

The regular meeting of the Lake Wales City Commission was held on August 18, 2009 at 6:00 p.m. in the Commission Chambers at the Municipal Administration Building. The meeting was called to order by Mayor L. Jack Van Sickle.

#### **INVOCATION**

The invocation was given by Dr. Jim Moyer, Warner University.

#### **PLEDGE OF ALLEGIANCE**

**COMMISSIONERS PRESENT:** Terrye Y. Howell; Lee A. Wheeler, III.; Jonathan Thornhill; John Paul Rogers; Mayor L. Jack Van Sickle.

**COMMISSIONERS ABSENT:** None.

**CITY REPRESENTATIVES PRESENT:** Judith H. Delmar, Acting City Manager; Albert C. Galloway, Jr., City Attorney; Clara VanBlargan, City Clerk.

#### **MAYOR**

Mayor Van Sickle introduced Rep. John Wood, Representative of the State of Florida House of Representatives for District 65. Rep. John Wood said when he was elected in November 2008, he made a promise to the people in his District that he would reach out to everyone. He said he has nine municipalities in his Legislative District, of which the City of Lake Wales is the first City he has come to speak to. The Legislative process continues with Committee Weeks beginning in October 2009 and ending in February 2010. The Legislative Session will then begin in May 2010 ending in April 2010. Rep. John Wood said his role is to help everyone in his District, particularly municipalities, with whatever needs that they might have. His office is always open to everyone.

#### **CONSENT AGENDA**

**Agenda Item 5. APPROVAL OF MINUTES: July 29, 2009, special meeting; August 4, 2009, regular meeting**

**Agenda Item 6. Request for Proposal for Revenue Note Series 2009**

The full staff memo is incorporated into the minutes.

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

#### **SYNOPSIS**

Staff is preparing to seek proposals for refinancing of the 1997 Public Improvement Revenue Bonds and the 2006 Motorola Lease for a lower interest rate and is requesting approval of the request for proposal document.

#### **RECOMMENDATION**

It is recommended that City Commission approve the request for proposal for Revenue Note Series 2009.

#### **BACKGROUND**

The 1997 Public Improvement Revenue Bonds for \$1,695,000 currently has an interest rate of 5% and the 2006 Motorola Lease for \$138,527 currently has an interest rate of 6.12%. The finance department recommends refinancing these loans for a possible lower interest rate with no extension of the principal

term of the debt.

### **FISCAL IMPACT**

Actual annual saving of debt service cost relating to a lower interest rate will not be known until the after the RFP process.

The 1997 Public Improvement Revenue Bond expires on 10/1/2014 (5 years remaining debt service) and the 2006 Motorola Lease expires on 10/1/2012 (3 years remaining debt service). Current market yields for 10-year debt issuance are within the range of 3.30% to 3.60%. If the City was able to obtain refinancing at 3.30%, with the debt service payments remaining within the next five years, the net saving is estimated at \$79,431.93.

[End agenda memo]

### **Agenda Item 7. Request for Proposal for Utility Revenue Enhancement Services**

The full staff memo is incorporated into the minutes.

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

### **SYNOPSIS**

Staff is preparing to seek proposals for Utility Revenue Enhancement Services and is requesting approval of the request for proposal document.

### **RECOMMENDATION**

It is recommended that the City Commission approve the Request for Proposal Document #09-183.

### **BACKGROUND**

The City is seeking proposals from firms specializing in the analysis and correction of water, wastewater and solid waste system underbillings and misbillings, with the intent of increasing revenue for the City.

If a firm is meets the criteria listed in the Request for Proposals and is selected to perform the work, the firm will be paid a percentage, based on their price proposal, of all increased revenue for a term of thirty-six (36) months.

Staff has prepared Request for Proposal #09-183 for review by the Commission. Upon approval, staff will advertise in the Lake Wales News and the bid will be posted on the City's website.

[End agenda memo]

### **Agenda Item 8. Adoption of Governmental Accounting Standards Board (GASB) Statement No. 45, Effective October 1, 2008 and Acceptance of the Other Postemployment Benefit Actuarial Report for Fiscal Year Ending September 30, 2009**

The full staff memo is incorporated into the minutes.

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

### **SYNOPSIS**

The Commission will consider adoption of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The Commission will also consider acceptance of the Other Post-employment Benefits Actuarial Valuation Report prepared by Foster & Foster, Inc.

### **RECOMMENDATION**

It is recommended that City Commission take the following action:

1. Adopt Governmental Accounting Standards Board (GASB) Statement No. 45, effective 10/1/08.
2. Accept the City of Lake Wales Other Post-employment Benefits Program (OPEB) Actuarial Valuation Report for fiscal year ending September 30, 2009 prepared by Foster & Foster, Inc.

### **BACKGROUND**

As required by Florida Statute 112.0801, the City of Lake Wales offers post-employment healthcare benefits to retirees. Even though the City requires retirees to pay 100% of the active health insurance premium, the City of Lake Wales is required to implement GASB 45 for fiscal year ending 9/30/09.

GASB 45 improves the relevance and usefulness of financial reporting by:

- a) Requiring systematic, accrual-basis measurement and recognition of other post-employment benefits (OPEB) cost (expense) over a period that approximates employees' years of service.
- b) Providing information about actuarial accrued liabilities, note disclosures, and, if applicable, required supplemental information (RSI) in financial reporting.

Foster & Foster, Inc. has completed the actuarial valuation for the City of Lake Wales other post-employment benefits for fiscal year ending 9/30/09.

### **FISCAL IMPACT**

Based on the actuarial valuation provide by Foster & Foster, Inc., the estimated net OPEB obligation for fiscal year ending September 30, 2009 is \$24,103. Per GASB 45, the City is required to report expense/expenditures of \$24,103 within the financial statements. Annually, the OPEB obligation shall be reported as a liability or funded within a trust account within the financial statement based on annual budgetary appropriations.

[End agenda memo]

### **Agenda Item 9. 2009-2010 Fire Protection Agreement**

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Jerry Brown, Fire Chief]

### **SYNOPSIS**

The City Commission will consider approval of the Fire Protection Agreement between the City and Polk County for service outside the city limits.

### **RECOMMENDATION**

It is recommended that the City Commission authorize the City Manager to execute the attached Fire Protection Agreement which states that Polk County will pay the City of Lake Wales \$245,375 for

provision of fire protection services to areas of the unincorporated county during the 2009-2010 fiscal year.

## **BACKGROUND**

The Lake Wales Fire Department has been providing fire protection to property owners in areas outside of the City since 1976. The attached agreement is for service from October 01, 2009 through September 30, 2010 and is similar to the approved agreements of previous years.

As part of the agreement, the City receives 50% of the fire assessment fees collected for all residential and commercial property within the contract area. For 2009-2010 this amount totals \$245,375.00 as identified in the agreement, \$1,100 above the amount received for 2008-2009.

## **OTHER OPTIONS**

Do not approve the agreement and require Polk County to seek other options for protection.

## **FISCAL IMPACT**

Approval of the agreement provides revenue in the amount of \$245,375.00 for the General Fund.

[End agenda memo]

Commissioner Wheeler made a motion to approve the Consent Agenda. The motion was seconded by Commissioner Rogers.

By voice vote:

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

The motion carried 5-0

## **OLD BUSINESS**

### **Agenda Item 10. City Manager Contract for Judith H. Delmar**

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Albert C. Galloway, Jr., City Attorney]

The City Commission at its regular meeting on August 4, 2009, approved the hiring of Judith H. Delmar as City Manager and directed that a Contract be prepared.

The Contract proposal for Ms. Delmar, a copy of which is provided herewith, sets the base salary at \$112,000.00 per year. As directed, the proposed Contract does not include provision for an automobile allowance, deferred compensation, or a deferred compensation retirement plan.

[End agenda memo]

Commissioner Wheeler made a motion to approve the contract with Judith H. Delmar for employment as City Manager. The motion was seconded by Commissioner Rogers.

By voice vote:

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

The motion carried 5-0

**Agenda Item 11. Ordinance 2009-14, Amendment to Alcoholic Beverage Regulations – Wine & Beer Bars in C-1 Zoning District – 1<sup>st</sup> Reading & Public Hearing**

Ms. Swanson reviewed Agenda Item 11. The full staff memo is incorporated into the minutes.

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

**SYNOPSIS**

Adoption of Ordinance 2009-14 will allow wine and beer bars in C-1 Zoning District. This is only a first reading and public hearing of the ordinance.

**RECOMMENDATION**

Approval of Ordinance 2009-14 on first reading.

A public hearing is required. Public notice requirements have been met.

**BACKGROUND**

The ordinance will allow "wine and beer bar" as a conditional use in the C-1 zoning districts, located in the downtown and the Lincoln Ave. business district. A minimum building size of 4,000 sf and a minimum business floor area of 2,000 sf will ensure that these businesses are substantial establishments.

Wine and beer bars will be exempt from the requirement to be a minimum of 500 feet from a school or church. The exemption is proposed because in the compact C-1 districts, there are very few sites that could meet the requirement.

The ordinance also removes the distance requirements from the zoning regulations (Chapter 23), but retains them in the alcoholic beverage license regulations (Chapter 5). The distance requirement applies to retail establishments, such as liquor stores, but does not apply to restaurants that derive 50% or more of their revenue from food sales or to grocery stores selling beer and wine.

In May, an earlier version of the ordinance was approved on first reading with a request to staff to explore options for added controls. Based on discussions with City Attorney Chuck Galloway and Law Enforcement Commander Patrick Quinn, the ordinance was revised to include the minimum requirements for square footage of both the building where the bar is located and the bar's business floor area. Mr. Galloway advised that the cities have zoning authority over businesses engaged in the sale of alcoholic beverages, but do not have the authority to regulate matters covered under the state regulations for alcoholic beverage licenses.

**FISCAL IMPACT**

Allowing wine and beer bars in the C-1 districts could assist with revitalization.

**OTHER OPTIONS**

Decline to amend the regulations to allow wine and beer bars. However, the elimination of the duplication of distance requirements in Chapters 5 and 23 is recommended regardless.

[End agenda memo]

Ms. VanBlargan Read Ordinance 2009-14 by title only.

**AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING LAKE WALES CODE OF ORDINANCES, CHAPTER 5, ALCOHOLIC BEVERAGES AND CHAPTER 23, ZONING, LAND USE AND DEVELOPMENT REGULATIONS; DEFINING "BARS, WINE AND BEER"; ALLOWING WINE AND BEER BARS IN THE C-1 DOWNTOWN COMMERCIAL DISTRICTS AS A CONDITIONAL USE; EXEMPTING WINE AND BEER BARS FROM THE PROHIBITION OF SALE OR CONSUMPTION WITHIN 500 FEET OF A CHURCH OR SCHOOL; AMENDING THE SPECIAL CONDITIONS FOR ALCOHOLIC BEVERAGE SALES; AND PROVIDING FOR AN EFFECTIVE DATE.**

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Wheeler made a motion to approve Ordinance 2009-14 after first reading & public hearing. The motion was seconded by Commissioner Rogers.

Roll Call:

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

The motion carried 5-0

### **NEW BUSINESS**

**Agenda Item 12. Ordinance D2009-01, CPA – Coldwell Properties LLC – E of US 27, N of Tower View Blvd. – 1<sup>st</sup> Reading & Public Hearing**

Ms. Swanson reviewed Agenda Item 12. The full staff memo is incorporated into the minutes.

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

### **SYNOPSIS**

Approval of proposed Ordinance D2009-01 after first reading will allow staff to transmit the ordinance to the Florida Department of Community Affairs for review.

### **RECOMMENDATION**

Approval of Ordinance D2009-01 on first reading.

A public hearing is required. Notice requirements have been met.

The Planning and Zoning Board held a public hearing on July 28, 2009 and voted (5-for, 1-against with 1 absent) to recommend an amendment to the Comprehensive Plan to change the Future Land Use Map designation on the Coldwell Properties, LLC property (53 acres) from Polk County RS – Residential Suburban to City of Lake Wales HDR – High Density Residential. Assignment of a Zoning Map designation is not requested or recommended at this time.

Upon action by the City Commission, the proposed ordinance will be transmitted to the Florida Department of Community Affairs for review.

## **BACKGROUND**

The ordinance will change the Future Land Use Map designation on the Coldwell Properties, LLC property, 53-acres located east of US 27 N and north of Tower View Blvd. and Tower Wood Mobile Home Park.

US 27 is approximately ¼ mile west of the site. SR 17 is approximately ½ mile from the property along Hickory Hammock Rd. and approximately 700 feet from the southern boundary of the property. See Attachment A to the ordinance for location.

The property was annexed in 2008 (Ord. 2008-24). The owner is Coldwell Properties, LLC, David Bloom, represented by Beth Evans of Envisors, consulting engineers. Proposed is a multi-family development.

The ability to meet the City's road access requirements (See "site access" below.) has not been demonstrated. At such time as the roadway access issue is resolved, an appropriate zoning designation can be determined for the property. At this time, no zoning designation has been requested or recommended.

### Property characteristics:

The bulk of the property (33 acres) is citrus grove at this time. The grove is high and well-drained apart from a small area of flood plain along the north and west boundaries. The applicant has not noted any wetlands on the parcel.

A 10-acre parcel lying northwest of the grove is entirely in the FEMA 100-year regulatory flood plain and contains a 4.65-acre compensatory flood storage area for another development. A substantial portion of the parcel is a National Wetlands Inventory Wetland.

A second 10-acre parcel extends from the grove northward to Hickory Hammock Rd. and has a single-family house in the northeast corner. The parcel is also in the 100-year flood plain except for the area surrounding the house (est. 1-1/2-2 acres). Construction of a roadway through this parcel is proposed.

### Land use:

The proposed land use designation is HDR-High Density Residential, as requested by the applicant. HDR allows residential development with up to 12 units per acre. The maximum number of units that could be approved on the property, based upon gross acreage, is 636. Please note that our regulations base density calculations on gross acreage rather than buildable upland (excluding wetlands).

The current Polk County land use designation RS-Residential Suburban, allows up to 3 units per acre.

The Comprehensive Plan states that the HDR designation is appropriate for properties "located within a quarter mile of commercial centers and along major roadways." (Policy 2.13, Future Land Use Element) The property is close to the RAC – Regional Activity Center (Eagle Ridge Mall commercial area) and US 27, a corridor designated for limited commercial-industrial and high density residential, thus is appropriate for high density development.

However, the property does not have any access to the highway. The applicant is working on options for a direct entrance to the property from US 27 to meet the Plan's criteria.

Surrounding land use and land use designations:

- North: Hickory Hammock Rd., vacant lands, residential uses  
Polk RS-Residential Suburban
- South: Tower Wood Mobile Home Park (high density)  
Polk RS-Residential Suburban
- East: Vacant/agricultural uses  
Polk County RS-Residential Suburban
- West: Lee's Furniture, proposed Angus Self-Storage, vacant, wetlands  
Lake Wales LCI-Limited Commercial/Industrial & Polk RS-Residential Suburban

Site access:

The property has about 250 feet of frontage along Hickory Hammock Rd., a Polk County Rural Collector Rd. with a right-of-way of about 40 feet. The applicant is exploring possibilities for a connection to US 27, but has no property or legal rights to accomplish that at this point.

Polk County transportation planners have commented that an upgrade of Hickory Hammock Rd. would be required for multi-family development on the property. The County has no requirement for a secondary access.

However, Lake Wales zoning regulations require two means of access for development of the property for multi-family use as intended. One access must be from a collector road (or arterial) meeting City standards. As stated, the applicant proposes to build a roadway connecting to US 27 to serve the development. Unless Hickory Hammock were widened to meet City standards (66 feet of right-of-way), it would qualify only as a secondary access. An additional access would still be required to meet zoning code.

The East Polk Road Study by Polk County recommends a collector road between US 27 and SR 17 in this area. An exact alignment was not determined by the study, nor has right-of-way been acquired for the connection.

Impacts on required services:

HDR allows up to 12 units per gross acre, including wetlands. The maximum number of units that could be approved on the site is dependent upon numerous factors, including zoning designation, open space and retention requirements. However, multi-family developments can attain high densities, particularly if they are multi-story. For example, Carillon Apartments, approved prior to amendments reducing density caps, has 13 units per acre. The Preserve Apartments has a density of about 6 units per acre, the maximum in that land use classification.

The following calculations are based upon maximum density of 12 units per acre on 53 acres and an average of 2.4 persons per unit. Max. population: 1,527.

Note - LOS=Level of Service as adopted in Comprehensive Plan

*Potable water and wastewater:*

A recent analysis of the City's utility capacity shows that there is sufficient capacity in the utility systems for at least 10 years at pre-recession growth rates. A queue system for capacity reservations is in place, requiring a queue agreement with payment of 10% of utility impact fees prior to review of preliminary site plans, and a reservation agreement with payment of 50% of the impact fees and a guarantee for the remainder prior to construction approval. This system gives the City solid information and control of utility needs for the purpose of planning capital improvements.

As capacity is used, plans for expanding systems can be formulated. Concurrency rules require that no developments be approved unless services are available or will be available at the time needed by the development.



*Potable water* - LOS 122 gallons per person per day  
636 units X 2.4 people X 122 gallons = 186,221 gallons per day  
Uncommitted capacity in City system is currently approximately 412,000 gallons, adequate for about 1400 dwelling units. (Note that capacity has already been committed for about 1200 units.)  
With the wastewater reuse system being brought on line to provide water for irrigation, available potable water will increase.

*Wastewater* – LOS 100 gallons per person per day  
636 units X 2.4 people X 100 gallons = 152,640 gallons per day  
Uncommitted capacity in the City system is currently 431,900, adequate for approximately 1800 units. (Again, capacity has already been committed for about 1200 units.) With the proposed plant upgrades, available capacity will increase to 721,000.

*Solid waste*: Polk County LOS 1.6 WGU (waste generation units) per unit  
Polk County's LOS was used by the applicant to calculate impact because solid waste disposal is the responsibility of the County.

636 units X 1.6 WGUs = 1,013 WGUs

Per the applicant, there is sufficient capacity in the County's North Central Landfill to accommodate the development.

*Roadways*: LOS depends upon type of roadway impacted.

LOS for principal arterials (US27): D; for local roads (Hickory Hammock): C

Trip generation rates are those used by Polk County to determine impacts.

636 units X 6.72 trips/mf unit = 4274 AADT (average annual daily trips)

636 units X 0.61 trips/mf unit = 388 peak hour trips

Assuming a connection from the development to US Hwy 27 and all trips impacting that roadway, the highway has sufficient capacity to accommodate the development without causing the level of service standard to be exceeded. Upgrades to Hickory Hammock Rd. will be required by the County.

*Parks*: LOS for community parks – 2 acres per 1,000 population

Note that neighborhood parks must be provided within the development; community parks are City-wide parks, provided by the municipality utilizing recreation impact fees.

636 units X 2.4 persons/unit X 0.002 = 3 acres

The City has adequate acreage in community parks to accommodate the development; however, a new community park will be needed in to serve new development in the northern area of the City for geographic convenience.

## **OTHER OPTIONS**

The Commission may designate a Future Land Use Map designation with a lower density than HDR or grant HDR with a density limitation less than 12 du/acre.

## **FISCAL IMPACT**

The amendment will allow a high density residential development adding to the City's tax base.

[End agenda memo]

Ms. VanBlargan read Ordinance D2009-01 by title only.

**AN ORDINANCE OF THE CITY OF LAKE WALES, FLORIDA, AMENDING THE FUTURE LAND USE MAP OF THE COMPREHENSIVE PLAN TO CHANGE THE DESIGNATION ON 53 ACRES OF LAND, LOCATED EAST OF US 27 AND NORTH OF TOWER VIEW BLVD, FROM POLK COUNTY FUTURE LAND USE DESIGNATION RS – RESIDENTIAL SUBURBAN TO LAKE WALES FUTURE LAND USE DESIGNATION HDR – HIGH DENSITY RESIDENTIAL; PROVIDING FOR AN EFFECTIVE DATE.**

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Thornhill asked for clarification on the zoning. Ms. Swanson said we are only recommending a Future Land Use Map designation at this time. The proposed HDR designation will allow up to 12 units per acre, so the zoning designation will need to be in line with that. We are committing ourselves to higher density on the property. In order to meet our regulations for roadway access they have to find two access ways, one of which needs to go to US 27 or SR 17.

Commissioner Rogers made a motion to approve Ordinance D2009-01 after first reading & public hearing. The motion was seconded by Commissioner Thornhill.

Roll Call:

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

The motion carried 5-0.

**Agenda Item 13. Resolution 2009-09, Updating Designation of Administrative Responsibilities**

Ms. Delmar reviewed Agenda Item 13. The full staff memo is incorporated into the minutes.

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

**SYNOPSIS**

This resolution is proposed for the purpose of updating the designation of acting city manager during the temporary absence of the city manager.

**RECOMMENDATION**

It is recommended that the City Commission approve and pass Resolution 2009-09 updating the designation of administrative responsibilities during the temporary absence of the city manager.

**BACKGROUND**

The City Commission is empowered by the City's Charter to approve the designation of an acting city manager during the temporary absence of the city manager. The term *temporary absence* for this purpose means "not available to come to the Municipal Administration Building to perform the duties of City Manager for a period longer than twenty-four hours."

In order to avoid any potential conflicts with dual office-holding provisions of Article II, Section 5 of the Florida Constitution, this designation is made by resolution of the City Commission. Resolution 2006-26 made the last such designation and reflects the organization that was current at the time.

Due to recent organizational changes, it is necessary to update the designation of acting city manager. Resolution 2009-09 is proposed for this purpose.

## OTHER OPTIONS

None.

## FISCAL IMPACT

None.

[End agenda memo]

Ms. Delmar said Resolution 2009-09 was prepared to establish Harold Gallup, Economic Development Director, as Acting City Manager in the temporary absence of Judith Delmar, City Manager; Herbert Gillis, Police Chief, as Acting City Manager in the temporary absence of Harold Gallup; Sandra Davis, Human Resources Director, as Acting City Manager in the temporary absence Herbert Gillis; to authorize Dorothy Pendergrass, Finance Director, to sign purchase orders during the temporary absence of Judith Delmar; Chris Velasquez, Assistant Police Chief, as Acting Police Chief at such time as Herbert Gillis is serving as Acting City Manager; Jacqueline Hawkins, Deputy City Clerk, or Bonnie Hodge, Deputy City Clerk, as Acting City Clerk in the temporary absence of Clara VanBlargan, City Clerk, for the purpose of signing or attesting official documents or for the purpose of accepting service of official notice.

Ms. VanBlargan read Resolution 2009-09 by title only.

## **A RESOLUTION OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, UPDATING THE DESIGNATION OF INDIVIDUALS TO SERVE IN THE CAPACITY OF ACTING CITY MANAGER AND ACTING CITY CLERK DURING THE TEMPORARY ABSENCE OF THESE APPOINTED OFFICIALS.**

Ms. Delmar pointed out that there is a definition in the resolution for the term "temporary absence," which means "not available to come to the Municipal Administration Building to perform the duties of City Manager for a period longer than twenty-four hours." It also addresses statutory provisions for dual office-holding.

Commissioner Howell said she is concerned with the order of the people in the resolution that would be in charge in the absence of the City Manager. She said that Harold Gallup and Police Chief Herbert Gillis do not live in the City of Lake Wales. She suggested getting Fire Chief Jerry Brown to serve instead because he lives in Lake Wales. Chief Brown declined. He said a temporary absence would not be too much of a concern, but a longer absence would be too much because he does not have the broad knowledge that it requires.

Mayor Van Sickle said instead of concentrating on where a person lives, we need someone who has overall knowledge of the organization.

Commissioner Howell suggested Sandra Davis. She said if a person lives in Lake Wales, then they have a vested interest in Lake Wales. Ms. Davis declined. She said she is comfortable at being third in line because her specialty is in Human Resources, and she does not think her experience is broad enough.

Commissioner Wheeler said our newly appointed City Manager is not a citizen of Lake Wales either. He said his concern would be how long it would take to get to the City. Mr. Gallup lives in Tampa and Chief Gillis lives in Winter Haven. However, Winter Haven is a lot closer to Lake Wales. Commissioner Wheeler suggested reversing the order of Mr. Gallup and Chief Gillis because Chief Gillis could get to the City faster.

Mayor Van Sickle said we are asking the City Manager to come up with who she thinks would best serve in her absence based on her knowledge of these individuals' overall knowledge of the different departments. He suggested accepting the recommendation of the City Manager.

Ms. Delmar said she did not consider where anyone in particular lives. Her decision was based on their involvement in the day-to-day operations of the City. Mr. Gallup is involved with operations of the City in the administration building, his office is located next to hers, and the staff supports him.

Commissioner Wheeler said he supports the recommendation of the City Manager.

Commissioner Thornhill made a motion to approve Resolution 2009-09. The motion was seconded by Commissioner Rogers.

Roll Call:

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

The motion carried 4-1.

**Agenda Item 14. Street Closings: Green & Gold Cultural Festival and Parade**

Ms. Kinloch reviewed Agenda Item 14. The full staff memo is incorporated into the minutes.

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

**SYNOPSIS**

Approval of the street closing request will allow the Green & Gold Foundation Annual Cultural Festival to be held on Saturday, August 22, 2009 and on Sunday, August 23, 2009.

**RECOMMENDATION**

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

1. Approve the street closings for the 2<sup>nd</sup> Annual Cultural Festival and parade to be held Saturday, August 22, 2009 and Sunday, August 23, 2009 from 9:00 a.m. till 11:00 a.m.
2. Approve the street closing of Lincoln Avenue from 11:00 a.m. till 9:00 p.m. on Saturday, August 22, 2009 and on Sunday, August 23, 2009 from 1:00 p.m. till 8:00 p.m.
3. Waive the remaining fees for the rental of the James P. Austin Center in the amount of \$115.50 and for the rental of Stuart Park in the amount of \$46.00.
4. Authorize the City Manager to sign the event permit.

**BACKGROUND**

William Moore submitted a special event permit application for the Green and Gold 2<sup>nd</sup> Annual Cultural Festival to be held on August 21, 2009 – August 23, 2009. The Green and Gold also rented the James P. Austin Community Center for August 21, 2009 and Stuart Park for August 23, 2009 and paid the required deposits for both sites. A letter from the Green and Gold was received in the City Manager's office on July 31, 2009 requesting donations to help make this event successful. In lieu of a donation from the City it could be a consideration of the Commission to waive the remaining fees for the rental of the James P. Austin Center and Stuart Park in support of this event.

The Cultural Festival is to be held in the historic Lincoln Avenue business district and will focus on community awareness, youth and entrepreneurship in the African-American community. The festivities will begin with a

kick-off reception on Friday evening at the James P. Austin Community Center, which will feature speeches from local youths on topics relative to today's concerns.

On Saturday, August 22, 2009, a parade will take place beginning at 10:00 a.m. and ending at approximately 11:00 a.m. The requested temporary streets closing will involve the following streets:

Martin Luther King Jr. Blvd beginning at the James P. Austin Center, north to Dr. J. A. Wiltshire Avenue, turn left on "E" Street, from "E" Street to Lincoln Avenue, turn right on Lincoln Avenue, east to "A" Street and end at Stuart Park

After the parade Lincoln Avenue will be temporarily closed until 9:00 p.m. for the continuation of the Festival's activities. Vendors from the area will be set up showcasing their goods and services, organizations will offer free health screenings and entertainment for the whole family will be featured. There will be a classic and contemporary car show at Stuart Park after the parade.

On Sunday, August 23, 2009, activities will get started at 1:00 p.m. along Lincoln Avenue once again with vendors and organizations providing food, goods and services. It is requested that Lincoln Avenue be closed to allow for these activities from 1:00 p.m. to 8:00 p.m. At 4:00 p.m. a "Day of Gospel" will take place featuring choirs, youth groups, step and drill teams and praise dancers. Churches from the area will also provide a joyful afternoon of praise and up lifting music. These performances will be held at the First Institutional Baptist Church.

All Departments have reviewed the permit application and have approved the event with the following conditions:

1. Sanitary facilities will be the responsibility of the sponsor
2. Parking and site preparation will be the responsibility of the Sponsor
3. Clean up during and after the event will be the responsibility of the sponsor and vendors (Florida Refuse is donating two 6 yd. dumpsters to the Green and Gold and will be placed at the intersection of B Street and Lincoln Avenue and Keep Polk County Beautiful is supplying extra trash receptacles and bags) City crews will take care of the regular schedule of trash pick up and street sweeping on Monday.
4. Proof of liability insurance for the event.

Lake Wales Police Department will be available to provide escort for the parade and for traffic control. The Streets Department will be providing the barricades for the streets closings.

## **OTHER OPTIONS**

Not to approve this event.

## **FISCAL IMPACT**

Cost for in-kind services provided by the Lake Wales Police Department will be \$2,812. This is currently unbudgeted, but will be included in the next budget amendment if the event is approved.

[End agenda memo]

Commissioner Rogers said he has no problem with closing the streets or waiving the fees for the rental of the James P. Austin Center.

Mayor Van Sickle said the City Commission adopted an ordinance establishing rental fees of our facilities to help maintain and pay for those facilities. He asked if we normally waive the fees when anyone requests that they be waived. Ms. Kinloch said she researched that back to 2006 and found that the fees were waived four times since then.

Mayor Van Sickle said we do not want to get in the position of waiving fees because right now we are not collecting enough in fees to maintain the facilities. The concept is to use the fees for maintenance and repair of the City's facilities.

Commissioner Howell said that somehow we have to show we are giving back to the community and this is a way of doing that. This Board does not seem to be community friendly. We are taking away things that we have done for our citizens throughout the history of Lake Wales. She suggested waiving the fees. Mayor Van Sickle said he did not say not to waive the fees. However, he did say we should not make a habit of waiving the fees because the fees help maintain the facilities. If we do not maintain them, eventually we will not have them for people to use. Regardless of whom we are waiving the fees for; we somehow have to make up that money to do that.

Commissioner Thornhill said he came prepared to help pay the rental fees tonight. Commissioner Wheeler and Commissioner Rogers said they too would help pay the rental fees.

Commissioner Howell said this City likes to help the citizens of Lake Wales.

Ms. Delmar said the Police Department is donating manpower to the event.

Commissioner Howell made a motion to:

1. Approve the street closings for the 2<sup>nd</sup> Annual Cultural Festival and parade to be held Saturday, August 22, 2009 and Sunday, August 23, 2009 from 9:00 a.m. till 11:00 a.m.;
2. Approve the street closing of Lincoln Avenue from 11:00 a.m. till 9:00 p.m. on Saturday, August 22, 2009 and on Sunday, August 23, 2009 from 1:00 p.m. till 8:00 p.m.; and
3. Authorize the City Manager to sign the event permit.

The motion was seconded by Commissioner Rogers.

By voice vote:

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

The motion carried 5-0.

#### **Agenda Item 15. Write-off Uncollectible Receivable Accounts**

Ms. Pendergrass reviewed Agenda Item 15. The full staff memo is incorporated into the minutes.

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

#### **SYNOPSIS**

The City Commission is asked to authorize the write-off of uncollectible accounts receivables totaling \$124,306.43 for utility services and solid waste services.

#### **RECOMMENDATION**

It is recommended that City Commission authorize the Finance Director to write-off a total of \$124,306.43 in 1,006 uncollectible accounts receivables for utility services and solid waste services for the period of 2/01/06 through 9/30/08.

## BACKGROUND

The Utilities Fund and General Fund list accounts receivable as an asset. These amounts are the total unpaid billing of utility and waste disposal services. These Funds also list an offsetting account called Allowance for Uncollectible Accounts, which is an estimate of uncollectible accounts based upon accounts receivable balances past 90 days old. The Allowance for Uncollectible Accounts is adjusted annually by an offsetting adjustment to Bad Debt Expense.

If the write-off is approved, each account's balance will be adjusted off and each account will be coded as a write-off. Applications for new service are checked against our current database. If the applicant has a coded write-off account in our system, the applicant must pay the old debt before new service is activated.

Open accounts prior to October 1, 2008 were sent to Penn Credit, the collection agency for the City, on June 5, 2009. Penn Credit will continue to attempt collection efforts relating to these accounts.

## FISCAL IMPACT

Accounts receivables will be reduced by \$124,306.43 but this will have no impact on the City's bottom line because the amount has been accruing in the Allowance for Uncollectible Accounts.

[End agenda memo]

Ms. Pendergrass explained the procedure for turning the accounts over to a collection agency.

Commissioner Howell made a motion to authorize the Finance Director to write-off a total of \$124,306.43 in 1,006 uncollectible accounts receivables for utility services and solid waste services for the period of 2/01/06 through 9/30/08. The motion was seconded by Commissioner Rogers.

By voice vote:

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

The motion carried 5-0

## Agenda Item 16. **Edward Byrne Memorial State & Local Law Enforcement Assistant Grant**

Police Chief Gillis reviewed Agenda Item 16. The full staff memo is incorporated into the minutes.

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

## SYNOPSIS

The City Commission will consider applying for an Edward Byrne Memorial Justice Assistance Grant to fund 6 in-car camera systems.

## RECOMMENDATION

Staff recommends that the Honorable Mayor and the City Commission authorize the Police Department to apply for funding through the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant for six (6) in-car camera systems.

## **BACKGROUND**

Since 1999, the Police Department has received funding from the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant Program. Since that time, the Police Department has utilized this funding to create numerous community programs as well as purchase needed equipment to enhance public safety.

This year the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant award amount is \$19,208.00 and if approved would be included in the 2009/2010 budget. Match is not required with this program.

The Police Department proposes to use these funds to continue the Lake Wales Community Safety Program and purchase in-car video camera systems. This equipment will allow law enforcement officers to effectively document traffic violations and enforcement activities. Additionally, it will provide valuable evidence that will enhance criminal prosecutions.

## **OTHER OPTIONS**

The Commission may choose not to authorize application for and accept the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant.

## **FISCAL IMPACTS**

The Finance Department has reviewed this grant and found no fiscal impacts associated as matching funds are not required.

[End agenda memo]

Commissioner Howell made a motion to authorize the Police Department to apply for funding through the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant for six (6) in-car camera systems. The motion was seconded by Commissioner Rogers.

By voice vote:

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

The motion carried 5-0

## **Agenda Item 17. 2010 Census Complete Count Committee**

Ms. Delmar reviewed Agenda Item 17. The full staff memo is incorporated into the minutes.

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

## **SYNOPSIS**

The Commission will consider the establishment of a 2010 Census Complete Count Committee that will engage in activities designed to encourage our residents to complete and return their census forms.



## **RECOMMENDATION**

Staff recommends: 1) that the Commission establish a Complete Count Committee to meet on a temporary basis until June 1, 2010 for the purpose of improving the response to the census among residents of Lake Wales; and 2) that each Commissioner provide staff with a recommendation of 2-3 individuals from their respective districts to serve on the Committee.

## **BACKGROUND**

In 2010, the US Census Bureau will conduct its decennial census of the population of the United States. These results determine the apportionment of Congressional representatives to each state, as well as funding allocations in various areas such as education, transportation, welfare, health care, recreation and many other needs. Each person counted brings in approximately \$1500 to a community.

In 2000, Polk County had a 57% response rate, while Lake Wales had a 53% response rate. In order to improve upon this in 2010, the City of Lake Wales has been asked by the Census Bureau to establish a Complete Count Committee. This will be a temporary committee that will engage in activities designed to encourage our residents to complete and return their census forms.

This committee would consist of approximately 10-12 members from different parts of the Lake Wales community. The Committee would meet once a month, at a day and time of their choosing, until June 1, 2010. This committee could include representatives from different organizations such as the Chamber of Commerce, the Care Center, churches, civic organizations, homeowner associations, media and other key businesses.

Interested persons would fill out an application as for other city boards and committees as a matter of record. Meetings and events will be coordinated by City staff, and will be open to the public.

## **OTHER OPTIONS**

Do not establish a Complete Count Committee

## **FISCAL IMPACT**

None.

[End agenda memo]

David Velez, representative of Census 2010, explained the importance of a Complete Count Committee and the importance of everyone completing and returning the questionnaire provided to them. He said the Census data guides local decision-makers on where to build new roads, hospitals, child-care centers, senior citizen centers, schools, etc.

Ms. Delmar said we are looking for representatives from the churches, civic organizations, care center, media, and anybody else who can help reach a broad group of people in promoting the importance of participating in the Census.

Commissioner Howell asked for verification that people to serve on the Committee would not be the ones who will be knocking on doors. Ms. Delmar said that is correct. Their role would be to promote awareness of the importance of completing the Census and sending it back.

Ms. Delmar asked the Commissioners to provide Ms. Nanek with a recommendation of 2-3 individuals from their respective districts as soon as possible, because they would need to be appointed no later than the end of September.



By voice vote:

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

The motion carried 5-0.

**Agenda Item 19. Discussion of Financial Statements for July 31, 2009, Fiscal Year to Date**

Ms. Delmar reviewed Agenda Item 19. The full staff memo is incorporated into the minutes.

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

**SYNOPSIS**

The financial statements report revenues received and expenditures made since 10/1/2008. At the end of July we have completed 83.3% of the fiscal year. General Fund revenues are slightly ahead of target, but Utility Fund revenues are significantly behind where they should be at this point in the fiscal year. Expenditures are running behind target.

The unaudited financial statements for the City of Lake Wales for the Period Ending July 31, 2009 are presented to the City Commission for review. At the end of July, the City is 83.3% into the fiscal year. Twenty-two of twenty-six payrolls (84.6%) have been expensed through July 31. Revenue and expenditure budgets have been adjusted to reflect both Budget Amendment #1 and #2.

**SUMMARY**

The following chart gives a brief summary of overall operating revenue and expenditure performance as of July 31, 2009. Capital expense funded by CRA bond or loan proceeds is excluded from the analysis:

Fund	Budgeted	Actual at 7/31	Target at 7/31	Actual at 7/31 Over (Under) Target	Over (Under) as percentage of target
General					
Revenues <sup>1</sup>	\$10,959,493	\$9,772,903	\$9,613,494	\$159,409	+1.5%
Expenditures <sup>3</sup>	\$10,763,769	\$8,755,322	\$8,969,808	(\$214,486)	-2.0%
Special Revenue					
Revenues <sup>1</sup>	\$6,323,629	\$4,085,633	\$5,803,895	(\$1,718,262)	-27.2%
Expenditures <sup>3</sup>	\$4,408,938	\$2,947,736	\$3,674,115	(\$726,379)	-16.5%
Debt Service					
Revenues <sup>3</sup>	\$2,392,495	\$1,972,645	\$1,993,746	(\$21,101)	-0.9%
Expenditures <sup>2</sup>	\$2,436,478	\$1,776,151	\$1,776,151	\$0	+0.0%
Utilities					
Revenues <sup>1</sup>	\$6,850,140	\$5,296,661	\$5,925,383	(\$628,722)	-9.2%
Expenditures <sup>3</sup>	\$6,913,450	\$4,767,407	\$5,761,208	(\$993,801)	-14.4%
Airport					
Revenues <sup>3</sup>	\$101,403	\$63,427	\$84,503	(\$21,076)	-20.8%
Expenditures <sup>3</sup>	\$101,403	\$94,240	\$84,503	\$9,738	+9.6%

<sup>1</sup> Revenue target = prior year performance at same point in fiscal year

<sup>2</sup> Expenditure target for Debt Service Fund = actual YTD expenditure because we are paying off debt in accordance with set schedules

<sup>3</sup> Target = 1/12 of budgeted amount multiplied by the number of months since the start of the fiscal year (October 1); i.e. at the end of July we are 10/12 or 83.3% into the fiscal year. This method assumes a relatively even distribution of expense or revenue from month to month.

In general, most operating revenues are about where we would expect them to be at the end of ten months, but there are a few potential problem areas that we are watching.

Revenue estimates in the General Fund and Transportation Fund were revised downward with Budget Amendment #1 and #2, and analysis of the financials at 7/31/09 is in relation to the amended budgets. These two funds are affected by shortfalls in the state budget which necessitate reduction of revenues shared with the cities (sales taxes and gas taxes). Our next budget amendment will reflect an additional reduction of \$26,763 in state revenues, and there may be further downward revisions before the end of the current fiscal year.

Building permits and other development fees are running far behind target. By the end of July 2008, we had received \$416,159 from these sources (\$304,480 for building permits; \$111,569 for development permits). At the end of July 2009, we had only received a total of \$153,352 (\$140,698 for building permits; \$12,654 for development permits). This is slightly more than one-third the revenue from these sources than was received in the prior year.

Water and sewer revenues at the end of July 2009 were \$286,194 behind where they were in June 2009 (water, -\$309,380; sewer, +\$23,186). If we use 83.3% of the fiscal year as the target level, however, water revenues were \$382,502 under target and sewer revenues were \$2,428 under target. This is a combined shortfall of \$384,930 compared to budget. Fortunately, operating expenditures are also running behind target at the end of July. Excluding project costs funded by CRA bond proceeds, Utility Fund expenditures were 14.4% or \$993,801 below the target level.

Operating expenditures in the General Fund are running 2.0% below target (-\$214,486), and operating expenditures in the other Funds are running behind target levels with the exception of the Airport Fund which is ahead of target (+\$9,738). Spending has been limited wherever possible because it is anticipated that expenditure budgets will have to be reduced if revenues continue to fall short of budgeted levels.

The City has not borrowed any money from the Pool/Tax Anticipation Investment Account. The balance at the end of the last fiscal year and the current balance are as follows:

	9/30/08	7/31/09	Difference
Pool/Tax Anticipation Investment Account	\$1,037,852	\$1,041,278	\$3,426

On the face of it, the City's overall cash position at the end of July 2009 declined significantly from the cash position at the end of July 2008 (-\$1,482,998). In order to make a valid comparison, however, the following adjustments must be made:

	7/31/08	7/31/09	Difference
Total Cash & Investments	6,487,919	5,004,921	(1,482,998)
Due to Other Governments	(126,722)	(77,913)	
Insurance Proceeds & Other Airport Cash	(640,499)		
Deferred Revenues*	(463,224)	(465,149)	
Customer Utility Deposits**	(511,005)		
Cash & Investments Net of Adjustments	4,746,469	4,461,859	(284,610)

\* reflected in cash but restricted to a specific future expenditure (grant project, tree replacement fund, etc), at which time revenue will be recognized  
 \*\* customer utility deposits were reclassified from cash to restricted assets at 9/30/08

After excluding cash that was collected on behalf of other governments, unexpended Airport insurance proceeds, deferred revenues, and customer utility deposits, the City's overall cash position at the end of July 2009 was \$284,610 lower than at the end of July 2008.

In comparison to total cash and investments at June 30 of \$5,004,921, the July cash and investments show a reduction of \$1,074,371. Much of this reduction occurred because expenditures from June 30 to July 31 increased by \$2,266,744 while revenues only increased by \$1,601,726 – a gap of \$665,018. Also, during this period, bond reserves and sinking funds increased by \$353,378. In combination, these two items were responsible for a draw-down of \$1,018,396 in unrestricted cash and investments.

[End agenda memo]

**CITY MANAGER'S REPORT**

**CITY COMMISSION TRACKING REPORT**

Ms. Delmar said there have been no changes to the tracking report since the distribution of the agenda packets.

**ADDENDUM**

**Discussion - Leasing Vehicles**

Ms. Delmar reviewed the vehicle lease item. The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Bonnie Hodge, Purchasing Agent]

The City Water Department has a 1997 Ford Ranger that needs a new engine. The City Wastewater Department has a 1997 Ford F-350 that needs a new engine. The cost for the engines is \$2072.53 for the Ford Ranger and \$2295 for the F-350.

Bob Stanton from Polk County Fleet Maintenance has suggested that instead of replacing engines in vehicles that are over 10 years old, the City lease new 2010 trucks from the County. These are preliminary figures based on an 8-year lease term. In this scenario, when the lease terminates after 8 years the City can (at the City's option) buy the trucks for the residual shown or the County would take them back and sell them. The County could also restructure the rates where the City would buy the trucks for \$1.00; in that scenario the lease payment would increase slightly. The County will invoice the City once a year.

FORD RANGER		FORD F-350	
2010 – 4x2 Ranger		2010 – 4x4 F-350 Cab & Chassis	
6" Bed		Swap existing body we have to new chassis	
4 cylinder engine		8 cylinder engine	
Cost:	\$14,025.21	Cost:	\$21,953.07
Less Residual	-500.00		-1,000.00
Amortized Amount	\$13,525.21	Amortized Amount	\$20,953.07
Term:	8 years	Term:	8 years
Lease Payment:	\$1,775.18/year	Lease Payment	\$2750.09/year

The interest rate on these leases is .048 per vehicle. There are no mileage penalties. The lease agreement will state that if the entity loses the funding necessary to continue the lease the agreement is automatically terminated. This is standard for municipal leases. Further, in Eagle Lake's case, when they were acquired by PCSO, they bought three of the cars but didn't need the fourth. The County took it back and found another home for it elsewhere with no penalty or other conditions.

The maintenance charge for the first 3 years on these vehicles will be \$225 per year to cover parts not under warranty such as tires, in comparison to \$325.00 and \$425.00 per year if we replaced the engines in the 1997 trucks. After the 3 years the maintenance fee would be \$325.00 and \$425.00 per year based on the fee schedule the County has set up for the rest of our vehicles.

Polk County Fleet Maintenance purchases these vehicles from Weikert Ford on the Florida State Contract. Staff contacted Bob Weikert and were told that he is in the process of pricing several vehicles for Polk County because of inquiries from other cities such as Frostproof.

Staff talked with the City of Eagle Lake who lease trucks for their Public Works Department. They have leased these trucks for the past 3 or 4 years. They are very happy with this program. They pay a monthly maintenance fee for these trucks plus the yearly lease payment.

Judy Delmar and myself met with Bob Stanton, Polk County Fleet Maintenance Director, to discuss this lease option at greater length. We discussed the possibility of leasing Crown Victoria police interceptors. The Police Department has budgeted \$150,000 for new police cars in 2009/2010. Last year we purchased two new Crown Victorias from Weikert Ford for \$21,760.05 each. The added equipment was approximately \$3950.00 for each vehicle. Polk County Fleet can purchase a 2010 Crown Victoria from Weikert Ford on the State Contract for \$21,147.06. The added equipment will be added into the cost of the vehicle to determine the lease payment.

The average expected life of a police vehicle is 10 years. These leases are 8-year leases, so the vehicles would last well within the life expectancy. The lease would work the same as explained previously for the trucks. We would pay a maintenance fee for the first three years to cover preventative maintenance expenses, tires, etc. for parts not covered under warranty. After the three years, we would pay a yearly maintenance fee of \$1876 per vehicle.

Last year we set up a 5-year rotation schedule for police cars in order to rotate the oldest vehicles with high mileage out of the fleet when new vehicles were purchased. We have 5 Crown Victorias with over 100,000 miles scheduled to be rotated out of the fleet this year.

We are still looking at budget numbers, however, we need the Commission's thoughts on the lease versus purchase program.

[End agenda memo]

Ms. Delmar said the purpose of the discussion is to let her know how the Commission feels about an 8-year lease option for City vehicles. From a fiscal standpoint, it spreads out the cost of a vehicle over eight years. The downside is that it adds to the debt burden.

Bonnie Hodge, Purchasing Agent, said she received an email just before the meeting from Bob Stanton, Polk County Fleet Maintenance, saying the lease agreement will state that if the entity no longer finds it necessary to continue leasing that there would be no issue and the lease agreement will automatically terminate. The vehicles would be returned to the County at no cost on our part. Ms. Hodge said we do have a need to either replace the engines in the vehicles or replace the vehicles.

Mayor Van Sickle said his only concern with leasing vehicles is the mileage charge. Ms. Hodge said there would be no mileage charged.

Commissioner Wheeler asked what happens to the title after eight years. Ms. Hodge said we would have two options: (1) purchase the vehicle based on its residual amount or (2) return the vehicle to the county and lease another vehicle, etc.

Commissioner Wheeler said if this is a bargain purchase option, it would add to our debt. Ms. Pendergrass said she contacted Joe Welch, the City's auditor, concerning this. Under Financial Accounting Standards GAS 13, there are four rules that determine whether it would be an operating or capital lease:

1. The lease conveys ownership to the lessee at the end of the lease term;
2. The lessee has an option to purchase the asset at a bargain price at the end of the lease term;
3. The term of the lease is 75% or more of the economic life of the asset;
4. The present value of the rents, using the lessee's incremental borrowing rate, is 90% or more of the fair market value of the asset.

Ms. Pendergrass said she would send Mr. Welch an email asking if this falls under GASB or whether the government has something different.

Commissioner Wheeler said adding to our debt level affects our bond rating.

The direction of the City Commission was for Ms. Pendergrass to work out the numbers. If the cash flow is in the City's favor, then bring the item back to the Commission for approval.

### **COMMUNICATIONS AND PETITIONS**

Linda Kimbrough, 307 N. Florida Avenue, commented on Agenda Item 15, Write-off Uncollectible Receivable Accounts. She said when reviewing the item, she recognized a lot of the names of the people

who did not pay their bills. These people are very much alive and are still living in Lake Wales. Ms. Kimbrough said she is concerned that we are wanting to turn this over to a collection agency before trying to collect from these peoples.

Ms. Pendergrass asked Ms. Kimbrough to let her know where these people reside and she will gladly send them a bill. She said if this is turned over to Penn Credit they will continue to attempt collection efforts relating to these accounts. Commissioner Howell said she recognized some names of people that are deceased.

William Moore, Green & Gold Foundation, thanked the Commission for approving the Cultural Festival event. He invited everyone to attend and participate in the parade.

Linda Kimbrough, 307 N. Florida Avenue, said the Cultural Festival is a great event. She told about all the wonderful activities to take place and invited everyone to attend.

Mayor Van Sickle said he and his wife had a very good time at last year's event.


**CITY COMMISSION COMMENT**

Commissioner Wheeler said during the four weeks before the July 29 Special City Commission meeting, there was an energy and involvement in this community that he had not seen since he came on the Commission. People were involved that were never involved before. That energy should be used for a constructive purpose, such as a committee for a City Charter review. The Charter has not been reviewed since the 1970's. It consists of archaic language and conflicting duties. There are a lot of changes that need to be made. The City Commission should not establish a Charter Review Committee. It should be the role of the citizens, and then brought to the Commission. Commissioner Wheeler said there are people who want to do this, and he would like to encourage them to bring a blue print or plan to ask the Commission for a Charter review. It will take a long time, but it will be a positive, constructive involvement of the public into the City's affairs.

There being no further business, the meeting was adjourned.

  
\_\_\_\_\_  
Mayor/Commissioner

ATTEST:

  
\_\_\_\_\_  
City Clerk