

The regular meeting of the Lake Wales City Commission was held on April 6, 2011 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 Commissioner Thornhill.

PLEDGE OF ALLEGIANCE

COMMISSIONERS PRESENT: Terrye Y. Howell; Michael S. Carter; 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; Jacquie Hawkins, Deputy City Clerk.

MAYOR

Agenda Item 5. Proclamation: Parents and Children's Day in Polk County; April 3, 2011 & Children's Day in Polk County; April 9, 2011

Mayor Van Sickle presented both proclamations to two representatives from Polk County who spoke a few words about the organizations.

Proclamation: National Public Works Week: May 15-21, 2011

Mayor Van Sickle presented the proclamation to Public Works Director Tom Moran, Public Services Administrator Teresa Allen, and Utilities Manager Sarah Kirkland.

Proclamation: Centennial Celebration Weekend; April 9-10, 2011

Mayor Van Sickle presented the proclamation to Mimi Reid Hardman, President of the Historic Lake Wales Society,

Agenda Item 6. Unofficial Results of the City of Lake Wales 2011 Municipal Election held on April 5, 2011

Mayor VanSickle announced the unofficial results of the April 5th City Election and said the official results will be released once the post election audit is complete.

[Begin Unofficial Election Results]

For **Mayor**, the whole number of votes cast was **2,132** of which number:

Mike CARTER	1,405 Votes
John Paul ROGERS	727 Votes

For **Seat 4**, the whole number of votes cast was **2,126** of which number:

L. Jack VAN SICKLE	749 Votes
Betty WOJCIK	1,377 Votes

For **Amendment 1** the whole number of votes cast was **2,095** of which number:

YES	1,889 Votes
NO	206 Votes

For **Amendment 2** the whole number of votes cast was **2,066** of which number:

YES 1,762 Votes
NO 304 Votes

For **Amendment 3** the whole number of votes cast was **2,087** of which number:

YES 1,908 Votes
NO 179 Votes

For **Amendment 4** the whole number of votes cast was **2,072** of which number:

YES 1,888 Votes
NO 184 Votes

For **Amendment 5** the whole number of votes cast was **2,068** of which number:

YES 1,880 Votes
NO 188 Votes

For **Amendment 6** the whole number of votes cast was **2,075** of which number:

YES 1,806 Votes
NO 269 Votes

For **Amendment 7** the whole number of votes cast was **2,083** of which number:

YES 1,781 Votes
NO 302 Votes

For **Amendment 8** the whole number of votes cast was **2,046** of which number:

YES 1,304 Votes
NO 742 Votes

For **Amendment 9** the whole number of votes cast was **2,068** of which number:

YES 1,357 Votes
NO 711 Votes

For **Amendment 10** the whole number of votes cast was **2,054** of which number:

YES 1,221 Votes
NO 833 Votes

For **Amendment 11** the whole number of votes cast was **2,065** of which number:

YES 1,162 Votes
NO 903 Votes

For **Amendment 12** the whole number of votes cast was **2,072** of which number:

YES 1,174 Votes
NO 898 Votes

For **Amendment 13** the whole number of votes cast was **2,068** of which number:

YES 881 Votes
NO 1,187 Votes

For **Amendment 14** the whole number of votes cast was **2,085** of which number:

YES 529 Votes
NO 1,556 Votes

[End Unofficial Election Results]

Agenda Item 7. Transmittal of Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2010

The full staff memo is incorporated into the minutes.

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

SYNOPSIS

Transmittal of Comprehensive Annual Financial Report for fiscal year ended September 30, 2010

STAFF RECOMMENDATION

Accept the City's Comprehensive Annual Financial Report for fiscal year ended September 30, 2010 and independent auditors' report as presented.

Purvis, Gray and Company representative: Joseph J. Welch, C.P.A.

BACKGROUND

In the independent auditors' report for the fiscal year ending September 30, 2010, the auditors stated that, in their opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2010, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

This is the sixth subsequent year that the City has received an unqualified opinion. This is the third year that the City has prepared a comprehensive annual financial report (CAFR). A CAFR is a financial report that contains, at a minimum, three sections: 1) introductory, 2) financial, and 3) statistical, and whose financial section provides information on each individual fund and component unit.

Financial Highlights

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$42,530,229 (net assets). Of this amount, \$3,398,752 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors. CAFR – page 17.

The City's total net assets increased by \$1,555,788. The governmental activities increased by \$846,466 (3.92%), while the business-type activities increased \$709,322 (3.66%). CAFR - page 19.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,703,246; an increase of \$424,694 for the year. Approximately 32.48% is available for spending at the government's discretion (designated and unreserved fund balance). CAFR – page 20.

At the end of the current fiscal year, unreserved/undesignated fund balance for the general fund was \$2,099,390 or 19.63% of total general fund expenditures. CAFR – page 20 and 22.

[End agenda memo]

Joseph Welch, C.P.A from Purvis, Gray and Company reviewed Agenda Item 7.

Commissioner Rogers complimented Finance Director Dorothy Pendergrass for the fine job she did working with the auditor and he wanted it recognized that since Ms. Pendergrass took over, the City's financial situation has improved.

Commissioner Howell said she was glad the City has money in the account and that we are growing even in this difficult economy. She asked Mr. Welch if he knew how high the millage rate would be. Mr. Welch explained that their job was not to look ahead and give advice but commented that the City was able to drop its expenses by \$600,000 two years in a row in the General Fund, and was able to actually drop the millage rate over the last six-year period, thereby showing it has the ability to not only hold expenses in line but reduce them without raising the millage rate. Though every year brings new challenges, and he noted that the City has had its share, he said he had confidence in the management's ability to address them.

Commissioner Thornhill, responding to Mr. Welch's comment that the City had higher debt than other cities of the same size, asked if that was measured in percentage, ratio or something else. Mr. Welch said the benchmark they looked at was governmental funds per capita. The City's per capita is \$1200 where the average per capita for cities of the same size was only \$480, plus there was another per capita of \$1200 to \$1300 from the Utility Fund.

Commissioner Carter congratulated Ms. Pendergrass and her staff for their exceptional work and asked Mr. Welch the following questions:

- Regarding the theft of city funds last year, Commissioner Carter asked Mr. Welch if there was something that could have been done differently that would have allowed them to see it coming, although he said that Ms. Pendergrass' staff caught it almost instantaneously. Mr. Welch said the Finance Department should be commended for detecting it right away, and that he did not think the other cities he works with would have been on top of it like that. He said he did not think it could have been foreseen because the perpetrator went through what was supposed to have been a one-way portal. Therefore it was not the City's design flaw. He said the only thing they could have possibly done was check that portal, but the control was designed properly and the City had documentation that it was put in place. Unfortunately, it did not work as designed.
- Commissioner Carter asked Mr. Welch if he had any recommendations on how to deal with future, unfunded liability in the Pension Fund. He noted that it was not only a Lake Wales issue as many Florida cities as well as those across the country are having to deal with the pension fund liability going from a defined benefit plan to a contribution plan. Mr. Welch said they might be able to watch and see what other states do and then piggy-back off that. For examples, some cities are switching to a defined contribution for new employees, and others are changing the benefit percentages, both of which would take the risk and pressure off the cities. Commissioner Carter asked if there was anything being done from Tallahassee and Mr. Welch said there had been some proposed legislation that would mandate a municipal plan, but he did not think that was going forward and they are looking at the Florida Retirement System now instead.

Commissioner Thornhill made a motion to accept the City's Comprehensive Annual Financial Report for fiscal year ended September 30, 2010 and independent auditors' report as presented. The motion was seconded by Commissioner Rogers.

By Voice Vote:

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

The motion carried 5-0.

CONSENT AGENDA

Commissioner Carter pulled Agenda Items 9, 10 and 11 for discussion.

Agenda Item 8. Approval of Minutes
February 18, 2011 Special Meeting
March 8, 2011, Workshop Meeting
March 15, 2011 Regular Meeting

Agenda Item 9. CDBG Commercial Revitalization Grant: Award of Contract for Painting of Light Poles and Fixtures.

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Harold Gallup, Economic Development Director and Bonnie Hodge, Purchasing Director]

SYNOPSIS

Staff is seeking approval of an \$8,640 contract with Harry's Painting & Enterprises, Inc. for the painting of 64 light poles and fixtures on Lincoln Avenue and intersecting streets from "A" to "E" Streets.

RECOMMENDATION

It is recommended that the City Commission take the following actions:

Approve the award of a contract to Harry's Painting, the lowest qualified responsive bidder, in the amount of \$8,640 for the painting of 64 light poles and fixtures on Lincoln Avenue and intersecting streets from "A" Street to "E" Street.

Authorize the City Manager to execute the applicable documents.

BACKGROUND

On September 29, 2008 the City of Lake Wales submitted an application to the Florida Department of Community Affairs for a Community Development Block Grant (CDBG) for Commercial Revitalization. The grant was executed on June 23, 2009. Included in this grant is a maximum of \$100,000 budgeted for lighting. By previous City Commission action taken on January 18, 2011, a portion of that amount was approved for repairs of streetlights in the amount of \$55,246.

On February 19, 2011 staff advertised an Invitation to Bid for the painting of 64 light poles and fixtures with bids due on March 18, 2011. There were 15 firms that attended the mandatory pre-bid meeting held on March 11, 2011.

Proposals were received from eight of the attending firms as follows:

KM Painting, Inc.	\$12,804.00
Gemini, Inc.	\$33,600.00
H.I.S. Painting	\$38,105.00
Taylor's Industrial Coatings, Inc.	\$ 9,196.47
Superior Coatings, Inc.	\$16,000.00
Himes Electric Company, Inc.	\$20,800.00
Harry's Painting	\$ 8,640.00
Watts Construction, Inc.	\$11,560.00

The proposals were evaluated by a committee composed of the following:

Andy Easton, Grants Consultant for the City
Tom Moran, Public Works Director
Harold Gallup, Economic Development Director
Bonnie Hodge, Purchasing Director

Staff recommends the Commission award the contract to Harry's Painting as the lowest responsive bidder for the project. All documents are approved by CDBG and meet all grant requirements.

FISCAL IMPACT

\$100,000 is budgeted in fiscal year 2010/2011 of which \$44,754 remains available after accounting for the cost to repair the streetlights (\$55,256).

[End agenda memo]

Commissioner Carter asked Mr. Gallup the following questions:

- Commissioner Carter asked what GAI Consultants were being paid. Mr. Gallup said this project was under the master agreement for the CDBG Grant which requires an engineer to inspect the work. They have to sign off on it before actual payments are made. Commissioner Carter said he thought that was through Andy Easton. Mr. Gallup said Andy Easton is the City's grant writer and he does not do the technical work, review the construction, or certify that the work has been done; GAI does that.
- Commissioner Carter said in item 10 it has Andy Easton's signature for signing off on the bid approval and he wanted to know why a consultant was doing an evaluation on the bid. Mr. Gallup said Mr. Easton signed off that the work had been done in accordance with all CDBG guidelines; Mr. Moran signed off for the technical specifications; Mrs. Hodge signed off as the purchasing agent and he, Mr. Gallup, signed off because he is over the project.
- Commissioner Carter said that the difference between the Taylor's Industrial Coatings, Inc bid, a local company, and Harry's Painting Company from Port Richey was only \$556. He asked why staff did not award the bid to the local company and Mr. Gallup said the 2% preference ordinance does not apply to a CDBG Grant. Staff specifically asked Tallahassee twice about our having the 2% preferential treatment, but they said it had to be awarded to the lowest, qualified responding bidder. Therefore, they had no alternative than to award it to Harry's Painting Company. Mr. Gallup explained the procedure requirements regarding missing documents and what constitutes an unresponsive bidder and said that all the companies had met the responsive bidder requirements. City Manager Judith Delmar said there is an entire chapter in the purchasing ordinance that deals only with CDBG issues they were compelled to adopt before accepting their first small cities grant back in the late 1990's or early 2000. In many cases, those requirements are more stringent than the ones normally used by state statute. Whenever an issue comes up, staff is in direct contact with CDBG, via Andy Easton, to get an opinion before proceeding because any misstep jeopardizes our getting the CDBG Grant. These are their rules and we have to play by them if we want the grant. Commissioner Carter said it made no sense to him and that maybe it was time to sit down with those making absurd rules to see if they can be changed.

Agenda Item 10. CDBG Commercial Revitalization Grant: Award of Contract for Lincoln Avenue & "C" Street Parking

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Harold Gallup, Economic Development Director, and Bonnie Hodge, Purchasing Director]

SYNOPSIS

Staff is seeking approval of a contract with Excavation Point, Inc. for the construction of a 15-space parking lot at Lincoln Avenue and "C" Street under the approved CDBG Commercial Revitalization Grant.

RECOMMENDATION

It is recommended that the City Commission take the following actions:

Approve the award of contract for the CDBG Commercial Revitalization Grant amount of \$75,000.00 to Excavation Point, Inc. for the construction of a 15-space parking lot at Lincoln Avenue and "C" Street as per the CDBG Project Funding.

Approve the Add Alternate for improvement to the alleyway in the amount of \$2,905.46 as described on the Bid Tabulation Sheet.

Approve additional funding in the amount of \$9,894.00 for the excess cost covering the modifications of the design as required by SWFWMD's new design standards. This brings the total project costs inclusive of the aforementioned additional costs of \$12,799.46 for a Total Project Cost to \$87,799.46.

Authorize the City Manager to execute the applicable contract documents.

Authorize the City Manager to request a Grant Modification to allow excess funds in other categories of the approved CDBG Commercial Revitalization Grant to be reclassified for reimbursement of the City of Lake Wales for additional project costs in the amount of \$12,799.46.

BACKGROUND

On September 29, 2008 the City of Lake Wales submitted an application to the Florida Department of Community Affairs for a Community Development Block Grant (CDBG) for Commercial Revitalization. The grant was executed on June 23, 2009. Included in this grant is a maximum of \$75,000 for a parking lot.

On February 27, 2011 staff advertised an Invitation to Bid for the construction of a parking lot at Lincoln Avenue and "C" Street with bids due on March 25, 2011. There were 11 firms that attended the mandatory pre-bid meeting held on March 15, 2011.

Proposals were received as follows:

Martin Construction, Inc.	\$ 98,712.60
Grove Construction, Inc.	\$ 95,281.87
Lane Construction, Inc.	\$149,992.72
Roggen Enterprises, Inc.	\$110,720.90
Excavation Point, Inc.	\$ 84,894.00

Proposals were evaluated by a committee composed of:

- Andy Easton, Grants Consultant for the City
- Tom Moran, Public Works Director
- Harold Gallup, Economic Development Director
- Bonnie Hodge, Purchasing Director

Staff recommends that the Commission award the contract to Excavation Point, Inc., the lowest responsive bidder.

FISCAL IMPACT

CDBG grant funds in the amount of \$75,000 are budgeted in fiscal year 2010/2011 for this project.

It is recommended that the \$12,799.46 needed to fully fund the project be advanced by the City and reimbursed through a reclassification of grant funds in a Project Budget Amendment that will be requested at the end of the CDBG Project. This will be a complete off-set of the expenditure with no additional costs to the City. Funds for the advance are available in monies budgeted for Economic Redevelopment on Lincoln Avenue.

[End agenda memo]

Commissioner Carter said there had been a Commission discussion at one time about forming a common bid evaluation process in the city one day and asked if that was what they were doing. Mr. Gallup said there is a cap of \$75,000 for funding on this CDBG project but there were two expenditures outside of that; One being driven by the fact that the project is subject to the new point source evaluation by SWFWMD and the other because they had to modify the building runoff adjacent to it because the surface runoff coefficient was not allocated into the drainage system. Under SWFWMD rules it had to be redesign, which caused the project cost to escalate, bringing the total cost to \$87,000. Because there was surplus money in the CDBG Grant, they were told that at the end of this project they would be able to file a project budget modification. The City would have to advance the money but then would be reimbursed from CDBG. In order to do that Mr. Easton had to certify the bid cap, where we were, and what the extra cost would be. Once the budget modification and scope of work modification is processed and signed off on, the documents will be prepared. Even though it is costing more, it won't be costing local tax-payer money. Commissioner Carter asked who pays Mr. Easton's fees and if the fees were based on an hourly fee or on a percentage of the grant approved by the Commission. Mr. Gallup said it is based on a certain percentage of the grant, but the money is included in the grant so there is no extra cost to the City. The formula cannot be exceeded and the fee structure is reviewed by the CDBG/DCA and is agreed upon before it can be put into the document. Commissioner Carter said there were some circles in the grant writing community including grant writing professional associations that suggest rather strongly that commission grant writing is an unethical practice. Mr. Gallup said that the work the grant writer does is approved by both CDBG, and DCA, and if we don't get the grant, the grant writer receives nothing.

Agenda Item 11. Award of Contract for Tennis Courts Resurfacing

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Teresa Allen, Public Service Administrator]

SYNOPSIS

The City Commission will consider awarding CSI Court Surfaces, Inc. the contract for resurfacing asphalt tennis courts at Crystal Lake Park and at the Northwest Complex for an amount of \$24,411.84.

RECOMMENDATION

Staff recommends that the City Commission approve the following actions:

Approve the contract with CSI Court Surfaces, Inc. for tennis court resurfacing at Crystal Lake Park and at the Northwest Complex for an amount of \$24,411.84.
Authorize the City Manager to execute the contract.

BACKGROUND

In fiscal year 2011-12, \$30,000 was budgeted to resurface the tennis courts at Crystal Lake Park and Northwest Complex which have become cracked and faded over time. The resurfacing project will involve repairing or filling the cracks, sealing and repainting the surface, and relining the courts.

On March 2, 2011 staff advertised a request for proposals (RFP) to do the work, and a mandatory pre-bid conference was scheduled for Wednesday, March 9, 2011 at 10:00 a.m. in the City Commission Chambers. Sealed bids were due on Tuesday, March 22, 2011. The RFP stipulated that the bid award would be based on the low bid and the ability of the company to perform the work as outlined in the scope of work (see attached).

Bids were received as follows:

First: CSI Court Surfaces, Inc.	\$24,411.84
Second: Welch Tennis Courts	28,076.40
Third: McLean Tennis	28,560.48

FISCAL IMPACT

The current fiscal year budget has \$30,000.00 for this project.

OTHER OPTIONS

Do not award the contract at this time.

[End agenda memo]

Commissioner Carter has a question about the warranty but his question was already answered.

Agenda Item 12. Law Enforcement Mutual Aid Agreement

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Chris Velasquez]

SYNOPSIS

The City Commission will consider approving the Mutual Aid Agreement between the Lake Wales Police Department and the Sebring Police Department.

RECOMMENDATION

Staff recommends that the City Commission authorize the Mayor to execute the Voluntary Cooperation Agreement between the Lake Wales Police Department and the Sebring Police Department.

BACKGROUND

A multi-jurisdictional response to unlawful activity is a vital part of the justice system because of the increasing number of criminal activities that extend through more than one jurisdiction. Florida Statutes recognize the need for and authorizes mutual aid agreements between law enforcement agencies throughout the state. Since 2001, the City has entered into a mutual aid agreement with the city of Sebring which provides for cooperative assistance. This agreement defines the responsibilities of each party with respect to the provision/receipt of mutual aid assistance. The primary need for an agreement with the city of Sebring is related to various types of undercover investigations where there is a need for

sworn personnel to serve in a short-term undercover capacity in the other's jurisdiction. If executed, the proposed renewal agreement will expire on January 7, 2013 unless terminated sooner upon 30 days written notice by either party.

OTHER OPTIONS

The Commission may choose not authorize the Mayor to execute this agreement.

FISCAL IMPACT

None

[End agenda memo]

End CONSENT AGENDA

Commissioner Howell made a motion to approve Consent Agenda excluding Agenda Item 9. The motion was seconded by Commissioner Rogers.

By Voice Vote:

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

The motion carried 5-0.

Commissioner Howell made a motion to approve Agenda Item 9. The motion was seconded by Commissioner Rogers.

By Voice Vote:

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

The motion carried 4-1.

OLD BUSINESS

NEW BUSINESS

Agenda Item 13. Ordinance 2011-07, FY-2010/2011 Amendments #3 – 1st Reading

The full staff memo is incorporated into the minutes.

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

SYNOPSIS

The City Commission will consider approval of the third Amendment to FY10'11 Budget that was adopted on September 21, 2010.

RECOMMENDATION

It is recommended that the City Commission approve Ordinance 2011-07 after first reading.

BACKGROUND

Ordinance 2010-19 estimating revenues and appropriating funds for Fiscal Year 2010-11 was adopted by the City Commission September 21, 2010 and amended on December 21, 2010 and March 15, 2011. We are presenting for first reading a third amendment of Ordinance 2010-19 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 unaudited financial reports for the accounting period ending on 01/31/11. The following is a summary of changes included in the proposed amendment:

Revenues & Balances Fwd	Increase(Reduction)
General Fund	
Special Revenue Fund	75,000
Debt Service Fund	
Capital Projects Fund	
Utility System Fund	566,855
Airport Fund	
Total Increase(Reduction) of Revenues & Balances Fwd	641,855
Appropriated Expenditures & Reserves	
General Fund	20,149
Special Revenue Fund	719,105
Debt Service Fund	-
Capital Projects Fund	-
Utility System Fund	566,855
Airport Fund	-
Reserves	(664,254)
Total Increase(Reductions) of Appropriated Expenditures & Reserves	641,855

The proposed budget amendment increases the City's total budgeted expenditures by \$1,306,109 and decreases reserves by \$664,254 for a net increase in appropriated expenditures and reserves of \$641,855 (from \$41,804,009 to \$42,445,864).

Reasons for this amendment include:

Estimated Revenues and Reserve Balances:

Reserved bond proceeds from the CRA Fund (Series 2007) will be transferred to the Transportation Fund (\$75,000 Orange & Market Parking Lot project) and Utility Fund (\$566,855 asbestos/cement pipe removal project) for construction projects. These projects were budgeted in FY09'10 but were not completed

before the end of the fiscal year and it is necessary to carry the respective budget appropriations forward to the current fiscal year.

Estimated Expenditures & Revenues Balances:

Expenditures projected within the General Fund must be adjusted to reflect a net increase of \$20,149 for expenditure changes realized/expected within several accounts:

We are relocating the Code Enforcement Division to the General Fund with supervisory responsibility assigned to the Planning and Development Department. This necessitates the reclassification of \$104,966 in budgeted code enforcement expenditures from the CRA Fund to the General Fund, however the expense will be allocated to the CRA Fund for this fiscal year as originally budgeted.

An increase of \$20,149 for six months funding for an additional code enforcement officer. Code Enforcement, until recently located under the Police Department, had a detective assigned to provide code enforcement services and supervision of the existing code enforcement officer. Due to departmental restructuring, code enforcement services is being moved under Planning & Development. This will allow the detective to return to providing more traditional law enforcement services and will permit a closer link between community planning and code enforcement services. The restructuring creates the need for an additional code enforcement officer. During FY2010'11, this position will be funded by reallocating surplus appropriations in the police department freed up as a result of reduced personnel costs due to vacant positions. During subsequent years, additional recurring revenue will need to be appropriated to continue funding for this position.

Expenditures projected within the CRA Fund must be adjusted to reflect a net increase of \$644,105 for expenditure changes realized/expected within several accounts:

- Transfer of reserved bond proceeds to the Transportation Fund (\$75,000) for parking lot improvements at Orange & Market.
- Transfer of reserved bond proceeds to the Utility Fund (\$566,855) for asbestos/cement pipe removal.
- Correction of a budgetary error (\$2,250) relating to community redevelopment contract services. During the final budget hearing, the City Commission directed staff to reduce Kimbrough & Associates contract by 10%. Due to a misstatement of the prior year's contract fee, the fee for this fiscal year was understated by \$2,250.

OTHER OPTIONS

Do not approve reclassification of code enforcement expenses from CRA Fund to the General Fund. Either way, this will result in no monetary increase or decrease to the CRA Fund or the General Fund. Staff is making the recommendation for the reclassification to prepare for next year's budget with the expectation that code enforcement services will be funded mainly through General Fund revenues in future years.

Do not approve appropriation of \$20,149 for an additional code enforcement officer. Staff believes this would result in insufficient resources to be able to provide effective code enforcement services.

The re-budgeting of \$75,000 for the Orange & Market St parking lot improvements and \$566,855 for asbestos/cement pipe removal is a housekeeping necessity because these projects were budget in FY09'10, but not completed by 09/30/10. By charter, capital appropriations remain in place for three years; however, the appropriations must be reflected in the budget. In regards to the asbestos/cement pipe removal project, the work is nearing completion.

Do not approve the appropriation of \$2,250 for community redevelopment contract services. This would result in under-funding the contract as originally intended by the City Commission during adoption of the 2010'11 budget.

FISCAL IMPACT

See Exhibit A and Exhibit B attached to Ordinance 2011-07

[End agenda memo]

Ms. VanBlargan read Ordinance 2011-07 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING ORDINANCE 2010-19 AS AMENDED BY ORDINANCE 2010-32 and 2011-05 TO MODIFY THE ESTIMATES OF EXPENDITURES FOR THE OPERATION OF THE SEVERAL DEPARTMENTS OF SAID CITY FOR THE 2010-2011 FISCAL YEAR AND TO 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.

Ms. Pendergrass reviewed Agenda Item 13.

Commissioner Howell made a motion to approve Ordinance 2011-07 after first reading. The motion was seconded by Commissioner Thornhill.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 14. Ordinance 2011-08, Cemetery Ordinance – 1st Reading

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Teresa Allen, Public Service Administrator]

SYNOPSIS

The City Commission will consider approving Ordinance 2011-08 to establish a six-month time limit on the receipt of insurance proceeds from a funeral home to cover the costs of a burial and to provide authority for collection of payment when insurance proceeds are not remitted.

RECOMMENDATION

Staff recommends that the City Commission approve Ordinance 2011-08 after first reading.

BACKGROUND

In cases of extreme financial hardship, city code section 2-616 authorizes the city manager or his designee to accept an assignment of life insurance proceeds in lieu of a cash payment for the purchase

of a burial space. In the event that the life insurance policy is invalid or insufficient to cover the cost of the burial space, all costs incurred by the city become the responsibility of the funeral home.

Recently the receipt of insurance proceeds in some cases has gone from two to six months to over twelve months. Currently the ordinance has no time limit established for the receipt of payment for a burial space from insurance proceeds, and this hampers the ability of staff to pursue collection action.

Ordinance 2011-08 amends the Code of Ordinances by establishing a six-month time limit on the receipt of insurance proceeds from the funeral home to cover the cost of a burial. In the event that insurance proceeds are not remitted to the City within six months after the date of the burial, all costs incurred by the City will be the responsibility of the funeral home, and city staff shall be authorized to take whatever action is necessary to obtain payment for such costs.

FISCAL IMPACT

There is no cost to the City to adopt this ordinance, but it will provide a tool to assist the City in recovering its costs when insurance proceeds are not remitted in a timely manner.

OTHER OPTIONS

Do not adopt Ordinance 2011-08

[End agenda memo]

Ms. VanBlargan read Ordinance 2011-08 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING LAKE WALES CODE OF ORDINANCES CHAPTER 2, ARTICLE VI, CEMETERY ADMINISTRATION, TO PLACE A SIX-MONTH LIMIT ON THE REMITTANCE OF INSURANCE PROCEEDS TO COVER BURIAL COSTS; TO PROVIDE AUTHORIZATION FOR COLLECTION OF PAYMENT FOR BURIAL COSTS WHEN INSURANCE PROCEEDS ARE NOT REMITTED TO THE CITY; PROVIDING FOR AN EFFECTIVE DATE.

Commissioner Rogers asked if the City holds the funeral home director or the family of the person being buried liable for the money. Ms. Allen said the funeral home director is the person with whom the city works.

Commissioner Howell asked if Ms. Allen or the code enforcement officer was the person responsible for collecting the money from the funeral home. Ms. Allen said once she is informed that the proceeds have not been received, she drafts a letter to the funeral home director. Ms. Delmar added that there are avenues through the state whereby a city can recover the costs, but if there is no timeframe expressed in our ordinance, it can't be enforced. Therefore this is the first step.

Commissioner Thornhill made a motion to approve Ordinance 2011-08 after first reading. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 15. Resolution 2011-04, Highway Lighting, Maintenance and Compensation Agreement

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Teresa Allen, Public Service Administrator]

SYNOPSIS

The Commission will consider approving Resolution 2011-04 authorizing the Mayor to execute an agreement between the City and the FDOT to maintain state highway lighting within the jurisdictional boundaries of the City. The agreement provides the City with compensation of \$55,836.06 for the maintenance of 317 highway lights.

RECOMMENDATION

Staff recommends that the City Commission approve the following action:

Approve Resolution 2011-04, Highway Lighting, Maintenance and Compensation agreement.

Authorize the mayor to execute on behalf of the City of Lake Wales an agreement with the State of Florida Department of Transportation to maintain state highway lighting within the jurisdictional boundaries of the city for compensation in the amount of \$55,836.06.

BACKGROUND

In May 2005 the City Commission approved Resolution 2005-15 authorizing the Mayor to execute on behalf of the City an agreement between the City of Lake Wales and the State of Florida Department of Transportation to maintain state highway lighting within the jurisdictional boundaries of the City.

Resolution 2010-15 replaced resolution 2005-15 and provided the City with compensation of \$54,209.85 for maintenance of 317 highway lights (\$190.01 per light). This is 90% compensation for the 317 lights, exhibit "A" ($\$190.01 \times 317 = \$60,233.17 \times 90\% = \$54,209.85$).

Resolution 2011-04 replaces resolution 2010-15 and provides the City with compensation of \$55,836.06 for maintenance of 317 highway lights (\$195.71 per light). This is 90% compensation for the 317 lights, exhibit "A" ($\$195.71 \times 317 = \$62,040.07 \times 90\% = \$55,836.06$).

FISCAL IMPACT

If we do not accept the agreement, the light maintenance will be funded by City funds and the City will lose compensation in the amount of \$55,836.06.

OTHER OPTIONS

Do not accept the agreement.

[End agenda memo]

Ms. VanBlargan read Resolution 2011-04 by title only.

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ON BEHALF OF THE CITY AN AGREEMENT BETWEEN THE CITY OF LAKE WALES AND THE STATE OF FLORIDA

**DEPARTMENT OF TRANSPORTATION FOR THE MAINTENANCE OF STATE HIGHWAY LIGHTING
WITHIN THE JURISDICTIONAL BOUNDARIES OF THE CITY.**

Commissioner Rogers asked if \$55,000 was enough to cover the light maintenance cost and Ms. Allen said the cost varies from year to year but the money basically covers 95% of the cost. Maintenance cost has not been that high in years past, though during the hurricanes there were quite a lot of maintenance issues. This agreement is not meant to cover the maintenance cost but just help us with it.

Commissioner Carter asked if unspent money has to be given back or if it can be put into a reserve fund to use when we have another hurricane. Ms. Delmar said, though it could be put aside for the next hurricane if they wished, it is usually put into regular operations. If it is reserved, the General Fund would then have to subsidize the Transportation Fund because normally revenues in the Transportation Fund are not sufficient to fund all transportation operations of the division. Commissioner Carter said we therefore were depending on not spending all the money so it can subsidize the General Fund. Ms. Delmar said we do depend on the money but to fund transportation operations, with any excess staying in the Transportation Fund. Though it might not all be used for street lighting, it would be used by the streets division to fund operations.

Commissioner Howell made a motion to approve Resolution 2011-04. The motion was seconded by Commissioner Rogers.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 16. New Cingular Wireless PCS, LLC – Third Amendment to Tower Option and Lease Agreement

The full staff memo is incorporated into the minutes.

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

SYNOPSIS

Staff is seeking an amendment to New Cingular Wireless tower lease agreement.

RECOMMENDATION

It is recommended that the City Commission authorize the Mayor to execute the third amendment to the existing lease agreement with New Cingular Wireless PCS, LLC.

BACKGROUND

On March 19, 1998, the City entered into a five (5) year tower lease agreement with Bellsouth Mobility Inc., currently New Cingular Wireless PCS, LLC, (Tenant). The lease include monthly rental of \$1,500 (\$18,000 annual) for the first year. The agreement included a three percent (3%) per year increase for the duration of this agreement. The tenant has the option to extend the term of this agreement for four (4) additional consecutive five (5) year periods. The lease with the inclusion of the renewal terms will expire in March of 2023.

On March 19, 1998, the first amendment modified the physical property description. There were no monetary revisions. On May 8, 2008, the second amendment included modifications to the antenna configuration, the notice section, the allowance for tenant to add, modify, and replace equipment, and an increased monthly rental to \$3,150 (\$37,800 annual), which became effective in July of 2008. The agreement included three percent (3%) per year increase for the duration of the lease. The current lease renewal period expires in March of 2013. The tenant will have the option, at that time, to continue renewal or allow the contract to expire.

During the last seven months of negotiation with city staff, tenant representatives have stated that without a reduction in the rental fee they will be looking for other locations for their equipment when the current lease expires. Accordingly, the proposed third amendment modifies the term of lease, amount of rental payments, and tenant's obligation of a rental guarantee period.

Amendment #3 - Summary of Modifications:

	<u>Current Contract</u>	<u>Amendment #3 Revision</u>	<u>Summary of Changes</u>
Expiration of All Renewal Periods	March of 2023	April of 2031	Additional 8 years
Remaining Period of Lease as of 10/01/11	11 yrs & 6 mths	19 yrs & 6 mths	Additional 8 years
Expiration of Current Term	March of 2013	April of 2018	Additional 5 years
60 Month Renewal Options*	(2) as of April 2013	(3) as of May 2016	
Rental Guarantee Period	March of 2013	March of 2018	Additional 5 years
Rental Guarantee Amount	\$ 83,442	\$ 265,916	\$ 182,474
Monthly Rental as of 5/01/11	\$ 3,341.84	\$ 2,573.34	\$ (769)

*Only the tenant has the option to renew for additional five year terms.
 The City does not have the option to cancel the lease during the renewal period.

Comparison of Monthly Tower Leases Rentals as of February 2011:

Sprint Nextel	3,355.50	
Sprint Nextel	2,486.25	
T Mobile	2,422.41	
Verizon Wireless - High School	1,970.00	
Verizon Wireless - Market Street	2,485.00	
Metro PCS	1,970.00	
New Cingular Wireless	3,341.84	2,573.34
	<u>18,031.00</u>	
Annual Telecommunication Leases	<u>216,372.00</u>	

OTHER OPTIONS

Do not approve the proposed third amendment to the tower lease agreement. Allow the current contract to expire in March of 2013. If Cingular Wireless does not renew in 2013, the utility fund will have an annual reduction in recurring revenue of \$30,880.

FISCAL IMPACT

If Amendment #3 is approved from April 2011 through March of 2018, the City will receive guaranteed rental payments of \$265,916. If the lease remain in place until expiration in April of 2031, the City will received total lease payments of \$950,297 (this includes the \$265,916).

If Amendment #3 is not approved and the lease expires in March of 2013, the City will receive rental payments of \$83,442 for the period of May 1, 2011 through March 31, 2013. If the lease remains in place until expiration in March of 2023 the City will receive lease payments of \$583,358 (this includes the \$83,442).

[End agenda memo]

Ms. Pendergrass reviewed Agenda Item 16.

Commissioner Thornhill asked if other tower renters have asked to renegotiate their fees and Ms. Pendergrass said they have not and hopefully would not. She said that Cingular came right out and told them that if an agreement could not be reached, they would move at the end of their contract term in three years. If they will stick to the terms of Amendment 3, a recurring revenue source of \$950,297 will be received by the City over the 20 year contract period. She said that the reduction of the lease is in line with what others are paying the City for theirs, so if any of the other renters do come to renegotiate, they would not have the same leverage. Ms. Pendergrass said that Public Works Director Tom Moran told her that he felt sure if the City lost one or two of the leases, others would come along but as no one has come forward showing an interest to lease space already available, she strongly recommended that the Commission consider the amendment. City Manager Judith Delmar said that the utility fund revenue gained from these leases is earmarked to off-set the cost for tower maintenance and is therefore good for the City.

Commissioner Carter said it seemed to him that a twenty-year term on the agreement was awfully long. He said it seemed to him that Cingular is holding all the cards because they can cancel and we can't. Ms. Delmar said they essentially told us to take it or leave it. Ms. Pendergrass said they originally asked for a 30 year lease instead of 20 and the reduction in the rent was significantly less than what was originally asked for. It took seven months to come to this agreement, which was the only amendment she would have brought to the Commission unless one more favorable to the City had been accepted. This amendment was the best they were able to do for the taxpayers of Lake Wales and though it is for over a twenty year period, this one customer will bring in for the City close to one million dollars; we won't have to find another source of income; and we will be able to save a relationship with this company. Commissioner Carter asked if there was an escalation of fees and Ms. Pendergrass said the escalation starts after the first four years.

Commissioner Thornhill made a motion to authorize the Mayor to execute the third amendment to the existing lease agreement with New Cingular Wireless PCS, LLC. The motion was seconded by Commissioner Howell.

By Voice Vote:

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

The motion carried 5-0.

Agenda Item 17. Water's Edge of Lake Wales LLC – Payment in Lieu of Taxes (PILOT)

The full staff memo is incorporated into the minutes.

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

SYNOPSIS

The Commission will consider a request for a time extension for remittance of Water's Edge 2010'11 annual PILOT payment and waiver of penalties during the extension period.

RECOMMENDATION

It is recommended that City Commission approve a one-time extension, from March 30, 2011 to May 9, 2011, for the due date of Water's Edge 2010'11 annual PILOT payment. It is recommended that the City Commission waive the penalties, totaling \$1,160.78, for the time period of March 31, 2011 through May 8, 2011.

BACKGROUND

On November 28, 2007, the City Commission approved resolution 2007-18, which included a Memorandum of Agreement for Issuance of Private Activities Revenue Bonds. Section 3(i) of this memorandum includes a provision that the borrower (Water's Edge) would enter into an agreement with the City to make payments in lieu of taxes (PILOT) payments to the City.

The financial obligation of the PILOT agreement was one of the considerations which induced the City to be the conduit issuer for the tax-exempt Retirement Facility Revenue Bonds, Series 2008 (Series 2008). Series 2008 was issued for the principal purpose of financing and refinancing costs related to the acquisition, construction and equipping of senior care facilities to be owned by Water's Edge. Series 2008 was initially issued for \$26,885,000.

On November 16, 2010, the City Commission approved the PILOT Agreement. George Chandley, Chief Manager for Water's Edge of Lake Wales, approved and signed the agreement on behalf of Water's Edge of Lake Wales LLC.

On January 20, 2011, the annual PILOT billing was issued for \$58,439.32 with a due date of March 30th. Jerry Jaques, a management company representative for Water's Edge, provided additional documentation which reduced the billing to \$58,038.83. Mr. Chandley, Mr. Jaques and the Finance Director have had several discussions relating to the calculation of the PILOT payment. Mr. Chandley and the Finance Director, if the extension is granted, will begin working on proposed amendments to the PILOT agreement. Proposed amendments, if any, are expected to on the May 3rd City Commission Agenda.

FISCAL IMPACT

The waiver of the two 1% penalties which would apply for the time period of March 31, 2011 through May 8, 2011 total \$1,160.78.

[End agenda memo]

Ms. Pendergrass reviewed Agenda Item 17.

City Manager Judith Delmar said that if Water's Edge was a taxable entity there would have been certain exemptions for which they would be eligible. Because there is no authority in the context of the agreement to give them those exemptions, this would give them that authority.

Commissioner Rogers asked why the City would want to renegotiate a contract that would be less than the fifty-eight thousand dollars they owe us. Ms. Delmar said it would not be fair. She explained that the independent living villas have not received a homestead exemptions or senior exemptions because they are classified as non taxable, and staff feels that they should be given those exemptions. Staff wants to renegotiate the agreement and then bring it back to the Commission for a final decision. Ms. Pendergrass said they want to foster a good relationship with Water's Edge by negotiating in good faith.

Commissioner Howell said she was glad that they will be correcting a wrong.

Commissioner Carter asked if the property was subject to ad valorem taxes and Ms. Delmar said it was tax exempt. Mr. Carter said the City therefore receives no tax revenue from them. Ms. Delmar said that

was correct; The City negotiated a pilot agreement in lieu of taxes as if it was entirely taxable but without giving credit for the exemptions for which they might have been eligible.

Commissioner Carter said he thought the due date was March 30th and Ms. Pendergrass said she told Dick Chandler she would ask for a waiver of the \$1,160.78 late penalty, though it was with the understanding that a waiver would be up to the Commission. They had two options: to pay the full amount by March 31st, avoiding the penalty, and get a refund; or she could ask for an unguaranteed waiver depending on the vote of the Commission. If the waiver is not approved, they will owe the full amount. Commissioner Carter asked if Water's Edge knew the firm amount they owed and Ms. Pendergrass said that was correct. Commissioner Carter asked if it was appropriate for them to pay the full amount now, which would provide needed revenue to the City, and then later they could write a check for the difference when the adjustment was complete. Ms. Pendergrass said she would gladly do that if that was the Commission's direction, and she was sure Water's Edge would cut the check because they indicated to her that they were willing and wanted to pay their fair amount. But with such a short turn-around the amended amount could easily be calculated when the contract is adjusted. Ms. Delmar added that from a cash-flow standpoint, the City finances were not to a point that this would make a difference, though if it were closer to the end of the year it would be more of an issue. On the other hand, Water's Edge is at the point that cash-flow is an issue because all of their units are not being used.

Mayor Van Sickle said that a 501C does not have to pay taxes and so Water's Edge did not even have to enter into the agreement. When you get a customer like that you really want to work with them. To ask them for an upfront fee, not knowing what the fee will be, he thought would just be aggravation for City employees. He recommended giving them the extra time to see if a deal can be worked out.

Commissioner Howell made a motion to approve a one-time extension from March 30, 2011 to May 9, 2011 for the due date of Water's Edge 2010'11 annual PILOT payment and waive the penalties for the time period of March 31, 2011 through May 8, 2011. The motion was seconded by Commissioner Thornhill.

By Voice Vote:

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

The motion carried 5-0.

Agenda Item 18. American Library Association Grant Application

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Tina Peak, Library Director]

SYNOPSIS

This grant application to the American Library Association in the amount of \$2,500 is for a series of programs at the Lake Wales Public Library related to the upcoming sesquicentennial of the American Civil War.

RECOMMENDATION

Staff recommends approval of the grant application to the American Library Association, in the amount of \$2,500 is for a series of programs at the Lake Wales Public Library related to the 150th anniversary of the

American Civil War. Staff also recommends authorizing Tina Peak, Library Director to sign all related grant documents. The grant application is due April 19th.

BACKGROUND

The American Library Association in recognition of the 150th anniversary of the Civil War is offering small program grants to public libraries called "Let's Talk About it: Making Sense of the Civil War." This grant would provide funding to provide reading and discussion programs related to the Civil War. No match is necessary but partnerships with other organizations are required.

The Lake Wales Public Library will partner with the Lake Wales Library Association, Polk County Historical Museum, the Polk County Historical and Genealogical Library, the Polk County Board of County Commissioners and the Polk County Historical Commission. The role of these partners varies. All will publicize and promote the programs to their members and constituents.

If awarded the grant, the Lake Wales Public Library will focus on the historical role our county and region played in the American Civil War. This theme is especially suited to this extended community because two important anniversaries span 2011 and 2012. Polk County is celebrating the sesquicentennial of its founding and Lake Wales is celebrating the centennial of its founding. There is a strong, year-long emphasis on the role of 19th and early 20th century history in our local communities. This series of programs would begin in January of 2012 and continue biweekly for two months.

OTHER OPTIONS

Do not approve the application.

FISCAL IMPACT

None

[End agenda memo]

Ms. Peak reviewed Agenda Item 18.

Commissioner Thornhill asked if they could go ahead and change the grant amount to \$3,000 and Ms. Peak said the actual amount was already amended to that amount.

Commissioner Howell made a motion to approve the grant application to the American Library Association, in the amount of \$3,000 and to authorize Library Director Tina Peak to sign all related grant documents. The motion was seconded by Commissioner Rogers.

By Voice Vote:

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

The motion carried 5-0.

Agenda Item 19. Recommendation on Appointment to Municipal Board of Examiners Disciplinary Action Board

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Cliff Smith, Building Official]

SYNOPSIS

The appointment of three contractors to the Polk County Municipal Board of Examiners Disciplinary Action Board.

RECOMMENDATION

Approval of appointments as provided.

BACKGROUND

The City of Lake Wales, as a member of the Polk County Municipal Board of Examiners, helped to create the County Disciplinary Action Board. The Disciplinary Acton Board acts on violations of the Construction Safety Standards as contained in the Florida Building Code. The Board is made up of Polk County contractors representing the various trades who must be approved by the governing body of each of the participating municipalities. The following three names have been submitted to participating Polk County municipalities for their approval:

Robert E. (Bobby) Ford, Ford Appliance Service, Lake Hamilton
John J. Fletcher, Fletcher Electric Service, Babson Park
James J. Teschner, American Pool Builders, Lakeland

The City of Lake Wales does not have any contractors currently participating on the Board.

FISCAL IMPACT

None

OTHER OPTIONS

Commission may choose to not appoint applicants at this time.

[End agenda memo]

City Manager Judith Delmar reviewed Agenda Item 19 in the absence of the Building Official.

Commissioner Thornhill said he was pleased that someone from this area would be on the Board.

Commissioner Carter commented that no one from Lake Wales was on the Board and Ms. Delmar said John Fletcher lives in Babson Park but works in Lake Wales.

Commissioner Rogers said he knows John Fletcher to be a fair and honest businessman and knew he would make a good Board member.

Commissioner Rogers made a motion to approve the appointments as stated. The motion was seconded by Commissioner Howell.

By Voice Vote:

Commissioner Rogers	"YES"
Commissioner Howell	"YES"
Commissioner Thornhill	"YES"

Commissioner Carter
Mayor Van Sickle

"YES"
"YES"

The motion carried 5-0.

Agenda Item 20. City Manager Applicants/Candidates

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Sandra Davis, Human Resource Director]

SYNOPSIS

The Commission will appoint a screening committee to review City Manager applicant resumes.

RECOMMENDATION

None

BACKGROUND

We received 42 resumes in response to the City's advertisement for City Manager. Applicants were required to respond no later 5:00 pm on Friday, March 25, 2011.

At this time, we are requesting that the Commission appoint a committee to screen the resumes and develop a short list of 10-20 candidates for the Commission to consider. We are also requesting that each commissioner provide the screening committee with a list of qualities that he or she feels the next city manager should possess so that committee members will have guidelines in developing the preliminary candidate list.

Once the candidate short list is forwarded to the Commission, the commissioners will review the relevant resumes and further narrow down the candidate list to those whom they wish to interview.

OTHER OPTIONS

None.

FISCAL IMPACT

None.

[End agenda memo]

Ms. Davis reviewed Agenda Item 20.

Ms. Delmar said this was purely at the Commission's discretion. They could choose to wait until the next Commission is sworn in to make the appointments; they could appoint them at the present meeting; they could choose to appoint five now and Ms. Wojcik could appoint one after being sworn in; or they could choose to eliminate the screening process altogether and look at all 42 resumes themselves.

Commissioner Howell was in favor of appointing a screening committee and said she was in favor of either appointing them at the present meeting, allowing Ms. Wojcik to choose someone when she is sworn in; or waiting until the May 3rd Commission meeting to make the appointments. Mr. Galloway said they could wait until Ms. Wojcik is seated in May or could have her go ahead and appoint the 6th person.

Ms. Delmar asked if there would be a problem with calling Ms. Wojcik as Commissioner Elect to ask who she would like to appoint and Mr. Galloway said that would be okay.

Mr. Galloway said he wanted the Commission to be aware that, because the Screening Committee will be a Sunshine Board subject to be governed by the Sunshine Law, it will need to meet together to discuss the 42 resumes being winnowed down for the Commission, and that Ms. Wojcik is also subject to the Sunshine Law, as she has been ever since she became a Commission candidate.

Commissioner Thornhill said he had no preference and would go along with whatever the rest of the Commission deemed most appropriate.

Commissioner Carter was in favor of the of the extra level of citizen input in the process by the City Commission forming a selection committee to review and prioritize the resumes by the criteria set up as long as all 42 resumes come back to the Commission.

Commissioner Rogers was not in favor of forming a selection committee but believed that it was the responsibility of the City Commission to review and prioritize all 42 applications. He added that if the majority of the Commission wanted to have a screening committee he felt sure that Ms. Davis would be there to monitor and assist them.

Mayor Van Sickle asked how the Sunshine Law requirement would be met as not everyone would be able to meet together during daytime hours. Ms. Delmar said there will be a meeting to discuss the qualities sought by each Commissioner to be considered by the Selection Committee. A set of resumes will be put together, in identical order, with a list of the criteria approved by the Commission and a ranking sheet. They will not need to do the entire process by Sunshine Law because each committee member can work independently, and then meet together to come to a consensus for the final ranking list, done much like the evaluation committee for a bid award. Then all the resumes, or whatever number is decided, would come before the City Commission along with the Committee's suggested ranking to indicate the group's recommendation for the best candidates.

Mayor Van Sickle listed the two following recommendations discussed:

- The Commission establishes the evaluation criteria for a Selection Committee to rank. Then all 42 resumes come to the Commission for their decision.
- The Commission establishes the evaluation criteria but do the evaluation of all 42 resumes without the aid of a Selection Committee

Commissioner Carter asked what the timeline would be for the selection process to begin and when the interviews would start. Ms. Davis said the first step would be for the Commission to decide how they want the Committee set up. Once that is decided, the Commission would decide on the timeframe. Ms. Delmar said there needed to be time after the screening committee brought back its recommendation to the City Commission for them to go through all 42 resumes and decide which ones they want to interview. Mayor Van Sickle said enough time needed to be allowed for the interviewees to make arrangements as some of them will need to fly in from other states.

The Commission decided on a target date of August for the whole process to be finished. The Selection Committee formed by the City Commission will have until the 2nd City Commission meeting in May to evaluate all 42 candidates, rank them, and bring back their recommendation to the City Commission. The Commission will have the rest of May and June to review all 42 resumes and select a short list of candidates to be interviewed. The interviews could then begin in July with the final selection in August.

The Commissioners appointed the following citizens to the Selection Committee Board:

- Commissioner Carter appointed Al Hawkins
- Commissioner Thornhill appointed Robert Bryant
- Commissioner Howell appointed Robin Gibson
- Commissioner Rogers said he would submit a name the following morning

- Mayor Van Sickle appointed Murray Zacharia

It was determined that Ms. Davis would contact Commissioner Elect Betty Wojcik for her recommendation and a list of her criteria. Ms. Delmar asked the Commissioners to email her their lists of criteria.

Agenda Item 21. Discussion of Preliminary Financial Statements for February 28, 2011, Fiscal Year to Date

The full staff memo is incorporated into the minutes.

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

SYNOPSIS

The preliminary financial statements report revenues received and expenditures made through the end of February 2011. Revenues were slightly above target in the General Fund and on target in the Utility Fund. Expenditures in the General Fund were slightly below target. Due to the timing of Utility Debt Service principal and interest payments, expenditures were ahead of target in the Utility Fund.

The unaudited financial statements for the City of Lake Wales for the Period Ending February 28, 2011 are presented to the City Commission for review. At the end of February the City was 41.67% into the fiscal year. Eleven of Twenty-six Payrolls (42.3%) have been expensed through February 28.

SUMMARY

The following chart gives a brief summary of overall operating revenue and expenditure performance as of February 28, 2011. Capital expense funded by CRA bond or loan proceeds is excluded from the analysis.

Fund	Budgeted	Actual at 02/28	Target at 02/28	Actual at 02/28 Over (Under) Target	Over (Under) as percentage of target
General					
Revenues 1	\$10,249,626	\$5,425,708	\$5,413,932	\$11,776	+0.1%
Expenditures 3	\$10,893,437	\$4,446,988	\$4,538,932	(\$91,944)	-0.8%
Special Revenue					
Revenues 1	\$2,109,369	\$1,244,973	\$1,721,449	(\$476,476)	-22.6%
Expenditures 3	\$4,578,987	\$1,041,918	\$1,907,911	(\$865,993)	-18.9%
Debt Service					
Revenues 3	\$2,224,126	\$940,530	\$926,719	\$13,811	+0.6%
Expenditures 2	\$2,279,722	\$1,990,106	\$1,990,064	\$42	+0.0%
Utilities					
Revenues 1	\$6,372,500	\$2,681,586	\$2,678,506	\$3,080	+0.0%
Expenditures 3	\$5,825,762	\$3,650,867	\$2,427,401	\$1,223,466	+21.0%
Airport					
Revenues 3	\$105,683	\$32,241	\$44,035	(\$11,794)	-11.2%
Expenditures	\$105,683	\$40,591	\$44,035	(\$3,444)	-3.3%

3					
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- 1 Revenue target = prior year performance at same point in fiscal year
- 2 Expenditure target for Debt Service Fund = actual YTD expenditure because we are paying off debt in accordance with set schedules
- 3 Target = 1/12 of budgeted amount multiplied by the number of months since the start of the fiscal year (October 1); i.e. at the end of February we are 5/12 or 41.67% into the fiscal year. This method assumes a relatively even distribution of expense or revenue from month to month.

In general, most operating revenues are about where we would expect them to be at this point in the fiscal year.

Revenues from water and sewer charges at the end of February 2011 were \$47,512 ahead of where they were in February, 2010 (water, +34,567; sewer, +12,945). If we use 41.7% of the fiscal year as the target level, however, water revenues were \$12,103 over target and sewer revenues were \$6,681 over target. This is a combined surplus of \$18,784 compared to the budget. Operating expenditures were running over target at the end of February. Excluding capital outlay and debt service, Utility Fund expenditures were 21.0% or \$1,233,466 above the target level.

Operating expenditures in the General Fund are running 2.02% below target (-\$91,944). Operating expenditures in the other Funds are running behind target levels.

The City has not borrowed any money from the Pool/Tax Anticipation Investment Account. The balance at the end of FY 07'08 when the account was created and the current balance are as follows:

	9/30/2008	2/28/2011	Difference
Pool/Tax Anticipation Account	\$1,037,822	\$1,061,725	\$23,903

The City's overall cash position at the end of February 2011 decreased over the cash position at the end of February 2010 (-240,240) In order to make a more accurate comparison, the following adjustments are made:

	prior year	current year	Difference
Total Cash & Investments	7,533,204	7,292,964	-240,240
Due to Other Governments	-282,038	-5,029	
Insurance Proceeds & Other Airport Cash	0	0	
Deferred Revenues*	-407,256	-391,051	
Cash & Investments Net of Adjustments	6,843,910	6,896,884	+52,974

*reflected in cash but restricted to a specific future expenditure (grant project, tree replacement fund, etc),

At which time revenue will be recognized

After excluding cash that was collected on behalf of other governments and deferred revenues, the City's overall cash position at the end of February 2011 was \$52,974 higher than its February 2010 level.

In comparison to total cash and investments at January 31 of \$6,223,324 the February cash and investments position increased by \$673,560. We received \$117,150 in ad valorem tax revenue during the month of February. We received \$566,855 in grant revenue for reimbursement of the runway extension project.

[End agenda memo]

Ms. Pendergrass reviewed Agenda Item 21.

Commissioner Carter said it looked like it was all good news. Ms. Pendergrass said the City was currently on target with budget projections, though just nearly halfway through the year.

Commissioner Thornhill said it was nice to know that they could toe-the-line when they had to.

CITY MANAGER'S REPORT

CITY COMMISSION TRACKING REPORT

City Manager Judith Delmar reported no changes to the tracking report.

Commissioner Carter asked for an update on the Kirkland Gymnasium.

Public Works Director Tom Moran said they were in the process of reviewing the drawings and specs received from Kimley-Horne. He said he did not have the timeline with him so could not address that but he believed all the reviewing was to be finished by the end of April.

COMMUNICATIONS AND PETITIONS

Jack Neal, 435 E. Central said that when the power downtown was turned off he had not been informed. He explained how that might have damaged the mechanisms in the town clock by overriding the switches. Ms. Delmar said she was sorry that happened but she was sure no one understood how that clock worked. She said that though it was too late to undo damage that may have been done Mr. Neal would be informed when the power was to be turned back on.

David Smith, Babson Park, asked for an update on the C Street Sewer project. Ms. Delmar said they were working on it. When the engineering is complete they will know what the final cost will be. Over a million dollars has been set aside to at least do the first phase and they are in the process of putting together an application for a CDBG grant for \$750,000.

Mr. Moran said they had a meeting last week to go over the drawings but the project hinges on getting the needed easements. Envisors, the City Attorney and he need to decide what they want for an easement and then obtain them from the property owners. Commissioner Carter asked if a priority had been placed on those properties that most need it and Mr. Moran said they had been identified. Ms. Delmar said it will cost over a million dollars just to get the pipe laid down Wiltshire. Mr. Moran said the improvements to the lift-station have to happen first. Commissioner Carter asked if it was documented with a written plan and Mr. Moran said that was part of the engineering. Commissioner Carter said that once the engineering is complete they should be able to make the information available to the residents, perhaps at the B Street Center or Austin Center.

Mayor Van Sickle said he had not seen the schedule in a while that they received at one time for the three phases and asked that an updated copy of that schedule be put in the Commission boxes. The Mayor said that as soon as the engineering is complete the City Commission will have to make some intelligent funding decisions. Mr. Moran said another important aspect is public awareness to let them know why they need the easements and the repercussions of withholding them.

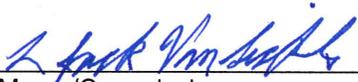
Mimi Hardman asked for the progress of the 1919 School project for the performing arts. She said she heard through the grapevine that someone else was going to take it over and she asked that it be used for a performing arts auditorium as the grants obtained and the people who donated money meant for it to

be. Mayor Van Sickle said he heard at the high school forum that the complex might be turned over to the Charter School System. Ms. Hardman said the discussion she had with Jesse Jackson, the Charter School Superintendent, was that the schools wanted to also use the building, which she was happy to have happen. But the land and building was given to them by the school board to use for recreation and culture. She said she believed the building construction was to a point now that it could be used and she was going to contact the State about that. If it was determined that it could be in use, the schools could certainly use it too. The Mayor wanted to make it clear that the Commission has not been involved at all in turning it over to the Charter Schools. It was just something that was said at the forum. Ms. Delmar said if the Charter School is not talking to the Commission, Harold, herself or any representative of the City then there is no need to worry about it.

CITY COMMISSION COMMENT

Commissioner Thornhill congratulated those involved with the Lake Wales Arts Show. He said the weather was beautiful and just about every park, trail and other facility was being used that day for walking, riding, running and other enjoyment. He said he hoped they could keep the event up.

There being no further business, the meeting was adjourned.



Mayor/Commissioner

ATTEST:



City Clerk