

MINUTES

REGULAR MEETING OF THE WELLINGTON VILLAGE COUNCIL

**Wellington Village Hall
12300 Forest Hill Blvd
Wellington, FL 33414**

**Tuesday, December 11, 2018
7:00 p.m.**

Pursuant to the foregoing notice, a Regular Meeting of the Wellington Council was held on Tuesday, December 11, 2018, commencing at 7:00 p.m. at Wellington Village Hall, 12300 Forest Hill Boulevard, Wellington, FL 33414.

Council Members present: Anne Gerwig, Mayor; Michael Drahos, Vice Mayor; John T. McGovern, Councilman; and Tanya Siskind, Councilwoman.

Council Members absent: Michael J. Napoleone, Councilman

Advisors to the Council: Paul Schofield, Manager; Laurie Cohen, Attorney; Jim Barnes, Assistant Manager; Tanya Quickel, Director of Administrative and Financial Services; and Chevelle D. Nubin, Village Clerk.

1. **CALL TO ORDER** - Mayor Gerwig called the meeting to order at 7:00 p.m.
2. **PLEDGE OF ALLEGIANCE** - Mayor Gerwig led the Pledge of Allegiance.
3. **INVOCATION** – Reverend Peter Bartuska, Christ Community Church, Wellington delivered the invocation.
4. **APPROVAL OF AGENDA**

Mr. Schofield indicated staff recommended approval of the Agenda as amended:

- 1) Add to Presentations and Proclamations a Presentation by Mr. Mark Bannon with the Palm Beach County Commission on Ethics.

A motion was made by Councilman McGovern, seconded by Vice Mayor Drahos, and unanimously passed (4-0), with Councilman Napoleone absent, to approve the Agenda as amended.

5. PRESENTATIONS AND PROCLAMATIONS

- A. PRESENTATION BY MR. MARK BANNON WITH THE PALM BEACH COUNTY COMMISSION ON ETHICS

Mr. Schofield introduced the item.

Mr. Bannon stated he and his staff have not been to the Village in a long time, but the Commission on Ethics is still available if need be. He indicated he dropped off some books, his card and some other information for Council. He stated the Commission has not republished the book or produced a new training video because they are doing some rewrites to the code.

Mayor Gerwig asked if Mr. Bannon needed input on the rewrites. Mr. Bannon stated the Commission on Ethics was getting help from the League of Cities and the County.

Mayor Gerwig thanked Mr. Bannon for being so accessible. She said whenever the Village has questions, his office is easy to get ahold of and they are willing to speak to them. She stated she calls the Commission on Ethics quite a bit with questions because of her business.

Mr. Bannon stated in the eight years the Commission has been in existence, and have written over 400 advisory opinions. He explained the Village does not need to research those 400 opinions, as the Commission on Ethics will do it for them. He said it is easier for the Commission to do it, because they have written most of the opinions. He stated the Commission investigates ethics violations, but most importantly, they provide training and answer questions. He said it is better for everyone when they can avoid an ethics violation. He indicated their motto is "Ask first, act later."

Mr. Bannon thanked Council for allowing him to appear before them.

Mayor Gerwig asked if the Commission on Ethics was working on their database noting that it is hard to search for something on weekends. Mr. Bannon agreed that certain language in the database could not be found at times. He stated they will be working on that in 2019.

6. CONSENT AGENDA

- A. 18-2577** MINUTES OF THE REGULAR WELLINGTON COUNCIL MEETINGS OF OCTOBER 9, 2018 AND OCTOBER 23, 2018
- B. 18-2094** AUTHORIZATION TO UTILIZE A STATE OF FLORIDA CONTRACT FOR SECURITY SERVICES, DURING THE CONSTRUCTION PHASE OF THE WATER TREATMENT PLANT RENEWAL AND REPLACEMENT PROJECT
- C. 18-2291** AUTHORIZATION TO RENEW AN EXISTING CONTRACT WITH WESTERN COMMUNITIES TRANSPORTATION, INC. TO PROVIDE SENIOR TRANSPORTATION PROGRAM SERVICES
- D. 18-2295** AUTHORIZATION TO RENEW EXISTING CONTRACTS FOR PLANNING, ZONING AND BUILDING INSPECTION SERVICES
- E. 18-2308** AUTHORIZATION TO NEGOTIATE A CONTRACT TO PROVIDE A PARKS AND RECREATION MASTER PLAN
- F. 18-2476** AUTHORIZATION TO UTILIZE A PALM BEACH COUNTY CONTRACT WITH SULLIVAN ELECTRIC & PUMP, INC., FOR REPAIRS TO ALL TYPES OF PUMPS AND MOTORS

- G. 18-2480** AUTHORIZATION TO UTILIZE MULTIPLE CONTRACTS FOR THE PURCHASE AND DELIVERY OF VEHICLES AND EQUIPMENT; AND AUTHORIZATION TO DISPOSE OF EXISTING SURPLUS EQUIPMENT
- H. 18-2491** AUTHORIZATION TO UTILIZE A PALM BEACH COUNTY CONTRACT WITH WYNN & SONS ENVIRONMENTAL CONSTRUCTION CO., INC. FOR THE FOREST HILL BOULEVARD BUS STOP DRAINAGE REPAIR
- I. 18-2536** AUTHORIZATION TO UTILIZE A CONSULTANT TO PROVIDE ADDITIONAL GIS SUPPORT, DEVELOPMENT AND INTEGRATION
- J. 18-2505** OUTSIDE LEGAL FEES AND COSTS
- K. 18-2570** RESOLUTION NO. R2018-71 (FLORIDA FIXED INCOME TRUST INVESTMENT OPTION)
- A RESOLUTION OF WELLINGTON, FLORIDA'S COUNCIL APPROVING THE FLORIDA FIXED INCOME TRUST RESOLUTION TO INVEST FUNDS IN CONCERT WITH OTHER PARTICIPANTS; AND PROVIDING AN EFFECTIVE DATE.

He stated staff recommended approval of the Consent Agenda as presented.

A motion was made by Councilwoman Siskind, seconded by Vice Mayor Drahos, and unanimously passed (4-0), with Councilman Napoleone absent, to approve the Consent Agenda as presented.

Mr. Schofield indicated no public comment cards were received.

7. PUBLIC HEARINGS

- A. 18-2468** ORDINANCE NO. 2018-10 (SMALL CELL WIRELESS ORDINANCE):
- AN ORDINANCE OF THE VILLAGE OF WELLINGTON AMENDING THE VILLAGE CODE BY REPEALING AND REPLACING CHAPTER 23, "COMMUNICATIONS FACILITIES RIGHTS-OF-WAY ORDINANCE", TO PROVIDE FOR CERTAIN STANDARDS AND REGULATIONS RELATING TO THE LOCATION OF THE TELE COMMUNICATIONS TOWERS, ANTENNAS, AND OTHER STRUCTURES WITHIN THE VILLAGE'S PUBLIC RIGHTS-OF-WAY, CONSISTENT WITH FEDERAL AND STATE LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING AN EFFECTIVE DATE.

Mr. Schofield introduced the item. He stated staff was requesting that this item be postponed time certain to January 22, 2019, the second Council Meeting in January.

A motion was made by Councilman McGovern, seconded by Councilwoman Siskind, and unanimously passed (4-0), with Councilman Napoleone absent, to move this item to a date certain of the January 22, 2019, Council Meeting.

B. 18-2543 RESOLUTION NO. R2018-67 (WELLINGTON COUNTRYPLACE PUD DEVELOPMENT ORDER AMENDMENT)

A RESOLUTION OF WELLINGTON, FLORIDA'S COUNCIL, APPROVING A DEVELOPMENT ORDER AMENDMENT TO DELETE CONDITION NO. 4 OF RESOLUTION R2008-111, FOR CERTAIN PROPERTY KNOWN AS WELLINGTON COUNTRYPLACE PLANNED UNIT DEVELOPMENT, POD F, TO ALLOW THE CONSTRUCTION OF PERMANENT ROAD AND BRIDLE TRAIL IMPROVEMENTS FOR GENE MISCHÉ WAY PRIOR TO THE APPROVAL AND RECORDATION OF THE RELATED PLAT; AND PROVIDING AN EFFECTIVE DATE.

Mr. Schofield introduced the item. Ms. Nubin read the Resolution by title.

Mr. Schofield stated this allows for the construction of Gene Mische Way from 40th Street to its existing terminus within the showgrounds. He indicated the Village Land Development Regulations provide for the construction of improvements prior to recording the plat. He explained, in this case, Council had asked to see the plats recorded first. However, staff is bringing this forward, because they believe it is imperative to get the road constructed to relieve traffic on Pierson Road.

Mr. Basehart stated in 2008, there was a master plan amendment approved under Ordinance 2008-11 that changed the designation of some properties fronting Gene Mische Way to ultimately allow some residential construction on those properties as well. He said he believed condition of approval #4 put restrictive language on building anything on the properties until the plat was recorded. He stated that, unfortunately, would include the construction of the road, which he did not think was the intent of the condition. He said the purpose of this was to simply remove that condition, so that the operator of the showgrounds can build Gene Mische Way, as it will benefit everyone.

Mayor Gerwig stated Gene Mische Way is a private road.

Councilwoman Siskind asked if public dollars were being used for this project. Mr. Basehart stated no public dollars were being used, as the operator will build the road at his cost.

At this point, Ms. Cohen indicated this was a quasi-judicial hearing and administered the oath to those individuals who were speaking on this item.

Ex-parte Communications

Mayor Gerwig: Mayor Gerwig disclosed she has not spoken to anyone about this item, other than the meeting yesterday at Agenda Review.

Vice Mayor Drahos: Vice Mayor Drahos disclosed, in an abundance of caution, this issue may have come up in discussions he had with Mr. Mark Bellissimo and Mr. Michael Stone in excess

of several weeks ago. He said he did not recall the details beyond that. He stated he could be fair and impartial in considering the application.

Councilman McGovern: Councilman McGovern disclosed, in an abundance of caution, he met with Mr. Mark Bellissimo on a number of issues in the early part of November. He said he could be fair, as it had no impact on this issue.

Councilwoman Siskind: Councilwoman Siskind stated she met with Mr. Michael Stone and Mr. Dean Turney about three weeks ago. She said she does not remember if they specifically discussed this issue. She stated she could be fair and impartial.

Mayor Gerwig stated the idea is to improve the circulation. She said they realize it is a difficult task, as without this it is nearly impossible. She stated it is a dirt road now, but it will be paved where it already exists.

Councilman McGovern stated removing this condition allows nothing other than the building of the road and the bridle trail. Mr. Basehart indicated it also included the landscape buffer. Councilman McGovern stated this was not going to create lots or development or anything other than that. Mr. Basehart said until the property is platted, physical development of the property, including any barns, homes or anything will not be permitted.

Mayor Gerwig stated the bridle trail is required along with the pavement and the landscape buffer, as it is all part of the same requirement. She said it was not like the applicant can do the road and use the road and not do the trail. Mr. Basehart stated that was correct.

Councilman McGovern asked if they had to be done simultaneously. Mr. Basehart stated that was correct, as it was all going to be a part of the same land development permit.

At this point, the applicant's representative, Ms. Tatiana Yaques, introduced herself and stated she was there on behalf of the property owner, Far Niente Stables, LLC. She said she would answer any questions.

Public Hearing

A motion was made by Vice Mayor Drahos, seconded by Councilman McGovern, and unanimously passed (4-0), with Councilman Napoleone absent, to open the Public Hearing.

Mr. Schofield indicated no public comment cards were received.

There being no public comments, a motion was made by Vice Mayor Drahos, seconded by Councilwoman Siskind, and unanimously passed (4-0), with Councilman Napoleone absent, to close the Public Hearing.

A motion was made by Vice Mayor Drahos, seconded by Councilwoman Siskind, and unanimously passed (4-0), with Councilman Napoleone absent, to approve Resolution No. R2018-67 (Wellington Countryplace PUD Development Order Amendment) as presented.

8. REGULAR AGENDA

A. 18-2565

- A. APPROVAL OF RESOLUTION AC2018-07 OF THE BOARD OF SUPERVISORS OF ACME IMPROVEMENT DISTRICT REPEALING A RESOLUTION ADOPTED SEPTEMBER 14, 1993 RELATING TO THE DISTRICT'S WATER AND SEWER UTILITY SYSTEM; AND PROVIDING AN EFFECTIVE DATE.

A RESOLUTION OF THE BOARD OF SUPERVISORS OF ACME IMPROVEMENT DISTRICT REPEALING A RESOLUTION ADOPTED SEPTEMBER 14, 1993 RELATING TO THE DISTRICT'S WATER AND SEWER UTILITY SYSTEM; AND PROVIDING AN EFFECTIVE DATE.

- B. APPROVAL OF RESOLUTION AC2018-08 OF THE BOARD OF SUPERVISORS OF ACME IMPROVEMENT DISTRICT AUTHORIZING THE DISTRICT TO ENTER INTO AN INTERLOCAL AGREEMENT RELATING TO THE DISTRICT'S WATER AND WASTE WATER UTILITY TREATMENT SYSTEM BETWEEN THE DISTRICT AND THE VILLAGE OF WELLINGTON, FLORIDA; AND PROVIDING AN EFFECTIVE DATE.

A RESOLUTION OF THE BOARD OF SUPERVISORS OF ACME IMPROVEMENT DISTRICT AUTHORIZING THE DISTRICT TO ENTER INTO AN INTERLOCAL AGREEMENT RELATING TO THE DISTRICT'S WATER AND WASTE WATER UTILITY TREATMENT SYSTEM BETWEEN THE DISTRICT AND THE VILLAGE OF WELLINGTON, FLORIDA; AND PROVIDING AN EFFECTIVE DATE.

- C. APPROVAL OF RESOLUTION AC2018-06 OF THE BOARD OF SUPERVISORS OF ACME IMPROVEMENT DISTRICT AMENDING THE WATER AND WASTEWATER FUND BUDGET FOR FISCAL YEAR 2019 IN ORDER TO PROVIDE FUNDING FOR WATER AND WASTEWATER SYSTEMS CAPITAL IMPROVEMENTS FINANCING; AND PROVIDING AN EFFECTIVE DATE.

A RESOLUTION OF THE BOARD OF SUPERVISORS OF ACME IMPROVEMENT DISTRICT AMENDING THE WATER AND WASTEWATER FUND BUDGET FOR FISCAL YEAR 2019 IN ORDER TO PROVIDE FUNDING FOR WATER AND WASTEWATER SYSTEMS CAPITAL IMPROVEMENTS FINANCING; AND PROVIDING AN EFFECTIVE DATE.

- D. APPROVAL OF RESOLUTION NO. R2018-69 OF WELLINGTON, FLORIDA'S COUNCIL FINANCING OF THE VILLAGE'S WATER AND WASTEWATER SYSTEM CAPITAL IMPROVEMENTS.

A RESOLUTION OF WELLINGTON, FLORIDA'S COUNCIL AUTHORIZING THE VILLAGE TO BORROW \$20,000,000 FOR THE PURPOSE OF FINANCING CAPITAL EXPENDITURES RELATING TO THE WATER AND WASTEWATER SYSTEM SERVING THE VILLAGE; AUTHORIZING THE EXECUTION OF PROMISSORY NOTES AND LOAN AGREEMENTS; AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT WITH ACME IMPROVEMENT DISTRICT; AND PROVIDING AN EFFECTIVE DATE.

- E. APPROVAL OF RESOLUTION NO. R2018-70 OF WELLINGTON, FLORIDA'S COUNCIL AMENDING THE DEBT SERVICE FUND BUDGET FOR FISCAL YEAR 2019 IN ORDER TO PROVIDE FUNDING FOR WATER AND WASTEWATER SYSTEMS CAPITAL IMPROVEMENTS FINANCING; AND PROVIDING AN EFFECTIVE DATE.

A RESOLUTION OF WELLINGTON, FLORIDA'S COUNCIL AMENDING THE DEBT SERVICE FUND BUDGET FOR FISCAL YEAR 2019 IN ORDER TO PROVIDE FUNDING FOR WATER AND WASTEWATER SYSTEMS CAPITAL IMPROVEMENTS FINANCING; AND PROVIDING AN EFFECTIVE DATE.

Mr. Schofield introduced the item.

Ms. Cohen indicated some of the resolutions are in the name of Acme and some are in the name of the Village of Wellington. She stated Mayor Gerwig will sign on behalf of Wellington and Vice Mayor Drahos will sign on behalf of Acme.

Ms. Cohen explained typically at the annual Acme Landowners Meeting, Council appoints the Mayor as the President and Chair of that meeting. She thought, for completeness and thoroughness, it would be appropriate to have a motion to appoint the Mayor as President of Acme and the Vice Mayor as Vice President of Acme in order execute the resolutions.

A motion was made by Councilwoman Siskind, seconded by Councilman McGovern, and unanimously passed (4-0), with Councilman Napoleone absent, to approve Mayor Gerwig as president of Acme and Vice Mayor Drahos as vice president of Acme until the next annual Acme Landowners Meeting.

Ms. Quickel stated the series of resolutions before Council address the financing proposal for the Utility capital improvements. She said this was discussed back in April, when they looked at updating the rate study and the five-year capital improvement plan for the Utility. She stated staff decided to bring forward a recommendation to Council when it was in the best interest of Wellington. She said that time is now, because of the rates and potential rate increases.

Ms. Quickel indicated the Five Year Capital Improvement Plan stands at \$89+ million dollars. She stated the Village has begun two major projects: 1) the water replacement and renovation of the plant; and 2) the wastewater, which is out on the street now. She said the other pieces of those projects are a part of the \$89 million plan and included in the rate study that was proposed and put together. She stated when that was done it included the rate study update, plus the proposed financing of almost \$25 million in 2020 or 2021, but staff is bringing it forward now. She said their proposal is to issue the debt through bank-qualified financing. She indicated Mr. Raymond, bond counsel for Wellington, and Mr. Bennett of Spectrum Municipal Financial Services, financial advisor for Wellington, were in attendance to review the details of the financing.

Ms. Quickel stated in doing the financing early, staff is proposing \$20 million for a total debt issuance. She said \$10 million this year to close by the end of December and then \$10 million right after the first of the year. She stated they solicited a rate out on the street and received responses from ten financial institutions that range from 3.08% to 3.775%. She said the term was 15 to 20 years, as the Village had asked for a maximum of no more than 20 years. She stated staff's recommendation is to proceed with the 3.08% for the first \$10 million, a 15-year

term, and with the second \$10 million at 3.09% and close at the first of January. She said Mr. Raymond will discuss the bank-qualified specifications and why they are interested in issuing the debt in this manner.

Mayor Gerwig stated Village anticipated this borrowing, as it was expected as early as 2021 in the rate study. She said it has been part of the discussion all along.

Mr. Schofield explained as far back as 2009, the Village knew it would be borrowing about \$16 million for utility improvements in the 2020-2021 timeframe. He stated the system is approximately 40 years old and some things are reaching end of life and need to be repaired and replaced, which is why the Village has an R&R budget. He indicated the rate study setup an annual indexing of 2.5% or 3% to help cover those costs. He stated when they went through the recession; the Council did not always impose the annual indexing. He said the Village was about \$10 million short in what could have been collected had they indexed every year.

Mr. Schofield stated the Village has borrowed money for Utility in the past. He said the Village likes to borrow as little as possible, but they have a very unique opportunity here. He stated it is partly because the Village carries very little debt and any debt based on the full faith and credit of Wellington is gone. He said their only debt right now is secured in the Saddle Trail project. He indicated this debt will not be paid for out of ad valorem taxes, as it is paid for out of Utility funds and the rate study accounts for it. He said if a customer uses a little bit of water, they pay a little bit. He said if they use a lot of utilities, they pay more of it.

Mr. Schofield stated going to the bond market would cost the Village hundreds of thousands of dollars over the life of the loan. He said the Village is not going to pay any of that, as the loan will be locked in at just under 3.1%. He stated for every percent the rate goes up on \$20 million, it is about \$1.6 million in additional interest over the period of the 15-year loan. He indicated the Federal Reserve has been increasing their rates and that is expected to continue. He stated this was not something staff takes lightly. He said the Village has borrowed twice in the past: once at \$35 million and the other at \$12-\$13 million.

Mr. Schofield indicated Ms. LaRocque has a list of utility projects, in excess of \$150 million, to do over the next ten years. He said all of it, but this \$20 million is covered in the rate structure and the repayment is covered. He stated this was anticipated and a lot of thought went into it. He said staff is in front of Council early, because it is an opportunity he does not think they will see again. He stated the Village has the ability to go directly to a bank at a far reduced cost and lock in the rates at just over 3%. He said he did not believe they would see these rates again anytime soon or have the opportunity to go to the bank this close together. He stated if it were not for this unique set of circumstances, staff would probably be in front of Council in 2020 or 2021 and looking at interest rates at least one percent higher.

Mr. Raymond explained why the borrowing was being done in two loans. He stated a provision in the Internal Revenue Code affords banks a better return on their investment when they loan money to Wellington. He said it affords them an opportunity to make a better return if the borrowing entity issues \$10 million or less of tax exempt debt in that particular calendar year. He stated Wellington has issued no tax exempt this year, so they are able to borrow \$10 million with that special characteristic that the banks like. He said Wellington has no plans to issue any other debt next year, other than the second \$10 million, which again gives the banks that special characteristic they so like. He stated that is why they are closing the second loan right after the first of the year.

Vice Mayor Drahos asked the advisors to each explain their expertise and how the Village sought their input. Mr. Raymond stated in the world of tax-exempt finance, in general, the interest that is received by a United States taxpayer is subject to inclusion in gross income. He said if someone loans money and the borrower pays interest, the loaner must include the interest paid on their tax return and pay income tax on it. He stated the same was true for commercial lenders, like banks. He said if they make loans, they receive interest and they pay tax on it.

Mr. Raymond stated, however, the Internal Revenue Code has always provided that the interest on indebtedness of states and their political subdivisions is not subject to inclusion in gross income. He said if a bank makes a loan to a governmental entity, such as Wellington, under the appropriate circumstances, the bank is not required to pay income tax on that interest. He stated that means the interest rate for those types of loans, known as tax-exempt loans, is lower than the interest rate on an equivalent loan being made on a taxable basis. He said the differential depends upon the marginal rate of federal income taxation. He stated, for example, if a bank is paying a tax rate of 21%, they would expect that in theory the interest rate on a tax-exempt loan would be 79% of the interest rate on a taxable loan. He said if a taxable loan is made at an interest rate of 100% and the bank has to pay 21% of that, the net is 79%. He stated a taxable loan of 100% equals a tax-exempt loan of 79%.

Mr. Raymond stated what he does is referred to as bond counsel; a specialized group of lawyers who are knowledgeable in the area of tax exempt finance. He said it is complicated and it has become more and more complicated as time goes by. He stated Congress has whittled away at the ability of entities to take advantage of the indirect federal subsidy provided through tax exemption. He said the bond counsel specializes in making sure the requirements are satisfied, ultimately rendering an opinion to the investor, or the bank in this case, that the requirements have been met and the interest is not subject to inclusion in gross income. He stated, in addition, lending to governmental entities is different than lending to private entities. He said there are a number of legal requirements that must be satisfied in making governmental loans that do not apply to corporate loans.

Mr. Raymond explained how he became involved in Wellington. He stated the Acme Improvement District was the operator of infrastructure in the area when he began practicing law in 1985. He said individuals within the firm he worked for at the time were familiar with the Board of Supervisors of the district. He stated in 1986 he worked on a utility refinancing, which refinanced debt that had been issued he believed in 1978. He said one thing followed another and here he is now.

Vice Mayor Drahos stated Mr. Raymond was not an employee of the Village of Wellington, as he is an outside consultant who has been retained. Mr. Raymond said was a legal advisor.

Councilman McGovern asked if Mr. Raymond was there as an attorney for the Village of Wellington. Mr. Raymond said he represented the Village of Wellington and Acme Improvement District.

Mr. Clark Bennett, Managing Director of Spectrum Municipal Services, stated they advise municipal government on the timing, structure, and pricing of their securities. He said, in this particular instance, they assisted Mr. Raymond and Ms. Quickel in producing the request for bids that was sent out. He stated he provided Ms. Quickel with a list of about two hundred banks from all across the United States. He thought that was one reason the Village received some nice bids from the major banks, including JP Morgan, SunTrust, and Bank of America.

Mr. Bennett stated he was thrilled with the rate and that the spread between 3.08% and 3.775% was outstanding. He said, for many reasons, they opted for a 15-year rather than a 20-year obligation. He explained it sort of follows the logic of a home mortgage loan. He said the shorter the period, the more they pay in monthly or annual installments. He stated overall, the interest rate the Village actually pays or the dollars they pay is far less on a 15 year than a 20-year loan. He said, with the Village's plan, it seemed the 15-year loan was best. He stated this was discussed with Mr. Raymond and Ms. Quickel at length when they came to that decision.

Mr. Bennett stated he was not an employee of the Village, as he was an independent contractor.

Vice Mayor Drahos asked how many years Mr. Bennett has been engaged in this expertise. Mr. Bennett stated they have owned their firm since 1999 and he has been in this business since 1984. He said he started in the finance industry when he was working his way through college with Merrill Lynch. He stated he has been providing municipal advisory services since early 1990. He said, before that, he was in the underwriting side of the industry, where the underwriter sells bonds rather than going to the bank to make the transaction.

Vice Mayor Drahos stated Mr. Bennett has in excess of thirty years in this field and has pored over close to two hundred bank offers to come to the decision that has been offered to this Council at 3.08%. Mr. Bennett said he certainly believes it is in the best interest of Wellington. He stated, in looking at some of the other transactions on his screen, he did not see anything comparable to theirs. He said the Village has outstanding credit ratings and the outlook for future credit is positive, according to Moody's. He stated the Village has done extraordinarily well in the market.

Vice Mayor Drahos asked Mr. Bennett if his expert opinion was that interest rates are going to increase. Mr. Bennett stated he believed so. He said the administration is fighting that, but he thinks the Federal Reserve will win the battle. He thought they would see an increase in the first quarter of next year, although minor it may be.

Councilman McGovern asked how the amount of repayment would change if the Village waited and got a 1% higher interest rate in 2021 or some future time. Ms. Quickel stated a full point increase, from 3.08% to approximately 4.08%, would increase the payback by approximately \$1.8 million over the 15-year term.

Mayor Gerwig stated yesterday they talked about getting a 2.52% return on Village short-term investments, so the difference was pretty amazing. She said she was impressed with the offers as well.

Councilman McGovern asked Mr. Raymond to explain how a small switch in the rates could make a profit for the Village. Mr. Raymond stated if their rate of investment exceeds the rate they are paying on the borrowed funds, they have a zero cost of funds as long as they have not yet spent the borrowed money. He said they will be able to keep positive earnings within certain limitations, not an unlimited amount, and they will always be able to at least break even. He stated the Village will be able to earn 3.08% assuming that is available in the investments they wish to make with their money. He said they cannot invest at 3.10% and expect to keep all of it. He stated the government requires them to return the excess to the federal fisc.

Mayor Gerwig stated that was part of the synergy of a municipal tax exemption in the first place. Mr. Raymond indicated it was part of what he was saying about Congress whittling away at how the Village could benefit from this. He said for a long time there was no limitation and governments could invest the proceeds at a rate greater than the rate at which they borrowed and actually make money. He stated Congress said enough is enough, as the municipalities could break even but could not make money on their back.

Mayor Gerwig stated she and Councilwoman Siskind lobbied for this when they went to Washington last year. She said tax-exempt municipal bonds is always at the top of the list for the National League of Cities.

Councilman McGovern asked Mr. Raymond if it was his opinion that the Village is at a unique opportunity to do this right now. Mr. Raymond stated he was not going to predict what interest rates are going to do. He said the Village has an opportunity to borrow \$20 million now, knowing what the interest rate will be for all of it. He stated if they wait and borrow \$10 million on January 2, 2019, the Village cannot do another bank-qualified loan until 2020. He indicated they have to wait a year before they can have that same tax characteristic, which is important for many of these banks. He stated the interest rate would be meaningfully higher if the Village was not able to issue this bank qualified. He said that just extends the period of risk of unknown of what is going to happen to interest rates.

Mr. Schofield indicated no public comment cards were received.

Vice Mayor Drahos clarified this \$20 million figure is based upon an independent rate study the Village obtained through an independent consulting firm. He said staff reviewed and agreed with its recommendation.

Ms. LaRocque, Utility Director, stated the Village has an aggressive Capital Improvement Plan, partly because they stopped making capital investments during the recession. She said the Village is currently catching up and proactively doing what they need to do. She indicated they have about \$90 million in projects over the next five years and are currently planning for around \$157 million over the next ten years. She stated the Village has done a great job at building up reserves, so that it can move forward with the water treatment plant project and the wastewater treatment plant project. She said, beyond that, they have significant investments to make in all facets of the Utility, everything from technology to general facilities and water supply as well as other projects in the water treatment plant, wastewater plant, gravity system, forcemain system, and water main system. She stated they are actively working on over forty-five (45) projects that have been planned for the next five years. She said the borrowing will help the Village to continue these important investments in their public health system. She stated she concurs with Ms. Quickel that this is the appropriate time to do the borrowing.

Mr. Schofield stated the ongoing projects include a \$17 million water plant expansion and a wastewater plant expansion of \$17 million will be underway shortly. He said they also have to replace lift stations and generators. He explained several times a year the Village does studies in the subdivisions to look at the quality of the water and wastewater lines. He said they are all repaired and replaced as necessary and are all budgeted.

Mr. Schofield stated, in the near future, the Village will need to add capacity to their treatment facility. He indicated the state says when the Village is regularly producing at more than 90% capacity, its needs to expand its plant capacity. He said they are getting to that point. He

stated the Village is switching from the old-line treatment processes to reverse osmosis processes, as they are far more efficient and last longer. He said they will need new sources for water and wells cost millions of dollars to build.

Mr. Schofield stated he will get Council the detailed list of the over \$150 million in capital projects. He said it is almost all funded through the rate structure. He stated they have known about the need to borrow and this is the opportunity to do it. He said from his perspective, the people paying for their water and sewer services will pay for this. He stated if the Village borrows now, they can save \$1.6 million in interest payments. He said that is \$1.6 million they do not have to spend or give back to the bank and they can put it back into the system for improvements.

Vice Mayor Drahos asked about guaranteeing the residents that this will actually go to capital improvement projects as opposed to some other project. Mr. Raymond stated they could guarantee that because their contract with the bank says the money can only be used to pay for water and wastewater system improvements.

Mayor Gerwig stated this is not being paid by Wellington in general, although the Village does back it and their credit is on the line. She said, otherwise, all of this repayment comes from the utility users. She stated if someone does not have water or sewer, they are not going to pay any of this. She said while they talk about borrowing \$20 million for the Village of Wellington, the Utility Enterprise Fund is separate.

Mr. Schofield stated with the Enterprise Fund, any money that is generated in the Utility stays there. He said the Village cannot take Utility money and build roads, construct buildings or pay salaries with it, other than Utility Department salaries. He stated the Village has to meet strict audit standards for this every single year.

Ms. Quickel stated, in response to Vice Mayor Drahos, as part of the Village's annual audit, any expenditures related to debt are verified each year.

Councilman McGovern stated this is an important public health investment and asked about the age of the utility system. Ms. LaRocque stated the utility system was 30 to 40 years old. She said Acme was a developer built community, so the infrastructure was not necessarily built to municipal standards. She stated the quality of the infrastructure does not meet today's standards, so the Village is trying to stay ahead of that so they do not have any catastrophic issues. She said much of the underground infrastructure needs to be replaced.

Councilman McGovern asked what issues the Village will confront if this is not done to put them on the right course for the next 20 to 30 years. Ms. LaRocque stated they will start to see water main failures, which cause big potholes, possibly loss of human life due to accidents, and health concerns if they do not maintain their distribution system. She said it is another active living system they have to maintain, so water quality is paramount in that system. She stated it costs a lot more in a Utility to be reactive than proactive. She said the plan in place, from the capital program to the rate study to now the borrowing, is very proactive.

Ms. LaRocque stated for a public health system, the Village has a lot of compliance issues to worry about. She said the Village is in full compliance, but if they take their finger off the pulse for just a minute that can change.

Mr. Schofield stated other municipalities have found themselves in the position where they did not do the maintenance that needed to be done. He said they were faced with a system that was in much need of repair without the ability to generate or borrow enough funds to repair it. He stated he did not want this to happen to the Village.

Mr. Schofield stated every project in the ten-year plan has been discussed and the costs are as close as they can get. He said getting the money under the most favorable terms and reducing the debt service that will be paid, is the most fiscally responsible thing the Village could do. He stated they can put this off for two or three years, but the work still has to be done and they would just be borrowing at a higher rate. He indicated the Village has borrowed many times in the past and was able to refinance when the rates dropped. He said several of those transactions were done by Mr. Raymond.

Councilman McGovern stated Mr. Raymond corrected him yesterday when he said; they were putting the full faith and credit of the Village behind this debt. He asked Mr. Raymond to explain the difference. Mr. Raymond stated full faith and credit generally refers to a borrowing in which the holder of the debt, the bank in this case, could compel the Village to exercise its ad valorem taxing power, in order to raise funds sufficient to repay the debt. He explained, in this case, the bank will not have that ability. He said if the non-ad valorem revenues of the Village are insufficient to repay this debt, the lender has no recourse.

Councilman McGovern thought that meant this was solely for the purpose of modernizing and maintaining the utility and maintaining the public safety element, which will be paid by the users exclusively, as there is no other option for repayment. Mr. Raymond stated that was not exactly correct. He said should the water and sewer system of the Village magically disappear overnight, the holders of this loan would be able to require the Village to use other non-ad valorem revenue, such as the guaranteed entitlement money that is paid to the Village by the State of Florida, the half-cent sales tax revenue paid to the Village by the State of Florida or the Public Service tax revenue paid to the Village, but not ad valorem taxes. He stated the reason for that structure is that, without pledging the ad valorem taxing power of the Village, it offers the strongest credit the Village can offer to the lender. He said to mitigate that and to address their concern at the same time, if Council adopts these resolutions tonight, Acme and the Village will be entering into an agreement under which Acme obligates itself to make payments to the Village, equal to the debt service on these two loans, and any future loan that Wellington might take out in order to provide for improvements to the system. He stated that agreement, once the debt has been issued, can only be canceled by agreement of both Acme and Wellington. He said the Council governs both, but he has adhered to the "fiction" that these are two independent entities, Acme on the one hand and Wellington on the other.

Vice Mayor Drahos thought the key was that through years of responsible spending, the Village has been provided an opportunity to borrow at an extremely low rate in order to fund their continued investment in the public's health and ensure they have the best possible utility services for the residents. He stated, based on the recommendations of staff and outside expert consultants, he feels comfortable with Mr. Schofield's position that this is a fiscally responsible thing to do for their community.

Councilwoman Siskind stated she thought that Ms. Quickel and her staff have had a long-standing record of fiscal responsibility in keeping the Village fiscally sound. She said this is one major reason they are able to get these loans at low interest rates and such attractive terms. She thought they should take advantage of this now, because it will result in a significant cost

savings. She stated they have discussed these projects for a long time. She said Ms. LaRocque and her team have stayed on top of what is needed to keep them safe and keep their utilities functioning, which is very important. She stated timing is everything and she thinks in this case that is especially true, because they are able to take advantage of this timing and save the utility customers a lot of money.

Councilman McGovern stated he agreed. He said Council has taken this very seriously to eliminate their debt and take on this \$20 million. He stated Village administration and this Council have focused on the public safety system, the water, wastewater, and sewage, as it is what keeps their community running. He said along with the power system, it is what they hear about every time there is a hurricane. He stated when they look at other communities around the State of Florida or the catastrophic situation in Flint, MI, they, as municipal leaders know it is the number one thing they will be judged by, not necessarily today but in the long term. He said making an investment that ensures their public utility/safety system, as it applies to water and sewer, is going to function at the highest level is something this Council takes very seriously. He stated, based on all of the recommendations, it is probably something the Village needs to do.

Councilwoman Siskind thanked Mr. Raymond and Mr. Bennett for their expertise and input in this process. She said she knows they have a long-standing relationship with the Village and they put a lot of time into this.

Mayor Gerwig stated yesterday it was discussed that they were guessing at what was going to happen, but they are not guessing without expert opinion. She thanked Mr. Raymond and Mr. Bennett for their expert opinion. She said this Council feels confident in what they have been advised.

Ms. Nubin read Resolution No. AC2018-07 by title.

A motion was made by Councilwoman Siskind, seconded by Councilman McGovern, and unanimously passed (4-0), with Councilman Napoleone absent, to approve Resolution No. AC2018-07 as presented.

Ms. Nubin read Resolution No. AC2018-08 by title.

A motion was made by Councilwoman Siskind, seconded by Councilman McGovern, and unanimously passed (4-0), with Councilman Napoleone absent, to approve Resolution No. AC2018-08 as presented.

Ms. Nubin read Resolution No. AC2018-06 by title.

A motion was made by Councilwoman Siskind, seconded by Councilman McGovern, and unanimously passed (4-0), with Councilman Napoleone absent, to approve Resolution No. AC2018-06 as presented.

Ms. Nubin read Resolution No. R2018-69 by title.

A motion was made by Councilwoman Siskind, seconded by Councilman McGovern, and unanimously passed (4-0), with Councilman Napoleone absent, to approve Resolution No. R2018-69 as presented.

Ms. Nubin read Resolution No. R2018-70 by title.

A motion was made by Councilwoman Siskind, seconded by Councilman McGovern, and unanimously passed (4-0), with Councilman Napoleone absent, to approve Resolution No. R2018-70 as presented.

9. PUBLIC FORUM

No comment cards were received from the public for the Public Forum.

10. ATTORNEY'S REPORT

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

- She mentioned the Village received an opinion today from the Circuit Court Appellate Division on the Polo West master plan amendment. She stated the court affirmed without opinion, so the Village prevailed in that action.

Councilman McGovern asked if that was only for Polo West. Ms. Cohen stated the Village previously received the opinion, a PCA (per curiam affirmed) in the Palm Beach Polo matter, which she previously disseminated to Council. She said this was the next step. She stated she thought the court meant to issue it at the same time and for whatever reason it was served today. She said the ruling was the same and Wellington prevailed in both instances.

Vice Mayor Drahos asked if this put that litigation to an end at this point. Ms. Cohen stated that was true unless Polo filed a petition for cert with the Fourth District Court of Appeal. She said she thinks that is a difficult position for Polo to take given that no opinion was issued by the Appellate Division.

Councilman McGovern stated there was no opinion issued as to the Palm Beach Polo matter. Ms. Cohen said that was correct for both PCA's.

Councilman McGovern stated in this week's weekly, Council got a schedule of matters going forward to final hearing, the prior compliance date, etc. He said it seemed numerous items are still going forward in that process. Ms. Cohen stated that was correct for new violations. She said, for example, there is a violation regarding the "soccer fields" where the grass is overgrown and that is going to the magistrate this Thursday.

Councilman McGovern stated some matters seem to be older than that one, i.e., the caretaker and clubhouse matter at Polo West, clubhouse parking lot landscaping at Polo West. Ms. Cohen believed there was some discussion as to whether compliance has occurred and Mr. Basehart or Mr. Koch would have to address that. She stated it was not on the agenda for this hearing.

Vice Mayor Drahos stated he thought he saw some communication that Polo West was open for business. He said some of the fairways may have been cut. Ms. Cohen stated she did not know if Code had chance to verify that, but she did not believe it was scheduled for the agenda this week.

Vice Mayor Drahos thought they had a date certain by which they had to cut the grass. Ms. Cohen stated this was a different violation.

Councilman McGovern stated the North Course maintenance date seemed to have been by November 29, 2018. Mr. Schofield said he thought this was scheduled for the January hearing. He said he will get Council an updated list.

Ms. Cohen stated it is being put on the next available agenda that gives sufficient time to notice the hearing. She said Code was not intentionally skipping a month.

Vice Mayor Drahos stated the North Course was supposed to cut the grass by November 29, 2018, and did not. Mr. Schofield said that means they have a compliance date. He stated if the North Course does not cut the grass by that time, the Village will advertise it and schedule it for the next available Magistrate Hearing. He said he will get Council the dates between the notice and when the Village gets it advertised.

Councilman McGovern stated he continues to get asked about the Stribling berm, which he believed was going to final hearing on January 17, 2019. Ms. Cohen said that was incorrect. She stated a second Motion to Dismiss was filed. She indicated the only basis for that Motion to Dismiss was that Polo alleged that the Village was required but failed to attach copies of the notices of violations in the code enforcement proceeding. She stated the Village was not seeking any relief that relates to the code enforcement proceeding, as it was seeking injunctive relief in the Circuit Court. She said the Village's position was that those notices are not required to be attached. She believed it has been set for hearing in January 2019. She said once that is disposed of, the Village will get it to hearing as quickly as possible.

Councilman McGovern asked about the return to operation at Polo West. Mr. Schofield stated it was the Village's position that Polo West is not being operated as a golf course. He said unless and until it is, the restaurant cannot operate. He stated staff saw the same notice, reached out to the operator and informed him of the Village's position.

Ms. Cohen stated, with respect to the 130 violations case in which the Fourth District Court of Appeals issued a show cause order, the Village filed that brief/response last week. She said the Village is waiting for the court's decision.

11. MANAGER'S REPORT

MR. SCHOFIELD: Mr. Schofield presented the following report:

- He stated the next Regular Council Meeting will be held on Tuesday, January 8, 2019, at 7:00 p.m. in the Council Chambers.
- Village offices will be closed Monday, December 24th, and Tuesday, December 25th, in observance of the Christmas holiday.
- Village offices also will be closed Monday, December 31st, and Tuesday, January 1st, in observance of the New Year's holiday.

- The Green Market and the lakeside event have been combined for Saturday, December 15th, beginning at 9:00 a.m., followed by a holiday boat parade on Lake Wellington at 6:25 p.m. as well as a free concert beginning at 7:30 p.m.
- The Town Center Public Input Meeting will be held on Monday, December 17, 2018 at 7:00 pm at the Wellington Community Center.
- The Village is accepting unwrapped toys for the Hometown Holiday Toy Drive until Tuesday, December 18th. See the Village website for more information.

Mr. Schofield stated he was asked for a brief update on the license plate readers. He said four of the seven locations have been installed and the others should be completed shortly. He stated the data is being sent to the PBSO crime center and Village of Wellington employees do not have access to this information. He said if anyone has any questions operationally, they need to be directed to Gun Club Road.

Councilman McGovern stated the license plate readers are being placed in the medians and roadways. Mayor Gerwig thought they were a bit noticeable.

12. COUNCIL REPORTS

COUNCILWOMAN SISKIND: Councilwoman Siskind presented the following report:

- She wished everyone a Merry Christmas and Happy Hanukkah.

COUNCILMAN MCGOVERN: Councilman McGovern presented the following report:

- He congratulated and thanked the Central Palm Beach Chamber of Commerce for another spectacular annual Holiday Parade. He thought it was very large and well attended. He also congratulated Dennis Witkowski for being the Grand Marshal of the parade and for his long service to making this a hallmark event in Wellington. He said it was a lot of fun and the weather held out.
- He hoped people will come out this weekend to the Lakeside event combined with the Green Market. He said Council has wanted this to happen for a long time. He stated it will be exciting to see those two events occur at the same time and the people utilizing the entire space. He said the boat parade on Saturday has become a fun event as well.
- He indicated he will be out of town in Washington, D.C., this weekend. He said he will miss the events, but he hoped everyone will attend and enjoy them.
- He also hoped that everyone will attend the Town Center and Lakeside forum on Monday night at the Wellington Community Center, so the Village can get input from the community. He said this will give people a chance to share any creative ideas they may have.
- He wished those who celebrated Hanukkah a Happy Hanukkah. He said it was nice to be with Council at the Tree Lighting and Menorah Lighting. He also wished everyone a Merry Christmas and Happy New Year. He reminded everyone to be safe as they start

to celebrate and attend holiday parties.

Mayor Gerwig stated Councilman Napoleone would have been with Council tonight, but he had an important business meeting that he could not avoid. She said he attended the Agenda Review meeting yesterday to get all of the important information about what was being discussed tonight.

VICE MAYOR DRAHOS: Vice Mayor Drahos presented the following report:

- He congratulated Dennis Witkowski on 35 years as a planner and organizer for the holiday parade, as it was quite a contribution to the community. He said he was glad to see Mr. Witkowski honored there. He stated so many people look forward to the parade every year, as it generates such a sense of community pride. He said it was a great experience for him and his family, and he was glad to have been a part of it.
- He stated he was also looking forward to a good turn out on Monday, December 17th, for the Town Center Public Input Meeting. He said he cancelled some plans to make sure he could be there. He stated he was looking forward to getting input from the residents and having a positive dialogue.
- He wished everyone a Merry Christmas and Happy New Year.

MAYOR GERWIG: Mayor Gerwig presented the following report:

- She stated Winterfest was a very nice event. She said thousands of toys were brought and given to the Little Smiles charity. She stated it was good the event was moved to the Palm Beach International Equestrian Center (PBIEC), because they needed the extra room.
- She stated the parade was fabulous. She said she thought about the first time they were in the parade and the first time they went and watched it. She stated the parade is very unique. She said even though it is a Central Palm Beach County Chamber event, that partners with the Village, it is still their Wellington parade. She thanked everyone for all of their hard work.
- She stated evaluation forms for the Village Manager and Village Attorney were circulated to Council. She asked if the Council members had filled out the forms and turned them in. Councilman McGovern indicated he was still working on them but was almost done.

Mayor Gerwig stated the theory is to coincide with the fiscal year, which was October 1, 2018. She asked that they get done, so they can have the information. She said there may be areas where they can do better or work on together. Councilwoman Siskind stated she filled them out and then left them on her desk, but she did not know if someone picked them up.

Mayor Gerwig stated Council fills them out and turns them in, and then the information is circulated back to Council. Councilman McGovern stated he did not recall getting them back in previous years. Mayor Gerwig said that was part of the process. She stated if there are communication issues or if they are greatly satisfied, that is what the forms are for.

- She indicated she had a couple of letters on her desk. She asked if the Equestrian Preserve Committee was aware that Mr. Granada was concerned about the current bridle trail work not being good for horses that are not shod. Mr. Schofield stated he will put it in front of the committee. He explained Mr. Granada is usually concerned about the millings, but they are only used in and around the pillars or in areas where they are mixed deeply with sand and clay. He said he will get Council a follow-up memo on this.

Mayor Gerwig stated she also received a request for more visible PBSO patrols in Montauk Harbor around Sunset Point. Mr. Schofield said he will look at the letter and get with Captain Silva. He stated the patrol cars are monitored, so they can tell where they have been, when they were there, and if they need extra patrols. He said the Captain is always accommodating.

Mayor Gerwig stated when residents reach out to the Council members, it is their duty to pass on the information.

- She stated she drove over to Meadow Wood to deliver an Amazon package that was inaccurately delivered to her. She said while she was there, a Waste Management truck picked up the garbage from two homes. She explained she watched them walk up to the side of the house to get the garbage, take it down to the truck and bring back the cans. She stated certain people cannot get their garbage to the curb and Waste Management will do that for them. She said she was amazed watching the guy happily do his job. She gave him kudos and said he did a great job.
- She wished everyone Happy Holidays. She said whatever anyone celebrates, she hopes it is a meaningful time for their family to be together.

13. ADJOURNMENT

There being no further business to come before the Village Council, the meeting was adjourned at approximately 8:19 PM.

Approved:

Anne Gerwig, Mayor

Chevelle D. Nubin, Village Clerk