

The regular meeting of the Lake Wales City Commission was held on September 15, 2009 at 6:00 p.m. in the Commission Chambers at the Municipal Administration Building. The meeting was called to order by Mayor L. Jack Van Sickle.

INVOCATION

The invocation was given by Dr. Jim Moyer, Warner University.

PLEDGE OF ALLEGIANCE

COMMISSIONERS PRESENT: Terrye Y. Howell; Lee A. Wheeler, III.; Jonathan Thornhill; John Paul Rogers; Mayor L. Jack Van Sickle.

COMMISSIONERS ABSENT: None.

CITY REPRESENTATIVES PRESENT: Judith H. Delmar, City Manager; Albert C. Galloway, Jr., City Attorney; Clara VanBlargan, City Clerk.

MAYOR

Agenda Item 5. PROCLAMATION: Constitution Week

Mayor Van Sickle read a proclamation proclaiming September 17 – 23, 2009 as "Constitution Week." Sylvia Carson, Lake Wales Chapter of the Daughters of the American Revolution (DAR), accepted the proclamation.

BUDGET HEARINGS

Agenda Item 6. Ordinance 2009-20, Adopting a Millage Rate for FY09'10 – 2nd Reading & Public Hearing Ordinance 2009-21, Adopting a Budget for FY09'10 – 2nd Reading & Public Hearing

Ms. Delmar reviewed Agenda Item 6. The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Judith H. Delmar, City Manager]

SYNOPSIS

The Commissioners will consider adopting a millage rate of 7.3277 mills for Fiscal Year 2009-2010 which is the same as the current year's rate. The Commissioners will also consider adopting the proposed operating budget as revised after first reading on September 9. A separate public hearing will be held on each matter.

RECOMMENDATION

After second reading and separate public hearings, it is recommended that the City Commission take the following actions:

1. Enact Ordinance 2009-20 adopting a millage rate of 7.3277 mills for FY09'10.
2. Enact Ordinance 2009-21 adopting the proposed FY09'10 operating budget with revisions approved on September 9.

BACKGROUND

In accordance with Florida Statutes and the City Charter, Ordinances 2009-20 and 2009-21 are presented for second reading and public hearing. Ordinance 2009-20 establishes the millage rate for FY09'10, and Ordinance 2009-21 adopts the proposed FY09'10 budget.

The proposed FY09'10 budget document includes the revenue and expenditure details for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Utility System Fund and Airport Fund. This document was previously forwarded to the City Commission for review and was discussed at a workshop held on August 17. Ordinances 2009-20 and 2009-21 were approved by the City Commission after first reading and public hearing on September 9.

This budget has been prepared in accordance with Article VI, Section 6.04 of the City Charter which requires that the budget provide a complete financial plan of municipal funds and activities. Estimated current year ending fund balances have been considered and are included in the budget.

PROPERTY TAX

The proposed budget is based on the current millage rate of 7.3277 per \$1,000 of taxable valuation. This is 10.44% below the rolled-back rate of 8.1817 mills that was adopted as the interim millage rate. The rolled-back rate is the rate that will generate the same amount of revenue with 2009 property values as the current rate generated with 2008 property values. The following chart shows the difference between the rolled-back rate and the current/proposed rate for taxpayers at various assessed valuations:

Assessed Value	Taxable Value		Tax Rate per \$1,000		Difference between rolled-back rate and current/proposed rate
	with 1 st \$25,000 homestead exemption	with 1 st & 2 nd \$25,000 homestead exemption	8.1817 mills (rolled-back)	7.3277 mills (current & proposed)	
\$60,000	\$35,000	-	\$286.36	\$256.47	\$29.89
\$75,000	\$50,000	-	\$409.09	\$366.39	\$42.70
\$100,000	-	\$50,000	\$409.09	\$366.39	\$42.70
\$150,000	-	\$100,000	\$818.17	\$732.77	\$85.40
\$175,000	-	\$125,000	\$1,022.71	\$915.96	\$106.75
\$200,000	-	\$150,000	\$1,227.26	\$1,099.16	\$128.10

USER FEES

A series of ordinances adopted by the City Commission in September 2007 authorized annual increases in city user fees based on June's annual CPI or 2.5%, whichever is greater. The change in the CPI measured from June 2008 to June 2009 was -1.4%, and all user fees (i.e., water and sewer, solid waste collection, facility rental, development fees, etc.) will be increased by 2.5% on October 1.

Although a 2.5% increase in user fees will generate some additional revenue for the General Fund, ad valorem proceeds and development-related revenues have declined dramatically during the past two years. Revenues from state and other intergovernmental sources are also projected to be lower than last year. As a result, General Fund revenues in FY09'10 are projected to be \$418,060 less than budgeted in FY08'09 and \$1,005,824 less than actually received in FY07'08.

EXPENDITURE CHANGES SINCE PRESENTATION OF BUDGET

The budget that was originally presented on August 11 and discussed during the budget workshop has been revised to include increases and reductions of expenditures as follows:

Expenditure	Item Description
-83,400	Reduction in City-paid Health Insurance costs
280,432	Increase in Payroll - 3% COLA
38,269	Increase in Fire Dept C/O - grant-funded Mobile Radios
-32,654	Reduction in Gen Fund transfer to Airport Fund
1,371	Increase in Gen Fund transfer to Streets Div
-1,696	Net effect of Change in Allocated expenses
316,230	CRA transfer to Gen Fund (Coop Fruit Prop Proceeds - Escrow Acct)
-3,836	Reduction in budget for Road Repairs
250,000	Increase in Cap Proj Fund C/O - grant-funded Kiwanis Park Improvements
3,615	Increase in Gen Fund admin charge to Utilities Admin
122,692	Increase in Airport grant-funded MITL construction budget
748,762	Increase in Airport grant-funded Runway construction budget
-40,000	Deletion of Airport fuel truck purchase
50,000	Increase in budget for LWLL field maintenance contract
11,500	Addition of budget for NW Complex field maintenance contract
40,500	Increase in Gen Fund payroll - Field Maintenance position
13,500	Increase in Gen Fund utilities - Kirkland Gym electric, water, gas
54,936	Increase in Gen Fund payroll - 2 Recreation Aide positions for Gym
1,770,221	Total change in expenditure budget after 8/11/09 (All Funds Combined)

The changes shown in the table above affect expenditures in the General Fund, Transportation Fund, CRA Fund, Library Fund, Capital Projects Fund, Utilities Fund and Airport Fund.

It is anticipated that a surplus of at least \$183,000 will be carried forward from the current budget year to FY09'10 because fuel costs have been so much lower than anticipated. Soaring fuel prices during the spring and summer of 2008 caused us to increase our fuel budget for FY08'09 at the expense of purchasing much needed equipment for the parks and streets divisions. The proposed FY09'10 budget will utilize this surplus to fund parks equipment (\$88,000), streets division equipment (\$13,000), 2 marked police vehicles (\$50,000), and a projector for Commission Chambers (\$2,000). In addition this surplus will fund the \$30,000 local match required for the \$20,000 Urban Forestry grant that will be used to purchase a bucket truck to be shared by several departments. Additional police vehicles (\$125,000) will be purchased from CRA funds for use by the Community Policing unit that will be assigned primarily to the Downtown and Lincoln Avenue commercial districts.

Initial budget requests submitted by the departments exceeded General Fund revenue projections by more than half a million dollars. By utilizing the surplus mentioned above for capital purchases and significantly reducing the initial requests, staff was able to balance the proposed budget at the current millage rate while avoiding measures that some cities and counties have been forced to implement (i.e., employee lay-offs, salary reductions, and days off without pay).

The proposed General Fund operating budget as revised on September 9 totals \$11,001,063. This represents an increase of 2.2% over the current year's budget and a 3.6% reduction compared to actual expenditures in FY07'08.

As strongly recommended by the City's auditors, it has been the City's goal to increase the General Fund balance to 15-20% of the total operating budget. In terms of the proposed FY09'10 budget, this would require a General Fund balance of \$1.6 to \$2.17 million.

On September 30, 2008, the total fund balance of the General Fund was \$2,596,546 or 24.1% of the total operating budget for FY08'09. Excluding the Tax Anticipation Reserve/Pool Construction Account (\$1,037.852), the fund balance of the General Fund was \$1,558,694 or 14.5% of the FY08'09 budget.

If revenue and expenditure levels reported at June 30 are maintained through the end of the year, it is estimated that revenues will exceed expenditures by approximately \$200,000 at 9/30/09 allowing us to carry forward a fund balance of \$2,814,025 –the equivalent of 25.6% of the proposed FY09'10 General Fund budget as revised. However, we are conservatively budgeting a fund balance forward of \$2,596,546 in order to allow for unanticipated expense in the 4th quarter of this fiscal year.

SUMMARY OF ALL FUNDS

General Fund	\$10,710,186
Special Revenue Funds	6,310,975
Debt Service Fund	2,363,120
Capital Projects Fund	645,000
Utility System Fund	10,298,311
Airport Fund	1,607,797
TOTAL	<hr/> \$31,935,389

The expenditure total of \$31,935,389 is comprised of operating costs in the amount of \$22,359,316 and capital outlay in the amount of \$9,576,073. Transfers in the amount of \$4,126,896 bring total expenditures plus transfers to \$36,062,285. The proposed operating budget expenditures for FY09'10 are 49.6% less than the actual total expenditures for FY07'08 (projects funded by bond proceeds are excluded from this calculation).

Capital expenditures include utility system improvements such as the rehabilitation and upgrade of the wastewater treatment plant and asbestos pipe removal, airport taxiway lighting improvements, Lincoln Avenue parking improvements, Downtown improvements, purchase of police vehicles and miscellaneous equipment purchases budgeted as follows:

General Fund	213,269
Special Revenue Funds	2,352,343
Capital Projects Fund	645,000
Utility System Fund	4,865,518
Airport Fund	1,499,943
TOTAL	<hr/> \$9,576,073

REVIEW OF DEBT SERVICE

As required by Charter, a summary of the City's outstanding debt at September 30, 2009 is presented as follows:

Public Improvement Bonds, Series 1997; issued to refund Public Improvement Bond Series, 1991 which refinanced Public Improvement Bond Series, 1989 funding capital projects. Balance: \$1,990,000; last payment October 2014.

SunTrust 2003 Note; issued to accomplish advance refunding of Capital Improvement Revenue Bonds, Series 1996 (\$4,666,859), to refinance Non-Ad Valorem Revenue Bonds, Series 1999 (\$4,757,115) and to finance interest and issuance costs (\$125,716). Annual interest rate, 3.84%. Balance: \$6,883,127; last payment 2016.

SunTrust 2005 Note; issued finance construction of chlorine contact chamber at Wastewater Treatment Plant and city's cost portion of reuse transmission lines. Annual interest rate, 4.2%. Balance: \$673,059; last payment 2015.

Wachovia Utility System Improvement Refunding Revenue Note, Series 2006A; issued to refund existing bonds and fund Water and Sewer system improvements. Balance: \$4,894,870; last payment October 2016.

Utility System Revenue Note, Series 2006B, is an authorized credit line in the principal amount of not to exceed \$3,100,000 to finance the cost of constructing and acquiring certain additions, extensions and improvements to the utility system. Current variable interest rate as of August 8, 2008 based on 74% of 1-Month LIBOR plus 95 basis points. Balance: \$2,550,000; last payment 2026.

CRA Redevelopment Revenue Note, Series 2007; issued to finance redevelopment capital improvement projects. Balance: \$8,760,417; last payment October 2027.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of costs associated with Wastewater Reuse Project, Phase I. Annual interest rate, 2.56%. Balance: \$873,576; last payment February 2019.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of costs associated with Wastewater Reuse Project, Phase II. Annual interest rate, 3.05%. Balance: \$542,978; last payment August 2022.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of costs associated with sludge dewatering Improvements to the Wastewater Treatment Plant. Annual interest rate, 2.14%. Balance: \$1,081,451; last payment October 2024.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of pre-construction costs associated with the Wastewater Treatment Plant Expansion Project. Annual interest rate, 1.88%. Balance: \$961,181; last payment October 2028.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of pre-construction costs associated with the Wastewater Treatment Plant Expansion Project. Unless this agreement is amended to provide construction funding, the first semi-annual loan payment in the amount of \$11,567 will be due on December 15, 2012. Principal amount of loan is approved at \$350,000; current amount drawn down is \$180,000. Annual interest rate: 2.30%. Balance: \$180,000; last payment 2022.

Florida League of Cities Master Lease Program, 2004 for lease-purchase of Fire Truck. Annual interest rate: 2.37%. Balance: \$63,334; last payment 2010.

Florida League of Cities Master Lease Program, 2006 for lease-purchase of Fire Truck. Annual interest rate: 4.28%. Balance: \$267,321; last payment 2012.

Motorola Capital Lease Program for lease-purchase of Public Safety communications equipment and other equipment. Annual interest rate: 6.263%. Balance: \$138,526; last payment 2012.

Fixed Base Operator's Prepayment Credit for \$300,000 in leasehold improvements done by the FBO on airport property. Annual interest rate: 0%. Balance: \$49,500; last payment 2012.

The City's total indebtedness at 9/30/09 is \$29,909,340 which is equal to 3.9% of the 2009 taxable valuation of 757,664,673. Debt payments due during FY09'10 total \$3,879,333 and represent 17.6% of the City's operating budget (excluding interfund transfers and capital outlay). A schedule showing the City's outstanding debt at September 30, 2009 is included in the Charts & Graphics portion of the proposed budget (page C-2).

BUDGET HIGHLIGHTS

A summary of the important aspects of the proposed FY09'10 budget document is provided as follows:

1. A 3.0% COLA is proposed for all employees. For police officers and firefighters, this is contingent upon negotiations with the police and firefighter bargaining units. The budget was initially presented without a pay increase for employees. At the budget workshop on August 17, it was the consensus of the Commissioners to transfer the remaining \$300,000 in proceeds from the sale of the Cooperative Fruit Property to the General Fund in order to fund a 3% employee pay increase.
2. A 10% increase for workers' compensation, liability, property and casualty insurance premiums is budgeted. There is no increase in cost for the period 10/1/09 to 3/31/10; this period is covered for the rates that went into effect on 4/1/09. Our current insurance policies will renew on 4/1/10. A rate increase, if any, will apply to the period 4/1/10 to 3/31/11, of which only 6 months are included in the FY09'10 budget. Because the term of coverage is from 4/1/ to 3/31, it will not be possible to estimate a rate increase until we get closer to the renewal date.
3. The budget that was initially presented allowed for an increase of 10% over current year costs for city-paid employee health care coverage. Following a request for proposals and input from city employees, a change in health care provider will result in an actual increase of only 1.6% over current year costs. The city-paid premium for each employee will increase from \$489.75 per month to \$497.68 per month. The cost to employees for family coverage will decrease 1.1% from \$503.00 per month to \$497.65 per month.
4. Pension contribution rates have been budgeted for FY09'10 to yield the actuarially determined funding requirements calculated by the actuaries retained by the City's pension boards as follows:

	General Employees	Police Officers	Firefighters
FY 08'09	6.0%	17.3%	23.7%
FY 09'10	1.4%	21.9%	26.9%
Change	-4.6%	+4.6%	+3.4%

5. Changes in departmental staffing in FY09'10 as compared to the FY08'09 amended budget are detailed in the following chart:

City Manager

- 1.00 Assistant City Manager position eliminated

Human Resources	+ 0.50	Switchboard/Receptionist position added (position shared with Clerk's Office)
City Clerk's Office	+ 0.50	Minutes Clerk position added (position shared with HR)
Information Technology	+ 1.00	Computer Technician position added
Permits & Inspections	- 1.00	50% of Office Manager and Admin Asst positions reclassified to Planning & Zoning Dept
Permits & Inspections	- 0.75	Bldg Inspector eliminated 6/30/09
Planning & Zoning	+ 1.00	50% of Office Manager and Admin Asst positions reclassified from Permits & Inspections
Finance Department	- 0.25	Clerk position eliminated (shared with Utilities Cust Svc)
Utility Customer Service	- 0.75	Clerk position eliminated (shared with Finance)
Utility Customer Service	- 1.00	Clerk position transferred to Utilities Admin
Utility Customer Service	- 0.75	Clerk position transferred to Support Services
Utilities Admin	+ 1.00	Clerk position transferred from Utility Customer Service
Support Services	+ 0.75	Clerk position transferred from Utility Customer Service
Support Services	- 1.00	Assistant to City Manager position eliminated
Support Services	+ 0.25	Administrative position transferred from Streets Division
Fleet Maintenance	- 3.00	Mechanic positions eliminated from city payroll; employees added to county payroll
Parks Division	- 7.00	Positions transferred to Field Operations
Streets Division	- 6.00	Positions transferred to Field Operations
Cemetery Division	- 1.00	Position transferred to Field Operations
Recreation Facilities Division	- 1.00	Position transferred to Field Operations
Field Operations	+ 15.00	Positions transferred from Parks, Streets, Cemetery & Rec Facilities to consolidate field work force
Field Operations	+ 2.00	Maintenance Worker I position added
Field Operations	+ 0.75	Maintenance Worker III position added at 1/1/10 to maintain US27 medians between SR60 and Towerview
Streets Division	- 0.25	Administrative position transferred to Support Services
Public Services Admin	+ 0.50	Public Works Director position added, shared with Utilities Admin
Library	- 0.50	Position transferred to Books-by-Mail
Books-by-Mail	+ 0.50	Position transferred from Library
Community Policing	+ 1.00	Officer added with emphasis on Housing Authority property; 50% of position funded by LWHA
Community Policing	+ 1.00	Officer added for increased patrol presence in downtown commercial district
Utilities Admin	- 1.00	Utility Director position eliminated
Utilities Admin	+ 0.50	Public Works Director position added, shared with Public Services Admin
Utility Operations	+ 2.00	System Maintenance Technicians added (1 for water and 1 for wastewater operations)
Facilities Maintenance	+ 1.00	Facility Worker position added
Recreation Facilities	+ 2.00	Recreation Aide positions added for Kirkland Gym
	+ 5.00	Net Change in positions since amended FY08'09 Budget

6. Capital expenditures proposed for FY09'10 are itemized in the following chart, however it should be noted that projects funded by the CDBG grant and the CRA bond may be modified during the budget adoption process. The inclusion of the 1919 School grant-funded project is dependent on approval by the State regarding expenditure of the \$300,000 local match. It is anticipated that

these modifications and other matters of concern will be determined before adoption of the FY09'10 budget but, if not, they will be included in the first budget amendment of FY09'10.

Item	Cost	Funding Source
IMPROVEMENTS		
Airport - Runway Extension	1,084,396	Airport Grants
Airport - Medium Intensity Taxiway Lights	393,497	Airport Grants, Airport Revenues
Drainage Improvements - Twin Lakes	770,702	CRA Bond, SWFWMD Grant
Parking Improvements - Lincoln Ave	75,000	CDBG Commercial Vitalization Grant
Parks & Recreation - Hardman Hall (1919 School)	650,000	State Grant, CRA Tax Increment
Parks & Recreation - Kiwanis Park Improvements	250,000	FRDAP Grant
Streetscape Improvements - Dr ML King Jr	200,000	CRA Bond
Streetscape Improvements - Downtown	331,390	CDBG Commercial Vitalization Grant
Streetscape Improvements - Lincoln Ave Lights	145,000	CRA Bond
Streetscape Improvements - Lincoln Ave Lights	150,000	CDBG Commercial Vitalization Grant
Reuse System - Misc New Services	25,000	Utility System Operating Revenues
Reuse System - Monitoring Wells	50,000	Impact Fees, Operating Revenues
Reuse System - Ground Storage Tank (Engineering)	200,000	Impact Fees, Operating Revenues
Sewer System - Lift Station Pump Replacement	73,663	CRA Bond
Sewer System - Treatment Plant Rehabilitation	1,000,000	Loan Proceeds, Operating Revenues
Sewer System - Force Main/Lft Stn Crooked Lake	450,000	Loan Proceeds, Impact Fees
Sewer System - Treatment Plant Upgrade/Expansion	2,025,000	Loan Proceeds, Impact Fees
Water System - PRV at 9 th , Scenic, SR 60	45,000	Utility System Operating Revenues
Water System - PRV at Hunt Bros & Scenic	60,000	Impact Fees, Operating Revenues
Water System - Misc New Services	25,000	Utility System Operating Revenues
Water System - Interconnect at N US 27	92,000	Impact Fees, Operating Revenues
Water System - Minnesota/Grove Area Upgrades	100,000	Utility System Operating Revenues
Water System - Southwest Line Extensions	100,000	Utility System Operating Revenues
Water System - Asbestos Pipe Removal	566,855	CRA Bond
LAND		
Airport - Avigation Easements	22,050	Airport Grants
VEHICLES & EQUIPMENT		
Streets Division - Mower	13,000	General Fund Revenues
Commission - Projector for Commission Chambers	2,000	General Fund Revenues

Item	Cost	Funding Source
Parks & Recreation - Tractor	40,000	General Fund Revenues
Parks & Recreation - Stump Grinder	20,000	General Fund Revenues
Parks & Recreation - Mowers	28,000	General Fund Revenues
Fire Dept - Mobile Radios	38,269	AFG Grant, General Fund Revenues
Police Dept - Generator	35,000	Insurance Proceeds
Police Dept - Vehicles	50,000	General Fund Revenues
Police Dept - Community Policing - Vehicles	125,000	CRA Revenues
Police Dept - Community Policing - Weapons	5,000	CRA Revenues
Police Dept - Misc Equipment	25,000	Forfeiture Funds
Police Dept - Computers	74,000	Byrne Law Enforcement Grants
Police Dept - Video Systems/Cameras	25,000	Byrne Law Enforcement Grants
Police Dept - Weapons	23,251	Byrne Law Enforcement Grants
Parks, Streets - Bucket Truck	50,000	Urban Forestry Grant, General Fund
Water System - Misc Equipment	4,000	Utility System Operating Revenues
Sewer System - Misc Equipment	4,000	Utility System Operating Revenues
Reuse System - Booster Station	45,000	Impact Fees, Utility System Operating Revenues
OTHER CAPITAL OUTLAY		
Library - Books & Subscriptions	85,000	Library Fund Revenue
TOTAL CAPITAL EXPENDITURES	9,576,073	

7. In accordance with Ordinance 2007-07 adopted by the City Commission on September 18, 2007, water and sewer rates and charges will be adjusted to reflect a 2.5% increase based on June's annual CPI. The increase will be applied to service provided on or after October 1, 2009.

	WATER CHARGES					SEWER CHARGES		
	base charge	rate per 1,000 gallons				base charge	rate per 1,000 gallons	
		0-5,000	5,001 - 10,000	10,001 - 25,000	over 25,000		0 -5,000	5,001 - 15,000
Current	5.20	2.06	2.78	4.32	7.11	18.47	2.43	4.25
10/1/09	5.33	2.11	2.85	4.43	7.29	18.93	2.49	4.36

For inside-city residential customers using an average of 8,000 gallons per month, water charges will increase from \$23.84 to \$24.43, and sewer charges will increase from \$43.37 to \$44.46; the combined bill for water and sewer will increase from \$67.21 to \$68.89.

8. The FY09'10 Budget includes a 2.5% increase in all General Fund user fees and charges. For residential solid waste collection and recycling, fees will increase from \$18.82 per month to \$19.29 per month.
9. Organizational changes are proposed that will reduce costs in some areas and reallocate resources to others:

Fleet Maintenance. At the June budget workshop, the Commission expressed an interest in closing all or part of the city's fleet maintenance operation and contracting with a local dealer for fleet maintenance services. Prior to investigating the privatization of fleet maintenance operations, staff contacted Polk County Fleet Maintenance (PCFM) to see if that agency could provide services to us through an interlocal agreement with the Board of County Commissioners. PCFM submitted a proposal to provide a full-time on-site supervisor to run the fleet maintenance operation using the City's garage facility and equipment. The three mechanics currently employed by the City will be employed by the County subject to successful completion of the County's routine screening process mandatory for all new employees.

The proposal was subsequently approved by the City Commission and will save the City an estimated \$135,000 in vehicle and equipment maintenance and repair costs in FY09'10. The anticipated cost savings permits the funding of a fire prevention specialist that would have remained unfunded following the retirement of the employee currently holding that position (\$59,163), tuition assistance in the amount of \$22,610, and site licenses for upgrading 58 computers from Microsoft Office 97 to the 2003 edition (\$15,000).

City Manager's Office. While it may be necessary or desirable to restore an assistant city manager position at some time in the future, several department heads have expressed a willingness to assume some of the duties previously assigned to the assistant city manager and city manager. This organization-wide support of the City Manager's Office permits the reallocation of resources to areas in serious need of additional workers. Specifically, we are recommending the addition of the following positions:

1. A computer technician position is recommended for the Information Technology (IT) department. The city administrative and public safety functions are highly dependent on computer technology. Two employees currently maintain more than 17 servers with 4 firewalls and other networking equipment, 201 desktop and laptop computers, 25 in-car video systems, the new MOTOMESH system, the FLEXNET meter reading system, and the telephone system. The workload is currently more than can be handled by two employees in a normal workweek and will only increase as the MOTOMESH and FLEXNET systems expand.
2. A maintenance worker position is recommended for the Field Operations division (see below), primarily to improve our ability to keep rights-of-way and open areas maintained properly.
3. A switchboard operator/minutes clerk position is recommended for addition to the administrative staff. Adding a switchboard operator will eliminate the need to navigate the automated message system when calling City Hall. The person filling this position will also assist the city clerk with minutes of the City Commission, the CRA, and other city boards.

Public Works. While it may be necessary or desirable to restore these positions at some time in the future, the resignation of the utilities director and the assistant to the city manager have freed up resources to fund the following:

1. A public works director who is licensed as an engineer in the State of Florida will head both the Public Services Department (parks, streets, cemetery, airport) and the Utilities

Department (water, wastewater, reuse). Having a licensed engineer on staff will expedite our dealings with regulatory agencies and provide savings in small project design costs.

2. Two system technician positions are recommended for addition to the Utilities Department, one for water operations and one for wastewater operations. The water position is necessary to maintain compliance with increasing DEP regulatory requirements, and the wastewater position is necessary to perform routine maintenance on lift stations and other system components.
3. A maintenance worker III position is recommended for addition to the Field Operations division to maintain the landscaped and grass medians on US 27 between SR 60 and Towerview Drive (at entrance to Tower Wood). The City will be required to maintain these medians after 12/31/09.

Field Operations. Workers currently assigned to the Streets, Parks, Cemetery, and Recreational Facilities divisions will be transferred into a single General Fund operational division effective 10/1/09. Although this will not result in a cost savings, combining all field employees into the Field Operations division will improve productivity by facilitating scheduling, cross-training, and more efficient utilization of workers.

It is proposed that the cost of a maintenance worker will be allocated to the CRA, and the duties of that employee will consist of maintaining the landscaped areas in the downtown business district, on Lincoln Avenue, and on Central Avenue. This cost allocation will free up General Fund resources for the addition of a third new maintenance worker position to improve our ability to keep city-owned property maintained properly elsewhere in the city. This item was approved by the CRA Board.

Staff is currently in discussions with Polk County Corrections to secure a second prisoner work crew for utilization on weekdays. If successful, this will increase the manpower available to maintain city rights-of-ways and park areas. It is anticipated that this will also reduce the use of "weekend warriors" and cut down on city overtime costs incurred in supervising weekend work crews.

Community Policing. The budget includes an additional officer in the Community Policing unit who will be assigned to Grove Manor; the Lake Wales Housing Authority will fund 50% of this position and 50% will be funded by CRA revenues. This position and its funding sources were approved during FY08'09. A second officer is added to the unit for increasing the law enforcement presence in the downtown commercial district; this position will be funded by CRA revenues and has been approved by the CRA Board.

Facilities Maintenance. Following the first public hearing on September 9, the budget includes an additional facility worker position. The facilities maintenance department has consisted of two employees since the department was created in the mid-70's. Since that time, the number of buildings and other facilities and playgrounds for which these employees are responsible has more than tripled. The addition of this new position will facilitate the establishment of a much-needed preventative maintenance program.

Recreation Facilities. Following the first public hearing on September 9, the budget includes two full-time recreation aide positions to supervise use of the Albert Kirkland Sr. Gym.

OTHER OPTIONS

The City Commission may make additional modifications to the proposed budget as revised. Following revisions made at the request of the City Commission on September 9, unappropriated revenues in the amount of \$27,797 remain in the General Fund to increase fund balance at 9/30/10. Any modifications in

excess of this amount will require a draw-down of fund balance or reductions of appropriations elsewhere in the proposed budget.

[End agenda memo]

Ms. Delmar said the day after the City Commission approved first reading of the budget, John Shoffner, the director of the basket ball program at Webber University, called to see if the City might be interested in partnering with Webber University on the operation of the Kirkland Gym. They would operate the gym and develop a full-pledged basket ball program. Staff called Mr. Shoffner last Friday and he still expressed a strong interest in operating the gym, but he was dismayed that we were adopting our budget now and that we needed certain things in place by October 1. It would be difficult for them to work out all the details by that date. Staff is requesting that the Commission extend the existing contract with the Boys and Girls Club, going with their proposal for two full-time employees, until the end of this calendar year. Then, we can try getting something into place with Webber by the first of next year.

Ms. VanBlargan read Ordinance 2009-20 by title only

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, ADOPTING THE FINAL LEVYING OF AD VALOREM TAXES FOR THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA FOR FISCAL YEAR 2009-2010; PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to adopt Ordinance 2009-20, adopting an FY09'10 millage rate of 7.3277 mills, after second reading and public hearing. The motion was seconded by Commissioner Rogers.

Roll Call:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wheeler	"YES"
Commissioner Thornhill	"YES"
Mayor Van Sickle	"YES"

The motion carried 5-0; 6:11 p.m.

Ms. VanBlargan read Ordinance 2009-21 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, RATIFYING, APPROVING, ACCEPTING AND ADOPTING THE ESTIMATES OF EXPENDITURES FOR THE OPERATION OF THE SEVERAL DEPARTMENTS OF SAID CITY, AND ALL NECESSARY AND ORDINARY EXPENSES OF SAID CITY FOR THE 2009-2010 FISCAL YEAR, APPROPRIATING ALL FUNDS TO BE RAISED AND COLLECTED FROM ALL SOURCES SET FORTH IN THE ESTIMATE OF REVENUES & BALANCES FOR SAID FISCAL YEAR, AND THE REPEALING OF ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

David Smith, Babson Park, asked what would happen if the proposal with Webber University fell through. Ms. Delmar said we would re-evaluate at the end of this calendar year if unable to work out arrangements with Webber University. At that point, we would determine whether to stay with the Boys and Girls Club or

hire two employees to operate the gym. As far as money in the budget, the Kirkland Gym is covered one way or the other.

Michael Williams, 1127 S. Lake Shore Blvd., said he appreciates everything that all the City employees do, but he is concerned that we are offering them a 3% raise funded by non-recurring revenue. That means we are going to be stuck down the road to continue those raises. He said he disagrees when people say that we can run City government like a business, because no business would give its employees a raise on non-recurring revenue. The people that live in this City, who cover this tax base, would have to pay for those raises. The unemployment rate in this county is about 12%. There are a lot of unemployed people in Lake Wales who are suffering and we are asking them to pay for public servants to get a 3% raise on non-recurring revenue. Mr. Williams said he does not understand the business logic here. The top City employees pay nothing or very little toward the City's tax base, because they do not live in the City limits. A lot of employees are happy that they still have a job. City employees should also be thankful that they still have a job at their current pay rate, along with having decent health insurance. The City of Lake Wales has one of the highest tax rates in the county and we are trying to give raises on non-recurring revenue. What is going to happen next year when we do not have that non-recurring revenue? Mr. Williams said he finds it a little hard to believe that we are talking about hiring new workers when most businesses that we hope will support this community have a hiring freeze or are laying off workers. He said he does not understand where these business decisions are coming from.

Ruth Dampier, 1154 S. Lake Shore Blvd., said she too is concerned about the money we are spending. What Mr. Williams said is true, but it is not just true with our employees. It is also true with people taking advantage of our City recreational programs, such as the Little League program. People pay an initial fee, but that is not near enough to cover the maintenance of the fields or to pay someone to do it. She said when her son, now 47 years old, was in the Little League program it cost \$45.00 to play. There has not been too much of an increase since then. We need to outsource to get a program with individuals being responsible for a certain amount of money. If we are going to work together, it needs to be to the advantage of the City. We cannot spend down to the last penny. We have to hold money back for emergencies. City employees do need a raise, if only 1-1/2 percent. A few years ago, the City spent a lot of money upgrading the gym and now we are spending money to repair it. If people cannot take care of the gym, it needs to be closed or at least until we can better organize the budget. We are charging for so many things that we should not be charging for, such as our City parks. Some people use the parks when there is nobody there just to avoid paying a reservation fee. We need to balance things out a little and see if we can work closer with the funds that we have.

CLOSED PUBLIC HEARING

Commissioner Thornhill said he would rather go back to the original amount of \$60,000 versus the \$80,000 for Little League field maintenance, because the Lake Wales Little League organization said they are willing to work with the City. He said he called a few people that are familiar with the cost of field maintenance and found that the amount we are currently paying is at the right price. Commissioner Thornhill asked the last time City employees received a raise. Ms. Delmar said employees received a 1% increase last year. Commissioner Thornhill said we have about \$55,000 budgeted for the operation of the Kirkland Gym. He asked if that amount would be sufficient if everything works out with Webber University. Ms. Delmar said that is our hope.

Commissioner Wheeler said the firm that he works for does the accounting for the Lake Wales Little League. He would guarantee that it costs them more than \$80,000 to maintain the fields. If we lower the amount to \$60,000, we are asking them to support us. He said he is opposed to reducing the amount for Little League.

Commissioner Howell said she understands giving raises if we have the money to do it. She does not see taking away from what little recreation that we have to cover it next year. Commissioner Howell said she has not had a raise in four years and does not see getting one in the future. Yet, she continues to go to work everyday and on the weekends. Ms. Delmar said when we talked about the 3% raise, it was pointed out at that time that our payroll base is going to be 3% higher next year and that payroll is the largest

expenditure of our budget. Commissioner Howell said she understands that. However, she does not see taking away from recreation to cover it next year. She said it was sad to think that we would be doing nothing at all for our recreation department by closing the gym and giving the Lake Wales Little League nothing. It is good that we have the money to do what we want to do this year, because we would not be going backwards. Employees may not necessarily get a raise next year, because this 3% raise would give them a raise for a long time. She hopes that next year, we would not have a problem with giving raises.

Commissioner Rogers said he appreciates the Little League baseball program and the fine job that Mr. Maggard and his family have done. However, he also appreciates reality. He said people are continuously asking him questions about the ball fields. They would like to know why the City does not bid out field maintenance on a competitive basis to private companies to see if they could beat the price that we are paying. If not, should the City take it over or leave it in the hands of Little League? People are asking if the people that use the Little League facilities or their parents are City residents or City taxpayers, and if the other groups using the fields pay anything to use them. If the other groups do pay something, to whom and how much? People are wondering why the amount that the City has been paying Little League is not enough, because it seemed to have worked in the past. Commissioner Rogers said people are not only asking him about Little League, but about employee raises as well. The \$300,000 to give employees a raise with is non-recurring revenue, because that money came from the sale of the Cooperative Fruit property. Before that, we got about \$3 million from the sale of that property. He does not know where that money went to, but he does know that we no longer have it. Commissioner Rogers said he understands why the taxpayers are concerned about employee raises, how private industries operate, and why the county is proposing to increase its park rental fees. He does not want to deprive any child of the opportunity to play ball, because it is a wonderful way to keep kids off the streets. This needs to be approached in a common sense, business-like manner to see how we can best do this to get the most for our money and not do it based on emotional issues.

Mayor Van Sickle said he was the one who had recommended giving City employees a 3% raise and he did so for several reasons. Over the last two years, he observed considerably understaffed departments trying to do work that needed done, which was almost impossible to do with the number of people they had. However, they did a great job. We found the money to give raises. Although he is not a budget person, he does understand recurring and non-recurring revenue. The money for raises is coming out of non-recurring funds. The City's estimated reserves for next year is a little over \$2.8 million, of which Ms. Delmar is using \$2.5 million for budget purposes to be conservative. That leaves about 3% we could use if we have difficulty managing the cutbacks on our expenditures this year. That is a recurring expense. Hopefully, next year we will not have to use the money that is still there. The City employees deserve a raise. They have been working 110%. If they get a raise, they may work 115%, which would be to the good of the City. Mayor Van Sickle said we do need to keep kids off the streets, but how many of those kids are actually non-City residents. Commissioner Wheeler said about 10%. Ms. Delmar pointed out that although they are not taxpaying individuals, non-city residents do pay a surcharge on the water and sewer rates. They pay 25% higher water and sewer charges than residents of the City. The surcharge has always funded the recreation program because taxes are only sufficient to fund public safety costs.

Mayor Van Sickle said the Commission seems to only disagree on one thing, which is to pay the Lake Wales Little League group \$80,000 or the original amount of \$60,000. The \$60,000 is still \$30,000 more than what we were proposing a week and a half ago. He asked if the Commission should vote on that issue separately. Ms. Delmar said probably so. Commissioner Wheeler said he does not think this is the time or place to reopen a budget hearing. What we are focusing on is very small. Mayor Van Sickle said he was only using the same example that Commissioner Wheeler used last week when saying that this Commission should forgo its \$9 a month raise. That is not really helping the budget either. Commissioner Wheeler said it was only a symbolic gesture.

Mayor Van Sickle said the Commission is now disagreeing on two issues and that we are still in the budget hearing. Commissioner Wheeler said he does not disagree with giving raises. He said there has been a lot of unfounded talk tonight, such as the need to bid out the maintenance of the Little League fields to a private enterprise. That's happening right now, because the Lake Wales Little League is a private

group. It cost a lot more than what we have been paying to maintain those fields. Mayor Van Sickle said he understands that, but times are hard. We cannot just dump more money into recreation when we may need it somewhere else. Commissioner Wheeler asked if the Commission gave a \$210,000 raise instead of a \$250,000 raise, would it make a significant difference to the employees. What percentage would that be? Ms. Delmar said it would be about a 2.8% increase instead of 3%. Mayor Van Sickle said we probably should go with the issues the way they are now instead of trying to negotiate. Commissioner Wheeler said he believes that kids come first. Mayor Van Sickle said he is sorry that some people do not look at it that way.

Mayor Van Sickle said the Commission needs to vote on two issues: City employee raises and the dollar amount for Little League maintenance. Commissioner Thornhill asked how the vote on the Little League maintenance would affect the Little League contract that is coming up on the Consent Agenda. Ms. Delmar said, depending on the outcome of the vote, the Commission could pull that item and vote on it separately.

Mayor Van Sickle asked for a motion to give City employees a 3% raise. There was no response, so the Mayor made the motion. There was no second of the motion. Commissioner Wheeler said he would second the motion if the Mayor would lay off Little League. The Mayor made no response. The motion died for lack of a second.

Mayor Van Sickle asked for a motion to give Lake Wales Little League \$80,000 to maintain the Little League fields. Commissioner Wheeler made the motion, and Commissioner Howell seconded the motion.

Commissioner Rogers asked for more discussion. He said he is very much in favor of Little League, but if we bid this out, we might find people who would do the job cheaper, but maybe not as often as the Little League would like. It is wonderful to have a play-off in Lake Wales and a lot of people would enjoy it. But, we have to do it as cheap as possible and he sees no other way around it. He said he really feels bad that we are in such shape that we cannot fund our recreational facilities, as we should. Commissioner Rogers said the taxpayers come first. He suggested looking into getting some competitive bids.

Mayor Van Sickle said we have a motion and a second to give the Lake Wales Little League \$80,000 to maintain the Little League fields. He asked for a Roll Call.

Roll Call:

Commissioner Wheeler	"YES"
Commissioner Howell	"YES"
Commissioner Thornhill	"NO"
Commissioner Rogers	"NO"
Mayor Van Sickle	"NO"

The motion failed 3-2.

Commissioner Thornhill made a motion to approve \$60,000 for the Lake Wales Little League to maintain the Little League fields. Commissioner Wheeler seconded the motion.

Roll Call:

Commissioner Thornhill	"YES"
Commissioner Wheeler	"YES"
Commissioner Rogers	"YES"
Commissioner Howell	"YES"
Mayor Van Sickle	"NO"

The motion carried 4-1.

Commissioner Howell said the Commission only voted on giving employees a 3% raise. Commissioner Wheeler said he is in favor of giving City employees a 2.5% raise if we restore the funding to the Lake Wales Little League. Commissioner Howell said we should be asking if we are going to give the City employees a raise, and then discuss the amount.

Mayor Van Sickle said his motion was to give City employees a 3% raise. If the Commissioners feel that there should be a symbolic raise for the employees, then there should be a motion. He said, in his opinion, we are not really looking out for the benefit of the employees, as well as we should.

Mayor Van Sickle asked for a motion to give City employees a percentage of a raise.

Commissioner Wheeler made a motion to grant a 2.5% raise conditioned on restoring the additional \$20,000 for Little League. Mayor Van Sickle said he is not sure if we should accept a motion with conditions. Commissioner Wheeler said that is his motion. The motion was seconded by Commissioner Howell.

Roll Call:

Commissioner Wheeler	"YES"
Commissioner Howell	"YES"
Commissioner Thornhill	"NO"
Commissioner Rogers	"NO"
Mayor Van Sickle	"NO"

The motion failed 3-2.

Commissioner Howell said we probably should vote again. Mayor Van Sickle said it seems like the Commissioners want to play games tonight.

Mayor Van Sickle made a motion to give City employees a 2.5% raise with no conditions established for that. The motion died for a lack of a second.

Commissioner Howell said if the \$300,000 is non-recurring revenue, then how much of a raise can we grant based on our projected recurring revenues. Ms. Delmar said that would be the 0% that staff presented to the Commission in the proposed budget. Anything else would be based on non-recurring revenue. Commissioner Howell asked if the economy changes for the better within the next year, could the Commission address raises again next year. Ms. Delmar said yes.

Mayor Van Sickle asked for a motion on Ordinance 2009-21.

Ms. Delmar summarized the budget as proposed. She said this is a proposed budget based on 7.3227 mills that includes a 0% increase for employees and a \$60,000 contract for the Lake Wales Little League.

Mayor Van Sickle asked if the \$300,000 could be used to pay down debt. We could pay off the \$250,000 debt on the fire truck or whichever debt Dorothy Pendergrass, Finance Director, recommends to be the best to pay off. He asked if we could add it to the motion that way. Ms. Delmar said we could utilize that \$300,000 to pay down debt. Commissioner Howell asked if we are all agreeing on this. Mayor Van Sickle said that is why we are summarizing. Commissioner Howell asked if we Commissioners agreeing on this. Are we going to pay down debt, are we going to put the money in the General Fund for emergency uses, or are we going to put the money in a emergency fund. She said no one has said anything. Mayor Van Sickle said the reserve money we have now is \$2.8 million. The reason we are in such bad shape is that our auditors are saying that our reserve fund balance is great, but we still have indicators that are poor, one of which is our debt. Paying down debt is a way to get that indicator starting to look better.

Commissioner Wheeler suggested making a motion to adopt Ordinance 2009-21 to include the amendments just stated and a revision to earmark the \$300,000 for debt reduction, and for whichever

debt Ms. Pendergrass recommends paying off. Some debt cannot be paid off ahead of schedule. Ms. Delmar suggested bringing this back to the Commission. She said we could let this \$300,000 flow back into General Fund Balance. Then, after September 30, we would have a better idea of what our fund balance forward will actually be. At that time, if we want to pay down additional debt we can. Either way, the expenditure would have to come back to the Commission for approval as a budget amendment. Commissioner Rogers asked if any of our notes include a pre-payment penalty clause. Ms. Pendergrass said there are some debts that we have with SunTrust Bank that have a pre-payment penalty clause. If we pay them off early, we would still pay the same amount of interest as if we had waited. So, there would be no benefit in paying them off early. She said she would bring back all the options relating to debt to the Commission.

Mayor Van Sickle said the consensus from the Commission is as stated on the debt and on the \$300,000 by Ms. Delmar. He asked for a motion.

Commissioner Howell made a motion to adopt Ordinance 2009-21, adopting a budget for FY09'10 as amended including the modifications as stated by Ms. Delmar on the debt and on the \$300,000, after second reading and public hearing. The motion was seconded by Commissioner Thornhill.

Roll Call:

Commissioner Howell	"YES"
Commissioner Thornhill	"YES"
Commissioner Wheeler	"YES"
Commissioner Rogers	"YES"
Mayor Van Sickle	"YES"

The motion carried 5-0; 6:49 p.m.

CONSENT AGENDA

Mayor Van Sickle asked if Agenda Item 8, Renewal of Agreement with Lake Wales Little League, would need to be pulled, discussed or modified before being voted on. Ms. Delmar said the amount of the contract renewal would be modified from \$80,000 to \$60,000.

Agenda Item 7. Award of Bid: Electrical Installation of Emergency Generator

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Sara Kirkland, Utilities Projects Supervisor]

SYNOPSIS

Staff is requesting that the Commission consider awarding the bid to Estes Electric, Inc. for the electrical installation of the emergency generator located at Water Treatment Plant #3 (Burns Ave Water Plant).

STAFF RECOMMENDATION

It is recommended that the City Commission:

1. Award bid #09-182 to Estes Electric, Inc for the electrical installation of the emergency generator located at Water Treatment Plant #3 (Burns Ave Water Plant) in an amount not to exceed \$15,640.
2. Authorize the City Manager to execute the appropriate documents on the City's behalf in regards to this electrical installation contract.

BACKGROUND

The Burns Ave. Water Treatment Plant emergency power system consists of a 500 KW generator and associated electrical components which interface with primary power and a diesel fuel system. These components were a part of the plant's emergency power upgrade approved at the March 4, 2008 City Commission meeting.

Staff has had the generator installed and partially wired. The project is now at the point where it is necessary to have the remaining components (see attached requirements) wired for immediate use in the event this treatment plant loses primary power for basic operation.

An invitation to bid on the remaining electrical installation of the emergency generator at the Burns Ave Water Treatment plant was advertised with a bid opening date of August 25, 2009. Staff received five responsive bidders (see attached bid tabulation sheet), with Estes Electric being the lowest bidder and a local vendor.

Therefore, staff recommends that the Commission award bid #09-182 to Estes Electric, Inc for the electrical installation of the emergency generator located at Water Treatment Plant #3 (Burns Ave Water Plant).

OPTIONS

None. The Department of Environmental Protection regulations stipulate that water treatment facilities must have an emergency back-up power supply to allow for 24-hour operation capability under primary power loss conditions.

FISCAL IMPACT

Funding in the amount of \$225,000 was initially included in the FY'07-08 Water Division Capital Improvements Budget for the engineering and generator purchase. Actual expenditures were as follows: \$101,315.00 for the purchase of the larger generator, \$24,200.00 for the engineering and \$17,959.00 for the first phase of generator wiring.

Funds are available for the completion of this project in the FY'08-09 Water Division Capital Improvements Budget.

[End agenda memo]

Agenda Item 8. Renewal of Agreement with Lake Wales Little League

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Judith H. Delmar, City Manager]

SYNOPSIS

Staff is submitting for renewal the City's agreement with the Lake Wales Little League for mowing and maintenance of the Little League fields.

RECOMMENDATION

Staff recommends that the City Commission approve the renewal of the agreement with the Lake Wales Little League, Inc. for the period October 1, 2009 through September 30, 2010 with an addendum reflecting the approved change in compensation.

BACKGROUND

The City of Lake Wales entered into an agreement with the Lake Wales Little League, Inc. to mow and maintain the Little League fields and the area between the fence and the edge of the surrounding roadway. The agreement began on October 1, 2008 and will expire on September 30, 2009. The agreement may be renewed for four additional 12-month periods upon the agreement of both parties. This will be the first renewal period.

The agreement stipulates that any changes in the term of the agreement be written as an addendum. An addendum has been prepared to reflect the increase in compensation from \$60,000 to \$80,000 approved by the City Commission with the adoption of the FY09'10 budget. All other terms and conditions of the agreement remain unchanged.

OTHER OPTIONS

Renewal of the agreement is a necessary formality. The City Commission has already approved the increase in compensation for next year.

FISCAL IMPACT

\$80,000 is included in the FY09'10 budget for this contract.

[End agenda memo]

Agenda Item 9. Renewal of Agreement with Florida KD Enterprises, Inc.

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Teresa Allen, Public Services Director]

SYNOPSIS

Staff is submitting for renewal the City's agreement with Florida KD Enterprises, Inc. for mowing and maintenance of softball fields at the Northwest Complex.

RECOMMENDATION

Staff recommends that the City Commission approve the contract renewal with Florida KD Enterprises, Inc. for maintenance of softball fields #1 & #2 at the Northwest Complex at an annual compensation of \$11,500.00.

BACKGROUND

The original contract for maintenance for softball fields #1 and #2 at the Northwest Complex was entered into on April 6, 2006 and expired on April 30, 2007. The contract could be renewed for four (4) additional twelve (12) month periods, up to a maximum of sixty (60) months upon mutual agreement by both parties. On November 7, 2007 the contract was extended to September 30, 2007 (Amendment No. 1) which put the contract renewal on the same time basis as the City's fiscal year.

In October 2007, due to revenue reductions caused by the tax reform act, Amendment No.2 and contract renewal reduced the annual compensation for the maintenance of softball fields #1 and #2 at the Northwest Complex from \$12,300.00 to \$11,500.00.

OTHER OPTIONS

Do not approve the contract renewal

FISCAL IMPACT

Following first reading of Ordinance 2009-22 adopting the FY 09'10 budget, \$11,500 was added by the City Commission to fund this contract for 12 months, i.e., October 2009 through September 2010.

[End agenda memo]

Commissioner Rogers made a motion to approve the Consent Agenda with the modification of Agenda Item 8 to decrease the amount of the Little League contract from \$80,000 to \$60,000. The motion was seconded by Commissioner Wheeler.

By voice vote:

Commissioner Rogers	"YES"
Commissioner Wheeler	"YES"
Commissioner Howell	"YES"
Commissioner Thornhill	"YES"
Mayor Van Sickle	"YES"

The motion carried 5-0.

OLD BUSINESS

Agenda Item 10. Ordinance 2009-22, Five Year Capital Improvement Plan – 2nd Reading & Public Hearing

Ms. Delmar reviewed Agenda Item 10. The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Judith H. Delmar, City Manager]

SYNOPSIS

The City Commission will consider adoption of the proposed 5-Year CIP for fiscal years 2009-2010 through 2013-2014. The proposed 5-Year CIP totals \$34,979,616 in building and infrastructure improvements, equipment purchases and land acquisition.

RECOMMENDATION

It is recommended that the City Commission enact Ordinance 2009-22 adopting the Five-Year Capital Improvement Plan for fiscal years 2009-2010 through 2013-2014.

BACKGROUND

In accordance with section 6.05 of the City Charter, Ordinance 2009-22 adopts the proposed 5-year Capital Improvement Plan (CIP) for the period FY09'10 through FY13'14. The 5-Year CIP document was previously distributed to the City Commission for review. Capital improvements and capital acquisitions proposed for Year 1 of the 5-Year plan are incorporated into the FY09'10 budget, as is appropriation of funding sources necessary to implement Year 1 of the plan. Ordinance 2009-22 was approved by the Commission after first reading on September 9.

The 5-Year CIP document includes a list of all capital facility and infrastructure improvements which are proposed to be undertaken during the next five years and supporting information to explain the necessity for the improvements. In addition, the CIP includes all capital equipment proposed for acquisition during this period. Cost estimates, method of funding and time schedule for the proposed improvements and equipment acquisitions are identified in the document.

The proposed 5-Year CIP totals \$34,979,616 and includes \$767,050 in land acquisition, \$2,517,630 in equipment acquisition, \$4,672,060 in building improvements, \$26,414,876 in infrastructure and recreation improvements and \$608,000 in other capital outlay.

Improvements and equipment needs for the next 5 years were submitted by department heads with a justification of necessity and a recommended time schedule for completion or acquisition. These requests were prioritized by the City Manager in view of the available funding resources and urgency of need and either retained in the proposed 5-Year Plan or deferred until future 5-Year plans are developed.

Items included in the proposed 5-Year CIP can be classified in three categories as follows:

- 1 - Corrects existing or impending deficiency
- 2 - Improves productivity/efficiency or permits reallocation of existing resources
- 3 - Enhances quality of life

Items in Category 1 comprise 22.2% of the cost of the CIP (\$7,677,717). These are improvements and equipment acquisitions which are urgently needed to correct or prevent system or infrastructure failures, threats to the public safety or welfare, or decline of service levels. Some of our currently utilized equipment is 10-20 years old or older with high maintenance costs and low operational reliability, making replacement a high priority. Also included in this category is the \$1 million wastewater treatment plant rehabilitation.

Items in Category 2 are equipment acquisitions or improvements that will improve productivity and efficiency or otherwise enhance current service levels. These items represent 64.6% of the cost of the CIP (\$22,355,225).

Items in Category 3 are improvements in the area of Culture/Recreation which are viewed as important to the community in terms of enhancing the quality of life but which might receive a lower priority in view of the urgent needs which must be addressed. These items represent 13.2% of the cost of the CIP (\$4,571,674), however 33.3% of this cost (\$1,522,800) is funded by state, county or federal grants or donations from private sources.

FISCAL IMPACT

Some of the improvements proposed for the utility system are eligible for low-interest SRF financing. With the exception of the Wastewater Treatment Plant rehabilitation and upgrade improvements which will require financing, it is anticipated that operating revenues and impact fees will be sufficient to fund the utility system improvements included in the CIP. Funding of the non-utility system components of the CIP requires no new taxes or fee increases for our citizens but will be accomplished through utilization of existing cash surpluses and current year operating revenues, future grants, private contributions, and impact fees.

Costs of all capital improvements and equipment acquisitions are distributed over 5 years as follows:

Year 1 – FY2009'10	9,576,073
Year 2 – FY2010'11	5,092,405
Year 3 – FY2011'12	10,470,859
Year 4 – FY2012'13	4,652,887
Year 5 – FY2013'14	5,187,392

5 Year Total 34,979,616

All items scheduled for Year 1 are included in the proposed FY09'10 operating budget presented to the City Commission for consideration. Changes since the proposed budget was originally presented to the City Commission on August 11 are as follows:

38,269 Adding grant-funded mobile radios for Fire Department
250,000 Adding grant-funded Kiwanis Park improvements
748,762 Correcting cost of grant-funded Airport runway extension from \$335,634 to \$1,083,496
122,692 Correcting cost of grant-funded Airport MITL project from \$196,205 to \$318,897
-40,000 Deleting Airport fuel truck funded by General Fund subsidy

1,119,723 Total change in Year 1 (FY09'10) Capital Outlay budget from original document

OTHER OPTIONS

Items may be re-prioritized or deleted from the 5-Year Plan, and items not currently included may be added. The City Commissioners may choose to defer adoption of the Plan until a later date, however, adoption of a 5-year capital program is required by City Charter.

[End agenda memo]

Ms. VanBlargan read Ordinance 2009-22 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, RATIFYING, APPROVING, ACCEPTING AND ADOPTING A 5-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2009-2010 THROUGH 2013-2014; REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE AND PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to adopt Ordinance 2009-22 after second reading and public hearing. The motion was seconded by Commissioner Rogers.

Roll Call:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wheeler	"YES"
Commissioner Thornhill	"YES"
Mayor Van Sickle	"YES"

The motion carried 5-0.

Agenda Item 11. Ordinance 2009-23, FY08'09 Budget Amendment #3, 2nd Reading & Public Hearing

Ms. Delmar reviewed Agenda Item 11. The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Judith H. Delmar, City Manager]

SYNOPSIS

The Commission will consider adoption of the third amendment of the FY08'09 Budget adopted on September 16, 2008.

RECOMMENDATION

It is recommended that the City Commission adopt Ordinance 2009-23 after second reading and public hearing.

BACKGROUND

Ordinance 2008-34 estimating revenues and appropriating funds for Fiscal Year 2008-09 was adopted by the City Commission on September 16, 2008 and amended by Ordinances 2009-07 and 2009-09. We are presenting for second reading a third amendment of Ordinance 2008-34 to modify the estimates of revenues and appropriations budgeted in various funds. Exhibits A and B and supporting attachments provide the detail for the proposed amendment. This budget amendment is based on financial reports for the accounting period ending on 7/31/09. The following is a summary of changes included in the proposed amendment:

Revenues & Balances Fwd	Increase(Reduction)
General Fund	516,254
Special Revenue Funds	60,463
Debt Service Fund	0
Capital Projects Fund	82,750
Airport Fund	0
Utility System Fund	(163,000)
Total Increase(Reduction) of Revenues & Balances Fwd	496,467
Appropriated Expenditures & Reserves	
General Fund	35,727
Special Revenue Funds	12,815
Debt Service Fund	0
Capital Projects Fund	102,252
Airport Fund	0
Utility System Fund	0
Reserves	345,673
Total Increase(Reduction) of Appropriated Expenditures & Reserves	496,467

The proposed budget amendment increases the City's total budgeted expenditures by \$150,794 and increases reserves by \$345,673 for a net increase in appropriated expenditures and reserves of \$496,467 (from \$57,679,505 to \$58,175,972).

Reasons for this amendment include:

- balances forward must be adjusted to conform to the audited fund balances at 9/30/08.
- revenue projections in the General Fund must be adjusted to reflect the March revision in the State revenue estimate for Municipal Revenue Sharing (-\$4,477) and Half-Cent Sales Tax (-\$23,632); these revenues were reduced twice after October 1, with a total reduction from the original estimates of \$72,398.
- revenue projections in the Utilities Fund must be adjusted to reflect the shortfall in water service charges relative to budget (-\$200,000).
- payroll expenditures are increased in the Community Policing Division (+\$12,815) to adjust for the Police Officer position added on July 1 with 50% funded by the Lake Wales Housing Authority.
- revenues and expenditures in the General Fund must be adjusted to record donations and expenditures related to the Veteran's Memorial; a tentative budget of \$7,000 for donations and \$5,000 for expense is established
- revenues and expenditures must be adjusted in the Capital Projects fund to reflect the County funding and the full cost of the Barney's Dream playground equipment (+\$82,750).
- expenditures in the Capital Projects fund must be adjusted to carry forward the FY07'08 encumbrance of \$19,502 for Police rifles, funded by impact fees.
- funds must be appropriated in the General Fund for the purchase of various items of equipment; i.e., In-Car Cameras (+\$9,833) for patrol vehicles; a trailer to replace one stolen from the Cemetery (+\$1,152); and perimeter fencing for Barney's Dream playground (+\$4,000).
- expenditures must be adjusted in the General Fund for addition of a security system and repairs to the Kirkland Gymnasium (+\$9,620)
- expenditures must be adjusted for repair of the A/C (\$+3,700) and other maintenance/repair at the Depot (+\$4,231); the additional expense is partly offset by the \$3,000 reduction in the grant to Historic Lake Wales Society that the Commission approved in October 2008. This reduction was inadvertently omitted from the previous budget amendments and is included in Amendment #3.
- expenditures must be increased in the Utilities Fund for M&R related to water lines and storage tanks (+\$51,110); the additional cost is offset by an equal reduction in capital outlay budgeted for replacing the 9th St. booster station.

OTHER OPTIONS

Most of the budget amendment is not optional.

We are required by Charter to reduce budgeted appropriations when it appears that revenues will be insufficient to meet the amount appropriated; this is the case with state-shared revenues in the General Fund and water service charges in the Utilities Fund.

FISCAL IMPACT

See Exhibit A and Exhibit B attached to Ordinance 2009-23.

[End agenda memo]

Ms. VanBlargan read Ordinance 2009-23 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING ORDINANCE 2008-34 AS AMENDED BY ORDINANCES 2009-07 AND 2009-09 TO FURTHER MODIFY THE ESTIMATES OF EXPENDITURES FOR THE OPERATION OF THE SEVERAL DEPARTMENTS OF SAID CITY FOR THE 2008-2009 FISCAL YEAR AND TO FURTHER MODIFY THE APPROPRIATION OF FUNDS RAISED AND COLLECTED FROM ALL SOURCES SET FORTH IN THE ESTIMATE OF REVENUES FOR SAID FISCAL YEAR; REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to adopt Ordinance 2009-23 after second reading and public hearing. The motion was seconded by Commissioner Rogers.

Roll Call:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wheeler	"YES"
Commissioner Thornhill	"YES"
Mayor Van Sickle	"YES"

The motion carried 5-0.

NEW BUSINESS

Agenda Item 12. Resolution 2009-12, Revenue Note Series 2009/Refinancing Portion of Current Debt

Ms. Pendergrass reviewed Agenda Item 12. The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Dorothy Pendergrass, Finance Director]

SYNOPSIS

Staff is requesting that the City Commission authorize issuance of Refunding Revenue Note, Series 2009 in an amount not to exceed \$2,000,000 in order to refinance two current obligations at a lower interest rate.

RECOMMENDATION

It is recommended that City Commission authorize the issuance of not to exceed \$2,000,000 Refunding Revenue Note, Series 2009 to refinance the issuer's outstanding Public Improvement Refunding Revenue Bonds, Series 1997 and the Motorola Equipment Lease-Purchase Agreement.

BACKGROUND

The 1997 Public Improvements Bond with an outstanding principal balance of \$1,695,000 currently has

an interest rate of 5%. The 2006 Motorola Lease for public safety radios with an outstanding balance of \$138,527 currently has an interest rate of 6.12%. The finance department recommends refinancing these loans for a lower negotiated average coupon rate of 3.19% (All-In TIC 3.80%, which includes cost of issuance \$29,950 and underwriter discount of \$2,500).

FISCAL IMPACT

The 1997 Public Improvement Revenue Bond expires on 10/1/2014 (5 years remaining debt service) and the 2006 Motorola Lease expires on 10/1/2012 (3 years remaining debt service). The negotiated refunding with SunTrust Bank would result in net savings of \$57,524.37 over the remaining life of the outstanding debt.

[End agenda memo]

Ms. VanBlargan read Resolution 2009-12 by title only.

A RESOLUTION OF THE CITY OF LAKE WALES, FLORIDA, AUTHORIZING THE ISSUANCE OF THE NOT TO EXCEED \$2,000,000 CITY OF LAKE WALES, FLORIDA REFUNDING REVENUE NOTE, SERIES 2009, TO CURRENTLY REFUND THE ISSUER'S OUTSTANDING PUBLIC IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 1997 AND THE EQUIPMENT LEASE-PURCHASE AGREEMENT #22904; PLEDGING CERTAIN FRANCHISE FEES TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTE; DESIGNATING THE NOTE FOR THE EXCEPTION FOR CERTAIN TAX-EXEMPT OBLIGATIONS CONTAINED IN SECTION 265 OF THE INTERNAL REVENUE CODE OF 1986; AUTHORIZING THE NEGOTIATED SALE OF THE NOTE; ACCEPTING THE COMMITMENT OF SUNTRUST BANK TO PURCHASE SUCH NOTE; PROVIDING FOR THE RIGHTS OF HOLDERS OF SUCH NOTE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

Commissioner Thornhill made a motion to approve Resolution 2009-12. The motion was seconded by Commissioner Rogers.

Roll Call:

Commissioner Thornhill	"YES"
Commissioner Rogers	"YES"
Commissioner Wheeler	"YES"
Commissioner Howell	"YES"
Mayor Van Sickle	"YES"

The motion carried 5-0.

CITY MANAGER'S REPORT

CITY COMMISSION TRACKING REPORT

Adult daycare center: Ms. Delmar said the Board of County Commission would be voting on the funding for the adult daycare center project tomorrow.

Commissioner Wheeler asked for an update on the stop light at Mountain Lake Cut-off Road and Scenic Highway. Police Chief Herbert Gillis said he would find out the status and report back to the Commission.

Commissioner Thornhill suggested taking the economic summit item off the Tracking Report until after the first of the year.

COMMUNICATIONS AND PETITIONS

David Smith, Babson Park, said the Commission voted on employee raises and on the amount to pay the Lake Wales Little League. He said the Kirkland Gym was part of the discussions since the first reading of the budget ordinance. The City Manager said tonight that Webber University would like to operate the gym somewhere down the line, but the Commission did not decide on whether to let them do that or not. Mr. Galloway said the only thing that Commission did tonight is to allocate funds for the operation of the gym. The fact that Webber is interested in helping the City provide a program is not a funding-based issue. It would be an issue of a discussion as to whether they could make that program work or not. The Commission would vote on that after having the opportunity to discuss it.

Jean Scott, 306 Townsend Avenue, asked who is responsible for the mowing of the rights-of-way from Central Avenue going north on Hwy. 27. She said there is high grass there. Ms. Delmar said Prince Land Services currently mows that area. The City will be taking over January 1.

Ms. Scott said some of the Little League parents might not live in Lake Wales, but they probably buy their gas, food, clothing, etc. in Lake Wales. That is contributing to the City, which is much needed support.

Jack Neal, 435 E. Central Avenue, thanked the Commission for doing a great job at trying to solve a problem that we did not have enough money to solve.

CITY COMMISSION COMMENT

Commissioner Rogers said he believes that the Commission is making a little progress by discussing some things together though not always agreeing together. However, that is good because different views bring out different points. The Finance Director is looking out for the City financially by going out to bid in hopes of saving the City money. We are making progress. It might be slow, but at least we are making progress. He said he appreciates the fine job that the Finance Director and other City staff are doing for the betterment of the City. Commissioner Rogers thanked the Commission for working together tonight and sharing viewpoints.

Commissioner Howell asked why there is a turn signal arrow mounted in the median at the intersection of Hwy. 27 by Huston Motors [Mt. Lake Cutoff Rd.], but not at the intersection of Washington Avenue and Hwy. 27. Police Chief Herbert Gillis said he is not sure, but he felt it had something to do with the width of the intersection and visibility of the turn signal. He would ask the engineer with FDOT.

Commissioner Wheeler said for many years, he has watched the Lakes Wales' Commissioners vote 5-0 on almost everything. To see some discourse in the discussions among the Commissioners in the Commission Chambers is a refreshing sign of democracy at work, which makes the public feel better about things.

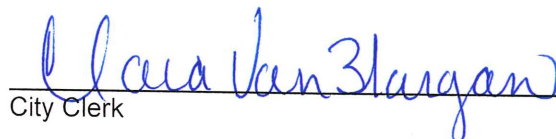
Mayor Van Sickle said he agrees with both Commissioner Wheeler and Commissioner Rogers. He has always stated that if you have people who think alike, you would not get much done, but you can get better answers from different views.

There being no further business, the meeting was adjourned.



Mayor/Commissioner

ATTEST:



City Clerk