

A workshop meeting of the City Commission was held on February 10, 2009 at 6:00 p.m. in the employee lunchroom at the Municipal Administration Building. The meeting was called to order by Mayor Lee A. Wheeler, III.

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

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 1. Changing Procedures for Conducting Commission Meetings

Commissioner Howell said she recently attended a Commission meeting in Haines City to see how they conducted their meetings. She said that the Mayor pretty much ran the meetings. He read a two or three line synopsis telling what the agenda item was about and what the recommendation was. The Commission discussed it, questions were asked, and then it was voted on. If it was an ordinance or a resolution, the heading was read into the record before it was discussed and voted on. The packet information provided a background of the item discussed and was not read out loud in the meeting. The only thing that was read into the record was the one or two sentence synopsis of the item that the Mayor read. The synopsis was also included on the agenda cover sheet that was placed on the podium for the citizens in attendance. Commissioner Howell suggested conducting our meetings differently so the meetings would go a little faster. She said she is not trying to take some of the meat out of the meeting, but only to take some of the fat out of it.

Commissioner Van Sickle added that Haines City does not do a roll call vote unless they have to. Voice voting seemed to make the meeting flow a little faster. They have workshops on certain items. Mayor Wheeler said he tried voice voting at one time, but it didn't seem to be practical because you could not hear who was voting. Ms. Delmar said that resolutions and ordinances require a roll call vote. Other than that, you can do a voice vote. However, on the tape it is not always clear who is voting. As long as everybody votes the same it would be ok. Mayor Wheeler said after a voice vote, he could ask whose in favor and who opposes. If no one answers after asking who opposes, he will assume that everyone voted yes. Mr. Galloway said there is an obligation for each Commissioner's vote unless that Commissioner has a conflict of interest. So, we know that each Commissioner has cast a vote. The Commissioner with a conflict would have to disclose it. He said there has only been one or two instances of that in the last 15 years. Mr. Otte said something might seem like a conflict but legally is not a conflict. So, if anyone suspects that they have a conflict, they need to get with the city attorney to determine if in fact a conflict exists. There is a state procedure we need to follow for that. A form has to be filled out that goes into the minutes.

Commissioner Howell asked if there could be a voice vote on the consent agenda. Mr. Galloway said yes. There can be a voice vote on any item that is not an ordinance or a resolution. Mayor Wheeler said that for the next meeting, we would try voice voting. If it sounds like there is a discrepancy, then we will call for a roll call vote.

Commissioner Rogers said he noticed at the Haines City meetings that they encourage their citizens to participate in the meetings. He said we need to get our citizens involved in what is going on in our City and encourage them to voice their opinions at these meetings.

Commissioner Howell asked Mr. Otte to include the one or two line synopsis for each of the items on the agenda. Mr. Otte said he apologizes that it was not included on the draft agenda for this meeting, because he has already put a procedure in place for that to be done. Mayor Wheeler said that he would

ask the City Manager to give a brief summary on any items that need more discussion or might seem to be controversial.

Commissioner Rogers said that there is a place on the Haines City agenda where the City Manager and City Clerk actually speak. They also answer any questions that are directed to them. Commissioner Van Sickle said they also have old business and new business type things. In their workshops they open up the floor for citizen input. He said we should have done that on the fire fee.

Mayor Wheeler said that he remembers the last meeting where we talked about the fire fee. A lot of things started popping up that we didn't know about in advance. He said it would have been a good idea to hold workshops on that. Ms. Delmar said we did have workshops on the fire fee. We had one at the Lake Wales Art Center, one at the Lake Wales High School that nobody showed up to, and we also had workshops here.

Mayor Wheeler said he has a little bit of experience in allowing citizen input in workshops. The meetings got to be really long and dragged out. Some people got up on every item just to hear themselves talk. Our point is to make our meetings flow faster, and what works for Haines City or Winter Haven may not necessarily work for us.

Commissioner Howell said we are going to do a modification of Haines City. If it is not working for us then we could change it to make it better. The main thing is to make the meetings go a little faster. Mayor Wheeler said probably the best way to do that is to very carefully consider what needs to go on the consent agenda. He said that Draft Agenda Item 12, Land and Water Conservation Fund Grant Application for a Swimming Pool - \$200,000, for February 17 could be placed on the consent agenda. Mr. Otte said that was a judgment call on his part because it could be a controversial item.

Commissioner Manry said she thought we had several meetings on the fire fee where we allowed public input. Mr. Otte said in the beginning we had several public informational meetings and then we had other meetings like the one we had at the Lake Wales Arts Center.

Commissioner Rogers said he thinks the biggest trouble we had with the fire fee was the fire fee. Mayor Wheeler said particularly right now because the public is doing rather poorly economically. So, anything like extra tax or anything perceived as such would not be warmly welcomed.

Mayor Wheeler said for future Commission meetings, we'll try voice voting for all non-ordinance and non-resolution items. Ms. Delmar said that voice voting would have to be clear on the tape for the people who are transcribing the minutes. Everyone needs to speak into the microphone and not lean back in their chair when voting.

Mayor Wheeler said to cut down on the discussion time, he would read a synopsis of each item. He said he would call on Mr. Otte for the meaty stuff. Mr. Otte said that is fine. Mayor Wheeler said the whole idea is to move the meeting along. He said we need to put as many items on the consent agenda as possible.

It was the consensus of the Commission to try the new procedures.

Agenda Item 2. Upcoming City Commission Agenda Items Review

Agenda Item 5. Winter Haven Area Transit (WHAT), Presentation by Paul A. Simmons, Director of Polk County Transit Services

Mayor Wheeler said the Commission did not have much time to study the draft agenda for February 17 because it was just received.

Commissioner Van Sickle said he attended the Haines City workshop where they had about an hour briefing from WHAT (Winter Haven Area Transit). He said he would like that same presentation given at one of our meetings. Mayor Wheeler said we already had one briefing from them at the recent Finance Committee meeting. Commissioner Van Sickle said there was not much detail given at the meeting and some of the Commissioners did not hear that briefing. Mayor Wheeler said that was something really for next year's budget. Mr. Otte said that the transit system is asking us for \$5,700 for the route that goes through Winter Haven and ends up at the mall. Mayor Wheeler said we could ask them about the possibility of adding routes in town, which might not be feasible. Commissioner Van Sickle said it could be possible to work with them on that. Commissioner Manry said our property tax base would increase as more business comes to the mall. To bring more business to the mall is to bring more customers to the mall. The route the way it is right now may bring more customers to the mall to build more stores in the mall, to get more property tax in the mall, and to build our revenues.

Mr. Otte asked if the Commission would like for him to ask Paul Simmons, Director of Polk County Transit Services, to come to a 5:30 p.m. workshop before the 6:00 p.m. regular Commission meeting on Tuesday, February 17. Mayor Wheeler said a 30-minute workshop does not allow enough time to cover everything. Mr. Otte said if they are asking for the money in next year's budget we can take him off the February 17 agenda and ask him to attend the next workshop meeting on Tuesday, March 10 to give a more extensive briefing. Mayor Wheeler said Mr. Simmons needed to understand that a pledge by this Commission is not enforceable by us because we can't tie the hands of the next Commission by what this Commission says. However, it would be good to hear a good briefing by Mr. Simmons.

Agenda Item 6. Ordinance 2009-04, Police & Fire Pension Plan Amendment, Investment Policy Changes
- 1st Reading

Fire Chief Jerry Brown introduced Steven Stack, Chief Compliance Officer with ICC Capital Management. He said that he invited Mr. Stack to attend the workshop just in case the Commission had any questions.

Mr. Otte said this topic was discussed at the recent Finance Committee meeting. He explained that some of the investments that our pension boards purchased have dropped in grade. Now, we might be at a B grade where we require an A or better. Mr. Otte said his first thinking was to not force the pension boards to sell those, but to have them hold on to them or to give them the opportunity to hold on to them. He said that after reading this, he realized that it might be a rather broad proposal that allows pensions boards to buy B grade investments. Mr. Otte asked Mr. Stack to discuss where we are now and what the proposal is. Mayor Wheeler said to bear in mind that today's stock market dropped 300 points.

Mr. Stack explained that the investment guidelines now allow reasonable time to sell securities. In the City's current ordinance, the investment guidelines do not allow for anything to be purchased below an A security. In a fixed income world the top four grades are investment grade securities. The B grade security is not an investment grade, which he said they are not asking for at all. Data shows that as the economy turns, the market turns, and corporations start doing better. In such case, A grade and BBB grade securities flourish. They do better because their growth is faster. There are opportunities and as the market gets better companies get upgraded.

Commissioner Rogers asked what kind of shape our pension fund is currently in. Mr. Stack said all he can say is that the City has weathered the storm extremely well. Chief Brown said a positive thing about this is that our pension plan does use a four-year smoothing technique. So, one bad year in the stock market or even two is not as detrimental as it is for someone who has all their money in an investment account. That was set in place years ago. So, we actually go back and average four years before the actuaries come to us and say that this is what the City has to put into the fund next year to keep it functioning. Mr. Stack said it is a relatively conservative approach to the investing anyway because there is a 60/40 split between stocks and bonds.

Mr. Otte said we have a defined benefit plan that our employees are going to enjoy. If the markets are bad, the City has to make up the difference. He said that is why he is very concerned about what the investment guidelines are because if we open it up too much we could be opening ourselves up to taking a real loss here. It would be a very poor decision for us to do that. Mr. Otte said he wants to be conservative. He said that he doesn't have expertise in this field, but generally speaking, we don't want to make a problem for ourselves. He said he wants to approach this topic very cautiously and maybe get some numbers on it to see where we are because we have just been speaking conceptually so far.

Mr. Stack said as you move down the investment grade spectrum there is more risk, but ICC Capital Management is not asking the City to go below investment grade. He said that although there are some great opportunities in the BBB investment grade market, they do not feel that this is a market the City should be in at this time. They are trying to capture the upside when the market turns around. In 2002, when the markets bottomed out and began to advance, the best performing investment grade securities were in the BBB market. They want to make sure that the pension plans are in the right place when this turns.

Mayor Wheeler said we don't want to have an investment policy that obligates us to sell something under certain criteria that would result in a huge loss. Chief Brown said that ICC Capital Management has been our investment manager for many years. They are very slow and steady. They are not so growth oriented. He said that he feels they want to align us so that when there are some opportunities we could take advantage of them. Chief Brown explained the changes that were being made to the current ordinance.

Mayor Wheeler said that the City does have a conservative investment policy relative to what it has been historically. He said that he remembers the tragedy of the arbitrage in the late 1980s that we got involved in where the City had to declare a financial emergency. At that time, we were about three months from shutting down. So, everyone got real conservative at that point. Mayor Wheeler said he would agree that a little more flexibility would probably be a good thing.

Agenda Item 12. Land and Water Conservation Fund Grant Application for Swimming Pool - \$200,000

Mr. Otte said that the Commission directed staff to search for a construction grant for the swimming pool. We have \$1,038,000 in the swimming pool fund. Research shows that user fees will only bring in about \$10,000 to \$15,000 a year and the operational costs of the pool are in the neighborhood of \$100,000. Some cities are less and some are more. User fees are only supplying about 10% of the cost for operation and maintenance of the pool. The City in that case would have to supply the other \$90,000 to operate the pool. That is why the Commission directed staff to look for a grant to build the pool. We would then utilize the million dollars that we had secured from the sale of the property that is to become Mayfair as a source for supplying the operations and maintenance fund. The grant that we found is a \$200,000 grant from the Land and Water Conservation Fund. However, with the \$200,000 we would still have to supply about \$800,000 for building the pool project. We could spend about \$200,000 in round numbers to put additional restroom facilities in the locker room at the gym, which is what we would use under the least expensive scenario to build the pool.

Commissioner Van Sickle said we haven't agreed to where we want to build the pool. Mr. Otte said the key is the least expensive. Any place else we put it would probably cost more because there is no other place with a locker room.

Mayor Wheeler said we want to make sure that we don't get ourselves in a situation like we found ourselves in with the 1919 building where we were counting on subsequent grants to fund construction, which may or may not be available.

Commissioner Manry asked if the Land and Water Conservation Fund grant was State or Federal. Mr. Otte said he thinks that it is Federal.

Commissioner Van Sickle said rehabbing that locker room also opens us up to legal obligations. In that locker room you have young kids in the same locker room as teenagers and young adult males who are changing in there.

Commissioner Howell asked if it would take \$800,000 to build the pool. Mr. Otte said yes, at a minimum. He said the estimate to build a pool with a deck a few years ago was \$800,000. We would still need restroom facilities and a locker room for changing. Ms. Delmar said the original architectural plan was to utilize what we call the CSX building, which was a \$500,000 cost to renovate that building for locker rooms and restrooms. The CSX building was an existing structure to be renovated. As a comparison, it was about \$200,000 to utilize the gym because some of the facility was already there.

Commissioner Howell said for at least 50 years or more there has been a problem with building a pool in Lake Wales and it has not been the money every year. Every year there has always been an excuse. Now, it's bad times and it is still an excuse. She said that she doesn't care if we had \$2 zillion in the bank, there would still be an excuse to not build a pool in Lake Wales. Commissioner Howell asked when it would not be an excuse to get a pool here in Lake Wales for all the children. She said she understands that we don't have money right now for a lot of things, but there is always an excuse. Now, the cost to build a pool is costing even more every year. We don't have the money for it and we will never have the money for it. She asked how much money would we really need to build a pool in Lake Wales. Mr. Otte said that the last time he asked that question to a pool company they gave him an estimate in round numbers of \$800,000 to build the pool and a pool deck. We need a building with restroom facilities. He said he asked an architect what size locker rooms we needed and they said that there is nothing in the building code to tell us that, but there is a provision in the building code for the number of toilet facilities needed. The architect looked it up and told us how many more toilet facilities we would need. We took that number to Semco to just get a price on what it would cost, which was over \$200,000 to modify the locker rooms. This means that we probably have to do away with the weight room because it would become too crowded in there. It would cost just over a million dollars to build the pool and put in the restroom facilities in the area behind the gym. Commissioner Van Sickle said when he looked into it he found that we would need a revenue stream of at least \$100,000 coming in every year to maintain it. That is if we only open the pool up in the summer and use the high school kids as lifeguards. This is an item where we need to make a decision on how to spend the money we do have.

Commissioner Howell asked how much it would cost every year to maintain the pool just in the summer time and utilizing high school kids as lifeguards. Commissioner Van Sickle said it would be about \$90,000 to \$110,000.

Mayor Wheeler said what people don't realize is that you can't just open a pool up for three days. You have to maintain chemicals in it for the whole week. Chemicals and electricity are among the biggest cost. He said that this has been a long time topic and at some point we have to come up with some kind of resolution to it. It is obvious that this is a sensitive subject and that there is a need for it. But, right now, unless we can come up with some rational way of providing it, we are stuck. Commissioner Manry said that the whole point in pursuing this grant was the idea that there are very few grants for anything that will give operating funds.

Commissioner Howell said she doesn't want a pool for herself because she doesn't swim. However, she does want a pool for all the children who want to swim. Commissioner Manry said we probably need to come up with a concept where we as a Commission can state our intention to get a pool and prioritize that above other things so that it could be on the current agenda at all times. That way, at every meeting we can work on accomplishing the mission of getting a pool. The first thing we need to do is get some real numbers. Commissioner Van Sickle said that right now our million dollars is part of our capital reserves that our auditors have suggested, which is not where it should be.

Mr. Otte said that he talked to Dorothy Pendergrass, Finance Director, about using \$100,000 as the O&M Cost. He asked Ms. Pendergrass if there was a capital component or a replacement component to that.

Ms. Pendergrass said she did the impact feasibility statement for that. The estimate for construction was \$1.3 million: \$200,000 from the grant; \$1,040,000 coming from the Pool Fund; and an additional \$60,000. She said for the operating side she looked at the numbers that had been gathered through the years and came up with an estimate of \$100,000. She said that when you build something you want to make a reserve fund so that when something needs to be replaced you would have money to replace it. She said she took the \$1.3 million and divided it by 45 years and came up with \$29,000. For a full year of sustainable revenue source you would need \$119,000, assuming the pool brought in revenue of \$10,000 on its own.

Mr. Otte said we also looked at partnering with somebody to try to speed this up. He said he initially got a favorable reaction from officials at the high school. But, when he went back to them about two years ago, they had lost interest in this project. He said that was a time where we had a location to put the pool on the high school campus because they already had a locker room, which he thinks met the requirements for restroom facilities.

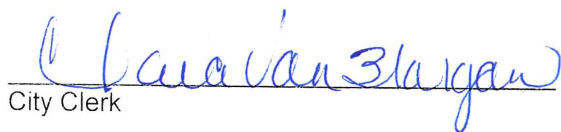
Mayor Wheeler said this is something that we need to clear the air on. We need to compile over the next few weeks all the information that we have on this and discuss it at the next workshop. He said that we already plan to have a presentation planned at the next workshop on the transit system, but because that is a next year item, the pool item should take precedence over that. Commissioner Howell said the transit system person could still come to the workshop to just answer questions by the Commission and that part would be over. Mayor Wheeler said that would work.

There being no further business, the meeting was adjourned.



Mayor/Commissioner

ATTEST:



City Clerk