

The regular meeting of the Lake Wales City Commission was held on August 3, 2010 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 Fire Chief Jerry Brown.

PLEDGE OF ALLEGIANCE

COMMISSIONERS PRESENT: Terrye Y. Howell; Jonathan Thornhill; John Paul Rogers; Michael S. Carter; Mayor L. Jack Van Sickle.

COMMISSIONERS ABSENT: None.

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

MAYOR

Agenda Item 5. PROCLAMATION: Florida Water Professionals Week: August 16-20, 2010

Mayor Van Sickle read a proclamation proclaiming August 16 – 20, 2010 as “Florida Water Professionals Week.” Public Works Director Tom Moran accepted the proclamation.

OLD BUSINESS

Agenda Item 6. APPROVAL OF MINUTES: July 13, 2010, Workshop Meeting; July 20, 2010, Regular Meeting

Commissioner Rogers made a motion to approve the minutes for the July 13, 2010 Workshop and July 20, 2010 Regular Meetings. The motion was seconded by Commissioner Thornhill.

By Voice Vote:

| | |
|------------------------|-------|
| Commissioner Rogers | “YES” |
| Commissioner Thornhill | “YES” |
| Commissioner Carter | “YES” |
| Commissioner Howell | “YES” |
| Mayor Van Sickle | “YES” |

The motion carried 5-0.

Agenda Item 7. Ordinance 2010-14, FY09’10 Budget Amendment #3 – 2nd Reading & Public Hearing

The full staff memo is incorporated into the minutes.

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

SYNOPSIS

Commissioners will consider the third amendment of the FY09’10 Budget adopted on September 15, 2009.

RECOMMENDATION

It is recommended that the City Commission approve Ordinance 2010-14.

BACKGROUND

Ordinance 2009-21 estimating revenues and appropriating funds for Fiscal Year 2009-10 was adopted by the City Commission September 15, 2009 and amended on December 1, 2009, and March 16, 2010. We are presenting for first reading a third amendment of Ordinance 2010-14 to modify the estimates of revenues and appropriations budgeted in various funds. Exhibits A and B and supporting attachments provide the detail for the proposed amendment.

This budget amendment is based on unaudited financial reports for the accounting period ending on 5/31/10. The following is a summary of changes included in the proposed amendment:

| Revenues & Balances Fwd | Increase(Reduction) |
|---|---------------------|
| General Fund | 32,855 |
| Special Revenue Fund | (841,143) |
| Debt Service Fund | 213,043 |
| Capital Projects Fund | 80,890 |
| Utility System Fund | 400,076 |
| Airport Fund | 18,000 |
| Total Increase(Reduction) of Revenues & Balances Fwd | (96,279) |
| Appropriated Expenditures & Reserves | |
| General Fund | 196,237 |
| Special Revenue Fund | (825,895) |
| Debt Service Fund | - |
| Capital Projects Fund | 3,826 |
| Utility System Fund | 64,454 |
| Airport Fund | 18,000 |
| Reserves | 447,099 |
| Total Increase(Reductions) of Appropriated Expenditures & Reserves | (96,279) |

The proposed budget amendment decreases the City's total budgeted expenditures by \$543,378 and increased reserves by \$447,099 for a net decrease in appropriated expenditures and reserves of \$96,279 (from \$44,445,031 to \$44,348,752).

Reasons for this amendment include:

Estimated Revenues and Reserve Balances:

- Balances forward must be adjusted to conform to the audited fund balances at 9/30/09. This amendment resulted in a net increase of \$256,129:
 - decrease of 104,732 in the General Fund,
 - increase of 66,928 in the Special Revenue Funds,
 - increase of 213,043 in the Debt Service Fund,
 - increase of 80,890 in the Capital Projects Fund.

- Revenues projected within the General Fund must be adjusted to reflect a net increase of \$137,587 for revenue changes realized/expected within several revenue accounts:
 - increase of 63,800 in building permits,
 - decrease of 50,463 in fire department grant,
 - increase of 36,600 in garbage fees,
 - increase of 51,200 in fire department donations from the County for radios,
 - increase of 9,600 interest income,
 - increase of 25,850 in loss recoveries,
 - increase of \$1,000 donation to the police for a SWAT obstacle course.
- Revenues projected within the Special Revenue Fund must be adjusted to reflect a net decrease of \$908,071 for revenue changes realized/expected within several revenue accounts:
 - Transportation Fund - decrease of 200,000 transfer from the CRA fund for the Downtown Drainage Project,
 - Transportation Fund - decrease of 417,900 transfer from the CRA fund for the Twin Lakes Project,
 - Transportation Fund - decrease of 300,000 from SWFWMD Grant – Twin Lakes,
 - Law Enforcement Grant Fund - increase of 9,829 for a law enforcement grant.
- Revenues projected within the Utility Fund must be adjusted to reflect a net increase of \$400,076 for revenue changes realized/expected within several revenue accounts:
 - increase of 700,076 in transfers from the CRA Fund for engineering costs relating to “C” St. and vicinity
 - decrease of 300,000 in water revenues.
- Revenues projected within the Airport Fund must be adjusted to reflect a net increase of \$18,000 for revenue changes realized/expected within several revenue accounts:
 - increase of 18,000 relating to the FBO lease improvement credit,
 - decrease of 6,000 in FBO Lease (Net Payment),
 - increase of 6,000 for a transfer from the General Fund.

Estimated Expenditures & Revenues Balances:

- Expenditures projected within the General Fund must be adjusted to reflect a net increase of \$195,237 for expenditure changes realized/expected within several accounts:
 - City Commission - decrease of 765 in capital outlay,
 - City Commission - increase of 2,090 in training/education,
 - City Manager - decrease of 1,325 in memberships,
 - Planning - increase of 26,000 in professional fees relating to GAI billing,
 - Police - increase of 32,900 in operating costs (28,741) and capital outlay (3,159 for in-car cameras and 1,000 SWAT obstacle course),
 - Fire - increase of 80,137 in operating supplies (67,206) and capital outlay (12,931 for radios),
 - Solid Waste - increase of 46,200 in solid waste fees due to larger customer bases than originally budgeted,
 - Recreation Facilities - increase of \$5,000 in professional services due to pool design,
 - Transfers – increase of 6,000 to Airport.
- Expenditures projected within the Special Revenue Fund must be adjusted to reflect a net increase of \$92,005 for expenditure charges realized/expected within several accounts:
 - CRA Fund - increase of 82,176 in a transfer to the Utility System Fund for engineering costs relating to “C” St. & Vicinity Project, and

- Law Enforcement Grant Fund – increase of 9,829 law enforcement grant project for operating supplies relating to vehicle push bumpers, two anti-theft devices and stop sticks.
- Expenditures projected within the Capital Projects Fund must be adjusted to reflect an increase of \$3,826 for two rifle platforms. (Carry forward from prior year.)
- Expenditures projected within the Utility System Fund must be adjusted to reflect a net increase of \$64,454 for expenditure changes realized/expected within several accounts:
 - increase of 41,163 for GAI invoices,
 - increase of 31,000 for wastewater facility modification engineering,
 - increase of 124,000 for wastewater facility rehabilitation engineering,
 - decrease of \$100,000 in Southside System Upgrades Project,
 - decrease of 100,000 in the Minnesota/Grove Ave Area Project,
 - increase of \$164,000 for a booster station,
 - increase of 700,076 for engineering costs relating to "C" St. & Vicinity Project,
 - decrease of 618,487 for 2006A and 109,468 for 2006B principal payment which will not be paid until October 1, 2010 due to the set up of automatic bank draft services for these loans,
 - decrease of 67,830 for 2006B interest expense due to reduction in the interest rate from 3.8% to 1.14%.
- Expenditures projected within the Airport Fund must be adjusted to reflect an increase of \$18,000 relating to transfer of the FBO lease improvement credit to the Debt Service Fund.

OPTIONS

With the exception of the reallocation of the CRA resources of \$700,076 for engineering and construction costs relating to "C" St. & Vicinity Project and the Utility System water revenue reduction of \$300,000, this is primarily a housekeeping ordinance to conform the budget to items approved by the City Commission.

FISCAL IMPACT

See Exhibit A and Exhibit B attached to Ordinance 2010-14

[End agenda memo]

Ms. VanBlargan read Ordinance 2010-14 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING ORDINANCE 2009-21 AS AMENDED BY ORDINANCE 2009-30 AND ORDINANCE 2010-03 TO MODIFY THE ESTIMATES OF EXPENDITURES FOR THE OPERATION OF THE SEVERAL DEPARTMENTS OF SAID CITY FOR THE 2009-2010 FISCAL YEAR AND TO MODIFY THE APPROPRIATION OF FUNDS RAISED AND COLLECTED FROM ALL SOURCES SET FORTH IN THE ESTIMATE OF REVENUES FOR SAID FISCAL YEAR; REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE.

Ms. Pendergrass reviewed Agenda Item 7.

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Carter asked Ms. Pendergrass to explain the \$18,000 for the Airport Fund. Ms. Pendergrass said it is a change mostly related to credits the FBO received and explained that traditionally in the past, all of them were not always booked in the airport fund. Part was carried in the debt service fund and they were simply enhancing the way the accounting is done for that. Ms. Delmar said that up to two years ago, it wasn't even shown as an expense in the debt service fund. Just the net revenue was shown and not the expense represented by that mowing credit or the improvement credit that they received for improvements done back in the 1990's. Commissioner Carter said therefore these credits are reflected against the monthly rent based on the improvements. He asked if there was a timeline for when that would be fully amortized. Ms. Pendergrass said they have a year and a half left after the end of this fiscal year and then it will be completely paid off, in the sense of providing that credit. Commissioner Carter asked for confirmation that at that time the city would receive full rental revenue for the contract and Ms. Pendergrass confirmed.

Commissioner Howell made a motion to adopt Ordinance 2010-14 after second reading and public hearing. The motion was seconded by Commissioner Rogers.

By Roll Call Vote:

| | |
|------------------------|-------|
| Commissioner Howell | "YES" |
| Commissioner Rogers | "YES" |
| Commissioner Carter | "YES" |
| Commissioner Thornhill | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

NEW BUSINESS

Agenda Item 8. Ordinance 2010-13, Annexation, Greater St. Thomas Holiness Church – Lewis Griffin Road – 1st Reading

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Kathy Bangley, Asst. Planning & Development Director]

SYNOPSIS

The proposed amendment will annex into the incorporated city limits approximately 9.9 acres of property located west of Lewis Griffin Road and south of SR 60.

RECOMMENDATION

Staff recommends approval on first reading of Ordinance 2010-13, providing for the annexation of approximately 9.9 acres located on the west side of Lewis Griffin Road.

A recommendation from the Planning and Zoning Board is not required for an annexation ordinance. No public hearing is required for the first reading of an annexation ordinance. Upon approval of first reading, a public hearing will be advertised for the August 17th City Commission meeting.

BACKGROUND

Jeff Lazenby, Alpha Engineering, authorized agent of the owner Greater St. Thomas Holiness church, has requested annexation of the property. A church sanctuary is proposed.

An ordinance assigning Zoning and Future Land Use Map designations for the property is being brought concurrently to the City Commission.

"Attachment A" to the ordinance shows the property's location. It is contiguous to the City limits to the north east and west.

Surrounding uses:

North: City CAC Community Activity Center – grove

South: County RS Residential Suburban

East: City CAC Community Activity Center – grove

West: City BPC Business Park Center – Rat Pac Self Storage

OTHER OPTIONS

Decline to annex the property.

FISCAL IMPACT

Church property is not added to the tax rolls.

[End agenda memo]

Ms. VanBlargan read Ordinance 2010-13 by title only.

AN ORDINANCE PROVIDING FOR THE ANNEXATION OF APPROXIMATELY 9.9 ACRES OF TERRITORY, CONTIGUOUS TO THE INCORPORATED TERRITORY OF THE CITY OF LAKE WALES, SHOWN ON "ATTACHMENT A" AND SPECIFICALLY DESCRIBED HEREIN; GIVING THE CITY OF LAKE WALES JURISDICTION OVER THE LAND ANNEXED; PROVIDING FOR TAXATION OF THE TERRITORY ANNEXED; AND PROVIDING FOR AN EFFECTIVE DATE.

Ms. Bangley reviewed Agenda Item 8.

OPENED TO PUBLIC COMMENT

There were no comments made by the public.

CLOSED TO PUBLIC COMMENT

Commissioner Carter asked what benefit there would be to the City for annexing that property since we would receive no tax revenue. Ms. Bangley said the property owner needed water and we are the only provider in the area. Commissioner Carter said therefore it was costing the city because we would have to put in sewer and water infrastructure. Planning & Development Director Margaret Swanson said there was already a waterline near the property so there would be no cost to the city for infrastructure, and that this would be an additional water customer. She explained that the city's policy was that we don't provide water to property outside the city limits, so in order to get city water they will have to be annexed. She said she was not sure it would be developed as non-tax property, but it would be an additional water customer. Commissioner Carter conceded that having an additional water customer would be a significant benefit to the city. He added that they were apparently going to use a septic tank. Ms. Swanson said that was correct unless it was developed for something other than a church. She explained that if the property is developed as residential, the city would have to extend the sewer line. Commissioner Carter asked if annexing the property would involve any cost to the city. Ms. Swanson said she did not believe there would be any cost to the city at this point as they will have to connect to the water at their own expense.

Commissioner Howell made a motion to approve Ordinance 2010-13 after first reading. The motion was seconded by Commissioner Rogers.

By Roll Call Vote:

| | |
|------------------------|-------|
| Commissioner Howell | "YES" |
| Commissioner Rogers | "YES" |
| Commissioner Carter | "YES" |
| Commissioner Thornhill | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

Agenda Item 9. Ordinance D2010-02, CPA/Zoning, Greater St. Thomas Holiness Church – Lewis Griffin Road – 1st Reading * Public Hearing

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Kathy Bangley, Asst. Planning & Development Director]

SYNOPSIS

The proposed amendment will designate land use and zoning for approximately 9.9 acres of property located west of Lewis Griffin Road and south of SR 60.

RECOMMENDATION

Staff recommends that the City Commission approve, following a public hearing, a first reading of Ordinance D2010-02.

Notice requirements for a public hearing have been met.

The Planning and Zoning Board held a public hearing on June 22, 2010 and voted unanimously to recommend a change in the land use designation on the subject property from Polk County Future Land Use designation R/S Residential Suburban to City of Lake Wales Future Land Use designation MDR Medium Density Residential.

BACKGROUND

The ordinance proposes land use designation changes for approximately 9.9 acres of property located on the west side of Lewis Griffin Road south of SR 60 and property owned by Hunt Brothers Inc. Ordinance 2010-13, being proposed concurrently, provides for annexation of the property.

See Attachment A to the ordinance for location and land use designations.

Since the property is less than 10 acres in size, the amendment for a Future Land Use Map designation can be approved by the City as a "small scale" comprehensive plan amendment without review by the state's Department of Community Development. Upon approval of the first reading, the ordinance will be scheduled for a second reading public hearing at the August 17th City Commission meeting. As a small-scale amendment, it will not be counted as one of the two amendments allowed per year.

Proposed development:

A new 500 seat church sanctuary is proposed for the site. There is a city potable water main located directly in front of the property to which they plan to connect. Sewer is not currently available in the area so a request will be made to have on-site sewage disposal.

The MDR Medium Density Residential designation for this property is based on its proximity to commercial development and an arterial highway. The city allows religious establishments as a permitted use in all residential zoning districts.

Surrounding use and land use designations:

North: City CAC Community Activity Center – unimproved
South: County RS Residential Suburban
East: City CAC Community Activity Center – unimproved
West: City BPC Business Park Center – Rat Pac Self Storage

Site access:

Access to the site is from Lewis Griffin Road.

[End agenda memo]

Ms. VanBlargan read Ordinance D2010-02 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, FLORIDA, AMENDING THE FUTURE LAND USE MAP OF THE COMPREHENSIVE PLAN AND THE ZONING MAP TO CHANGE LAND USE DESIGNATIONS ON 9.95 ACRES OF LAND, LOCATED ON WEST SIDE OF LEWIS GRIFFIN ROAD, FROM POLK COUNTY FUTURE LAND USE DESIGNATION RS RESIDENTIAL SUBURBAN TO LAKE WALES FUTURE LAND USE DESIGNATION MDR MEDIUM DENSITY RESIDENTIAL AND ZONING DESIGNATION R-1C SINGLE FAMILY RESIDENTIAL; PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to approve Ordinance D2010-02 after first reading and public hearing. The motion was seconded by Commissioner Rogers.

By Roll Call Vote:

| | |
|------------------------|-------|
| Commissioner Howell | "YES" |
| Commissioner Rogers | "YES" |
| Commissioner Carter | "YES" |
| Commissioner Thornhill | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

Agenda Item 10. Ordinance 2010-16, Police Officers' Pension Plan Amendment – 1st Reading

The full staff memo is incorporated into the minutes.

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

SYNOPSIS

The City Commission will consider a proposed amendment to the Police Officers' Pension Plan for partial allocation of DROP investments options.

RECOMMENDATION

City staff does not recommend that the City Commission approve Ordinance 2010-16 as this Ordinance would create additional administrative costs to be paid by active members and City contributions for an optional election for DROP participants.

If the Police Officers' Pension Board would create a pension board policy and propose an Ordinance requiring DROP participants to reimburse the pension plan for additional administrative fees created due to partial allocation into Interest Election and Earnings Election investment options this would result in no fiscal impact to the contribution requirements of active members and the City. City staff would provide a positive recommendation to a proposed change which results in defrayed administrative cost relating to allocation of DROP investments options.

BACKGROUND

Within the current retirement plan, any member of the system who has satisfied the requirement for normal retirement may elect to withdraw from the retirement system while continuing to be an employee of the city for a period of up to five (5) years. During this period, the member and employer shall cease to make contributions to the fund and benefit accruals shall cease at the date of withdrawal from the system.

At the time of withdrawal, the member may elect any optional form of retirement income as allowed by the Plan. The amount of the monthly pension which would otherwise be paid shall be maintained as a co-mingled "DROP" account in the name of the member within the fund and shall be segregated from other trust assets on a bookkeeping basis only.

In the current retirement system, electing participation in the DROP, the member shall elect investment options in either Interest Election or Earnings Election. For each DROP member there is a \$60 quarterly fee charged by the actuarial to calculate the member's quarterly drop account balance. This fee is paid as part of the administrative cost of the plan.

Ordinance 2010-16, by allowing partial allocation into Interest Election and Earnings Election investment options which results in a \$120 quarterly fee charged by the actuarial to calculate the member's quarterly drop balance for participant's who have elected more than one investment option. This would result in an additional administrative fee of \$240 per participant per year.

While an additional \$240 per DROP participant might not seem significant the precedence would be to create an additional "optional" administrative cost for the DROP member's to be paid by the active members and the City. Other the last three years, the active members and City have paid total administrative costs for the Police Officers' Pension Plan of \$119,065.58(FY 06'07), \$120,975.96(FY 07'08) and \$107,247.73(FY 09'10).

FISCAL IMPACT

Ordinance 2010-16, would result in an additional \$240 annual fee for DROP members who allocate their investment options. Based on historical data from the last three years and the assumption that all DROP members would use the allocation option, the Police Officers' active members and the City would have paid an additional \$720 over the last three year.

| DROP Data | 06'07 | 07'08 | 08'09 | Proposed Additional Cost |
|--------------------------|-------|-------|-------|--------------------------------|
| Police Officers' Pension | 1 | 1 | 1 | \$ 720.00 |

If the Police Officers' Pension Board would create a pension board policy and propose an Ordinance requiring DROP participants to reimburse the pension plan for additional administrative fees created due to partial allocation of DROP investment options there would be zero fiscal impact to the active members and the City contribution requirements.

[End agenda memo]

Ms. VanBlargan read Ordinance 2010-16 by title only.

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA, AMENDING CHAPTER 16, ARTICLE IV OF THE LAKES WALES CODE, TO PROVIDE THAT PARTICIPANTS OF THE MUNICIPAL POLICE OFFICERS' PENSION PLAN MAY PARTIALLY ALLOCATE DROP BENEFIT PAYMENTS INTO EITHER OR BOTH OF THE STATED OPTIONS; PROVIDING FOR CODIFICATION; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Ms. Pendergrass reviewed Agenda Item 10.

Commissioner Carter asked who proposed the amendment. Ms. Pendergrass explained that changes are recommended by the Pension Boards and City staff reviews it and brings forth an ordinance with a recommendation. She said she does not recommend approval of this ordinance. Commissioner Carter asked Ms. Pendergrass if the Pension Board was aware that she would not recommend approval. Ms. Pendergrass said she believes so because in a workshop meeting she had with all three pension boards on July 14, 2010 she asked them about the cost and who would pay that cost and the response had been that the plan would pay it. She also had discussed the defraying of administrative costs for the pension plans. Ms. Pendergrass said this topic will continue to be discussed as we move forward through the next year and that there probably would be a workshop scheduled with the Commission later in the year.

Commissioner Thornhill asked Ms. Pendergrass to explain the discrepancies in the letter from Foster and Foster for he said it was very confusing. Ms. Pendergrass said they received two letters from Foster and Foster. The first one said there would be no impact. She told them that if she went forward with presenting this to the Commission, she would have to disclose the fact that there would be an impact. She then received a second letter that also said there would be no impact, but at the bottom they acknowledged that there would be an administrative cost.

Commissioner Howell asked if the city met its obligation with both the firefighters' and police officers' pension plans. Ms. Pendergrass said the existing benefits in the plan have been met. In her point of view, she said this would be a benefit enhancement because it would give the participants an additional election. Commissioner Howell said they would be getting an additional option on their drop plan but wanted the city to pay for it and Ms. Pendergrass confirmed.

Commissioner Rogers made a motion not to approve Ordinance 2010-16 after first reading. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

| | |
|---------------------|-------|
| Commissioner Rogers | "YES" |
| Commissioner Howell | "YES" |
| Commissioner Carter | "YES" |

| | |
|------------------------|-------|
| Commissioner Thornhill | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

Agenda Item 11. Ordinance 2010-17, Firefighters' Pension Plan Amendment – 1st Reading

The full staff memo is incorporated into the minutes.

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

SYNOPSIS

The City Commission will consider a proposed amendment to the Firefighters' Pension Plan for partial allocation of DROP investments options.

RECOMMENDATION

City staff does not recommend that the City Commission approve Ordinance 2010-17 as this Ordinance would create additional administrative costs to be paid by active members and City contributions for an optional election for DROP participants.

If the Firefighters' Pension Board would create a pension board policy and propose an Ordinance requiring DROP participants to reimburse the pension plan for additional administrative fees created due to partial allocation into Interest Election and Earnings Election investment options this would result in no fiscal impact to the contribution requirements of active members and the City. City staff would provide a positive recommendation to a proposed change which results in defrayed administrative cost relating to allocation of DROP investments options.

BACKGROUND

Within the current retirement plan, any member of the system who has satisfied the requirement for normal retirement may elect to withdraw from the retirement system while continuing to be an employee of the city for a period of up to five (5) years. During this period, the member and employer shall cease to make contributions to the fund and benefit accruals shall cease at the date of withdrawal from the system.

At the time of withdrawal, the member may elect any optional form of retirement income as allowed by the Plan. The amount of the monthly pension which would otherwise be paid shall be maintained as a co-mingled "DROP" account in the name of the member within the fund and shall be segregated from other trust assets on a bookkeeping basis only.

In the current retirement system, electing participation in the DROP, the member shall elect investment options in either Interest Election or Earnings Election. For each DROP member there is a \$60 quarterly fee charged by the actuarial to calculate the member's quarterly drop account balance. This fee is paid as part of the administrative cost of the plan.

Ordinance 2010-17, by allowing partial allocation into Interest Election and Earnings Election investment options which results in a \$120 quarterly fee charged by the actuarial to calculate the member's quarterly drop balance for participant's who have elected more than one investment option. This would result in an additional administrative fee of \$240 per participant per year.

While an additional \$240 per DROP participant might not seem significant, the precedent would be to create an additional "optional" administrative cost for the DROP member's to be paid by the active members and the City. Other the last three years, the active members and City have paid total administrative costs for the Firefighters' Pension Plan of \$88,417.48(FY 06'07), \$88,377.99(FY 07'08) and \$78,210.91(FY 09'10).

FISCAL IMPACT

Ordinance 2010-17, would result in an additional \$240 annual fee for DROP members who allocate their investment options. Based on historical data from the last three years and the assumption that all DROP members would use the allocation option, the Firefighters' active members and the City would have paid an additional \$1,680 over the last three years.

| DROP Data | 06'07 | 07'08 | 08'09 | Proposed Additional Cost |
|-----------------------|-------|-------|-------|--------------------------|
| Firefighters' Pension | 3 | 2 | 2 | \$ 1,680.00 |

If the Firefighters' Pension Board would create a pension board policy and propose an Ordinance requiring DROP participants to reimburse the pension plan for additional administrative fees created due to partial allocation of DROP investment options there would be zero fiscal impact to the active members and the City contribution requirements.

[End agenda memo]

Ms. VanBlargan read ordinance 2010-17 by title only.

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA, AMENDING CHAPTER 16, ARTICLE III OF THE LAKES WALES CODE, TO PROVIDE THAT PARTICIPANTS OF THE FIREFIGHTERS' PENSION TRUST FUND MAY PARTIALLY ALLOCATE DROP BENEFIT PAYMENTS INTO EITHER OR BOTH OF THE STATED OPTIONS; PROVIDING FOR CODIFICATION; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Ms. Pendergrass said she did not recommend approval of proposed Ordinance 2010-17.

Commissioner Carter asked why there were two different pension boards because it seemed to him we could save money by combining them. Ms. Pendergrass said the pension boards have to be separate because they are governed by separate chapters in the Florida Statutes. She added that there is also a General Employees' Pension Board.

Commissioner Rogers made a motion not to approve Ordinance 2010-17 after first reading. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

| | |
|------------------------|-------|
| Commissioner Rogers | "YES" |
| Commissioner Howell | "YES" |
| Commissioner Carter | "YES" |
| Commissioner Thornhill | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

Agenda Item 12. Amendment to the Construction Phasing Sequence and Related Conditions of Approval - Mayfair, a mixed-use Planned Development Project (PDP)

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Kathy Bangley, Asst. Planning & Development Director]

SYNOPSIS

Feltrim Development is requesting approval of changes in the phasing sequence for Mayfair, a 14-phase mixed-use development on approximately 350 acres located east of US 27 across from Longleaf Business Park. Amendments to the conditions of approval are necessary to make sure that all phases flow and that the original intent of the conditions is maintained.

RECOMMENDATIONS

Staff recommends approval of the amended phasing sequence proposed by the applicant and changes in the conditions of approval as shown in the *Amended and Restated Conditions of Approval for Mayfair Master Plan and PDP, August 3, 2010* (attached).

The proposed changes do not constitute an amendment to the PDP plans, but only to the construction sequence and related conditions of approval. Therefore, a public hearing and planning board recommendation are not required. (See section 23-224.7 of the Code of Ordinances.)

BACKGROUND

The master plan for Mayfair, a mixed-use development on approximately 350 acres on US 27 South, was originally approved in 2006. Plans call for 1022 residential units (single-family, townhouses, apartments, and condos), a town center, a central park, and a number of commercial out-parcels, including a hotel, restaurant, and service station/convenience store. Plans for several phases have also been approved. (See "Plans and support documents" on the conditions of approval for details.) Because of changes in economic conditions, the applicant is now requesting a change in the construction sequence.

Amendments to the conditions of approval are necessary to ensure that roadways, utilities, sidewalks, and recreation areas are in place to serve the phases as they are constructed. The recommended amendments ensure that the schedule for construction is cohesive and that the original intent of the conditions is maintained.

Request:

Proposed changes to the construction sequence are shown in condition #5 of the "Restated and Amended Conditions of Approval – August 3, 2010.

Following is a summary of the changes:

- Phase 2 – Town Center is broken down into three segments: the roadway, the townhouses, and the retail/apartment building. The roadway and townhouses will be built following phase 1, but the retail units and apartments will be postponed until after phase 12. The impact of this change will be that the town center will be constructed late in the project, after the development of most of the residential phases (777 units or 76% of the proposed units).
- Phase 6 (73 single-family lots) is broken down into two phases, 6A with 35 lots, and 6B with 32 lots. This change will allow the development of 35 lots without triggering the requirement for construction of the First Street entrance and additional park improvements.
- Phase 11 – (78 townhouses along Owens Rd.) is moved to occur after Phase 7. Phase 8 (144 single-family lots at the corner of First St.) will now follow Phase 11. Adjustments to the road construction sequence have been proposed in condition #6 to accommodate this change.
- Phase 14N – Hotel/restaurant will be constructed after most of the residential phases, rather than as the second phase. This change reflects economic realities.
- Phase 13 – Apartments/Commercial (south side of town center) will be constructed last in the sequence.

A significant change is the proposed phasing of development of the Central Park (Phase 3). Construction phases are to be tied to construction of residential phases. The existing conditions require the park to be completed prior to any residential phase.

The proposed park breakdown is as follows:

- The roadway along the west side of the park, the storm water detention area, the clubhouse, and the trails around the clubhouse, are to be constructed prior to Phase 6, the first single-family phase.
- Trails in the northwest corner of the park, near Phases 6 and 7, will be built with those phases.
- Treed areas along the eastern boundary of the park will be thinned and landscaped with phases 9 and 11, and the plaza and walkway near the town center will be constructed with Phase 8.

The impact of this change is that the western portion of the park will be completed prior to the first single-family phases, as originally intended. However, the areas along the eastern side of the park will be landscaped with Phases 11 and 9, and the plaza area and trails from Owens Rd. into the park will not be completed until very late in the project. Requiring the plaza and trail to be constructed with Phase 11 might be preferable.

Staff has prepared recommended changes to the conditions to accommodate the construction sequence proposed by the applicant. The changes are shown in a strike-through/underline format.

OPTIONS

Some modification to the proposal might be beneficial. Requesting that the applicant construct the town center earlier in the project is an option; however, economic conditions present a challenge. Requiring the plaza and associated trail to be constructed with Phase 11 instead of Phase 8 is preferable.

[End agenda memo]

Ms. Bangley reviewed Agenda Item 12.

Mayor Van Sickle said that when someone applies for a PDP, it gives him some false hope but he did not think so in this case. He asked Ms. Bangley if there was a possibility they were getting this piece of property ready so they could turn it over to another developer. Ms. Bangley said the original development agreement has provisions in it that says the property cannot be sold in most cases without the city's knowledge and consent, and until certain milestones have been met. She added that it was her understanding that they have been encouraged by the moratorium on the county's transportation impact fees, the ones that choke most developers, which may open a door that had not been open before, allowing them to move forward on the project. She said that Garry Kenny with Feltrim Development was present to answer any questions by the Commission.

Commissioner Carter said that Phase 6 is broken down into two phases, 6A with 35 lots and 6B with 32 lots. He asked if that proposed any kind of access or a parking problem and Ms. Bangley said it did not.

Commissioner Howell said she was glad that Feltrim was doing something to get the ball rolling again.

Commissioner Rogers said he had been looking forward to a ribbon cutting, but the project did not seem to go anywhere. Ms. Bangley said she was cautiously optimistic.

Gary Kenny with Feltrim Development said his company spent in excess of \$700,000 in the past year for engineering. He said he had changed the phasing order so the townhouse properties would be the first ones to be developed because that type of property is more desirable to the general public at this time. He said he was proceeding with caution in hopes that the bank would finance the project because unfortunately, he is competing with foreclosures. He said it was clearly written in the contract that they

could not sell the property to someone else, and it was not their intention to do so.

Commissioner Howell made a motion to approve of the amended phasing sequence proposed by the applicant and changes in the conditions of approval as shown in the Amended and Restated Conditions of Approval for Mayfair Master Plan and PDP, August 3, 2010. The motion was seconded by Commissioner Rogers.

By Voice Vote:

| | |
|------------------------|-------|
| Commissioner Howell | "YES" |
| Commissioner Rogers | "YES" |
| Commissioner Carter | "YES" |
| Commissioner Thornhill | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

Agenda Item 13. Extension of Time – Approval of Preliminary PDP Plan, Villa Ridge Townhomes – North Side of Burns Avenue

The full staff memo is incorporated into the minutes.

[Begin agenda memo prepared by Kathy Bangley, Asst. Planning & Development Director]

SYNOPSIS

The City Commission will consider approving a one-year extension of time on the preliminary planned development project (PDP) plan approval for Villa Ridge Townhomes.

RECOMMENDATION

Approval of a one-year extension of time on the preliminary planned development project (PDP) plan approval for Villa Ridge Townhomes, as shown on the plan entitled Villa Ridge Townhomes, dated 6/7/06.

At its June 22, 2010, the Planning and Zoning Board voted unanimously to recommend approval of a one-year extension of time for the Villa Ridge Townhomes PDP approval.

Request:

Gregory Bell, owner, has requested a fourth one-year extension on the referenced project, originally approved by the City Commission June 20, 2006 and extended for one-year on June 17, 2007, June 17, 2008 and again on June 16, 2009. Preliminary plan approvals expire one year from the date of approval unless a site development permit or building permit application has been submitted. The request for extension was made prior to the expiration of the approval. Mr. Bell stated that the real estate market conditions have not changed since last year; therefore they were not able to proceed with the development of their project.

The Planning Board recommends approval, based upon the fact that conditions have not significantly changed since the approval. There have been no significant changes in the ordinances pertaining to the type of development proposed or in the conditions in the neighborhood. Mr. Bell has stated his intention to move forward with the project when the economy is more favorable.

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

OPTIONS

Decline to extend the approval. If Mr. Bell wishes to proceed with the project, a new PDP plan approval would be required.

[End agenda memo]

Ms. Bangley reviewed Agenda Item 13.

Gregory Bell, the owner of the property, said he hoped this would be a better year and he was optimistic that it would be, allowing them to proceed in developing the property as they originally intended. He believed it would be a great project for the City of Lake Wales whenever the market turned around.

Commissioner Thornhill made a motion to approve a one-year extension of time on the preliminary planned development project (PDP) plan approval for Villa Ridge Townhomes. The motion was seconded by Commissioner Howell.

By Voice Vote:

| | |
|------------------------|-------|
| Commissioner Thornhill | "YES" |
| Commissioner Howell | "YES" |
| Commissioner Rogers | "YES" |
| Commissioner Carter | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

Agenda Item 14. Actuarial Services Agreement between Foster & Foster, Inc. and the City of Lake Wales /OPEB

The full staff memo is incorporated into the minutes.

[Begin agenda memo prepared by Finance Director Dorothy Pendergrass]

SYNOPSIS

Approve actuarial service agreement for preparation of disclosure information for auditors for GASB 43 and 45 disclosure requirements.

STAFF RECOMMENDATION

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

1. Approved the actuarial service agreement with Foster & Foster for preparation of disclosure information for auditors per Governmental Accounting Standards Board Statement No. 43 and 45.
2. Authorize the City Manager to approve an Interim Update in years the City meets the eligibility requirements.

BACKGROUND

During 2004, the Governmental Accounting Standards Board (GASB) issued two new standards: Statement 43 and Statement 45. These statements deal with accounting, reporting and disclosure requirements for post employment benefits other than pensions, known as "OPEB".

The GASB is an organization that promulgates accounting standards for governmental entities. It has no enforcement power, but failure to follow its standards can lead to qualified audits and can have a negative effect on bond ratings.

For example, an employer that provides no post retirement benefits, such as medical, dental, long-term care or life insurance, but permits retired employees to continue health insurance with either the employer or employee paying the health insurance premium, may have an employer expense under the new GASB rules. This stems from an implicit rate subsidy for retirees, which the GASB considers to be an OPEB. Under Florida State Statute 112.0801, retirees are granted the option of continuing to participate in health insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees.

FISCAL IMPACT

The Actuarial Service Agreement will cost \$7,500 for the first year, increase by 5% for each year thereafter. In instances where the City is eligible for and prefers to have an Interim Update the cost will be \$2,625, increase by 5% for each year thereafter. The City will be eligible for an interim report provided: 1) the health plan had not material changes in benefits offered to participants, 2) there are no material changes in premium costs to participants and 3) there are not material changes in membership size from the prior year.

[End agenda memo]

Ms. Pendergrass reviewed Agenda Item 14.

Commissioner Carter read number three in the agreement and said he was concerned with the words "may be provided upon request" because it sounded a bit too iffy, and recommended changing the wording to, "shall be provided upon request." Ms. Pendergrass said she would send it back and ask them to make that change.

Commissioner Carter made a motion to approve the service agreement with Foster & Foster with the recommended wording change in number three, and authorize the City Manager to approve an Interim Update. The motion was seconded by Commissioner Rogers.

By Voice Vote:

| | |
|------------------------|-------|
| Commissioner Carter | "YES" |
| Commissioner Rogers | YES" |
| Commissioner Thornhill | "YES" |
| Commissioner Howell | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

Agenda Item 15. Envisors Authorization to Perform Miscellaneous Engineering Services

The full staff memo is incorporated into the minutes.

[Begin agenda memo prepared by Finance Director Dorothy Pendergrass]

SYNOPSIS

Contract with Envisors to assist the City in submitting a FDEP State Revolving Fund (SRF) Request for Inclusion (RFI) for the "C" street project.

RECOMMENDATION

It is recommended that City Commission authorize Envisors to prepare and submit the required FDEP Request for Inclusion Application Forms inclusive of required supplemental project description information.

BACKGROUND

In order for the "C" Street Project to become eligible for financing by the FDEP State Revolving Fund, the first step is to complete a FDEP Request for Inclusion (RFI) Application. Envisors has provided a task authorization agreement, for a cost not to exceed \$2,500, to perform engineering services to prepare and submit the required FDEP RFI application form with required supplemental project description information for the September 15, 2010 FDEP public hearing. Envisors will also coordinate with FDEP technical staff to answer questions and provide additional data requested to support the RFI.

Services after the September 15, 2010 public hearing, including "Facilities Plan" preparation, and other services not explicitly described within the agreement are not included in this proposal.

FISCAL IMPACT

The estimated cost for these services is not to exceed \$2,500.

[End agenda memo]

Ms. Pendergrass reviewed Agenda Item 15.

Mayor Van Sickle reminded them that they were also going to use the low interest revolving fund for the sewer plant. He said it was his understanding that they were going to wait for the C Street project bids to come in and see if the project could be done with cash on-hand, dividing it into three phases that came up to about \$2.6 million with about a 15% engineering reserve. He added that we might get some good bid numbers, hopefully less than \$2 million, with almost a million of that on-hand. He asked if submitting for SRF Funding for the C Street project would hinder their getting SRF funding for the sewer plant, and if we did use it for the C Street project what our debt would be. Ms. Pendergrass said she completed the application on the sewer rehab and funding will become available on September 15th. She was told the city has a good chance of receiving funding relating to the sewer rehab and she had been encouraged to get the applications in for each of the two projects. She said she should have the costs, the sewer system impact, and the user fee by the end of the week. Ms. Pendergrass said that a year ago they had calculated the impact relating just to the sewer rehab. Those construction costs as well as water revenue have lowered since then so she is looking into what impact that has. She also said she would run the C Street project numbers both ways; by receiving funding from the State Revolving Fund, and by pay-as-you-go capital. Operational costs have increased, the water revenue has been lowered, and the growth factor has been reduced so until she has those numbers she said she did not know which way would be feasible, or if either would be feasible without affecting user fees. The Mayor said the city cannot afford to do anything that would impact its chances of getting loans for the sewer treatment plant. Ms. Pendergrass said this would not interfere because receiving one would not cancel out the other. She said Brian Goff, SRF Project Manager, was aware of all the loan obligations we have had for prior projects, and for the sewer rehab and C Street projects. Mayor Van Sickle said the Commission had agreed to use capital on the C Street project so if possible, he would like it done that way. Ms. Delmar said what they had talked about was applying for CDBG grants, but before we start the project, we have to be sure we have the funding mechanisms in place to complete it. CDBG grant awards are based on needs compared to the needs of other cities, so applying will not necessarily mean we will get that funding. Therefore funding must be in place in the event that the CDGB grants don't come through, or in the event that we don't have other funds in-house to finish the project. This is just to get on the eligibility list within the annual window.

Ms. Pendergrass said there will be a public hearing on September 15th and though we will not make that one, there will be another one early next year. She reminded them that the sewer rehab project

application had been submitted over 18 months ago and the funding for that won't even come available until September. Mayor Van Sickle said that if we can't apply for the loan until next year it will be too late. Ms. Pendergrass said the \$700,000 for the C Street project has been appropriated from existing funds. Ms. Delmar explained that the amount is actually \$956,000 because in Budget Amendment #2 there was \$200,000 approved for the engineering, plus there are some leftover bond proceeds that were not expended on other projects. That is cash-in-hand that can be used to begin the project, which has to be done in phases as we gather additional funds. The CDBG is no guarantee so to complete the project we have to have other funding options. She said we may never have to use the SRF loan program to fund the project, but this is simply to start the process in the event we need it. Ms. Pendergrass added that this was just the first step of getting us on the list to be considered and there were other component pieces that would have to be completed.

Commissioner Carter said it states in the letter from Envisors that the estimated cost for these services is \$2,500, not to be exceeded without prior authorization from the City. He asked that the language be changed to "not to exceed without prior "written" authorization."

Commissioner Thornhill asked for confirmation that applying for the loan did not mean we had to take it. Ms. Delmar confirmed.

Commissioner Carter made a motion to authorize Envisors to prepare and submit the required FDEP Request for Inclusion Application Forms inclusive of required supplemental project description information; and that the language in the agreement with Envisors is changed to say "not to exceed without prior written authorization." The motion was seconded by Commissioner Rogers.

By Voice Vote:

| | |
|------------------------|-------|
| Commissioner Carter | "YES" |
| Commissioner Rogers | "YES" |
| Commissioner Howell | "YES" |
| Commissioner Thornhill | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

Agenda Item 16. Addendum to the Contract between the City of Lake Wales and Mid-Florida Diesel Service

The full staff memo is incorporated into the minutes.

[Begin agenda memo prepared by Purchasing Director Bonnie Hodge]

SYNOPSIS

Staff is asking for approval to an Amendment to the existing contract between the City of Lake Wales and Mid-Florida Diesel Service to add Preventative Maintenance services and Load Bank testing.

RECOMMENDATION

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

Approve the amendment to the existing contract between the City of Lake Wales and Mid-Florida Diesel Service and authorize the City Manager to execute the contract. The existing contract is for repair services only of all City generators. The amendment will add preventative maintenance services and load bank testing.

BACKGROUND

In August of 2008 staff prepared a Request for Proposals for Generator Repair on all city generators. After evaluation of the proposals, Mid-Florida Diesel Service was awarded the contract in February of 2009.

The Request for Proposals was only for repairs of city generators because, at the time, one of the City's fleet mechanics was performing preventative maintenance once a year on the generators. This consisted of checking the belts and changing the filters and the oil. Since Polk County Fleet Maintenance has taken over the city's fleet maintenance operations we no longer have the mechanic available to perform these services. Staff in the Utilities Department, Police Department and Fire Department runs all of the generators once a week to make sure they are in good working order, however, no one on staff is qualified to perform the preventative maintenance or the load banking.

Staff had contacted Polk County Fleet Maintenance regarding their operation servicing our generators, however, they are understaffed as we are and have no one readily available.

Staff could prepare a Request for Proposals for preventative maintenance and load banking of the generators, however, in the best interest of the City, staff recommends that a single company do preventative maintenance, repairs and load banking. Since Mid-Florida Diesel Services has been repairing City generators, staff has been very satisfied with their response time and performance. Therefore, staff is asking for approval of the amendment to the existing contract to add these services.

FISCAL IMPACT

Mid-Florida Diesel Services bases their charges for full service, which includes parts and labor, on the size of the generator. A two-hour load bank is also based on the size of the generator. Staff has determined that full services on all generators will cost the City \$5,300.00 per year. Load banking will cost the City \$12,600.00 per year; however, this test only needs to be performed every three years. Money was budgeted in fiscal year '09-'10 for generator maintenance. Each department will budget money for load banking in fiscal year '10-'11.

[End agenda memo]

Mayor Van Sickle said he did personal business with Mid-Florida Diesel Service, who services his motor home and asked if that would be a conflict of interest. Mr. Galloway asked the Mayor if he pays for the service that is provided and he said yes. Mr. Galloway said it would not constitute a conflict.

Ms. Hodge reviewed Agenda Item 16.

Commissioner Carter asked if generator maintenance was included in the fleet maintenance contract the City has with the county. Ms. Hodge said it was not. It would have been an additional option but was never done. Commissioner Carter asked if they had the opportunity to exercise that option now at a lower cost. He added that this was the piggyback that was pulled the last time and Ms. Hodge said it was no longer a piggyback. It is now an addendum to the existing contract. Ms. Delmar said that the county's fleet maintenance is short staffed as well.

Commissioner Rogers wanted to verify that this was not the company they had trouble with in the past and Ms. Hodge said it was not.

Mayor Van Sickle said from personal experience he knows they do good work.

Commissioner Thornhill made a motion to approve the amendment to the existing contract between the City of Lake Wales and Mid-Florida Diesel Service and authorize the City Manager to execute the contract. The motion was seconded by Commissioner Howell.

By Voice Vote:

| | |
|------------------------|-------|
| Commissioner Thornhill | "YES" |
| Commissioner Howell | "YES" |
| Commissioner Rogers | "YES" |
| Commissioner Carter | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

Agenda Item 17. Kirkland Gym Structural Engineer Report and Recommendations for Repairs

The full staff memo is incorporated into the minutes.

[Begin agenda memo prepared by Economic Development Director Harold Gallup]

SYNOPSIS

The Structural Engineers Report identifies areas that require remedial action and repair to ensure the structural integrity of the Kirkland Gym. The report confirms many of the earlier issues identified by staff and identifies several more critical issues that compromise the structural integrity of the building.

RECOMMENDATION

The City Staff recommends the City Commission take the following actions:

1. Accept the Engineering Report as presented as a working document for the programming of the repair work as recommended in the report.

BACKGROUND

The Kirkland Gym has experienced ongoing issues that needed greater depth of evaluation than was available in the April 2010 White Paper on the facility. The City Commission authorized Kimley-Horn to conduct a structural evaluation of the facility. The report verified a number of previously identified issues and discovered a number of other structural issues that need immediate action. The report identified 57 elements that were reviewed. Of the 57 elements 80% or 45 are identified as a High Priority to be fixed now; 65% or 39 elements are identified as having some contribution to water intrusion into the building; and 20% or 11 are of significant reduced structural capacity.

It is clear from the report that the band-aid approach is not the method for repair that we need to use in the programming of the rehabilitation of the Kirkland Gym. The City staff involved in the site visit for the report was: Public Works Director Tom Moran, Building Official Cliff Smith, Fire Marshall Chuck Croley, Facilities Maintenance workers Don Porter and Charles Medlock, and Economic Development Director Harold Gallup.

Once the work described herein is completed, there will be future recommendations addressing operating expenses, expanding the security system, retro-fitting entrances for security and fire code requirements, and future repair and replacement issues like a new gym floor or the programming of annual maintenance costs that are considered usual and customary for such a facility.

CURRENT / FUTURE FISCAL IMPACT

The 2010/2011 Budget will carry a recommendation for an expenditure of \$15,000 for engineering and design, and \$110,000 for corrective action as outlined in the subject report.

[End agenda memo]

Mr. Gallup reviewed Agenda Item 17. He introduced Mr. Stewart an engineer with Kimley-Horne & Associates.

Commissioner Carter said the repair work did not include the east side of the building where the showers and weight room are. Mr. Gallup said it covered the entire exterior envelope. Commissioner Carter asked Mr. Stewart what his biggest good news would be in the "wasn't as bad as you thought" category. Mr. Stewart said about 12 years ago in 1998 the building went through renovations. Many of those repairs were performed very well. There were a few that had reopened allowing water to enter into the buildings. Due to the 2004 hurricanes, the building appears to have suffered some wind pressure damage from those storms, but the general frame appears to be sound at this point.

Commissioner Carter asked what things the city should do in the future so we don't go down the same road again in a crisis mode in regards maintenance related issues. Mr. Stewart explained the routine annual maintenance that needs to be done to prevent water from entering the building and said that it is good to have that done before hurricane season so if there is damage during a storm the inspection report would put you in a good position to talk to the insurance company.

Commissioner Thornhill said now that the city has the report to submit to the insurance company we can find out what they will pay but we can't fix the inside until we fix the outside or water damage will continue inside. The next step will be to do the actual repairs. He asked Ms. Delmar if there was someone who checked the scuppers on a regular basis for things like basketballs and leaves that clog it up. Mr. Gallup said the conditions on that front roof are repetitive on the short-term basis. He said that during the rainy season they should have someone checking once a month, but given the number of buildings, the number of maintenance people, and the demands during the hot season, it would be very difficult to meet that schedule. It will come down to manpower, available time and weather conditions. Commissioner Thornhill said they needed to also put a fence or grate over it to prevent things from getting in it. He said he was very impressed with the way the findings were written up in the report, and he hoped they could get some help from the insurance company.

Commissioner Howell said that she was glad that it was not as bad as she thought because she had the mind-set to tear it down and rebuild. If the structure is fine, she believed it would be cheaper and easier to repair what we have. She asked if there was a possibility that something else could go wrong, caused by the repair work. Mr. Stewart said no because there was a lot of good building left. Yet, he added, whenever you are doing repair work on a building of this age, there is damage that we can see, and damage that we can't see. He explained that as repairs are being made and plaster, sheet-metal, and paint removed, what lies behind it will be revealed and you will know better how far you have to go to get back to the good material. Everything associated with the steel trusses seems to be in good, sound condition so there is no reason to believe major problems with the main, steel structure of the gym will be encountered. He said the east and west ends of the building, where the roof framing is coming in contact with the masonry walls, are where the moisture has attacked the roof. Commissioner Howell said it was expected to take two to four weeks to complete and asked when they will start. Mr. Gallup said they could not start the engineering until they have the money budgeted in the next budget year. September 1st they can begin working on the scope and preliminary work. A couple of weeks will be needed to work up and review the engineering contract, which will have to go through several channels and come back for commission approval. It will go out to bid and then we will see how far \$110,000 gets us. They will try to time it so there is minimal impact on the operation of the facility. He said two weeks was probably optimistic; three weeks, probably mid-point; but four weeks is probably what it will take. He said \$200,000 to \$220,000 for a new floor is in the 2012 capital budget. He said that this report does not preclude annual maintenance being done. If the maintenance is not done we could find ourselves back in the same place sometime down the road. Commissioner Howell asked if it would be finished by next spring and Mr. Gallup said the entire envelope should be finished by then.

Commissioner Rogers directed the following questions to Mr. Gallup:

- What is the gym worth in monetary value? Mr. Gallup said the replacement cost, meeting the codes, would be \$150 to \$225 a square foot depending on design and size of the building. It could cost \$1.7 to \$2.2 million to build a new building, not necessarily with the historic design that is there now.

- At what point would pouring more money into repairing it be more than the gym is worth? Mr. Gallup said he could not say but the maintenance right now is manageable. The amount of money in maintenance is indicative of how good the maintenance was that went before it. If we do band-aid fixes over and over again it would be more cost efficient to take the building down. If we spend the money judiciously for maintenance, an average of \$40,000 to \$50,000 a year, the building should hold.
- What would the cost of the building be over the next five years? Mr. Gallup said about \$450,000.
- Would it be more feasible to keep patching it or tear it down and build a new facility? Mr. Gallup said the renovations and repairs that were made in the past make it a viable building. What needed to be done now is the result of not having taken care of the building over the last eight years.

Commissioner Rogers asked Mr. Stewart what he thought the life expectancy of the building was and Mr. Stewart said that when the building was built in 1939 it was expected to have a 25-50 year service life. The building has served well beyond that. The proposed repairs would reset the clock but there was no way to project the end of its useful life. With continued maintenance the structure will be there decades from now.

Commissioner Rogers asked Commissioner Thornhill what he thought our chances would be to get insurance money. Commissioner Thornhill said he thought the chances were good, although he could not give specifics because he has not read the policy, but from what he read in the report, it was easy to see that the damage was caused by wind, so he thought we would get some refund money. His concern was that no engineering had been done during the hurricanes and our risk management company did not request it. Mr. Gallup explained why he was reasonably sure there would be some compensation.

Commissioner Thornhill made a motion to accept the Engineering Report as presented as a working document for the programming of the repair work as recommended in the report. The motion was seconded by Howell.

By Voice Vote:

| | |
|------------------------|-------|
| Commissioner Thornhill | "YES" |
| Commissioner Howell | "YES" |
| Commissioner Rogers | "YES" |
| Commissioner Carter | "YES" |
| Mayor Van Sickle | "YES" |

The motion carried 5-0.

CITY MANAGER'S REPORT

City Commission Tracking Report

Ms. Delmar said there were no additions to the tracking report. She reported that the Police Chief issued 8 citations himself on Sunday night for noise code violations and the numbers would be revised by the next meeting.

Jennifer Nanek, Special Projects Manager, gave a report on the grant application submitted in February for the Energy Efficiency Conservation Block Grant program under the Florida Energy and Climate Commission. The grant had been ranked originally too low for funding but they reprogrammed that grant application under the State Energy Program so now we will be funded \$200,000 for a non-matching grant for new safer and energy efficient light poles at the Barnes and Barranco Fields. She said this grant would come before the City Commission on August 17th.

Ms. Nanek said that today the City was presented a plaque from the Census Bureau to show its appreciation for all the City's well-coordinated community effort in helping to encourage its citizens to return their forms for the 2010 Census. She said a committee of citizens helped with the project and many churches and organizations

provided space for training. Because of the community effort, the City of Lake Wales had a 73% response rate compared to 53% at the last census, a 20% increase.

COMMUNICATIONS AND PETITIONS

Katie Kinloch, Administrative Assistant for the City Manager's Department, gave an update on the problems the City has been having with Comcast Channel 6 reception. She said she contacted David Ware, Technical Supervisor from the Port Charlotte office, about problems the City was having. Comcast came out to her house and made repairs so she now can get Comcast Channel 6, though it is extremely foggy and can only be heard when the volume is on the highest setting. She said she had been watching the present meeting on the TV in the lunchroom and only a few of the Commissioners could be heard, due to the placement of their microphones. Ms. Kinloch said she would get with the IT Department and Mr. Ware again to address the continued problems and asked viewers to call her in the morning to report if they got good reception or if they did not.

Commissioner Howell reported that she had to turn the volume all the way up to be able to hear it from her house and that the picture was not clear. Ms. Kinloch suggested that they may need to get the Comcast staff and the City's IT Department together to work this out. Commissioner Howell complained about only getting full service two days a week and yet being charged the full amount.

Commissioner Carter said he had two complaints concerning Comcast. One was a pixel problem. Comcast came out to fix the problem and told him the problem was in the line. So, he called Comcast and asked for a 50% credit on his bill until the problem was fixed, and got it. He encouraged the viewers who were having problems with their reception to do likewise, explaining that if they get a lot of calls, it may make them start listening to those people in Lake Wales who want it fixed now, and fixed right. His second complaint was with the Channel 6 poor reception in parts of the city, which he thought might also be a line problem. He asked the city to stay on top of the problem because we have no alternative.

COMMISSION COMMENTS

Commissioner Carter commended Jacquie Hawkins for the fine job she does on the Wales Tales employee newsletter. He also reported that grass was piled up at Sunrise Manor on Lake Shore Blvd., a commercial rental unit that was being ignored by Florida Refuse on the Wednesday yard waste pickup days. Fire Chief Jerry Brown, who lives near that property, said the pile had been there for over a month, so he reported it and it has been taken care of.

Commissioner Thornhill said everything was going well. He said he has noticed the impact on Code Enforcement and has had phone calls about that. He said there is a three part process now with Code Enforcement and he was thankful for that.

Commissioner Howell reported that there was trash piled up on North Avenue and there were pot holes in the roads near where she lives.

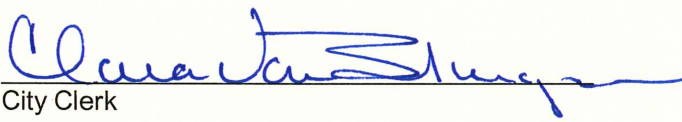
Commissioner Rogers said he took a tour of the sewer plant, which he said was educational, and said Public Works Director Tom Moran was a gracious host. He encouraged the Commissioners who have not yet taken the tour to do so.

Mayor Van Sickle said that one of the things he has stressed for the last few years was maintenance on our facilities. Because the City has not kept up, we now have major repairs. The City needs to make a greater effort in the future.

There being no further business the meeting was adjourned.



Mayor/Commissioner



City Clerk