

The special meeting and budget workshop of the City Commission was held on June 26, 2008 at 6:00 p.m. at the Lake Wales Arts Center, 1099 SR 60 and was called to order by Mayor Wheeler.

COMMISSIONERS PRESENT: Jack Van Sickle; Terrye Y. Howell; Jean K. Scott; Kathy Manry; Lee A. Wheeler, III. Mayor.

COMMISSIONERS ABSENT: None.

CITY REPRESENTATIVES PRESENT: Anthony G. Otte, City Manager; Judith H. Delmar, Asst. City Manager; Jacquie Hawkins, Deputy City Clerk.

SPECIAL MEETING

Agenda Item 1. APPOINTMENTS TO HOUSING AUTHORITY BOARD

Mayor Wheeler said that this item would be postponed to the next regular City Commission meeting, which will be held on July 1. It had been announced at the June 17 regular City Commission meeting that this appointment would be made at the next regular City Commission meeting.

There being no further business, the meeting was adjourned.

BUDGET WORKSHOP

Agenda Item 1. REVIEW OF OTHER BUDGET ITEMS INCLUDING FIRE ASSESSMENT

Mr. Otte remarked that in the past seven years he did not remember the City Commission requesting a budget workshop so early in the year. The new budget takes effect on October 1st and the budget workshops are usually held in August. The millage rate and budget are then approved at Commission meetings in September.

Mr. Otte said that with having a budget workshop in June we are somewhat restricted, as we have not yet received the state revenue figures or the taxable value from the property appraiser. The reason for such an early budget meeting is in response to the second year of tax reform, and the downturn of the economy. He said the purpose of the meeting is to brainstorm ideas from the Commission and from those in attendance, for cutting costs and raising revenues. One of the options for raising revenue was the Fire Assessment Fee and he introduced Lee Evett, from Willdan Financial Services.

Mr. Evett provided a power point presentation, and stated that a fire-fee tax is charged to residents and property owners to reflect the cost for services based on local fire-call volume, equipment, time spent, and fire-flow capacity. The fee is calculated for single homes, duplexes, or apartments with three or more dwelling units. The fee for commercial property, industrial property, or institutional property is calculated by square footage. Agricultural or vacant land is calculated by acreage. The fire assessment fee does not include calls for emergency services.

Mr. Evett explained that the resource factor for the fire service cost calculation is based on time spent on a scene, the number of personnel, and the equipment used. Ms. Delmar asked if this methodology was state mandated. Mr. Evett responded that the state says the method used has to be a fair, reasonable apportionment. He added that the courts have accepted the method used.

Mr. Evett said that, based on the current Fire Dept. budget, the reasonable assessed fee for the fire service would be: \$80.31 for residential homes and duplexes; \$109 for three units or more; \$135.68 per 1,000 sq. ft. for commercial; \$144.48 per 1,000 sq. ft. for Industrial; \$18.74 per 1,000 sq. ft. for Institutional; and \$70.84 per acre for vacant land or agricultural property. Mr. Evett was asked how

residents would know what they would be charged. Mr. Evett said that the City would have to send a first class letter on August 1 to residents with an explanation of what their individual fire assessment fee would be.

A resident said that he would like this put on a ballot so Lake Wales residents could vote on it and asked if that could be done if enough signatures were collected. Mr. Otte said it could be put on a ballot. Ms. Delmar added that the next city election would not be until April. Sylvia Rogers, resident, said that our charter limits referendums and you can do a petition drive for an election. Ms. Delmar agreed that there were limitations but said that because it is a financial matter, the Commission would have to place the issue on the ballot. Mayor Wheeler asked what the process would be to have it put on the ballot. Ms. Delmar said she would have to research it, but it would have to be on the April ballot, which would not help the revenue for this upcoming fiscal year. Mayor Wheeler asked if it could be put on the November election ballot. Ms. Delmar said the County usually schedules special elections around the national election but that even if it were put on the November ballot, it would be too late for next year's budget.

Mr. Otte said that the fire assessment fee is a tool the Commission can use for putting together the budget. In a perfect world, the millage rate would be lowered in relation to the fire tax. But though this was the intention of staff and the Commission, he could not make a promise because staff did not have the final numbers to know if that would be possible. He added that this was a fair way to assess the cost of the services that everyone needs.

A resident said that was a cop-out and a wishy-washy answer. He said the utility fees are twice as high and taxes keep going up. He said the City was wasting the tax money on frivolous projects like a skate park. Mayor Wheeler responded that tax money is not wasted and asked if he wanted fire and police services cut. Mr. Otte said that the skate park was obtained through a non-matching grant. The resident said that taxpayers would have to pay for upkeep and maintenance. He said if the City wanted a fire-fee tax then the millage rate needed to be reduced accordingly and demanded a promise that this would be done.

A resident asked, if this was such a fair way to tax, why not do away with property tax and have assessment fees for all services. He was told that the only assessment fee that the state allows is for fire. Mr. Otte added that the City Commission sets the budget each year and this fire fee is a more fair way to assess the cost than the way it is collected now.

Sylvia Rogers, resident, asked if the fee for three or more units was a fee per unit. She was told it was. She asked for the fee for mobile homes and was told they were still working on that.

Jack Neal, resident, said that he thought the City should live within its budget like the residents have to. He said residents can't pay what they have to pay now and he would rather see services cut. Commissioner Van Sickle said that it would not be intelligent to cut services like fire and police. Mr. Otte said the reason for the meeting is to collect ideas for cutting the budget.

Sharon Becker, resident, asked about low-income residents. She said the county has lower rates for low-income residents over 65 years of age. Mr. Otte reminded her that the Commission had approved a reduction of utility bills through the lifeline program. Mr. Evett said a reduction could be set up through the same lifeline program. Ms. Delmar said we would have to budget to cover those not paying. A resident said that not only low-income people are having troubles.

Mr. Evett said that, if approved, the rate would be for one year, but the county has it for five years. If rates change, it would have to go before two public hearings, the same as it does now.

A resident asked what would be done with the tax assessment money that was collected but not used in a year. Mr. Evett said the excess money would be taken into account to determine the next year's assessment, which could lower it.

A resident asked if churches would have to pay the fire fee. Mr. Evett said that churches, and government buildings could pay if so charged in the City's program. If not, the taxpayer would have to subsidize them.

Commissioner Rogers said that he did not see how the City would gain anything if the millage rate was reduced to the same amount as the fee. The City would break even so why not leave it the way it is.

Commissioner Van Sickle said he would agree to the fire tax only if it was revenue-neutral by lowering the millage rate. The City should live with what it has.

Wes Rogers, resident, said that he made a study of 11 cities and most of them lowered the millage rate when using the fire fee. Mr. Otte said that the value of a mill differs from place to place and it just tells us we need to find ways to raise revenue so we can lower the millage rate. Commissioner Manry said we did not have the budget yet and all the figures we have are last year's. Ms. Delmar said that all revenues are down and we could not say that it would be revenue-neutral yet because we don't have the numbers we need to work with. Mayor Wheeler suggested considering it for next year.

Commissioner Howell said that we were in this mess because people voted to lower the property taxes without considering the consequences. Citizens need to know what they will gain and what they would lose before they vote. She said we did not need to rush into this.

Mayor Wheeler said he thought the department heads should be told what their budget will be and then they have to live with it. Mr. Otte said that department heads have already been told to cut 8% from their budgets. Commissioner Van Sickle said the 8% cut should not be for public safety departments that are crucial. Mr. Otte said the 8% was a target, and it is not too realistic for some departments.

Commissioner Rogers said that the City owned several buildings and should either sell or lease them out to generate revenue. Mr. Otte said it was a good idea and that was the type of suggestions we needed, things we hadn't thought of in the past. He said he would come up with an inventory that would be brought back in 30 days, including properties acquired through foreclosures. Commissioner Manry said that Commissioner Rogers' suggestion was an excellent one but instead of giving foreclosed properties to the Green and Gold Foundation we should sell them and make a profit.

Mr. Otte said we could seek more partnerships like the one we have with the Boys and Girls Club. Maybe we could partner with the Boys and Girls Club for the operation of the gymnasium. We have a gym, but no personnel and they have personnel but no gym.

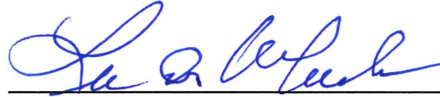
Mayor Wheeler suggested getting an energy audit on city buildings to see how we can cut energy bills. Mr. Otte said we already had an audit. But, the only savings the audit firm reported was in the purchase of automatic water meters. The insulation had been checked in the library and was found to be adequate.

Commissioner Rogers suggested going to a four-day workweek and Mr. Otte said staff was looking into it. Commissioner Manry said that we needed to get newly approved developments on the tax rolls.

Mr. Otte said the Commission had vetoed the fee for accidents and asked if anyone thought it was a good idea. A resident said that only non-residents were to be charged and that he thought that was fair as residents already pay for police service in our taxes. Herb Gillis, Police Chief, said that it had been determined that only charging non-residents would not be a fair system. Instead, whoever caused the accident would be charged, but the insurance company would pay, not the resident. A resident complained that the cost would be passed on to the policyholder in the form of higher premiums. Chief Gillis said that when someone is at fault, his insurance fee goes up anyway. He said this would generate \$60,000 to \$80,000 a year. Police Lt. Joe Elrod said that residents cause very few of the wrecks. Most are caused by non-residents on US 27 and SR 60. A resident asked about getting traffic light cameras so that cars can be charged for going through red lights. He said there is a company that keeps track of this, collects the fees and takes a percentage out for their fee. Police Chief Gillis said that cameras were a win-win proposition. It lowers the amount of crashes and covers the cost.


Mayor Wheeler closed the meeting by saying he welcomed ideas, asking residents not to be shy. If they see waste being done in the City he welcomed being informed.

There being no further business, the meeting was adjourned.



Mayor/Commissioner

ATTEST:



City Clerk