16,266,000
Foundries	3315	0	\$0
Electrical Lighting Equipment	3351	0	\$0
Aluminum Products	3313	0	\$0
Clay & Refractory Products	3271	0	\$0
Communications Equipment	3342	0	\$0
Petroleum & Coal Products	3241	0	\$0
Agri., Constr., Mining Machinery	3331	0	\$0
Basic Chemicals	3251	0	\$0
Audio & Video Equipment	3343	1	\$1,903,000
Electrical Equipment	3353	0	\$0
Motor Vehicle Parts	3363	0	\$0
Motor Vehicles	3361	0	\$0
Misc. Chemicals	3259	0	\$0
Misc. Transportation Equipment	3369	0	\$0
Motor Vehicle Body & Trailers	3362	0	\$0
Pharmaceuticals	3254	1	\$0
Misc. Electrical Equipment	3359	0	\$0
Household Appliances	3352	1	\$598,000
Industrial Machinery	3332	0	\$0
Resins & Synthetic Rubbers	3252	0	\$0
Iron & Steel Products	3311	1	\$16,266,000
Manufacturing Totals	14	282	\$78,924,000

Wellington: Key Economic Characteristics

Resident Workers

- Highly Educated – 29.6% Bachelors Degree / 17.6 % Graduate Degree (21% and 12% US and County)
- 15.7% Self-Employed
- 46% Employed in Managerial Occupations (36% County)

Wellington: Key Economic Characteristics

Resident Workers

Median Annual Earnings =
25% More than County

50/75 Ratio – 21st in US

Worker Earnings, 2016	Palm Beach County	Village of Wellington
Population 16 years and over with earning	699,893	32,326
Median earnings (dollars)	\$30,352	\$40,230
Mean earnings (dollars)	\$62,247	\$75,495
Full-time, year-round workers with earnings:	435,365	20,680
\$1 to \$9,999 or less	2%	1%
\$10,000 to \$14,999	5%	3%
\$15,000 to \$24,999	16%	10%
\$25,000 to \$34,999	17%	12%
\$35,000 to \$49,999	20%	20%
\$50,000 to \$64,999	14%	16%
\$65,000 to \$74,999	5%	6%
\$75,000 to \$99,999	9%	12%
\$100,000 or more	13%	21%
Workers earning \$50,000 or less	59%	45%
Workers earning \$75,000 or more	22%	33%

Source: 2012-2016 American Community Survey 5-Year Estimates

Wellington: Key Economic Characteristics

Resident Workers

Table 18: Median Earnings by Industry, 2016

Earnings by Industry	Village of Wellington						Palm Beach		Ratio
	2010	2011	2012	2013	2014	2015	2016	10-'16	
Civilian employed population 16 years and over	\$41,736	\$41,966	\$42,818	\$42,697	\$43,278	\$42,992	\$42,867	9.8%	131%
Agriculture, forestry, fishing and hunting, and mining	\$33,971	\$29,184	\$26,772	\$27,137	\$37,301	\$45,978	\$50,238	47.9%	205%
Agriculture, forestry, fishing and hunting	\$28,775	\$28,418	\$26,671	\$26,955	\$36,563	\$43,750	\$50,238	74.6%	224%
Mining, quarrying, and oil and gas extraction	\$44,656	\$250,000+	\$250,000+	-	-	-	\$70,380	-	-
Construction	\$51,426	\$50,303	\$52,749	\$53,286	\$59,129	\$46,105	\$59,424	-1.9%	164%
Manufacturing	\$61,667	\$62,821	\$62,599	\$62,396	\$71,607	\$82,632	\$89,583	48.3%	190%
Wholesale trade	\$51,023	\$51,908	\$54,554	\$53,835	\$60,241	\$61,566	\$64,808	27.0%	140%
Retail trade	\$26,848	\$22,231	\$20,465	\$21,486	\$19,825	\$21,273	\$25,195	-6.2%	106%
Transportation and warehousing, and utilities	\$54,864	\$53,208	\$55,795	\$54,160	\$56,444	\$55,815	\$57,056	-4.0%	125%
Transportation and warehousing	\$50,706	\$50,800	\$50,966	\$44,985	\$48,419	\$49,722	\$48,676	-4.0%	119%
Utilities	\$69,000	\$66,274	\$79,489	\$78,971	\$85,000	\$83,000	\$91,259	32.2%	136%
Information	\$43,472	\$43,523	\$46,233	\$46,509	\$49,000	\$49,226	\$48,347	11.2%	109%
Finance and insurance, and real estate and rental and leasing	\$48,375	\$49,865	\$48,460	\$47,539	\$47,663	\$50,259	\$53,893	7.3%	112%
Finance and insurance	\$51,695	\$59,618	\$60,270	\$55,438	\$57,616	\$60,366	\$63,011	18.0%	116%
Real estate and rental and leasing	\$46,497	\$45,134	\$44,340	\$42,042	\$46,548	\$40,608	\$40,863	-12.1%	106%
Professional, scientific, and management, and administrative	\$54,782	\$55,548	\$50,000	\$40,202	\$42,250	\$41,509	\$41,381	-24.5%	115%
Professional, scientific, and technical services	\$62,386	\$64,658	\$59,283	\$52,515	\$51,924	\$50,879	\$55,407	-11.2%	104%
Management of companies and enterprises	\$55,833	\$65,715	-	-	-	-	\$68,571	-	-
Administrative and support and waste management service	\$30,333	\$26,502	\$26,664	\$26,368	\$29,525	\$26,131	\$27,210	-10.2%	112%
Educational services, and health care and social assistance:	\$41,264	\$40,949	\$43,775	\$46,011	\$45,338	\$42,397	\$42,794	3.7%	119%
Educational services	\$38,039	\$39,141	\$41,136	\$43,068	\$45,612	\$44,345	\$43,014	13.1%	112%
Health care and social assistance	\$44,978	\$45,440	\$46,364	\$47,041	\$45,136	\$41,705	\$42,559	-5.4%	125%
Arts, entertainment, and recreation, and accommodation an	\$21,339	\$21,157	\$21,360	\$19,979	\$18,236	\$19,058	\$18,233	-14.6%	93%
Arts, entertainment, and recreation	\$34,464	\$39,034	\$42,031	\$50,099	\$32,250	\$37,599	\$34,201	-0.8%	138%
Accommodation and food services	\$14,898	\$15,420	\$15,697	\$14,786	\$14,383	\$14,113	\$12,101	-18.8%	69%
Other services, except public administration	\$28,210	\$25,714	\$26,688	\$21,384	\$26,282	\$25,607	\$21,830	-22.6%	100%
Public administration	\$58,852	\$61,867	\$59,135	\$65,733	\$75,530	\$67,031	\$67,356	14.1%	125%

Source: U.S. Census, 2010-2014, 2012-2016 American Community Survey 5-Year Estimates

Wellington: Key Economic Characteristics

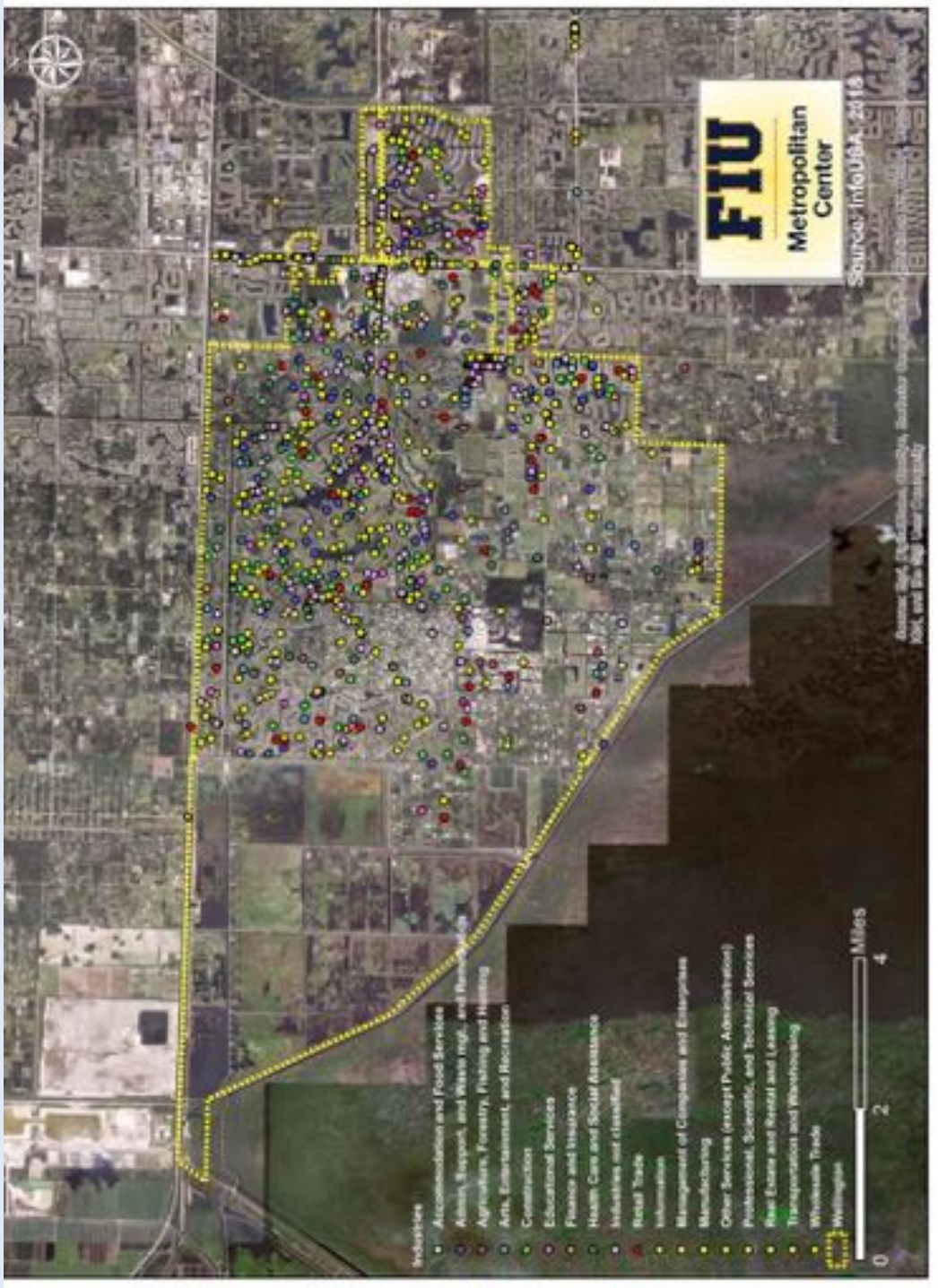
Economic Geography: Where Wellington Works

Figure 1. Inflow and Outflow Analysis, Wellington, 2015



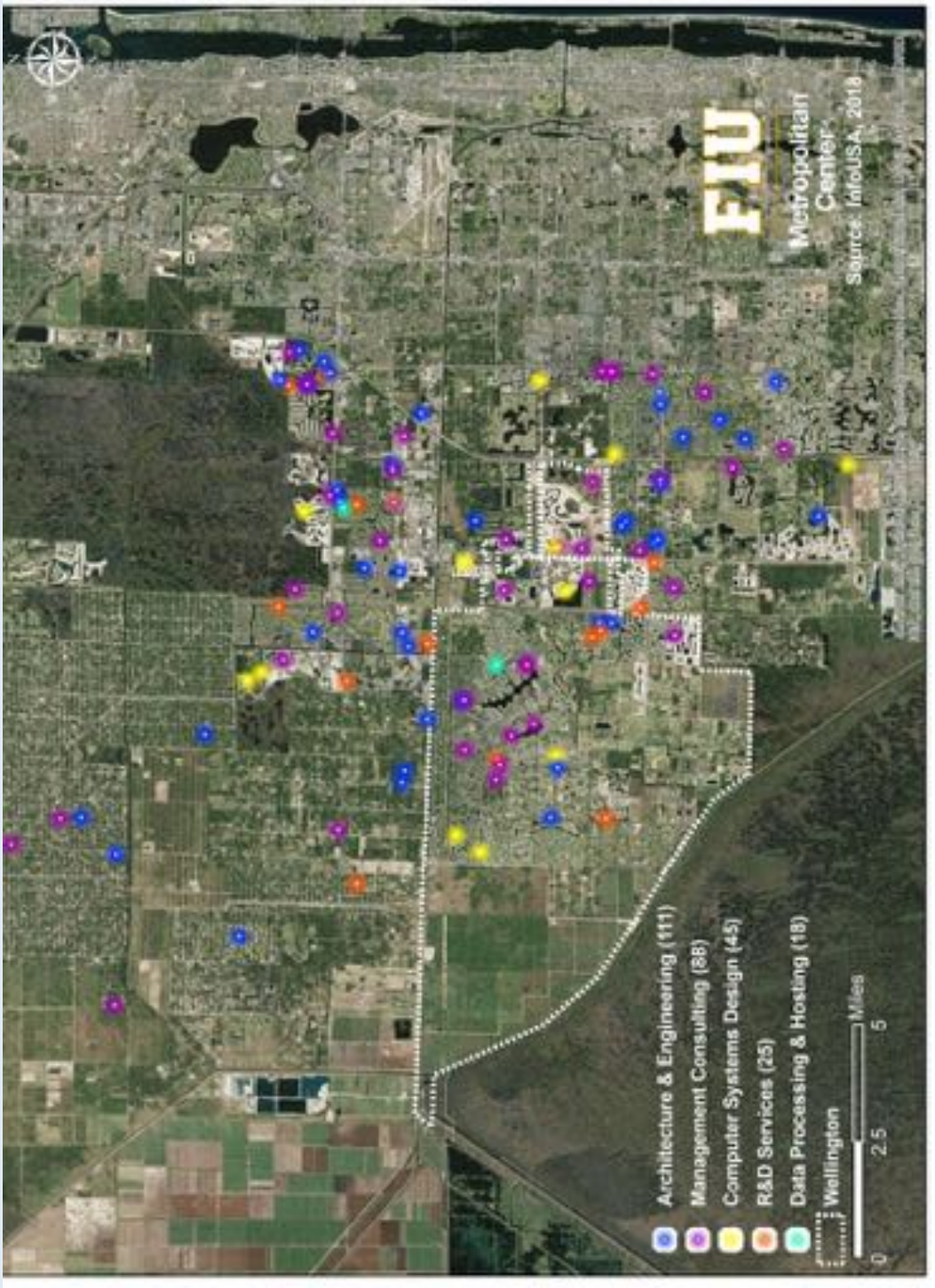
Wellington: Key Economic Characteristics

Economic Geography: Where Wellington Works



Wellington: Key Economic Characteristics

Economic Geography: Where Wellington Works



Wellington: Key Economic Characteristics

Wellington and the New Geography of Work

Rise of the Gig Economy

Metro #1 in US

142% Growth Since 1997

Changing Economics of Traditional Office Development

Smaller Foot print per employee

Shared Office space & desks

Telecommuting Value

Telecommuting

24% of all workers all or part time

Average age 46

Higher earnings

#1 Commuting Choice

Wellington: Key Economic Characteristics

Wellington and the New Geography of Work

Percent of workers doing some or all of their work on their main job at home, 2006–15 annual averages						
Year	Total	Management, business, and financial operations occupations	Professional and related occupations	Service occupations	Sales and related occupations	Office and administrative support occupations
2006	21.10%	32.30%	33.20%	12.10%	20.30%	8.20%
2007	19.9	32.3	30.6	11.3	20.7	7.8
2008	21.1	29.8	32.1	13	24.3	12.3
2009	23.6	35.5	38.3	13.7	21.7	9
2010	23.6	32.9	32.9	15	26.6	10.6
2011	21.3	34.2	33.5	9.5	20	12.8
2012	23.2	35.5	37	10.1	21.4	9.3
2013	22.9	35.1	34.8	11	21.4	11.1
2014	23.1	36.8	34	12	26	8.5
2015	24.1	37.8	34.6	10.5	22.1	11.2

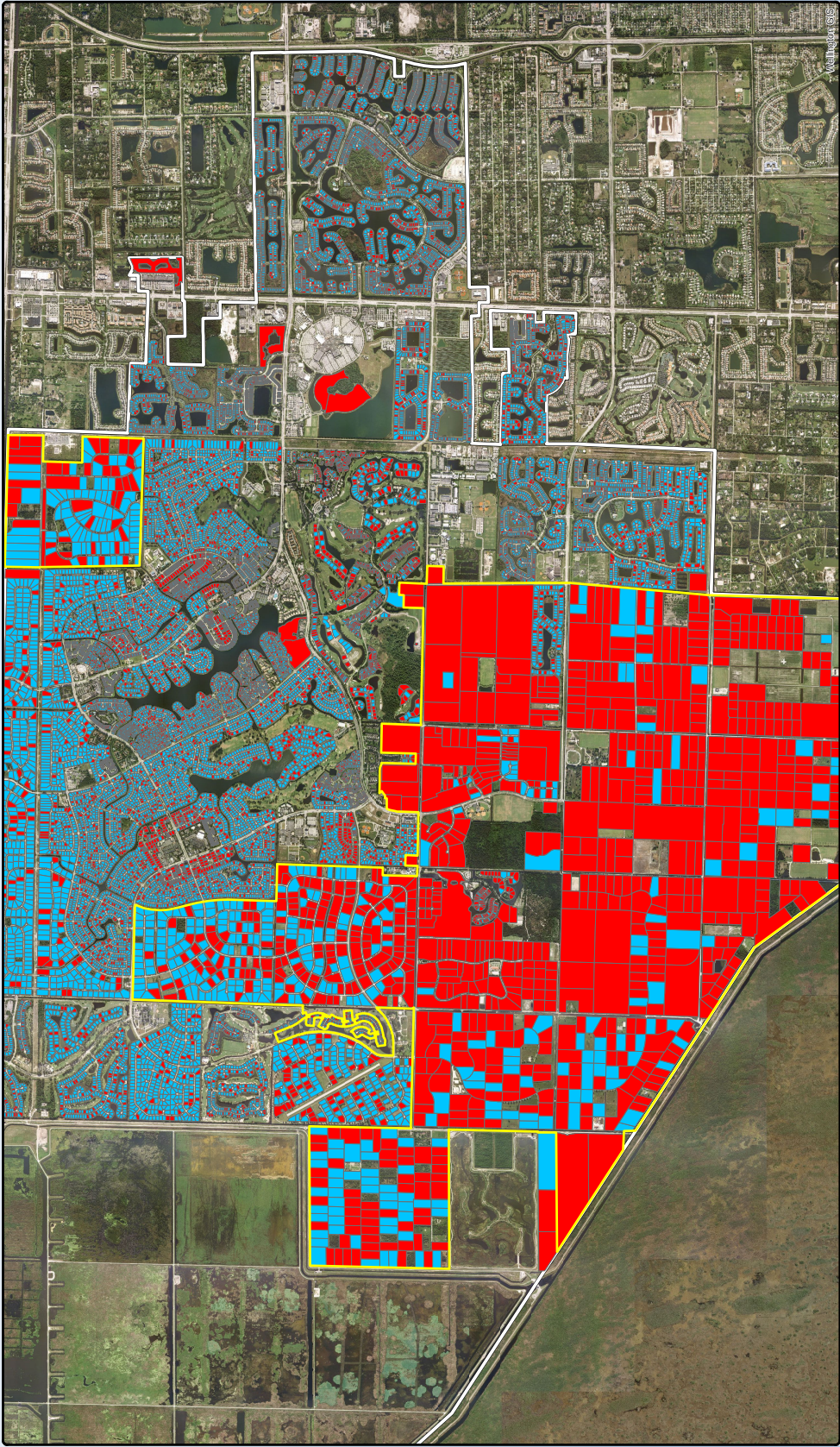
Wellington: Key Economic Characteristics

Primary Economic Challenges

- Lack of Land
- Built-out Land
- Growing Employment in Harmony with existing Quality of life
- Easing transportation congestion – choked by other’s development
- Housing growing out of sync with new market demand and remote workplace?
- Creep of Non-Homestead, Non-resident housing ownership

Wellington: Key Economic Characteristics

Primary Economic Challenges



Homesteaded Properties
Village of Wellington
Palm Beach County, FL



Equestrian Preserve Area Homestead No Homestead



Key Conclusions

1 Re-Thinking Wellington – Robust and Dynamic

2 The Equestrian / Non-Equestrian Divide?
*Wellington has already figured it out
Value of the Equestrian Brand*

3 Re-Thinking Future Growth
*Already a Model of Modern Workplace Geography
A Self-Employed, Remote workplace Model Community
Office-less Job Creation?*

Key Conclusions

4

Future Economic Development Foundations – A Different Story
Superior Strength of the Non-Equestrian Economy
Top-Flight Economic Metrics and Performance
An advanced resident labor force
Leading Regional Businesses
Target Industries and Occupations: Build on Existing Strengths – Locally and County
A Leading 21st Century Live-Work Community

Key Conclusions

5

Implementation Vehicles

Less About Wholesale Real Estate Redevelopment

More about:

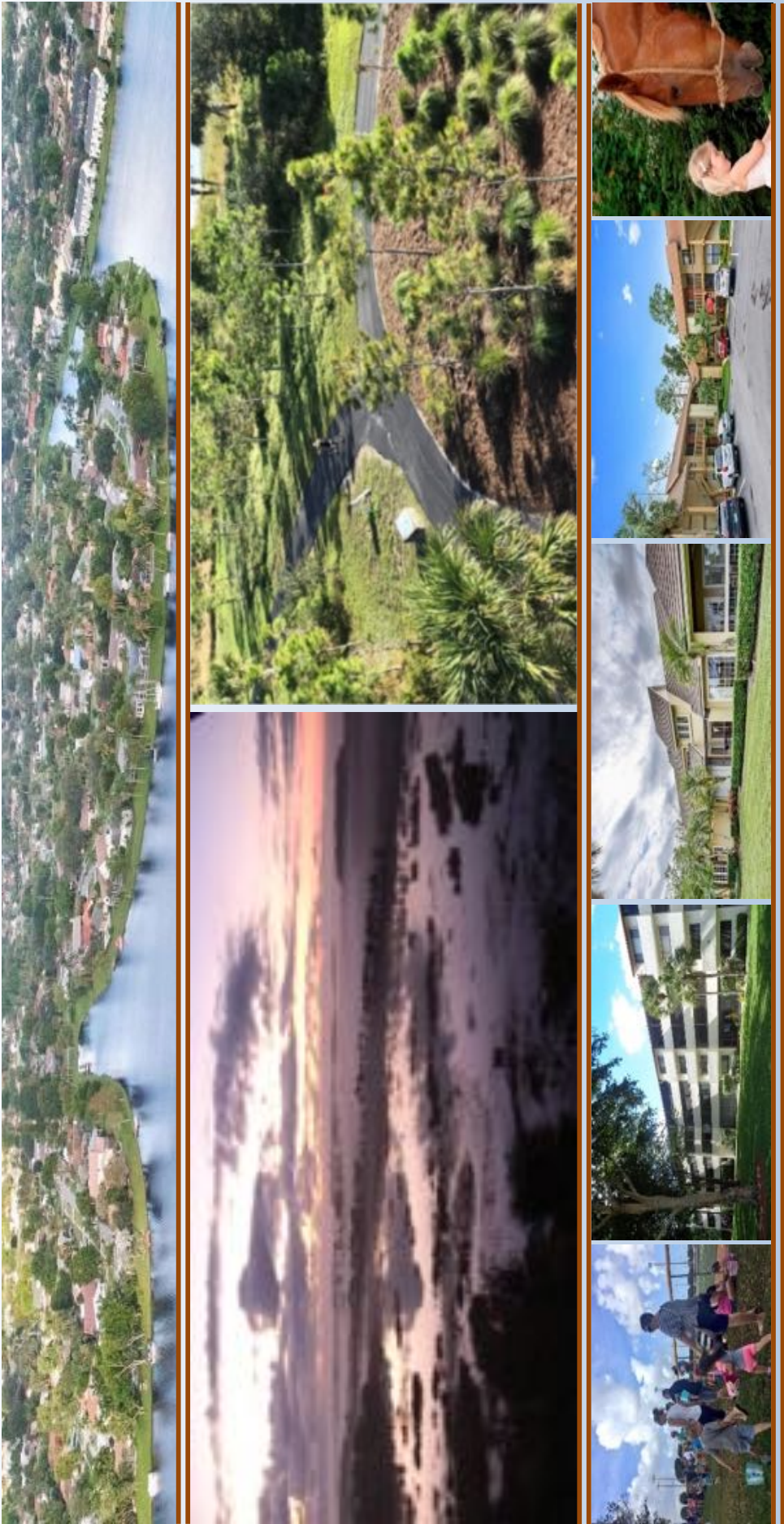
Market education

Informing major property owners

Incentives for Small Business, Solo Proprietors

Housing Purchase = New Business Creation

Phased Re-Purposing of Existing Properties



HOUSNG AND ECONOMIC IMPACT STUDIES 2018

Initial Analysis and Key Findings



NOTES:



NOTES:



HOUSING IMPACT STUDY 2018

Initial Analysis and Findings

DRAFT



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Introduction and Key Findings

Leveraging a Changing Housing Landscape

By every measure, the Village of Wellington is a great place to live. Village residents have high incomes, access to regionally competitive schools, high quality amenities, a great overall quality of life and a unique identity as a world center of equestrian competition. If the housing market and development conditions in the region remained the same over the next 30 years, then why would Wellington want to change a thing?

The truth is that nothing ever stays the same. In fact, we are living in a housing market that is undergoing more fundamental changes than has happened in the last 30 years. Growth patterns, demographic changes, and environmental considerations are rapidly changing consumer demand for housing types, location and performance.

Wellington has the luxury of some interesting choices. It can always choose to “freeze-dry” its present housing mix and land use patterns, and hope that broader market changes have minimal impact on the Village. The risk in adopting this strategy is that if market conditions continue along their current path (and they show no signs of diminishing), the Village risks becoming out-of-step with the rest of the market, at which point quality of life and property values may suffer.

Alternatively, ***Village of Wellington Housing Impact Study*** is the first installation of a two-part ***Housing and Economic Impact Study*** that will serve as the underpinnings for the Village of Wellington’s future strategic planning. Rather than wait for change and hope everything works out, its purpose is to develop a meaningful sense of existing and future housing market demand so that the Village can ***leverage*** these trends to maintain and grow Wellington’s competitive position, sustainability, value, identity, and high quality of life. The Housing and Economic Impact Study has two major goals:

- The study is ultimately about adapting to a changing housing and economic environment to maintain Wellington’s unique character. Its findings will have importance in projecting future development and redevelopment, and will weigh heavily in policymaking and decisions that will guide housing approvals, community redevelopment, and strategic planning for the next 30 years; and
- Provide clear strategies for the allocation of resources, recommending the appropriate allocation of financial resources from the Village’s budget to housing and other funding sources such as grants from the U.S. Department of Housing and Urban Development, the State of Florida and Palm Beach County.

Key Trends Impacting Wellington’s Housing Market

Major demographic, economic, and development trends will be impacting the demand for, and future value of, Wellington’s housing supply. ***A competitive housing market will augment Wellington’s economic development position in Western Palm Beach County by offering young***

and older working professionals a range of housing choices and opportunities. The key trends impacting future market conditions in Wellington are as follows:

Changes in Housing Preference

The two largest components of the nation's age demographic — millennials (ages 16 to 34), and baby-boomers (ages 54 to 70) — are significantly driving changes in demand for different types and locations of housing. **Interestingly, both age groups are seeking housing with similar characteristics.** Both millennial and 55+ households are seeking:

- Rental, rather than owner housing, even for single family homes;
- Smaller size housing units;
- A shift to multi-family housing;
- Neighborhoods in close proximity to shopping, conveniences, recreation and entertainment;
- Locations requiring less drive time to work and in proximity (less than ½ mile) to mass transit, and a mix of alternative transportation modes, including bicycles and walking. Millennials are the first generation since the invention of the automobile to drive fewer miles than their parents. Car ownership per household is also dropping, driven by millennials, and these trends are accelerating; and
- More outdoor amenities, including garden plots, walking/jogging trails, parks, outdoor pools, and local drug/convenience stores.

The Shift to Rental Housing

National and regional markets have been undergoing a significant shift from owner occupancy to rental housing. In addition to the demographic forces described above, household income declines and tightening of credit for home mortgages have driven a growing number of households into rental housing.

From 2009 to 2016, rental housing grew from 33 to over 36 percent of all occupied housing units, a 10 percent increase in the rate of rental housing, and a 5 percent decline in the rate of owner occupancy. The total number of rental units across the U.S. grew by 15 percent, while the total number of owner occupied units declined by 1 percent over the same period.

The shift across Pam Beach County has been decidedly larger in scope. From 2009 to 2016 the share of rental housing jumped from 26 to 31 percent of total housing, a 20 percent increase. The total number of rental units increased by 27 percent, while the total number of owner-occupied units **declined** by 2 percent over the period.

Wellington's share of rental housing is well below the County and the U.S., at 23.5 percent. However, the growth rate of rental housing has been faster in Wellington than in the County and the United States. From 2009 to 2016 the share of rental housing in Wellington grew from 20.1 to 23.5 percent, a 17 percent increase in the rate of rentals. At the same time, the share of owner-occupied units shrank by 4 percent. The total number of rental units in Wellington grew by 37 percent, while the number of owner-occupied units grew 13 percent.

Aging in Place

America is growing older at an unprecedented rate. Today, there are more than 35 million Americans age 65 and older, and that number is expected to rise to nearly 55 million by the year 2020 — a 65 percent increase. Most important, however, is the fact that these older adults are overwhelmingly

choosing to stay in their own homes and communities as they age. Just last year, AARP surveyed Americans over 50 and discovered that 89 percent wanted to stay in their own homes as long as possible. Wellington's demographics are "graying," with significant potential impacts on both the demand and supply of the Village's housing stock. Developing its mix of housing units to address the housing choices and needs of baby boomers will need to be a critical part of its mix of housing policy strategies.

Income Shifts and the Distribution of Household Income.

A basic premise of all housing markets is the need to create and maintain a "spectrum" of housing choice and opportunity for local residents. This axiom establishes that housing choice and needs differ in most communities due to a variety of factors including: household income, population age, proximity of employment and owner/renter preferences. Since the housing bubble of the last decade and subsequent economic recession, there has been a growing recognition of the important link between housing supply and economic growth.

Household income shifts since the recession are reshaping housing demand. Despite growing employment and shrinking unemployment rates since the recession, real median household income growth across the US has been relatively flat. Immediately after the recession, the incomes of households in the bottom 60 percent of income dropped precipitously. Since the recovery, the incomes of the bottom 60 percent of household have improved modestly — 2 percent or less — while the incomes of the top two income quintiles has increased by at least 12 percent.

The same pattern has occurred in Wellington. ***Wellington is fortunate to have one of the highest median household incomes in the state.*** At \$83,270, the Village's median household income is 150 percent that of the entire County. However, since 2012 Wellington has seen the number of its households in the middle of the income spectrum (\$50,000 to \$75,000 annual income) decline by over 12 percent (from 19 to 15 percent of all households), while households at the bottom (\$50,000 per year or less), increased from 27 to almost 29 percent of all households. Households at the top of the income spectrum in Wellington — those earning more than \$75,000 per year — grew from 53 to 56 percent of all households from 2012 to 2016. This continued shift in income distribution will impact housing demand in Wellington, as well as employment, economic development needs, and services into the future.

A Boom in Surrounding Development

After a surge in housing construction in Wellington from 2000 to 2009, the rate of housing development within Wellington has slowed significantly since 2010. However, development has boomed in Wellington's surrounding communities. New and proposed residential projects in Western and Central Palm Beach County will add more than 19,000 new dwelling units and 50,000 new residents in the next 20 years. The Village of Wellington must have a competitive housing market.

Strong demand for the area as a place to live has continued to move housing values upward. However, the population and spending growth surrounding Wellington may put significant pressure on the Village's remaining large vacant and underutilized properties to be redeveloped as large-scale retail complexes. It is uncertain at this point, without a closer look at the Village economy, that additional retail development within the Village is the highest and best use for these properties.

Increasing Transportation Congestion

According to the Texas A&M University ***Urban Mobility Scorecard***, the costs of traffic congestion are reaching crisis proportions in many metro areas in the US. Palm Beach County is part of the

Miami Metro area, which ranks as the 6th most congested metro in the US in terms of total annual travel delay, and 6th in terms of its annual cost of congestion, estimated at over \$4.4 Billion.

Traffic congestion has multiple costs, including wasted work hours, lower worker productivity, increased infrastructure repair costs, and increased air pollutants. Congestion is an issue across the County. From 2011 to 2016 the total miles of roadway in the County grew by only 1.6 percent, but the daily vehicle miles traveled across the County increased by 16.4 percent over the same period.

The volume of development growing in and around Wellington, in addition to existing land use patterns reinforcing east-west commutes to the County's major employment centers, have driven the County's 2 percent overall increase in mean travel time from 2010 to 2016. According to U.S. Census estimates, 23,396 (81.1 percent) of Wellington workers commute to work by car, truck or van and drive alone. Only 342 workers (1.2 percent) use public transportation, excluding taxicabs. The mean travel time to work is 28.2 minutes one way. Wellington's worker commute time (28.2 minutes) is several minutes longer on average than Palm Beach County's (25.2 minutes one way). Although the mean travel time for all Wellington workers declined by 5 percent from 2010 to 2016, only 34 percent of workers who live in the Village travel less than 20 minutes one way, compared to 39 percent for the rest of the County. An estimated 65 percent of Wellington's workers travel more than 20 minutes each way to work, compared to only 60 percent for the rest of the County.

As the pace of development surrounding Wellington continues, increased commute times and travel delays could have significant negative impacts on Wellington, including home values. Future strategies, based on the findings of the forthcoming ***Economic Competitiveness Analysis***, will need to consider the relationship between workplace location, housing choice, and costs to reduce vehicle miles traveled in order to maintain Wellington's desirability as a place to live.

Getting Serious About Climate Change

South Florida will be one of the regions most impacted by climate change and sea level rise. However, in the current political dynamic, the responsibility for actively and aggressively implementing policy strategies to reduce carbon emissions and deal with the increasing rate of major climatic shocks has fallen to local government. Wellington, like all communities across the state, will need to shoulder its share of leadership and responsibility for solving climate change, implementing sustainable policy strategies in its land use, development, transportation and housing policies.

Key Local Market Characteristics

The major trends affecting housing demand will play out against the characteristics of Wellington's housing supply. Carefully planned choices to adopt policy that leverages these changes are the key to the Village's continued success and desirability as a place to live, work and grow. Current key characteristics of the Village's housing market include the following:

Population Shifts

Wellington is overwhelmingly a community of families. An estimated 78 percent of the Village's households are families, compared to only 62.5 percent for the County. The age distribution of its population indicates that it is more settled, it has fewer families with young children, and families are choosing to stay as their children grow up longer than in the rest of the County.

The Village has seen growth in its population of adults aged 35 to 54, compared to the County. The Village's high median household income at least partially reflects this fact, as this age group

represents the prime earnings age for workers. In addition, although the median age for the Village is slightly less than the County, its growth rate in the 55+ age segment is considerably faster than the County. Simultaneously, the Village's portion of children (aged 17 and under) has shrunk, and at a rate lower than the County's.

A Highly Educated Population

Wellington's residents are extremely well educated. Almost 27 percent of Village residents have a bachelor's degree, and 17.6 percent have a graduate or professional degree, compared to 21.5 and 12.7 percent for the County, respectively. Nationally, only 18 percent of adults over age 25 have a bachelor's and 11 percent have a graduate or professional degree.

Drop in Labor Force Participation

Labor force participation, or the percentage of workers age 16 and over who actively work or seek full or part-time work shrank in Wellington from 2012 to 2016, from 68 to 65 percent, while the County held constant for the period at 60 percent. This may reflect changes in the Village's age distribution, especially its growth in the 65+ segment (10 to 14 percent of total population from 2012 to 2016).

Limited Choice in Wellington's Housing Market

Overall demand for housing in Wellington remains strong. However, relative to the demographics of the County, changing housing preferences, and the Village's own changing age structure, the housing stock represents a limited spectrum of choices.

According to U.S. Census estimates, there are 24,529 total housing units in the Village of Wellington up from 22,691 units (8.1 percent increase) since 2012. Significantly, only 6.7 percent of Wellington's housing units are in structures of 10 units or more. An estimated 79.7 percent of Wellington's housing inventory are 1-unit detached (71.3 percent) and 1-unit attached (8.5 percent) structures. By contrast, 24.7 percent of Palm Beach County's housing units are in structures of 10 units or more and only 56 percent in 1-unit attached and detached structures. ***Only 19 percent of Wellington's housing units are 1-2 bedrooms compared to 50 percent in Palm Beach County.***

Seasonal Vacancies, Short-Term Rentals, and Neighborhood Stability

Seasonal vacancies, or units kept off the market for use by private owners, represents 9.1 percent of the Village's housing stock, and growing. While lower than the County's (12 percent), this represents a significant chunk of the Village's housing stock. Given Wellington's high proportion of single-family homes, a significant portion of its seasonal and regular rentals are a key part of the Village's single-family home inventory.

Under Florida's Homeowner Bill of Rights Statute, State law restricts municipalities that did not have zoning addressing short-term (vacation, etc.) rentals before 2010 to enact new zoning to restrict the location of vacation rentals within their boundaries. Wellington has no such zoning restrictions.

While Wellington may be a desirable place to vacation, especially during equestrian season, short-term rentals in traditional, especially single-family, neighborhoods can be problematic and disruptive. While there is little that the Village can do to control short-term rental locations, the purchase and conversion of single-family homes to vacation rentals needs to be actively inventoried and monitored so as not to damage surrounding property values.

Housing Price Growth and Housing Age

Wellington experienced a robust housing construction boom from 2000 through 2009, adding considerable new stock to its housing supply. Housing prices in the Village have generally moved upward in synch with the rest of the County, yet Wellington's market has both strong and weak price segments.

Wellington's housing stock is also dramatically newer than the County overall. An estimated 46.3 percent of the Village's housing units were built after 2000, compared to only 18.2 percent of all units built after 2000 across the rest of the County.

The Village's median housing price, at \$327,700 places it in the top third of the County's housing sub-markets. However, even with its very high median income, its housing prices may be moving out of synch with local incomes. The Village has a huge percentage of units — 82.1 percent — that are more than \$200,000, while only 54.9 percent of units across the County cost more than \$200,000.

However, housing price jumps are largely based on the age of units in Wellington. Owner-units built after 2000 have a median value of \$387,300 which is 118 percent of the Village median value of owner-occupied units. Units built after 2010 have a median value of \$596,100, which is 182 percent of the Village median value.

As is the case with the County, there is a significant drop-off in median values for owner units constructed prior to 1990. The median value of owner-occupied units in Wellington built between 1980-1989 is 86 percent of units built from 1990-1999. The lower median value of owner-occupied units built prior to 1990 is significant as these units comprise 39 percent (6,133 units) of Wellington's owner-occupied housing.

The age and condition of a significant share of Wellington's owner-occupied housing presents both a challenge and an opportunity. The challenge is to ensure these properties are properly maintained so they do not lose additional value and impact neighborhood housing values. The opportunity is that older, well-maintained single-family housing can provide value from a price point standpoint to prospective homebuyers, including first-time homebuyers.

Methodology and Scope of Analysis

The *Village of Wellington Housing Impact Study* provides an assessment of current housing market supply and demand conditions and trend analysis. The methodology provides several layers of population, economic and housing analysis based on population trends, employment, housing supply and demand. The study includes the following elements:

- **Population Characteristics:** This section provides a current assessment of the Village of Wellington's population trends including household composition, age and educational attainment values;
- **Economic Characteristics:** This section provides a current assessment of the Village of Wellington's economy including household income, poverty, labor force, occupations and commuter patterns;
- **Housing Supply and Demand Analysis:** This section analyzes the affordability levels of the Village of Wellington's owner and renter housing based on current housing values in relation to household income and population incomes;
- **Housing and Economic Impacts:** The concluding section provides the key findings from the prior analysis to determine the level of housing and economic impacts. These findings will then serve as the underpinnings for the Village's strategic planning process.

Population Characteristics

Population Change

According to U.S. Census estimates, the Village of Wellington has a current population of 61,371 residents. The Village's population has increased by 8.8 percent (4,980 residents) since 2012. The Village's population growth rate exceeded Palm Beach County's 5.6 percent population growth rate during this period.

Wellington's median age of 41.3 is slightly lower than Palm Beach County (44.3), but recent trends show the Village aging at a faster rate than the County. From 2012-2016, Wellington's population 55+ and 65+ increased by 31.7 and 52.7 percent, respectively. An estimated 47.4 percent of Wellington's population is of working age (18-54), which is slightly higher than the County (45.5 percent).

Table 1: Age Demographics

	Wellington					Palm Beach County				
	2012		2016		Difference	2012		2016		Difference
Total Population	56,391		61,371		8.8%	1,324,085		1,398,757		5.6%
Age										
Under 5 years	2,923	5.2%	3,036	4.9%	3.9%	70,611	5.3%	72,216	5.2%	2.3%
5 to 17 years	12,644	22.4%	12,814	20.9%	1.3%	198,506	15.0%	202,514	14.5%	2.0%
18 to 34 years	9,484	16.8%	10,192	16.6%	7.5%	253,392	19.1%	273,457	19.6%	7.9%
35 to 54 years	18,847	33.4%	18,876	30.8%	0.2%	353,319	26.7%	355,119	25.4%	0.5%
55 and over	12,493	22.2%	16,453	26.8%	31.7%	448,257	33.9%	495,451	35.4%	10.5%
18 and over	40,824	72.4%	45,521	74.2%	11.5%	1,054,968	79.7%	1,124,027	80.4%	6.5%
65 and over	5,960	10.6%	9,100	14.8%	52.7%	287,366	21.7%	318,068	22.7%	10.7%

Source: 2008-2012, 2012-2016 American Community Survey 5-Year Estimates

There are currently 20,301 households in the Village of Wellington, of which, 15,844 (78 percent) are family households. Households with children under 18 years of age comprise 37.5 percent of all households. Between 2012 and 2016, both total households and family households have increased by 9.5 percent and 8.9 percent, respectively.

Table 2: Households and Families									
	Wellington					Palm Beach County			
	2012		2016			2012		2016	
Total Households	18,536		20,301	9.5%		523,891		538,549	2.8%
Family Households	14,543	78.5%	15,844	78.0%		324,073	61.9%	336,708	62.5%
With own children under 18 years	7,228	39.0%	7,611	37.5%		126,533	24.2%	126,516	23.5%
Married-couple family	12,007	64.8%	12,820	63.1%		240,258	45.9%	246,415	45.8%
With own children under 18 year	5,726	30.9%	6,037	29.7%		80,873	15.4%	11,509	2.1%
Female householder, no husband	2,021	10.9%	2,053	10.1%		61,829	11.8%	64,769	12.0%
With own children under 18 year	1,219	6.6%	1,281	6.3%		34,755	6.6%	33,532	6.2%
Nonfamily Households	3,993	21.5%	4,457	22.0%		199,818	38.1%	201,301	37.4%
Householder Living alone	2,931	73.4%	3,646	81.8%		165,050	82.6%	166,073	82.5%
Householder 65 years and over	1,090	27.3%	1,636	36.7%		79,927	40.0%	86,358	42.9%
Average Household Size	3.04		3.02					2.56	
Average Family Size	3.42		3.46					3.22	

Source: 2008-2012, 2012-2016 American Community Survey 5-Year Estimates

Educational Attainment

According to U.S. Census estimates, 44.4 percent of the Village of Wellington's population 25 years of age and over has a bachelor's degree or higher. Only 4.9 percent of population has less than a high school diploma. The Village's overall educational attainment is significantly higher than Palm Beach County where 34.2 percent of the population 25+ year of age has a bachelor's degree or higher and 12.1 percent have less than a high school diploma.

Table 3: Educational Attainment										
	Wellington					Palm Beach County				
	2012		2016		Difference	2012		2016		Difference
Population 25 years and over	36,266		40,548		11.8%	948,582		1,013,381		6.8%
Less than 9th grade	897	2.5%	693	1.7%	-22.7%	42,910	4.5%	59,311	5.9%	38.2%
9th to 12th, no diploma	1410	3.9%	1,313	3.2%	-6.9%	64,969	6.8%	62,851	6.2%	-3.3%
High school graduate (includes equivalency)	7,573	20.9%	8,071	19.9%	6.6%	246,974	26.0%	254,487	25.1%	3.0%
Some college, no degree	7,843	21.6%	7,965	19.6%	1.6%	196,958	20.8%	201,041	19.8%	2.1%
Associate's degree	3,367	9.3%	4,452	11.0%	32.2%	74,941	7.9%	89,228	8.8%	19.1%
Bachelor's degree	8,750	24.1%	10,919	26.9%	24.8%	193,066	20.4%	217,583	21.5%	12.7%
Graduate or professional degree	6,139	16.9%	7,135	17.6%	16.2%	115,589	12.2%	128,880	12.7%	11.5%

Source: 2008-2012, 2012-2016 American Community Survey 5-Year Estimates

Economic Characteristics

Income

According to U.S. Census estimates, the Village of Wellington's current median household income is \$83,270 which is 5.7 percent greater than in 2012 (\$78,783). Wellington's median family income is \$93,921 which is 8.9 percent higher than in 2012 (\$86,268). U.S. Census figures show an increase in two household income groups from 2012 to 2016. Households earning less than \$50,000 have increased by 18.7 percent (943 households), while households earning greater than \$100,000 have increased by 18.4 percent (1,288 households). Significantly, households earning greater than \$200,000 have increased by 24 percent (430 households).

The Village of Wellington's median household and family incomes are significantly higher than Palm Beach County's median household (\$55,271) and family (\$68,427) incomes.

Table 4: Household Income

	2012				2016			
	Wellington		Palm Beach County		Wellington		Palm Beach County	
Households	18,536		523,891		20,301		538,549	
Less than \$10,000	654	3.5%	33,723	6.4%	684	3.4%	33,160	6.2%
\$10,000 to \$14,999	441	2.4%	26,966	5.1%	406	2.0%	24,834	4.6%
\$15,000 to \$24,999	975	5.3%	57,328	10.9%	1,203	5.9%	58,435	10.9%
\$25,000 to \$34,999	995	5.4%	56,007	10.7%	1,249	6.2%	55,660	10.3%
\$35,000 to \$49,999	1,983	10.7%	75,038	14.3%	2,244	11.1%	72,825	13.5%
\$50,000 to \$74,999	3,553	19.2%	93,283	17.8%	3,121	15.4%	94,198	17.5%
\$75,000 to \$99,999	2,941	15.9%	58,621	11.2%	3,112	15.3%	61,648	11.4%
\$100,000 to \$149,999	3,691	19.9%	65,739	12.5%	4,210	20.7%	69,797	9.9%
\$150,000 to \$199,999	1,518	8.2%	24,745	4.7%	1,857	9.1%	29,031	3.7%
\$200,000 or more	1,785	9.6%	32,441	6.2%	2,215	10.9%	38,961	4.7%
Median household income	\$78,783		\$52,806		\$83,270		\$55,277	
Mean household income	\$104,357		\$80,467		\$109,017		\$85,839	

Source: 2008-2012, 2012-2016 American Community Survey 5-Year Estimates

Labor Force

According to U.S. Census estimates, 65.4 percent (31,373 residents) of the Village of Wellington's population age 16 and over are in the labor force, which is down slightly from 68.9 percent in terms of the overall population since 2012, but an increase in the number of resident in the labor force (1,787). Palm Beach County has a lower labor force participation rate of 60 percent though the total number of County residents in the labor force has increased significantly since 2012.

Table 5: Labor Force Participation

	2012				2016			
	Wellington		Palm Beach County		Wellington		Palm Beach County	
Total Population	56,391		1,324,085		61,371		1,398,757	
Poverty Rate	5.7%		9.9%		6.7%		10.5%	
Labor Force Participation								
Total Population 16+	42,926		1,088,135		47,963		1,156,597	
Population in Labor Force	29,591	68.9%	655,961	60.3%	31,378	65.4%	694,060	60.0%
Employed Population	27,183	63.3%	581,920	53.5%	29,280	61.0%	636,646	55.0%

Source: 2008-2012, 2012-2016 American Community Survey 5-Year Estimates

The Village of Wellington's employed population 16 years and older is primarily employed in management, business, science and art occupations (46.0 percent) followed by sales and office occupations (26.8 percent) and service occupations (17.2 percent). In comparison, Palm Beach County's workers are primarily employed in management, business, science and art occupations (35.9 percent), followed by sales and office occupations (25.9 percent) and service occupations (22.0 percent). According to the U.S. Census, "occupation" describes the kind of work a person does on the job. The highest median earnings are in management, business, science and art occupations (\$47,637), with the lowest in service occupations (\$16,607). The median earnings for sales and office occupations is \$28,020.

Table 6: Occupations

	2012				2016			
	Wellington		Palm Beach County		Wellington		Palm Beach County	
Total Civilian employed population 16+	27,183		581,920		29,280		636,646	
Management, business, science, and arts occupations	12,218	44.9%	205,323	35.3%	13,483	46.0%	228,377	35.9%
Service occupations	4,046	14.9%	125,155	21.5%	5,039	17.2%	139,875	22.0%
Sales and office occupations	7,652	28.1%	155,736	26.8%	7,847	26.8%	165,164	25.9%
Natural resources, construction, and maintenance occupations	1,952	7.2%	53,531	9.2%	1,603	5.5%	57,450	9.0%
Production, transportation, and material moving occupations	1,315	4.8%	42,175	7.2%	1,308	4.5%	45,780	7.2%

Source: 2008-2012, 2012-2016 American Community Survey 5-Year Estimates

Commuter Characteristics

According to U.S. Census ACS estimates, 23,396 (81.1 percent) Village of Wellington's workers commute to work by car, truck or van and drove alone. Only 342 workers (1.2 percent) use public transportation, excluding taxicabs. The mean travel time to work is 28.2 minutes one way. Wellington's worker commute time is several minutes longer on average than for Palm Beach County's commuters (28.2 minutes vs. 25.2 minutes one way).

Table 7: Travel Time to Work

	2012		2016	
	Wellington	Palm Beach County	Wellington	Palm Beach County
Less than 10 minutes	12.1%	10.0%	9.4%	10.9%
10 to 14 minutes	10.9%	13.0%	13.3%	14.5%
15 to 19 minutes	11.7%	16.8%	10.7%	16.8%
20 to 24 minutes	10.7%	16.6%	10.7%	16.5%
25 to 29 minutes	7.2%	7.6%	4.9%	6.9%
30 to 34 minutes	17.0%	16.6%	20.4%	15.7%
35 to 44 minutes	11.2%	6.3%	11.3%	6.5%
45 to 59 minutes	11.0%	6.8%	11.9%	6.1%
60 or more minutes	8.1%	6.3%	7.4%	6.1%
Mean travel time to work (minutes)	28.2	25.2	29	24.5

Source: 2008-2012, 2012-2016 American Community Survey 5-Year Estimates

Table 8: Commute to Work

	2012				2016			
	Wellington		Palm Beach County		Wellington		Palm Beach	
Workers 16 years and over	26,634		569,765		28,834		626,367	
Car, truck, or van -- drove alone	21,463	80.6%	449,781	78.9%	23,396	81.1%	492,621	78.6%
Car, truck, or van -- carpooled	2,436	9.1%	59,307	10.4%	2,433	8.4%	60,017	9.6%
Public transportation (excluding taxicab)	138	0.5%	9,181	1.6%	342	1.2%	12,447	2.0%
Walked	176	0.7%	9,121	1.6%	154	0.5%	9,305	1.5%
Other means	662	2.5%	11,470	2.0%	492	1.7%	12,807	2.0%
Worked at home	1,759	6.6%	30,905	5.4%	2,017	7.0%	39,170	6.3%

Source: 2008-2012, 2012-2016 American Community Survey 5-Year Estimates

Table 9: Place of Work				
	2012		2016	
	Wellington	Palm Beach County	Wellington	Palm Beach County
Workers 16 years and over who did not work at home	26,817	587,197	24,875	538,860
Living in a place	100%	65%	100%	66%
Worked in place of residence	25%	18%	27%	18%
Worked outside place of residence	75%	47%	73%	47%
Not living in a place	0%	35%	0%	35%

Source: 2008-2012, 2012-2016 American Community Survey 5-Year Estimates

Housing Characteristics

A Shift from Home Ownership to Rental Housing

National and regional markets have been undergoing a significant shift from owner occupancy to rental housing. In addition to the demographic forces described above, household income declines and tightening of credit for home mortgages have driven a growing number of households into rental housing.

From 2009 to 2016, rental housing grew from 33 to over 36 percent of all occupied housing units, a 10 percent increase in the rate of rental housing, and a 5 percent decline in the rate of owner occupancy. The total number of rental units across the US grew by 15 percent, while the total number of owner occupied units declined by 1 percent over the same period.

The shift across Palm Beach County has been decidedly more marked. From 2009 to 2016 the share of rental housing jumped from 26 to 31 percent, a 20 percent increase. The total number of rental units increased 27 percent while the total number of owner occupied units declined by 2 percent over the period.

Wellington's share of rental housing is well below the County and the U.S., at 23.5 percent. However, the growth rate of rental housing has been faster in Wellington than in the County and the US. From 2009 to 2016 the share of rental housing in Wellington grew from 20.1 to 23.5 percent, 17 percent increase in the rate of rentals. At the same time, the share of owner occupied units shrank by 4 percent. The total number of rental units in Wellington grew by 37 percent while the number of owner occupied units grew 13 percent.

Housing Inventory and Tenure

According to U.S. Census estimates, there are 24,529 total housing units in the Village of Wellington, up from 22,691 units (8.1 percent increase) since 2012. Significantly, only 6.7 percent of Wellington's housing units are in structures of 10 units or more. An estimated 79.7 percent of Wellington's housing inventory are 1-unit detached (71.3 percent) and 1-unit attached (8.5 percent) structures. By contrast, 24.7 percent of Palm Beach County's housing units are in structures of 10 units or more and only 56 percent in 1-unit attached and detached structures. Only 19 percent of Wellington's housing units are 1-2 bedrooms compared to 50 percent in Palm Beach County.

According to U.S. Census estimates, 76.5 percent (15,540 units) of Wellington's occupied housing units are owner-occupied with an estimated 23.5 percent of occupied units (4,761 units) renter-occupied. The percentage of owner-occupied housing units in Wellington is significantly higher than Palm Beach County (68.6 percent), as a whole.

Table 10: Housing Inventory

	Wellington		Palm Beach County	
Housing Inventory	24,529		674,975	
1-unit, detached	17,462	71.2%	309,617	45.9%
1-unit, attached	2,076	8.5%	68,282	10.1%
2 units	807	3.3%	19,369	2.9%
3 or 4 units	1,382	5.6%	48,359	7.2%
5 to 9 units	928	3.8%	42,389	6.3%
10 to 19 units	576	2.3%	43,357	6.4%
20 or more units	1,072	4.4%	123,694	18.3%
Mobile home	203	0.8%	19,643	2.9%
Boat, RV, van, etc.	23	0.1%	265	0.04%
Occupied housing units	20,301	82.8%	538,549	79.8%
Owner-occupied	15,540	76.5%	369,536	68.6%
Renter-occupied	4,761	23.5%	169,013	31.4%
Vacant housing units	4,228		136,426	
For sale only	259	1.1%	8,218	1.2%
Sold, Not Occupied	176	0.7%	7,583	1.1%
For rent	429	1.7%	14,131	2.1%
Rented Not Occupied	426	1.7%	3,768	0.6%
Vacancy for seasonal, recreational, or occasional use	2,302	9.4%	83,735	12.4%
Other	612	2.5%	18,681	2.8%

Source: 2012-2016 American Community Survey 5-Year Estimates

Housing Vacancy Status

An estimated 17.2 percent (4,228 units) of Wellington's housing supply is vacant. The overall vacancy rate for Palm Beach County is 20.2 percent. The largest percentage of vacant housing units in both Wellington and Palm Beach County are "seasonal" vacancies which comprise 54.4 percent (2,302 units) of vacancies in Wellington and 61.4 percent (83,735 units) in Palm Beach County. Seasonal vacancies have increased from 7.8 percent of Wellington's housing supply in 2007 to 9.4 percent in 2016. This represents an increase of 637 seasonal vacant units.

Housing Age

The age of the housing stock is an important variable in assessing the overall characteristics of a local housing market. The older housing stock, particularly older rental housing, often has code and deferred maintenance issues that can impact the longevity of the housing structure which, in turn, impacts the housing supply in terms of accessibility and affordability. The Village of Wellington's housing supply is relatively older with 36.8 percent (7,963 units) of the housing constructed since

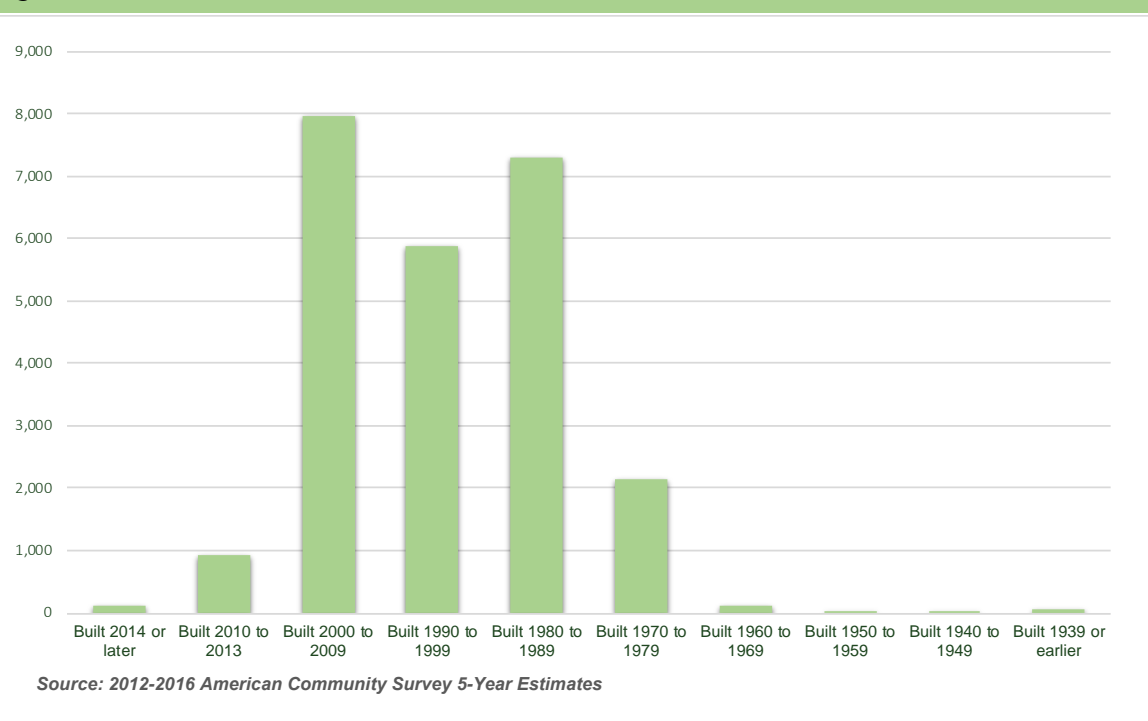
2000. The Village's major housing construction period occurred between 1980 and 1999 when 53.7 percent (13,177 units) of the existing housing inventory was built.

Table 11: Year Structure Built, 2016

	Village of Wellington		Palm Beach County	
Total housing units	24,529		674,975	
Built 2014 or later	102	0.4%	2,353	0.3%
Built 2010 to 2013	920	3.8%	7,753	1.1%
Built 2000 to 2009	7,963	32.5%	113,226	16.8%
Built 1990 to 1999	5,890	24.0%	119,689	17.7%
Built 1980 to 1989	7,287	29.7%	190,062	28.2%
Built 1970 to 1979	2,143	8.7%	133,082	19.7%
Built 1960 to 1969	128	0.5%	54,786	8.1%
Built 1950 to 1959	25	0.1%	34,124	5.1%
Built 1940 to 1949	26	0.1%	8,675	1.3%
Built 1939 or earlier	45	0.2%	11,225	1.7%

Source: US Census, ACS, 2016 5-Year Estimates

Figure 1: Year Structure Built



Housing Values

As previously noted, a basic premise of all housing markets is there should exist a spectrum of housing choice and opportunity for local residents. This axiom establishes that housing choice and needs differ in most communities due to a variety of factors, including: employment mix, household income, population age, proximity of employment and mere preference. Local housing and labor markets are inextricably linked to one another. Industries are served by local housing markets that provide choices and opportunities for both current and future workers.

The “value” of owner-occupied housing units is an important determinant of housing accessibility and affordability. Housing values have fluctuated significantly in many housing markets during the past decade due initially to the previous housing bubble (2005 -2007) followed by the subsequent collapse and economic recession. However, recent trends in the housing market show steady increases in the value of both owner and rental housing in Palm Beach County and the Village of Wellington.

Table 12: Owner-Occupied Housing Values, 2016

	Village of Wellington			Palm Beach County	
Owner-occupied units	15,540			369,536	
Less than \$50,000	301	1.9%		30,454	8.2%
\$50,000 to \$99,999	266	1.7%		47,259	12.8%
\$100,000 to \$149,999	869	5.6%		43,884	11.9%
\$150,000 to \$199,999	1,345	8.7%		45,219	12.2%
\$200,000 to \$299,999	3,891	25.0%		74,727	20.2%
\$300,000 to \$499,999	5,958	38.3%		77,475	21.0%
\$500,000 to \$999,999	2,471	15.9%		36,012	9.7%
\$1,000,000 or more	439	2.8%		14,506	3.9%
Median Value	\$327,700			\$222,700	

Source: 2012-2016 American Community Survey 5-Year Estimate

According to U.S. Census estimates, the median value for an owner-occupied home in the Village of Wellington is \$327,700 compared to \$222,194 in Palm Beach County. The median owner value in both the Village of Wellington and Palm Beach County is reflective of when the structure was built. Structures built from 2010 to 2013 in Wellington have a median value of \$596,100 and \$452,800 in Palm Beach County. Structures built post-2014 in the County have a median value of \$660,900.

Table 13: Median Housing Value by Year Structure Built, 2016

	Wellington		Palm Beach County	
Median Housing Value	\$327,700		\$222,700	
Built 2014 or later	-	-	\$660,900	297%
Built 2010 to 2013	596100	1.82	\$452,800	203%
Built 2000 to 2009	387300	1.18	\$324,900	146%
Built 1990 to 1999	322200	0.98	\$269,900	121%
Built 1980 to 1989	281500	0.86	\$189,700	85%
Built 1970 to 1979	234000	0.71	\$143,800	65%
Built 1960 to 1969	221700	0.68	\$165,000	74%
Built 1950 to 1959	187500	0.57	\$159,400	72%
Built 1940 to 1949	278600	0.85	\$147,100	66%
Built 1939 or earlier	-	-	\$231,700	104%

Source: 2012-2016 American Community Survey 5-Year Estimates

Rental Housing

The current median gross rent in the Village of Wellington is \$1,551 compared to \$1,201 in Palm Beach County. The highest rents are generally for units built since 2010 and the lower rents for units built prior to 1990.

Table 14: Gross Rent, 2016

	Village of Wellington		Palm Beach County	
Occupied units paying rent	4,467		161,194	
Less than \$500	-	0.0%	6,988	4.3%
\$500 to \$999	464	10.4%	43,887	27.2%
\$1,000 to \$1,499	1,641	36.7%	63,750	39.5%
\$1,500 to \$1,999	1,251	28.0%	29,302	18.2%
\$2,000 to \$2,499	561	12.6%	10,137	6.3%
\$2,500 to \$2,999	425	9.5%	3,850	2.4%
\$3,000 or more	125	2.8%	3,280	2.0%
No rent paid	294		7,819	
Median Gross Rent	1,551		1,206	

Source: 2012-2016 American Community Survey 5-Year Estimates

Palm Beach County Housing Market

Development Trends

Following the housing bubble burst and subsequent recession, new housing development permit activity in Palm Beach County grew sluggish from 2008 through 2010. However, new housing development permit activity has steadily increased since 2011. Palm Beach County had an increase in both single- and multi-family housing permit activity in the past six years. Despite the increase in new housing development permit activity in the past few years, Palm Beach County's single- and multi-family housing starts are down from a peak in 2003 and 2004, of 10,788 single-family units (2003) and 4,578 multi-family units (2004).

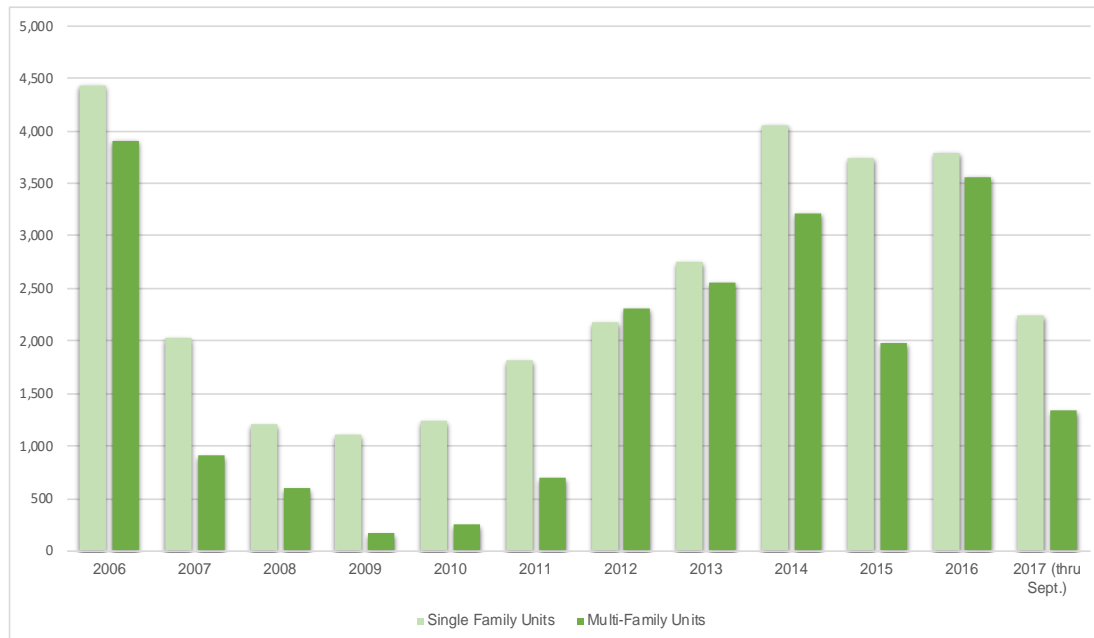
Table 15: New Housing Units Authorized by Building Permits

Palm Beach County			
Year	Single Family Units	Multi-Family Units	Total
2006	4,426	3,911	8,337
2007	2,033	905	2,938
2008	1,202	592	1,794
2009	1,102	165	1,267
2010	1,248	258	1,506
2011	1,810	692	2,502
2012	2,181	2,314	4,495
2013	2,756	2,554	5,310
2014	4,049	3,213	7,262
2015	3,737	1,984	5,721
2016	3,780	3,557	7,337
2017 (thru Sept.)	2,245	1,337	3,582
% Change 2011-2012	20.5%	234.4%	79.7%
% Change 2012-2013	26.4%	10.4%	18.1%
% Change 2013-2014	46.9%	25.8%	36.8%
% Change 2014-2015	-7.7%	-38.3%	-21.2%
% Change 2015-2016	1.2%	79.3%	28.2%
% Change 2006-2016	-14.6%	-9.1%	-12.0%

Source: Reinhold P. Wolff Economic Research, Inc.

The Palm Beach County forecast for housing starts is showing a 10.1 percent (518 units) year-over-year increase in 2018. However, both single- and multi-family starts were substantially down in 2017, so the 2018 forecast is not indicative of a significant uptick in housing starts.

Figure 2: Palm Beach County New Housing Starts Authorized by building Permits



Source: Reinhold P. Wolff Economic Research.

Table 16: New Housing Units Authorized by Building Permits

	2014	2015	2016	2017	2018
Single Family					
1st Quarter	615	709	527	770	845
2nd Quarter	1,483	788	1,403	769	835
3rd Quarter	1,424	841	1,322	885	845
4th Quarter	527	1,399	528	890 F	925
Total	4,049	3,737	3,780	3,314 F	3,450
% Change from prior year	46.9%	-7.7%	1.2%	-17.1%	10.0%
Multi-Family					
1st Quarter	607	569	765	465	545
2nd Quarter	790	164	1,078	226	420
3rd Quarter	751	513	914	646	515
4th Quarter	1,065	738	800	680 F	740
Total	3,213	1,984	3,557	2,017 F	2,220
% Change from prior year	25.8%	-38.3%	79.3%	-43.3%	11.1%
Total Starts					
1st Quarter	1,222	1,278	1,292	1,235	1,390
2nd Quarter	2,273	952	2,481	932	1,255
3rd Quarter	2,175	1,354	2,236	1,415	1,360
4th Quarter	1,592	2,137	1,328	1,570 F	1,665
Total	7,262	5,721	7,337	5,152 F	5,670
% Change from prior year	36.8%	-21.2%	28.2%	-29.8%	10.1%

Source: Reinhold P. Wolff Economic Research, Inc.

Building permit records for the Village of Wellington show only 1,300 new residential permits from 2007-2017. The permits were for 109 attached, single-family units, 1,116 detached, single-family unit and 85 multi-family units.

Table 17: Village of Wellington Building Permits Issued by Type, 2007-2017

Type	# of Permits	Percentage	Permit Valuation
Total	2,514		\$941,485,073
Detached accessory unit	246	9.8%	\$33,406,150
Model home, temporary	22	0.9%	\$55,800
New amusement, social and recreation	20	0.8%	\$22,119,054
New churches and other religious	3	0.1%	\$6,198,000
New hospitals and institutions	20	0.8%	\$17,885,674
New hotels/motels, etc.	1	0.0%	\$10,000,000
New office/bank plaza	46	1.8%	\$65,410,461
New other, non-residential	23	0.9%	\$9,054,451
New residential	1,310	52.1%	\$568,486,488
Attached	109	8.3%	\$11,953,946
Detached	1,116	85.2%	\$498,739,886
Multi-family	85	6.5%	\$57,792,656
New schools and educational	5	0.2%	\$7,688,975
New stores and customer service	1	0.0%	\$505,000
Stable	256	10.2%	\$127,710,973
Non-residential	158	61.7%	\$55,531,325
With residence	98	38.3%	\$72,179,648
Tenant build-out	561	22.3%	\$72,964,047

Source: Village of Wellington

Current Market Trends

According to the Florida Association of Realtors, the median sale price of existing single-family homes, townhomes and condos in Palm Beach County have steadily increased since 2011. The latest November 2016-2017 year-over-year sales data showed a 10.0 percent increase in the median sale price of single family homes and a 7.5 percent increase in the median sale price of townhomes and condos. Both the \$330,000 median sales price of existing single-family homes and \$172,000 median sales price of townhomes and condos are the highest since 2008.

The Association of Realtors analysis of housing market activity in Palm Beach County showed a slight decrease in the inventory of single-family homes and a 4.9-month supply. Condominiums and townhomes showed a slight increase in inventory and a 5.9-month supply.

Table 18: Monthly Market Summary – Palm Beach County

Single Family Homes			
	November 2017	November 2016	Percent Change
Closed sales	1,243	1,225	1.5%
Paid in cash	427	465	-8.2%
Median sale price	\$330,000	\$300,000	10.0%
Average sale price	\$526,973	\$394,469	33.6%
Dollar volume	\$655.0 million	\$483.2 million	35.6%
Med. pct. of orig. list price received	94.7%	94.8%	-0.1%
Median time to contract	57 days	50 days	14.0%
Median time to sale	101 days	95 days	6.3%
New pending sales	1,409	1,442	-2.3%
New listings	1,839	1,945	-5.4%
Pending inventory	2,469	2,716	-9.1%
Inventory (active listings)	7,058	7,380	-4.4%
Months supply of inventory	4.9	5.0	-2.0%

Townhouses and Condos			
Closed sales	958	905	5.9%
Paid in cash	555	539	3.0%
Median sale price	\$172,000	\$160,000	7.5%
Average sale price	\$232,123	\$246,117	-5.7%
Dollar volume	\$222.4 million	\$222.7 million	-0.2%
Med. pct. of orig. list price received	93.9%	94.3%	-0.4%
Median time to contract	56 days	50 days	12.0%
Median time to sale	94 days	97 days	-3.1%
New pending sales	1,137	1,071	6.2%
New listings	1,809	1,629	11.0%
Pending inventory	2,033	1,979	2.7%
Inventory (active listings)	6,424	6,159	4.3%
Months supply of inventory	5.9	5.6	5.4%

Source: MIAMI Association of REALTORS®

According to recent housing market statistics from Reinhold P. Wolf Economic Research Inc., there were 5,885 existing single-family homes sold during 3Q 2017 compared to 142 new homes sold for all of 2012. The increase in new homes sold through 3Q 2013 is still well below the 2002-2007 annual average of 3,949 units.

The 3Q 2017 median sales price of existing single-family homes in Palm Beach County was \$341,157, which represents a 20 percent increase in the 2012 median sale price of \$309,676. The largest number of sales were in the \$300,000-\$399,999 (24.5 percent) and \$200,000-\$299,999 price ranges (24.2 percent). Most existing single-family homes sales were in the Western Boynton Beach submarket (1,212 sales/\$329,544 median sales price) followed by the Palm Beach Gardens/North Palm Beach submarket (699 sales/\$421,999 median sales price). The Wellington/Western Lake Worth submarket had 316 sales with a median sales price of \$353,029.

Figure 3: Median Sale Price, Existing Single-Family Homes, Palm Beach County Q3 2017

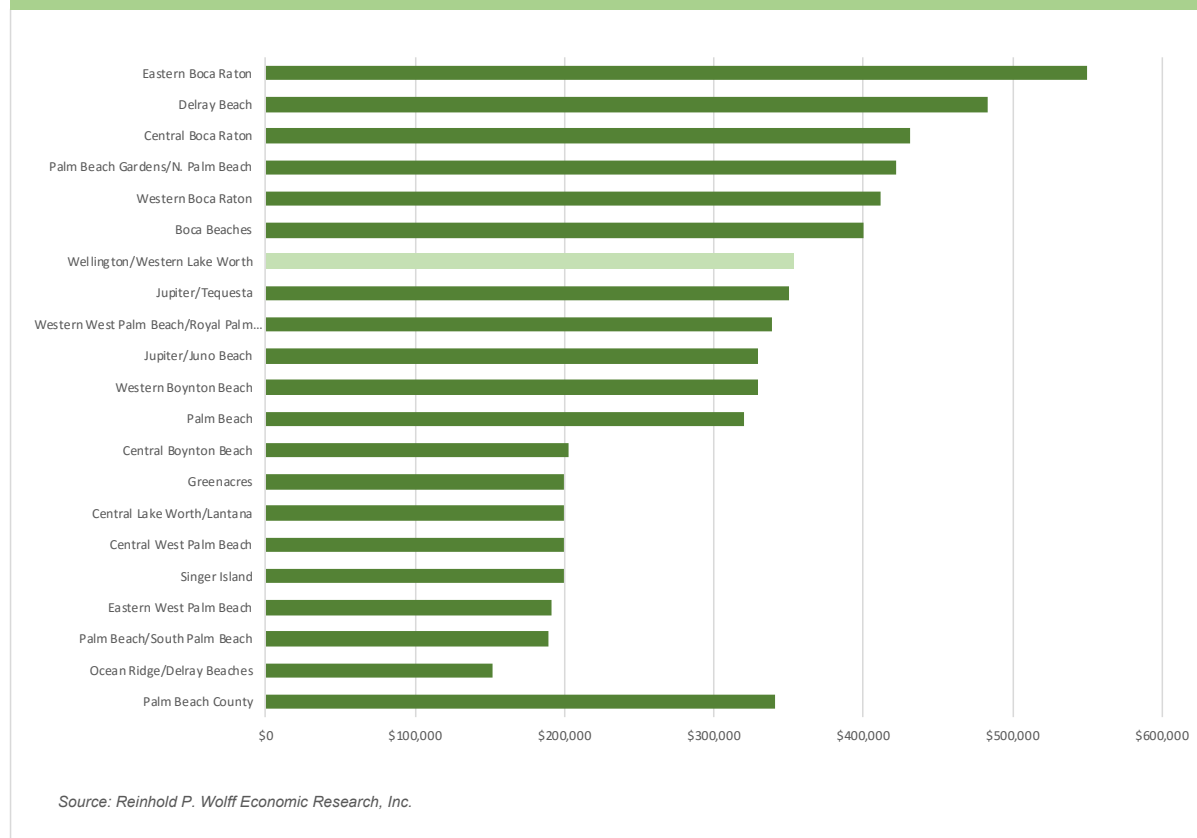


Table 19: Existing Single-Family Home Sales, Palm Beach County, 3rd Quarter 2017

Area	Under \$150,000	\$150,000- \$199,999	\$200,000- \$299,999	\$300,000- \$399,999	\$400,000- \$499,999	Units Resold by Price Range							\$800,000 or More	Total	Median Price
						\$500,000- \$599,999	\$600,000- \$699,999	\$700,000- \$799,999	\$800,000- \$899,999	\$900,000- \$999,999	\$1,000,000- \$1,099,999	\$1,100,000- \$1,199,999			
Palm Beach County	472	450	1,427	1,442	809	423	237	141	484	5,885	\$341,157				
Jupiter/Tequesta	14	11	120	149	61	31	14	10	30	440	\$350,335				
Palm Beach Gardens/North Palm Beach	32	26	108	156	125	106	59	31	56	699	\$421,999				
Jupiter/Juno Beach	2	3	29	50	8	4	1	1	0	98	\$329,999				
Singer Island	2	2	24	3	4	0	0	0	1	36	\$200,002				
Central West Palm Beach	23	23	64	32	18	8	4	1	5	178	\$200,014				
Western West Palm Beach/Royal Palm Beach	84	40	83	65	50	32	19	11	81	465	\$339,230				
Eastern West Palm Beach	41	20	20	13	5	2	4	0	10	115	\$191,249				
Palm Beach	7	9	21	5	0	1	0	1	32	76	\$319,999				
Palm Beach/South Palm Beach	44	40	42	10	8	2	2	0	2	150	\$188,749				
Central Lake Worth/Lantana	36	46	128	51	12	6	5	2	13	299	\$200,021				
Greenacres	51	75	223	94	46	20	10	3	8	530	\$200,046				
Wellington/Western Lake Worth	13	7	68	132	51	20	5	4	16	316	\$353,029				
Ocean Ridge/Delray Beaches	10	11	0	0	0	0	0	0	0	21	\$152,272				
Central Boynton Beach	14	16	17	2	1	0	2	1	8	61	\$202,940				
Western Boynton Beach	66	92	331	396	178	66	31	23	29	1,212	\$329,544				
Delray Beach	12	8	33	43	33	25	12	13	68	247	\$483,332				
Boca Beaches	0	1	2	11	3	0	0	1	10	28	\$399,999				
Eastern Boca Raton	2	4	14	39	35	14	15	10	69	202	\$549,999				
Central Boca Raton	3	6	10	56	52	22	14	9	11	183	\$431,730				
Western Boca Raton	16	10	90	135	119	64	40	20	35	529	\$411,344				

Source: Reinhold P. Wolff Economic Research, Inc.

Table 20: Existing Condominium Unit Sales, Palm Beach County, 3rd Quarter in 2017

Area	Under \$100,000	\$100,000- \$149,999	\$150,000- \$199,999	\$200,000- \$299,999	\$300,000- \$399,999	\$400,000- \$499,999	\$500,000- \$699,999	\$700,000 or More	Total	Median Price
Palm Beach County	1,449	879	600	542	195	168	90	202	4,125	\$134,987
Jupiter/Tequesta	8	40	53	68	21	14	5	13	222	\$214,705
Palm Beach Gardens/North Palm Beach	58	47	35	39	19	13	5	8	224	\$159,999
Jupiter/Juno Beach	2	4	19	23	22	14	4	10	98	\$304,544
Singer Island	0	2	2	12	13	24	17	22	92	\$504,249
Central West Palm Beach	272	93	12	4	0	0	0	10	391	Under \$100,000
Western West Palm Beach/Royal Palm Beach	22	21	0	0	0	0	1	2	46	\$102,380
Eastern West Palm Beach	51	46	35	45	16	11	3	3	210	\$161,428
Palm Beach	0	0	3	15	7	10	5	28	68	\$534,999
Palm Beach/South Palm Beach	46	5	21	44	14	11	9	18	168	\$227,272
Central Lake Worth/Lantana	6	4	3	5	0	0	0	4	22	\$166,666
Greenacres	284	85	11	10	4	0	1	5	400	Under \$100,000
Wellington/Western Lake Worth	60	8	18	16	2	1	0	0	105	Under \$100,000
Ocean Ridge/Delray Beaches	53	12	6	8	3	2	3	6	93	Under \$100,000
Central Boynton Beach	5	4	15	6	0	0	0	0	30	\$169,999
Western Boynton Beach	141	197	135	71	8	6	1	7	566	\$136,040
Delray Beach	252	133	74	37	27	22	15	16	576	\$113,533
Boca Beaches	5	8	8	8	5	11	10	18	73	\$434,090
Eastern Boca Raton	9	38	55	46	17	24	9	32	230	\$228,260
Central Boca Raton	16	26	44	62	17	4	2	0	171	\$199,431
Western Boca Raton	159	106	51	23	0	1	0	0	340	\$105,188

Source: Reinhold P. Wolff Economic Research, Inc.

According to recent housing market statistics from Reinhold P. Wolf Economic Research Inc., there were 4,125 sales of existing condominium units in 3Q 2017. Existing condos with a median sales price of under \$100,000 comprised 35.1 percent (1,449 sales) of all sales. The median sales price of existing condominiums varies significantly among Palm Beach County's submarkets. The highest median sale prices were in the Palm Beach (\$534,999) and Singer Island (\$504,249) submarkets. However, the most amount of sales were in the Delray Beach (576 sales/\$113,533 sales) and Western Boynton Beach submarkets (566 sales/\$136,040 median sales price). The Wellington/West Lake Worth submarket had 105 sales with a median sales price of under \$100,000.

Rental Market Activity

According to Reinhold Wolff Economics Research, the overall average rent in Palm Beach County in 3Q 2017 was \$1,671 which represents a 4.6 percent year-over-year increase. Average rents range from \$1,409 for an efficiency apartment to \$2,836 for a four-bedroom unit. One- and two-bedroom apartments comprise 84 percent of the units surveyed.

The most expensive rental submarkets in Palm Beach County are Delray Beach (\$2,170/2BR) and East Boca Raton (\$2,104/2BR). The average two-bedroom rent in the Wellington/Western Lake Worth submarket is \$1,710.

**Table 21: Monthly Apartment Rents by Area and Bedrooms
November 2017**

Area	# Bedrooms	# Units in Sample	Average Monthly Rent
Jupiter/Tequesta/Palm Beach Gardens/N. Palm Beach	1	1,627	\$1,447
	2	2,905	\$1,733
	3	1,151	\$1,938
Central West Palm Beach/Royal Palm Beach	1	1,618	\$1,260
	2	2,017	\$1,399
	3	277	\$1,715
Eastern West Palm Beach	1	457	\$1,280
	2	688	\$1,794
	3	136	\$1,983
Central Lake Worth/Lantana	1	870	\$1,135
	2	1,389	\$1,352
	3	266	\$1,693
Greenacres	1	393	\$1,099
	2	888	\$1,315
	3	290	\$1,559
Wellington/Western Lake Worth	1	491	\$1,422
	2	1,038	\$1,710
	3	485	\$2,019
Boynton Beach/Boynton Beach East	1	2,379	\$1,362
	2	4,162	\$1,583
	3	1,052	\$1,909
Delray Beach	1	968	\$1,825
	2	1,869	\$2,170
	3	634	\$2,240
East Boca Raton	1	848	\$1,651
	2	1,129	\$2,104
	3	360	\$2,781
Central Boca Raton/West Boca Raton	1	1,894	\$1,543
	2	2,601	\$1,890
	3	659	\$2,430
Palm Beach County	All apartments	35,931	\$1,671
	Efficiency	166	\$1,409
	One-bedroom	11,545	\$1,423
	Two-bedroom	18,686	\$1,704
	Three-bedroom	5,310	\$2,051
	Four-bedroom	224	\$2,836

Source: Reinhold P. Wolff Economic Research, Inc.

**Table 22: Rental Apartment Vacancies in Palm Beach County:
Buildings 18-months or older**

Date	Palm Beach County		
	# Units Surveyed	# Units Vacant	Percent Vacant
November 2016	34,337	1,185	3.5%
August 2017	35,743	2,194	6.1%
November 2017	35,931	2,172	6.0%

Source: Reinhold P. Wolff Economic Research, Inc.

**Table 23: Apartment Vacancy Rates by Area,
Buildings 18-months or older, November 2017**

Area	# Units Surveyed	# Vacant Units	Percent Vacant
Palm Beach County	35,931	2,172	6.0%
Jupiter/Tequesta/Palm Beach Gardens/North Palm Beach	5,748	362	6.3%
Central West Palm Beach/Royal Palm Beach	3,912	289	7.4%
Eastern West Palm Beach	1,297	70	5.4%
Central Lake Worth/Lantana	2,541	222	8.7%
Greenacres	1,571	106	6.7%
Wellington/Western Lake Worth	2,045	86	4.2%
Boynton Beach/Boynton Beach East	7,593	472	6.2%
Delray Beach	3,521	196	5.6%
East Boca Raton	2,483	137	5.5%
Central Boca Raton/West Boca Raton	5,220	232	4.4%

Source: Reinhold P. Wolff Economic Research, Inc.

According to Reinhold Wolff's recent market survey of Palm Beach County, there has been a steady increase in the number of new multi-family, renter units completed since December 2016. The number of multi-family units (2,405 units) completed in 3Q 2017 was the highest since 2008. The steady increase in multi-family housing through 2017 has resulted in an increase in vacant units.

Table 24: Palm Beach County Inventory of New Rental Apartment Units

Date	Number of Projects Surveyed¹	Number of Units Completed²	Number of Units Vacant³
September, 2013	9	1,686	807
December, 2013	8	2,082	716
March, 2014	8	2,006	519
June, 2014	5	1,245	310
September, 2014	7	1,160	542
December, 2014	8	1,565	871
March, 2015	9	2,310	897
June, 2015	8	2,393	759
September, 2015	7	1,177	373
December, 2015	5	1,663	281
March, 2016	3	1,146	314
June, 2016	3	510	215
September, 2016	5	840	298
December, 2016	6	1,084	762
March, 2017	9	1,407	697
June, 2017	11	2,358	950
September, 2017	11	2,405	979

¹ Survey includes all known projects with one or more new, never before occupied unit. Fully occupied projects are not included.

² The number of units completed in projects having one or more vacant, never before occupied units.

³ Number of new, never before occupied units.

Source: Reinhold P. Wolff Economic Research, Inc.

Housing Demand and Affordability

A basic premise of all housing markets is there should exist a spectrum of housing choice and opportunity for local residents. This axiom establishes that housing choice and needs differ in most communities due to a variety of factors, including: employment mix, household income, population age, proximity of employment and mere preference. Local housing and labor markets are inextricably linked to one another. Industries are served by local housing markets that provide choices and opportunities for both current and future workers.

Housing affordability is generally defined as the capacity of households to consume housing services and, specifically, the relationship between household incomes and prevailing housing prices and rents. The standard most used by various units of government is that households should spend no more than 30 percent of their income on housing. Families who pay more than 30 percent of their income for housing are considered cost-burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. This is also the standard definition for housing programs administered by the Department of Housing and Urban Development (HUD) and most state programs, including various housing programs administered through the State of Florida's Housing Finance Corporation (FHFC) and Department of Economic Opportunity (DEO). However, this definition of housing affordability has its limitations because of the inability to determine whether households spend more than 30 percent of their income on housing by necessity or choice. Specifically, the definition does not consider that upper income and smaller households can afford to spend much more than 30 percent of their incomes on housing and still have enough income left over to satisfy other basic needs, whereas low income households that pay even 10 percent of their incomes on housing costs may be forced to forgo essential medical care and healthy food.

Other Housing Affordability Indicators

Affordable Housing Indices

One measure of housing affordability is the cost of homeownership, commonly conveyed through housing affordability indices. These indices generally indicate that affordability increased substantially toward the end of the last decade, primarily as a result of lower interest rates during that period. A housing affordability index for an area brings together the price and the income elements that contribute to housing affordability. The following describes the most recognized affordability indices:

National Association of Realtors (NAR) Index

The most common index is that produced by the National Association of Realtors (NAR). The affordability index measures whether or not a typical family could qualify for a mortgage loan on a typical home. A typical home is defined as the national median-priced, existing single-family home as calculated by NAR. The typical family is defined as one earning the median family income as reported by the U.S. Bureau of the Census. The prevailing mortgage interest rate is the effective rate on loans closed on existing homes from the Federal Housing Finance Board. These components are used to determine if the median income family can qualify for a mortgage on a

typical home. To interpret the indices, a value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An index above 100 signifies that family earning the median income has more than enough income to qualify for a mortgage loan on a median-priced home, assuming a 20 percent down payment. For example, a composite Housing Affordability Index (HAI) of 120.0 means a family earning the median family income has 120 percent of the income necessary to qualify for a conventional loan covering 80 percent of a median-priced existing single-family home. An increase in the HAI, then, shows that this family is more able to afford the median priced home. The calculation assumes a down payment of 20 percent of the home price and it assumes a qualifying ratio of 25 percent. That means the monthly principal and interest (P&I) payment cannot exceed 25 percent of the median family monthly income.

Single-family Home - Median Household Income Ratio

The “median house price-income ratio” used by the National Association of Realtors (NAR) and other housing analysts is a key economic indicator in assessing local market trends and vitality. During the height of the “housing bubble”, the median house price-to-income ratio more than tripled in many high priced metropolitan markets such as New York City, Boston, Los Angeles and South Florida. In Palm Beach County, the median house price-to-income ratio rose from 4:1 to 7:1 during this period. Currently, Palm Beach County’s median house price-to-income ratio is 6:1 and 4.5:1 in the Village of Wellington.

Housing Opportunity Index

The National Association of Home Builders (NAHB) has developed a “Housing Opportunity Index”, which is defined as the share of homes affordable for median household incomes for each metropolitan statistical area (MSA). The NAHB Index has certain intuitive limitations, however, as housing affordability scores are generally more favorable in metropolitan areas that are rated as “least desirable places to live” according to Places Rated Almanac.

Housing and Transportation Affordability Index

As noted above, housing affordability is generally defined as the capacity of households to consume housing services and, specifically, the relationship between household incomes and prevailing housing prices and rents. The standard HUD definition that households should spend no more than 30 percent of their income on housing costs is most frequently used by various units of government. However, a number of housing studies in recent years have shown a clear correlation between workforce housing demand and transportation costs. The critical link between housing and transportation costs has significant implications with respect to housing choice and affordability. Housing and transportation costs can severely limit a working household’s choice both in terms of housing and job location. Rising gas and overall transportation costs have significant impacts on both homeowners and renters. The location of affordable rental housing is particularly relevant as proximity to job centers and access to transit is vital to a renter dominated workforce principally comprised of low- and moderate income households.

The Housing and Transportation Affordability Index (H+T Index) developed by the Center for Neighborhood Technology (CNT) demonstrates the inadequacy of traditional measures of housing cost burden. While housing alone is traditionally considered affordable when consuming no more than 30 percent of income, the H+T Index limits the combined costs of transportation and housing consuming to no more than 45 percent of household income. Why does this matter? According to CNT, a typical household’s transportation costs can range from 12 percent of household income in

communities with compact development and access to transit options, to more than 32 percent in the far exurbs.

Unfortunately, new data show that workers have further distanced themselves from their jobs. According to the U.S. Census Bureau, the number of “extreme commuters,” those who travel ninety minutes or more each way, has reached 3.5 million, almost double their number in 1990. Statistics show that South Florida’s sprawl development pattern has significantly increased commute times. In 1990, 210,802 South Florida workers commuted 45+ minutes to their place of employment. According to 2010 U.S. Census figures, that number has more than doubled to 429,963 workers.

Currently, the level of cost-burdened renter and owner units in the Village of Wellington are similar to that of Palm Beach County. According to 2016 U.S. Census estimates, 34.1 percent of renters and 26.0 percent of owners in Wellington are cost burdened (>30 percent of household income on housing costs). In Palm Beach County, 35.5 percent of renters and 25.4 percent of owners are cost-burdened.

Table 25: Cost Burden Analysis

	Wellington		Palm Beach County	
Cost Burdened Renter Households				
Total Renter Occupied Households	4,761		169,013	
Median gross rent as a percentage of household income	34.1%		35.5%	
Total renter occupied housing units that pay 30% or more of their household income on rent	2,533	53.2%	94,664	56.0%
Total renter occupied housing units that pay 50% or more of their household income on rent	1,389	29.2%	50,821	30.1%
Cost Burdened Owner Households				
Total Owner Occupied Households**	10,702		205,759	
Median monthly owner costs as a percentage of household income	26.0%		25.4%	
Total owner occupied housing units that pay 30% or more of their household income on mortgage payments	3,975	37.1%	84,620	41.1%
Total owner occupied housing units that pay 50% or more of their household income on mortgage payments	1,753	16.4%	39,240	19.1%

**With a mortgage

Source: 2012-2016 American Community Survey 5-Year Estimates

The following provides a “housing affordability analysis” based on current U.S. Census estimates of median household income and owner/renter-occupied unit values in Wellington. Affordability calculations for renter housing were performed for each household income category ranging from “Extremely Low” (< 30 percent of median) to “Middle” (81-120 percent of median). For owner units, affordability calculations were performed for household income categories starting at the “Low” household income category (51-80 percent of median) to the “Upper” household income category (121+ percent of median). Household income categories below 50 percent of median were excluded from the owner affordability calculations as households with incomes at this level would have extreme difficulty meeting lending underwriting standards and would also require a substantial public subsidy.

The housing affordability analysis for owner units found a significant affordability gap at the “Low” household income category and a lesser gap in the “Moderate” household income category. An affordable surplus exists at both the “Middle” and “Upper” household income categories.

The housing affordability analysis for renter units in Wellington shows significant gaps in the “Extremely Low” and “Very Low” household income categories with a surplus at all other income categories.

Table 26: Housing Affordability Analysis

Owners						
Village of Wellington				Palm Beach County		
Median Family Income (MFI)				\$93,921		
Median Owner-Occupied Value				\$327,700		
Household Income Categories	Income	Affordable Home Purchase Price	Gap/Surplus	Income	Affordable Home Purchase Price	Gap/Surplus
Low-Income (51-80% of MFI)	\$75,137	\$225,410	\$102,290	\$54,742	\$164,225	\$58,475
Moderate-Income (81-100% of MFI)	\$93,921	\$281,763	\$45,937	\$68,427	\$205,281	\$17,419
Middle-Income (101-120% of MFI)	\$112,705	\$338,116	\$10,416	\$82,112	\$246,337	\$23,637
Upper-Income (121% or greater of MFI)	\$113,644	\$340,933	\$13,233	\$82,797	\$248,390	\$25,690

Renters						
Village of Wellington				Palm Beach County		
Median Family Income (MFI)				\$93,921		
Median Gross Rent				\$1,551		
Household Income Categories	Income	Affordable Rent	Gap/Surplus	Income	Affordable Rent	Gap/Surplus
Extremely Low-Income (0-30% of MFI)	\$28,176	\$704	\$847	\$20,528	\$513	\$693
Very Low-Income (31-50% of MFI)	\$46,961	\$1,174	\$377	\$34,214	\$855	\$351
Low-Income (51-80% of MFI)	\$75,137	\$1,878	\$327	\$54,742	\$1,369	\$163
Moderate-Income (81-100% of MFI)	\$93,921	\$2,348	\$797	\$68,427	\$1,711	\$505
Middle-Income (101-120% of MFI)	\$112,705	\$2,818	\$1,267	\$82,112	\$2,053	\$847
Upper-Income (121% or greater of MFI)	\$113,644	\$2,841	\$1,290	\$82,797	\$2,070	\$864

Source: US Census, ACS, 2016 5-Year Estimates

Housing and Transportation Affordability Index

The Housing and Transportation Affordability Index (H+T Index) developed by the Center for Neighborhood Technology (CNT) offers an expanded view of affordability, one that combines housing and transportation costs and sets the benchmark at no more than 45 percent of household income. The thrust behind the H&T Index is to show how location-efficient places can be more livable and affordable. According to CNT's 2016 estimates, the H&T Index for the Village of Wellington is 80 percent compared to 66 percent for Palm Beach County. The H&T Index for Wellington is composed 52 percent by housing costs and 28 percent by transportation costs. The annual transportation cost for commuter households in Wellington is \$13,779 with 23,482 annual vehicles miles traveled per household.





Sustainability

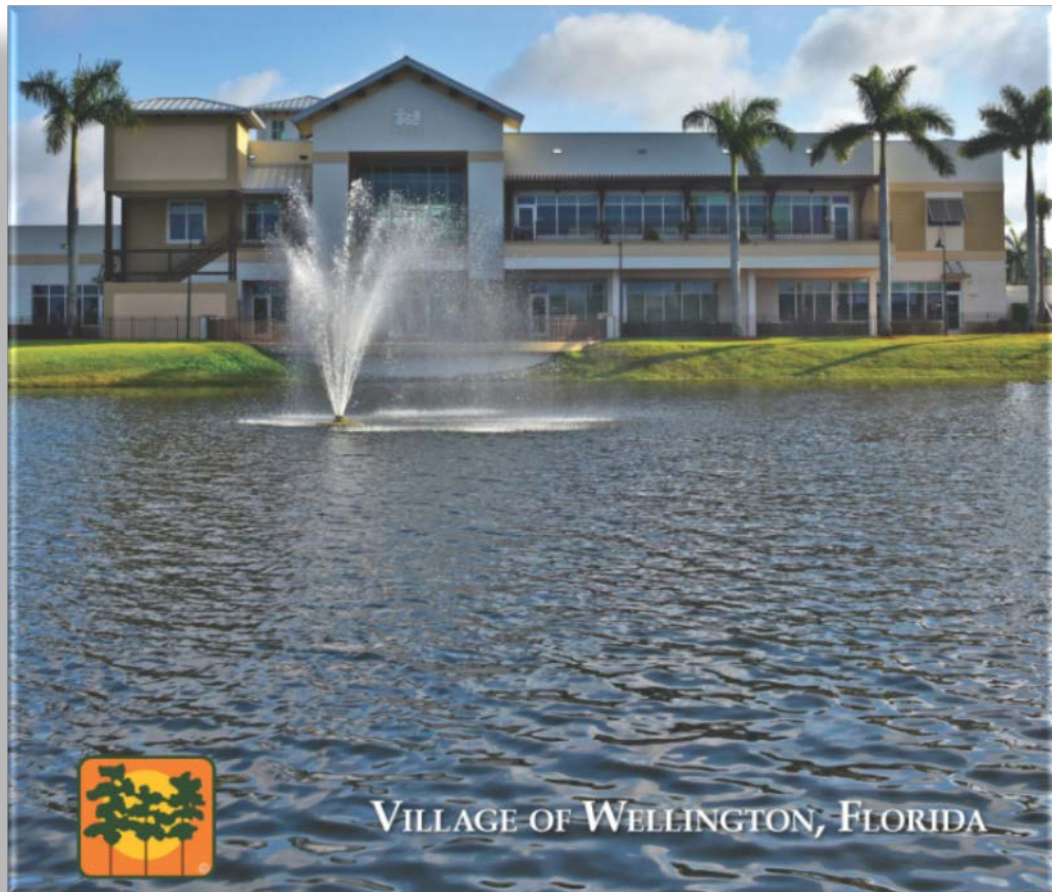
Long Range Financial Plan



Village of Wellington, Florida

Long Term Financial Plan (LTFP)

FY 2018 - 2022



Village of Wellington

Village Council

Anne Gerwig, Mayor

Michael Drahos, Vice Mayor

John T. McGovern, Councilman

Michael J. Napoleone, Councilman

Tanya Siskind, Councilwoman

Senior Leadership Team

Paul Schofield, AICP, ICMA-CM

Jim Barnes, AICP, ICMA-CM

Tanya Quickel

Chevelle Nubin, MMC

Bob Basehart, AICP

Shannon LaRocque, PE

Tom Lundeen, PE

Village Manager

Assistant Village Manager

Director of Administrative & Financial Services

Village Clerk

Planning, Zoning & Building Director

Utilities Director

Village Engineer

Project Director

Tanya Quickel

Director of Administrative & Financial Services

Project Team

Jim Barnes, AICP, ICMA-CM

Assistant Village Manager

Ana Acevedo, CPA

Controller

Michael O'Dell, AICP

Assistant Planning & Zoning Director

Jose Reyes, CPA

Senior Financial Analyst

Bill Silliman

Chief Information Officer

Christine Wadleigh

Budget & Reporting Director

Village of Wellington



Vision

A Great Hometown:

Great Neighborhoods ★ Great Schools ★ Great Parks



Mission

To provide high quality services
that create economic,
environmental
and social sustainability for
residents

Five Fundamentals

Neighborhood Renaissance
Economic Development
Protecting our Investment
Respecting the Environment
Responsive Government



Financial Plan Elements

1. Executive Summary

A discussion of the long-term financial plan objectives and process, with a summary of resulting recommendations and initiatives.

2. Financial Trend & Market Analysis

The presentation and analysis of historical financial performance. A rating of the Village's fiscal health is provided using the International City Management Association's (ICMA) Financial Trend Monitoring System.

The Market Analysis is an overview of economic and demographic influences. Includes available economic forecasts that are the basis of assumptions used in the Village financial projections.

3. Revenue and Expenditure Forecast

Using assumptions based on the Economic & Financial Trend Analysis, a forecast of revenues and expenditures is prepared for the General Fund. The forecast is presented in summary with 5-year projections.

4. Fund Balance Analysis

An analysis of fund balances and reserves to ensure compliance with Village financial policies and legal requirements of state, county and local ordinances.

5. Capital Improvement Program

An analysis of approved capital projects and future projects that may present funding challenges and considerable impacts. The analysis includes estimated funding requirements and timing determination based on funding availability.

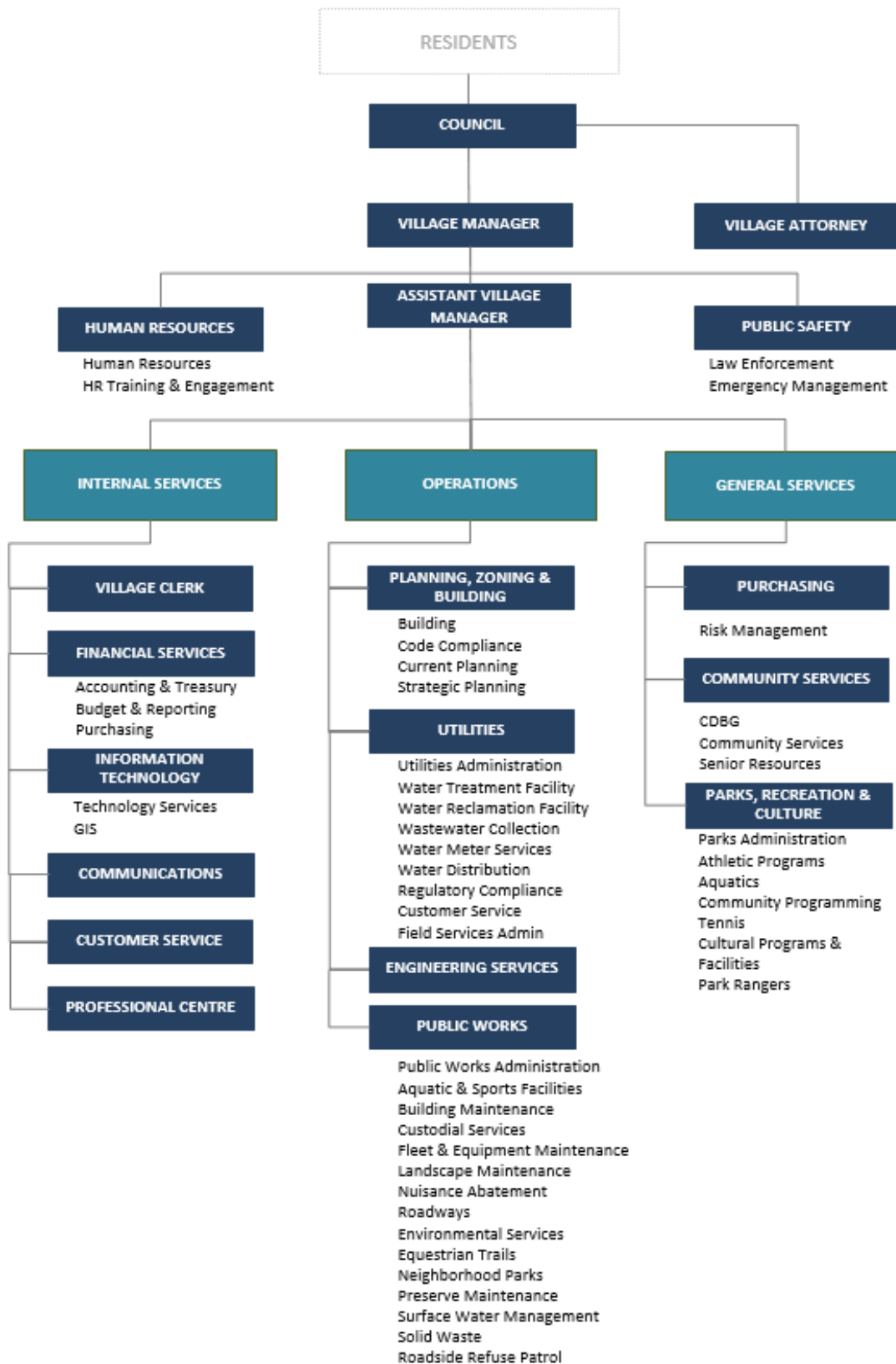
6. Financial Policies

A review of the Village's pertinent financial policies and identification of recommended changes or additions.

7. Village Plans & Studies

Summary statements of significant plans, programs and studies which affect Village operations: comprehensive planning, legislative or regulatory compliance and infrastructure maintenance. Includes a schedule of plan updates, and any expected financial impacts as applicable.

Organizational Chart



Long Term Financial Plan

Purpose/Objectives

The purpose of a multi-year financial planning process is to identify current and future revenue and expense trends in order to provide Council and residents with the insight required to address issues affecting the Village's financial condition. The long-term financial plan is a key forecasting tool that the Village updates annually using audited financial information and statistical data sources to project the financial position of major funds over the next five years.

The plan presents current and future financial condition, allowing for recommendations or policy adjustments to be incorporated in the annual budget.

Process

The long term planning process is designed to detect and provide the means to formulate solutions for the issues that are identified as impacts on the long-term financial condition. The long-term financial plan is developed by the Village Council each year in a workshop prior to the annual budget adoption process.

The Council workshop will provide the opportunity for the following:

- Review, refine and modify Five-Year Goals and Projects
- Identify and discuss key trends and issues affecting the Village in the long term
- Develop strategies and solutions to address key trends and issues

This process is intended to combine strategic planning with financial planning to ensure the resources are assigned to achieve the Village vision and mission.

Subsequent to Council discussion of the priorities to be included in the long-term financial plan, the plan will be presented to Council for adoption at a noticed public meeting.

Executive Summary

Long Term Financial Plan



Council

Anne Gerwig, Mayor
Michael Drahos, Vice Mayor
John T. McGovern, Councilman
Michael J. Napoleone, Councilman
Tanya Siskind, Councilwoman

Manager

Paul Schofield

To the Council and Residents of Wellington:

I am pleased to present to you the draft Long Term Financial Plan (LTFP) for Fiscal Years 2018-2022. The plan serves to identify the major considerations, policies, strategies and resources required to ensure financial sustainability and service delivery into the future. It is the compilation of financial analysis and planning tools to help our Village leaders map the future of Wellington.

Long term financial planning is considered a best practice for governments and the plan is updated annually. Wellington has continuously completed the financial analysis and forecasting that is included in the LTFP, and the results are presented with the annual budget process and planning workshops. However, the LTFP goes further by incorporating long term plans maintained in other functional areas, such as Planning & Zoning and Public Works. The LTFP also provides specific recommendations for corrective or preventative action to ensure completion of the plans, future financial health and continued service delivery. Now all of these elements appear in one document in summary and in detail to allow Village leaders to consider the information as a whole.

The prior year LTFP included recommendations to restore Emergency Reserves and commit audited fund balance to Insurance and Facility & Infrastructure Reserves. All of the recommendations were approved by Council in the FY 2018 budget process.

I look forward to making the LTFP an integral part of our annual Directions workshop(s) and budget process, and incorporating its recommendations in future budgets. Our long term goals and short term objectives will be discussed and refined at this time also. It is another step to ensure that Wellington is a viable, vibrant, and great hometown into the long-term future.

Sincerely,



Paul Schofield

2018 Long Term Financial Plan

Executive Summary

The Executive Summary provides a synopsis of the financial analysis, forecast and recommendations included in this Financial Plan. Additional detail to support the summary findings is provided in each document section.

There are five central areas that will be summarized in the LTFP Executive Summary to be finalized after Council Directions workshop:

Five Year Goals and Projects – our goals for the next five years, with associated projects and programs, linked to the five Wellington Fundamentals

Long Term Financial Plan Review – a review of the long-term planning elements and status of actions

Current Financial Condition – a summary chart of financial condition indicators and the trend status for Wellington

Financial Forecast – a brief presentation of the five-year forecast results

Recommendations – recommended Council and staff actions to improve financial stability, arising from the results of the LTFP analyses

An example of recommendations arising from recent years' financial analysis and forecast, and the year in which they impact the budget include:

- ✓ Initiate Major Maintenance programs in the operating budgets to shift costs from capital and approve the programs for budget roll forward from year to year - 2015
- ✓ Assigned General Fund Undesignated Fund Balance for priority capital projects determined by Council - 2016
- ✓ Shift the funding source for Neighborhood Parks from the Acme Improvement District to the General Fund to alleviate the depletion of Acme Fund reserves – 2017
- ✓ Establish a Facility & Infrastructure Reserve to ensure available funds for unexpected repairs, replacement or rehabilitation of Village facilities, roads, technology systems or other infrastructure – 2017
- ✓ Assigned General Fund Unassigned Fund Balance to maintain adequate levels of reserves for future needs - 2018

Five Year Goals and Projects

Goal	Project/Program	Primary Strategic Fundamental
Financial Planning & Stability	<ul style="list-style-type: none"> ✓ Long-Term Financial Plan ✓ Technology Investment 	Responsive Government
Inclusionary Government	<ul style="list-style-type: none"> ✓ Boards and Committees ✓ Budget Challenge Survey ✓ Neighborhood & Town Hall Meetings ✓ Senior Programs 	Responsive Government
Staff Retention & Training	<ul style="list-style-type: none"> ✓ Employee Retention & Appreciation Programs ✓ Leadership & Succession Training ✓ Promotional Opportunities 	Responsive Government
Infrastructure Maintenance & Improvement	<ul style="list-style-type: none"> ✓ Investment in Safety Equipment ✓ 2014 Acme Renewal & Replacement Program ✓ Facility Major Maintenance ✓ Road & Sidewalk Repair Programs ✓ Capital Improvement & Surtax Projects ✓ Community & Roadway Signage 	Protecting Our Investment
Planning for Sustainability	<ul style="list-style-type: none"> ✓ Waterfront Development Planning ✓ Residential Renaissance ✓ Blueways Plan and Lakefront Usage ✓ Marketing Wellington ✓ Increased Code Enforcement Presence ✓ Park Assessment & Master Plan • State Road 7 Development Planning • Equestrian Preserve Planning • Future Use of Open Space Areas 	Neighborhood Renaissance
Quality of Life	<ul style="list-style-type: none"> ✓ Education Grants to Local Schools ✓ Great Neighborhoods Grants ✓ Streetscaping Program 	Responsive Government
Alternative Transportation	<ul style="list-style-type: none"> ✓ Bike & Pedestrian Path Connectivity Plan • Low Speed Vehicle Use Plan 	Respecting the Environment
Business Recruitment	<ul style="list-style-type: none"> ✓ Navigable Regulatory Environment ✓ Small Business Grants • Interior Commercial Center Redevelopment • Business Incubator 	Economic Development

- ✓ Checked projects and programs are funded in the FY 2018 budget. Multi-year programs may receive partial funding over multiple years, or full funding in a later budget year.

Long Term Financial Plan Review

In future plan updates, a summary of the status of long term financial planning issues and initiatives will be provided in a summary format. The table below will be used to track and report on long term planning issues.

Financial Trend Analysis	Status
An evaluation of Wellington's current fiscal condition is completed based on the ICMA Financial Trend Monitoring System focusing on the General Fund.	Complete through FY 2017

Market Analysis	Status
Key economic and demographic indicators are analyzed to determine the impact on Wellington's financial condition and to estimate future trends on financial stability. The market analysis is the basis for formulating assumptions for the financial projections.	Continual monitoring throughout the year and publication in annual budget documents.

Revenue & Expenditure Forecast	Status
The annual projection of revenues and expenditures for the next five years is presented in conjunction with annual budget development	Completed through FY 2022

Reserve Analysis	Status
Fund balances in all governmental funds, but primarily the General Fund, are examined in depth.	Recommendations for use of unassigned reserves will be presented during the budget process







Capital Improvement Projects	Status
To examine planned projects compared to future revenues to help determine the timing of projects to coincide with available funding.	Projects in the FY 2018 – FY 2022 capital improvement plan are included. Staff will continue to identify future projects through the CIP plan including sales surtax projects.












Financial Policies	Status
Review accounting, purchasing and financial policies every three (3) years in order to identify appropriate changes, additions or deletions.	Review complete with no changes necessary

Plans & Studies	Status
Utility Rate Study Update	A comprehensive study is currently underway with presentation to Council during the 2018 Directions workshop.
Water Control Plan	The 2016 update was adopted by the Acme Board of Supervisors on March 14, 2017. Next review is scheduled for 2021.
Water & Wastewater Plant R&R Program	Project includes the renewal and replacement of equipment and preparation of a master plan for future improvements to meet demand

Current Financial Condition

The Village Long Term Financial Plan (LTFP) focuses on the governmental funds and especially the General Fund as the primary operating fund. Key financial indicators derived from the ICMA financial trend model and GFOA best practices are analyzed to create a picture of the Village's financial performance. Findings are presented to interpret the trend direction and to support recommendations.

TREND LEGEND						
Trend Direction	INCREASING		STABLE Little or no change over time		DECREASING	
Trend Finding	FAVORABLE The trend is or can be beneficial to the Village financial position		ADVISORY Changes in the trend will be monitored for future action		UNFAVORABLE The trend has a negative effect on the Village financial position; action needed	

Indicator	Significance	Warning Trend	Trend
Village Population	Growth signifies the need for expanded municipal services and facilities.	Decreases may be caused by economic or environmental conditions and impacts tax revenues	
FINANCIAL TRENDS			
Revenues per Capita	Determines amount of total revenue collected per resident	Decreasing net operating revenues per capita (constant dollars)	
Expenditures per Capita	Reflects the cost burden per resident	Increasing operating expenditures per capita not explained by one-time costs	
Unassigned Fund Balance	Measures the Village's ability to maintain reserves consistent with financial policies.	Continuing trend that is not addressed by policy or spending changes	
Intergovernmental Revenues	Revenues received from other governmental entities are highly subjective to economic, budgetary and legislative impacts	Increasing intergovernmental revenues as a percentage of gross revenues leaves the Village vulnerable to fluctuations	
Elastic Revenues	Yields of elastic revenues are highly responsive to changes in the economic base and inflation.	Decreasing amount of elastic operating revenues as a percentage of net operating revenues	
Tax Revenues	Property tax revenue is the most significant source of revenue for most municipalities in the State of Florida	Declining property tax revenues (in constant dollars)	
Operating Ratio	Total revenues divided by total expenditures indicates a government's ability to generate enough revenues to fund and maintain its levels of service	Decreasing ratio and/or a ratio less than 1.00	<div>Governmental Funds </div> <div>General Fund </div> <div>Acme Improvement District Fund </div> <div>Enterprise Funds </div>

Indicator	Significance	Warning Trend	Trend
Revenue Surplus (Overage)	Examines the percentage difference between budgeted revenues and actual revenue receipts	Increasing revenue shortfalls as a percentage of net operating revenues, or a negative ratio	
FTEs per Capita	Measures the number of full-time employees per 1,000 residents; indicates efficiency of service delivery	Increasing FTEs per capita without corresponding increase in services	
Personnel Expenditures	The cost of wages and fringe benefits as a percent of total expenditures and of salaries	Increasing percentages without corresponding increase in level of service	
Capital Outlay	Capital outlay as a percentage of total operating expenditures indicates investment in capital replacements and improvements	Three or more year decline in percentage	
Debt Service	Fixed costs as a percentage of total operating expenses affects the adaptability to economic changes	Increasing debt service (fixed) costs as a percentage of net operating expenditures	
Current Ratio	Current assets divided by current liabilities shows the government's ability to meet short-term financial obligations using current assets	Decreasing amount of cash and short-term investments as a percentage of current liabilities	
		Governmental Funds	
		Enterprise Funds	
MARKET TRENDS			
Building Permits	Permitting types and activity level are indicators of local economic conditions and can impact future tax revenues	Declining all permits, new construction permits, building permit revenues	
		Total All Permits	
		Total New Construction Permits	
		Permit Revenue	
Business Tax Receipts	The change in local business licensing is an indicator of local economic conditions	Declines in business tax receipts	
Consumer Price Index (CPI)	Measures changes in the prices of goods over time and is used to measure the inflation rate, affecting costs and revenues	Continued increases in the CPI indicate inflation	
Municipal Cost Index (MCI)	Helps determine the effect of inflation on the cost of providing municipal services	Increases in the MCI	
Employment Cost Index	The change in total compensation for all workers in state and local government as compared to the compensation of private industry workers is a major consideration in future budget decisions	Decreases in government worker compensation or a lower change rate than for private workers	
Unemployment	The rate of unemployment for Wellington and compared to the nation, state and county impacts revenue	Increasing unemployment rate or a rate higher than comparative statistical areas	
Personal Income	Personal income determines consumer spending and impacts future millage rate caps under TRIM rules	Declining or negative personal income change rate	
Property Values	Taxable and new construction values directly contribute to Wellington property tax receipts	Declining property values, slow growth rate of property values and declining new construction	

Financial Forecast

The financial forecast is completed annually to ascertain the ability of future revenues to fund future expenditures and planned activities. Using conservative estimates that do not assume any significant changes to operations, the forecasts focus on the General Fund. The projections for FY 2018 through FY 2022 show:

- General Fund expenditures remain higher than revenues and the continued use of fund balance in the General Fund will deplete reserves over time at a constant millage rate. Also, added expenditures for future facility expansions are not included in the forecast
- At current rates of expenditure, the General Fund unassigned fund balance is projected to fall below the 29% reserve level in 2020 at a constant millage rate of 2.43 mills with the rate stabilization reserve fully depleted to balance the FY 2019 budget.
- The Acme per-unit assessment rate is not sufficient to cover ongoing operations and maintenance as evident in its operating ratio.

Recommendations

Recommendations made evident by the financial planning and analysis process focus on ensuring that appropriate financial controls and financial management practices are in place to promote the Village's future financial health. Any recommendations and projects presented in the detail sections of the long-term financial plan are summarized in the following:

- *Recommendations of the 2018 Utility Rate Study to index utility rates at the higher of 3.5% or the CPI each year beginning in FY 2019 (FY 2019 budget adoption)*
- *Consideration of the Lake Wellington Waterfront Plan (Phase 1) for future Sales Surtax funding*
- *Discussion of Wellington's new monument signage plan with the presentation of two distinct design concepts*
- *Recommendation of a millage increase from 2.43 to 2.55 mills beginning in FY 2019 to maintain, per council's adopted policy, reserves between 25% and 29% over the next five years, as evident in the General Fund Five-Year Revenue & Expenditure forecast*
- *Recommendation to maintain excess unassigned fund balance to fund future operating expenditures*

Any other recommendations that arise from reviews in progress, Council Directions discussions and budget workshops will be incorporated into the LTFP.

Financial Trend Analysis







Long Term Financial Plan



Financial Trend Analysis

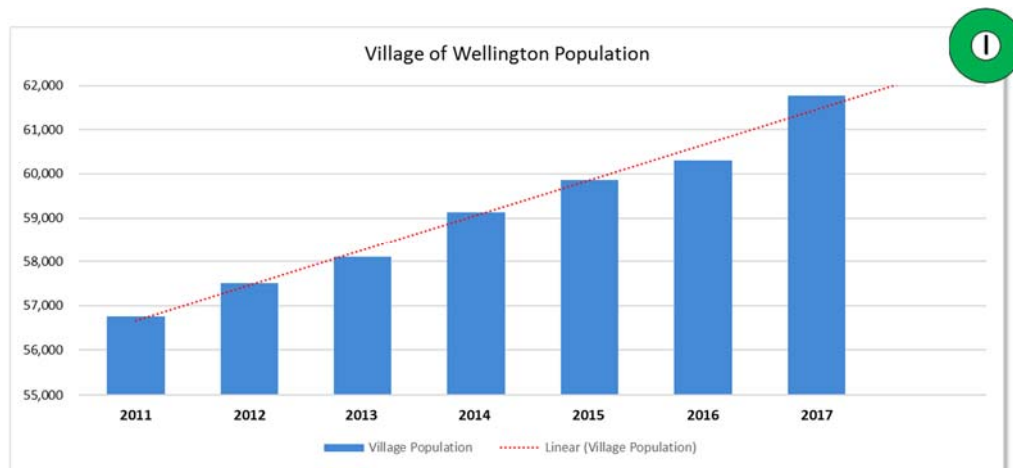
Wellington has maintained an outstanding financial position despite economic fluctuations while providing a consistently high level of service to residents. Wellington is currently in excellent fiscal health, enjoying a low debt level and solid fund reserves as compared to other area municipalities.

Wellington utilizes financial ratios and indicators to assess short and long-term fiscal vitality. The multi-year trends of key financial indicators provide a valuable look into specific areas of Village finances and confirm excellent financial performance. The analysis may also reveal areas of concern that can be addressed early in order to ensure the Village's fiscal sustainability.

TREND LEGEND						
Trend Direction	INCREASING		STABLE Little or no change over time		DECREASING	
Trend Finding	FAVORABLE The trend is or can be beneficial to the Village financial position		ADVISORY Changes in the trend will be monitored for future action		UNFAVORABLE The trend has a negative effect on the Village financial position; action needed	

Population

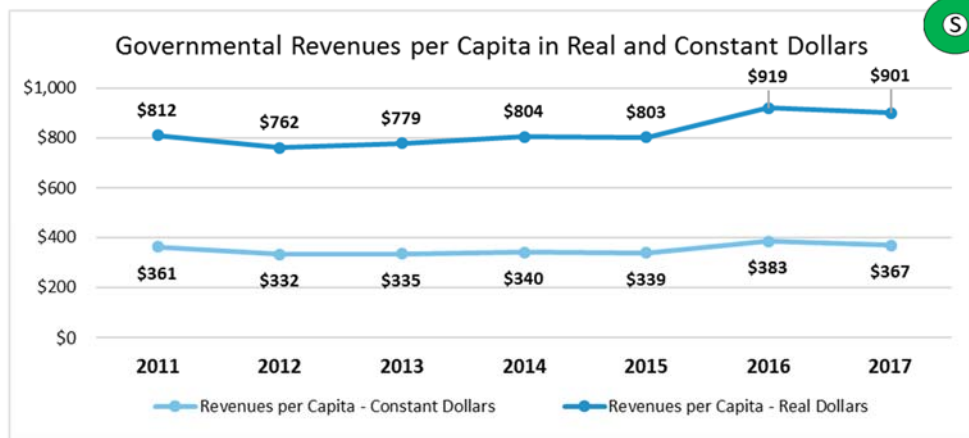
Significance: The population charts include a forecast trend line to illustrate the expected changes in population in the short term. The challenge in meeting the needs of an increasing population is to expand services and associated costs only to the point of sustainability. The Village's budget prioritization approach assists in meeting this challenge in that core services are identified and funded prior to optional services.



Trend: Village population since 2011 has steadily increased by an average annual rate of 1.3%. The trend is expected to slow or level off as buildable property inventory is exhausted.

Revenues per Capita

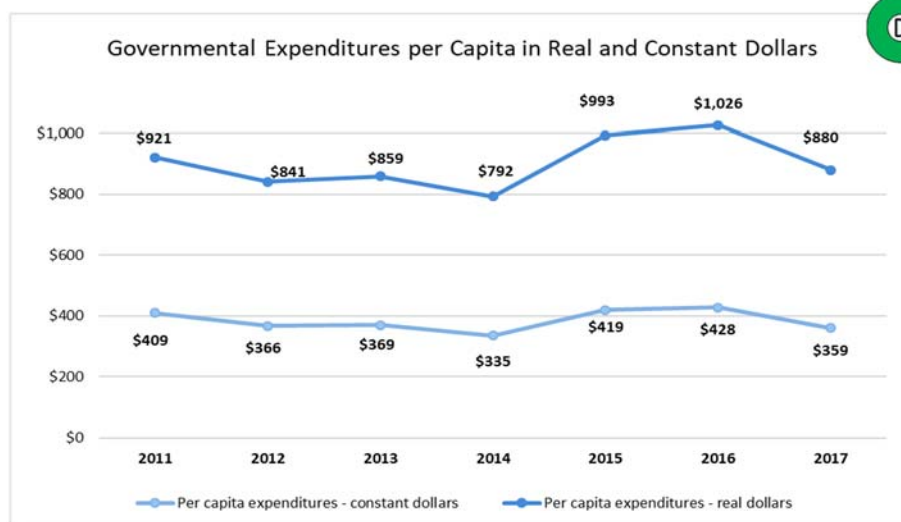
Significance: The indicator shows changes in revenues relative to changes in population. Showing the results in constant dollars normalizes the measure to inflation. As population increases, it is expected that the level of per capita revenues would remain at least constant in real dollars. If per capita revenues are decreasing, it may signal an inability to maintain existing service levels without expanded revenue sources.



Trend: Per capita operating revenues increased from 2012 to 2016 due to the economic recovery positively influencing intergovernmental revenue collections and property values. The trend decreased slightly from 2016 to 2017 primarily due to a decrease in impact fee revenue related to the Isla Verde multi-family construction in 2016. The trend remains in a stable and favorable status as property values continue to increase along with the sales surtax revenue in coming years.

Expenditures per Capita

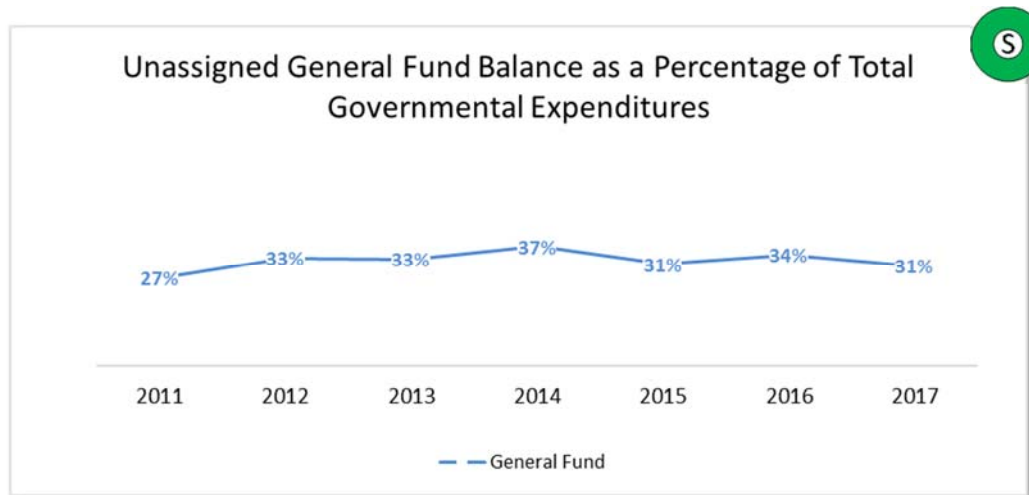
Significance: The ratio measures the total governmental expenditures (excluding transfers) per permanent resident in current dollars, and in “constant” dollars adjusted for inflation. Increases in the indicator that are not explained by one-time costs, added services or inflation may suggest a need to review spending and productivity to initiate cost-control measures.



Trend: Expenditures per resident decreased through 2014 and increased from 2014 through 2016 due to Governmental capital project expenditures. The 2017 trend leads to a favorable status, due to lower capital outlay expenditures incurred from prior year.

Unassigned Fund Balances

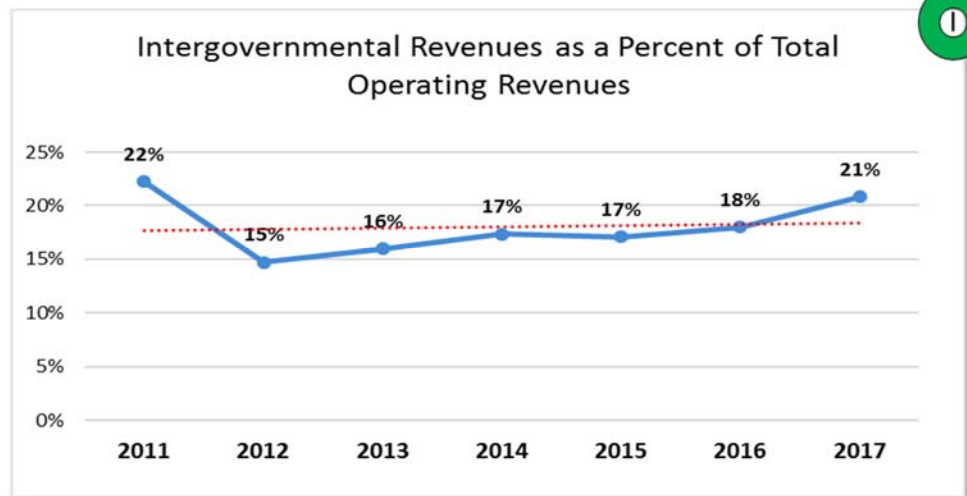
Significance: The chart examines the amount of unreserved fund balance for governmental funds and the general fund as a percentage of total expenditures in the governmental funds. Decreasing percentages over time, either because expenditures are increasing at a greater rate than revenues or fund balance is being assigned for budget balancing, will affect future available funds for one-time expenditures and could negatively affect the municipal bond rating. The Village goal is to maintain 25% to 29% of total expenditures as unassigned fund balance in the governmental funds. The Village has been able to meet its fund balance goals due to local new construction and population inflows during the growth period and prudent budgeting and spending practices during economic downturns.



Trend: During times of growth and economic downturns, the Village has been able to maintain or exceed its unassigned fund balance goal. In high expenditure years, such as 2015 when the Community Center, Tennis Center, and Saddle Trail were under construction, the percentage will be lower. The decrease in the FY 2017 ending fund balance is a result of reporting changes that excludes subsequent year operating expenditures from the Unassigned Fund balance. The trend remains in a stable and favorable status as Wellington continues to maintain an unassigned fund balance above the policy requirement.

Intergovernmental Revenues

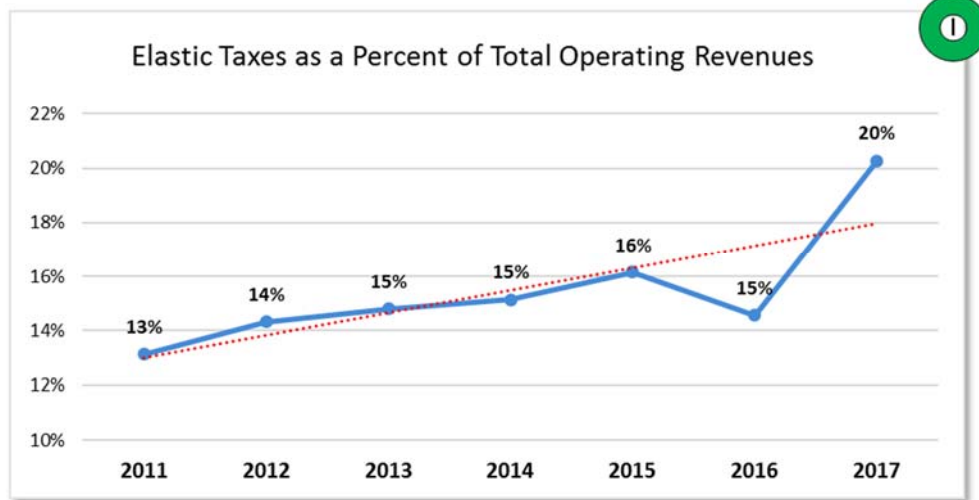
Significance: This indicator examines the level of revenues received from other governmental agencies as a percentage of total Governmental Fund revenues. Intergovernmental revenues are susceptible to the overall economy. As the state economy declines, so too has the Village's portion of state shared revenues, half-cent sales tax, local option fuel taxes, and the new sales surtax. Conservative budget estimates are utilized to ensure that the Village is not overly dependent on intergovernmental revenues that may not be realized due to declining economic conditions. Since 2009, the Village has been proactive in maximizing grant revenues for various projects. Intergovernmental revenues are closely monitored to ensure that the Village is managing its share of these revenues properly.



Trend: Intergovernmental revenues as a percentage of total operating revenues have remain stable from 2012 through 2016 with an increase in 2017. The increase in 2017 was due to the new sales surtax revenue for capital improvement projects. Wellington collected \$2.9 million in sales surtax revenue for FY 2017 and budgeted \$3.5 million in revenue for FY 2018. The Village assigns the one-time sales surtax revenue for one-time capital projects resulting in no reliance on the revenue source for operating needs.

Elastic Revenues

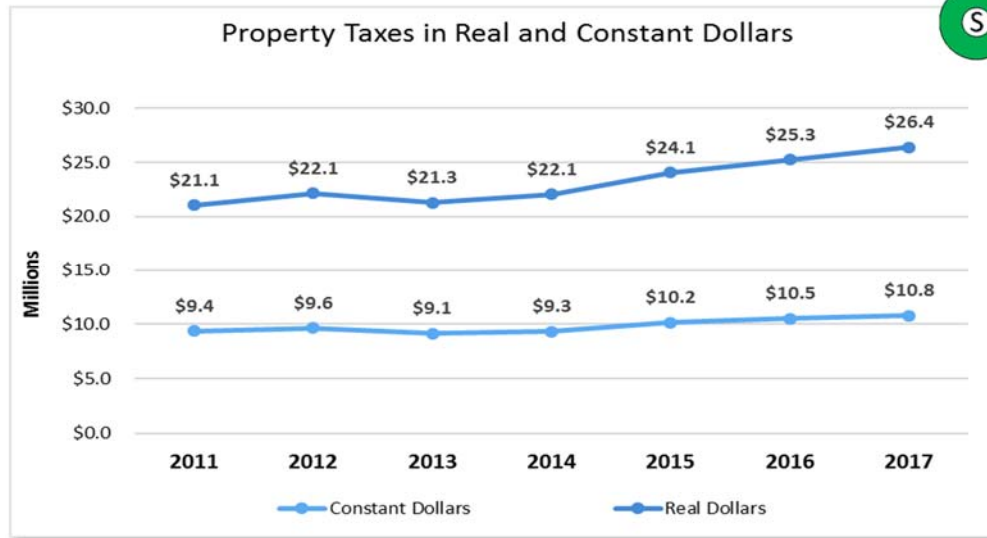
Significance: State shared revenues, half-cent sales tax, and local option fuel taxes are primarily dependent on consumer spending. These revenues are sensitive to changing economic conditions and are considered to be elastic revenues. As the economic base expands or inflation rises, elastic revenues rise in proportion to inelastic revenues (such as permit fees and recreation charges). A balance between elastic and inelastic revenues is desirable to mitigate the effects of growth or decline. During inflation, a high percentage of elastic revenues is preferred because inflation pushes up the revenue yield, allowing the government to keep pace with rising costs. During a recessionary period, a higher percentage of inelastic revenues is an advantage to insulate the tax base from the reduced yield.



Trend: The portion of total revenues that are considered elastic taxes has remain stable from 2012 to 2016 with an increase in 2017 due to the sales surtax revenue. With improvement in the economy and modest inflationary increases, elastic revenues will continue to remain in a favorable status for Wellington.

Property Taxes and Assessments

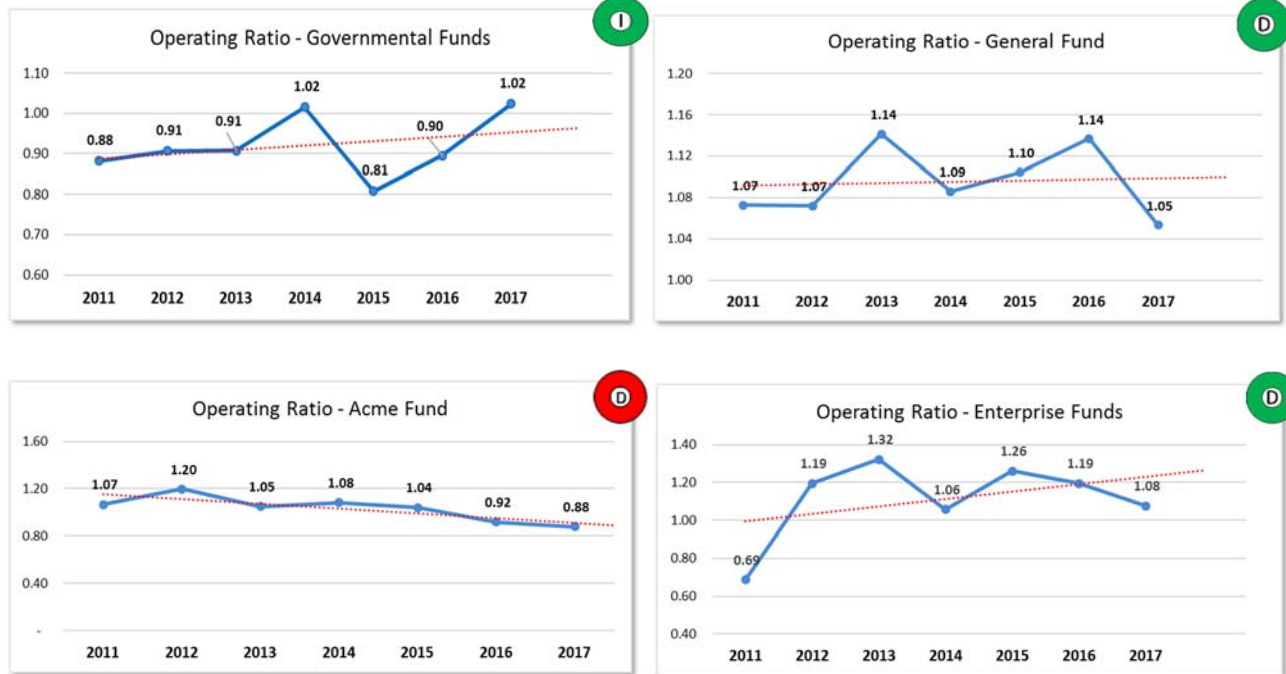
Significance: The chart examines all property tax revenues including ad valorem taxes, Acme assessments and Wellington Solid Waste assessments in real and “constant” dollars adjusted for inflation. Assessed taxable value, ad-valorem millage rates, and non-ad valorem assessment rates are the determining factors for property tax revenues. The Village's taxable value is now at almost the same level as the peak value of 2008, although the current taxable value includes new construction additions for the same period.



Trend: The trend is favorable and stable though property taxes and assessments in real and constant dollars have increased annually since 2013 approximating pre-recession levels in constant dollars. The indicator is expected to remain stable with minimal future increases in property values, consistent Acme assessments and Solid Waste assessments. During FY 2015 and FY 2016 Acme assessments increased by \$30 per unit to fund the Acme R & R capital program, which was approved for a 10-year period to expire in 2024.

Operating Ratio

Significance: The ratio measures total revenues to total expenditures and can indicate the solvency and short-term financial condition of the government. A ratio greater than 1.00 indicates a surplus and the ability to cover expenditures each year. A persistent deficit situation or declining surplus condition provides the opportunity for correction to prevent deficits over the long term.



Please note: In the previous charts, the Acme Fund expenditures include transfers out for indirect costs and capital as these are considered actual costs of operation.

Trend:

The Governmental Funds as a group have remained below 1.00 since 2011 with the exception of 2014 and 2017, which indicates that these funds were operating at a deficit. Years below 1.00 is due to capital projects such as the municipal complex, WCC, tennis center, and roadway improvements with less capital intensive projects for years above 1.00.

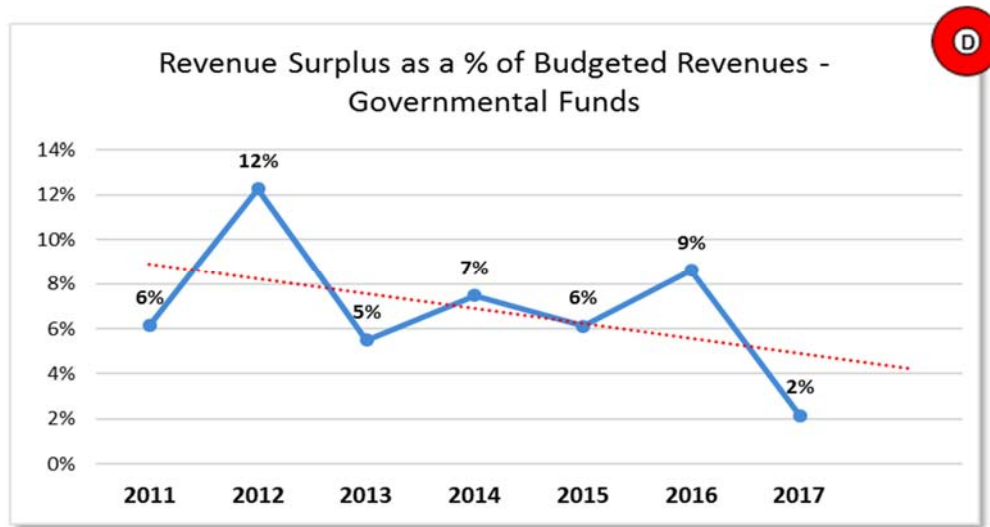
The General Fund is operating in a surplus condition, with decline in the ratio in 2017. The decline is due to an increase in operating expenditures related to the general government, public safety, and culture and recreation. The trend remains in a favorable position since the ratio is above 1.00.

The Acme Fund is operating in a deficit position with a ratio below 1.00 in FY17. This warrants an Advisory trend warning. The unfavorable trend in the Acme Fund is primarily due to physical environment expenditures increasing faster than assessment revenues.

The Enterprise Funds operating ratio is above 1.00 in FY17, but declining due to expenditures increasing faster than operating revenues. Wellington anticipates the operating ratio to continue to decline with renovation of the water and wastewater plants in coming years. A utility rate study is complete with presentation to take place during Directions workshop and proposes indexing rates by greater of 3.5% or CPI in order to fund necessary capital projects over the next several years.

Revenue Surplus (Shortfall)

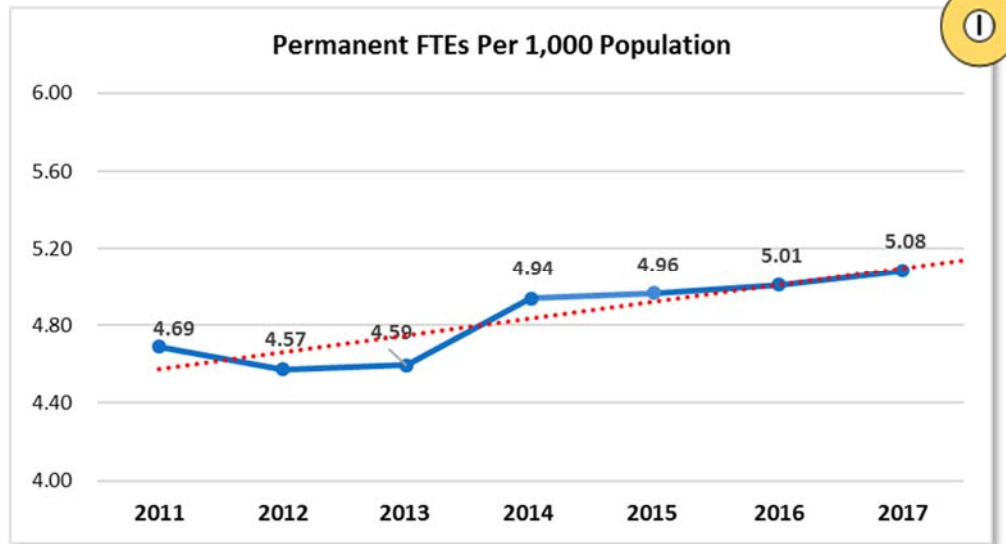
Significance: The ratio uses the revenue surplus or shortfall divided by budgeted operating revenues to measure the overage or shortage of budget to actual revenues. Major discrepancies that continue year to year can indicate a declining economy, inefficient collection procedures, or inaccurate estimating techniques. Discrepancies may also indicate that high revenue estimates are being made to accommodate political pressures. The Village has utilized conservative estimating techniques to ensure a moderate surplus position and prevent deficits.



Trend: In 2012 and 2016, the Village experienced higher than expected building activity; increasing building permit revenues as well as impact fee receipts for the year while budget estimates remained conservative. In FY 2017, the Village continued to see actual revenues exceed budgeted revenues at a lower percentage than prior years' due to grant revenues and recreation impact revenues in FY 2016. This sharp drop in FY 2017 resulted in an unfavorable trend Advisory.

Full-Time Equivalent (FTE) Employees per Capita

Significance: The number of employees per 1,000 residents measures the efficiency of service delivery and is a good comparative indicator for benchmarking to other cities. An increase in the FTEs per capita without a corresponding increase in service delivery may be a sign of operating inefficiencies.

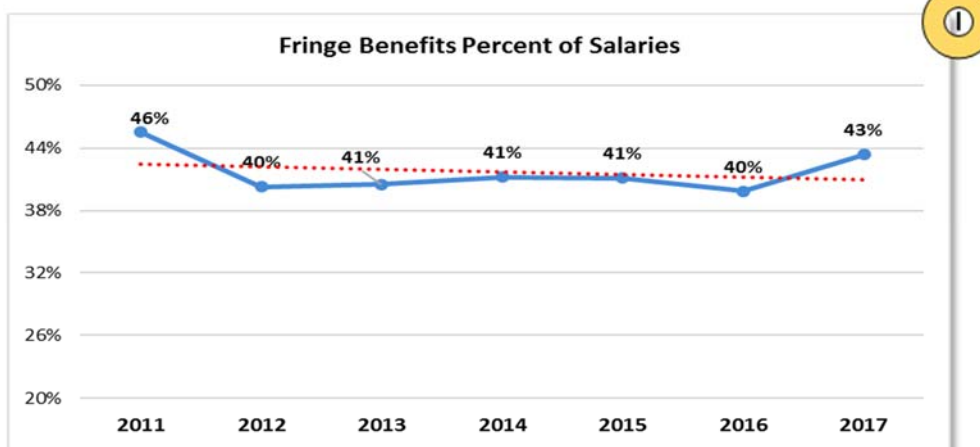
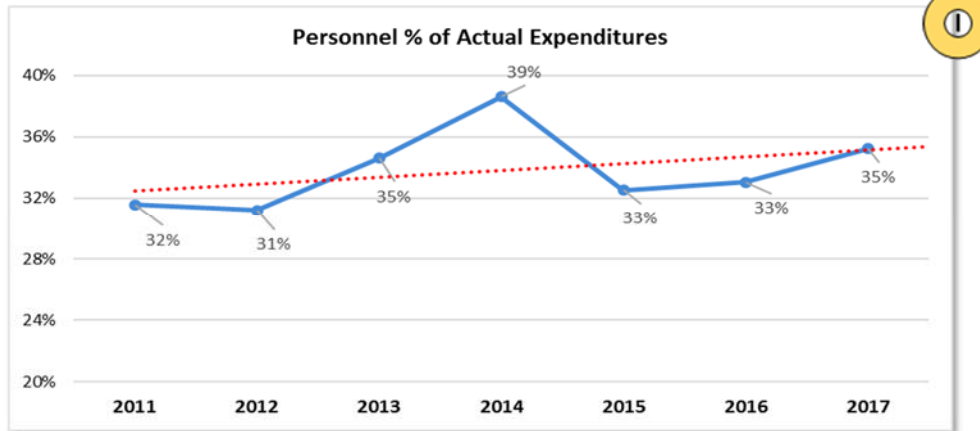


Trend: The indicator has been increasing since 2013 due to increases in staffing levels over the years. Staff was added to perform maintenance of new or expanded facilities, increased utility services for neighborhoods and parks, tennis facility operations, and administrative activities supporting the growth in services and operations. The Village Manager has stated that the Village will focus on reducing total staff by 2021.

The draft FY 2019 Budget currently in process includes the elimination of seven positions.

Personnel Expenditures

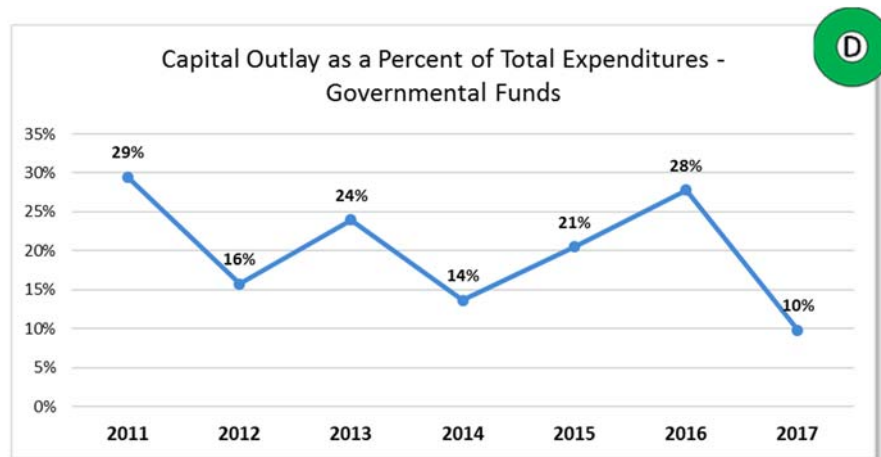
Significance: The percentage of personnel costs compared to total expenditures fluctuates with the total of all expenditures, including capital. While this may explain a one or more outlying years, a multi-year trend is significant in that it may indicate personnel costs are not under control and efforts should be made to stabilize increases or improve efficiencies. A consistent or declining percentage over time is desirable, reflecting an entity's ability to maintain or increase efficiency of service delivery.



Trend: The seven-year trend for total personnel expenditures as a percent of all actual expenditures increased from 33% in 2016 to 35% in FY 2017 due to additional staff. Fringe benefits as a percent of salaries also increased from 40% to 43% in FY17. This results in a warning trend that will continue if staffing levels and benefit costs continue to increase.

Capital Outlay

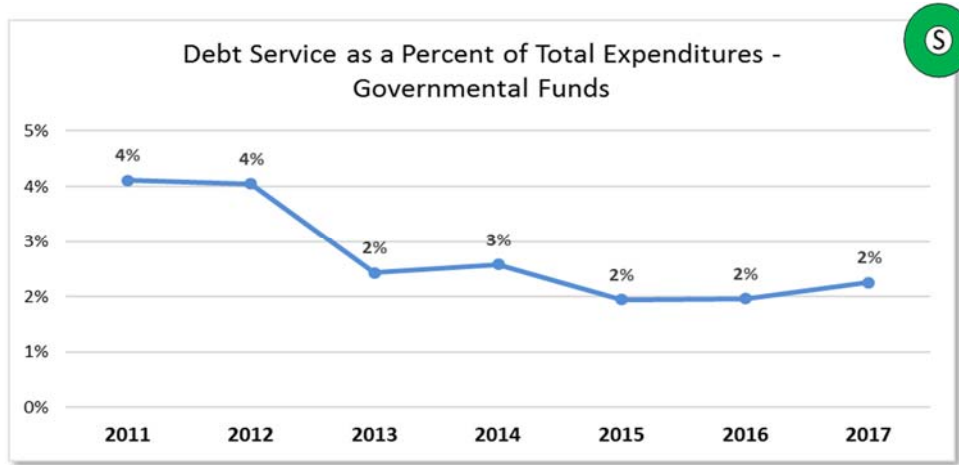
Significance: Capital outlay items include large capital projects that require Council approval and fixed assets with a useful life greater than one year and an initial cost above \$5,000. The chart represents total capital outlay expenditures as a percentage of total operating expenditures in the governmental funds. Capital outlay can fluctuate based on approved projects and multi-year projects. Short-term (one to three years) declines in the ratio may indicate that capital needs are temporarily satisfied. A decline over three or more consecutive years may indicate that capital outlay expenditures are being deferred, which can lead to future funding issues.



Trend: Fluctuations in the indicator since 2011 are typical of capital expenditures since the equipment and improvements last more than a year and needs are cyclical. In FY17, capital outlay as a percent of total expenditures was only 10% due to less capital-intensive projects during the year. Additionally, capital projects funded by sales surtax projects will drive this indicator upward, but will be funded by sales surtax revenue.

Debt Service

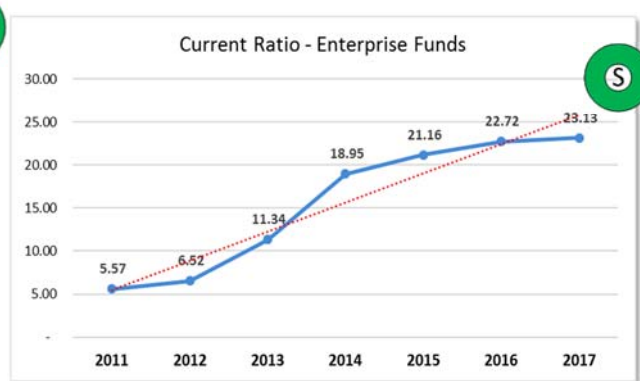
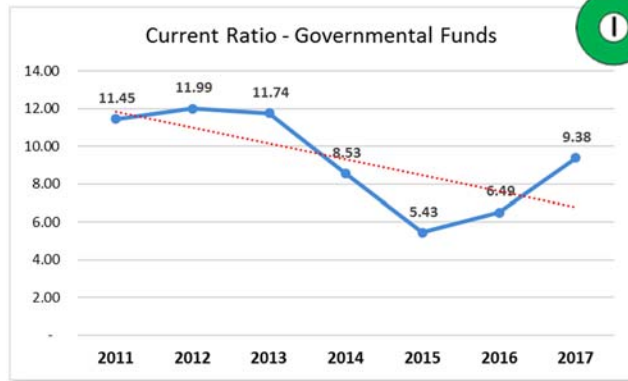
Significance: This chart details the Village's debt service expenditures as a percentage of total operating expenditures in the governmental funds. Debt service costs are fixed costs over which officials have very little short-run control. Fixed expenditures are especially important during periods of economic decline as revenues to cover such costs are affected by economic fluctuations. The higher the level of fixed expenditures, the less freedom officials have to adjust spending in response to economic changes.



Trend: The percentage of governmental debt service expenditures to total expenditures is decreasing in part due to refunding of debt in 2012 and 2015. In conjunction with the Village's low debt-per-capita ratio, the declining annual debt-service expenditure indicator leads to a Favorable rating and includes \$3,235,000 of special assessment bonds issued in FY 2016 to fund Saddle Trail improvements although principal payments on this bond will not begin until FY 2018. The credit position for Wellington is very strong, and its Aa2 rating is above the U.S. city median of Aa3. The rating reflects a robust financial position, supported by an extremely small debt liability, a moderate pension burden and a substantial tax base with a strong socioeconomic profile.

Current Ratio

Significance: The current ratio measures the liquidity of a government by comparing the amount of cash and short-term investments (current assets) to its short-term obligations (current liabilities). A financial condition assessment includes the ability of a government to cover its liabilities in the event of unanticipated revenue shortfalls. A ratio of less than 1.0 indicates an unhealthy financial situation.



Trend: The coverage of cash and investments to current liabilities is over 9.0 and higher than 2016. The current ratio of the enterprise funds is more than 23 times liabilities and stable, therefore the trend is also Favorable.

Market Analysis

Market analysis involves studying recent economic activity through the application of economic indicators to identify areas of growth and contraction and is a prerequisite for revenue and expense forecasting. The economic indicators assist in determining where changes in future revenues and expenses might occur along with any surpluses and shortfalls as a result of these changes. Additionally, the analysis provides insight into certain areas of contraction that may necessitate or warrant executive action.

Building Permits & Permit Revenue

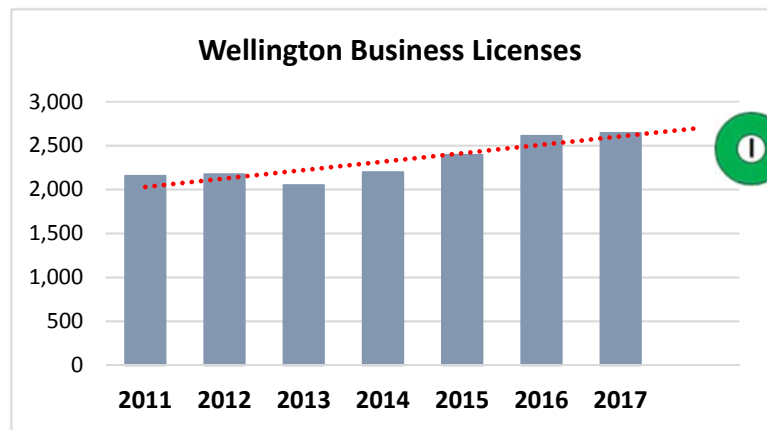
Significance: New construction activity leads to future additions to the Wellington tax base. Permit revenue levels determine the funding for building inspection and plan review activities. Declines in these indicators over time will reduce future additions to the Village's tax base and signal action is needed to reduce costs in the Building department.



Trend: New construction in the Village is declining significantly, with higher permit revenue due to property renovations and improvements. Both permit and revenue charges related to new construction projects are expected to continue trending downward with fewer buildable parcels in the Village each year. Although revenues are anticipated to shift downward, they remain stable since 2013 and 2018 actual collections are projected to exceed budgeted revenues of \$2.7 million.

Business Licenses

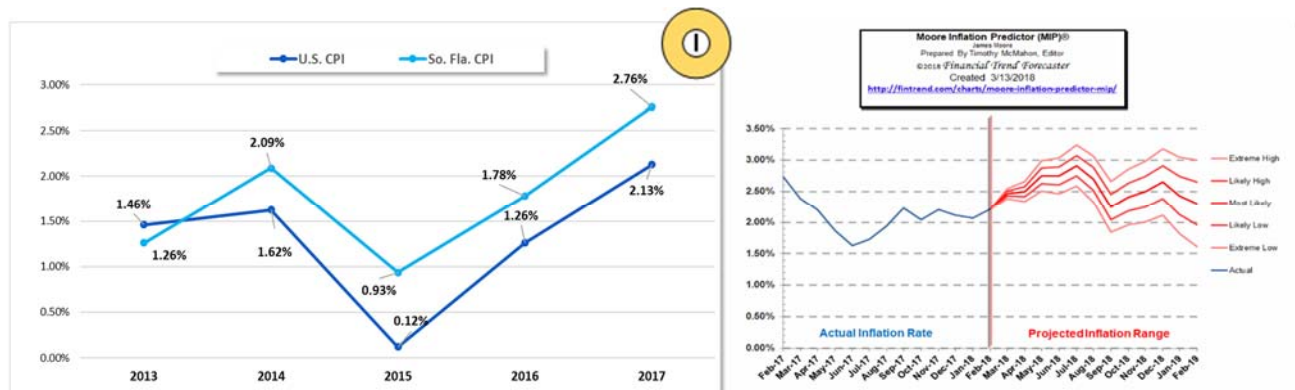
Significance: Businesses choosing to establish within the Village create jobs, attract outside visitors and keep profits within the local economy. Business tax receipts are a significant revenue source for the Village, generating \$944,000 in revenue for FY 2017. Future increases in business licenses will affect other elastic revenues as well.



Trend: Business tax receipts issued to businesses with a Wellington address have been increasing since 2013. The multi-year trend is for gradual gains in the short-term without changes to the current method of business taxation. In FY 2017, the number of Wellington businesses increased minimally from 2,611 to 2,644 licenses or 1.25%.

Consumer Price Index

Significance: The Consumer Price Index (CPI) is a measure of changes in the prices of goods over time and is used to measure the inflation rate. Price increases affect not only government costs, but also reflect the burden to local consumers and employees of everyday expenses, and influence spending decisions. These decisions in turn may affect future governmental revenues such as sales and gas taxes.

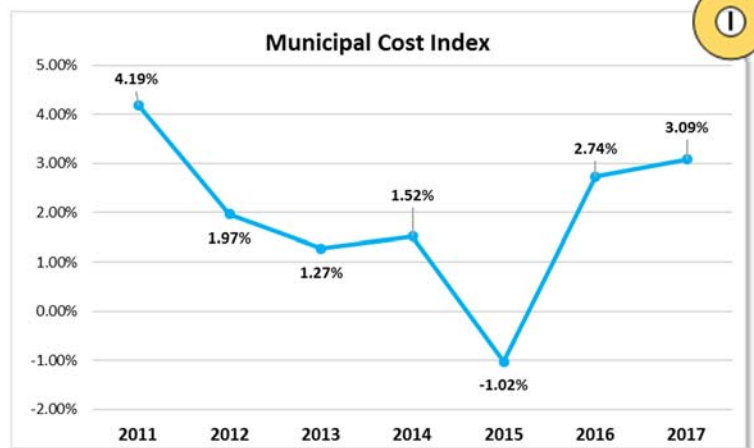


Trend: After a low in 2015, the annual inflation rate increased to 2.76% for South Florida in 2017 compared to 2.13% for the US. The increase in inflation rate from prior year is due to increases in oil price and personal consumption of goods and services.

Inflation Forecast: The national CPI is predicted to increase to 2.25% by February 2019 from the current rate of 2.13%. This prediction will be incorporated into projection assumptions for the 5-year forecast of revenues and expenditures included in the LTFP.

Municipal Cost Index (MCI)

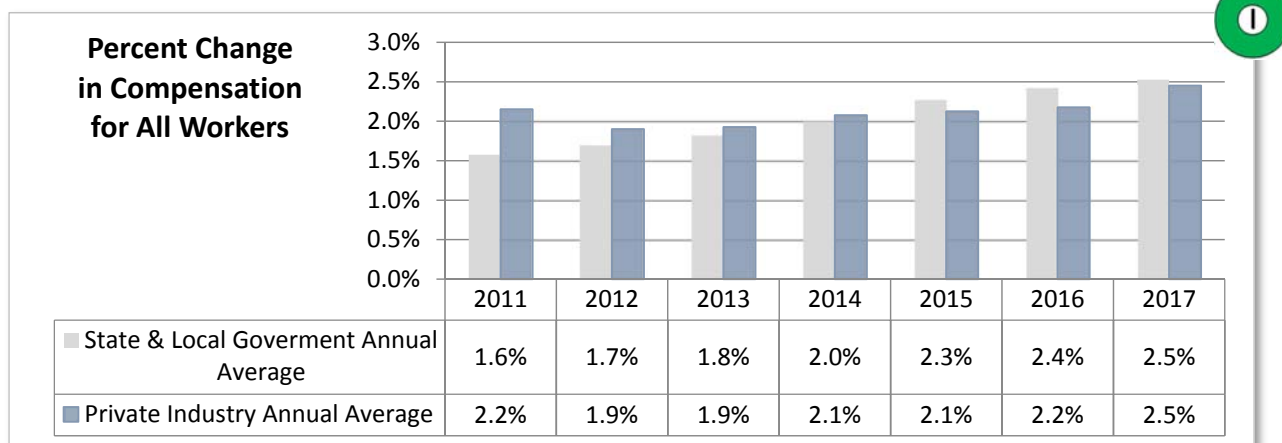
Significance: The MCI was developed by *American City & County* to help determine the effect of inflation on the cost of providing municipal services. It is a composite index derived from the CPI, Producer Price Index (PPI) and the Department of Commerce's construction cost index. The MCI is used by Wellington to help analyze price trends for expense forecasting prior to budget development.



Trend: The MCI increased to 3.09% in 2017 from 2.74% in 2016, which was anticipated in prior forecasts. The Village will factor the upward trend in MCI when preparing current and future expenditures as price increases translate to higher costs of providing municipal services.

Employment Cost Index (ECI)

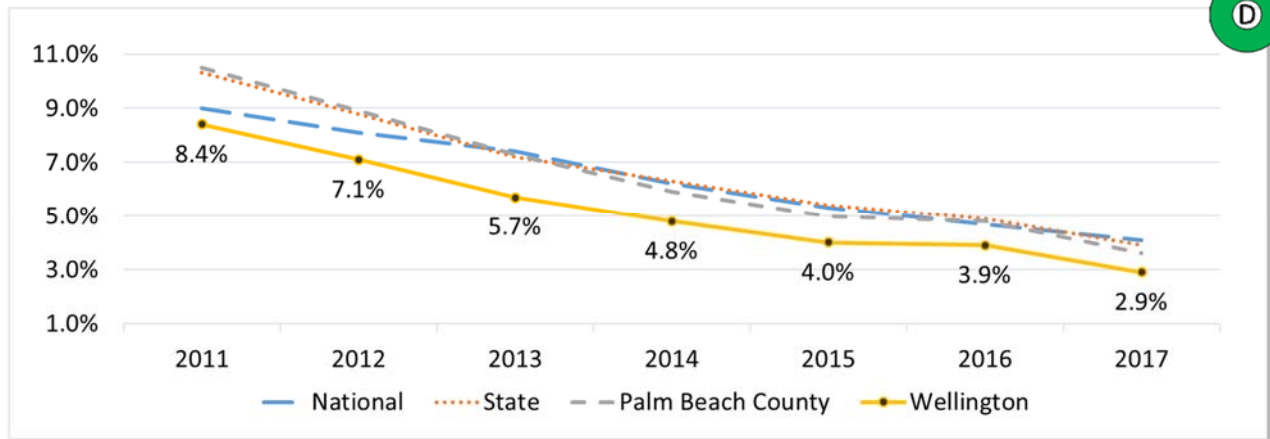
Significance: The Employment Cost Index measures the change over time in labor costs by industry sectors. Because personnel costs represent over one-third of the total costs of government operations, the change in total compensation for all workers in state and local government as compared to the compensation of private industry workers is a major consideration in future budget decisions. Wellington seeks to provide fair compensation to its employees and to maintain its high retention rate.



Trend: The rise in compensation for private industry workers exceeded compensation for government industry workers from 2010 to 2014. Since 2015, governmental wages have increased between from 2.3% to 2.5% and above private industry increases. The wage increase has allowed state and local governments to remain competitive within the labor market in order to attract and retain employees with the talents, skills, and experience it needs to operate effectively.

Unemployment Rate

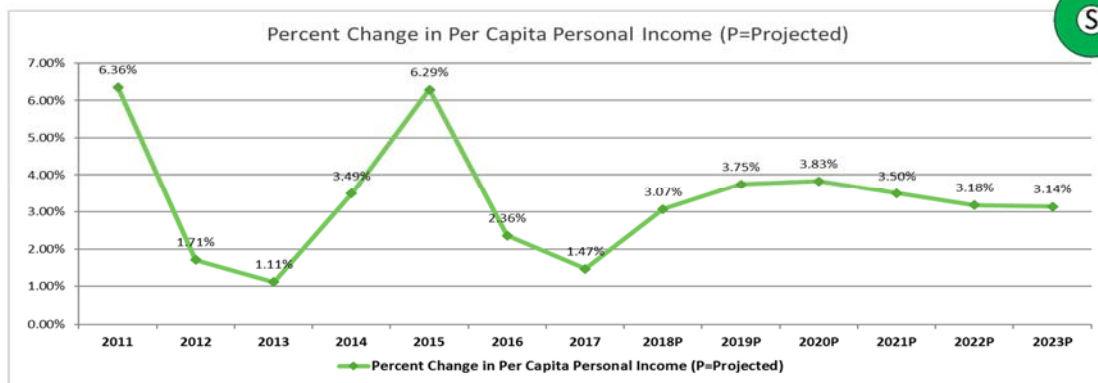
Significance: The local unemployment rate is an indicator of economic growth and improving conditions; residents are more willing to pay property taxes and spend money locally when employed. High employment impacts a municipality's ability to raise revenue and, therefore, the municipality's fiscal health.



Trend: The unemployment rate continues to decline in Wellington, indicating an improving economy and strong labor market. With an unemployment rate below that of the nation, state and county, this indicator is very favorable.

Personal Income

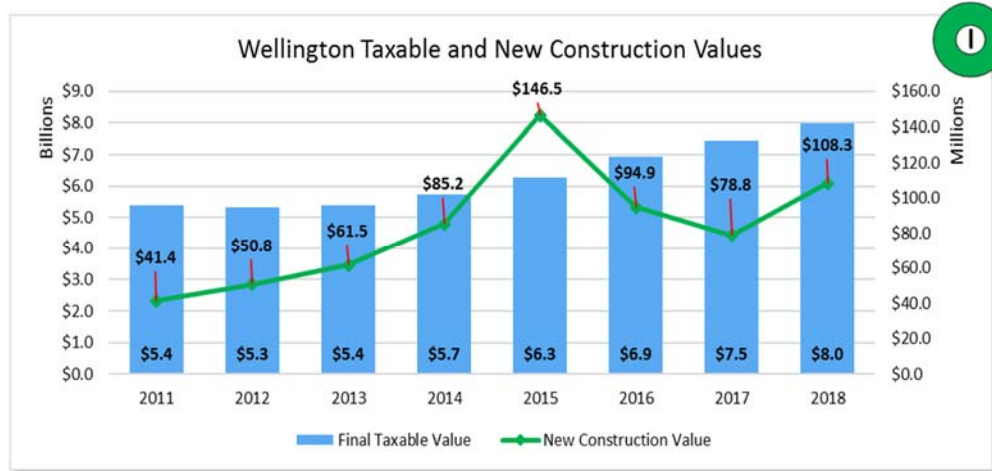
Significance: Personal income determines consumer consumption, and consumer spending drives much of the economy. The level of local income and the change in personal income both affect Wellington's revenue receipts. Also, the rate of change in personal income for the State of Florida directly affects future ad valorem tax receipts. Statutes limit the annual increase in the maximum millage rate for a Florida government to the change in personal income without a super majority vote.



Trend: The percent change in per capital personal income decreased from 2.36% in 2016 to 1.47% in 2017. Forecasts by Florida's Office of Economic & Demographic Research (EDR) for per capita personal income change shows income growth through 2020 and growth stabilizing thereafter. The EDR forecasts are used for assumptions in the long-term financial plan.

Property Value

Significance: As a primarily residential community, Wellington property values are an indicator of economic conditions and the ability of Wellington to generate property tax revenues. Maintaining or increasing home values continues to be a core objective of municipal projects and programs. The assessed value of Wellington homes is influenced by recent sales prices, and is directly tied to the ad valorem tax revenues received by Wellington. The total taxable value of properties within a municipality is the assessed value minus the value of all exemptions and is the value which the millage rate is applied to when determining property tax revenue. The value of new construction adds to the total tax base.



Trend: The taxable value of Wellington properties has steadily increased since the recessionary period of 2009-2013, with property value gains in 2013 through 2018. This pace of recovery in values is not expected to be sustained in the short term and budget forecasts will include assumptions for modest property value increases.

New construction additions to taxable value continue, but less additions will be made in the future as Wellington approaches full build-out.

Wellington Millage, Taxable Value and New Construction

Fiscal Year	Adopted Millage Rate	Final Taxable Value	% Change in Taxable Value	New Construction Value
2011	2.50	\$5,382,217,796	-10.7%	\$41,449,131
2012	2.50	\$5,321,076,907	-0.2%	\$50,752,604
2013	2.47	\$5,399,943,566	1.9%	\$61,489,341
2014	2.47	\$5,738,067,063	6.6%	\$85,189,075
2015	2.45	\$6,273,246,369	10.0%	\$146,540,479
2016	2.45	\$6,922,766,608	10.7%	\$94,920,393
2017	2.44	\$7,460,397,951	8.3%	\$78,804,293
2018	2.43	\$7,993,796,637	7.1%	\$108,331,058

2018 Final Taxable Value is the certified value. Final taxable value after VAB adjustments was not available at the time this analysis was performed.

General Fund Revenue & Expenditure Forecast

Long Term Financial Plan



Financial Forecast

Financial projections are prepared and updated annually by staff to estimate future revenues and expenditures to assist in making timely, significant decisions that influence future tax rates, revenue streams and expenditure levels in order to preserve Wellington's financial condition.

Forecast Summary

Revenue and expense forecasting begins with the study of current and recent economic activity. Certain economic indicators are used to determine conditions of growth or contraction in areas of importance to local government operations. Analysis of the indicators is then applied to formulate the assumptions for the future changes in revenues and expenditures and calculate where surpluses and shortfalls may occur.

Based on the analysis, General Fund expenditures including transfers are projected to exceed revenues including transfers throughout the five-year forecast period. If this operating trend continues as forecasted, Wellington will need to work with Council to implement financial management initiatives to ensure financial sustainability and service delivery into the future.

The General Fund five-year forecast further shows:

- For the current fiscal year 2018, Wellington committed a total of \$3.2 million in unassigned fund balance and rate stabilization reserves to balance the budget
- In FY 2019, the preliminary budget is projected to use the remaining rate stabilization reserve of \$1.6 million, plus another \$865,000 in General Fund unassigned reserves to balance the budget at a millage rate of 2.43 mills, but still maintains a 35% fund balance.
- In FY 2021 & FY 2022, at a constant millage rate 2.43 mills, Wellington will need to reduce expenditures by \$1.7 million in and \$5.2 million, respectively, in order to meet the minimum unassigned fund balance requirement of 25%

Wellington recommends the following financial management initiatives:

- Increasing the millage rate from 2.43 to 2.55 mills with programmed adjustments to balance the budget and keep unassigned reserves between 25% and 29%
 - Programmed adjustments include reducing operating expenditures in the following areas: General Government (\$530,000), Physical Environment (\$222,000), Culture & Recreation (\$40,000), and Capital Outlay (\$100,000) for a total of (\$892,000).
- Maintaining excess unassigned fund balance to fund future operating expenditures. This will ensure Wellington has an adequate level of unassigned fund balance to mitigate financial risk.

General assumptions used in the preliminary five-year forecasts are:

- The projections include a total taxable value increase of 4% per year after adjusted for additional homestead exemption in FY 2020
 - If the additional homestead exemption is approved by voters in November 2018, and effective January 1, 2019, the impact is on taxable property value applicable to the FY 2020 budget. Wellington would see a \$331 million decrease in taxable property values as estimated by Palm Beach County Property Appraiser.
- Future expenditures are based on an increase of 2-3% per year to maintain current service levels and assume no increase in medical insurance over the projection period. Transfers out are reduced by 5% per year for debt payoff, and capital and road maintenance expenditure controls.
 - Palm Beach Sheriff's Office annual contract assumes a 2% increase in contractual cost
- Programmed adjustments assume reduced staffing by eliminating several vacant positions and no increase in health insurance

The projections herein are the result of conservative estimates of revenue changes and assume no major additions to facilities except those projects currently underway.

GENERAL FUND ACTUAL AND PROJECTED SURPLUS/DEFICIT

GENERAL FUND

REVENUES/OTHER FINANCING SOURCES	Budget		Projected		
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Ad Valorem Taxes	18,547,979	19,289,898	19,266,815	20,037,488	20,838,988
Franchise Fees	3,465,000	3,470,000	3,504,700	3,539,747	3,575,144
Utility & Service Taxes	7,688,000	7,955,000	7,987,503	7,995,857	8,007,951
Licenses and Permits	1,100,000	1,162,089	1,073,978	994,020	921,435
Intergovernmental Revenue	6,860,800	6,758,307	6,980,845	7,204,724	7,381,834
Charges for Services	2,772,000	2,526,220	2,567,376	2,610,643	2,651,715
Fines & Forfeitures	365,000	185,000	185,500	186,005	186,515
Investment Income (net)	200,000	215,000	217,150	219,322	221,515
Miscellaneous Revenues	333,153	347,530	351,473	355,572	359,835
Other Financing Sources - Transfers In	3,419,744	3,605,445	3,683,049	3,727,015	3,772,740
Total Revenue & Other Financing Sources	\$ 44,751,676	\$ 45,514,489	\$ 45,818,389	\$ 46,870,393	\$ 47,917,672
EXPENDITURES/OTHER FINANCING USES					
General Government	11,464,852	11,223,151	11,559,845	11,906,641	12,263,840
Public Safety	9,325,991	9,512,511	9,702,761	9,896,816	10,094,753
Physical Environment	9,835,012	9,901,781	10,198,835	10,504,800	10,819,944
Economic Environment	1,745,707	1,798,078	1,852,021	1,907,581	1,964,809
Culture & Recreation	9,407,832	9,650,067	9,939,569	10,237,756	10,544,889
Capital Outlay	506,775	405,420	421,637	438,502	456,042
Non-Departmental	1,069,913	1,102,010	1,135,071	1,169,123	1,204,197
Operating & Capital Transfers Out	4,576,144	4,347,337	4,129,970	3,923,471	3,727,298
Total Expenditures and Other Financing Sources	\$ 47,932,226	\$ 47,940,356	\$ 48,939,708	\$ 49,984,691	\$ 51,075,771
EXCESS REVENUES (EXPENDITURES)	\$ (3,180,550)	\$ (2,425,867)	\$ (3,121,319)	\$ (3,114,298)	\$ (3,158,099)

ASSUMPTIONS

Projected Millage Rate	2.43	2.43	2.43	2.43	2.43
Unassigned Fund Balance Beginning	19,813,083	17,856,159	16,991,666	13,870,347	10,756,049
Assigned for Rate Stabilization - Beginning	2,785,000	1,561,374	-	-	-
Unassigned Fund Balance Ending	17,856,159	16,991,666	13,870,347	10,756,049	7,597,950
Assigned for Rate Stabilization - Ending	1,561,374	-	-	-	-
Unassigned Fund Balance % of Expenditures	37%	35%	28%	22%	15%
Expenditure Cut Required to 25% FB Req				1,740,123	5,170,992

SCENARIOS

Required Millage Rate to Maintain 25% Unassigned Fund Balance	2.43	2.43	2.43	2.61	3.00
Recommended Rate with Programmed Adjustments		2.55	2.55	2.55	2.55
Maximum Majority Millage Rate under TRIM	2.96	3.04	3.13	3.21	3.31
Unassigned Fund Balance % with Programmed Rate Adjustment		37%	32%	27%	23%
Expenditure Cut Required to 25% FB Req at Program Rate					1,248,366

WELLINGTON AND ACME RATE HISTORY

	FISCAL YEAR											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TAXABLE VALUE (BILLIONS)	\$7.2	\$7.8	\$7.2	\$6.1	\$5.4	\$5.4	\$5.4	\$5.7	\$6.3	\$6.9	\$7.5	\$8.0
MILLAGE RATE	2.70	2.34	2.34	2.50	2.50	2.50	2.47	2.47	2.45	2.45	2.44	2.43
ACME ASSESSMENT RATE	\$120	\$146	\$146	\$175	\$200	\$200	\$200	\$200	\$230	\$230	\$230	\$230
WATER UTILITY USAGE RATE	\$1.55	\$1.55	\$1.63	\$1.73	\$1.86	\$2.00	\$2.00	\$2.06	\$2.06	\$2.06	\$2.06	\$2.11
SOLID WASTE ASSESSMENT RATE - CURB	\$125	\$129	\$162	\$160	\$160	\$160	\$160	\$160	\$160	\$140	\$135	\$135
TOTAL BUDGET (MILLIONS)	\$114.1	\$111.3	\$102.5	\$82.9	\$75.7	\$73.9	\$74.5	\$74.5	\$76.9	\$85.4	\$89.5	\$110.5
ADOPTED FULL-TIME EMPLOYEES	296.0	277.2	273.7	265.2	266.2	263.0	267.0	292.0	297.0	302.0	314.0	313.0
POPULATION	55,259	55,076	55,010	56,508	56,752	57,514	58,108	59,136	59,860	60,308	61,775	62,393

Forecast Assumptions

Assumptions applied to the forecast model are derived from demographic and statistical information published by national and state governmental agencies. Please refer to the Forecast Sources appendix for additional information.

ECONOMIC INDICATORS	FY 2019 Projections	Forecast 2020 - 2022
Real Gross Domestic Product	2.6%	2.3% - 2020; 1.8% - 2021; 1.9% - 2022; 2.0% - 2023
National Unemployment Rate	3.8%	3.7% - 2020; 4.0% - 2021; 4.3% - 2022; 4.4% - 2023
Housing Starts (% Change)	9.0%	6.6% - 2020; 1.6% - 2021; 2.1% - 2022; 0.4% - 2023
Consumer Price Index	1.6%	2.5% - 2020; 2.8% - 2021; 2.4% - 2022; 2.4% - 2023
Federal Funds Rate	2.2%	2.8% - 2020; 3.3% - 2021; 3.5% - 2022; 3.4% - 2023
National Electricity Demand	0.4%	0.4% - 0.7% annual growth
National Electricity Prices (increase per Kwh)	3.1%	2% - 3% per year increase
National Personal Consumption Expenditures	1.9%	1.9% - 2020 to 2022
State Personal Income	5.5%	4.2% - 5.4% Long Term Annual Growth
GOVERNMENTAL REVENUES	FY 2019 Projections	Forecast 2020 - 2022
Wellington Taxable Value	4% Prelim. Increase	4% - 2020; 4% - 2021 to 2022 (at 2.43 Mills)
Utility Taxes	Based on revenue trend and EIA demand forecasts	0.4% annual growth
Franchise Fees	Based on revenue trend and EIA demand forecasts	0.4% annual growth
Communication Service Tax	Continued trend of annual reductions in revenue	Annual reduction in revenues due to reduction in the wireless base
Intergovernmental Half Cent Sales Tax Gas Tax State Revenue Sharing Proceeds Sales Surtax Revenue	Based on revenue trend plus state growth forecasts	3-4% annual growth estimates from EDR estimating conferences
Federal/State/County/Other Grants	Arise from corresponding projects	No projection to be conservative
Fines & Forfeitures	Based on projected YE 2018 revenue	Annual reduction based on economic indicators and historical trend
Permit Fees Building Permits	Based on department projection adjusted for local industry forecasts; Increase in revenue due to change in fee structure	Annual contraction as build-out approaches. Rate of decline of revenue will be slowed by revenue from commercial development, improvements and renovations
Licenses Burglar Alarms Business Tax Receipts	Based on projected revenue trend Based on 2017 budget revenue and proposed legislation	Slight annual reduction based on trend Trend Growth of 2% - 4% annually
Charges for Services Recreation Wycliffe	Based on recent trend and department estimates Based on FY 2018 billing	Population Growth Rate and economic forecasts No increase projected to be conservative
Miscellaneous Revenues	Based on projected YE 2018 revenue	No change projected
Impact Fees	Based on permit trending times rate (considering remaining impact properties in Village)	Building permit projections and reduction trend
Interest	Based on cash balances at 1% return	Cash flow forecast and expected rate increases
Transfer In from Enterprise Funds	10% of projected revenues	Utility revenue growth rate

Forecast Assumptions (cont.)

ENTERPRISE REVENUES	FY 2019 Projections	Forecast 2020 - 2022
Water	Projected customer growth +3.5% index	Anticipated customer growth rate and 3.5% per year index
Wastewater	Projected customer growth, out of area surcharge with 3.5% index increase	Anticipated customer growth rate and 3.5% per year index
Standby	Budgeted conservatively below expected YE 2018 collections based on recent historical trends	Reduction in revenues assuming as build out approaches, new plats will be less than the number of new meter installations (overall reduction in standby accounts)
Penalty	Fees charged on approved rate structure	Anticipated customer growth rates
Meters	Budgeted conservatively below expected YE 2018 collections based on recent historical trends	Incremental customer additions
Capacity Fees	New units added to system plus interest earnings on unspent balances	Reduced future customer additions to reflect build out
Solid Waste Assessments	0.5% increase in accounts per trending	0.5% increase in accounts per year average trend
Lake Wellington Professional Centre	Based on projected YE 2018 revenue	No future changes assumed
COSTS	FY 2019 Projections	Forecast 2020 - 2022
US Regular Gasoline Prices	\$2.57/gal in 2018; \$2.58/gal in 2019	Crude oil 4.8% growth through 2050
Personnel Expense	Staffing levels requested and benefit increases based on economic data, 4% wage growth and 0% medical insurance increase projected	3% wage and benefit increases; 0% medical benefits increase
Operating Expense	Estimated by Department Heads	2-4% growth by type of operating expense
Public Safety (Law Enforcement Only)	FY 2018 Contract Costs plus 2%	2% contract increase
Capital Outlay & Operating Impacts	Assumes only finishing projects currently in progress and those on the five-year CIP	Per 5-year capital plan and estimated operating impacts of identified projects
Debt Service	Per debt service schedule (General Governmental issue ends FY 2019). Saddle Trail debt service added in FY 2017 for 15 years	Per debt service schedule; no additional debt issuance in forecast
All Other	Per contracts and expected CPI	Average 2-4% annual increases

Notes: EIA = Energy Information Administration

EDR = Office of Economic and Demographic Research (Florida)

Sources – Long Term Financial Planning

GFOA (Government Finance Officers Association) Best Practice: Long-Term Financial Planning, February 2008; <http://www.gfoa.org/long-term-financial-planning-0>

Wellington Comprehensive Annual Financial Reports FY 2011 through FY 2017

Wellington Annual Adopted Budget Reports FY 2011 through FY 2018

Source Information – Financial Forecast

Office of Economic & Demographic Research, Economic Estimating Conference, Florida Economy, January 16, 2018: <http://edr.state.fl.us/Content/conferences/fleconomic/index.cfm>

Office of Economic & Demographic Research, Economic Estimating Conference, National Economy, January 16, 2018: <http://edr.state.fl.us/Content/conferences/useconomic/index.cfm>

Bureau of Labor Statistics, Real Gross Domestic Product by Major Demand Category: https://www.bls.gov/emp/ep_table_402.htm

US Energy Information Administration, Energy Outlook: <https://www.eia.gov/analysis/projection-data.cfm>

Fund Balance Analysis

Long Term Financial Plan



Fund Balance Analysis

Fund balance is the difference between assets and liabilities reported in a governmental fund at the end of the fiscal year. Governments seek to maintain adequate levels to mitigate current and future risks, to ensure stable tax rates and for long-term financial planning. Credit rating agencies carefully monitor levels of restricted and unrestricted fund balances in a government's general fund to evaluate a government's creditworthiness. Rating agencies favor higher levels of fund balance, although taxpayers and citizen's groups can consider high levels excessive.

Wellington defines the Fund Balances in accordance with GASB 54 as follows:

Nonspendable: Amounts that cannot be spent, such as inventories, prepaid amounts and long term loans

Restricted: These balances are not available for spending and are legally restricted by outside parties for a specific purpose. These may be contractual obligations, debt requirements or statutory restrictions

Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by formal Council action. These may include an authorization to use certain revenues for a specific purpose, such as for rate stabilization, insurance premiums and emergency incidents

Assigned: Amounts intended to be used for specific purpose. These balances may be released by either Council action or by results of operations

The remaining amounts are considered **Unassigned**, and may be used for expenditures as appropriated by Council

The Wellington Council has set a target for unassigned general fund balance between 25% and 29% of subsequent year's expenditures. The unassigned fund balances are generally considered a necessary function of sound fiscal management for a variety of reasons:

- A time lag in the first quarter in the collection of property taxes (including assessments) in each year
- Unforeseen activities and regulatory mandates during the course of the year
- Natural disasters, such as hurricanes; these can not only affect spending, but tend to impact the local and even national economy, thereby affecting revenues
- Elastic revenues: in the last ten years, 13-20% of Wellington's revenues have been elastic, which is based on economic factors and growth estimates that can easily deviate from projections
- Increases in expenditures: there exists a potential for increases to anticipated expenditures based on bid results, litigation, contract renewals, additional services, etc.
- To fund operations during the gaps in the timing of the receipts of borrowed funds, property tax distributions, intergovernmental revenues, and other sources of funds

The policy for special revenue and capital funds is to comply with Governmental Accounting Standards Board statements, which is that no funds should report a negative amount for restricted, committed or assigned fund balances.

While fund balances and classifications are externally audited each year, fund balances and reserves are monitored internally throughout the year to ensure sufficient levels to provide for the needs of Village programs and to ensure compliance with Village financial policies and state statute. Additionally, fund balances are reviewed to determine that the Village holds only an appropriate amount in reserve to establish credibility with internal and external stakeholders.

The following table summarizes the fund, fund balance classification and type, the audited balances as of September 30, 2017, and the estimated balances as of September 30, 2018.

GOVERNMENTAL FUND BALANCES

Fund Balance	General Fund	Special Revenue Funds					Total
		Building	Acme	Gas Tax Operations	Debt Service	Capital Projects Funds	
NONSPENDABLE	\$ 1,257,599	8,147	14,140	7,990			1,287,876
RESTRICTED		5,523,326	2,526,534	1,429,793	284,190	7,902,987	17,666,830
COMMITTED							
Rate Stabilization	2,785,000						2,785,000
Insurance	1,150,000						1,150,000
Emergencies	3,000,000						3,000,000
Infrastructure	1,000,000						1,000,000
ASSIGNED	6,271,899					5,210,692	11,482,591
UNASSIGNED	16,632,532						16,632,532
AUDITED BALANCES 9.30.17	\$ 32,097,030	\$ 5,531,473	\$ 2,540,674	\$ 1,437,783	\$ 284,190	\$ 13,113,679	\$ 55,004,829
UNASSIGNED FUND BALANCE	\$ 16,632,532						\$ 16,632,532
FY 2018 FUND BALANCE USE/ASSIGNMENTS							
Assignment to Insurance Reserve for Premium Increase	(380,000)						(380,000)
Facility & Infrastructure Reserve allocation	(546,000)						(546,000)
PROJECTED BALANCE UNASSIGNED BALANCE 9.30.18	\$ 15,706,532	\$ 5,531,473	\$ 2,540,674	\$ 1,437,783	\$ 284,190	\$ 13,113,679	\$ 15,706,532

The unassigned general fund balance at September 30, 2017 comprised 37% of FY 2018 budgeted General Fund expenditures. This is in excess of the target fund balance percentage adopted by the Village Council. The staff recommendation is to maintain excess fund balance to fund future year's expenditures.

Reserve Analysis – Governmental Funds

Sound financial management practice includes planning for future significant expenditures, and reserving sufficient amounts to address the expenditures without impacting operational needs. The Government Finance Officers Association states: “Reserves provide a government with options for responding to unexpected issues and a buffer against shocks and other forms of risk”.

For this reason, the Village maintains several reserve funds. Shown below are descriptions and current amounts of Committed reserves.

Rate Stabilization Reserve Current Balance \$2,785,000

The Village Council created a “rainy day” reserve to protect against significant millage rate changes due to revenue fluctuations or operating cost increases over time. In 2005, the Rate Stabilization Reserve was established for \$2.3 million and increased in subsequent years. For FY 2018 Budget, Wellington budgeted \$1.2 million in Rate Stabilization Reserve in order to continue to provide the same level of service to our residents.

Insurance Reserve Current Balance \$1,150,000

Also in 2005, the Council established an Insurance Reserve to defray the rising costs of health insurance. In FY 2015, the Village implemented a hybrid health insurance plan which reduced insurance costs through self-insurance of some plan features. Florida statutes pertaining to self-insurance require that a government hold insurance reserves equal to 60 days of expected claims. The Village has adjusted the initial Insurance Reserve to meet the statutory requirement in FY 2015 and FY 2016 to a total of \$1.15 million. The FY 2017 health insurance renewal required an additional \$80,000 to maintain the statutory 60 days of claims requirement and an additional \$300,000 in anticipation of rate increases in 2018. These assignments were approved by council during the FY 2018 budget adoption.

Emergency Reserves Current Balance \$3,000,000

A reserve for emergency events was established in FY 2007 in the amount of \$3.0 million to pay expenditures arising from a future storm event. Hurricanes Frances, Jeanne and Wilma required significant cash outlays for storm response and debris removal that were not reimbursed in full or in a timely manner by FEMA. The Reserve was restored to its original balance in 2016 after expenditures for Tropical Storm Isaac.

Facility & Infrastructure (F&I) Reserve Current Balance \$1,000,000

Established in 2016 as a result of long term financial planning, the Facility & Infrastructure reserve retains funds to defray the future cost of facility, technology systems and infrastructure repair, replacement or rehabilitation. The Reserve would mitigate the budgetary impact of a major rehabilitation project in any future year. The reserve will increase by \$546,000 in FY 2018, which is 20% of excess unassigned fund balance determined by the FY 2017 annual audit, and approved by council during the FY 2018 budget adoption.

Five Year Capital Improvement Plan

Long Term Financial Plan



Capital Planning Overview

As a municipal government with needed and desired services, Wellington provides and maintains capital facilities and equipment, including roadways, buildings and parks. A Capital Improvement Plan (CIP) is developed every year to schedule the expenditure of funds to acquire and construct needed improvements that support the long-term commitment to improving and maintaining the public facilities, roadways, drainage infrastructure, and parks systems in Wellington.

The CIP represents a multiyear forecast of the Village's capital infrastructure needs over the next five and ten years. Capital planning includes not only the identification of the priority improvement projects but also the financing required and the expected impact on the operating budget. Capital expenditures differ from annual operating and maintenance expenses in several ways:

- The large dollar amounts often require special financing
- Capital projects are usually multi-year and occur at irregular intervals
- Projects involve the development or addition of assets that are expected to last several years
- Asset and facility additions will result in increases to the operating budget

While the entire CIP is adopted each year, only the first year of the plan becomes a part of the Village annual budget once adopted. The future CIP years become a planning tool for future funding requirements and may be adjusted each year according to Village Council goals and the economic environment.

Capital Process

The key components of the CIP budget process included in Village budget planning calendar are:

- CIP Development Meetings with department managers
- CIP Review Meetings
- Preliminary CIP presentation to Village Manager
- CIP Workshop(s) with Village Council
- Adoption hearings for the Capital Improvement Element (CIE) of the Comprehensive Plan

Prior to inclusion in the preliminary CIP, each project is also reviewed in relation to five distinct requirements:

- Preservation of long-term assets
- Reduction of operating costs
- Protection of public infrastructure and/or utilities
- Preservation of property values and creation of jobs
- Regulatory and contractual obligations

Capital Financing

The multiyear planning approach allows Wellington to use a pay-as-you-go strategy by assigning funds annually to a future project to minimize the impact in one fiscal year. Once projects are approved for inclusion in the capital plan, funding sources are determined based on the scope of the project.

The Village has five capital funds that reflect the various funding sources available solely for capital improvements. Restrictions for the uses of the capital revenues sources in each fund are imposed by statute and/or Village ordinance. Where projected capital revenues fall short of the funding requirements for the approved projects and/or debt service, a transfer out of one of the operating funds may be required.

Gas Tax Capital Fund – accounts for capital projects related to roadway and landscape improvements; to separate road capital revenue and expenditures from maintenance & operations reflected in the Gas Tax Operations Fund and expansion projects in the Road Impact fund. Revenue sources are Local Option Fuel Taxes (1 – 5 cent option on motor fuel only), grants and interest income.

Recreation and Road Impact Funds – accounts for expenditures of recreation and transportation impact fees for specific capital projects related to growth. Revenue sources are impact fees, grants and interest income.

Governmental Capital Fund – accounts for the financial activity applicable to governmental capital expenditures funded from governmental operating revenues. These expenditures are funded by the General Fund and Acme Improvement District Fund through operating transfers as well as grants.

Sales Surtax Fund – accounts for capital projects funded by the one cent sales surtax increase approved by voters in 2016. The sale surtax revenue can only be used to fund capital projects that equip, construct and repair roads, bridges, signals, streetlights, sidewalks, parks, drainage, shoreline and wastewater infrastructure, recreational and governmental facilities. A budget amendment allocated a partial year of the surtax revenues to FY 2017, though no specific projects have yet been identified to commence in the current year.

Water and Wastewater projects and Solid Waste are budgeted in the Enterprise Funds and presented in the annual budget as part of the Water/Wastewater and Solid Waste Funds.

Capital Funding Sources

Revenue sources which may be used solely for funding of capital infrastructure improvements include impact fees, capacity fees, a portion of local option gas taxes (grants may be acquired for specific expansion projects), the new sales surtax and future borrowing. Wellington impact fees and capacity fee revenues were at their highest point in the period from 2003 – 2006 and will continue declining until no further developable land is available. Local option gas taxes which may be used for road improvements remain flat each year at about \$500,000 annually. As a result, future capital projects whose costs exceed the annual revenue stream require transfers in from the General and Acme Improvement Funds in order to complete them.

GOVERNMENTAL CAPITAL SOURCES & USES FY 2018

	Capital Funds					TOTAL
	Recreation Impact	Gas Tax Capital	Road Impact	Governmental Capital	Sales Surtax	
Fund Reserves 9/30/17	\$894,892	\$638,073	\$352,454	\$402,841	\$2,470,000	\$4,758,260
Estimated Sources FY 2018						\$0
State Shared Revenues						\$0
Fuel Taxes		500,000				\$500,000
Impact Fees	\$220,000		\$150,000			\$370,000
Miscellaneous & Interest	8,300	30,000	13,000	\$22,000	\$10,000	\$83,300
Intergovernmental & Grants					3,496,000	\$3,496,000
Transfer in from General Fund & Building				2,403,000		\$2,403,000
Transfer in from Acme Fund				1,540,000		\$1,540,000
Budget Amendments						\$0
Capital Reserves	725,075		216,590			\$941,665
Total Sources	\$953,375	\$530,000	\$379,590	\$3,965,000	\$3,506,000	\$9,333,965
Expenses FY 2018						
2014 Acme Renewal & Replacement Prgm				740,000		\$740,000
Communications & Technology Investment				300,000		\$300,000
Community Park Renovation					2,583,000	\$2,583,000
Entrance Sign Improvement Program				75,000		\$75,000
Neighborhood Parks Program				175,000		\$175,000
Neighborhood Trails Program				300,000		\$300,000
Parks Capital Improvements				225,000		\$225,000
Road & Pathway Circulation Expansion			300,000			\$300,000
Safe Neighborhoods				250,000		\$250,000
South Shore/Pierson Intersection		476,827				\$476,827
Streetscape Program				600,000		\$600,000
SWM System Improvements				800,000		\$800,000
Tennis Center Parking				500,000		\$500,000
Village Park Updates					923,000	\$923,000
Debt Service	953,375	53,173	79,590			\$1,086,138
Total Uses	\$953,375	\$530,000	\$379,590	\$3,965,000	\$3,506,000	\$9,333,965
Ending Fund Balance	\$169,817	\$638,073	\$135,864	\$402,841	\$2,470,000	

Note: Transfers in from the General Fund and Acme Fund to fund capital projects are italicized in the chart for emphasis

FY 2018 – 2022 CAPITAL PLAN

FY 2018 Wellington Capital Projects & TPP		FY 2018 CIP BUDGET ADDITION	BUDGET ADDITIONS FY 2019 - 2022
GOVERNMENTAL			
PROJECT	DESCRIPTION		
2014 Acme Renewal & Replacement Program	Maintenance program to improve conveyance and drainage initiated in 2014 and funded by added \$30 per unit assessment. FY 2018 continues the Forest Hill Blvd drainage and C13 conveyance project.	\$740,000	\$2,960,000
Communications and Technology Investment	Upgraded replacement of major technology equipment, cabling, systems, wireless communications, broadcasting and telephone equipment. Funded from General Revenues, Building Permits and Utility Operating Revenues. A replacement ERP system will be acquired in FY 2018; additional amount budgeted in Utilities Fund.	\$300,000	\$1,103,500
Entrance Sign Improvement Program	Upgrade and replace neighborhood entrance signs; 1 -3 neighborhoods per year	\$75,000	\$320,000
Village-owned Facility Improvements	Ongoing improvements to upgrade municipal buildings and facilities to prolong facility usefulness. Current funding for improvements to signs at entrances to the Village.	\$0	\$1,225,000
Multiuse Path & Bike Lane Expansion	Enhancements to the Village transportation system, focusing on non-vehicular connections to key destinations completed in conjunction with the Road & Pathway Overlay Program. Grant in progress for bike lanes and striping on Big Blue Trace.	\$300,000	\$1,500,000
Neighborhood Parks Program	Scheduled park improvements and upgrades to ensure the safety and usefulness of the neighborhood parks system. Complete Scott's Place shade and lighting features, Dorchester Park fishing pier and amenities (\$200,000 grant), and a comprehensive park condition assessment in FY 2018.	\$175,000	\$1,005,000
Neighborhood Trails Program	Connectivity improvements and trail upgrades to ensure the safety and usefulness of the neighborhood equestrian trails system. In FY 2017 and FY 2018, complete the Brown Trail connector (\$200,000 grant), the Binks Point multiuse pathway and canal crossing (\$312,000 grant), the White Trail crossing and footing, and the Yellow Trail from South Shore to Southfields.	\$300,000	\$1,240,000
Parks Capital Improvements	Improvements to fields and major equipment additions to ensure the quality standard of recreational programs and facilities. In FY 2018, Village Park Fields #6, #7, and #21 will be rebuilt and improved.	\$225,000	\$1,260,000
Public Works Facilities Improvements	Construct equipment storage facility at Public Works complex and fill retention pond. FY 2018 to include improvements to Public Works Greenbriar complex buildings with enhancements to the Park Maintenance Complex at Village Park in FY 2019	\$0	\$750,000
Safe Neighborhood Improvements	Construct a linear recreation area in Folkestone/Yarmouth and install defensive measures elements (lighting, landscape, sidewalks, etc) in transitional neighborhoods	\$250,000	\$0
Streetscape	Installation of landscaping, hardscaping and pedestrian features on Village roadways according to a comprehensive engineering plan. A master plan for Village signage will be completed in FY 2018	\$600,000	\$1,000,000
South Shore Blvd & Pierson Road Intersection Improvements	Widen intersection, align lanes, improve stacking and install larger drainage infrastructure at the intersection of South Shore Blvd. and Pierson Road.	\$476,827	\$1,500,000
SWM System Improvements	Annual surface water management infrastructure project(s) to improve flood control, adherence to NPDES requirements and water quality. FY 2018 projects include a feasibility study for debris removal device installation at PS #5 and demolition of PS #2.	\$800,000	\$4,979,000
Tennis Center Parking	Build expanded paved parking area to prevent grass parking resulting from increased facility use.	\$500,000	\$0
Turn Lanes & Traffic Engineering	Construct added turn lanes and rework drainage at key intersections. Complete Big Blue turn lanes in progress and identify future projects in FY 2018.	\$0	\$925,000
Sales Surtax Projects	FUTURE PROJECTS	\$0	\$12,024,000
	COMMUNITY PARK - renovate and improve baseball fields, spectator areas and restrooms	\$2,583,000	
	GREENBRIAR DOG PARK IMPROVEMENTS - add open space play areas		\$1,000,000
	OLYMPIA PARK FIELD RENOVATIONS - rebuild and improve fields at regional park	\$0	\$1,000,000
	VILLAGE PARK PLAYGROUND SURFACING - replace mulch with safety surfacing material	\$170,000	\$0
	VILLAGE PARK IMPROVEMENTS - update bathrooms, refit concession stands, replace roofs and add column facia on pavilions	\$600,000	\$0
	VILLAGE PARK DUGOUTS - replace wooden structures with metal	\$153,000	\$0
TOTAL BUDGET ADDITIONS FOR CAPITAL PROJECTS		\$8,247,827	\$33,791,500
Replacement Assets	Governmental vehicles and equipment replacements	\$384,950	
New Assets	Additions to assets and software in Public Works, Building, Engineering & Technology Services	\$433,500	
TOTAL GOVERNMENTAL CAPITAL OUTLAY		\$9,066,277	\$33,791,500

FY 2018 Wellington Capital Projects & TPP			
UTILITIES			
PROJECT	DESCRIPTION	FY 2018 CIP BUDGET ADDITION	BUDGET ADDITIONS FY 2019 - 2022
Communications and Technology Investment - Utilities	Upgraded replacement of major technology equipment/systems including SCADA upgrades, TROPOS radio and router replacements and technology security improvements. Funded from General Revenues, Acme Assessments, Building Permit Revenue and Water & Wastewater operations. A replacement ERP System will be acquired (\$1.2 million) and TROPOS equipment replaced (\$1.91 million) in FY 2018.	\$3,110,000	\$202,000
Force Main Improvements	Complete improvements to the Village's forcemain and lift station infrastructure: FOREST HILL FORCEMAIN UPSIZING (C8 CULVERT) - Improve 3,000 LF of 12" force main on South Shore Blvd and 500 LF 16" main on Stribling VILLAGE ROYALE FORCEMAIN ENGINEERING SOUTH SHORE FORCEMAIN REPLACEMENT LIFT STATION UPGRADES - complete 9 -10 stations annually	\$330,000 \$300,000 \$450,000 \$1,730,000	\$0 \$0 \$3,000,000 \$9,900,000
General Facilities Improvements	Renovations and expansion of general utility and field services facilities. Scheduled for FY 2018 - FY 2021 are construction of a central warehouse (\$1.38 million) , field services building modifications (\$425,000) and construction of equipment canopies (\$660,000).	\$1,805,000	\$660,000
Gravity Collection System Improvements	Upgrade and renew existing manholes and gravity pipes. Hydraulic model to be completed in 2017 will drive the improvement plan. Neighborhood reinvestment in the gravity collection system continues in the Southeast Lake Wellington Area for FY 2018.	\$200,000	\$4,760,000
Peaceful Waters Wetland	Renewal and replacement of elevated nature boardwalk. Ecological master plan, engineering and phase I boardwalk rehabilitation to be completed in FY 2018.	\$400,000	\$600,000
Reuse Transmission Expansion	Complete a master plan to evaluate the feasibility of expanding the reclaimed water system and determine costs.	\$0	\$3,450,000
Storage/Repump Improvements	Repair, replace and renew existing storage & repump facilities throughout Wellington, including electrical, mechanical and structural improvements. Provides reliable potable water service and fire protection service.	\$0	\$2,150,000
Water Distribution & Transmission Improvements	Renew and replace distribution piping, services lines, meters, meter boxes, fire hydrants and valves for reliable water distribution facilities. Hydraulic model to be completed in 2017 will drive the improvement plan. Neighborhood reinvestment in the gravity collection system continues in the Southeast Lake Wellington Area for FY 2018.	\$0	\$12,990,000
Water Reclamation Facility Renewal and Replacement	Major upgrades to existing water reclamation facility blower and digester to continue providing safe and reliable wastewater service and disposal. Complete master plan and initiate construction in FY 2018. WRF - GENERATOR REPLACEMENT	\$6,663,500 \$0	\$0 \$200,000
Water Supply Improvements	A hydro-geologic evaluation is underway to prioritize improvements to existing wells to ensure maximum wellfield productivity. Physical improvements include telemetry upgrades, wellhead piping replacement, column piping replacement, landscaping and fencing improvements. The consumptive use permit modification will be completed in FY 2018	\$450,000	\$2,460,000
Water Treatment Plant Renewal and Replacement	Renewal and replacement of the existing treatment membrane process. Project components include process control and electrical system improvements, chemical system upgrades, transfer pump upgrades, new breakroom, laboratory and restroom facilities.	\$2,905,000	\$4,600,000
TOTAL BUDGET ADDITIONS FOR CAPITAL PROJECTS		\$18,343,500	\$44,972,000
Replacement Assets	Replacement vehicles and equipment, including a backhoe and pumps	\$224,500	
New Assets	New vehicles and equipment: one truck, forklift, mule cart, pressure cleaner trailer, trash pump, plotter and generators	\$580,000	
TOTAL UTILITIES CAPITAL OUTLAY		\$19,148,000	\$44,972,000

Projects in Progress and Upcoming

Projects in progress utilizing existing capital budgets include:

- Sales Surtax Capital Projects
- Folkestone/Yarmouth Park
- Village Signage Improvements

Sales Surtax Capital Projects

In FY 2017, Wellington collected \$2.9 million in sales surtax revenue and \$2.1 million to date in FY 2018. Wellington can expect \$3.2 - \$3.8 million per year for 10 years that may only be used for capital improvement projects. The South Shore Community Park Renovations and Greenbriar Park Improvements have been approved and budgeted while the Lake Wellington Waterfront (Phase 1) will be discussed during the Directions Workshop.

South Shore Community Park Renovations

Wellington budgeted sales surtax revenues to renovate existing park facilities and build a new gymnasium at the South Shore Community Park. The design phase is currently underway with construction to begin in FY 2019.

Greenbriar Park Improvements

In FY 2018, Wellington Council approved a resolution to transfer \$2.5 million from the South Shore Community Park budget in order to begin the Greenbriar Park improvements due to an immediate need for more open play fields. Improvements include the construction of several multi-use fields, parking improvements, and new concession stands. The design phase is currently underway with construction to begin in FY 2019.

Lake Wellington Waterfront (Phase 1)

To reflect previous discussions in Directions Workshops, a concept plan is under development for the Lake Wellington Waterfront with potential sales surtax funding. A preliminary cost estimate of \$7.9 million includes a new lake edge and promenade, sandy beach addition, new lakefront activities center, new rowing center, a sunset café and deck, a water play surface, picnic pavilions, and improved parking.

Folkestone/Yarmouth Linear Park Capital Project

Engineering services are currently underway for the Folkestone/Yarmouth, which includes a road closure and development of a recreation area in the Folkestone/Yarmouth neighborhoods. The proposed road closure will eliminate the road between Carlton Street and Yarmouth Court and would be beneficial for reducing traffic through the neighborhood without hampering emergency access. Staff is currently developing plans for the recreation area that may include adding a basketball court, pavilions, and a park

Village Signage Improvements

A master plan for Village signage is currently under way with the presentation of two distinct design concepts for the new monument signage during the Directions Workshop. The capital project also includes the installation of landscaping, hardscaping, and pedestrian features on Village roadways. Design phase to be completed in FY 2018 and construction to begin in FY 2019

New & Replacement Asset Expenditures & Budget FY 2014 – FY 2018

	Actual FY14	Actual FY15	Actual FY16	Actual FY17	Budget FY18	Total Five Years
General Fund	\$704,511	\$689,501	\$572,419	\$743,893	\$578,715	\$3,289,039
Emergency Operations	11,920	-	0	7,594	157,038	\$176,552
Public Safety	14,095	21,864	-	8,661.31	-	\$44,620
Building	19,097	120,205	0	19,060	41,069	\$199,431
Acme Improvement	263,581	185,347	204,302	211,888	304,328	\$1,169,447
Road Maintenance	429,249	58,958	52,475	319,489	25,064	\$885,234
Total Governmental	\$1,442,453	\$1,075,875	\$829,196	\$1,310,585	\$1,106,214	\$5,764,323
Professional Centre	4,476	2,771	-	-	-	\$7,247
Solid Waste	-	46,405	-	13,674	26,710	\$86,789
Water & Wastewater	341,606	197,801	580,900	336,727	984,136	\$2,441,170
Total Enterprise	\$346,082	\$246,977	\$580,900	\$350,402	\$1,010,846	\$2,535,206
TOTALS	\$1,788,534	\$1,322,852	\$1,410,096	\$1,660,987	\$2,117,060	\$8,299,530

Financial Policies

Long Term Financial Plan



Relevant Financial Policies

This section contains a summary of the various accounting and financial policies that are used to develop the annual budget and prepare the Comprehensive Annual Financial Report. Recommendations for policy updates are provided at the end of the policy summary and included in the Executive Summary section of the Long Term Financial Plan.

General Policies

Below are general guidelines that are used to assist with the annual budget process:

- In accordance with Florida Statutes 166.241(2) Wellington must adopt a balanced budget whereas planned revenues equal the total appropriations for expenditures.
- Financial results comparing actual versus budgeted revenues and expenditures will be analyzed and published on the Village website.
- National, State and Local economic conditions will be monitored on an ongoing basis to ensure that the Village is aware of the effects economic conditions have on the budgeting process.
- Wellington shall establish and maintain a standard of accounting practices.
- Except for long-term capital projects and one-time projects in progress, encumbrances will lapse at the end of each fiscal year. Carry forward requests will be analyzed by the Finance Department.
- Current year revenue and expenditure budget to actuals will be reviewed on a monthly basis and reported quarterly to ensure accuracy and compliance. Projections will be realistic and conservative. Corrective action (line item transfers and budget amendments) will be initiated if significant budget variances are anticipated or noted.
- Investments will be analyzed monthly to ensure full compliance with the investment policy. Corrective action will be initiated immediately if the policy is violated.
- Investments will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity and financial return, in that order.
- Wellington will seek to maintain and, if possible, improve current bond rating in order to minimize borrowing costs and preserve access to credit.
- Wellington will strive to fund capital projects on a “pay-as-you-go” basis to minimize borrowing risk and costs
- Cash flow forecasts are updated on an as-needed basis to ensure liquidity and reduce risks.
- Wellington will seek to comply with the suggested criteria of the GFOA in producing a budget document that meets the Distinguished Budget Presentation program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.
- Wellington will seek to comply with the suggested criteria of the GFOA in producing a Comprehensive Annual Financial Report that meets the Certificate of Achievement for Excellence in Financial Reporting program criteria as a high quality comprehensive annual report in the spirit of transparency and full disclosure.

- In accordance with Section 218.32, Florida Statutes, Wellington will file its Annual Financial Report with the Florida Department of Financial Services within 45 days of receiving the auditor's report on the financial statements.
- Budgetary control is maintained at the department level, with the Finance Department providing support to departments in the administration of their budgets. Line item transfers within a department, except for personnel services, can be initiated at the department level. Transfers between departments that cross funds or increase revenues or expenditures must be approved by Council.
- Various internal auditing procedures have been developed for different aspects of Wellington's daily operations. These procedures will be performed to ensure continued compliance with applicable laws and the Village's policies and procedures. As necessary, corrective action will be communicated to the applicable personnel in charge of daily operations. Follow-up audits will be scheduled to ensure that corrective actions have been implemented.
- Wellington utilizes a double entry system that includes the general ledger, books of original entry and suitable subsidiary records. The general ledger information is stored in an automated general ledger system. The books of original entry are posted and the general ledger and subsidiary ledgers are kept current and balanced to the control accounts quarterly, as necessary.
- Wellington uses the Uniform Accounting System Chart of Accounts developed by the State of Florida Department of Financial Services as an integral part of its accounting system.

Revenues

- Wellington will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one revenue source.
- Because revenues, especially those of the General Fund, are sensitive to both local and regional economic activities, revenue estimates provided to Council shall be conservative.
- Wellington will seek a balanced tax base through support of economic development and through annexation of a sound mix of residential and commercial development.
- Wellington will place increased emphasis on user fees to finance municipal services costs and will maintain its various fees, and charges in a central reference manual. All revenue schedules, including taxes, rates, licenses, user fees and other charges, will be reviewed annually to insure that these revenue sources are kept up to date.
- Wellington will avoid dependence on temporary revenues to fund mainstream municipal services. One-time revenues will generally be used only for one-time expenditures.
- All revenues received for the purpose of storm water management system operations and improvement shall be allocated to the Acme Improvement District Fund. Such revenues shall only be used to fund operations, maintenance, rehabilitation and improvements of the storm water management system, roads and parks in the AID, and debt service in support of such functions.
- All potential grants shall be carefully examined for matching requirements (both dollar and level-of-effort matches). The funds necessary to match intergovernmental grants shall not exceed 5% of the net operating revenues.

- Wellington will aggressively seek League of Cities policy positions and state legislation for municipally earmarked revenues and/or revenue and authorizations which are inflation-responsive and for improved property valuation methods.
- Water and sewer rate structures will be maintained to adequately ensure that enterprise funds remain firmly and separately self-supporting, including the costs of operation, capital plant maintenance, debt service, depreciation and moderate system extensions. Comprehensive rate studies will be conducted every 5 years and updates performed to these studies annually unless changes in the operating environment dictate a full-scope study. Capital revenues will not be used to pay for operating expenses and will be used solely for system improvements and expansion.
- Wellington will generate investment income by achieving and maintaining a level of cash and investment equal to at least 25% of its total assets.
- An administrative transfer fee shall be paid by the Enterprise Funds & certain special revenue funds to the General Fund for services provided. The fee is reimbursement for the cost of personnel, equipment, materials, construction, facilities or service usage provided by the General Fund's departments. Enterprise funds will transfer 10% of revenues, excluding transfers, to the General Fund.
- To emphasize and facilitate long-range financial planning, Wellington will maintain current projections of revenues for the succeeding five years. Revenue forecasts will be reviewed and updated on an as-needed basis, but at least annually.
- The Florida Legislative Committee of Intergovernmental Relations and the Florida Department of Revenue prepare revenue forecasts which are the basis for Wellington's state revenue sharing and half-cent sales tax budgets.
- All revenue received that is restricted by enabling legislation will be accounted for separately, based on which fund the monies belong to.

Expenditures

- All assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.
- All current operating expenditures will be paid with current operating revenues. Budgetary procedures that fund current expenditures at the expense of future needs, such as postponing expenditures, accruing future revenues or rolling over short-term debt, will be avoided.
- The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital infrastructure and equipment.
- All equipment needs and replacements for the next five years will be projected and the projection will be reviewed and updated each year.
- Future operating costs and maintenance will be determined to the extent estimable prior to construction of all new capital facilities.
- Before any actions are taken or agreements are entered into that create fixed costs, current and future operating and capital cost implications will be fully determined.
- Where practical, performance measures and productivity indicators will be integrated into the budget.

- Expenditure forecasts for the next five years shall be all-inclusive and will be reviewed and updated on an as-needed basis, but annually at least annually.

Contingency and Fund Balance

- Wellington may establish a contingency in each year's budget to:
 - ✓ Provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature,
 - ✓ Permit orderly budgetary adjustments when revenues are lost through the action of other governmental bodies,
 - ✓ Permit orderly budget adjustments when budgeted estimates for capital projects do not meet actual costs
 - ✓ Provide a local match for public or private grants, or
 - ✓ Meet unexpected small increases in service delivery costs
- Wellington will maintain a year-to-year "carryover balance" in an amount necessary to maintain adequate cash flow for projects in progress and to reduce the demand for short-term borrowing. The carryover balance shall be separate from the contingency and shall be determined subsequent to the start of the fiscal year.
- The Village will strive to maintain reserves at a level of at least 25% to 29% of Governmental Funds annual operating expenditures.
- The General Fund unassigned fund balance, at year end, will range, at a minimum, between 22% and 30% of the following year's general fund budgeted expenditures.
- Wellington will maintain up to four committed reserve funds, which may be allocated by Council action:
 - ✓ Emergency- to provide sufficient resources to ensure continued operations as well as to fund unplanned expenditures in the event of a hurricane, major storm or other natural or man-made disaster.
 - ✓ Insurance- to offset future premium increases as required by insurer's contract to hold at least 60 days of claims in reserve.
 - ✓ Rate Stabilization - to offset rate increases as approved by Wellington's Council. This amount shall only be used in order to prevent increases to the millage rate to offset short-term economic conditions.
 - ✓ Facility and Infrastructure Reserve – to offset major unexpected facility, equipment and/or infrastructure replacement and rehabilitation.
- Wellington utilizes the fund balance classification established by GASB Statement 54. In the fund financial statements, governmental funds report amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose as non-spendable, restricted or committed. Fund balance amounts that are reported as assigned or unassigned fund balances represent tentative plans for financial resource use in a future period.

Implementing, Monitoring & Amendments – Budget Control

Upon the final adoption of the budget, staff implements the new fiscal year budget and begins the process of continuous monitoring and ensuring budgetary control throughout the fiscal year. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the village's governing body. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level.

Reports are prepared monthly to assist directors and managers in monitoring their department's revenues and expenditures and determine their expenditures over and under budget. In addition, these reports (available on Wellington's internal network and internet) can be generated daily or at any time by authorized employees. Monthly, a financial team meets to review economic and financial trends as part of the financial reporting process. At this time, actual year-to-date totals are compared to the budget, revenue and expenditure patterns are examined and compared to provide forecasts and recommend corrective action as needed.

Wellington also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end; however, encumbrances for one-time purchases roll forward to the new fiscal year. Recurring purchases are generally re-appropriated as part of the following year's budget. All expenditures, other than personnel services, are controlled by a procurement system which encumbers purchase orders against the budget prior to issuance to vendors. Purchase orders are not issued until appropriations are made available.

During ongoing monitoring, staff may note that corrective action is needed to help accomplish planned or needed programs and activities and request budget amendments. The Council must approve by resolution changes or amendments to the total budget of the village or a department. Changes within a department or changes to a division, which do not affect total governmental expenditures, may be approved at the administrative level. All budget amendments, once approved, are processed by the Budget Office, tracked by the Wellington's computerized financial system, and posted to the Village website.

Amendments are prepared annually to roll forward budgets for purchase orders, major maintenance and projects in progress in order to span fiscal years. All other budget amendments are presented to Council for approval via resolution.

Accounting, Auditing and Financial Reporting Policies

A well-designed and properly maintained accounting system is necessary to be able to provide all data that is needed to allow for the timely preparation of financial statements in conformity with generally accepted accounting principles. The official source of generally accepted accounting principles (GAAP) for local governments is the Governmental Accounting Standards Board (GASB). The GASB is an independent, not-for-profit organization that establishes and improves standards of financial accounting for local governments.

In addition, Section 218.33, F.S., requires local governments to follow uniform accounting practices and procedures and a uniform chart of accounts as established by the Florida Department of Financial Services (DFS). To this end, the DFS drafted the Uniform Accounting System Manual. These

requirements are in place to help assure proper accounting and fiscal management as well as to provide consistency in preparing local government annual financial reports.

Cash Management and Investing

Investing public funds is usually a core responsibility of local governments. The main objectives of effective cash management and investing public funds is, in this specific order, to ensure the safety of principal, provide for sufficient liquidity to pay obligations when due and earn a reasonable rate of return on invested funds. Wellington's investment policy describes parameters for investing government funds and identifies the investment objectives, preferences and/or tolerance for risk, constraints and how the program will be managed and monitored.

Cash and investments of each fund, except certain investments in the debt service and enterprise funds, are accounted for in pooled cash and investment accounts with each fund maintaining its proportionate equity in the pooled accounts. The use of a pooled cash and investment account enables Wellington to invest idle cash for short periods of time, thereby maximizing earnings potential. Income earned from this pooling of investments is allocated to the respective funds based upon average monthly proportionate balances. Investments are stated at fair value.

All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act", and are collateralized.

Quarterly financial reports of investment results and portfolio composition are posted to the Village website. Items reported include:

- Types of investments held
- Average rate of return
- Average maturity of portfolio
- Compliance with investment policy
- Comparison of portfolio return with benchmarks
- Interest rate environment changes

Cash Receipts and Accounts Receivable

Wellington collects revenue over the counter and through the mail from the general public in the form of cash, personal checks, credit and debit card transactions, or money orders. Wellington also offers online payment options and direct debit of customers' bank accounts for repetitive payment such as a monthly utility bill.

The Village has established an adequate system of controls to assure that all amounts owed to the government are collected, documented, recorded, and deposited to the bank accounts of the government entity, and to detect and deter error and fraud.

Accounts receivable records, whether manual or computerized are an integral part of the internal control system for the payments received for the provision of services. The records also play an

important role in the preparation of a local government's interim and annual financial statements, and ultimately in the assessment of the local government's financial condition.

Capital Assets

Generally, capital assets are the largest asset of a local government. Capital assets are tangible and intangible assets acquired for use in operations that will benefit the local government for more than a single fiscal period. Typical examples of capital assets include land, land improvements, construction-in-progress, infrastructure/improvements, buildings, furniture, motor vehicles, audio-visual and software. Any asset that benefits more than one fiscal period with an initial individual cost of \$5,000 or more will be capitalized. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other repairs and maintenance costs are expensed as incurred.

Depreciation is the systematic and rational allocation of the cost of a capital asset over its estimated useful life. Wellington uses straight line depreciation. The useful life of an asset is based upon past experience or experiences of other similar governments. The street network is not depreciated; instead Wellington uses the modified approach in accounting for its streets. This approach allows governments to report as expenses in lieu of depreciation, infrastructure expenditures that maintain the asset but do not add to or improve the asset. Additions and improvements to the street network are capitalized.

Wellington uses a fixed asset system to identify all assets including their cost, depreciation, location and condition.

Capital Planning

Capital Planning prevents scarce resources from being consumed in reaction to crises and provides for critical facilities, infrastructure, and equipment to be replaced as they deteriorate during normal use. The capital planning process will prioritize projects and identify the funding needs.

Wellington adopts a 5-year Capital Improvement Plan (CIP) for proposed projects with costs totaling at least \$5,000 that have useful lives of more than one year. This CIP is typically updated annually during the local government's annual budgeting process. The CIP shall contain a comprehensive description of the sources of project funds, timing of capital projects, future operating and capital budgets, financing arrangements, revenue projections and debt service.

Funding for capital projects could come from various sources, including the general fund or general revenue, grants (possibly with matching requirements), debt proceeds (general obligation or revenue bonds), special taxes or assessments, or impact and user fees.

Debt Management

The issuance of debt instruments can provide significant benefits to the governmental unit, residents, and local businesses alike. To adequately assess, manage, and maintain such obligations, a debt management policy was adopted. Such a policy provides guidelines and procedures to determine

whether debt financing would be a beneficial funding option. The ability to incur debt provides added flexibility and responsiveness that is important in today's ever-changing financial landscape. Sound financial management practices, including continued review and monitoring of existing obligations, enables local governments to enhance the quality of life for its residents and local businesses.

Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Annual Financial Audit

Most local governments are required to have an independent audit of their financial statements performed in accordance with appropriate professional auditing standards. Properly performed audits play a vital role in the public sector by helping to preserve the integrity of public finance functions and by maintaining citizens' confidence in their elected leaders.

The annual audited financial report could also be required to include a "single audit" in accordance with OMB Circular A-133 or Section 215.97, F.S., and Chapter 10.550, Rules of the Auditor General. The audit shall be performed by an independent certified public accountant in accordance with Section 218.39, F.S., and Chapter 10.550, Rules of the Auditor General. At the conclusion of the audit, the auditor shall discuss all comments that will be included in the audit report with management, each member of the governing body, and each member of an audit committee charged with governance.

Comprehensive Annual Financial Report (CAFR):

Section 218.39, F.S., requires that local governments that meet specific criteria outlined in the chapter shall have an annual financial audit of its accounts and records completed within nine (9) months after the end of its fiscal year. The Government Finance Officers Association of the United States and Canada (GFOA) recommends that a CAFR be issued as a best practice for financial reporting.

The CAFR expands upon the basic financial statements that are required by generally accepted accounting principles by including additional financial information broken down into three sections: Introductory, Financial, and Statistical. The Introductory Section provides general information on the government's structure, services and environment. The Financial Section includes the basic financial statements, notes, and Management's Discussion and Analysis, as well as additional information on all individual funds not reported in the basic financial statements. The Statistical Section provides

trend data and non-financial information that assists in the assessment of the government's financial condition.

The GFOA maintains a Certificate of Achievement in Financial Reporting Program designed to encourage and assist local governments to go beyond the minimum requirements of GAAP to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure. Reports submitted to the GFOA for this certificate are reviewed by selected members of the GFOA professional staff and the GFOA Special Review Committee (SRC), which is comprised of individuals with expertise in public sector financial reporting. The certificate of achievement is generally regarded as the highest form of recognition in local government financial reporting and can be viewed as a positive factor by credit rating agencies and others interested in the professionalism of governmental finance. The Village will strive to meet the requirements of the GFOA's Award for Excellence in Financial Reporting program.

Annual Financial Report (AFR)

Local governments are accountable for the manner in which they spend public funds. Annual financial reporting (AFR) is one method of demonstrating accountability. Per Florida Statute 218.32, each local government is required to submit an Annual Financial Report and audited financial report to the Department of Financial Services in a format prescribed by the department.

Popular Annual Financial Report (PAFR)

The GFOA established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to encourage and assist state and local governments to extract information from their comprehensive annual financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal. Although the preparation of a PAFR is optional, those Popular annual financial reports submitted to the PAFR Program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in governmental accounting and financial reporting and may be eligible for an award by the GFOA.

Wellington Plans & Studies



Village Plans

Financial planning is dependent on the plans, which it is intended to support. Comprehensive plans, studies, and maintenance programs are prepared to allow enough time and resources to complete the required tasks or desired outcomes of the plans. In order to determine if the financial resources will be available at the right time, each plan and study is considered and compared to available funding.

Comprehensive Plan

Wellington adopted its comprehensive plan in 1999 pursuant to the 1985 Local Government Comprehensive Planning Act, which later was replaced by the 2011 Community Planning Act. The comprehensive plan guides future growth and development based upon an overall vision for the community. The Comprehensive Plan consists of 11 chapters or “elements”:

Land Use • Transportation • Housing
Infrastructure • Conservation • Recreation & Open Space
Intergovernmental Coordination
Capital Improvements • Public School Facilities
Education • Equestrian

Local Land Development Regulations (LDRs) are the means to implement the Comprehensive Plan. A complete review and revision of LDRs is now underway by Wellington’s Current Planning division. The revisions will ensure that local regulations are consistent with the Wellington vision and comprehensive plan.

Utility Rate Study

The Village periodically conducts a comprehensive water and wastewater rate study to assess the cost of providing service to utility customers, adequacy of its miscellaneous service fees, appropriateness of connection fees reflecting the cost of system capacity, and requirements for the future. These studies help to ensure that the Village’s utility rates, fees and charges are equitable, recover needed revenue, and generate financial resources to renew and replace infrastructure as it reaches the end of its useful life.

The last comprehensive rate study was completed in 2009, relying upon 2008 water demand patterns and cost information. The 2009 study recommended periodic rate increases and other changes to keep pace with inflation and to make necessary capital improvements. These study recommendations, however, were mostly set aside due to the financial crisis and economic downturn that deepened around the time of its adoption.

In FY 2018, The Village has completed a comprehensive financial review of its utility fund and utility rates to re-establish recommendations for the next five years. The current rate study proposes indexing rates at greater of 3.5% or CPI and considers borrowing before first quarter FY 2021 in order to maintain a strong utility financial performance and provide funding for necessary utility capital projects.

Water Control Plan

The Acme Improvement District is a dependent district of the Village of Wellington. F.S. 298 governs the formation and the regulatory requirements of special districts. Per the statute, a water control plan is required as “the comprehensive operational document that describes the activities and improvements to be conducted by a water control district authorized under the chapter and includes any district “plan of reclamation,” “water management plan,” or “plan of improvement” that details the system of water management improvements implemented by a water control district.”

The Board of Supervisors of a special district is required to review the water control plan every 5 years. The Acme water control plan was reviewed and amended in 2010, and reviewed again in 2014 in conjunction with the proposed Acme R & R plan. A full plan update was approved by the Board of Supervisors on March 14, 2017. The next review is scheduled for 2021.

Capital Improvement Programs

Bicycle and Pedestrian Circulation Plan

Strategic Planning

An evaluation and recommendations to improve walkability and bicycle circulation within the Village was completed in November 2015. The plan's analysis included public input through a community forum and online survey. The total estimated cost of the plan is \$3.9 million over 10-12 years. Up to \$2.9 million may be potentially offset by grants, bringing the final Wellington outlay to around \$1.0 million if all possible grants are obtained.

Equestrian Trails Circulation Plan

Strategic Planning

The Equestrian Trails Circulation Plan is the result of the re-evaluation and analysis of former equestrian circulation plans and the 10-year Equestrian Plan of Action. Completed in 2015, existing paths, equestrian destinations, and stall data were taken into account to determine missing trail segments, the need for additional road and canal crossings, and establish water and shelter locations.

Wellington share of funding toward the Binks Pointe path and Brown Trail Connector projects. Almost \$400,000 in grant funds have been awarded for the projects.

2014 Acme R & R Program

Engineering & Public Works

Subsequent to the extensive flooding caused by Tropical Storm Isaac, critical road and canal conveyance projects were identified to mitigate flooding and possible property damage. The combined roads and surface water projects were initially estimated to cost over \$23.0 million, which would require an additional \$100 per Acme unit to fund all of the improvements in a 10-year period. To reduce the amount of the Acme assessment impact on property owners, the drainage improvement plan was scaled back to include only surface water projects, and the road drainage improvements were deferred. The resulting total cost of almost \$8.0 million in estimated costs allowed for a lower Acme assessment increase of \$30 per unit over a 10-year period; for a total assessment rate of \$230 per acre-unit.

The program is in its third year of improvements, with \$1.9 million expended to date. In each year of the FY 2018 – 2022 capital plan, \$740,000 is included for the 2014 Acme R & R Program.

Multi-Use Path and Bike Lane Expansion

An evaluation and recommendations to improve walkability and bicycle circulation within the Village was completed in November 2015. The plan's analysis included public input through a community forum and online survey. The total estimated cost of the plan is \$3.9 million over 10-12 years. Up to \$2.9 million may be potentially offset by grants, bringing the final Wellington outlay to around \$1.0 million if all possible grants are obtained.

Water Treatment & Water Reclamation Plant R&R Program

Project includes the renewal and replacement of the existing water and wastewater treatment equipment and preparation of a facility Master Plan that will forecast needed improvements to meet demands up to year 2030. The renewal and replacement of existing plants is needed to extend the useful life of existing facilities, improve facility reliability and efficiency, and improve process control. The design phase related to the water and wastewater plants is substantially complete with construction bids going to council in June and July, respectively.

Infrastructure Maintenance Programs

The infrastructure maintenance programs described are multi-year plans for major repairs and replacement of roads, parks and Village-owned facilities. The programs are tied to the Major Maintenance budgets in the responsible departments and divisions. The Capital Improvement Plan section of the LTFP presents the major maintenance budgets for the next five years.

Road & Pathway Overlay Program

Public Works

Roads and pathways maintenance includes roadway resurfacing, pathway and shoulder repairs, maintenance of right-of-ways, curbside concrete repair, signage, and street lighting. Wellington maintains approximately 322 lane miles of paved and 53 lane miles of unpaved roads. A pavement resurfacing program exists to assess all roadways in a three-year rotation period. The assessments are performed to determine road and pathway conditions and maintenance is scheduled to comply with the Village's current policy to maintain 80% of roads at "good" or "better" conditions.

The program goal is to overlay 10 – 15 lane miles of roadways each year in order to maintain the condition policy. The major maintenance annual budget is estimated at \$1.0 million per year funded, with an additional \$200,000 - \$300,000 per year remaining unfunded.

Neighborhood Parks Program

Public Works

A schedule of improvements to the 24 neighborhood parks in Wellington was initially prepared in 2001 and updated in 2009. The plan called for the replacement/update of park equipment and facilities each year, with one to four parks scheduled per year until all were updated. The original replacement plan will be completed in the current fiscal year. A renewed schedule will be prepared to plan for future funding needs as the equipment reaches its useful life and required replacement.

The FY 2017 – 2021 capital plan includes \$100,000 – \$200,000 per year for the Neighborhood Parks Program in addition to major maintenance of \$300,000 per year to keep the parks safe and attractive. These amounts will be recommended for revision in future budgets pending the park equipment assessment and updated schedule of improvements.

Community Parks Program

Public Works

The Parks Capital Maintenance program has been in place for fifteen years, where a percentage of total park value was set aside each year in the capital plan to fund major park renovations and improvements. A portion of the annual allocation is now appropriated in the operating budget to fund major recurring maintenance, and the capital program also remains in place to fund improvements to the Village community parks. The program funds athletic field renovations, equipment replacements, pool repairs and facility improvements at Village Park, Olympia Park, Community Park, Tiger Shark Cove athletic areas, the Amphitheater, the Aquatics Complex and the Tennis Center

The program is funded in the operating budget at \$300,000 per year, and capital improvements are scheduled to receive \$200,000 per year in the five-year capital plan.

Sidewalk Restoration

Public Works

In 2013, a program for comprehensive sidewalk repairs throughout the Village was initiated and will continue into FY 2017. While ongoing maintenance and repairs are completed through the operations of the Road Maintenance division, major maintenance programs will address major repairs with the intent to reduce repeated issues and improve overall sidewalk safety.

Funded in the operating budget at \$75,000 - \$100,000 per year, the sidewalk restoration program is projected to continue or increase throughout the FY 2018 – 2022 period.

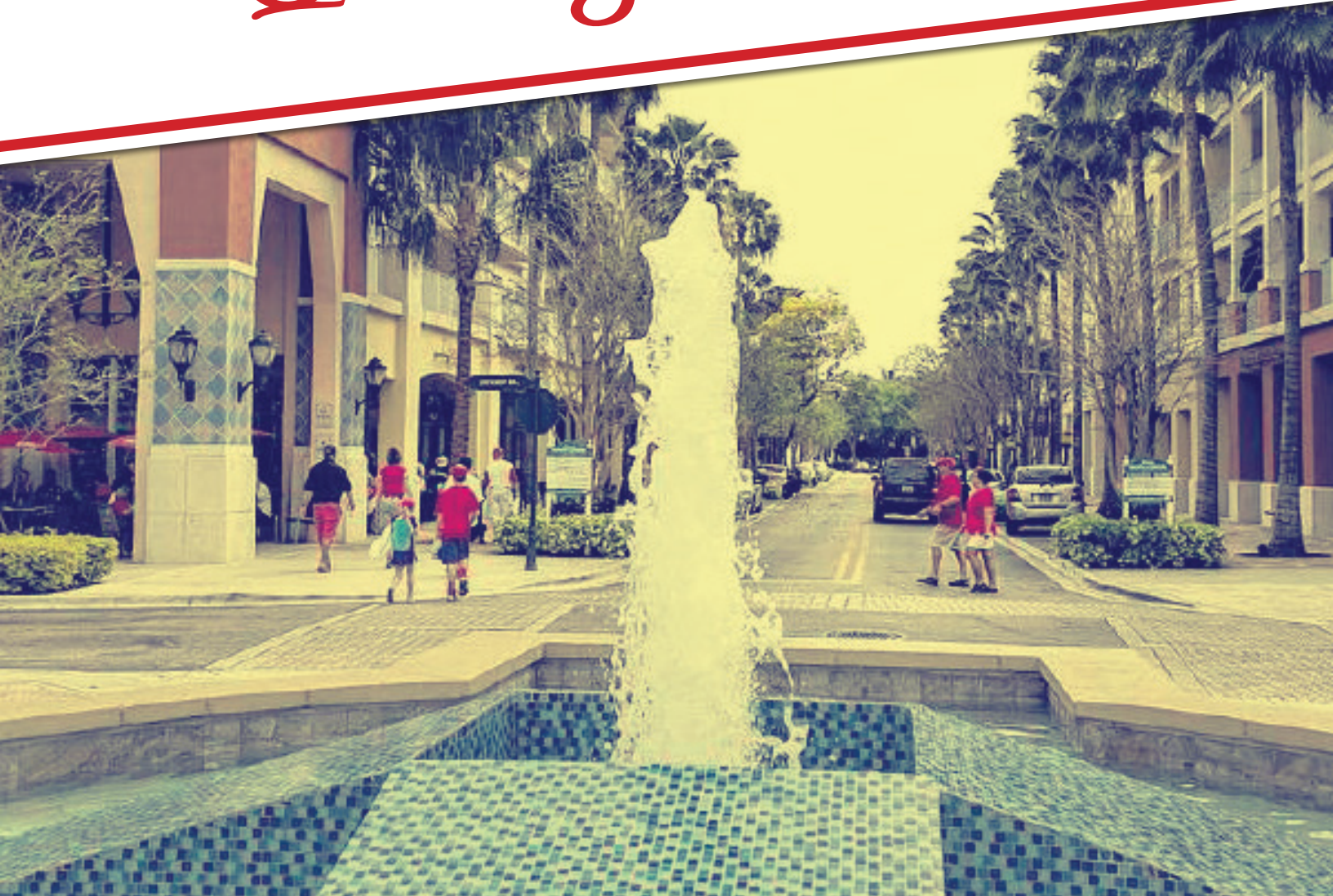
Guardrail Refurbishment

Public Works

A Guardrail Refurbishment program was added to the major maintenance budget in 2015 to address unsightly and damaged guardrails throughout the Village. The program is funded at \$50,000 - \$100,000 per year for FY 2018 through FY 2022.



Quality of Life



New Parks

Surtax and Park Information

Wellington's estimated total surtax collections ranged between a total of approximately \$32 million to \$38 million. At this time, we are using \$35 million as the total estimated surtax collection, or \$3.5 million per year for ten years. Wellington has collected approximately \$5 million as of March 31, 2018. The Fiscal Year 2017/2018 Budget included the estimated annual surtax revenue of \$3.5 million. The total surtax funds budgeted, including the carryforward of fiscal year 2017 collections is \$6.1 million.

The Fiscal Year 2017/2018 Budget, as amended, includes the following projects funded by surtax revenues:

Sales Surtax Projects		FY 2018 Budget	FY 2019 Budget
Projects			\$1,256,000
Skate Park Improvement			
South Shore Park Renovation	Design, renovations to fields and restrooms	\$2,683,000	
Olympia Park Field Renovation			\$1,000,000
VP Playground Surfacing		\$ 170,000	
VP Renovations	Bathrooms, concessions, pavilion upgrades	\$ 600,000	
Greenbriar Park Improvements	Open space, Bermuda	\$2,500,000	\$1,000,000
Construct Additional Gym			
Thoroughfare Signage			\$ 250,000
VP Dugouts		\$ 153,000	
Total Sales Surtax Projects		\$6,106,000*	\$3,506,000

**Includes 2017 carryforward of Surtax Collected.*

The first major project listed is the South Shore Park Renovation (aka the "Old Boys and Girls Club").

Wellington's Council has moved forward with another major project listed is the Greenbriar Dog Park Improvements. This project has moved to the forefront because of the need for more open play fields. This project involves the development of the former tree farm site and the debris site.

Smaller projects for playground surfacing, renovations, and dugouts are budgeted as shown.

Operating Cost Information for Greenbriar Park

Greenbriar Park (9 Acres Athletic Turf)				
Description	Cost/Hr	Time	# Apps	Total
Topdress 1 application				
Equipment:				
Tractor	\$22	16	3	\$1,416
Sand Spreader	\$8			
Spray	\$7	5	36	\$1,260
Verticut				
Tractor	\$22	12	3	\$1,161
Verticuter	\$10			
Aerify				
Tractor	\$22	12	3	\$1,062
Aerifier	\$8			
Mowing	\$22	4	144	\$12,672
Maintenance Personnel	\$28	15	52	\$21,840
Bathrooms Personnel	\$25	24.5	52	\$31,850
Total				\$71,261

New Parks

South Shore Park (Baseball/Softball)

Description	Cost/Hr	Time	Frequency	# Fields	Total
Rake		10 min/day	Daily	5	350
Drag		15 min/day	Daily	5	525
Line		15 min/day	Daily	5	525
Trash on Fields/Dugouts		15 min/day	Daily	5	525
Trash in Park		60 min/day	Daily		420
Edging		15 min/day	Daily	5	525
Rebuild Mounds		5 min/day	Daily	5	175
Irrigation		30 min/week	Weekly	5	150
Blow Off		60 min/day	Daily		420
Weeds		10 min/day	Daily	5	350
Batting Cage/L-Screen Repair		10 min/day	Daily	5	350
Clean Clay Run-Off		30 min/day	Daily		210
Mowing		45 min	2X week	5	450
Sub-total					4,975
Maintenance Personnel	\$28	82.9	52		\$120,727
Bathrooms Personnel	\$25	24.5	52		\$32,105
Sub-Total					\$152,831
Total					\$157,806

New Parks

Gymnasium			
Description	Number of Positions	Annual	Total
Personnel			
Recreation Specialist	1	\$49,000	\$49,000
Customer Service	1	\$49,000	\$49,000
Part-Time (Hours)	3000	\$15	\$45,000
Sub-Total			\$143,000
Operating			
Electric			\$48,000
Mowing			\$26,500
Utilities (Water and Sewer)			\$4,500
Telephone/Internet			\$10,800
Annual Floor Maintenance			\$5,000
Trash (Solid Waste)			\$4,300
Clay			\$5,000
Materials & Supplies			\$1,000
Small Equipment			\$5,000
Postage			\$250
Printing and Advertising			\$500
Office Supplies			\$500
Safety Supplies (includes AED)			\$8,000
Special Events Programs			\$2,000
Memberships			\$350
Sub-Total			\$121,700
Total Gymnasium			\$264,700

Note: These are preliminary cost estimates.

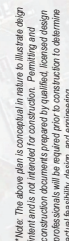
Recommendation:

Staff recommends recombining the surtax funds to the Greenbriar Park to enable a faster track for completion.













1720 Centrepark Drive East
West Palm Beach, FL 33401
P: 561.686.5511
F: 561.686.7774

April 10, 2018

Mr. Michael O'Dell
The Village of Wellington
12300 Forest Hill Blvd
Wellington, FL 33414

Re: Phase 1 Wellington Waterfront

Dear Mike:

After review of the Concept Plan dated 26 January 2018 prepared by Barth Associates, we are pleased to present the attached summary of estimated construction costs. Please note that all prices are for hard construction only and do not include design services, permit fees, soft costs and furnishings. The major categories are summarized as follows:

Demolition of existing structures	\$256,468
Site incl. lighting, earthwork, landscaping	\$1,875,294
Northern Promenade	\$301,810
Blue Whale Conversion	\$431,739
Picnic Area & Terrace	\$398,493
Wellington Beach	\$828,457
Parking	\$275,435
Splash Pad	\$1,306,100
Sunset Café	\$1,849,702
Southern Promenade	\$411,927
TOTAL	\$7,935,425

Enclosed is an estimate breakdown further defining our assumptions and the scope of work for each category. Please note that the cost of General Conditions, Insurance and Construction Fee shown on the detailed backup have been allocated to all categories listed above to provide approximate values of each. I will be out of town for several days, so if you have any questions regarding our assumptions or the numbers, please contact Bill Wolfford, Senior Estimator at 561-687-4811 or Bill.Wolfford@weitz.com. Thank for this opportunity to be of service to the Village. We look forward to further discussions.

Sincerely,
Gary Hennings
Gary Hennings
Chief Estimator

WEITZ

Waterfront Improvements Phase I
Wellington, Florida

Owner: Village of Wellington
Architect: Barth Associates
Plans dated: 26 Jan 2018
Bldg Area: 5.04 Acre

Conceptual Estimate #1

Item Description	Qty	Unit	Total Unit Price	Grand Total	Comments
002 Demo					
02A					
Demolition - Concrete/Masonry Building	180,000	cuft	0.66	118,736	WPB Therapy, Well COC, Misc Bldgs (6 total)
Remove/Relocate Existing Fountain (If Required is By Others)		lsun			Not Included
Remove Existing Pier/Gazebo/Docks	1	Allow	32,982.34	32,982	Existing Pier with Gazebo and (2) docks
Remove Existing Sidewalks	3,500	sqyd	14.91	52,178	
Remove Paved Parking Area	5,860	sqyd	8.97	52,571	
Demolition Total				256,468	
002 Demo Total	5	Acre	50,886.51	256,468	
003 Site					
01C					
Survey & As-Builts	1	each	6,210.87	6,211	
Dumpster Loads & Rental	30	each	558.98	16,769	
Jobsite Services Total				22,980	
26A					
Site Electric Distribution	174,000	sqft	1.98	344,336	
Site Lighting	110,000	sqft	4.62	507,928	
Electrical Total				852,264	
31A					
Surveying (initial layout)	1	each	13,192.93	13,193	
Certified As-Builts	1	each	9,894.70	9,895	
Temp Chain Link Fence Setup / Removal	1,600	lnft	9.89	15,832	
Temp Chain Link Fence Swing Gate - 6 x 12	3	each	461.75	1,385	
Wind Screen	1,600	lnft	2.84	4,538	
Traffic Barricades	34	week	39.11	1,330	
Temp Road & Laydown Construction	1,000	sqyd	12.20	12,203	
Dust Control - Site	34	week	347.49	11,815	
Erosion Control	1,600	lnft	3.30	5,277	
Street Cleaning	34	week	211.09	7,177	
Maintenance of Traffic	34	wk	1,395.56	47,449	
Clear and Strip Site	5	acre	4,799.59	23,998	
Stockpile Topsoil and Replace	4,000	cuyd	5.61	22,428	
Earthwork Total				176,520	
32A					
Sidewalk to Match Existing	27,250	sqft	7.26	197,729	
Paving Total				197,729	
32E					
Underground Irrigation System	95,180	sqft	0.59	56,507	
Landscaping - (Allowance/sqft)	95,180	sqft	5.61	533,674	
Sodding - St. Augustine	60,000	sqft	0.59	35,621	
Landscaping Total				625,802	
003 Site Total	5	Acre	372,082.14	1,875,294	
004 Northern Promenade					
31D					
Pile Driving Subcontract (12" wood piles @ 10' O.C) incl drive cost	68	each	835.55	56,817	
Pile Driving - Mobilization/Demobilization	2	each	5,277.17	10,554	
Pile Cutoff - Wood Piles	68	each	65.96	4,486	
Deck at Northern Promenade (incl docks)	3,800	sqft	37.60	142,879	
Handrail at Northern Promenade	528	lf	164.91	87,073	
Decking and Wood Piles Total				301,810	
004 Northern Promenade Total	5	Acre	59,882.95	301,810	
005 Blue Whale Conversion					
06A					
Convert Blue Whale Bldg to Rowing Center	3,850	sf	112.14	431,739	
Wood Framed Buildings Total				431,739	
005 Blue Whale Conversion Total	5	Acre	86,347.75	431,739	
006 Picnic Area & Terrace					
06A					
Pavilions (1ea at 50x50, 2 ea at 18x18)	3,150	sf	105.54	332,462	
Wood Framed Buildings Total				332,462	
32A					
Decorative Paving at Existing Bldg	7,700	sqft	8.58	66,031	
Paving Total				66,031	
006 Picnic Area & Terrace Total	5	Acre	79,065.99	398,493	
007 Beach Area					
06A					
Pavilions at Beach Area (4 ea at 12x12)	576	sf	105.54	60,793	
Convert Rowing Cntr to Lakefront Activities	4,500	sf	112.14	504,630	
Wood Framed Buildings Total				565,423	
31A					
Import and Place Sand at Beach Area (24" deep)	2,000	cuyd	30.74	61,479	



Waterfront Improvements Phase I
Wellington, Florida

Owner: Village of Wellington
Architect: Barth Associates
Plans dated: 26 Jan 2018
Bldg Area: 5.04 Acre

Conceptual Estimate #1

Item Description	Qty	Unit	Total Unit Price	Grand Total	Comments
Earthwork Total				61,479	
31D					
Decks at Lakefront Activities	3,650	sqft	37.60	137,239	
Decking and Wood Piles Total				137,239	
32A					
Header Curb at Sand to Landscape Areas	2,600	lnft	24.74	64,316	
Paving Total				64,316	
007 Beach Area Total	5	Acre	164,376.37	828,457	
008 Parking Area					
32A					
Parking Lot Asphalt	4,175	sqyd	36.94	154,225	Reconfiguration of existing
Curbing	1,400	lf	24.74	34,631	
Paving Total				188,857	
33A					
Storm Drainage aprox 600 lf pipe, basins, etc	37,500	sf	2.31	86,579	
Site Utilities Total				86,579	
008 Parking Area Total	5	Acre	54,649.90	275,435	
009 Splash Pad					
13D					
Splash Pad Feature	2,200	sf	593.68	1,306,100	
Water Features Total				1,306,100	
009 Splash Pad Total	5	Acre	259,146.92	1,306,100	
010 Sunset Cafe					
01C					
Finishes - Dumpster Loads & Rental	20	each	558.98	11,180	
Jobsite Services Total				11,180	
06A					
Sunset Cafe Bldg	2,200	sf	461.75	1,015,856	Complete Structure
Wood Framed Buildings Total				1,015,856	
31D					
Pile Driving Subcontract (12" wood piles @ 10' O.C) incl drive cost	224	each	835.55	187,163	
Pile Cutoff - Wood Piles	224	each	65.96	14,776	
Deck at Sunset Cafe	15,500	sqft	37.60	582,798	
Wood Handrail at Northern Promenade	230	lf	164.91	37,930	
Decking and Wood Piles Total				822,666	
010 Sunset Cafe Total	5	Acre	367,004.35	1,849,702	
011 Southern Promenade					
31D					
Pile Driving (12" wood piles @ 10' O.C) incl drive cost	22	each	835.55	18,382	
Crane Mobilization	2	each	5,277.17	10,554	
Pile Cutoff - Wood Piles	22	each	65.96	1,451	
Docks at Southern Promenade Area	1,200	sqft	37.60	45,120	
Decking and Wood Piles Total				75,507	
35A					
Seawall (Concrete, 12' w/ cap)	425	lf	791.58	336,420	
Marine Work Total				336,420	
011 Southern Promenade Total	5	Acre	81,731.60	411,927	
Grand Total	5	Acre	1,574,489.17	7,935,425	



Performing Art Center

PERFORMING ARTS CENTER

A. Preliminary Cost Summary Information

1. Option 1

General Facility Description: Community Cultural Arts Center with 300 to 500 Movable Seats

Preliminary Cost Estimates: \$13,000 per seat

Total: \$3.9mm to \$6.5mm range

2. Option 2

General Facility Description: "High School" Cultural Arts Center with 500 to 800 Fixed Seats and a Black Box

Preliminary Cost Estimates: \$16,000 per seat

Total: \$8 mm to \$12.8 mm range

3. Option 3

General Facility Description: Next Level Up but not Kravis with 500 Seats

Preliminary Cost Estimates: \$16,800 per seat (or \$420 / SF)

Plus \$150,000 for Warming / Catering Kitchen Space

Total: \$8.55 mm

B. Preliminary Comparative Usage Information from Coral Springs Cultural Arts Center

Coral Springs Cultural Arts Director of Communication and Marketing, Liz Kolodney, provided information.

The city rents out the building and has one staff member maintaining the building. The center seats approximately 1500, although the website states 1,471 seat theater. The company Coral Springs uses to manage performances is Professional Facilities Management (PFM) located in Providence RI. 401-421-2997.

Some of the detail related to Coral Springs Cultural Arts Center includes:

- Shared venue with Museum of Art which has a permanent collection as well as rotating exhibits every 3 months
- Theatre has 2 stories with fully enclosed balcony
- Fully equipped Dance studio
- Various Meeting/Conference rooms
- Courtyard
- Lakeside terrace
- * No kitchen. Caterers are able to cook outdoors with the proper equipment and insurance. Many caterers will prepare food off site and serve onsite.
- Stage Size: 25'6" x 48'
- Theater size: 67,000 sq. ft. with 1,471 seats
- Theater meetings hosted in 2017: 15
- 2017 attendance: 101,150
- Museum size: 13,500 sq. ft.
- Museum attendance in 2017: 292,911
- Museum events in 2017: 176
- Museum classes in 2017: 118

Additional Websites:

thecenterscs.com

pfmcorp.com

coralsprings.org





Marketing / Branding - Signage



