

MINUTES OF THE WORKSHOP MEETING OF THE BUDGET COMMITTEE FOR SOUTH INDIAN RIVER WATER CONTROL DISTRICT HELD ON JULY 9, 2020

A workshop meeting of the Budget Committee for South Indian River Water Control District was held on July 9, 2020, at 10:00 a.m. via Zoom video conferencing. Present were John Jones and Steve Hinkle, supervisors; Charles Haas, treasurer; William Capko, attorney; and Mike Dillon, manager of operations. Landowners John Meyer, Matt Gitkin, Jennifer Cochran, Stephanie Duncan and Jillian Simensky were also present via Zoom conferencing.

Mr. Haas presented the proposed budget. The budget cycle is unchanged from last year. Routine maintenance includes assessments for graders, etc. and the only impact is the Jupiter Farms road maintenance fund which is increased by \$50,000. The debt service fund is at last year's level. Most loans are short term at low rates. The District refinanced the Palm Beach Country Estates Water Distribution Bond in 2015. Those rates are locked in due to a 10-year covenant to not refund. The rest are bank notes which are difficult to prepay so refinancing is not a viable choice. Most are close to being paid off and the existing road debt service assessments will then be off the books. Refinancing will not give savings to many landowners. At the last Board meeting, capital projects in Palm Beach Country Estates included improvements to Canal C, which were authorized in the amount of \$40,000, as well as improvements to Canal E in the amount of \$250,000. The plan is to make an assessment this year and as the project starts, the District will borrow from another fund at the market interest rate and it will be paid back to that fund. The Board also approved \$50,000 for the re-engineering plan in Jupiter Farms. Improvements in the LRPI project in the amount of \$80,000 were also added to the budget, subject to Board approval. No funds will be available from a matching grant this year. These improvements have been recommended by the engineer.

Looking at community-wide programs, in PBCE the maintenance budget has been reduced. The park allocation for the payback of improvements is completed and that budget has dropped down. There is an additional \$110,000 for new capital projects. The only community-wide debt is the water distribution bond. In Jupiter Farms, water control maintenance remains the same. Water control improvements of \$40,000 were dropped but the additional improvements for the LRPI project and re-engineering bond issue have not been added in. The engineering initiatives budget is \$50,000, and allowing for discounts and fees it will actually be \$54,000.

Ms. Duncan asked when the water distribution bond will be paid off and Mr. Haas stated it will be paid in full in 2031.

Mr. Gitkin asked if the LRPI project could be a bond issue since interest rates are low at this time. Mr. Haas stated the total LRPI project is estimated at \$300,000. If approved, consideration will be given to borrowing from the Renewal and Replacement Fund with interest. No action is anticipated until there is an engineering report. If it were to become a bond issue, these funds could be used for the upfront costs. Mr. Haas will have a report on this matter at the end of the year.

Mr. Meyer stated he would like to have a discussion about the Jupiter Farms re-engineering plan at the next Board meeting. He wants to discuss having a master plan with a bond issue. Mr. Haas stated that in order to sell bonds, there needs to be a detailed engineering report.

Mr. Haas then discussed a detailed presentation showing the budget impact on individual assessments. He discussed the possible change in road maintenance assessments, computing the impact on assessments and how they will be allocated. Mr. Haas presented a slide showing the typical assessments, the existing road maintenance policy and the policies being considered. The additional of capital improvements in PBCE adds a \$57 component to the assessment based on acreage. Mr. Haas presented a chart for typical parcels, and a worksheet so landowners are able to evaluate their own parcel.

Ms. Duncan proposed adding a \$30 assessment to the budget for Palm Beach Country Estates landowners for enhanced mowing and sidewalk maintenance along 7 miles of sidewalk in the community. She stated the District had performed this work until 2018 when it was determined that the \$16 assessment at that time did not cover the cost and the service was discontinued. Mr. Haas suggested forwarding this proposal to the District office so the Board and staff can review it and discuss at a Board meeting. Mr. Gitkin suggested also forwarding this proposal to Mr. Capko since it appears to be a landowner-initiated improvement that would require a vote by PBCE landowners.

At this time there were no further questions or comments and the workshop meeting was concluded.