

The regular meeting of the Lake Wales City Commission was held on January 6, 2009 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 Rev. Betty Byrd, God's Revival Center by Faith.

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 Howell made a motion to approve the minutes of the December 16, 2008 regular meeting. 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 5. Ordinance 2008-42, Chapter 21, Article I – Chapter 180 Utility Service Area SR60 W – 2nd Reading & Public Hearing

Mr. Otte reported on Agenda Item 5. The full staff memo is incorporated into the minutes.

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

RECOMMENDATION

Staff recommends adoption of Ordinance 2008-42 establishing a Chapter 180 Utility Service Area along State Road 60 west of US Highway 27.

A public hearing is required. Requirements for public notice have been met.

BACKGROUND

A first reading of the ordinance was approved on December 16, 2008.

The ordinance amends the city code to enact a utility service area under Chapter 180 of the Florida Statutes. The proposed service area, shown on the attached map "Chapter 180 Utility Service Area – State Road 60 W Corridor," extends along SR 60 westward from US Highway 27 approximately 3 miles. The action will establish Lake Wales as the priority provider of utilities for the area and is proposed in anticipation of the CSX project in Winter Haven and the "spin off" of industrial uses along the SR 60 corridor west of city.

Per the ordinance, the service area will include any property lying within or partially within the described boundary. The boundary runs approximately 1.5 miles south of SR 60 and 0.5 miles north of the highway. The western boundary is the Seaboard Coastline Railroad, approximately 3 miles west of US 27; the railroad is also the boundary of the Lake Wales' utility service area per agreement with Winter Haven.

The SR 60 corridor west of US 27 has a number of existing industrial uses, and vacant land along the highway is envisioned as appropriate for industrial development because of its access to major state highways, railroads, and the airport. Land annexed into the city west of the airport, including the Crews and Sealy properties, has been designated for industrial land use. Several area property owners have contacted the city regarding development of industrial projects. Extension of utilities to the area will be necessary so that full services are in place at the time they are needed by developers.

The preferred scenario is that land proposed for industrial development will be annexed into the city to increase the city's non-residential tax base. With annexation of properties west of the airport, the city has a solid base for further annexations. However, the number of older commercial and industrial properties along the highway may pose challenges for achieving the contiguity necessary for annexation of vacant parcels. Although the code requires an annexation agreement as a condition of service, the annexation cannot be carried out if the property never becomes adjacent to the city limits.

Under the current code, services cannot be provided to properties outside of the city limits unless there is a prior agreement or the State's Department of Environmental Protection requests the service. The amendment will allow service in the specified Chapter 180 area even if annexation cannot be achieved.

Staff strongly recommends that the city work toward annexation of property in the area so that the tax base can be expanded. Meanwhile, the amendment will give Lake Wales the first right to provide utility service along the corridor. Under the state statute, the city is obligated to provide service in a Chapter 180 area if it is requested and available.

Staff does not support the wide-spread use of Chapter 180 service areas. A Chapter 180 service area extending five miles from the city limits was dropped in 2005 to prevent providing services for new residential development on land that could not be annexed. The measure assisted in preventing "leap frog" development or urban sprawl and enhancing the city's tax base.

Please note that Chapter 21 is undergoing a number of changes. At the commission's last meeting, Ordinance 2008-43 was approved, allowing connections to city utilities if requested by the state to correct environmental issues. At that same meeting, a first reading was scheduled, but tabled for further revisions, to strengthen requirements for pre-treatment of industrial wastewater.

FISCAL IMPACT

No direct fiscal impact has been identified. The amendment will allow provision of services without annexation, weakening the incentive for owners to work with other property owners for contiguity. Expenditures for extension of services will be required if the city is to provide services to area properties.

OTHER OPTIONS

Do not approve the amendment. If no change is made to the ordinance, the city is not legally the priority service provider for the area.

[End agenda memo]

Ms. Delmar read Ordinance 2008-42 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 DEFINING THE CITY OF LAKE WALES UTILITY SERVICE AREA IN ACCORDANCE WITH CHAPTER 180, FLORIDA STATUTES; PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to adopt Ordinance 2008-42 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 6. Resolution 2009-01 – Designation of Administrative Responsibilities

Mr. Otte reported that Agenda Item 6 had been pulled from the agenda.

AGENDA ITEM 7. ICMA Public Library Innovation Grant

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

[Begin agenda memo, prepared by Jennifer Nanek, AA/Grants Administrator]

RECOMMENDATION

Staff recommends that the City Commission approve the ICMA (International City/County Manager Association) Public Library Innovation Grant Application for \$32,000 to develop a mobile learning classroom. Deadline is January 9, 2009.

BACKGROUND

The Public Library Innovation Grant program is administered by ICMA (International City/County Management Association) and is made possible by ICMA's partnership with the Bill & Melinda Gates Foundation. In 2006, ICMA began working with the Gates Foundation on the Local Government and Public Libraries Initiative. They identified areas where public libraries could play a larger role in delivering services, including access to technology, public safety and disaster preparedness, sustainability, health,

immigration, civic engagement, and economic development. As part of our commitment to create excellence in local government, ICMA is dedicated to fostering innovative solutions to local government challenges. The Public Library Innovation Grants Program will fall under ICMA's overall goal of promoting sustainable communities.

This \$32,000 grant application seeks to develop a mobile classroom consisting of 25 laptops and projection system to help students of all ages improve their learning skills and develop better technology capabilities. The ICMA grant will provide the ability to bring enhanced learning tools and technology directly to students of various economic backgrounds, with varied skill levels in this primarily low income community.

The Lake Wales Library will partner with other community groups such as the Lake Wales Charter Schools, Polk County District Schools, the Literacy Coalition, B Street Community Center and any other organization that might benefit from this service.

FISCAL IMPACT

The City will need to provide IS support towards the laptops as needed.

OTHER OPTIONS

Do not apply for the grant

[End agenda memo]

Commissioner Howell made a motion to approve the ICMA (International City/County Manager Association) Public Library Innovation Grant Application for \$32,000 to develop a mobile learning classroom. 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 8. Dr. Martin Luther King, Jr. Parade & Celebration – Temporary Street Closings

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

[Begin agenda memo, prepared by Clara VanBlargan, CMC, City Clerk]

RECOMMENDATION

Staff recommends that the City Commission approve the street closings in connection with the Dr. Martin Luther King, Jr. Parade on January 19, 2009 from approximately 3:00 p.m. to 6:00 p.m.

The parade will start at approximately 3:00 p.m. from the James P. Austin Community Center parking lot, turn left onto Dr. Martin Luther King Jr. Blvd., continue to Dr. J. A. Wiltshire Avenue and turn left, continue to E Street and turn right, continue to Lincoln Avenue and turn right, continue to A Street and turn right,

continue to Dr. J. A. Wiltshire Avenue and turn left, continue to First Street and turn right, continue on First Street to Seminole Avenue and turn right, and continue to the James P. Austin Community Center parking lot where the parade will dismantle.

BACKGROUND

Staff received a Special Event Permit Application from Narvell Peterson, representative of the Dr. Martin Luther King Jr. Celebration Committee, for City Commission approval of the temporary closing of the streets involved in the Dr. Martin Luther King, Jr. Parade. City staff is requesting that the streets be closed for the celebration on Monday, January 19, 2009, from approximately 3:00 p.m. to 6:00 p.m. or as necessary to allow for the safe dispersal of participants. It is anticipated that the parade will begin at approximately 3:00 p.m.

The Dr. Martin Luther King Jr. Celebration Committee is requesting traffic control and Police presence for the street closing between 2:00 p.m. and 9:00 p.m. Chief Gillis is going to arrange for a meeting with the Celebration Committee to try to determine a compatible closing hour for the celebration.

OTHER OPTIONS

In May 1993, the City Commission adopted Ordinance 93-02, requiring City Commission approval of applications for Special Events. At that time, several annual community events were "grand-fathered in" and received blanket approval for future events. Included among the grandfathered events was the Dr. Martin Luther King, Jr. Parade and Celebration. However, it is necessary each year to approve temporary street closings if any is necessary for safety reasons to protect participants from vehicular traffic and to allow sufficient area for the planned vendor activities.

FISCAL IMPACT

\$10,147 in in-kind services has been budgeted in the FY-08'09 budget for this special event: \$3,130 for Police Department services; \$277 for Streets Department services; and \$6,740 for Parks Division services.

[End agenda memo]

Mr. Otte said that the Dr. Martin Luther King Organization Committee distributed a revised parade route before the meeting. Instead of the parade turning right on Seminole Avenue from First Street, it will turn right on W. Park Avenue, and continue to Dr. Martin Luther King, Jr. Blvd., and then back to the James P. Austin Center parking lot where it will dismantle. He said that the Celebration will begin immediately after the parade and will last until 9:00 p.m. The closing time of 9:00 p.m. was a joint recommendation made between the Committee and the Police Department. The Committee has agreed to be responsible for getting the vendors to close promptly at 9:00 p.m.

Mr. Otte introduced Narvell Peterson, who is the head of the Committee, and other members who were present.

Commissioner Manry said we should take a pro-active attitude toward the celebration because it is one of the few in the county that happens on Dr. Martin Luther King, Jr.'s birthday. She welcomed everyone to attend the event.

Mr. Peterson told about other activities that would be held January 16 through January 19 in connection with the Dr. Martin Luther King, Jr. Day Celebration. He encouraged everyone to attend. A schedule of these activities was distributed to the Commission before the meeting. Mr. Otte put copies on the podium for anyone who wished to take one after the meeting.

Commissioner Rogers asked why the Committee wanted to change the parade route. Mr. Peterson explained that the revised route is actually the original parade route. The parade route was shortened last year because the Police Department was short on manpower. The Sheriff's Department has agreed to provide assistance this year.

Commissioner Howell said there were problems with getting people off the streets last year. She asked if discussions and plans had been made to prevent that from happening again this year. Mr. Otte said yes. He said the Committee has agreed to make sure that the vendors do whatever is necessary to close promptly at 9:00 p.m., and to assist in opening back up the street. It is ok if people want to stand around on the sidewalk for some period of time after that because a sidewalk is a public place, as long as there are no illegal activities going on.

Commissioner Manry made a motion to approve the street closings in connection with the Dr. Martin Luther King, Jr. Parade on January 19, 2009 from approximately 3:00 p.m. to 6:00 p.m. 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 9. Appointment to Police Officers' Retirement Board

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

[Begin agenda memo, prepared by Clara VanBlargan, CMC, City Clerk]

RECOMMENDATION

It is recommended that the City Commission make the appointment as it deems appropriate.

BACKGROUND

Vacancies exist on various Boards, Commissions, and Committees due to resignations, expirations of terms, newly established boards, etc. The City Commission is asked to make the appointment as it is deems appropriate.

Police Officers' Retirement Board - The Board member filling the 5th Seat is appointed by the City Commission. The board consists of five (5) members. Two (2) members must be legal residents of the City and two (2) members must be full time police officers employed by the Lake Wales Police Department. Resident members are appointed by the City Commission; police officers are selected by a majority of the police officers that are members of the plan. The fifth member is chosen by a majority of the other four members and appointed by the City Commission. Members may serve a two (2) year term, which expires on October 1 of the second year following the appointment. There shall be no limit to consecutive terms served by an elected or appointed trustee on a board established for the purpose of administering an employee retirement plan (Ordinance 2008-09; 03/18/08).

One (1) vacancy, 5th Member: term expires 09/30/09

Applying for re-appointment:

Richard R. Williamson, resident

A vacancy is due to the expiring term of Richard R. Williamson. Mr. Williamson's term expired on 09/30/07. A 5th seat member may succeed himself in office until he is either re-appointed or replaced (Ordinance 98-19; 10/20/98, City of Lake Wales Police Officer's Pension Plan and Trust). Mr. Williamson was chosen by a majority of the other four members at their pension board meeting on November 19, 2008.

FISCAL IMPACT

None. These are volunteer citizen boards.

OTHER OPTIONS

Do not appoint the applicants named above and seek other applicants; however, it may be difficult for some boards to obtain a quorum.

[End agenda memo]

Commissioner Manry made a motion to appoint Richard R. Williamson to serve as the fifth member on the Police Officers' Retirement Board for a term to expire on 09/30/09. 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 10. Discussion of Items to be presented to the Polk County Legislative Delegation

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

[Begin agenda memo, prepared by Anthony G. Otte, City Manager]

RECOMMENDATION

Staff recommends discussion.

BACKGROUND

A great deal of legislation passes each year during the legislative session in Tallahassee. The Legislative package has historically and this year will be no exception, had a direct impact on County and Municipal Government's budgets. This impacts the level and quality of services that each governmental unit can provide to its citizens and taxpayers. In order to affect the highest level of services to the public, it is necessary for both public and private entities to provide valuable input to our legislators on "critical issues" that have the most direct impact on our area.

The Polk County Legislative Delegation plans to hear the concerns of local City Officials at their meeting on January 20, 2009 at the Polk County Commission Chambers in Bartow. It is necessary that the City Commission discuss these items of concern to be presented to the Polk County Legislative Delegation.

[End agenda memo]

Mr. Otte said the Polk County Legislative Delegation will be meeting with the City Officials at 2:00 p.m. on January 20. Staff recommended that we ask the Delegation to exert political pressure and have the Legislature exert political pressure to get the federal stimulus package to include small towns, because the national media seem to have the federal stimulus package focused on big cities and on transportation projects. Mr. Otte said he has heard that they are also going to include green projects. He said that wastewater and water are green projects. We need to make sure that central utilities are included in this stimulus package and any city that provides central utilities should be included as eligible project recipients. We also need to ask them to allow a pro-ration of property taxes. The new hotel in town is a prime example of that. The hotel will not go on the tax rolls until January 1 of this month and the property taxes will not be due until November of this year. This is not fair because we have to provide police and fire services to that property long before they are required to pay any taxes. Bills introduced in the past that proposed the pro-ration of taxes had been rejected. So, staff recommends that the legislators take another look at it.

Mayor Wheeler said he is glad Mr. Otte is talking about items that don't necessarily involve appropriation of funds.

Commissioner Manry said we are faced with the government dipping into Trust Funds, so we really need to encourage lesser cuts in education.

Commissioner Howell said when the state gives Polk County money we need to make sure that Polk County distributes that money a little better than they have in the past because our share of the pie has always been a lot less compared to that of larger cities. We need to make sure that all of the smaller cities, especially the ones on the Ridge, get more than what they have been getting in the past.

Commissioner Van Sickle said more money should go toward education because school teachers in Polk County are not getting any raises. For this stimulus package the City should be looking at the basic things such as wastewater, water, fire, police, safety etc. These are basic things that everyone in the small cities need. Unfortunately, these things are not funded as well as they should be.

Commissioner Rogers asked Police Chief Herbert Gillis and Fire Chief Jerry Brown if their departments have any immediate needs that need to be addressed to the Legislative Delegation. Chief Brown said that the Fire Department could always use more but currently they are ok. He thanked Commissioner Rogers for asking. Chief Gillis said they are working toward their needs and that they have a 5-year plan they are trying to accomplish. It has been very hard on the City as far as cost is concerned. He said that they put a lot of emphasis on technology and that he has discussed the possibility of removing the cost from the City and putting it somewhere else like with the State since the State continues to pass down un-funded mandates. Mayor Wheeler said we need to emphasize to the State that they need to resist un-funded mandates and any kind of programs that are dependent upon non-recurring funds.

Mr. Otte said that for the past 10 years or so, it has been a trend for the State to add more tasks to local government. The ones that have been added to the Police Department have caused a burden. At the same time the Legislature has severely curtailed property tax revenue. The Legislative Delegation is going to be asking for suggestions and they have made it clear that they have no money. They do not want to hear any local project requests because they have completely cut out the community grant program. Mr. Otte said that we need to make them aware of this trend and what it is doing to our local government.

Commissioner Manry suggested that Mr. Otte write one of his articles on un-funded mandates.

Mimi Hardman, 300 S. Lake Shore Blvd., said she is going to be speaking to the Legislative Delegation on January 20 regarding Historic Preservation of the State of Florida. She will be representing the Florida Historic Commission as appointed by the Governor of the State of Florida.

Mayor Wheeler asked if there were any other suggestions for our Legislature. Mr. Otte said staff recommended that they consolidate police reporting county-wide. If done state-wide it would benefit all police departments across the state. He said there is also something in State law that does not allow red light cameras, but some local governments have passed local ordinances on red light cameras. He said that he does not know why there has been a reluctance by the State or what has happened there but it might be something that could be changed by the Legislature to allow red light cameras State-wide.

Mr. Otte said one of the un-funded mandates that Library Director Tina Peak brought to his attention was that as the State closes various offices, citizens in need of these services are being referred to the libraries around the state to provide information via internet access. People can no longer speak to a caseworker and apply for food stamps, unemployment etc. They now have to go to their local library and apply for assistance online. Our Library only has 12 computers and because of this un-funded mandate, the computers stay in full use. We had to limit computer use time to 30 minutes per person. Mayor Wheeler said that is a perfect example of the government pushing things down to the lowest level.

Mr. Otte said three other items that staff suggested are expanding re-use, expanding state-aid to Libraries, and safety projects at a number of different intersections: Scenic Hwy. and Mt. Lake Cut-off Road; Scenic Hwy. and Hunt Brothers Road; Hwy. 27 and Hunt Brothers Road in front of the Long Leaf Business Park; Hwy. 27 in front of Warner Southern University; and Hwy. 27 and SR60.

Mayor Wheeler said we need to emphasize to the Legislature to grant more autonomy at the local level for traffic light installation and street routing. He said he has been fighting for three years with FDOT to get a stop light at Mt. Lake Cut-off Road and Scenic Highway. He keeps getting the same answer that not enough deaths have occurred there even when Progress Energy offered to pay for the whole thing. Commissioner Van Sickle said it is now funded. Mayor Wheeler asked if the funding was for the left turn lane or for the light. Commissioner Van Sickle said the funding is for both. Once the left lane is constructed they can turn on the lights. Mr. Otte said he would like to check on that project because at a couple of meetings the Mayor attended they said that they will put up the light but not turn it on until traffic conditions warrant it to be turned on. Mayor Wheeler said it shouldn't take five years for a recognized problem like that to get addressed.

AGENDA ITEM 11. Discussion of Financial Statements for November 30, 2008, Fiscal Year to Date

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

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

The unaudited financial statements for the City of Lake Wales for the Period Ending November 30, 2008 are presented to the City Commission for review. At the end of November, the City was 16.7% into the fiscal year. Four of twenty-six payrolls (15.4%) were expensed through November 30. Budget comparisons are based on the adopted FY08'09 budget. The following chart gives a brief summary of overall revenue and expenditure performance as of November 30, 2008:

Fund	Revenues and Sources	Expenditures and Other uses

	Percent of Budget	Comparison to Target	Percent of Budget	Comparison to Target
General Fund	11.0%	-5.7%	14.5%	-2.2%
Special Revenue Funds	2.7%	-14.0%	12.8%	-3.9%
Debt Service Fund	16.5%	-0.2%	52.5%	+35.8%
Capital Projects Fund	0.2%	-16.5%	1.3%	-15.4%
Airport Fund	0.8%	-16.4%	0.8%	-15.9%
Utility System Fund	9.9%	-6.8%	9.6%	-7.1%

	9/30/08	11/30/08
Pool/Tax Anticipation Investment Account	\$1,037,852	\$1,038,757

General Fund revenues were 5.7% below target level through November with only \$138,123 (3.2%) of budgeted ad valorem tax revenues received. The City received 16.7% of budgeted franchise fees, 13.3% of utility taxes, 16.7% of communications service taxes, 16.8% of state-shared revenues, and 15.4% of sales tax revenues through November 30. General Fund expenditures were 2.2% below the 16.7% target level. This is due largely to the fact that most expenditures were deferred unless critical to the operations of the department.

Revenues in the Special Revenue Funds were at 2.7% of budget, reflecting the fact that most of the capital projects budgeted from bond proceeds and grants incurred no expense through November 30. The Library Fund received 1.7% of its budgeted revenues and the Transportation Fund received 6.6%. Library Fund expenditures were at 13.6% of budget and Transportation Fund expenditures were at 8.7%. There was minimal activity in the other Special Revenue Funds through the end of November.

Debt Service Fund expenditures are significantly higher than budget as a result of the fact that \$1,276,705 in principal and interest payments for the Series 97 Bond and the SunTrust 2003 note were paid on October 1. These October 1 payments were made from the bond sinking fund accounts that were funded during FY07'08 and represent 52.4% of the total expenditures budgeted for the Debt Service Fund in FY08'09.

The Capital Projects Fund reflects 0.2% of budgeted revenue and 1.3% of budgeted expenditures. One FRDAP grant-funded project, two CRA bond-funded projects, and the impact fee purchase of police patrol vehicles are budgeted in the Capital Projects Fund this year.

Airport Fund revenues were at 0.8% of budget and expenditures were at 10.6%. Most of the revenues budgeted in this fund for FY08'09 are grant-related and fund major capital projects which have not shown significant progress through November.

Revenues from water charges were at 15.0% of budget (-58,525), and revenues from sewer charges were at 16.5% (-6,113) at 11/30/08. Overall revenues and other financing sources in the Utilities Fund were at 9.9%. Expenditures in the operating departments were at 13.7% of budget. Total Utilities Fund expenditures and other uses were at 9.6%.

On the face of it, the City's overall cash position at the end of November 2008 has declined somewhat from the cash position at the end of November 2007 (-\$1,842,667). In order to make a valid comparison, however, adjustments must be made to both years as follows:

	11/30/07	11/30/08	Difference
Total Cash & Investments	5,049,930	3,207,263	(1,842,667)
Due to Other Governments	(203,910)	(131,649)	
Insurance Proceeds & Other Airport Cash	(1,732,504)	(129,180)	
Deferred Revenues*	(357,061)	(423,849)	
Cash & Investments Net of Adjustments	2,756,455	2,522,585	(233,870)

*reflected in cash but restricted to a specific future expenditure (grant project, tree replacement fund, etc), at which time revenue will be recognized

After excluding cash that has been collected on behalf of other governments, unexpended Airport insurance proceeds, and deferred revenues, the City's overall cash position at the end of November 2008 actually declined by \$233,870 when compared to November 2007. Contributing to this decline in cash position is the fact that the City received only \$138,123 in ad valorem revenues during the first two months of FY08'09 compared to \$481,043 received during the first two months of FY07'08 –a difference of \$342,920.

The City's accounts payable at 11/30 increased by \$498,032 from \$1,194,049 at 11/30/07 to \$1,692,081 at 11/30/08. The City's accounts receivable at 11/30 increased by \$206,562 from \$1,354,098 at 11/30/07 to \$1,560,660 at 11/30/08. No funds were advanced by the City for the Kiwanis Club "Barney's Dream" project through the end of November; a purchase order was issued in December for the purchase of equipment.

[End agenda memo]

Mayor Wheeler said this early in the fiscal year these numbers are not that meaningful, but as we get closer to April or May everything will need to be looked at with a very careful eye.

ADDUNDUM

AGENDA ITEM 12. Hardman Hall Phase 6 Grant Encumbrance; and Renewal of SEMCO Construction Manager Contract through this Grant Phase

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

[Begin agenda memo, prepared by Jennifer Nanek, AA/Grants Administrator]

RECOMMENDATION

Staff recommends that the City Commission take the following action:

1. Approve the scope of work attached for use of Phase 6, Grant SC801, and encumber the funds for use on the 1919 Hardman Hall as recommended by state staff; and
2. Renew the Semco Construction Manager Contract through this grant phase (Phase 6).

BACKGROUND

In 2007 the City of Lake Wales was awarded a grant from the Department of State, Division of Historic Resources, towards the continued restoration of the 1919 Hardman Hall which is to be adaptively reused as a Performing Arts Auditorium. The grant award was in the amount of \$350,000 and was matched primarily by \$300,000 in CRA funds.

An agreement to accept the award has already been approved by the City Commission; however, these funds have not yet been encumbered as the construction manager was gathering quotes from sub-contractors for the next phase of work.

Due to the need to trim the state budget, a special session of the state legislature was convened on January 5, 2009. The City of Lake Wales was advised last week by a staff member of the Division of Historic Resources to take action to encumber these funds immediately as state legislators are looking at cutting grant awards that are not yet encumbered in order to reduce the state deficit.

In addition, the Construction Manager contract with SEMCO also needs to be extended. Staff recommends that the contract be extended until the completion of this grant phase.

OTHER OPTIONS

Do not encumber the funds and risk losing the grant to continue the restoration work on Hardman Hall; and/or find another contractor. Finding another contractor would make it difficult to determine accountability for the work.

FISCAL IMPACT

In the absence of this action the \$350,000 state funded grant may be in jeopardy. The City Commission has already approved an agreement to accept the funding and to match it with \$300,000 in CRA funds in the 08-09 Fiscal year.

[End agenda memo]

Mr. Otte said after publishing the agenda staff received a phone call from State staff recommending that we bring to the Commission a request to encumber the funds awarded by this grant and the match money. He said attached to the agenda memo that was distributed to the Commission is a statement from Semco on how the money would be spent. Staff is recommending approval of that statement as well as the continuance of the construction manager contract through this grant phase, Phase 6. Typically, we would bring something like this to the Commission with the new quotes for the specific construction tasks; But State staff feels this might help avoid having these funds removed by State Legislators. They are allowed to do that per the grant agreement that was prepared by and required by the state. As required, the City Commission approved that agreement in September 2007. They can reach in and take grant monies that have not been spent. Mayor Wheeler asked if we have any other agreements that might be in jeopardy. Mr. Otte said not to his knowledge.

Commissioner Van Sickle said that he is very concerned about this. The State is trying to balance its budget with the shortfall of \$6 billion. The Division of Historic Resources is saying they have heard that some of their grant money may be pulled back because the State wants to pull money back so they can use it somewhere else. This money needs to be put back into education where they are short and having difficulties. Commissioner Van Sickle asked if the attachment to the agenda memo is a contract or a generic statement of work that we are doing tasks against. He said that he has real problems with it because we do not have a definition of what we are doing. We are telling Semco to go out and get quotes for the things that they are doing such as repairing windows and repainting. These windows seem to be broken all the time. There are a lot of things on the list that need to be done, but we do not know what it

would cost to do them. How many of these are we going to complete and not complete? Semco must make a substantial amount of profit to stay in business, but do we have a contract with them that states what their percentage of the cost would be? The Commission needs to see that information before making decisions to spend money, especially on things it does not know how much of the work will actually get done. He said he would like to see completed contracts. Mr. Otte said that this act today is not something we would normally do. Normally, we would wait until we have quotes and a scope of work. The existing contract may have expired with the last grant or some other period of time. So, the contract needs to be renewed to have this work done and the money encumbered. This is the best we could put together in the time we had. All of these items are covered in the next phase of the grant. Although, we do not have any idea of how much it would cost to do each of them, we do know the total cost of the project.

Commissioner Van Sickle said he understands what the State is recommending. But, we are saying that we have \$664,000 that we are going to spend, and by this statement of work that may or may not complete the work that needs to be done. This Commission needs to stand up and say it's going to take the responsibility for the way the City is spending money. We do not have enough information to make an intelligent decision.

Commissioner Rogers said he understands that if we don't vote for this tonight we would have to pay back all the money that we have received for this building. Mr. Otte said that is not correct. He said he consulted with state staff concerning that statement and was told that we would not have to repay the money but would have to maintain the work that has been done.

Ed Locke, Semco Construction, explained that his original contract was a continuing contract under construction management. When the project was originally bid out for the first couple of grants in 2001 or 2002 Semco was the lowest bidder. After that, the City piggybacked off the county's standard construction manager contract. That construction management contract outlines everything that Semco is supposed to do as far as the bidding process. It also outlines the fees for construction management services, which are based on a sliding scale. That fee is a percentage of the total cost of the construction. He said that sometime last year he presented a scope of work to finish out the first floor, which was estimated at \$1.1 million. Somewhere along the line when Gabe Statom got involved we started looking at the potential of finishing out the second floor as opposed to the first floor because we felt that might be a little cheaper than doing the first floor. However, the State said that was not the intent of the grant. The intent was to fulfill the use as an auditorium and not classrooms on the second floor. Mr. Locke said he presented a proposal some time ago that was derived from a full open bid process. Now that the economy is a little stiffer, we should be getting better pricing than we did at that time. The question about the \$664,000 being enough money to finish the building and opening it, absolutely not. We looked at the grant to see what was allowed and what the natural flow of construction would be. It is important to give some curb appeal to the building so it looks like something is happening as opposed to all the work that is happening on the inside. This scope of work is based on the architectural drawings that Mark Parlier did back in 2001 or 2002, which have been reviewed and approved by the Historic Division in Tallahassee. The goal is to do all that we can with the amount of money given to make it look like something is happening, and to keep the building in good shape and secure. The first thing would be to repair the windows and put plexiglass or lexan glass coverings over them, which would be paid for in the current contract. We want to make sure that the exterior envelope of the building is still in good shape, which it is, and then begin work on the inside.

Mr. Locke then gave an update on the work that needs to be done on the inside of the building. Mayor Wheeler asked if the building would be sealed enough so we can maintain the building as required. Mr. Locke said yes. The goal is to keep the integrity of the envelope of the building in place, which at this point would be to repair the windows and put lexan glass coverings over the windows. Once we get permanent power in the building the security system in the building will be turned on. The building also needs permanent interior and exterior lighting to help prevent vandalism.

Commissioner Rogers asked how much money it would take to complete the building. Mr. Locke said about \$1.1 million to complete the first floor and about \$600,000 to complete the second floor. Commissioner Rogers asked if this was in addition to the \$664,000. Mr. Locke said no. Commissioner Rogers asked what percentage of that is Semco's fee. Mr. Locke said somewhere around 7%.

Mayor Wheeler said that considering the economic climate, the State would probably not come forward with any more money for at least a couple of years. He asked if the building would hold up for that long. Mr. Locke said yes if we can get the windows repaired and get some sort of protection over them, install permanent lighting, get the security system on, put up the fencing or any combination thereof.

Commissioner Manry said the Department of State is the one who budgeted this money. So, the budget has been done. We have to give the State a plan to show that we believe in the building. This is not the time to be saying that we vote for teacher's salary vs. the 1919 building, but the time to be saying to them how we are going to use the money that they are giving to us. This is State money and we don't need to think of it as small money. Commissioner Van Sickle said he does not think of it as small money. He is only saying that if the State has a \$6 billion short fall then they are looking for dollars anywhere they can to cut their budget. They are not asking for a thing, but this memo, the way it is presented, is asking for this Commission to hurry up and make a decision. Commissioner Van Sickle said he would like to see a contract specifying what the \$664,000 is for. He asked what it would take to make the building weather proof. He said he asked this same question six or seven months ago because of the possibility of not getting any more funds. We need to keep the building from deteriorating. The building is in good shape, but every time the windows are replaced they get broken. Mr. Locke said that we first need to identify the problem as far as the exterior and the elements. Our biggest problem is the windows and the fact that they constantly get broken and damaged. Everything else is in pretty good shape. The building has brand new exterior doors and the roof is almost brand new.

Commissioner Van Sickle said if the dollars for the lexan and the security system are covered under the current contract, then the \$664,000 is being used to waterproof and secure the building. He commented that he is sure that this wouldn't take the whole \$664,000. Mr. Locke said it would probably be less than \$50,000 or \$60,000. A lot of the expense would be on wood repair. Commissioner Van Sickle said he personally can't see us spending \$600,000 when the State is crying about their budget. If we don't have to use all those dollars the money could probably be used in other places. He said that is why he would like to see a contract stating what we really need to do versus hurrying up and doing something because we may lose the money. He said that until he sees a contract, he is not going to say let's go ahead with it.

Commissioner Rogers asked how much money in the bank is allocated to this project. Mr. Otte said there is \$300,000 for the match and \$350,000 to be used for the reimbursement phases. Ms. Delmar said she is not sure that the State is going to allow us to draw the money down first. Mr. Otte said staff would bring back a contract specifying exactly what Commissioner Van Sickle is asking. Commissioner Van Sickle said the Commission shouldn't be approving something without having a contract first.

Commissioner Howell asked Mr. Locke if we already have the plexiglass needed for the windows. Mr. Locke said no, but once the windows are repaired, we will. Commissioner Howell asked why it didn't occur to someone to put plexiglass up when the windows were repaired the last time. Mr. Locke said the windows were originally fixed back in 2002 as part of the original contract, which cost a lot of dollars because the windows had to be pulled out and taken apart. Through the Historic Preservation process there is a guideline for restoring windows in the exterior of buildings. Back then, the idea was to keep moving on the project until the building is finally finished and occupied. Once the building is occupied the vandalism issues will hopefully go away.

Commissioner Howell asked if plexiglass would be put on the windows now that we know it will take forever to finish the building. Mr. Locke said absolutely. If not, we will be fixing windows forever until the building is occupied. Commissioner Howell said at the time \$1.1 million was estimated to complete the bottom floor everything was high and everyone was doing great. Now, the cost should be a lot less. Mr.

Locke said his goal is to keep it in the \$900,000 range. However, we would still be about \$200,000 to \$300,000 short of finishing the building. Commissioner Howell said that we need to be the ones to dictate how much it costs to do the job because there are too many contractors needing a job. If they can't do it for that then we should get someone else who will. If we buy the materials then everything else could be negotiated. Prisoners could paint the building instead of contractors. She asked Mr. Locke to get someone to work around the \$664,000 allotted for fixing the building. Commissioner Howell said she just can't understand why someone would not want to use the \$664,000 to do the job. Mr. Locke said you can't always get people to work with what you want them to work with. Commissioner Van Sickle said he would like to see what kind of bids Semco would be getting so he would know how to vote tonight.

Commissioner Van Sickle made a motion to approve the scope of work attached for use of Phase 6, Grant SC801, encumber the funds for use on the 1919 Hardman Hall as recommended by state staff, and to renew the Semco Construction Manager Contract through grant Phase 6. The motion was seconded by Commissioner Manry.

ROLL CALL:

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

The motion carried 3-2.

Commissioner Manry asked Mr. Otte to bring back the effort that was done that the Commission did see as requested by Commissioner Van Sickle. Commissioner Van Sickle said that would change because Semco has to go out and get new bids.

COMMUNICATIONS & PETITIONS

CITY COMMISSION TRACKING REPORT

Daycare Facility: Mr. Otte reported that there is continuing progress on the daycare facility. He said that he was told that the county was thinking about giving us a ground lease. It is his understanding that although the county owns the property it would revert back to the City if the property is no longer used for a public purpose. He was told that the City would get the property back and then give a ground lease to the county. Mr. Galloway said that he is not aware of any specifics at this time but we should take the property back and then lease it to the county.

Stop light at Mountain Lake Cut-off Rd & Scenic Highway: Mr. Otte reported that as Commissioner Van Sickle just mentioned there was an action made by the TPO that provided funding for this project.

Mayor Wheeler said that at the time the Commission approved the Florida Refuse contract last August they gave us all kinds of promises about recycling awards etc. To date, he has not heard anymore about it. He asked that a list be brought back to the Commission on who has been given these cash gift cards that Florida Refuse is supposed to be passing out every month. He also asked that a report be brought back to the Commission on what the recycled tonnage has been for the last few months since their contract started and since it changed to once per week pickup. Mayor Wheeler said he got calls from citizens complaining about the once per week pickup. If you miss a once per week pickup you are in a lot of trouble. Some of them did not know when the pickup was going to be following Thanksgiving, Christmas, and New Year's Eve. They suggested that for next year Florida Refuse should put out a letter just prior to the holidays specifying exactly when garbage will be picked up. He said that his recycling sat

outside three or four days before it got picked up. Mayor Wheeler said that he would like for this to be added to the tracking report.

PUBLIC COMMENTS

Jack Neal, 435 E. Central Avenue, asked about the City's plan to run utilities out on SR60 west using the airport's water system. Mr. Otte said the airport's water system would be tied into a line that comes out from town. Mr. Neal asked who would pay for that. Mr. Otte said it would probably be paid for with impact fees. Mr. Neal said he can see that not happening. He said he is hoping that the water line will not be paid for with airport money. Mr. Otte said it won't be. Mr. Neal asked if the water money would be going back to the airport since airport money was used to put in that well. Mr. Otte said he could take a look at that. He said that he does not remember off hand if that well was oversized or not. Commissioner Manry said that well was put in for the airport. Mr. Otte said that the line would be connected to a line coming from out of town and from the airport too. Mr. Neal said we could use the water from Lake Belle. He suggested putting a tank in at Lake Belle to pump water from. He said the county has already had to do that. Mr. Otte said they haven't done that yet but they are working on it. Mr. Neal said we could have done that instead of putting in the big well. The airport didn't need a lot of water for potable water. Mr. Otte said it would not be feasible to do that versus having that well system there that could also serve other properties. Mr. Neal said that since the airport paid for the well then any fees that are charged for that water should go back to the airport. Mr. Otte said he is not opposed to looking at that but at the same time, once that line is hooked to the line coming from out of town, shouldn't the airport pay for that too because that is another safeguard for the airport. Mr. Neal said he didn't think that the airport needed anymore safeguards other than that well. Mr. Otte said a second line coming into the airport would be beneficial especially if lightning should strike and disable that pump or if there was a fire at the airport. Mr. Neal said there is a big water storage tank at the airport. Mr. Otte said you have to have redundancy in utilities.

Jean Scott, 306 Townsend Avenue, thanked the City workers for cleaning up the cemetery. She said that the street paving is going great and that she is looking forward to the alleys being done. Ms. Scott said that the front entrance to City Hall needs to be cleaned up. Whoever pressure cleaned the sidewalk there left trash debris all on the bricks around the front entrance and some of it is still there. She said that on N. Lake Shore Blvd. just before you get to the boat ramp there is a road there that is being torn up so bad by some type of equipment that people are beginning to complain to her. She said she doesn't know if that is a City, state or county road but it is being torn up pretty bad on the south side of it.

Linda Kimbrough, 307 Florida Avenue, thanked the Commission for approving the changes that were made to the Dr. Martin Luther King, Jr. event application. She challenged everyone to attend the events that are scheduled in connection with the celebration.

Mimi Hardman, 300 S. Lake Shore Blvd., said she once was a teacher herself so she is very sensitive to the education profession. She said that we cannot take money that was budgeted two years ago for historic preservation and just put it toward education. She said she is going to have the Department of Historic Resources inform the Commission and Mr. Otte of their responsibilities when accepting monies from the State of Florida for grant projects.

Commissioner Van Sickle gave an update on the moving of the monument project. The plans were to move the monument to City Hall. The people who originally gave an estimate on moving the monument said that it is in such poor shape that they really didn't want to move it. The VFW said that they would pay for the moving but their concept of moving was hooking the monument to something like a wrecker and moving it to City Hall. Commissioner Van Sickle said he is now trying to get all the information needed so we could do this intelligently. The City found someone to do the prep work in the corner in front of City Hall where the monument will be moved. The VFW is having a meeting tomorrow to make a decision on whether they want to fund it. He said that he finally got the monument people in Lakeland who did the original work on the monument to come and give us a real estimate. That estimate was \$2,500. If the VFW votes to support this we could start the ground prep by January 12 and finish by January 22 and then

we could set aside a period of time between January 26 through January 30 for the monument folks to move it to City Hall. That is very possible if the VFW decides to fund that portion. There are several other things that need to be done that can be paid for by fundraiser projects. He said the total cost of the project would be about \$14,815, which is not very expensive for a project of this type. Commissioner Van Sickle said that he would be looking for someone to help with the fundraising projects. Ms. Hardman commented on how she raised money for the market place by selling 1,580 bricks. She suggested doing the same type of project for this.

Commissioner Van Sickle said he received several calls about vehicles that don't have tags and commercial vehicles parked on the grass in residential areas. He said that Code Enforcement informed him of a City ordinance prohibiting people from parking on the grass. The City has kind of overlooked parking on grass for private vehicles but not for commercial type vehicles. People are getting upset because Code Enforcement is not really enforcing this. He said that his philosophy is that if you have an ordinance you are not going to enforce then you probably should change the ordinance. Mr. Otte said that is his philosophy also. We need to enforce every ordinance. If there is an ordinance that doesn't fit well, then we need to change it.

Commissioner Howell asked about the W.H.A.T. buses. She asked how much the City is supposed to contribute to help keep that transportation going. Mr. Otte said that one of the stimulus package items is mass transit. He is hoping that they will receive some money from that. As far as the final request, he doesn't have anything in writing on that. Commissioner Howell asked if we are trying to keep the W.H.A.T. bus coming in to Lake Wales. Mr. Otte said he certainly wants too. We have two different bus routes in Lake Wales. The one that they had talked about changing was the one that goes to the Eagle Ridge Mall. The vast majority of that route is in Winter Haven. The other route, the one that goes down Scenic Highway through Lake Wales and south is a county paid thing. That one is not in jeopardy. Commissioner Manry asked Mr. Otte if he asked for help on the one that was in jeopardy. Mr. Otte said yes. He said that about eight months ago he met with the Eagle Ridge Mall manager who said privately that he thought they could do something.

Mayor Wheeler said he received complaints from downtown merchants again about people that work downtown parking in customer parking spots and leaving their car there all day long. Police Chief Gillis said he received a report today saying that his parking enforcement officer will be back out twice a week. They are also training another person in parking enforcement so they can rotate between the two.

Commissioner Manry said that before the meeting she attended the Polk County Gateway Selected Area Study Focus Group meeting. This study will cover the area between Hwy. 27 and 80 Foot Road in Alturas and from Lake Ashton to ABC Road. We are the beginning of that Gateway and there is a lot of emphasis placed on what the Lake Wales needs are for that study. The City's Economic Development Director is on that focus group. They have really good things planned to find out what the community needs and what they hope to accomplish there. She said her only comment during the meeting was that they needed to keep in mind the section of SR60 that is East of Hwy. 27 because they are saying that all of the increased traffic is going to stop at Hwy. 27.

Mayor Wheeler asked Mr. Otte if he had heard anything more on the SR60 East improvements and from any of the merchants in that area. Mr. Otte said no. He said that about mid or early December two people came to his office who said that they were consultants hired by FDOT to set up the meeting. A date and place for the meeting was discussed. They said that FDOT's preference was to have the meeting as close as possible to the affected area. They wanted to know if the Lake Wales Arts Council would be a good place. Mr. Otte said he told them that would be a good place to have the meeting. He said that he would check to see if the meeting was scheduled because he would like to publicize the meeting the same way we publicized the meeting that was held here.

Commissioner Van Sickle commented on the history of the monument.

Regular City Commission Minutes
January 6, 2009

There being no further business the meeting was adjourned.



Mayor/Commissioner

ATTEST:



City Clerk

