

The regular meeting of the Lake Wales City Commission was held on November 18, 2008 at 6:00 p.m. in the Commission Chambers at the Municipal Administration Building. Mayor Lee A. Wheeler, III, called the meeting to order.

INVOCATION

The invocation was given by Fire Chief Jerry Brown.

PLEDGE OF ALLEGIANCE

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

COMMISSIONERS ABSENT: None.

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

Agenda Item 4. APPROVAL OF MINUTES

Commissioner Manry made a motion to approve the minutes of the November 5, 2008 regular meeting. The motion was seconded by Commissioner Howell.

ROLL CALL:

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

The motion carried 5-0.

AGENDA ITEM 5. Florida City Government Week Poster Winners Proclamation

[begin agenda memo, prepared by City Manager Administrative Assistant, Katie Kinloch]

At its meeting on October 7, 2008, the City Commission adopted a proclamation declaring October 19-25, 2008 as Florida City Government Week. For this event, the City invited our local elementary schools to participate in a poster contest for Grades 3-5. Poster themes were Recycling, Water Conservation, Water Reclamation & Reuse, Fire Service & Safety, Police Service & Safety, and Parks and Recreation. Because of time constraints, Janie Howard Wilson Elementary School was the only school that participated. There were 41 entries received with all having the theme Recycling. Mayor Wheeler, Jerry Torrance, and Beverly Pennington served as our judges. All poster contest participants will receive a Certificate of Participation.

A pizza party will be provided for the first, second, and third place, and fourth honorable mention winners on November 18, 2008 at 5:00 p.m. in the Lunchroom of the City Administration Building before the City Commission meeting (10 pizzas are being donated by Domino's). The winners will be recognized at the meeting with the Mayor presenting them with a ribbon, Certificate of Participation, a "My City, I'm Proud of It" bumper sticker, and a button.

Please share with us our congratulations to the winners:

- 1st Place – Kiara Ward
- 2nd Place – Ivy Magera
- 3rd Place – Tia Kornn

Honorable Mention

McKenzie Conner
Ashley Ginet
Albert Larochelle
Dalton Boyd

[end agenda memo]

Mayor Wheeler and Katie Kinloch recognized each winner of the Florida City Government Week poster contest and presented them with a ribbon, Certificate of Participation, a "My City, I'm Proud of It" bumper sticker, and a button. The first place winner also received a McDonald's \$5 gift certificate.

PRESENTATION: Progress on Relocation of Park Monument

Commissioner Van Sickle introduced Ann Booker, Lake Ashton resident and longtime resident of Lake Wales. He said that he volunteered Ms. Booker to help keep track of the financing part of the project. Commissioner Van Sickle said they felt that it would only be appropriate to make the monument look nice once it is moved to City Hall. Ms. Booker told about the history of the monument. She said that in 1991 the monument was put in the park to honor our veterans. Now, we would like to bring it to a new setting and make it similar to the one in Lake Ashton. Ms. Booker and Commissioner Van Sickle provided PowerPoint pictures to show how the monument would look in its new location, which would include lighting. Commissioner Van Sickle told of his plans for raising the money to fund the project. He said that this is a City project that everyone should help fund.

Mayor Wheeler said that in an effort to speed things along, he would like to find an organization that would act as a fund raising vehicle for this project so they could get a tax deduction for this year.

Mr. Otte said that the City's utility engineer volunteered to design the base of the monument.

AGENDA ITEM 6. Approval of State Road 60 East Plan for Median Construction

Mr. Otte reviewed Agenda Item 6. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Clara VanBlargan, City Clerk]

RECOMMENDATION

It is recommended that the City Commission approve the State Road 60 East conceptual plan prepared by FDOT for the construction of a raised curb, grass median on State Road 60 between 11th Street, and the median west of Capps Road.

BACKGROUND

At the June 17, 2008 regular City Commission meeting, Gary Amig, District One FDOT Access Management/Safety Program Manager, gave a brief presentation on their plans for the SR60 median safety project. This project was initiated by City staff who requested FDOT to explore the feasibility of the construction of a grass median. If approved, this \$1.5 million project would be constructed with highway

safety funds. No City funds would be involved in the construction, but FDOT may require the City to extend our maintenance area to maintain a portion of this new median. It is anticipated that the state would provide funding for this purpose. The project would be scheduled for design in 2009/2010 and construction in 2010/2011.

On November 4, 2008, the City Manger provided the City Commission with a copy of the State Road 60 east plans for their review. In an effort to distribute this information to the affected businesses, Voice volunteers hand delivered flyers inviting them to attend the November 18 regular City Commission meeting. The community and affected businesses are welcome to provide their comments at this meeting.

OTHER OPTIONS

Do not approve the State Road 60 East conceptual plan prepared by FDOT for median construction and ask FDOT to make necessary revisions to the plan based on any comments and recommendation made at the November 18, 2008 regular City Commission meeting; or ask FDOT to abandon the project.

FISCAL IMPACT

No City funds would be involved in the construction, but the City would have to agree to maintain the median. It is anticipated that FDOT would provide funding for this maintenance.

[end memo]

Mr. Otte said that FDOT staff would schedule an open house once the City Commission approves the plan. He then welcomed citizen comment.

Marsha Brown, resident, said that for the past 30 years she has owned a beauty shop located where the proposed median would be constructed. She said that the median would cut out the town traffic coming into her business and to other businesses located there as well. According to the plan, their town traffic would have to go down to Evergreen and Lewis Griffin Road to make a u-turn in order to come back toward town to get to their businesses. She said that this median would hurt the businesses there because all of them are fighting to survive. Ms. Brown said that FDOT is putting in a median at an intersection with no red light to force traffic to make a u-turn. She said that she spoke with FDOT yesterday and got nowhere with them. She was told that FDOT standards did not warrant a turn into her business, and that there are two county right-of-ways there that do not warrant a workable turn. Ms. Brown said that no one at FDOT was willing to work out a situation with her that would benefit all of the businesses in that one area by making a better way in and out. Most of the businesses from 11th Street to Buck Moore Road have two ways coming out of their businesses, and there are red lights there that make it safer for the traffic to get in and out. The county closed the second way into their businesses about 20 years ago. She said that she would like someone from FDOT to listen and to explain those standards that they are saying prevents them from putting in another turn into their businesses. Ms. Brown she had asked both FDOT staff and City staff who initiated this project. Mr. Otte said he had asked FDOT staff to look into it. Ms. Brown showed the locations of their businesses on the FDOT plan and said that FDOT had told her there had not been enough accidents in that area to allow them to put in a red light. This is just another way of saying that someone else would have to die.

Gary Amig, District One FDOT Access Management/Safety Program Manager, said anytime that FDOT does a project like this it always impacts some of the property owners. He said that u-turns are required at some point. They try to develop a plan that would accommodate the heaviest turning movements and still provide some decent spacing between median openings. Median openings that are spaced too close together create operational safety concerns. After looking at this corridor and driving it to make sure that the u-turn is possible, FDOT has found that there is adequate room to make the u-turn in the roadway for most vehicles. Mr. Amig said that he was not able to attend the meeting Ms. Brown had with his staff

yesterday. He said that he discussed this matter with his staff this morning and they are going to look into the possibility of allowing another opening. This plan is not etched in stone for they have not started the design phase yet. Mr. Amig said he could not promise an additional opening but it is something they would look at.

Mr. Otte showed an area on the plan that was recently annexed into the City and said that at some point when that property is developed there might be a request for an opening there that would benefit these businesses as well as others. Mr. Otte asked Mr. Amig to look into that possibility because the development could provide another reason to make an opening there. Mr. Amig said he recalls FDOT and the City discussing that potential in previous meetings. He said that he would consider Ms. Brown's request and see what they can do to modify the plan.

Mayor Wheeler said that businesses all over Lake Wales are suffering. So, the last thing they need is a disruption of business. Ms. Brown asked Mr. Amig to let them know what is going on and what the intentions are. She said that she did not know anything about this plan until a Voice volunteer came by and gave her information on it.

Mayor Wheeler said that it would be helpful if FDOT had a meeting with the affected business owners to allow them to voice their concerns. Mr. Amig said that FDOT has always planned to have a separate public information meeting, invite all property owners affected by their plan, and to make presentation materials available. These owners will receive an invitation in the mail to this public forum that would be advertised in the newspaper. Mayor Wheeler asked when this meeting would take place. Mr. Amig said they were hoping to get the City's blessing on the conceptual plan before moving forward. Mayor Wheeler said he is hesitant to do that until these concerns have been addressed. He said he does not want to put the cart before the horse. Mr. Amig said it is a tough call sometimes.

Commissioner Rogers asked for the latest date the plan can be changed. Mr. Amig said there is plenty of time because the design phase would not start until the fall of 2009. Commissioner Rogers asked if FDOT would compensate business owners for their loss of business. Mr. Amig said that when doing a project like this there is much concern for loss of business. They have no intention of hurting anybody's business. He said they have done studies on similar projects they have done throughout the state. For the most part, only some businesses were affected. It is less convenient to make the u-turn, but it is much safer to do so, which a lot of people do not understand. FDOT did a study of the entire corridor that indicated there were 170 crashes in that area in a 42-month period. The predominant crash problems were rear-ends and angle crashes whereas angle crashes are more severe. Commissioner Rogers said that is a very dangerous intersection. Mr. Amig said FDOT statistics show that a right turn followed by a u-turn is safer than a direct left path. Mayor Wheeler said that may be true on an average basis, but individual turns may not be an average. He said he is very familiar with the hazards of such intersections because he has observed fast vehicle traffic on that highway. This needs to be addressed before approving a plan.

Commissioner Howell said future needs must be addressed on the plan as well, such as the future development mentioned by Mr. Otte. She said that for years the City has been asking for a red light to be installed at the intersection of Mt. Lake Cut-off Road and Scenic Highway but FDOT refuses to put one there because not enough deaths have occurred there, yet. Commissioner Howell said that proves that FDOT statistics are not correct. She said that we need to consider the older people having to make that u-turn.

Commissioner Van Sickle asked if a final design would come back to the Commission for approval once the conceptual plan is approved. Mr. Amig said the City would have an opportunity to review the plan once the design phase begins. The goal is to develop a plan that everybody can live with. Commissioner Van Sickle asked that if the Commission approves a conceptual design would it have a second chance at approving the plan if it gets modified before looking at a final design. Mr. Amig said that before FDOT develops these projects they get all the coordination up front, so the plan would be pretty much finalized. It

is impossible to do the final design and all the details until you get into the design phase. So, FDOT would like to have a final median plan developed before they start the design process.

Mr. Otte asked Mr. Amig if the open forum could take place before the City Commission approves the conceptual plan. Mr. Amig said yes.

Dr. T.J. McKeon, McKeon Chiropractic Clinic, P.A., said his medical office is located east of Ms. Brown's business. He said that he is concerned because just east of Lewis Griffin Road on SR60 there is a big dip in the road. This dip would make it difficult for the elderly to make a u-turn there because it is hard to see the on coming traffic because of it. He said that a great majority of those 170 accidents probably took place right there at Lewis Griffin Road. Mr. McKeon requested that FDOT do an actual survey and study before meeting with all the affected property owners to prove to them that a u-turn would be safe there because hundreds of cars a day would be making that u-turn. He said it would be safer to put a traffic light there.

Dr. Mark McKeon, McKeon Chiropractic Clinic, Pa., said there are going to be more changes to SR60 once the CSX project is built because it will generate a lot more traffic. He asked that FDOT consider putting a traffic light in before that happens.

Mayor Wheeler said that with the Commission's consent he would like to table the approval of the conceptual plan pending the public meeting with all the impacted business owners and residents so that everybody would have an opportunity to voice their concerns. We need a design that would have the least impact possible to these businesses. Mr. Amig said they could probably schedule the meeting for January or February of next year.

Ken Artail, affected business owner and resident of 4265 Oakwood Drive, Orlando, said that he has attended several meetings like this, and medians have become a trend. At these meetings, FDOT promises to work with everybody, but once the plan is approved it is final. When these medians come in they cut off the traffic flow. This proposed median would make it difficult for the businesses there to survive. He said his business in Davenport was greatly impacted because of the same thing, which caused him to lose over half his customers. He said he only hopes that FDOT will do a study, consider these concerns, and notify the businesses when the public meeting would be held. Mr. Artail said he was glad to get a notice to attend this meeting so he could voice his concern.

Mr. Otte thanked all the Voice volunteers who delivered notices to the business owners.

Commissioner Rogers made a motion to table approval of the conceptual plan until after FDOT has its public meeting with the affected business owners and residents. The motion was seconded by Commissioner Howell.

ROLL CALL:

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

The motion carried 5-0.

AGENDA ITEM 7. Ordinance 2008-38, Annexation: Phillips Property – 2nd Reading & Public Hearing

Mr. Otte reviewed Agenda Item 7. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Margaret Swanson, Planning & Development Director]

RECOMMENDATION

Staff recommends approval after second reading and public hearing of Ordinance 2008-38 providing for the annexation of approximately 20 acres east of U. S. Highway 27 North.

A recommendation from the Planning and Zoning Board is not required for an annexation ordinance.

Public notice requirements have been met.

BACKGROUND

D.M. Phillips and Lillian B. Phillips have requested annexation of approximately 20 acres of property.

The property's location is shown on "Attachment A" to the ordinance. It is about a quarter mile east of U. S. Highway 27 North. Towerview Boulevard is to the south and Hickory Hammock Rd. is to the north. It is contiguous to the City along its southern boundary.

Surrounding properties:

North: vacant/agricultural and Hickory Hammock Rd. (in Polk County)

South: vacant parcel (in City of Lake Wales)

East: vacant, former RR right-of-way, and Scenic Highway (in Polk County)

West: parcels along US 27 (Lee's Furniture, proposed Angus Self-storage) (in City of Lake Wales)

A land use designation has not been requested at this time. After consultation with staff, the applicant has requested annexation only. The applicant is aware that a land use designation must be made within a year of annexation per the zoning regulations.

This property is directly north of the Coldwell property annexed in July 2008. This property and the Griffith property also being considered for annexation on this date will be combined with the Coldwell property to create access to Hickory Hammock Road.

OTHER OPTIONS

Decline to annex the property.

FISCAL IMPACT

The annexation will add to the City's tax roll.

[end agenda memo]

Ms. Delmar read Ordinance 2008-38 by title only.

AN ORDINANCE PROVIDING FOR THE ANNEXATION OF APPROXIMATELY 20 ACRES OF TERRITORY, CONTIGUOUS TO THE INCORPORATED TERRITORY OF THE CITY OF LAKE WALES, SHOWN ON "ATTACHMENT A" AND SPECIFICALLY DESCRIBED HEREIN; GIVING THE CITY OF LAKE WALES JURISDICTION OVER THE LAND ANNEXED; PROVIDING FOR TAXATION OF THE TERRITORY ANNEXED; 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 approve Ordinance 2008-38 after second reading and public hearing. The motion was seconded by Commissioner Rogers.

ROLL CALL:

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

The motion carried 5-0.

AGENDA ITEM 8. Ordinance 2008-39, Annexation: Griffith Property – 2nd Reading & Public Hearing

Mr. Otte reported on Agenda Item 8. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Margaret Swanson, Planning & Development Director]

RECOMMENDATION

Staff recommends approval after second reading and public hearing of Ordinance 2008-39 providing for the annexation of approximately 10 acres south of Hickory Hammock Road.

A recommendation from the Planning and Zoning Board is not required for an annexation ordinance.

Public notice requirements have been met.

BACKGROUND

Joseph P. Griffith, Jr., owner has requested annexation of approximately 9.61 acres of property.

The property's location is shown on "Attachment A" to the ordinance. It is about a quarter mile east of U. S. Highway 27 North and Hickory Hammock Rd. is to the north. It is contiguous to the City along its southern boundary upon annexation of the Phillips property that is being considered for annexation concurrently.

Surrounding properties:

North: vacant/agricultural and Hickory Hammock Rd. (in Polk County)

South: vacant parcel (in City of Lake Wales)

East: vacant, former RR right-of-way, and Scenic Highway (in Polk County)

West: parcels along US 27 (Lee's Furniture, proposed Angus Self-storage) (in City of Lake Wales)

A land use designation has not been requested at this time. After consultation with staff, the applicant has requested annexation only. The applicant is aware that a land use designation must be made within a year of annexation per the zoning regulations.

This property is north of the Coldwell property annexed in July 2008. This property and the Phillips property mentioned above will be combined with the Coldwell property to create access to Hickory Hammock Road.

OTHER OPTIONS

Decline to annex the property.

FISCAL IMPACT

The annexation will add to the City's tax roll.

[end agenda memo]

Ms. Delmar read Ordinance 2008-39 by title only.

AN ORDINANCE PROVIDING FOR THE ANNEXATION OF APPROXIMATELY 10 ACRES OF TERRITORY, CONTIGUOUS TO THE INCORPORATED TERRITORY OF THE CITY OF LAKE WALES, SHOWN ON "ATTACHMENT A" AND SPECIFICALLY DESCRIBED HEREIN; GIVING THE CITY OF LAKE WALES JURISDICTION OVER THE LAND ANNEXED; PROVIDING FOR TAXATION OF THE TERRITORY ANNEXED; AND PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

Arthur Clark, Dinner Lake Shores, asked the advantages of annexation. Mr. Otte said that it adds to the tax base. Mr. Clark asked if the City provides utility service to annexed property. Mr. Otte said when it is available. Mr. Clark asked if the City only annexes when annexation is requested. Mr. Otte said usually. Mr. Clark asked if a plan had been developed for future annexation, and if so, was it available to the public. Mr. Otte said that the City has a Comprehensive Plan that provides for the provision of services in the future, it is a public document, and a copy can be obtained in the Planning & Development office. Margaret Swanson, Planning & Development Director, said the document can also be obtained on the City's website.

Edward Estifa, 3655 Scenic Highway, said it troubles him when property is annexed because it will eventually be developed in the future or otherwise it would be useless. He asked where vehicle traffic would access a public roadway once the property is developed, if a plan had already been submitted for developing the property, and if so, would the development have an impact on Hickory Hammock. He said that he is curious as to how the City annexes property without it being contiguous to any other property.

Kathy Bangle, Assistant Planner, showed areas on the map that the City recently annexed that are contiguous to this property being proposed for annexation. Mr. Estifa said he is concerned that at some point everything along Scenic Highway would be developed because it would impact the urban areas just north of it.

Ms. Swanson said that in regards to the vehicular access the City does require property being developed in that area to have a direct connection to US27 by a minor connector road. The East Polk Road Study calls for an east west road that would connect Scenic Highway to US27. She said she believes that the owner of this property plans to have a connection from this development out to US27, which would be the main entrance to any of the properties developed there for residential use. Ms. Swanson said there has to be another exit to developments with more than 50 units. So, another entrance would be required that would either go out to Scenic Highway or out to Hickory Hammock. Hickory Hammock would never be a major entrance to any of those developments. So, if a connection is made to Hickory Hammock in the

future for this development it would only be a secondary exit. Mr. Estifa said eventually there would have to be an access road to the Griffith property through the Phillips property as well. Ms. Swanson said that this is all one piece of property although it is two separate annexations, and that one developer owns both properties.

Mayor Wheeler asked if any plans have been submitted to the Planning Department for this property. Ms. Swanson said no. She explained that any access questions must be addressed before a land use designation can be considered for the property. Currently, there is no access to the property, so we have to work out roadway issues before considering applying a land use designation. Mayor Wheeler said it is possible that the land would never be developed. Ms. Swanson said if the developer does not want to pay for the roadway connections then that is true.

Joanna Boucher, 536 S. Lake Starr Blvd., asked if the proximity of the airport at Chalet Suzanne would affect future plans for the development of this property. Ms. Swanson said that the Griffith property is not where the main development is going to be because the land is not big enough. Development would be on the southern properties. She said that whatever the rules are for the airport they would have to be followed when development is being considered.

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to approve Ordinance 2008-39 after second reading and public hearing. The motion was seconded by Commissioner Van Sickle.

ROLL CALL:

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

The motion carried 5-0.

AGENDA ITEM 9. Ordinance 2008-40, Final FY-07'08 Budget Amendment #4 – 2nd Reading & Public Hearing

Mr. Otte reported on Agenda Item 9. The full staff memo is incorporated into the minutes.

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

RECOMMENDATION

It is recommended that the City Commission adopt Ordinance 2008-40 after second reading and public hearing.

BACKGROUND

Ordinance 2007-40 estimating revenues and appropriating funds for Fiscal Year 2007-08 was adopted by the City Commission on September 18, 2007 and amended by Ordinances 2008-02, 2008-16 and 2008-36. We are presenting for first reading a fourth and final amendment of Ordinance 2007-40 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 which is housekeeping in nature.

This budget amendment is based on unaudited preliminary financial reports for the year ending on 09/30/08 and is necessitated by expenditures in several departments that exceeded budget. Wherever surplus allocations existed at 09/30, they have been reallocated to departments where additional appropriations were needed; however, it has also been necessary to appropriate unbudgeted revenues and General Fund fund balance to cover excess expenditures. The following is a summary of changes to the budgets previously adopted for each fund. A number in parentheses indicates that the budget has been reduced, while a number without parentheses indicates that the budget has been increased.

Revenues & Balances Fwd	Increase (Reduction)
General Fund	96,145
Special Revenue Funds	63,415
Debt Service Fund	18,815
Capital Projects Fund	(8,764)
Airport Fund	(1,269,041)
Utility System Fund	0
Total Increase(Reduction) of Revenues & Balances Fwd	(1,099,430)
Appropriated Expenditures & Reserves	
General Fund	3,553
Special Revenue Funds	81,242
Debt Service Fund	546,161
Capital Projects Fund	130,701
Airport Fund	(1,981,868)
Utility System Fund	0
Reserves	120,781
Total Increase (Reduction) of Appropriated Expenditures & Reserves	(1,099,430)

The proposed budget amendment reduces the City's total budgeted expenditures by \$1,220,211 and increases reserves at 9/30/08 by \$120,781 for a net reduction in appropriated expenditures and reserves of \$1,099,430 (from \$74,074,684 to \$72,975,254).

While this budget amendment results in increased budget appropriations for the General Fund (+\$3,553), the CDBG Fund (+81,242), the Debt Service Fund (+546,161), and the Capital Projects Fund (+130,701), the overall reduction in the total budget is due to a reduction of \$1,981,868 in the Airport Fund. Most of the reduction in the Airport Fund is related to projects that were not complete at 9/30/08, and the FY08'09 budget will be amended to reflect the carry-forward of these projects.

Both the operating and capital budgets in the Airport Fund are amended to reflect actual revenues and expenditures during FY07'08. This detailed amendment is necessary in order to calculate the amount of subsidy required from the General Fund to cover the shortfall in airport revenues that fund operating costs and local matches for grant-funded projects. An increase in the General Fund transfer in the amount of \$23,491 is necessary to cover \$3,168 in operating costs and \$20,323 in local match requirement for the airport parking lot and runway lighting projects.

In the General Fund, revenues exceeded budget by \$96,145 and these excess revenues have been appropriated to fund excess expenditures and increase ending fund balance. Expenditures were \$24,068 under budget before increasing the subsidy to the Airport Fund. After accounting for the additional Airport

subsidy (\$23,491) and leaving a slight allowance for additional adjustments during the audit process (\$4,000), the amended General Fund expenditure budget exceeds the adopted budget by \$3,533, allowing a return to fund balance of \$92,592 at 9/30/08.

The difference in the General Fund amendment between first and second reading of Ordinance 2008-40 is due to the following adjustments to the accounting record at 9/30/08:

1. The City paid more than the required pension contribution for FY 07'08; as a result, General Fund FY07'08 expenditures required a reduction of \$63,508 and this amount was recorded as prepaid expense for FY08'09
2. Expense accrued for solid waste collection services in October 2007 (\$62,000) required reversal; without this standard accounting adjustment, the expenditure record for FY07'08 reflected 13 months of expense instead of 12 months.
3. An invoice paid after 10/1/08 for \$12,612 in professional fees related to the insurance appraisal of city-owned property required reclassification to FY07'08 because the appraisal was performed prior to 9/30/08 (this expenditure was included in Budget Amendment 3#).

Expenditure budgets adjusted by Budget Amendment #4 are as follows:

Various General Fund Departments - adjusting for fuel expense over budget	65,575
Police Dept - adjusting payroll for pay-out of leave balances to terminating employees, unbudgeted salary adjustments (earned education incentives, promotions, etc)	15,900
Police Dept - adjusting for increased expense for vehicles M&R	19,099
Facilities Maintenance - adjusting for excess overtime (+7,140) and over-budgeted labor allocations to other departments (+16,860)	24,000
Information Services - adjusting for over-budgeted labor allocations to other departments	12,300
Building Dept - adjusting for unbudgeted payroll increases (earned education/certification incentives, promotions, etc)	3,100
Parks Division - adjusting for increased expense for vehicles M&R	11,762
General Fund Interfund Transfers - increasing transfer to Airport Fund to resolve negative balance at 9/30/08 (+3,168 for operating; +20,323 for local match for grants)	23,491
City Attorney - adjusting non-retainer services for increased fees relating to litigation (+6,094) and adding cost of lodging/meals Municipal Atty's Conference (+421)	6,515
Municipal Admin Building - adjusting for cost of security system (+5,106 net of other savings in department)	3,385
Various General Fund Departments - reducing surplus appropriations (reappropriating to departments with excess expenditures)	(181,574)
CDBG – adjusting Wiltshire grant admin expense (-17,836), engineering (+16,930), and drainage project construction (+44,881)	43,975
CDBG – carrying forward budget for Disaster Recovery grant expense from FY06'07	75,370
CDBG - reducing budget for Lift Station 16 project	(38,103)

Debt Service - adjusting Suntrust 99 CIP principal payment to actual	30,292
Debt Service - adding budget appropriation for CRA principal payment due 10/1/08 but paid before 9/30/09 (funds set aside in FY07'08 for payment)	403,503
Debt Service - adjusting CRA interest payment to actual	43,312
Debt Service - adding budget appropriation for FBO Lease repayment credit	18,000
Debt Service - adding budget appropriation for CRA Bond issuance costs	51,054
Capital Projects - carrying forward budget for Soccer Field grant expense from FY06'07	329,468
Capital Projects - deleting appropriation for Fire Substation	(74,971)
Capital Projects - adjusting various line items to actual	(70,296)
Capital Projects - correcting error in Budget Amendment #3 that duplicated previous budget amendment adding appropriation for acquisition of land at Austin Center	(53,500)
Airport - amending all operating budget appropriations to actual expenditures	14,974
Airport - amending all capital budget appropriations to actual expense	(1,996,842)
Total Expenditure Amendment	(1,220,211)

OTHER OPTIONS

None; this is a required housekeeping amendment.

FISCAL IMPACT

See Exhibit A and Exhibit B attached to Ordinance 2008-40.

[end agenda memo]

Ms. Delmar read Ordinance 2008-40 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING ORDINANCE 2007-40 AS AMENDED BY ORDINANCES 2008-02, 2008-16 and 2008-36 TO FURTHER MODIFY THE ESTIMATES OF EXPENDITURES FOR THE OPERATION OF THE SEVERAL DEPARTMENTS OF SAID CITY FOR THE 2007-2008 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 approve Ordinance 2008-40 after second reading & public hearing and to make the adjustments on second reading. The motion was seconded by Commissioner Manry.

ROLL CALL:

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

The motion carried 5-0.

AGENDA ITEM 10. Ordinance 2008-41, Amended Depot Commission Ordinance – 2nd Reading & Public Hearing

Mr. Otte reported on Agenda Item 10. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Clara VanBlargan, City Clerk]

RECOMMENDATION

It is recommended that the City Commission approve Ordinance 2008-41 after second reading and public hearing. Advertisement requirements have been met.

BACKGROUND

At its meeting on November 5, 2008, the City Commission approved Ordinance 2008-41 after first reading and asked that before second reading the word chairman in the ordinance be changed to president because the Historic Lake Wales Society has a president and not a chairman.

The City Commission adopted Ordinance 2008-37 on October 21, 2008 that eliminated the position of Depot Executive Director and the duties thereof. This ordinance resolved a conflict that was created with the new contract that the Commission approved on September 19, 2008 between the City and Historic Lake Wales Society because the contract eliminated the need for city employees to operate the museum and serve as museum staff. Before adoption of Ordinance 2008-37, the City's existing ordinance established the position of depot executive director, appointed by the city manager and working under the direction of the city manager. As a ministerial duty, that existing ordinance needed to be repealed.

At the adoption of Ordinance 2008-37 on October 21, 2008, Tom Baynes of the Historic Lake Wales Society suggested that Ordinance 2008-37 be amended to allow the director or the president of the Historic Lake Wales Society serve as an ex officio member of the Depot Advisory Commission. Mr. Baynes felt that the amendment would allow the Depot Advisory Commission the benefit of having information available right there so it could be presented to the Historic Lake Wales Society Board of Directors in hopes of resolving a lot of things without having to come back to the City Commission. Following the discussion, it was the consensus of the Commission to bring back Ordinance 2008-37 to allow the chairman of the Historic Lake Wales Society to serve as a non-voting ex officio member of the Depot Advisory Commission.

OPTIONS

Do not approve Ordinance 2008-41 after second reading and public hearing.

FISCAL IMPACT

None.

[end agenda memo]

Ms. Delmar read Ordinance 2008-41 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING CHAPTER 2, ADMINISTRATION, LAKE WALES CODE OF ORDINANCES BY AMENDING ORDINANCE 2008-37 TO ALLOW THE PRESIDENT OF THE HISTORIC LAKE WALES SOCIETY TO BE A NON-VOTING EX OFFICIO MEMBER OF THE DEPOT ADVISORY COMMISSION; 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 approve Ordinance 2008-41 after second reading and public hearing. The motion was seconded by Commissioner Manry.

ROLL CALL:

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

The motion carried 5-0.

AGENDA ITEM 11. Ordinance 2008-43, Chapter 21, Article I - Utility Service upon FL DEP Request - 1st Reading

Mr. Otte reported on Agenda Item 11. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Margaret Swanson, Director of Planning & Development]

RECOMMENDATION

Staff recommends approval upon first reading of Ordinance 2008-43 amending provisions relating to provision of utility service outside city limits and correcting surcharge rates for outside-city utility users.

BACKGROUND

The primary purpose of the amendment is to allow utility service to properties outside of the city limits (utility service area) if requested by the Florida Department of Environmental Protection to address an environmental issue. This change is prompted by discussions with DEP concerning servicing several properties that lie outside of the city limits and cannot be annexed because they are not contiguous to the city boundary.

For clarity, the amendment specifies that service can also be provided to properties outside of the city where there is an agreement to provide service pre-dating the advanced reservation systems initiated in 2005.

The surcharge rate to outside-city customers is corrected to comply with state statutes. Although the city complies with state statutes in regard to such charges, the ordinance apparently was never corrected.

This ordinance will enable the City to assist FDEP in resolving certain environmental issues at private utility plants in areas adjacent to or near existing city utility services. The conditions of the provision of city utility services will be covered in service agreements that will be presented to the City Commission for approval.

OPTIONS

Do not approve the ordinance, or change it.

FISCAL IMPACT

There is no immediate fiscal impact from this action. There will be a fiscal impact for each of the individual service agreements brought forward for approval.

[end agenda memo]

Ms. Delmar read Ordinance 2008-43 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, TO AMEND CHAPTER 21, UTILITIES, LAKE WALES CODE OF ORDINANCES, BY ALLOWING UTILITY SERVICE TO BE EXTENDED TO PROPERTIES OUTSIDE OF CITY LIMITS UPON REQUEST BY FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION; CORRECTING THE SURCHARGE ON SERVICE CHARGES AND IMPACT FEES FOR OUTSIDE-CITY UTILITY USERS; AND PROVIDING FOR AN EFFECTIVE DATE.

Ms. Delmar explained that state law allows for a surcharge of 125% of inside City rates to be applied to outside City rates. If a City has a utility rate study where they can link a higher rate they can go up to 150%. Years ago, the City's rate table was projected reflecting a 125% surcharge as allowed by state statute. But, there was a paragraph in the utility ordinance relating to extension of service that was never corrected. So, that part of the ordinance is a house-keeping change.

Commissioner Manry made a motion to approve Ordinance 2008-43 after first reading. The motion was seconded by Commissioner Howell.

ROLL CALL:

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

The motion carried 5-0.

AGENDA ITEM 12. Ordinance 2008-44, Solid Waste/Backdoor Pickup – 1st Reading

Mr. Otte reported on Agenda Item 12. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Judith H. Delmar, Asst. City Manger]

RECOMMENDATION

It is recommended that the City Commission approve Ordinance 2008-44 after first reading.

BACKGROUND

The implementation of once-per week automated pickup of solid waste and the use of standardized large containers provided by Florida Refuse has increased the number of customers requiring backdoor pickup service from approximately 20 to 62. Florida Refuse limits eligibility for backdoor pickup service to customers with a medical necessity documented by a doctor's note. Florida Refuse charges the City the same fee for backdoor pickup as it does for curbside.

Prior to 1989, the City had an in-house solid waste collection department. Backdoor pickup was available to anyone who wanted to pay a surcharge for the service. In 1989, the surcharge was \$35 payable annually.

After privatizing solid waste collection, the option for backdoor pickup remained available. A monthly charge for backdoor service rate was added to the rate table as a separate rate category and increased over time as rate adjustments occurred. Effective 10/1/08, the monthly rate for curbside service was set at \$19.12, and the monthly rate for backdoor service was set at \$25.64. This amounts to a monthly surcharge of \$6.52 over the curbside rate or an annual surcharge of \$78.24.

As stated above, Florida Refuse does not charge the City any more for backdoor service than it does for curbside service. For this reason, we are recommending elimination of the surcharge to our customers.

Proposed Ordinance 2008-44 makes this change to our rate table and establishes the eligibility criteria of medical necessity stipulated by Florida Refuse for backdoor service. We are also recommending a provision to allow backdoor service for extenuating circumstances that are non-medical in nature if both the City Manager and Florida Refuse approve the service.

In the event that there are a few customers who began receiving backdoor service prior to the time when Florida Refuse implemented the requirement for documentation of a medical necessity, this ordinance provides that those customers will not be affected by the new eligibility requirements; i.e.. they will be "grandfathered in."

FISCAL IMPACT

With the 62 customers currently receiving backdoor pickup service, the City will give up \$4,851 in FY08'09 revenue.

OTHER OPTIONS

Continue to charge a surcharge for backdoor pickup service.

[end agenda memo]

Ms. Delmar read Ordinance 2008-44 by title only.

AN ORDINANCE AMENDING CHAPTER 17, SOLID WASTE, LAKE WALES CODE OF ORDINANCES TO ESTABLISH CHARGE FOR BACKDOOR PICKUP; TO SPECIFY ELIGIBILITY CRITERIA FOR BACKDOOR PICKUP SERVICE; PROVIDING FOR AN EFFECTIVE DATE.

Commissioner Manry made a motion to approve Ordinance 2008-44 after first reading. The motion was seconded by Commissioner Howell.

ROLL CALL:

Commissioner Manry	"YES"
Commissioner Howell	"YES"
Commissioner Rogers	"YES"

Commissioner Van Sickle "YES"
Mayor Wheeler "YES"

The motion carried 5-0.

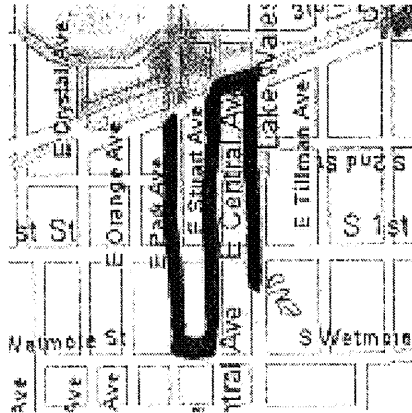
AGENDA ITEM 13. Christmas Parade & Celebration – Temporary Street Closings

Mr. Otte reported on Agenda Item 13. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Katie Kinloch, Administrative Assistant to City Manager]

RECOMMENDATION

It is recommended that the City Commission approve the street closings in connection with the Kiwanis Annual Christmas Parade on December 13, 2008 from 4:00 p.m. until the parade is over. The parade will start at approximately 6:00 p.m. at Scenic Highway and Park Avenue, proceed west on Park Avenue to the corner of Wetmore Street, south on Wetmore Street to Stuart Avenue, turn east on Stuart Avenue to Scenic Highway, then south to Central Avenue where the parade will dismantle.



BACKGROUND

Carl Kampman, sponsor contact representative for the annual Christmas parade, submitted an application for this special event to take place on December 13, 2008. Mr. Kampman is requesting that the City Commission approve the street closures associated with the parade. The sponsors are responsible for any necessary sanitary facilities, site preparation, and site cleanup. The Lake Wales Police Department will be responsible for traffic control.

OTHER OPTIONS

Do not approve the road closure.

FISCAL IMPACT

In-kind services have been budgeted in the FY-08'09 budget for this special event: \$1,760 for Police Department services and \$92.00 for Streets Department services.

[end agenda memo]

Commissioner Howell made a motion to approve the street closings in connection with the Kiwanis Annual Christmas Parade on December 13, 2008 from 4:00 p.m. until the parade is over. The motion was seconded by Commissioner Manry.

ROLL CALL:

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

The motion carried 5-0.

AGENDA ITEM 14. Polk Transportation Planning Organization; Joint Airport Zoning Board Appointments

Mr. Otte reported on Agenda Item 14. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Clara VanBlargan, City Clerk]

RECOMMENDATION

City staff does not make recommendations on appointments.

BACKGROUND

The City of Lake Wales is a member of the Joint Airport Zoning Board (JAZB). The Polk Transportation Planning Organization (TPO) serves as the technical staff to the Joint Airport Zoning Board (JAZB) that oversees the Polk County Airport Zoning Regulations. The TPO is requesting that the City Commission appoint two (2) voting members and one (1) non-voting member to the JAZB. The non-voting member can be the Airport Manager if appointed.

Applying for appointment: Robert Gregory Gibson
Francisco A. Gioscia

OPTIONS

None.

FISCAL IMPACT

None.

[end agenda memo]

Commissioner Rogers made a motion to appoint Robert Gregory Gibson and Francisco A. Gioscia to serve as voting members on the Joint Airport Zoning Board (JAZB). The motion was seconded by Commissioner Howell.

ROLL CALL:

Commissioner Rogers	"YES"
Commissioner Howell	"YES"
Commissioner Manry	"YES"

Commissioner Van Sickle "YES"
Mayor Wheeler "YES"

The motion carried 5-0.

**AGENDA ITEM 15. Discussion Regarding City Manager Performance Evaluation for Period
11/17/07 – 11/16/08**

Mr. Otte reported on Agenda Item 15. The full staff memo is incorporated into the minutes.

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

RECOMMENDATION

Mr. Otte's employment contract specifies that a performance evaluation will be conducted 24 months after the initial performance evaluation. Mr. Otte's initial evaluation was conducted in July 2002; therefore, the second evaluation was due in July 2004, at which time it was completed. In accordance with Mr. Otte's contract, this was the last scheduled evaluation. According to this contract, additional evaluations may occur as deemed necessary by the City Commission.

In December 2005, the City Commission completed a City Manager performance evaluation for the period 7/1/04 through 11/15/05. In November 2006, discussion was held by the City Commission, and it was decided to defer the next City Manager performance evaluation until November 2007, at which time an evaluation was completed for the period 11/16/05 through 11/16/07.

At this time, we are requesting discussion by the City Commission as to whether to conduct a City Manager performance evaluation for the period 11/17/07 through 11/16/08.

If it is the consensus of the City Commission to conduct a performance evaluation, staff will distribute evaluation forms so that the process is completed before the end of the calendar year.

[end agenda memo]

Mayor Wheeler asked if the Commission would like to conduct a City Manager performance evaluation. He said that he didn't see a need in it himself. Commissioner Manry said she didn't either.

Commissioner Van Sickle said that an evaluation gives an employee some idea of how others see how he is doing. He said he is in favor of an evaluation.

Commissioner Howell said that she discussed the performance evaluation with the City Manager today. The evaluation would help Mr. Otte know whether his department heads were doing what they were supposed to be doing for the past 12-months. If the City Manager is evaluating his department heads, then the Commission should be evaluating the City Manager to make sure his department heads are doing what he is saying.

The consensus of the Commission was to conduct a City Manager performance evaluation.

**AGENDA ITEM 16. Extension of Time – Approval of Preliminary PDP Plan for Hewitt Property,
Pearl Street**

Mr. Otte reported on Agenda Item 16. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Margaret Swanson, Director of Planning & Development]

RECOMMENDATION

Approval of a one-year extension of time on the preliminary planned development project (PDP) plan approval for Hewitt Property, as shown on the plan dated August 27, 2007.

At its October 28th regular meeting the Planning and Zoning Board voted unanimously to recommend approval of a one-year extension of time for the Hewitt Property PDP approval.

REQUEST

W.A. Read, agent, requested a one-year extension on the referenced project, originally approved by the City Commission December 18, 2007. Preliminary plan approvals expire one year from the date of approval unless a site development permit or building permit application has been submitted. Additional time to proceed with construction of the project is needed.

The Planning Board recommends approval, based upon the fact that conditions have not significantly changed since the approval. There have been no significant changes in the ordinances pertaining to the type of development proposed or in the conditions in the neighborhood.

A reduced copy of the plan and the conditions of approval are attached for your information. Any change in the plan or conditions would require public hearings for an amendment of the preliminary PDP approval. No changes have been proposed or recommended.

OTHER OPTIONS

Decline to extend the approval.

[end agenda memo]

Commissioner Rogers made a motion to approve a one-year extension of time on the preliminary planned development project (PDP) plan approval for Hewitt Property, as shown on the plan dated August 27, 2007. The motion was seconded by Commissioner Howell.

ROLL CALL:

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

The motion carried 5-0.

AGENDA ITEM 17. Park Water Company System Evaluation

Mr. Otte reported on Agenda Item 17. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Sarah Kirkland, Utilities Projects Supervisor]

RECOMMENDATION

It is recommended that the City Commission:

1. Approve the proposal from GAI Consultants to perform the evaluation of the Park Water Company for purchase, at a cost not to exceed (this figure will be presented at the meeting); and

2. Approve the Due Diligence agreement submitted between the City of Lake Wales and Park Water Company.

BACKGROUND

Park Water Company is a private water supplier, which lies 3 miles south of the City of Lake Wales' southern most city limit. Anthony Staiano, President of Park Water Company has approached the City's Utilities Department and expressed his interest in selling.

This system has a certificated area of service on US 27 south. Any plans that the City has for expanding to the south are impacted by the presence of this private utility.

Staff, with commission approval, would like to explore the feasibility of purchasing this system for the increased revenue and the expansion of the city's utilities system. The cost feasibility will be determined using the GAI Consultants evaluation of the system to validate the acquisition of this system.

Mr. Staiano has signed an agreement to give the City time to explore the feasibility of purchase.

OTHER OPTIONS

Chose not to approve for GAI Consultants to perform a systems evaluation for the possible purchase of Park Water Company.

FISCAL IMPACT

\$30,000 is placed in the 08'-09' Water Operating Budget for Professional Services Engineering. There is another agenda item recommending the use of \$5,000 of this line item for a separate water study.

[end agenda memo]

Mr. Otte said he was told that there are only two certified utility appraisers in the state and Gerry Hartman, the city engineer, happens to be one of them. The cost proposal that Mr. Hartman provided is for \$26,000. This type of acquisition has been extremely beneficial in some cases that he is aware of. He said he believes that this would be beneficial to the City because it could add to the tax base and increase water revenues.

Commissioner Rogers said that he is in favor of looking into this, but he has prepared a list of questions that he distributed to the Commissioners before the meeting that he would like to have answered first. He then read the following questions into the record:

- What is the asking price?
- What is the appraised value?
- What is the loan fee such as the interest, length of loan, and closing cost?
- Will this be a bond or bank loan?
- Will the property carry the debt service?
- How many customers does the water system have now?
- Will the City have to spend money right away to upgrade service?
- Will the City have to take and keep workers of the water/sewer plant now?
- Can the City make do with current water/sewer workers that we have now?
- What kind of shape is current water/sewer plant in?
- Will the City be able to set rates or will we have to get county approval/
- How large is the service area?
- Is there a current financial statement (audit) available?

Commissioner Rogers said he has no idea of how to appraise water plants, so he has no idea of how the appraisal would be conducted. However, he would like for this to be looked into, and if this purchase will carry itself then he is 100% for it. He asked that before any of the Commissioners make any comments on this he would like to see what the appraisal value is and then see what the owner of the utilities would be willing to take. Commissioner Rogers said this is certainly a large undertaking by the City and it is already \$33 million in debt, so he is concerned when spending money is discussed. However, he is in favor of this project and he does realize the necessity of looking into it.

Mayor Wheeler asked if GAI consultants would be able to address all these questions. Mr. Otte said yes. Mayor Wheeler asked if this item had been budgeted because it says in the fiscal impact that \$30,000 was budgeted. Mr. Otte said this specific project was not budgeted because we had no idea of it when the budget was formulated. He said staff would have to amend the budget to include this and some other engineering work as well. Mr. Otte said he asked the president of the Park Water Company about seven years ago if he was interested in selling, but was told no. Apparently conditions have changed because he is now interested in selling. To do this, staff would have to bring back a budget amendment. The money would have to be moved from some other line item meant for another project that we would not be able to do.

Commissioner Manry said the Commission would not be able to vote on this until we know for sure where the money would come from. Mr. Otte said that he would recommend that the vote would direct staff to include this item in the budget amendment at the end of the first quarter, which is when the first quarterly budget amendment would be due. Commissioner Manry asked Mr. Otte if he knew for sure that he would be able to find projects that could be moved. Mr. Otte said yes because this project is important enough to warrant that movement.

Mayor Wheeler asked how much the City budgeted for fuel purchases in the Water Fund. Ms. Delmar said we budgeted high. She said that the four largest departments are water, sewer, police, and streets, and that water and sewer would have a large chunk of that. So, she is sure that line item is over budgeted. Mayor Wheeler said that he is sort of gun shy about consultants because of what the City had to pay them this year.

Commissioner Van Sickle said he is somewhat for consultants because if we have the right consultants we can get the information needed to make smart decisions.

Commissioner Van Sickle made a motion to approve the proposal from GAI Consultants to perform the evaluation of the Park Water Company for purchase. The motion was seconded by Commissioner Howell.

ROLL CALL:

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

The motion carried 5-0.

AGENDA ITEM 18. Florida Renewable Energy and Energy Efficient Technology Projects Grant Application - Solar Panels

Mr. Otte reported on Agenda Item 18. The full staff memo is incorporated into the minutes.

[begin agenda memo, prepared by Anthony G. Otte, City Manger]

RECOMMENDATION

Staff recommends that the City Commission approve the Florida Renewable Energy and Energy Efficient Technology Projects Grant Application for \$500,000 to install solar panels to supply power for the Fire Station.

BACKGROUND

The Florida Energy and Climate Protection Act established the Renewable Energy and Energy-Efficient Technologies Grants Program to provide matching grants for demonstration, commercialization, research and development projects relating to renewable energy technologies and innovative technologies that significantly increase energy efficiency for vehicles and commercial buildings. The 2008 Florida Legislature appropriated \$15 million in grant funding. The first solicitation makes available \$7 million to support projects that generate or utilize renewable energy resources, including hydrogen, biomass, solar energy, geothermal energy, wind energy, ocean energy, waste heat and hydroelectric power.

Grant funds are available to Florida municipalities and county governments, established for-profit companies licensed to do business in Florida, universities and colleges in Florida, utilities located and operating within Florida, not-for-profit organizations, and State of Florida agencies.

This grant requests \$500,000 to purchase and install solar panels to supply at least a portion of the energy needs of the fire station. It is estimated that the solar panel may produce as much as 10,640 kwh per month. Power records indicate that the fire station uses approximately 13,000 kwh per month, so the solar panels could produce an estimated 81% of the building's electrical supply needs. The monthly power bills for the building are currently approximately \$1300, so at a 81% savings the solar panels would save an estimated \$1,050 per month. At this rate it would take a year for the city to recapture its investment of \$10,000 for the interconnect device. The savings the 2nd year would be \$ 13,356, the 3rd year \$14,160, and so on.

The purpose of this effort is to reduce energy costs to the City and its taxpayers and to employ the use of renewable resources to reduce dependence on fossil fuels. This will also be useful in an emergency situation, such as hurricanes, when power needs are critical. Any extra power generated will be sold back to Progress Energy.

FISCAL IMPACT

The City will match this grant with \$71,000 in both cash and matching funds. Approximately \$10,000 will be spent to purchase the interconnect device to hook up to the grid to sell the power back to Progress Energy. The \$71,000 needed is proposed to come from \$25,000 in-kind contributions of staff salaries and \$10,000 will be for the interconnect device, \$5,000 in educational materials, \$15,000 preparation of site (concrete, fencing, landscaping, etc.), \$15,000 in kind from the donation of property for the installation of the panels, and \$1,000 miscellaneous expenses such as postage, advertising, copies and printing. These costs can be incorporated into the budget over the next three years.

OTHER OPTIONS

Do not apply for the grant

[end agenda memo]

Mr. Otte said there is a similar project at Polk Avenue School he recalls being dedicated about six months ago that appears to be successful. Mayor Wheeler said that a company on Dundee Road installed a system almost identical to this. The beauty of this is that it would save on electric cost. He said that he heard a rumor that Progress Energy is seeking permission to increase its rates by 30%, which he does not think would happen. This grant project is not going to be a big money saver, but it is something that would

help out the Fire Department. He said that if this project is successful, then he is going to pursue one for the Police Department as well. There may be Homeland Defense funds available for a project like that.

Commissioner Van Sickle said he understands that this is a matching grant, but he was a bit confused on some of the numbers listed in the fiscal impact. He said he does not understand the term "in-kind" contributions especially when using salaries for the match. Mayor Wheeler explained that we are basically using salaries as part of the match because it is something that we are going to expend based on some kind of expectation of the amount of time devoted to it. He said that we are also using \$5,000 in educational materials as part of the match, which baffles him where that came from.

Jennifer Nanek, Grants Administrator, explained that the only matching required is one dollar. The more matching we have the more points we accumulate toward getting our grant accepted. We are applying for a \$500,000 matching grant where we have to contribute at least 20% toward the cost of the project to get an extra two points. She said that she came up with the idea of \$5,000 in educational materials because this is supposed to be an educational project where we have to educate the public. So, the more materials, time, and effort we put toward this over the course of several years would give us more points. Mayor Wheeler said we received considerable assistance in writing this grant from John Ryan, an energy consultant in Winter Haven. He was the one who gave us suggestions on the matching requirements and that the cash match be spread over a 3-year period of time. According to the calculations, the City is going to save enough money to pay the entire match during the grant application period. Therefore, this grant is basically a free-bee. Once that 3-year period is up, the City would have guaranteed revenue extending for the next 30 years.

Commissioner Rogers asked how much cash money would be involved. Ms. Nanek said that the biggest cash match listed is the \$10,000 for the interconnect device. She said that Mr. Ryan had recommended that the City make sure it pays for that because some state officials think that when they grant solar panel grants they should get a piece of whatever is being sold back to Progress Energy. However, if the City pays for the interconnect device then they have no real claim to that money.

Commissioner Van Sickle said he is concerned that the General Fund would have to pay for any cost over runs. Mayor Wheeler said that the way this grant is set up, it would be almost impossible to have a cost over run because you have to buy as many panels you can with the amount of money awarded. He said that because the City was informed of this grant about three weeks ago, it was hurriedly assembled. Commissioner Van Sickle said he does not want to get into the mode of another program where we get grants that would take us so far and then have to seek other grants to go from there. Mr. Otte said that this would be a one shot thing. Staff would have to bring a contract back to the Commission for approval to do the project.

Mayor Wheeler said before everyone gets excited about this grant he wants everybody to know that the Legislature is only appropriating \$15 million for these grants for the whole state of Florida. So, we are applying for 1/30 of that amount. There are some big cities that are probably requesting millions of dollars, so this is not a done deal by any means. He said he believes that Mr. Ryan has contacts in Tallahassee that might help, but it is a question of how much funding they have available. However, if we do apply and not get it, then we would probably be placed at the top of the list for next year.

Commissioner Van Sickle asked if it was possible to be awarded \$100,000 instead of \$500,000. Mayor Wheeler said yes.

Commissioner Howell made a motion to approve the Florida Renewable Energy and Energy Efficient Technology Projects Grant Application for \$500,000 to install solar panels to supply power for the Fire Station. The motion was seconded by Commissioner Van Sickle.

ROLL CALL:

Commissioner Howell	"YES"
Commissioner Van Sickle	"YES"

Commissioner Rogers	"YES"
Commissioner Manry	"YES"
Mayor Wheeler	"YES"

The motion carried 5-0.

AGENDA ITEM 19. Discussion of Financial Statements for September 30, 2008, Fiscal Year to Date

Mr. Otte reported on Agenda Item 19. The full staff memo is incorporated into the minutes.

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

RECOMMENDATION

The preliminary unaudited financial statements for the City of Lake Wales for the Fiscal Year Ending September 30, 2008 are presented to the City Commission for review. Budget comparisons are based on the FY07'08 budget as amended by Ordinances 2008-02, 2008-16 and 2008-36.

At the end of September, the City completed 100% of the fiscal year. While most revenues and expenditures have been recorded, these numbers are subject to change as the Finance Department receives late-arriving invoices for costs incurred in August and September or makes adjustments in preparation of the YE 9/30/08 audit. The following chart gives a brief summary of overall revenue and expenditure performance for the year ending September 30, 2008:

SUMMARY

The following chart gives a brief summary of revenue and expenditure performance as of 9/30/08:

Fund	Revenues & Sources		Expenditures & Other Uses	
	Percent of Budget	Comparison to Target	Percent of Budget	Comparison to Target
General Fund *	100.7%	+0.7%	99.8%	-0.2%
Special Revenue Funds	81.2%	-18.8%	49.3%	-50.7%
Debt Service Fund	100.8%	+0.8%	135.3%	+35.3%
Capital Projects Fund	98.7%	-1.3%	113.5%	+13.5%
Airport Fund	64.5%	-35.5%	64.4%	-35.6%
Utility System Fund	46.3%	-53.7%	45.5%	-54.5%

* Note: General Fund expenditures reflect three corrections to the financial statements originally presented at the 11/5/08 meeting: 1) reduction of \$63,508 in current year pension expense; 2) reduction of \$62,000 in current year solid waste collection expense; 3) payment of \$12,612 in professional fees for insurance appraisal of city buildings and equipment performed prior to 9/30/08

Total General Fund receipts exceeded budget by \$96,145. Through the end of the year, the City received 99.4% of budgeted ad valorem tax revenues (-\$23,429), 100.05% of state-shared revenues (+\$136), 100.1% of sales tax revenues (+\$876), 94.2% of utility taxes (-\$80,667) and 97.6% of franchise fees (-\$28,346). Offsetting these shortfalls were \$97,806 in building fees and other development-related

revenues over budget (+21.6%) and \$91,195 in unbudgeted FEMA reimbursements for residual expense incurred during Hurricane Charley.

Overall expenditures in the General Fund were at 99.8% of budget through September 30 (-\$24,068). On a city-wide basis, \$390,247 was spent on fuel in FY07'08; this was \$99,072 more than was budgeted. In the General Fund, expenditures for fuel exceeded budget by \$65,575. When fuel is excluded from budgeted and actual expenditures, the General Fund spent 99.2% of its budget (-\$89,643).

Overall revenues and sources in the Special Revenue Funds were at 81.2% of budget. The Library Fund received 98.9% of its budgeted revenues (-\$10,558), and the Transportation Fund received 96.2% of budgeted operating revenues (-\$32,790). Library Fund expenditures were at 94.3% of budget and Transportation Fund operating expenditures were at 97.1%. The CDBG grant fund recorded 106.3% of budgeted expenditures including some remaining expenditures related to the CDBG Disaster Recovery Grant budgeted in FY06'07 but not expended before 9/30/07; these expenditures will be included in the final budget amendment. There was minimal activity in the other Special Revenue Funds through the end of September.

Debt Service Fund expenditures are higher than budget (+35.3%) as a result of the fact that \$585,732 in principal and interest payments for the CRA bond were due on October 1, 2008 and paid by check on 9/24/08. The funds for this payment were accumulated during FY07'08, but the actual expense was reflected in the FY08'09 budget because of the date due. Because the funds were disbursed during FY07'08, the expense must be reflected in the financials for FYE 9/30/08. An appropriation for this expense will be included in the final budget amendment. Prior to making the payment due on 10/1/09, finance staff will establish a pay agent account to accommodate a wire transfer of future principal and interest payments for the CRA bond so that expense will be reflected in the fiscal year in which the payment is due.

The Capital Projects Fund reflects 98.7% of budgeted revenue and 113.5% of budgeted expenditures. Most of the overage in this fund is related to the construction of the Soccer/Multi-purpose field (\$329,468) which was budgeted in FY06'07 but not completed until September 2008. The budget for this project will be included in the final budget amendment.

Airport Fund revenues were at 64.5% of budget and expenditures were at 64.4%. Most of the revenues budgeted in this fund for FY07'08 are grant-related and fund major capital projects. \$2,261,936 in grant funds (64.6% of budget) were received through September 30. The final budget amendment includes a budget reduction of \$1,981,868 in the Airport Fund. Most of this reduction is related to construction projects that were not complete at 9/30/08, and the FY08'09 budget will be amended to reflect the carry-forward of these projects.

The budget amendment will also include an increased transfer from the General Fund to subsidize the shortfall in airport operating revenues (rents, fuel flow fees, FBO lease, interest on cash balances, etc.) budgeted to fund operating costs and local matches for grant-funded projects. An increase in the General Fund transfer in the amount of \$23,491 is necessary to cover \$3,168 in operating costs and \$20,323 in local match requirement for the airport parking lot and runway lighting projects.

The Utility Fund received 107.6% of budgeted revenues through September 30. This number includes impact fees, the Oakley settlement, and miscellaneous revenues as well as charges for services. Revenues from water charges were at 109.0% of the amended budget (+\$287,461), and revenues from sewer charges were at 100.2% (+\$7,024). Overall revenues and other financing sources in the Utilities Fund were at 46.3%. Loan proceeds related to the wastewater treatment plant expansion and southside force main projects are recorded as actual expense is incurred. Expenditures in the operating departments were 94.8% of budget or 5.2% below target level (-\$224,693). Total Utilities Fund expenditures and other uses were at 45.5% of budget.

The City's overall cash position at the end of September 2008 improved in comparison to the cash position at the end of September 2007 (+\$739,506). In order to make a valid comparison, however, adjustments must be made to both years as follows:

	9/30/07	9/30/08	Difference
Total Cash & Investments	3,042,584	3,823,997	+781,413
Due to Other Governments	(126,925)	(121,404)	
Insurance Proceeds & Other Airport Cash	(636,172)	(375,156)	
Deferred Revenues*	(589,246)	(487,728)	
Sale of Coop Fruit Prop (Net of Expenditures)	(1,091,488)	(1,091,488)	
Cash & Investments Net of Adjustments	598,753	1,748,221	+1,149,468

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

After excluding cash that has been collected on behalf of other governments, unexpended Airport insurance proceeds, deferred revenues and sale of the Cooperative Fruit Property, the City's overall cash position at the end of September 2008 reflects an increase of \$1,149,468 over the end of September 2007.

The City's accounts payable at 9/30 increased by \$89,696 from \$1,863,764 at 9/30/07 to \$1,953,460 at 9/30/08. Accounts receivable at 9/30 increased by \$506,464 from \$1,281,308 at 9/30/07 to \$1,787,772 at 9/30/08.

[end agenda memo]

Mr. Otte said that when the auditors come to review these statements they make adjustments. Recently, staff discovered that there were some bills in the General Fund that were not included because they were just discovered. These were from vendors that various staff members had arguments with over the quality of the work. So, when those bills are added in we will have an increase in expense here, which may require us to dip into reserves. Staff will monitor that situation.

Mayor Wheeler asked the amount of disputable expenditures. Mr. Otte said several thousand dollars. Ms. Delmar said there was a surveying bill at the airport for about \$2,500. According to the discussion late this afternoon, this expense may be covered by the FDOT grant. Therefore, it may not affect the General Fund. This bill is in relation to the survey work done for the acquisition of the Cruz property. Mayor Wheeler asked Ms. Delmar when she expected all the adjustments to be final. Ms. Delmar said that staff is working on getting ready for the audit now and is preparing all the schedules. Some things may turn up before the auditors actually come in. If there are cash shortages in the Airport Fund, the Airport Fund by agreement is subsidized by the General Fund. So, that could affect the General Fund, but we don't really know yet. As required by law, the final budget amendment must be done within 60 days after the closing of the fiscal year. Mr. Otte pointed out that one of the things he emphasized that is reflected in this is conservative budgeting on the utility revenues. He recognized Ms. Delmar for a good job she did on this.

COMMUNICATIONS & PETITIONS

CITY COMMISSION TRACKING REPORT

Interconnect with Winter Haven at Lake Ashton: Mr. Otte reported that staff has made some progress on the interconnect. We thought that Winter Haven was going to approve an above ground vault, but we were informed last week that is not so. Now, we are working on the underground vault because that is what they said they wanted.

Water Lines on Olsen Road: Mr. Otte reported that Commissioner Van Sickle asked about the water lines on Olsen Road. To be sure the information that we provide is absolutely accurate, Utilities Director Ray Creel has been physically checking to see where those water lines run.

PUBLIC COMMENTS

Robert Gibson, 811 S. First Street, said in regards to the solar panel grant, in-kind services usually mean that the City would be supplying the electricians to install the panels. Mayor Wheeler said that installation is included in the project cost. The in-kind services for the grant are really an allocation of things that we are already expending.

David Smith, Babson Park, commented that the streets look good after being resurfaced. He asked when the City would be taking over the median maintenance on US27. Mr. Torrance said in one year. Mr. Smith said that he observed City workers early this morning working without a traffic vest. He asked if City employees were provided traffic vests. Mr. Torrance said yes. Mr. Otte said staff would look into that. Mr. Smith said that he spoke with Verna Echols on Presidential Election Day and he was told that someone from the City went around pulling up campaign signs at the polling places on Election Day. Mr. Otte said that he got a phone call from a poll watcher at the James P. Austin Center saying that a Code Enforcement officer had removed campaign signs from the community center property. He said that he contacted the City Attorney and the Attorney for the Supervisor of Elections Office about it and was told that the local sign ordinances prevail in that case. Since the City's sign ordinance says you can't put signs on public property then the Code Enforcement officer was acting within his authority to remove those signs from public property. Mr. Smith said that he saw the Code Enforcement officer remove the campaign signs from the B Street Community Center property but he did not remove the "Vote Here" signs. Capt. Quinn explained that the "Vote Here" signs are covered by state law and are required to be at every polling place. That is not the case with private property. People are told to contact the property owners for permission to place their signs on private property. That rule also applies to church property. In either case, signs cannot be put in the right-of-way.

Linda Kimbrough, 307 Florida Avenue, thanked the Commission for tabling Agenda Item 6, Approval of State Road 60 East Plan for Median Construction. She said the first thing that she thought of when reviewing this agenda item before the meeting was the businesses it was going to affect. She is familiar with those businesses because they have been there for a long time. Ms. Kimbrough said she has been taking the elderly woman that she cares for to the beauty parlor located there for many years to get her hair done. She said we have to think about these things when deciding on what we want to do. The rules we set sometimes hurt our citizens and the businesses that have been here for a long time. Sometimes we make decisions that we think are good, but they have a very negative impact on the livelihood of our citizens. Ms. Kimbrough thanked the Mayor for the comments he made in tabling that item.

Commissioner Rogers thanked the Police Department for doing a fine job on an exercise they performed at the Eagle Ridge Mall on Sunday night. He said that during the event they also apprehending a couple of criminals who broke into a place about a mile from the mall. Mr. Otte said that the Police Department invited the State Fire Marshall's bomb squad to attend the event. He said that he learned that the State Fire Marshall's office recently moved from the Bartow Airbase to the Longleaf Business Park. They have a remote control robotic bomb disposal device that they brought with them to the event. During the exercise, the device pulled a suspicious box from the lobby area in the mall to the parking lot outside. To have a resource like that in our town is just amazing. Capt. Quinn said that the State Fire Mashall's office has five of those robotic devices, located in Panama City, Tallahassee, Lake Wales, Fort Lauderdale, and one in Tampa.

Commissioner Van Sickle asked the status of the RFP for purchasing police cars. Mr. Otte said that item is scheduled for the next City Commission meeting.

Commissioner Howell asked if it was a requirement for City vehicles to have a City logo on them. She said that if there is not a requirement, then she wants to know why because there should be. Commissioner Howell said that she is not talking about undercover police vehicles because she understands why they don't have a City logo. The other City vehicles that employees drive need to have a City logo on them, and not make the City vehicles look like their own personal transportation. She asked if this is something that the Commission needed to vote on. Mr. Otte said that he would check into it and report back to the Commission.

Mayor Wheeler reminded everyone to remember the troops overseas, especially during the Thanksgiving and Christmas Holidays. He asked everyone to adopt a soldier from the list that is available on the City's website and to send a card, letter, etc. Mayor Wheeler said for those who are planning to send something for Christmas needed to do it now because he was told that delivery time takes about three to four weeks.

There being no further business the meeting was adjourned.



Mayor/Commissioner

ATTEST:



City Clerk