

The regular meeting of the Lake Wales City Commission was held on September 10, 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 David Smith, Babson Park.

PLEDGE OF ALLEGIANCE

COMMISSIONERS PRESENT: Terrye Y. Howell; Michael S. Carter; Jonathan Thornhill; John Paul Rogers; 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.

MAYOR

Agenda Item 5. PROCLAMATION: Constitution Week; September 17-23, 2010

Mayor Van Sickle read a proclamation proclaiming September 17-23, 2010 as "Constitution Week." Sylvia Carson, Lake Wales Chapter of the Daughters of the American Revolution (DAR) accepted the proclamation.

OLD BUSINESS

Agenda Item 6. APPROVAL OF MINUTES: August 17, 2010, Regular Meeting

Commissioner Rogers made a motion to approve the meeting minutes for August 17, 2010. 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.

NEW BUSINESS

**Agenda Item 7. Ordinance 2010-18, Adoption of FY2010-11 Millage Rate – 1st Reading & Public Hearing
Ordinance 2010-19, Adoption of FY2010-11 Budget – 1st Reading and Public Hearing**

The full staff memo is incorporated into the minutes.

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

SYNOPSIS

The Commissioners will consider adopting a millage rate of 7.3277 mills for Fiscal Year 2010-2011 which is the same as the current year's rate. The Commissioners will also consider adopting the proposed operating budget.

RECOMMENDATION

After first reading and separate public hearings, it is recommended that the City Commission take the following actions:

1. Approve Ordinance 2010-18 adopting a millage rate of 7.377 mills for FY2010-2011.
2. Approve Ordinance 2010-19 adopting an operating budget for FY2010-2011.

BACKGROUND

In accordance with Florida Statutes and the City Charter, Ordinances 2010-18 and 2010-19 are presented for first reading and public hearing. Ordinance 2010-18 establishes the millage rate for FY10'11, and Ordinance 2010-19 adopts the proposed FY10'11 budget.

The proposed FY10'11 budget document includes the revenue and expenditure details for the General Fund; Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Utility System Fund and Airport Fund. This document was previously forwarded to the City Commission for review and was discussed at a workshop held on August 10.

This budget has been prepared in accordance with Article VI, Section 6.04 of the City Charter which requires that the budget provide a complete financial plan of municipal funds and activities. Estimated current year ending fund balances have been considered and are included in the budget.

PROPERTY TAX

The proposed budget is based on the current millage rate of 7.3277 per \$1,000 of taxable valuation. This is 12.20% below the rolled-back rate of 8.3456 mills which is the rate that would generate the same amount of revenue with 2010 property values as the current rate generated with 2009 property values. On July 20, 2010, the City Commission adopted the current millage rate of 7.3277 as the Interim Millage Rate for proceeding through the FY2010-2111 budget adoption process. While it may be lower, the Final Millage Rate cannot exceed the Interim Millage Rate.

The following chart shows the tax levied at the current/proposed rate for taxpayers at various assessed valuations:

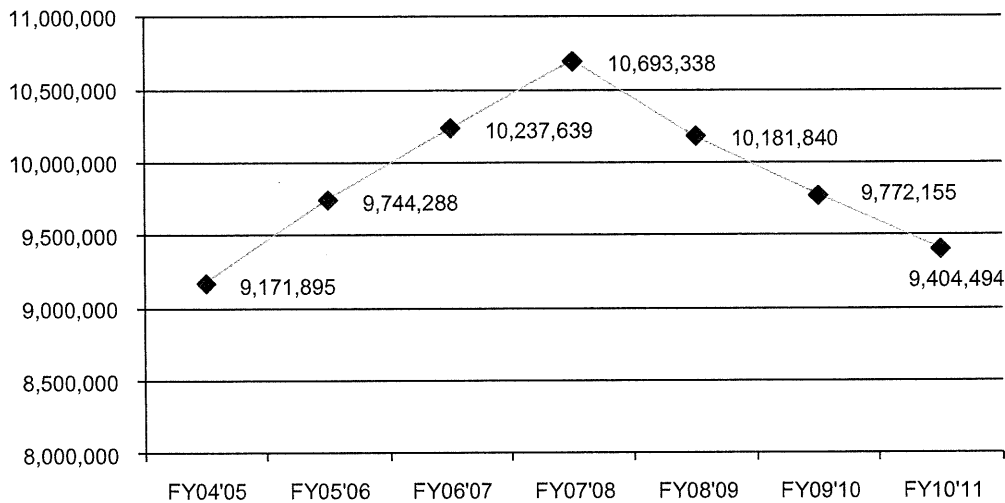
Assessed Value	Taxable Value		Tax Levy
	with 1 st \$25,000 homestead exemption	with 1 st & 2 nd \$25,000 homestead exemption	7.3277 mills (current & proposed)
\$60,000	\$35,000	-	\$256.47
\$75,000	\$50,000	-	\$366.39
\$100,000	-	\$50,000	\$366.39
\$150,000	-	\$100,000	\$732.77
\$175,000	-	\$125,000	\$915.96

\$200,000	-	\$150,000	\$1,099.16
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OTHER REVENUES

A series of ordinances adopted by the City Commission in September 2007 authorized annual increases in city user fees based on June’s annual CPI or 2.5%, whichever is greater. The change in the CPI measured from June 2009 to June 2010 was 1.1%, and all user fees (i.e, water and sewer, solid waste collection, facility rental, development fees, etc.) will be increased by 2.5% on October 1.

Although a 2.5% increase in user fees will generate some additional revenue for the General Fund, ad valorem proceeds and development-related revenues have declined dramatically during the past three years. Revenues from state and other intergovernmental sources are also projected to be lower than last year. As a result, General Fund revenues in FY10'11 are projected to be \$367,661 less than budgeted in FY09'10. Further, General Fund revenues are projected to be \$777,346 less than actually received in FY08'09 and \$1,291,909 less than actually received in FY07'08. This declining revenue trend is illustrated in the following chart:



Note: Revenues do not include loan proceeds, insurance proceeds or inter-fund transfers.

The budget that was originally presented on August 3 and discussed during the budget workshop has been revised to include increases and reductions of expenditures as follows:

Expenditure	Item Description
-132,755	Reduction in Health Ins budget (Gen Fund, -101,702; Sp Rev Funds, -9,693; Ut Fund, -21,360)
-4,875	Reduction in cost of Actuarial services
-20,000	Elimination of Irrigation Wells – Little League Fields
-301	Reduction of General Fund transfer to Airport Fund
5,857	Addition of 1 commissioner to Health Insurance Plan
9,411	Increase in Pension Contribution costs (Police, +5,439; Fire, +3,972)
17,900	Addition for Generator preventive maint and load-banking (Gen Fund,+ 3,850; Ut Fund, +14,050)
3,495	Addition for Fire Alarm Inspection (Gen Fund, +3,408; Ut Fund, +30; Airport, +57)
-5,639	Reduction in General Fund Admin Charge to Utilities Fund
-4,457	Net effect of Change in Allocated Expenses
600	Increase in grant to Senior Center

10,000	Addition of Fireworks – Fourth of July
30,000	Addition for Tennis Courts & Racquetball Court Resurfacing
600	Addition for Employee Recognition program
-90,163	Total change in expenditure budget (All Funds Combined)

The changes shown in the table above affect expenditure totals in the General Fund (-\$53,103), Transportation Fund (-\$2,547), CRA Fund (-\$8,412), Library Fund (-10,095), Utilities Fund (-16,705) and Airport Fund (-301). Most of the reduction is due to the reduction in the health insurance budget. With the exception of the General Fund, these expenditure reductions will serve to increase fund balance at 9/30/2011. See chart following memo for fund by fund detail of changes. See also page 13 for possible changes to budget as presented that need additional discussion by Commission.

The General Fund budget presented on August 3 included FY09'10 savings in the estimated amount of \$375,000 that was to be carried forward to balance the FY10'11 budget. After completing financial statements for July, this estimated savings has been reduced to \$300,000. The resulting \$75,000 reduction in available resources is partially offset by the \$53,103 reduction in expenditures referenced above. The \$22,897 difference is currently shown as a reduction of fund balance at 9/30/2011.

FUND BALANCE

When the Property Appraiser's Office forwarded its preliminary estimate of taxable value in June, it was apparent that ad valorem revenues in FY10'11 would be substantially lower than in FY09'10 –not only in the General Fund, but also in the CRA and Library funds. To create "savings" in FY09'10 that could be carried forward to help fund FY10'11, a spending freeze was immediately implemented except where such a freeze would violate an existing contract, critically impair departmental operations, or create a potential threat to the public safety or welfare. As a result, it is anticipated that General Fund departments will save more than \$300,000 in budgeted FY09'10 appropriations that will be carried forward to fund operations in FY10'11.

As strongly recommended by the City's auditors, it has been the goal to increase the General Fund balance to 15-20% of the total operating budget. In terms of the proposed FY10'11 budget, this would require a General Fund balance of \$1.60 to \$2.14 million.

On September 30, 2009, unreserved fund balance of the General Fund was \$2,511,060, while total fund balance reached \$2,983,010. Unreserved fund balances represented 24.13% of total General Fund expenditures, while total fund balance represented 28.66% of the same amount. Excluding the Tax Anticipation Reserve/Pool Construction Account (\$1,042,442), the fund balance of the General Fund was \$1,940,568 or 18.6% of FY09'10 expenditures.

If revenue and expenditure trends reported at July 31 are maintained through the end of the year, it is estimated that revenues should exceed expenditures by slightly more than \$300,000 at 9/30/10, allowing us to carry forward a fund balance of \$3,283,686 -- the equivalent of 31% of the proposed FY10'11 General Fund budget, or 21% if the Tax Anticipation Reserve/Pool Construction Account is excluded. This will allow us to budget \$300,000 in FY09'10 "savings" (excess revenues over expenditures) to supplement estimated FY10'11 revenues in funding next year's expenses.

It should be emphasized that, if the proposed budget is adopted, the General Fund balance at 9/30/11 is estimated to be \$2,849,576 –this is \$434,111 less than it will be at 9/30/10 and about \$133,000 less than it was at 9/30/09. The latter is due to the fact that some of the surplus revenues generated in FY08'09 will be used to fund a portion of the repairs to the Kirkland Gym that are budgeted in FY10'11. Regardless, the fund balance at 9/30/11 is projected to be 26.9% of the FY10'11 General Fund operating budget or 16.8% if the Tax Anticipation Reserve/Pool Construction Account is excluded –still within the range recommended by the City's auditors. We are recommending, however, that fund balance not be reduced

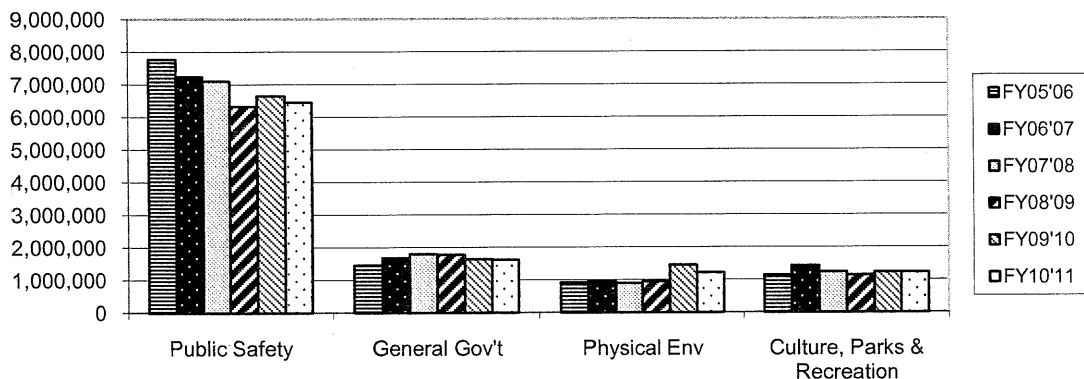
below this level at this time in order to ensure there will be sufficient resources to cover future costs until the economy improves and annual revenues begin to increase.

EXPENDITURE OVERVIEW

Initial budget requests submitted by the departments exceeded General Fund revenue projections by more than \$2.2 million dollars. By significantly reducing the initial requests and utilizing the current year budget savings discussed above, staff has been able to balance the proposed budget at the current millage rate while avoiding measures that some cities and counties have been forced to implement (i.e. employee lay-offs, salary reductions, and days off without pay).

By necessity, the proposed FY10'11 Budget responds to reductions of ad valorem proceeds and other General Fund revenues by reductions in spending on core municipal services as well as parks, recreation and other "quality of life" services. Although expenditures in the proposed FY10'11 budget are \$674,026 below expenditures in the FY09'10 budget – an overall spending reduction of 5.9% – \$223,825 is attributable to reduced transfer requirements to other funds (Debt Service and Capital Projects) and \$21,209 is attributable to the fact that health insurance costs are 1.9% lower than in FY09'10.

Taking into consideration the fact that there are cost increases for fuel, utilities, property insurance, pension benefits and other non-discretionary items, it can be seen that the remaining \$428,992 reduction is achieved only by reducing expenditure budgets for operating equipment and supplies, maintenance and repair, contract and professional services, programs and other items that are required to provide the level of service expected from each department. In addition, three vacant positions have been left open for the remainder of FY09'10 and have been cut from the proposed FY10'11 budget (2 police officers, 1 code enforcement officer).



Also taking into consideration the fact that reductions in ad valorem and other revenues have necessitated significant cut-backs in capital equipment replacement, maintenance and repair, and operating supplies every year since FY08'09, it must be acknowledged that most of our departments have now reached the lower limit and can make no additional cut-backs without reducing or eliminating services to the public. This is particularly true in our public safety departments.

As stated previously, the proposed budget includes no employee lay-offs, salary reductions, or days off without pay. The proposed budget includes no Cost of Living Adjustment (COLA) for employees. The cost for each 1% across-the-board salary increase is approximately \$89,250, and a 3% increase would cost about \$267,750. On October 1, 2008 employees received a 1% COLA; however, this adjustment followed a 12-month period which saw a 5% increase in the CPI. In December 2009, employees received a 1% one-time lump-sum increase in the form of a Christmas bonus. Although operating budget cuts have occurred in all departments, the proposed budget includes \$52,895 for commissioner and employee training and training-related travel. Tuition assistance will not be offered except to fund one class per semester for employees who began a degree program prior to October 1, 2008. Tuition assistance to begin new degree programs will not be funded in FY10'11.

The proposed General Fund operating budget totals \$10,681,604. This represents a reduction of 5.9% from the current year's budget. Significant reductions will be discussed later in this memorandum.

SUMMARY OF ALL FUNDS

General Fund	\$10,608,812
Special Revenue Funds	4,181,024
Debt Service Fund	2,279,722
Capital Projects Fund	0
Utility System Fund	9,911,468
Airport Fund	1,285,359
TOTAL	28,266,385

The expenditure total of \$28,266,385 is comprised of operating costs in the amount of \$21,409,182 and capital outlay in the amount of \$6,857,203. Transfers in the amount of \$3,126,846 bring total expenditures plus transfers to \$31,383,231. The proposed operating budget expenditures for FY10'11 are 9.4% or \$2.82 million less than the actual total expenditures for FY08'09 (projects funded by bond proceeds are excluded from this calculation).

Capital expenditures include utility system improvements such as the rehabilitation and upgrade of the wastewater treatment plant and C St. and vicinity sewer improvements, airport runway extension and perimeter fencing, Lincoln Avenue parking improvements, Downtown improvements, and miscellaneous equipment purchases budgeted as follows:

General Fund	42,000
Special Revenue Funds	721,390
Capital Projects Fund	0
Utility System Fund	4,913,813
Airport Fund	1,180,000
TOTAL	\$6,857,203

REVIEW OF DEBT SERVICE

As required by Charter, a summary of the City's outstanding principal balance at September 30, 2010 is presented as follows:

SunTrust Capital Improvement Revenue Note, Series 2003; issued to accomplish advance refunding of Capital Improvement Revenue Bonds, Series 1996 (\$4,666,859), to refinance Non-Ad Valorem Revenue Bonds, Series 1999 (\$4,757,115) and to finance interest and issuance costs (\$125,716). Annual interest rate: 3.84%. Balance: \$6,014,242; last payment 2017.

SunTrust Utility System Revenue Note, Series 2005; issued finance construction of chlorine contact chamber at Wastewater Treatment Plant and city's cost portion of reuse transmission lines. Annual interest rate: 4.20%. Balance: \$560,931; last payment 2015.

Wachovia Utility System Improvement Refunding Revenue Note, Series 2006A; issued to refund existing bonds and fund Water and Sewer system improvements. Annual interest rate: 4.09%. Balance: \$4,894,869; last payment 2017.

Wachovia Utility System Refunding Revenue Note, Series 2006B; issued to finance construction of south side force main and other Utility system improvements; initially issued as a non-revolving line of credit during May 2006 but converted to a term loan on October 1, 2009. Annual interest rate: 1.14%. Balance: \$2,550,000; last payment 2027.

CRA Redevelopment Revenue Note, Series 2007; issued to finance redevelopment capital improvement projects. Annual interest rate: 3.77%. Balance: \$8,760,418; last payment October 2028.

SunTrust Refunding Revenue Note, Series 2009; issued to refund Public Improvement Bonds, Series 1997 (which refunded 1991 and 1989 bonds for financing various capital projects) and to refund the 2008 Motorola lease which originally funded fire and police equipment. Annual interest rate: 3.19%. Balance: \$1,870,300; last payment 2015.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of costs associated with Wastewater Reuse Project, Phase I. Annual interest rate, 2.56%. Balance: \$791,240; last payment 2019.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of costs associated with Wastewater Reuse Project, Phase II. Annual interest rate, 3.05%. Balance: \$508,370; last payment 2022.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of costs associated with sludge dewatering Improvements to the Wastewater Treatment Plant. Annual interest rate, 2.14%. Balance: \$1,017,105; last payment 2024.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of pre-construction costs associated with the Wastewater Treatment Plant Expansion Project. Annual interest rate, 1.88%. Balance: \$917,158; last payment 2028.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of pre-construction costs associated with the Wastewater Treatment Plant Expansion Project. Unless this agreement is amended to provide construction funding, the first semi-annual loan payment in the amount of \$11,567 will be due on December 15, 2012. Principal amount of loan is approved at \$350,000; current amount drawn down is \$180,000. Annual interest rate: 2.30%. Balance: \$180,000.

Florida League of Cities Master Lease Program, 2006 for lease-purchase of Fire Truck. Annual interest rate: 4.28%. Balance: \$181,921; last payment 2012.

Fixed Base Operator's Prepayment Credit for \$300,000 in leasehold improvements done by the FBO on airport property. Annual interest rate: 0%. Balance: \$31,500; last payment 2012.

The City's total indebtedness at 9/30/10 is \$28,278,054 which is equal to 4.4% of the 2010 taxable valuation of \$643,195,776. Debt payments due during FY10'11 total \$3,742,524 and represent 17.4% of the City's operating budget (excluding inter-fund transfers and capital outlay). A schedule showing the City's outstanding debt at September 30, 2010 is included in the Charts & Graphics portion of the proposed budget (page c-3).

BUDGET HIGHLIGHTS

A summary of the important aspects of the proposed FY10'11 budget document is provided as follows:

1. A 10% increase for workers' compensation, liability, property and casualty insurance premiums is budgeted in accordance with preliminary estimates received from our property, casualty and workers' compensation providers; actual cost increases, if any, will be determined in mid-April.
2. A 10% increase for health care coverage was tentatively budgeted with the understanding that actual costs would be determined after receiving and analyzing bids on health care coverage for the next fiscal year. Actual costs for FY10'11 will be 1.9% less than in FY09'10 – this is \$132,755 less than

was included in the proposed FY10'11 budget distributed on August 3 and discussed in workshop (General Fund, -\$101,702; Special Revenue Funds, -\$9,693; Utilities Fund, -\$21,360). The portion of the savings allocated to the General Fund partially offsets the \$75,000 reduction in FY09'10 savings budgeted forward and some of the expenditure items added as a result of the budget workshop.

3. Pension contribution rates have been budgeted for FY10'11 to yield the actuarially determined funding requirements calculated by the actuaries retained by the City's pension boards as follows:

	General Employees	Police Officers	Firefighters
FY 09'10	1.4%	21.9%	27.8%
FY 10'11	2.5%	24.4%	30.9%
Change	+1.10%	+2.5%	+3.1%

The above rates represent the City's contribution to the three pension plans. In each case, the employee contributes 5% of his or her annual salary to the plan.

4. Changes in departmental staffing in FY10'11 as compared to the FY09'10 amended budget are detailed in the following chart:

Department	change	Description
Human Resources	+ 1.00	Clerical position transferred from Support Services and Customer Service to perform Switchboard/Receptionist duties
Support Services	- 0.75	Clerical position transferred to Human Resources
Billing/Customer Service	- 0.25	Clerical position transferred to Human Resources
Finance	+ 0.50	Accounting position added to begin preparing for transition of duties
Facilities Maintenance	- 1.00	Facilities Maintenance Tech position transferred to Field Operations
Facilities Maintenance	+ 0.50	Custodial position added to make 2 P/T custodians responsible for Municipal Admin Bldg, Police Dept, and Kirkland Gym
Field Operations	- 1.00	Parks Superintendent position eliminated with retirement of employee
Field Operations	+ 1.00	Turf Specialist position added to maintain athletic fields
Field Operations	+ 1.00	Facilities Maintenance Tech position transferred from Facilities Maint
Field Operations	+ 0.25	Annualized effect of Maintenance Worker position added 1/1/10
Police Department	- 1.00	Special Investigations position eliminated to fill vacant patrol position
Community Policing	- 1.00	COPS position eliminated to fill vacant patrol position
Code Enforcement	- 1.00	Vacant Code Enforcement Supervisor position eliminated (responsibilities assigned to COPS supervisor)
Library	- 0.25	Hours reduced for P/T Library Clerk position
	- 2.00	Net Change in positions since amended FY09'10 Budget

5. Capital expenditures proposed for FY10'11 are itemized in the following chart:

Item	Cost	Funding Source
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Item	Cost	Funding Source
Airport - Runway Extension	830,000	Airport Grants
Airport – Perimeter Fencing	250,000	Airport Grants, General Fund
Airport – Runway 17-35 Improvements	100,000	Airport Grants, General Fund
Economic Development – Lincoln Avenue	20,000	CRA Tax Increment Revenues
IT – System Backup Server	12,000	General Fund Revenues
Library - Books & Subscriptions	60,000	Library Fund Revenue
Longleaf Business Park – Landscaping & Signage	50,000	Proceeds from sale of lots in LLBP
Parking Improvements - Lincoln Ave	75,000	CDBG Commercial Vitalization Grant
Parks & Recreation – Resurfacing Tennis & Racquetball Courts	30,000	Operating Revenues
Police Dept – AED's (portable defibrillators)	7,000	Byrne Law Enforcement Grants
Police Dept - Video Systems/Cameras	18,000	Byrne Law Enforcement Grants
Reuse System – LWCC Golf Course Transmission Line (Engineering)	85,000	Impact Fees
Reuse System - Misc New Services	5,000	Utility System Operating Revenues
Sewer System – C St & Vicinity Improvements	929,543	CRA Bond, Tax Increment Revenues
Sewer System – Cable Sewer Cutter	600	Utility System Operating Revenues
Sewer System - Force Main/Lft Stn Crooked Lake	435,870	Loan Proceeds, Impact Fees
Sewer System – Root Cutter 8" & larger	5,000	Utility System Operating Revenues
Sewer System – Sliplining	140,000	Utility System Operating Revenues
Sewer System - Treatment Plant Rehabilitation	991,500	Loan Proceeds, Operating Revenues
Sewer System - Treatment Plant Upgrade/Expansion	2,005,300	Loan Proceeds, Impact Fees
Sewer System – Vactor Truck Nozzles	5,000	Utility System Operating Revenues
Streets Division – Irrigation Well US 27 Medians	10,000	Operating Revenues
Streetscape Improvements - Downtown	331,390	CDBG Commercial Vitalization Grant
Streetscape Improvements - Lincoln Ave Lights	150,000	CDBG Commercial Vitalization Grant
Water System – Elev Storage Tank Modification	168,000	CRA Bond
Water System – FlexNet/Auto Meter Reading	116,000	Impact Fees, Operating Revenues
Water System - Misc New Services	25,000	Utility System Operating Revenues
Water System – Tapping Machine	2,000	Utility System Operating Revenues
TOTAL CAPITAL EXPENDITURES	\$6,857,203	

6. In accordance with Ordinance 2007-07 adopted by the City Commission on September 18, 2007, water and sewer rates and charges will be adjusted to reflect a 2.5% increase based on June's annual CPI. The increase will be applied to service provided on or after October 1, 2010.

	WATER CHARGES					SEWER CHARGES		
	base charge	rate per 1,000 gallons				base charge	rate per 1,000 gallons	
		0-5,000	5,001 - 10,000	10,001 - 25,000	over 25,000		0 -5,000	5,001 - 15,000
Current	5.33	2.11	2.85	4.43	7.29	18.93	2.49	4.36
10/1/10	5.46	2.16	2.92	4.54	7.47	19.40	2.55	4.47

For inside-city residential customers using an average of 8,000 gallons per month, water charges will increase from \$24.43 to \$25.02, and sewer charges will increase from \$44.45 to \$45.56; the combined bill for water and sewer will increase from \$68.88 to \$70.58.

7. The FY10'11 Budget includes a 2.5% increase in all General Fund user fees and charges. For residential solid waste collection and recycling, fees will increase from \$20.36 per month to \$20.87 per month.
8. The proposed FY10'11 revenue budget includes reimbursement of \$11,872 for public services provided to sponsors of special events. Over the years, special events such as parades and events downtown and in Lake Wailes park have increased in number from five or six in 1993 to more than 20 in 2009. Historically, the City has provided set-up, clean-up, and traffic control as an in-kind service. In 2009, nearly 1,500 man-hours were contributed by the City for special events at a cost to the public of more than \$50,000.

	Allocation of In-Kind Expense			Total In-Kind Expense	Proposed 25% reimb	Public Expense
	Police Dept	Support Services	Field Ops			
4th of July	1,423	553	799	2,774		2,774
Airport Jet Rally			49	49	12	37
Arts Council - Art Show	1,877		1,190	3,067	767	2,300
Boat Races on Lake Wailes	1,877		245	2,122	530	1,591
Christmas by the Lake			49	49	12	37
Christmas Parade	1,212		571	1,783	446	1,337
Family Fitness Day	938		82	1,020	255	765
Going to the Dogs			49	49	12	37
Hillcrest School Walk-a-thon	78		65	143	36	107
Homecoming	821		65	886	222	665
Main Street Events (3)	10,792		65	10,857	2,714	8,142
Mardi Gras Celebration	11,144		179	11,323	2,831	8,492
Martin Luther King Celebration	6,764		758	7,522	1,881	5,642
Pioneer Day	2,190	1,768	1,190	5,148	1,287	3,861
Polk Sr. Games	469	332		801	200	601
Roosevelt Alum Parade/Cultural Festival	821		98	919	230	689
Tour of Lake Wales	117	177		294	74	221
Veteran's Day Parade	704		49	753	188	565
YMCA Bike-a-thon & 5K Run	704			704	176	528
Total Expense for Special Events	41,930	2,829	5,503	50,262	11,872	38,390

When the special events ordinance was approved in the early 1990's, the policy was adopted whereby the event sponsor is able to retain all fees charged to vendors or event participants to help offset the sponsor's costs for the event. Unlike many other cities, Lake Wales has never required sponsors to pay an event fee and has never required event vendors to hold a city occupational license or pay a business tax provided they pay a fee to the event sponsor and are licensed to do business in the county. The city has never received any income from special events to help offset the cost of public services provided.

While we are not suggesting that in-kind services for parades and other special events be eliminated, it is staff's suggestion that event sponsors pay a fee equal to 25% of the cost of in-kind services. Staff will work with the event sponsors to reduce the amount of in-kind services needed from the city (i.e., shorter or straighter parade routes with fewer corners to navigate, more sponsor participation in set-up or clean-up, shorter hours for the event, etc.).

If the Commission wishes to implement this suggestion, staff will prepare an ordinance for consideration with the millage and budget adoption ordinances. If the Commission does not wish to implement this suggestion, the revenue budgeted for special events reimbursements will be deleted.

9. With the exception of the two items discussed below, no modifications of the organizational structure have occurred in FY09'10 or are planned for FY10'11.

Changes to Code Enforcement Process

Shortly before the hiring freeze was implemented in early June, the city's Code Enforcement Supervisor retired. Although hiring a new code inspector would have been possible if it were determined that code enforcement operations were severely impaired by the staff reduction, the Police Chief chose instead to reengineer the code enforcement function by consolidating it with the Community-Oriented Policing Section.

It was determined that a lack of efficiency in the traditional code enforcement process had created a system that was ineffective. The improved code enforcement process will allow enforcement action to begin within 7 days following identification of a violation. In addition, the civil citation system will be used to achieve swift compliance, when possible, rather than using the Code Enforcement Board. In cases involving foreclosed or vacant properties, the parcel will be posted using the high-visibility signs recommended by Commissioner Thornhill. This will clearly demonstrate the City of Lake Wales is taking enforcement action as expected by the community.

The Police Department has begun the process of recruiting 2 to 4 volunteers to join the VOICE Unit for the purpose of conducting basic code enforcement. Each volunteer will receive 24-hours of training related to code enforcement procedures, traffic control and vehicle operations. When complete, the new VOICE members will support the community-based approach to code compliance.

Each month a Community Cleanup will be conducted within a particular section of the city. This community-based approach employs education, enforcement and compliance to ensure the entire CRA area receives comprehensive code enforcement services yearly.

The City's response to public nuisances has improved significantly by employing private vendors to edge, mow and sweep properties. If a property is an imminent risk to the health, safety and welfare of the public, vendors are employed within 24 hours to mitigate the hazard. If a property owner fails to comply with a notice of violation, private vendors are used to edge, sweep and mow properties that could become a public nuisance. Normally, this action will be taken within 10 days. In both instances, the costs associated with this action are placed against the property through an administrative lien.

To further improve efficiency, the department acquired the iWorQ code enforcement software. This software will move the code compliance officer out of the office and into the field. Through integration with the Polk County Property Appraiser's database, the code compliance officer can conduct all

enforcement activities in real time while in the field. Warnings, notices to appear and civil citations will be created and issued from the officer's vehicle. In addition, the software will track activity and schedule tasks such as inspections. The law enforcement officers from the COPS will also use the software to issue warnings, which will automatically be sent to the code compliance officer for inspection. In addition, the Planning and Development Department can use the software to refer violations of the Land Development Regulations (LDRs) to the code compliance officer.

Finally, the Chapter 12 revision will contain the changes necessary to increase the effectiveness and efficiency of the code enforcement process. The final draft has recently been presented to the City Attorney for review and approval after which it will be forwarded to the City Commission.

Administrative Transition Plan

Within the next eighteen months, the Accounting Manager will retire. The Accounts Payable Administrator will retire about twelve months later. This 50% turn-over in Finance Department staff becomes an even greater concern because the City Manager will retire in just over two years, in November 2012. Some of the duties of Assistant City Manager that were retained when taking the position as City Manager included budget preparation, TRIM compliance, and preparing monthly financial statements for presentation to the City Commission. All of these responsibilities must be transferred to the Finance Department in such a way that the transition is as seamless as possible.

Responsibility for the monthly financial statements has been transferred from the City Manager to the Accounting Manager within the last six months. In June, responsibility for the TRIM compliance process was transferred from the City Manager to the Finance Director who will now handle all of the reporting to the Department of Revenue.

Responsibility for preparing the annual budget and the 5-Year CIP has not yet been transferred from the City Manager to the Finance Department, but this transition will take place during the next twelve months so that there are no delays in completing the FY11'12 budget. The current operating budget is composed of more than 100 linked spread-sheets that require the manual entry of current and prior year budgets and actual expenditure data in addition to the budget request data for the next fiscal year. The 5-Year CIP budget is almost as voluminous.

Over the next year, our Accounting Manager will convert these two budgets into documents that will require less manual work because they will utilize data that is imported directly from the accounting system. This conversion will, by virtue of the magnitude of the project, be the primary focus of the Accounting Manager for the next year. To facilitate this work, we have recently added a part-time Accounting Clerk to assist the Accounting Manager with her existing duties. It is planned that over the next eighteen months, this Accounting Clerk will be sufficiently trained in the duties of the Accounting Manager to move into her position at the time she retires.

Other duties connected with the Assistant City Manager position are being gradually delegated to other employees, and this process should be complete within the next 12 to 18 months. Aside from the budget, the responsibility for the City's web site is the most complicated transition to manage, but the IT Director has begun assembling the resources to complete the transition well ahead of the 2-year deadline.

It is the goal to have a replacement for the City Manager in place by the beginning of June 2012 so that he or she may take a key role in development of the FY 12'13 Budget. Funds to pay for this employee will be included in FY11'12 Budget.

10. As stated previously in this memorandum, significant cut-backs have been necessary to balance the budget at the 7.3277 millage rate. Except for the use of savings resulting from the current year's spending freeze and \$22,832 to cover additions since the budget was presented on August 3, General Fund fund balance is not reduced and is maintained at the level recommended by the City's auditors. Also as stated, we are recommending that fund balance not be reduced below this level at this time in

order to ensure there are sufficient resources available to fund critical services without a tax increase if shortfalls should occur before the economy improves and annual revenues begin to increase.

A. Proposed reductions made to balance the budget that were not altered by workshop discussion include the following:

- Police Department staff is reduced by a total of 2 positions; 1 COPS officer has been transferred to a vacant patrol position and 1 officer in the Special Investigations section has been transferred to a vacant patrol position. The result is that both the COPS unit and the Special Investigations section are reduced by 1 position.
- The Code Enforcement department is reduced by 1 position; however, it is believed that consolidation with the Community-Oriented Policing Section will improve the efficiency and effectiveness of the department.

B. Reductions that were proposed by staff to balance the budget and restored following workshop discussion and consensus of the Commission are:

- \$10,000 for Fourth of July fireworks in the amount of \$10,000
- \$600 for restoring the grant to the Senior Center to \$6,000
- \$30,000 for resurfacing of tennis and racquetball courts (partially offset by elimination of \$20,000 for irrigation wells on Little League ball fields; net increase to budget is \$10,000)

Also added by consensus of the Commission was \$600 for additional employee recognition awards.

C. Proposed reductions made by staff that will be further discussed by the Commission on September 10 to determine the actual amount of reduction for each are:

- The grant to Green & Gold for operation of the B Street Center; staff proposes a 10% reduction, from \$35,000 in the current year to \$31,500 in FY10'11.
- The budget request from Main Street; staff proposes a 10% reduction of budget request, from \$60,000 to \$54,000; this is \$16,000 or 22.9% less than budgeted in the current year.
- The contract with Kimbrough & Associates for services relating to CRA Area 3 redevelopment; staff proposes a reduction of 21.25% to match the grant to Green & Gold; from \$40,000 in the current year to \$31,500 in FY10'11 (note: prior memo erroneously stated that the current contract amount is \$45,000).

D. The proposed reduction made by staff regarding operation of the Depot Museum was not altered by the Commission at the workshop but will receive a counter-proposal from the Historic Lake Wales Society. The details of that counter-proposal are not complete at the time this agenda memorandum is prepared. Details will be presented to the City Commission at the September 10 meeting. Staff's proposal is as follows:

- The contract with the Historic Lake Wales Society (\$30,000) for operation of the Depot Museum is not funded in the FY10'11 budget. In addition to the \$30,000 operating contract, \$38,868 was budgeted in FY09'10 for insurance, maintenance & repair, telephone, copier lease and miscellaneous IT expense for a total of \$68,868. Due to the fact that extensive repair work was necessary on the rear exterior wall of the building, it is estimated that expenditures for the Depot in FY09'10 will total between \$75,000 and \$80,000. This is actually

about half the amount that should be budgeted on an annual basis to operate the Depot properly with two employees and a minimal budget for operating and programs.

Throughout the country, museums of all sizes are suffering funding cut-backs that make operations difficult, if not impossible, to continue. Funds allocated to the Depot have been reduced each year since FY05'06 and were cut dramatically in FY08'09. In view of the fact that resources are growing more scarce every year and by necessity must be allocated first to services the City is required to provide, we are recommending that the Depot Museum no longer be opened on a regular basis until such time as the economy improves and revenues return to the point that museum operations can be funded at an appropriate level.

Until adequate resources are again available, the Depot can be opened for Pioneer Day and occasionally by appointment for school groups or other groups provided that the Historic Lake Wales Society arranges for volunteers to supervise the building when it's open. The FY10'11 budget includes \$26,285 for utilities, minimal maintenance & repair, and insurance. This is a 62% reduction from the FY09'10 funding level.

Included in the Special Events budget is \$3,900 for Pioneer Day, a 2.5% reduction from the \$4,000 budgeted in FY09'10.

- E. The proposed reduction made by staff regarding the contracts for maintenance of the baseball fields was not altered by the Commission at the workshop but staff has received a counter-proposal from the Lake Wales Little League organization.

With the presentation of the budget on August 3, staff proposed the following:

- The contracts with the Lake Wales Little League organization (\$60,000) and K.D. Enterprises (\$11,500) for maintenance of the baseball fields are not funded in the FY10'11 budget. Instead, a Turf Specialist position is added to Field Operations and dedicated to maintaining these fields in-house. After increasing the budget for chemicals and other supplies, the savings is approximately \$30,000 – a 42% reduction from FY09'10. The City purchased a mower in FY07'08 for use by the Little League organization in maintaining the fields, and this mower will be returned to the City for use by the employee assigned to ball field maintenance. [note: this savings is corrected to \$23,000 after factoring in fuel costs, equipment M&R and irrigation M&R – a 32% reduction from FY09'10.]

The Lake Wales Little League organization (LWLL) presented a proposal as follows:

- LWLL will maintain all the baseball fields for \$60,000, including the 2 playing fields at the Northwest Complex currently maintained by K.D. Enterprises. This is a savings for the City of \$11,500 compared to the FY09'10 budget.

Conversation with representatives of LWLL and a comparison of the City's proposed budget for FY10'11 to LWLL expenditures for FY09'10 (actual thru 8/31 and estimated thru 9/30) indicates that there are areas where the City is seriously under-budgeted if we are going to maintain the fields at the same standard as currently. Even at a reduced standard, however, it is apparent that costs will be greater than we originally anticipated.

	LWLL 2009-2010 YTD 8/31	LWLL 2009-2010 est 9/30	City 2010-2011 budget
City Payment for Field Maintenance	\$ 55,000.00	\$ 60,000.00	
Expense			
Field Maintenance Chemicals	\$ 2,335.00	\$ 2,547.27	\$ 2,500.00
Field Maintenance Equip. Repair	\$ 289.82	\$ 316.17	
Field Maintenance Equipment	\$ 1,798.68	\$ 1,962.20	\$ 1,500.00
Field Maintenance Fuel	\$ 1,835.06	\$ 2,001.88	\$ 1,600.00
Field Maintenance Misc	\$ 9,915.28	\$ 10,816.67	
Field Maintenance Payroll (Sal + Benefits)	\$ 38,672.99	\$ 42,188.72	\$ 39,166.00
Field Maintenance Supplies	\$ 4,682.42	\$ 5,108.09	\$ 2,500.00
Irrigation M&R			\$ 1,500.00
Pest Control	\$ 450.00	\$ 490.91	\$ -
Repairs	\$ 1,085.89	\$ 1,184.61	
Total Expense	\$ 61,065.14	\$ 66,616.52	\$ 48,766.00
City Payment Over(Under) LWLL Expense	\$ (6,065.14)	\$ (6,616.52)	
Additional Expenditures Outside of Field Maintenance Paid Directly by LWLL			
Building & Facilities Repairs & Maintenance	\$ 4,964.40	\$ 5,415.71	
City Payment Over(Under) Total LWLL Expense	\$ (11,029.54)	\$ (12,032.23)	

In addition to field maintenance expense which exceeded the City's payments, the above chart shows that there have been building-related costs, including janitorial supplies, that are outside the scope of the field maintenance contract but which have been paid by LWLL without seeking reimbursement by the City.

These building-related costs are not included in the proposed FY10'11 budget because we were unaware of the scope of the in-kind contributions by the LWLL. The city's maintenance staff addresses some of the building-related issues, but not all – particularly if an emergency or other need arises after business hours. These costs will be assumed by the City if the LWLL field maintenance contract no longer exists. Emergencies occurring after business hours will result in overtime costs that have also not been included in the proposed budget.

	LWLL proposal	City budget	variance
Field Maintenance cost	\$ 60,000	\$ 48,766	\$ (11,234)
Unbudgeted savings in electricity costs due to new lights (estimated)	\$ (3,000)		
Unbudgeted revenue for league field usage fees to be collected by LWLL for City (estimated)	\$ (4,000)		
Unbudgeted building-related costs, including janitorial supplies (estimated)		\$ 4,500	
2010-480			
Total Fiscal Impact	\$ 53,000	\$ 53,266	\$ 266

The difference between the LWLL proposal to maintain all the city baseball fields and the City's budgeted cost is \$11,234.

An estimated \$3,000 savings in energy costs resulting from the grant-funded installation of new lights on Barnes and Barranco Fields by the end of the calendar year is not currently reflected in the budget and will reduce expense related to the fields, bringing the variance down to \$8,324. The LWLL organization has committed to collecting the \$4 per participant fee for league use of all of the city baseball fields; this will yield approximately \$4,000 in currently unbudgeted revenue that may be applied against field maintenance expense, bringing the variance down to \$4,324.

When we factor in an unbudgeted \$4,500 for janitorial and other building-related supplies and building M&R expense, the variance is eliminated. This is before we consider overtime and other miscellaneous costs not currently budgeted.

The LWLL organization currently schedules the use of these fields by organized travel leagues, church groups, Care Center, Circle of Friends and other community organizations and individuals. The fields are used by Lake Wales Wiffle Ball, soccer teams, the Frisbee club and other athletic groups. LWLL maintains the fields, landscaping and buildings on a year-round basis at a high standard. As they have pointed out, LWLL does more than "just mow the grass."

Staff supports the LWLL proposal to maintain all the City's baseball fields for \$60,000 – a reduction of \$11,500 or 16.1% from FY09'10. In staff's opinion, it has been satisfactorily demonstrated that bringing baseball field maintenance in-house will not be as cost-effective as we thought it would be when we consider all of the "extra" tasks performed by LWLL and the in-kind contributions they have made and will continue to make if their contract is continued. This modification has not yet been incorporated into the budget, but will be added if the Commission agrees to retain the LWLL contract as proposed.

11. There has been a bit of discussion in recent years and particularly in FY09'10 about the City's "failure" to provide funding for recreation.

Impressed by the quality and success of parent-run recreation programs (Little League, soccer, football, pram fleet) and YMCA-run programs (basketball) in Lake Wales, the prior city manager felt that the City should not be competing with these well-run recreation programs for participants. He believed the public would be best served by allocating its limited resources to the maintenance of parks, ball fields, and other recreation facilities instead. Accordingly, after some turnover in the position, the parks & recreation director position was eliminated in July 2004.

Supervisory and administrative duties previously assigned to the parks & recreation director were absorbed by staff in the Public Services Department and the City Manager's office. In July of 2005, a recreation manager position was created with responsibility for youth recreation programs and assigned to a police officer with expertise in this area. There were problems with the implementation of this arrangement, and it was subsequently eliminated after a few years. Currently there is no recreation manager position funded, and no funding is included in the proposed FY10'11 budget.

This is not to say, however, that the City is not providing funds for recreation. The proposed budget allocates \$515,710 for parks, a reduction of 12.5% from the \$589,585 allocated in FY09'10. At the same time, \$621,590 is allocated for recreation facilities, and this is an increase of 23.8% from \$502,265 budgeted in the current year. The total funds allocated for parks and recreation in the proposed FY10'11 budget is \$1,137,300 – this is up 4.2% from \$1,091,850 budgeted in the current year. Add to this the \$639,091 allocated to the Library (not including Books-by-Mail), and the total spent on providing "quality of life" recreation and leisure services in FY10'11 is \$1,776,391.

Staff has compiled a list of recreation and leisure services currently offered by the City of Lake Wales:

Program or Facility	Responsible Department	Out-of-Pocket Cost to Resident * (unless reserving for exclusive use)
Lake Wales Bike & Walking Path	Parks	None
Rails-to-Trails Bike & Walking Path	Parks	None
Basketball Court at Lake Wailes Lake	Parks	None
Lincoln Avenue Playground	Parks	None
Mobley Park Playground	Parks	None
Crystal Lake Park & Playground	Parks	None
Barney's Dream Playground	Parks	None
Skateboard Park	Parks	None
Picnic Areas – Crystal Lake Park, Kiwanis Park, Austin Center, Twin Lakes, Stuart Park	Parks	None *
Fishing Pier at Lake Wailes	Parks	None
Boat Ramp at Lake Wailes	Parks	None
Albert Kirkland Sr. Gymnasium	Recreation Facilities	None
Shuffleboard Courts	Recreation Facilities	None
Tennis Courts	Recreation Facilities	None
Soccer/Multi-Purpose Fields	Recreation Facilities	None
Northwest Complex/Florida Field	Recreation Facilities	None *
Kiwanis Park Ball Fields	Recreation Facilities	None *
Youth and Adult Leisure Programs		
Preschool Story Time (weekly)	Library	None
Toddler Story Time (weekly)	Library	None
Baby Story Time (weekly)	Library	None
Teen Programs (weekly)	Library	None
“Tween” Programs (weekly)	Library	None
Relaxation Yoga (2 classes per week)	Library	\$10/single class \$32/block of 4 classes \$60/block of 8 classes
Knitting Classes (4 classes per session)	Library	\$20/block of 4 classes
Open Knitting (weekly)	Library	None
Book Discussion (2 monthly)	Library	None
Kid's Craft Program (weekly)	Library	None
Kid's Chess Program (twice weekly)	Library	None
Magic the Gathering Program (twice weekly)	Library	None
Wii Wednesday Gaming (weekly in summer, monthly during school year)	Library	None
Computer 101 – Adult Basic Computer Class	Library	None (eff. 10/1/10, \$5 per person per 3-hr class)
Basic Spanish	Library	\$125 for 6 classes
“Step-by-Step Guide to Publishing Your Book”	Library	\$10 per person

It is acknowledged that there is a benefit to be derived from employing a recreation manager to coordinate city support of the various parent-run and YMCA programs and develop youth programs that won't conflict or compete with successful programs run by others. The cost to add a recreation manager (salary and benefits) with administrative support (secretary, phone, etc), vehicle, and program operating supplies will cost an estimated \$125,000 to \$150,000. As stated above, this position is not funded in FY10'11, and it is not anticipated that there will be sufficient resources available to fund it in FY11'12.

- Following the budget workshop, staff was approached by a citizen offering to serve as a recreation manager for \$1 per year plus health insurance, city vehicle, cell phone and budget for operating supplies. This is not a feasible arrangement for several reasons, and staff could not consider the offer. Alternatively, staff suggested and the citizen agreed to enter into an independent contract for \$7,500 per year to establish and manage a tennis program, primarily focusing on teaching young people to play. This would be viewed as a pilot program that, if successful, could be expanded in the future to add other recreation programs not currently offered by a parent-run or other community organization. This proposal has not been incorporated into the budget, but the cost of the contract will be added if the Commission wishes to add this program.

Included in the FY10'11 budget is the contract with the Boys & Girls Club to manage the Albert Kirkland Sr. Gymnasium. This contract is budgeted at the same amount as in FY09'10, i.e., \$55,698, and will fund two employees to supervise the gym during all hours it is open on the current schedule: Monday through Friday, 11:30 to 8:30; Saturday and Sunday, 11:30 to 5:30.

- During the budget workshop, there was discussion about opening the gym for additional hours. Conversation with the Boys & Girls Club resulted in the following proposal for modifying the hours of operation:
 - Monday through Friday, 11:00 to 9:30 (+1.5 hours per day), \$8,630 add'l contract fee
 - Saturday, 10:30 to 6:30 (+2 hours per day), \$2,302 add'l contract fee
 - Sunday, 11:30 to 5:30 (no change)

To gain a total of 494 additional operating hours per year at the gym, the Boys & Girls Club contract will increase \$10,932 to \$66,630 (+19.6%). This cost increase has not yet been incorporated into the budget, but will be added if the Commission votes to increase the operating hours as proposed.

Also included in the FY10'11 budget is \$125,000 for major repairs to the gymnasium building, but it is not anticipated that the building can be fully opened (showers, weight room) until these repairs are completed and the operating budget is increased. It is estimated that \$200,000 will be required in FY11'12 to replace the gymnasium floor, and a minimum of \$30,000 will be required in the following year for exterior painting, tucking and other work to repair and preserve the exterior of the building.

In short, we are in the same position vis-à-vis a recreation manager position as we are in relation to the Depot Museum. If the economy improves at some point in the future, the City will consider hiring a recreation manager to operate a full-fledged recreation department; however, during the current period of limited resources, it is necessary to focus the resources we do have on the increasingly costly maintenance of our recreation facilities.

12. The city's 24-year old wastewater treatment plant is about half-way through its expected life of 50 to 67 years. In an attempt to keep operational budgets low and sewer rates down, sufficient monies have not been budgeted over the years to fund the maintenance required to keep the plant operating at an optimum level. As a result, essential components of the wastewater treatment process are beginning to fail and are now in need of major repair or replacement in order to eliminate functional obsolescence and ensure that the plant will perform reliably and cost-effectively for the remainder of its expected life.

Engineering plans for the rehabilitation of the facility are currently under review. Plant improvements for this rehab are on the list for funding by the State Revolving Fund low interest loan program. Also on

the funding list is a plant modification that will increase capacity from 1.9 million gallons per day (mgd) to 2.1 mgd and construction of facilities required to treat wastewater from the Crooked Lake Park sewer system which is under order by the DEP to take corrective actions to eliminate potential adverse impacts on Crooked Lake. Total funding approved by SRF is \$3.4 million, of which \$1.96 will be allocated to treatment plant rehabilitation.

The second major concern is the sewer system improvements project needed in the vicinity of C St. to eliminate flushing manholes and sewer lines running above ground. This project will cost an estimated \$2.12 million, of which we currently have \$929,543 set aside. While CDBG applications will be submitted to offset some of the cost, it may be necessary to seek SRF loan financing for this project too.

Staff is mindful of the fact that the City Commission does not want to borrow any more money. At the same time, we must emphasize that the wastewater treatment plant rehabilitation and the C St. and vicinity sewer improvements are projects that can be delayed no longer. The way in which these improvements will be funded is a matter of policy and something the Commissioners will ultimately decide. It should be noted, however, that financing is an acceptable methodology for funding infrastructure improvements that will benefit multiple generations. Either the people today, through higher taxes or higher user fees, pay for improvements that will benefit future generations or the cost is allocated across generations through the use of financing.

CONCLUSION

By necessity, the proposed FY10'11 Budget responds to reductions of ad valorem proceeds and other General Fund revenues with spending cuts across the board. No functional area is untouched by cut-backs in capital equipment replacement, maintenance and repair, or operating supplies. As stated earlier in this memorandum, it must be acknowledged that most of our departments –particularly our public safety departments-- have now reached the lower limit and can make no additional cut-backs without seriously compromising service to the public.

Staff worked together to close the \$2.3 million shortfall in their initial budget requests, and we are presenting the City Commission with a balanced budget that requires no tax increase. In fact, we have an effective 12.2% tax reduction because we are able to maintain the current rate of 7.3277 mills which is less than our roll-back rate of 8.3456 mills. Carrying forward the "savings" resulting from the spending and hiring freeze imposed on June 1, we are able to lessen the impact of plunging revenues in FY10'11.

It was the stated goal of the City Commission during the pre-budget workshop in June that no employees would lose their jobs. Although no salary increases are included, the proposed budget contains no employee lay-offs, no pay cuts, and no days off without pay.

For the next few years, our financial resources will be severely strained as we continue to deal with the fiscal impact of tax reform, the problems in the housing market, and the economy in general. We must ensure sufficient financial resources to carry us through the difficult period ahead, and this will require strong budget controls, strict adherence to purchasing procedures, and timely financial reporting –all of which measures are currently in place. In both the short-term and the long-term, we must have the resources for the services we are required to provide. To accomplish this goal, some difficult cut-backs must be made in FY10'11.

[End agenda memo]

Ms. VanBlargan read Ordinance 2010-18 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, ADOPTING THE FINAL LEVYING OF AD VALOREM TAXES FOR THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA FOR FISCAL YEAR 2010-2011; PROVIDING FOR AN EFFECTIVE DATE.

City Manager Judith Delmar reviewed Agenda Item 7, Ordinance 2010-18, Adoption of FY2010-11 Millage Rate, 1st Reading & Public Hearing.

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Carter asked for confirmation that once the millage rate was approved, they would not be able to go above that rate for any circumstance this year. Ms. Delmar confirmed.

Commissioner Thornhill made a motion to approve Ordinance 2010-18 after first reading and public hearing. The motion was seconded by Commissioner Howell.

Roll Call Vote:

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

The motion carried 5-0.

Ms. VanBlargan read Ordinance 2010-19 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, RATIFYING, APPROVING, ACCEPTING AND ADOPTING THE ESTIMATES OF EXPENDITURES FOR THE OPERATION OF THE SEVERAL DEPARTMENTS OF SAID CITY, AND ALL NECESSARY AND ORDINARY EXPENSES OF SAID CITY FOR THE 2010-2011 FISCAL YEAR, APPROPRIATING ALL FUNDS TO BE RAISED AND COLLECTED FROM ALL SOURCES SET FORTH IN THE ESTIMATE OF REVENUES & BALANCES FOR SAID FISCAL YEAR, AND THE REPEALING OF ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING FOR AN EFFECTIVE DATE.

Ms. Delmar reviewed Agenda Item #7, Ordinance 2010-19, Adoption of FY2010-11 Budget, 1st Reading & Public Hearing.

Mayor Van Sickle addressed his concerns with the budget as follows:

- He said resident safety had been reduced by not replacing employees when they left.
- He said equipment that should have been replaced and City buildings that should have been repaired has been put off again to "next year", and from past experience, "next year" never gets here. By ignoring or reducing maintenance, things become bigger problems.
- The Mayor did not want to lessen management reserve because he said the city would not be able to pay the debt services on things that we need without raising taxes to cover it.
- The Mayor said he would like the C Street project paid for with cash and that he would explain further at the next workshop. Because there was no possibility in securing a CDBG grant until 2013 when the jobs we have now are completed, he would like every possible penny in the current budget put toward the C Street and sewer plant projects instead of having to borrow the six or seven million dollars to do them.

OPENED PUBLIC HEARING

Lake Wales Little League Contract

Jim Maggard, 811 Carlton Ave, listed the things that the Little League organization has done over the past three years that were over and above simply mowing and maintaining the Little League fields.

- In the last three years, they went from 400 children between the ages 4-16 participating to almost 800 with a goal of reaching 1,000.
- Minority participation increased by more than 45% in the last two years by having registration at the community center and through the schools.
- Fees have been lowered from \$50 a child to \$35.
- The fields have been opened to various leagues and community projects.
- Things like replacing toilets, painting, fixing things like the ice machine and air conditioners, laying sidewalks, replacing part of the roof, and purchasing bathroom supplies were done with volunteers at no extra cost to the city.
- All umpires, coaches, and concession workers etc. were volunteers
- This new proposal was to add the maintenance of Frazier fields at the Northwest Complex.

Jim Hurst, 3130 SR 60 E., added the following to the things the organization has done besides mowing:

- Replaced bathroom wooden doors with steel doors
- Replaced signs
- Replaced light bulbs
- Provided the fertilizer, weed killer etc. needed to maintain the fields
- Weed eating, edging, and trimming hedges

Depot Museum

Mimi Hardman, President of the Historic Lake Wales Society, said the Society would like to accept the property as the city proposed and would maintain the historic buildings. She listed some of the accomplishments they have made over the years.

For the record, City Manager Judith Delmar said the following:

- The city proposed to convey the related museum owned property to the Historic Lake Wales Society
- The Commission could propose an increase of funding to \$30,000 to help them the first year if it wished.
- The Society would be responsible for the buildings, and at the same time use the buildings for leverage to obtain donations. She explained that people might be more apt to donate to the Historic Lake Wales Society rather than to the City.
- If the Commission approved the transfer, she would bring it back at the next meeting, following the adoption of the budget, to convey the property to the Historic Lake Wales Society.
- Ms. Delmar said there was a lingering issue with the storing of historic artifacts on city property. She told Ms. Hardman that the Commission needed an inventory of all those items as soon as possible. The Commission would then allow time for the Society to make other storage arrangement.

Mayor VanSickle said if the Commission approves the transfer of the property, the proposal at the next meeting will include the amount of the grant and a reasonable amount of time for them to transition the inventoried items. He added that the City could not be responsible for items that it does not own.

Ms. Delmar said she thought the conveyance of these properties would be a good solution. The present Commissioners will not be there forever and these buildings need to be maintained for future generations. She knew the city's history would be left in good hands.

B Street Community Center Grant

There were no comments made by the public regarding the B Street Community Center.

Main Street Contract

Lisa Pederson, business owner at 249 Stuart Avenue and President of Lake Wales Main Street, gave a brief review of Main Street's history, in-kind contributions of about \$15,000, their web site and virtual tour, the impact of Main Street on the downtown core, and their annual and monthly special events. She explained that a full-time Main Street Director was mandatory for the City to be an official Main Street City, which she felt was needed more than ever with the Lego Land coming.

Ronni Wood, 740 S. Lake Shore Blvd. said she has 23 years of Main Street experience, eight of which she served as the original Main Street Manager in Lake Wales. She said the Downtown is the barometer of a community and for a successful Main Street program to occur, the following four principals must be followed: promotion, organization, design, and economic restructuring; plus there must be a commitment to succeed and a full-time manager. She asked that the Commission support Main Street in the budget. She gave a copy to each Commissioner of a newspaper article entitled, "Local Government's Role in Downtown Revitalization: Clearing up Misconceptions."

Jan Privett, Main Street Manager at 140 E. Stuart Ave., said that with Lego Land coming to the area Main Street was needed more than ever to ramp up the promotion of our city and that their interactive internet website did a good job in doing that. She reviewed the various events they created to draw people to the downtown area, and announced the release of their travel brochure on October 4th, published by Arcadia Publishing, which she said will be out in time to for the three day Founders Centennial Event.

Kimbrough & Associates Contract

Linda Kimbrough, Kimbrough and Associates, asked the Commission to reconsider the 21% proposed budget cut in her contract and said to be fair it should only be cut 10% like the other organizations. She reviewed the work that she has done to bring people to Lincoln Avenue including the Cultural Festival, the formation and maintenance of flower beds, and the farmer's market; her work toward getting a parking lot and lighting on Lincoln Avenue; and her help with getting new businesses established such as Massey's Place, and the dental and medical clinics.

Greg Massey, 1332 Morningside Dr., explained the help he received from Ms. Kimbrough in establishing his businesses on Lincoln Avenue as well as her promotion for the northwest area in general. He asked the Commission to reconsider the 21% cut.

CLOSED PUBLIC HEARING

Lake Wales Little League Contract

The Mayor asked that each item be discussed and voted on separately.

Commissioner Rogers said the Little League organization was necessary and important for Lake Wales' children but he wanted to hear comments from other Commissioners before making his decision. He added that the Commission had tough decisions to make and though they would not be able to please everyone, they would do their best to make the right decision and be as fair as possible for the people of Lake Wales. He said the Commissioners have searched their hearts to find ways to keep things going, but that his main concern was quality of life issues such as the C Street and sewer plant projects, and he explained why.

Commissioner Howell said she supported continuing the contract with Little League as it seemed to her that if all the supplies and maintenance costs were added in, the city would save money by doing so, and because Little League does a good service for our children. She said she was for anything that would improve the Northwest Complex fields, which the Little League organization proposed to do at no extra cost to the city.

Commissioner Thornhill commended the Little League representatives and City staff for getting together to work up a solution that would be beneficial to both parties. He favored continuing the Little League

contract. Commissioner Thornhill read the following statement from a Florida League of Cities meeting: "We gave no raises or bonuses this year, we eliminated some positions by not filling vacancies, we reorganized departments with the eye of reducing operational costs, we reevaluated the full range of programs in the city and minimized travel, training, and meeting expenses." He said the five Commissioners were common citizens who decided to step up and try to make a difference in their community. He said he was grateful for the phone calls he received from both sides of each issue, and the choices to be made were difficult ones.

Commissioner Carter thanked the city for their willingness to get with Little League to make this happen and he was in favor of continuing the contract. Living across the street from the Little League fields, he said he sees firsthand the benefit of what goes on there, and he never gets tired of hearing the noise created by children having the time of their lives. He explained the economic numbers he calculated and the impact that would be created by having a Little League tournament in our town.

Mayor Van Sickle said that as a parent of five kids and grandparent of seven he was in favor of recreation for children but his job as commissioner was to protect the city's money so it could be used for things like city buildings and maintaining roads and sewers. In the past, these important functions have been set aside in favor of providing recreation. Sometimes Commissioners have to make unpopular decisions for the good of the city. He said he had been in favor of turning the maintenance of fields over to a city employee with the intent that when the work on the ball fields was completed, the employee could then help mow in other parts of the city. However, after meeting with the City Manger to review past data, it turns out there had been two fulltime employees hired to just take care of the ball fields. Therefore, he now was in favor of continuing the contract with Little League.

Commissioner Rogers made a motion to continue the contract with Little League for \$60,000 as presented to the Commission for maintaining the Little League and Frazier fields. The motion was seconded by Commissioner Thornhill.

Roll Call Vote:

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

The motion carried 5-0.

Depot Museum

Mayor Van Sickle was in favor of giving the Depot Museum to the Historic Lake Wales Society for them to maintain because he believed it would be easier for them to get donations and grants if the city was not involved. He wanted the City to give the Society a reasonable amount of time to provide an inventory of their historic items to the Commission.

Commissioner Carter asked for confirmation that the commission would not be funding the operation of the museum, but deed the property to the Historic Lake Wales Society and that by doing so the museum will be able to remain open on a daily basis. Ms. Delmar said that is the plan. They will convey all the museum related property to the Historic Lake Wales Society: the Stuart House; Children's Museum, which was the first asset owned by the City; the yellow depot; the Depot Museum building; and train cars. She said that \$26, 285 had been budgeted, but it could be adjusted to \$30,000 if the Commission wished. Commissioner Carter said it was important that the Depot Museum remain open daily for the cultural benefit of Lake Wales.

Commissioner Thornhill agreed and said he thought by transferring the property, donations would increase. He was also in favor of adjusting the grant to \$30,000.

Commissioner Howell was in favor of conveying of historic buildings and increasing the grant to \$30,000. She hoped there could be a possibility that people could have tea parties on the train cars.

Commissioner Rogers said he supported the conveyance of property to the Historic Society and he thought Ms. Hardman could do a great job running it. He asked viewers to volunteer their services and if they could not, to donate money.

Commissioner Rogers made a motion to convey all museum related property to the Historic Lake Wales Society: the Stuart House; Children's Museum; the yellow depot; the Depot Museum building; and train cars; and personal property. The motion was seconded by Commissioner Thornhill.

Roll Call Vote:

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

The motion carried 5-0.

B Street Community Center Grant
Kimbrough & Associates Contract

Mayor Van Sickle asked that the grant for the B Street Center and the contract for Kimbrough & Associates be discussed and voted on together.

Commissioner Howell disclosed for the record that she was a member of the Green and Gold Foundation.

Mayor Van Sickle said the work Ms. Kimbrough has done to get development on Lincoln Avenue and the services provided by the B Street Community Center were needed. However, he did not think it was fair to cut one 10% and the other 21% so proposed that both be cut 15%.

Commissioner Rogers said that Ms. Kimbrough told him that she would make do with whatever the city could give her but she thought the city should be fair. He said he appreciated her honesty and believes she should be treated equally.

Commissioner Howell said she would forfeit her vote because of her connection with the Green and Gold Foundation. City Attorney Chuck Galloway said it was not necessary for her to forfeit because as a board member she would not personally gain anything from the Commission's decision.

Commissioner Howell listed the following uses of the B Street Community Center building:

- Space used by the following organizations and agencies: Polk County School Board for computer training, Polk County for elections, the Justice System, Unity in Community, NAACP, American Legion, Lake Wales Literacy Coalition, Polk County court system, GED programs, United Way, Roosevelt Alumni Association, All Children Academy, and several churches;
- Programs provided such as public assistance, meals on Saturdays, summer programs for children, and community usage such as for birthday parties and weddings.

Commissioner Howell said that many of the agencies that use the Center have no other place to go and that this city owned building is much needed in Lake Wales. She asked Ms. Delmar if the grant money was all they get and Ms. Delmar said the city also paid the utilities though originally it paid for

an administrative assistant. Commissioner Howell said that the 10% cut had been expected so was never an issue with the Center, and she was grateful that the city continues to support the B Street Center because it provides needed services for Lake Wales. However, she did not think the B Street Center should be grouped with Kimbrough and Associates because they are two different entities with different purposes.

Commissioner Thornhill said he supported the 15% cut for both the B Street Center and Kimbrough and Associates and that both did a needed service for the community.

Commissioner Carter said he met with Ms. Kimbrough and her son who brought him up to date on the activities they have been involved with in getting businesses on Lincoln Avenue and he thought that cutting their funds so significantly right now would be shortsighted. He proposed a 10% cut instead of 21%. Ms. Delmar explained the budget impact for both 10% and 15% cuts.

Mayor Van Sickle said the city would still be paying for utilities at the B Street Center, which should be calculated into the total funding, and though they provide a needed service, Kimbrough and Associates is a means for economic growth. He said we do need to be fair with the percentage.

Commissioner Howell made a motion to fund the B Street Center and Kimbrough and Associates with a 10% cut for FY10'11. The motion was seconded by Commissioner Carter.

Commissioner Thornhill asked if the motion was for 10% or 15%. Ms. Delmar said 10%, which reduces Kimbrough and Associates from the current \$40,000 a year currently to \$36,000 and would leave the B Street Center at \$31,500. Mayor Van Sickle said that would mean an increase in the budget and Ms. Delmar said by \$4,500.

Roll Call Vote:

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

The motion carried 3-2.

Main Street Contract

Mayor Van Sickle said the city funded Main Street with CRA funds for a number of years and he recommended that the money be used for the C Street project instead.

Commissioner Carter said he thought it was unfair to judge the Main Street organization over the last twenty years because it has done what it said it would do over the past two years, and that we would be foolish if we did not take advantage of the addition of Lego Land, the biggest economic development in Lake Wales' history with its projected million visitors a year. Without funding Main Street, they will lose national support and he was in favor of that support.

Commissioner Thornhill said the city's focus is on economic development, but after giving it much thought, he believed the money should go toward the needed C Street project.

Commissioner Howell asked if there was a time that the downtown group was self-supporting and Ms. Pederson said that two years ago when they approached the city for funding, it was for their entire budget. Last year it was reduced and this year they were asking for a little over half their expenses, which was close to a 50% reduction in three years, and that their goal was to be self-funded if at all possible in another year. She felt that the city got a good return on its investment with all that Main Street does to

promote the downtown area. Ms. Delmar added that the \$80,000 they received the first year was still less than what the city was spending to have it done in-house if you added in salary, benefits, phone, computer and other things. If the city had to hire someone now, we could not do it for that and if the duties were allocated to an existing employee it would not be the full time manager the national organization is looking for. Commissioner Howell said she would hate it if, on the brink of the possible economic boost due to Lego Land coming, we lose Main Street. She said what they are asking for has been reduced with the possibility of not needing our support next year and she was not willing to let this economic opportunity pass by. Ms. Delmar added that the position itself as well as other work being done downtown is funded by the tax increment generated by the improvements to downtown since the base year was established in 1986. If you look at it that way, the position is actually funded by the downtown increment.

Commissioner Rogers said he spoke with people downtown who were enthusiastic about Main Street and others who were adamant that it was a failure. He said that Main Street started with a loan that had never been paid back. Ms. Delmar said that was not accurate, and gave a brief history of the founding of the organization in Lake Wales using a grant. As part of that grant application, there was a commitment from the City Commission for the match. For a year or two, they received a grant from Florida Main Street who lent their expertise in helping Lake Wales set up its program. Therefore, it was not a loan but a grant. Commissioner Rogers said he was in favor of using the funds toward the C Street project because it was a health issue when raw sewage was running through people's homes. He had promised the residents he would try to do something about the issue and he was committed to doing that. He said that Lake Wales had a Merchant's Association years ago that was self-supporting and he hoped the downtown merchants could be self-supporting again.

Commissioner Thornhill got clarification on the impact this would make on the budget.

Commissioner Howell made a motion to approve the funding of Main Street for \$54,000. The motion was seconded by Commissioner Carter.

Roll Call Vote:

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

The motion failed 3-2.

Mayor Van Sickle made a motion to reduce the allocation for funding of Main Street from \$54,000 to \$0. The motion was seconded by Commissioner Rogers.

Roll Call Vote:

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

The motion carried 3-2.

The meeting recessed at 7:28 and reconvened at 7:39 p.m.

Mayor Van Sickle reviewed two community suggestions given by individuals to extend the hours at the Albert Kirkland Gymnasium, and for providing tennis lessons. He asked that the Commission discuss

each one and vote whether or not it should be included this year's budget. Mayor Van Sickle said he did not want to reduce the city's management reserves and the \$125,000 in the budget for repairs to the gym already would come from management reserve dollars. He said he had an issue with adding another \$17,000 – \$18,000 because it would have to come out of management reserves and we have not reduced the amount of dollars to cover that. We need to stick with the current hours of operation. He said he did not think the city could afford to set up a tennis program and that maybe a private resident would want to provide lessons.

Commissioner Rogers said he opposed to both lengthening the hours at the gym and hiring someone to teach tennis. He said the department heads cut their budgets as much as they could and it would be a slap in their faces to then spend the money to hire someone to play tennis. He said the money should be used instead on infrastructure.

Commissioner Howell said the repairs to the gymnasiums were not even finished yet and that extending the hours should wait until then, and maybe then only extended during the summer months. She said she thought the city should keep the tennis courts maintained but did not think the city should fund giving tennis lessons. She agreed that it should be done by a private business.

Commissioner Thornhill agreed that the gymnasium should be fixed before extending the hours, and as the tennis courts are not repaired yet, hiring a tennis coach would be jumping the gun.

Commissioner Carter said he was not in favor of the city funding a tennis program but he was in favor of extending the hours for the gym as it was very much used by city residents.

Commissioner Carter made a motion to extend the hours of the Albert Kirkland Gymnasium once the repairs to the gym are completed. The motion was seconded by Commissioner Howell.

Mayor Van Sickle said that if the gymnasium repairs are completed this year, then this would be a budgetary item for this year, and if not repaired this year, it would be an issue to consider for next year's budget. Commissioner Carter said that Mr. Gallup indicated that once the repairs were started it would not be a long process and said he thought the cost to fix the gym was supposed to be less than \$125,000. Economic Development Director Harold Gallup said that until they actually begin the work they would not know the final cost so they budgeted for the worst case. Ms. Delmar said that the \$125,000 also included some design engineering. Commissioner Carter said there might then be some money left over. He said the motion was to extend the hours once the gym was finished. Commissioner Rogers asked where the money would come from in the present budget and he was told the management reserve. Commissioner Rogers said that using management reserve money for basketball playing made no sense to him.

Roll Call Vote:

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

The motion failed 2-3.

Commissioner Carter asked if there was any information on any insurance proceeds helping with the repairs. Mr. Gallup said they had not been told no yet, which might be a positive sign.

Commissioner Howell made a motion not to include a tennis program in the FY2010-11 Budget. The motion was seconded by Commissioner Rogers.

Roll Call Vote:

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

The motion carried 5-0.

Commissioner Howell made a motion to approve Ordinance 2010-19 as proposed after first reading and public hearing with the changes separately voted upon. The motion was seconded by Commissioner Rogers.

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 8. Ordinance 2010-20, Five Year Capital Improvement Plan – 1st Reading

The full staff memo is incorporated into the minutes.

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

SYNOPSIS

The Commissioners will consider adopting the Five-Year Capital Improvement Plan for fiscal years 2010-2011 through 2014-2015.

RECOMMENDATION

It is recommended that the City Commission approve after first reading Ordinance 2010-20 adopting the Five-Year Capital Improvement Plan for fiscal years 2010-2011 through 2014-2015.

BACKGROUND

In accordance with section 6.05 of the City Charter, Ordinance 2010-20 approves and adopts the proposed 5-year Capital Improvement Plan (CIP) for the period FY10'11 through FY14'15. The 5-Year CIP document was forwarded to the City Commission for review on August 10. Capital improvements and capital acquisitions proposed for Year 1 of the 5-Year plan are incorporated into the FY10'11 operating budget, as was appropriation of funding sources necessary to implement Year 1 of the plan.

The 5-Year CIP document includes a list of all capital facility and infrastructure improvements which are proposed to be undertaken during the next five years and supporting information to explain the necessity for the improvements. In addition, the CIP includes all capital equipment proposed for acquisition during this period. Cost estimates, method of funding and time schedule for the proposed improvements and equipment acquisitions are identified in the document.

The proposed 5-Year CIP totals \$33,353,785 and includes \$795,000 in land acquisition, \$2,786,126 in equipment acquisition, \$3,210,060 in building improvements, \$25,979,599 in infrastructure and recreation improvements and \$583,000 in other capital outlay.

Improvements and equipment needs for the next 5 years were submitted by department heads with a justification of necessity and a recommended time schedule for completion or acquisition. These requests were prioritized by the City Manager in view of the available funding resources and urgency of need and either retained in the proposed 5-Year Plan or deferred until future 5-Year plans are developed.

Items included in the proposed 5-Year CIP can be classified in three categories as follows:

- 1 - Corrects existing or impending deficiency
- 2 - Improves productivity/efficiency or permits reallocation of existing resources
- 3 - Enhances quality of life

Items in Category 1 comprise 49.0% of the cost of the CIP (\$16,356,801). These are improvements and equipment acquisitions which are urgently needed to correct or prevent system or infrastructure failures, threats to the public safety or welfare, and decline of service levels. Some of our currently utilized equipment is 10-20 years old or older with high maintenance costs and low operational reliability, making replacement a high priority.

Items in Category 2 are equipment acquisitions which will improve productivity and efficiency or otherwise enhance current service levels. These items represent 36.1% of the cost of the CIP (\$12,048,110).

Items in Category 3 are improvements in the area of Culture/Recreation which are viewed as important to the community in terms of enhancing the quality of life but which might receive a lower priority in view of the urgent needs which must be addressed. These items represent 14.8% of the cost of the CIP (\$4,948,874); however, it is anticipated that 21.2% of this cost (\$1,050,000) will be funded by state, county or federal grants or donations from private sources.

FISCAL IMPACT

Funding of the CIP will be accomplished through utilization of existing cash surpluses and current year operating revenues, future grants, private contributions, and impact fees. Some of the improvements proposed for the utility system are eligible for low-interest SRF financing, but it may be necessary to increase water and sewer user charges to fund debt service on financed projects as well as pay-as-you-go projects. Growth related improvements will be funded by impact fees.

Costs of all capital improvements and equipment acquisitions are distributed over 5 years as follows:

Year 1 - FY2010'11	6,857,203
Year 2 - FY2011'12	7,325,690
Year 3 - FY2012'13	9,181,767
Year 4 - FY2013'14	6,468,160
Year 5 - FY2014'15	3,520,965
5 Year Total	33,353,785

All items scheduled for Year 1 are included in the proposed FY10'11 operating budget presented to the City Commission for consideration. Changes since the 5-Year CIP was originally presented to the City Commission on August 10 are as follows:

-20,000	Deletion of irrigation wells for Little League fields
30,000	Addition of Tennis Courts & Racquetball Courts Resurfacing
<hr/>	
10,000	Total change in 5-Year CIP from original document

OTHER OPTIONS

Items may be reprioritized or deleted from the 5-Year Plan, and items not currently included may be added. The City Commissioners may choose to defer adoption of the Plan until a later date; however, adoption of a 5-year capital program is required by City Charter.

[End agenda memo]

Ms. VanBlargan read Ordinance 2010-20 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, RATIFYING, APPROVING, ACCEPTING AND ADOPTING A 5-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2010-2011 THROUGH 2014-2015; REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE AND PROVIDING FOR AN EFFECTIVE DATE.

Ms. Delmar reviewed Agenda Item 8.

Commissioner Howell asked if they could make changes if needed in six months or a year. Ms. Delmar said that year-one's projects were already adopted and approved for this year's budget but years 2-5 had been prioritized by the current perception of needs but if those needs change or something unanticipated comes up, they can be modified.

Commissioner Thornhill asked why the irrigation wells had been deleted from the list. Ms. Delmar said because we were \$22,000 in the hole in the general fund and that the wells were deferred, not deleted.

Commissioner Carter asked if the instillation of the wells was going to significantly lower the water bill and Ms. Delmar said the city would probably recover the cost during one year of irrigation from savings on the water bill. Commissioner Carter said that was a good rate of return and asked if we really wanted to defer it. She said it was a question of drawing down fund balance. The city was paying about \$20,000 a year for the last few years to irrigate the Little League fields. Staff anticipated using two irrigation wells at the cost of \$20,000. Commissioner Carter asked if the City was paying for the irrigation at the football fields as well and Ms. Delmar said no, the high school owns those fields. She said staff would like to put in the irrigation wells but it was a Commission choice and they were trying to keep the cost down understanding that it is almost a wash. Commissioner Carter said if we can find the \$20,000, the wells could be moved up the priority list.

Mayor Van Sickle said the fire sub-station on the north side of town has consistently been moved down the priority list on the 5-year plan. He said he realized that would be an expensive project but the city needed to get serious about a permanent station in the north end of the city. He said Lego Land would bring in more hotels and restaurants with some economic gain to the city and so this should be the last year that the fire sub-station is deferred. Ms. Delmar said the money would have to come out of general fund and the Commission should keep in mind that this would need either a tax increase or a reduction of expenditures. She said they were urgently seeking property for the fire station.

Commissioner Carter said we were going to spend \$30,000 for tennis court and racquetball resurfacing but not \$20,000 for the irrigation wells and wondered if there was a way to juggle those, maybe deferring the racquetball resurfacing because it seems that we will be just throwing money away. Ms. Delmar

agreed but said that the resurfacing also included the tennis courts at the Northwest Complex. Teresa Allen, Public Services Administrator, said the money was for the lighting at the racquetball courts and resurfacing at the tennis courts. Commissioner Carter asked that it be looked into.

Commissioner Howell made a motion to approve Ordinance 2010-20 after first reading. The motion was seconded by Commissioner Rogers.

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. Resolution No. 2010-11, Uniform Method of Collecting Non-Ad Valorem Special Assessments

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 a resolution electing to use the Uniform Method of Collecting Non-Ad Valorem Special Assessments for street lighting in the Brookshire subdivision.

RECOMMENDATION

It is recommended that City Commission adopt Resolution No. 2010-11 electing to use the Uniform Method of Collecting Non-Ad Valorem Special Assessments levied within the incorporated area of the City for the cost of providing decorative street lighting infrastructure to the Brookshire subdivision commencing for the Fiscal Year beginning October 1, 2011.

BACKGROUND

The City of Lake Wales has received a request from the Brookshire subdivision for the creation of a street lighting assessment. The Brookshire Home Owners Association, over the last two years, has had difficulty obtaining sufficient funds to pay for street lighting costs because development of the subdivision has been halted by problems with the economy.

One of the steps in creating a special assessment district is to adopt a resolution of intent to use the uniform method of collection for any assessment program in the calendar year prior to any such collection. The resolution must be adopted by January 1, 2011 and sent to the Polk County Tax Collector, the Polk County Property Appraiser, and the Florida Department of Revenue by January 10, 2011. By adopting this resolution, the City is simply reserving the right to use the tax bill collection method.

The notice of public hearing to adopt the resolution of intent has been published in a newspaper of general circulation on August 4th, 11th, 18th and 25th as required by Florida Statutes 197.3632.

FISCAL IMPACT

N/A

[End agenda memo]

Ms. VanBlargan read Resolution No. 2010-11 by title only.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LAKE WALES FLORIDA ELECTING TO USE THE UNIFORM METHOD OF COLLECTING NON-AD VALOREM SPECIAL ASSESSMENTS LEVIED WITHIN THE INCORPORATED AREA OF THE CITY STATING A NEED FOR SUCH LEVY PROVIDING FOR THE MAILING OF THIS RESOLUTION AND PROVIDING FOR AN EFFECTIVE DATE

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Carter asked for clarification that this be for decorative lighting and not for the standard lighting used throughout the city. Finance Director Dorothy Pendergrass said it was for 31 decorative lights, which are already in place. Brookshire residents received their first Progress Energy electric bill in March of 2007.

Commissioner Rogers said the city had no business getting between the developer and the HOA, trying to decide who should pay what bills.

Commissioner Carter made a motion to adopt Resolution No. 2010-11. The motion was seconded by Commissioner Thornhill.

Roll Call Vote:

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

The motion carried 4-1.

Agenda Item 10. Resolution No. 2010-12, Final Annual Assessment Resolution for the New Brookshire Street Lighting District

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 the final annual assessment resolution for the new Brookshire Street Lighting District

RECOMMENDATION

It is recommended that City Commission adopt Resolution No. 2010-12 creating the Brookshire Street Lighting District.

BACKGROUND

The City of Lake Wales has received a petition requesting the creation of a Street Lighting District for the Brookshire subdivision. The petition bears the signatures 67.82% of the property owners within the proposed boundaries. The proposed District will include the thirty-one (31) decorative street lighting poles. There are eighty-seven (87) platted lots within the proposed street lighting district. The estimated annual charge per platted lot is outlined in attachment Exhibit D.

FISCAL IMPACT

Annual assessment revenue as outlined in Exhibit D is expected to pay all street lighting costs relating to services, facilities and programs, excluding the electricity costs, within the Brookshire Street Lighting District.

[End agenda memo]

Ms. VanBlargan read Resolution No. 2010-12 by title only.

A RESOLUTION OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA; RELATING TO THE PROVISION OF STREET LIGHTING SERVICES, FACILITIES AND PROGRAMS WITHIN THE BROOKSHIRE STREET LIGHTING DISTRICT IN THE CITY OF LAKE WALES, FLORIDA; ESTABLISHING THE RATE OF ASSESSMENT; IMPOSING STREET LIGHTING ASSESSMENTS AGAINST ASSESSED PROPERTY LOCATED WITHIN THE DISTRICT; APPROVING AND ADOPTING THE FINAL ASSESSMENT ROLL, AND PROVIDING AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

Wes Rogers, 500 E. Bullard Avenue, was opposed to the city being a third party to a scheme that would use citizen's tax dollars to provide a bail-out for those responsible for the present condition. He was concerned with the long-term affect on city funds and explained why. He said a better solution would be to pay the power company to remove the fancy poles, replace them with standard poles, and have the HOA reimburse the city through a loan agreement.

Dave Rankin, 176 Brookshire Drive, said the problem was that 52 of the 85 lots are owned by the developer, Gary Kennedy, who is not paying his share of the dues. If he were paying his share, there would not be a problem. If the resolution passes, everyone including the developer would have to pay equally. The lights have been shut off twice for non-payment, and Mr. Kennedy controls the money and the books. Mr. Rankin said the homeowners he talked with were more than willing to pay for the lights and they feel this is the only fair solution for everyone.

James Robert Strange, 804 Casselberry Drive, agreed with Mr. Wes Rogers and Commissioner Rogers. He asked City Attorney Chuck Galloway if the broad terms in the resolution could be used by the city on other street lighting in the City to collect additional taxes from unsuspecting citizens. Mr. Galloway said not based on what he was reading in the resolution. He pointed out that the resolution allowed the creating of a lien that is on the same par as ad valorem taxes, so like in this case, when the lot owner of the 52 lots does not pay, then someone will buy a tax certificate for that. Those taxes get paid and then if they are not redeemed within three years, someone will apply for a tax deed and own the property for little or no money. You would not find an instance where an investor would not buy the tax certificate if someone did not pay their ad valorem taxes and use it for an investment vehicle. This is just a small increment so he did not see a problem with it. He said this resolution relates only to Brookshire and is not a blanket creation of an ability to use this vehicle other than for this street light district. Mr. Strange said the way it reads is very broad and in the second section there was no mention of Brookshire at all, but only an area to be assessed by the City and named as such tonight. Ms. Delmar pointed out that he was referring to the publication on the previous resolution, 2010-11, and that this resolution, 2010-12, is specific to creating an assessment for Brookshire. If the Commission adopts it, it is not create a blanket ability to sneak an assessment on residents. She confirmed that Mr. Strange was right that Resolution

2010-11 was very broad. It was broad so it could set up a mechanism whereby it could do a special assessment for a lighting district. However, it could not be accomplished without a great deal of public notice, individual notice to each affected property owner and it could not be done in secret. Resolution 2010-11 authorizes the uniform collecting method, so needs to be broad. You cannot secretly add on any kind of fee. There is also a requirement for a petition signed by at least 51% of the property owners.

Mr. Strange said he understood that the city was going to reimburse the power company for the fees each 30 days. Ms. Pendergrass said that was correct and explained the process. Ms. Delmar said it would be in Brookshire's best interest to pay for the lights themselves because of the added administrative cost. She added the city pays the light bill for all public streets in the city but this is a hybrid situation because Brookshire owns the poles and the city has to pay the light bill. This is the only way to manage that and keep the lights on for the residents during this period of difficulty with the homeowners association.

Mayor Van Sickle brought up the fact that the city does not pay for the lights at Lake Aston although they are public streets. Ms. Delmar said those streets have not been dedicated to the city so are not owned by the City of Lake Wales.

CLOSED PUBLIC HEARING

Commissioner Carter said the fundamental reason for this assessment is the safety of Brookshire residents. Those residents are entitled to safety on their streets and he was in support of this resolution.

Commissioner Thornhill said he was in favor of the resolution because it protects the Brookshire residents and makes them feel safe.

Commissioner Howell said the city manager and finance director were watching out for the city's interest; both sides can back out if they want to; and the system is a good one because it is a safety issue.

Commissioner Rogers said that though he felt bad for the homeowners, they could take the developer to court and make them pay their fair assessment. If the city is paying for everyone else's lights then the city should pay theirs, but not the rental for fancy poles. He asked the homeowners why they chose to have decorative poles and Mr. Rankin said the developer chose them, not the homeowners. Ms. Delmar said the poles were there before the construction of the homes began. Commissioner Rogers asked if the city required them to do that and Ms. Delmar said it did not.

Commissioner Howell made a motion to approve Resolution No. 2010-12. The motion was seconded by Commissioner Carter.

Roll Call Vote:

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

The motion carried 4-1.

Agenda Item 11. Install Mast Arms on Highway 60 Lighting

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Teresa Allen, Public Services Administrator]

RECOMMENDATION

Staff recommends that the City Commission approve the following action:

1. Approve the installation of eight (8) pole arms for highway 60 lighting to be installed by Montoya Electric in the amount of \$20,490.56.

SYNOPSIS

The City Commission will consider approving the installation of eight (8) pole arms on highway 60 lighting to be installed by Montoya Electric in the amount of \$20,490.56.

BACKGROUND

At its regular scheduled meeting in June 2010, the City Commission approved Resolution 2010-15 to continue an agreement between the City of Lake Wales and the State of Florida Department of Transportation for the maintenance of state highway lighting within the jurisdictional boundaries of the City. Per the agreement the City is responsible for the maintenance of 317 highway lights with an annual compensation of \$54,209.85 (317 x \$190.01 x 90%).

There are eight (8) lights in need of pole arm replacement. Montoya Electric will furnish and install the pole arms at \$2,561.32 per light (\$20,490.56). Montoya Electric is the only company being considered for this work. Montoya Electric has all the equipment necessary to do the work and for mobilization and has staff certified in maintenance of traffic (MOT), a requirement of FDOT.

The City has not been able to obtain specs on the pole arms. To obtain quotes from other companies for this work would require each company coming out to physically measure a highway pole arm, taking it down and re-installing it. Mr. Pittman with Polk County Traffic Engineering and Operations Division cannot provide us with specs for the pole arms and confirms that without specs we will have to have one pole arm measured to obtain the correct one.

Montoya Electric has been repairing and replacing FDOT light poles for Polk County for several years and is the only local contractor familiar with our poles and certified to perform this work.

FISCAL IMPACT

Funds for this replacement will be obtained through a budget transfer in the current FY 09/10 streets department budget.

OTHER OPTIONS

None, the City is responsible for the repair per our agreement with FDOT.

[End agenda memo]

Ms. Allen reviewed Agenda Item 11.

Commissioner Carter said he went looking for the eight lights that were missing arms and found them on the SR 60 overpass but asked why the location of the poles were not specified in the agenda memo. Ms. Allen said they did not have the means for getting specific addresses. FDOT, who does the inspections, told them there were eight poles needing arms. Commissioner Carter said he was concerned that it had not gone out to bid. He understood that Montoya was able to do the work but that they looked like standard 15 ft tress arms that can be seen all over town and most of Polk County. He said he was surprised that no one else would have the specifications. Ms. Allen said the reason it did not go out to bid is that each bidder would have had to come to Lake Wales to take the arm down to measure it. Even if they did not get the bid, the city would have to pay them for that work. Montoya has done this work for the county for years and so was familiar with the project, and they are the closest to Lake Wales.

Commissioner Carter said we were just taking their word that it was a good bid, and he had concerns about that. Ms. Delmar said normally there would not be eight poles to be replaced at one time. Montoya was not going to share the specifications with the competitive bidders and FDOT could not or would not provide us with the specifications so we were stuck.

Commissioner Howell made a motion to approve the installation of eight pole arms for Highway 60 lighting to be installed by Montoya Electric in the amount of \$20,490.56. The motion was seconded by Commissioner Rogers.

By Voice Vote:

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

The motion carried 5-0.

Agenda Item 12. Repair of the Auger Muffin Monster at the Waste Water Treatment Plant

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Sarah Kirkland, Utilities Support Manager]

SYNOPSIS

Staff requests commission approval to have Florida Bearings, Inc repair and re-install the Auger Muffin Monster on the head works at the Wastewater Treatment Plant.

STAFF RECOMMENDATION

It is recommended that the City Commission consider taking the following action:

1. Approve the repair and re-installation of the Auger Muffin Monster by Florida Bearings, Inc in the amount of \$23,302.60

BACKGROUND

The purpose of the Auger Muffin Monster, manufactured by JWC Environmental, Inc., is to process and grind up the solids that pass through the system. The process is the Auger Muffin Monster combines five systems into one compact footprint. First, the Muffin Monster shreds clumps of rags and solid materials that are introduced into the treatment facility at the head works. Next, solids are captured by a perforated plate screen and removed by a rotating auger. As solids are removed, dual wash water zones clean-off fecal material, while allowing the rotating auger to convey solids to the discharge point where the integrated compactor squeezes out water before depositing the cleaned and dried material into a 55-gallon drum for disposal.

When this piece of equipment is down, the shredding process has to be bypassed in an effect allowing floatable solids to pass into the system. This in turn affects the quality of the reuse end product, by having small particles of trash in the line. These small particles clog the heads and reduce the water flow output. Another issue to consider is that when the shredding function is bypassed in the processing sequence, it creates a situation in which all the other plant processing operations have to work harder to remove solids that should have been removed in the initial introduction into the plant at the head works. This situation creates a waste water plant that is not functioning as efficiently as it is designed.

Currently this piece of equipment has been down for two weeks. Staff contacted Florida Bearings, Inc to perform a diagnostic evaluation due to the fact that they are the only authorized service provider for JWC Environmental in the surrounding area. Florida Bearings, Inc has itemized what is going to be required for the repair and re-installation of the Auger Muffin Monster. Staff had originally planned for the repair and upgrade of the Auger Muffin Monster during the rehab phase of the waste water treatment plant. This piece of equipment went down two weeks ago and staff can no longer wait on the rehab of the plant to correct this problem. Staff is requesting Commission approval to contract with Florida Bearing's Inc for the repair and re-installation of this piece of equipment in the amount of \$23,302.60.

OTHER OPTIONS

None. This piece of equipment is essential to the day to day operation of the waste water treatment plant.

FISCAL IMPACT

The funding for this repair is through the M & R Treatment plants line item which is funded through operating revenues. The original budget was \$61,867.00. Currently there is \$4,616.00 available in this account. Because this piece of equipment is essential to daily operations, a budget transfer would be required to make this necessary repair. The remaining funds to cover the cost of this repair will be transferred from M & R Lines & Mains with a current balance of \$62,553.00.

[End agenda memo]

Ms. Kirkland reviewed Agenda Item 12.

Commissioner Carter said that if the treatment plant was down already for three weeks when this memo was written, then it had been down for a good long time. Ms. Kirkland said it was three weeks today and that they had bi-passed the process to keep it going. Commissioner Carter asked if there was a way to speed up the process if there was an emergency. Ms. Delmar said if it was an emergency and everything had to be shut down, they would go ahead, do the work, and get retroactive authorization.

Commissioner Thornhill made a motion to approve the repair and re-installation of the Auger Muffin Monster by Florida Bearings, Inc. in the amount of \$23,302.60. The motion was seconded by Commissioner Howell.

By Voice Vote:

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

The motion carried 5-0.

Agenda Item 13. Award of Bids for Healthcare, Dental, and Vision Insurance & Designate an Agent of Record

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Sandra Davis, Human Resources Director]

SYNOPSIS

Staff is requesting approval to award the bids for health, dental, vision and life insurance and to designate an Agent of Record.

RECOMMENDATION

Staff recommends that the City Commission take the following action:

1. Award the Bid for Health Insurance to United Healthcare (City pays 100% for employee)
2. Designate Lassiter-Ware Insurance as the Agent of Record
3. Dental Insurance to United Healthcare (employee paid)
4. Vision insurance to Advantica Eye Care (employee paid)
5. Life Insurance to Mutual of Omaha (City pays 100% for employee)
6. Authorize the City Manager to execute all applicable contract documents.

BACKGROUND

In an effort to control insurance costs and continue to offer City employees competitive insurance benefits, the City posted a Request for Proposals for Health, Dental, Vision and Life Insurance coverage. Health insurance premiums have been rapidly increasing over the last few years. Factors fueling the increases are more hospital admissions, higher charges for hospital care, and aging workforce, increased use of prescription drugs, an increase in the number of claims and an increase in expensive claims. In spite of the health insurance market, we have been able to reduce cost for FY 10'11 due to a reduction in the City's claims over the last few years.

In accordance with Section 2-417 Procurement of Commodities or Contractual Services of the City Code of Ordinances and Section 112.08 Florida Statutes, staff solicited written proposals from insurance companies. In addition, notices were mailed to insurance providers, advertised in local newspapers, posted on the City's web site, and posted on notice boards at the administration building, Library and Community Center.

The Bid opening was held on Monday, August 16, 2010 at 10:00 a.m. in Commission Chambers. We received three bids in response to our request for proposals. Bids included levels of insurance coverage, i.e. amount of deductibles, associated out of pocket expenses and physician co-payments, etc. Blue Cross & Blue Shield, Cigna and Humana declined to bid on health insurance coverage. We evaluated the proposals received based on health, dental and vision benefits providing the most economical costs to the City and its employees.

The results of the insurance bids tabulated are as follows:

HEALTH INSURANCE BIDS

Company	FUNDING	BID AMOUNT
United Healthcare	Fully Funded	\$1,124,561
Aetna	Fully Funded	\$1,317,513
Public Risk Management	Fully Funded	\$1,365,413

The proposed rate for city-paid employee medical insurance is \$488.09/mo and the rate for employee-paid family coverage is \$488.10/mo. This represents a 1.9% reduction compared to the current rate.

LIFE INSURANCE BIDS

Company	BID AMOUNT
Mutual of Omaha	15,444
Florida Combined Life Ins	15,840
Reliance Standard	15,840
Assurant	16,188
Hartford	16,152

Standard	16,626
Lincoln Financial Group	22,956

DENTAL INSURANCE BIDS

Company	BID AMOUNT
United Healthcare	14,400
Assurant	17,298
Blue Cross & Blue Shield	18,680
Met Life	18,756
Guardian	19,733
Lincoln Financial Group	21,144

VISION INSURANCE BIDS

Company	BID AMOUNT
Advantica	10,731
Eye Med	13,223
Met Life	13,440
United Healthcare	15,228
Comp Benefits	15,228

Employees will continue to pay 100% of the premium for dental and vision coverage. There is no increase in the cost for vision coverage and a small reduction in the cost of dental coverage.

AGENT OF RECORD

We are recommending Lassiter-Ware Insurance as Agent of Record due to their commitment to evaluate our benefits program and coordinate with staff to increase productivity by reducing time spent administering the benefit program. They will play an active role in our open enrollment efforts and will work with staff to be proactive in reducing costs throughout the year, rather than reactively dealing with cost increases at renewal.

Lassiter-Ware Insurance will provide employee benefit statements at no cost so employees will have a greater appreciation and understanding of the benefits provided by the City. A Lassiter-Ware staff person will be assigned to alleviate HR Staff of the day-to-day employee claim and coverage issues that will arise. A toll-free Employee Assistance Hotline will be available to employees and dependents. As the Agent of Record, Lassiter-Ware Insurance will be able to assist staff in educating employees through their Plan Selector tool which will be used by employees to learn which plan offering is right for them, while also discovering the true value of their health coverage. In addition to the services already mentioned above, we will have access to free Webinars (online training) addressing updates on Federal & State Legislation, Healthcare Reform, Employment Law Consultations and developing benefit materials such as brochures and flyers.

FISCAL IMPACT

Awarding the bid to United Healthcare will result in a 1.9% reduction in city costs compared to the adopted 09'10 budget. The costs for City paid medical insurance premiums are included in the FY 10'11 proposed budget.

OTHER OPTIONS

Don't approve any of the recommendations.

[End agenda memo]

Ms. Davis reviewed Agenda Item 13.

Commissioner Howell made a motion to:

1. Award the Bid for Health Insurance to United Healthcare (City pays 100% for employee)
2. Designate Lassiter-Ware Insurance as the Agent of Record
3. Dental Insurance to United Healthcare (employee paid)
4. Vision insurance to Advantica Eye Care (employee paid)
5. Life Insurance to Mutual of Omaha (City pays 100% for employee)
6. Authorize the City Manager to execute all applicable contract documents.

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 14. Interlocal Agreement Amendment #1 – Winter Haven Area Transit System (WHAT)

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Jennifer Nanek, Special Projects Manager]

SYNOPSIS

The Commission will consider expenditure of \$5,433 in FY10'11 as the City's "fair share" contribution to the Winter Haven Area Transit System.

RECOMMENDATION

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

1. Approve the expenditure of \$5,433.00 in FY10'11 as the City's "fair-share" contribution to the Winter Haven Area Transit System for continued transportation services in the Lake Wales area; and
2. Authorize the Mayor to execute Amendment #1 to the Interlocal Agreement with the Polk County Board of County Commissioners for the management and operation of the transit system and the commitment by the City of a \$5,433.00 "fair-share" contribution.

BACKGROUND

The Winter Haven Area Transit System is currently providing transportation service to six municipalities, one of which is Lake Wales. Service level forecasts for the WHAT system for FY10'11 are based on each municipality's commitment and is critical to the continuation of service at near current service levels. The assessed amount is based solely on the percentage of service being provided within each respective municipality and is considered a "fair-share" contribution.

In August of 2009 the Lake Wales City Commission approved an Interlocal Agreement with the Polk County Board of County Commissioners to provide funding for FY09'10 which expires on September 30, 2010. This amendment will extend this agreement until September 30, 2011 and approves the amount requested for FY10'11, \$5,433.00, which is the same amount as was paid in FY09'10.

OTHER OPTIONS

Do not approve the \$5,433 contribution and Amendment #1 to the Interlocal Agreement with Polk County.

FISCAL IMPACT

The fiscal impact is \$5,433 which is included in the proposed FY10'11 budget.

[End agenda memo]

Ms. Nanek reviewed Agenda Item 14.

Mayor Van Sickle said this project was dear to his heart because it would pay public transportation to come from Winter Haven to the Eagle Ridge Mall where it would meet up with County transportation going to Frostproof. He said the ridership was higher than one might imagine and was very much needed. He had a concern that the upcoming referendum for a ½% increase in sales tax to pay for the public transportation would be a very hard sell. If the referendum failed, Lakeland would keep their public transportation because it is paid for through city taxes, but the county will lose its public transportation. That would mean people who have lost jobs or who need job training would lose public transportation. He made a plea for people to vote for this referendum.

Commissioner Howell made a motion to:

1. Approve the expenditure of \$5,433.00 in FY10'11 as the City's "fair-share" contribution to the Winter Haven Area Transit System for continued transportation services in the Lake Wales area; and
2. Authorize the Mayor to execute Amendment #1 to the Interlocal Agreement with the Polk County Board of County Commissioners for the management and operation of the transit system and the commitment by the City of a \$5,433.00 "fair-share" contribution.

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 15. Accept the Grant Offer from the Federal Aviation Administration (FAA) for Perimeter Fencing and Apron Flood Lighting

The full staff memo is incorporated into the minutes.

[Begin agenda memo, prepared by Teresa Allen, Public Services Administrator]

SYNOPSIS

The City Commission will consider accepting a grant agreement from the Federal Aviation Administration for the construction of perimeter fencing and apron flood lighting at the Lake Wales Municipal Airport in the amount of \$191,008.00.

RECOMMENDATION

Staff recommends that the City Commission approve the following action:

1. Accept the grant from the Federal Aviation Administration (FAA) for perimeter fencing and apron flood lighting for the Lake Wales Municipal Airport in the amount of \$191,008.00.

BACKGROUND

At its regular scheduled June 15, 2010 Commission Meeting the City Commission approved Master Agreement and Task Order #12 with Hoyle, Tanner & Associates for perimeter fencing and apron flood lighting (design engineering only) for the Lake Wales Municipal Airport. The City Commission also authorized the upfront funding of \$23,000.00 from the General Fund for this project. This cost is reimbursed in the grant agreement as a preliminary expense.

On August 26, 2010, the City received notification of an allocation of \$191,008.00 from the Federal Aviation Administration (FAA). This grant is specific to the installation for perimeter fencing and apron flood lighting (construction phase) at the Lake Wales Municipal Airport. Acceptance of this offer will constitute a grant agreement by which the government will participate in the allowable cost of the project amounting to \$191,008.00 (Federal Share).

FISCAL IMPACT

Funding is as follows:

FAA	\$191,008.00
City	5,027.00 (funds will be available in the 10/11 City budget)
State	5,027.00

Project total: \$201,062.00

OTHER OPTIONS

The City could has already approved Task Order #12 with Hoyle, Tanner & Associates for design engineering for this project.

[End agenda memo]

Ms. Allen reviewed Agenda Item 15.

Commissioner Carter said this had not gone out to bid yet and Ms. Allen confirmed and said this was just for the acceptance of the grant. Commissioner Carter asked if there was a timeline once it went out for

bid. Ms. Allen said the bid already went out but could not be awarded or professional services obtained until the grant money was accepted. Commissioner Carter asked if she knew how long it would take once the bid was accepted and Ms. Allen said the timeline was roughly 90 days but she would not know for certain until the initial construction meeting after the bid was awarded.

Commissioner Rogers made a motion to accept the grant from the Federal Aviation Administration (FAA) for perimeter fencing and apron flood lighting at the Lake Wales Municipal Airport in the amount of \$191,008.00. The motion was seconded by Commissioner Howell.

By Voice Vote:

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

The motion carried 5-0.

CITY MANAGER'S REPORT

CITY COMMISSION TRACKING REPORT

Ms. Delmar said the only addition to the tracking report was that as of Friday, there were 85 citations and three arrests made for noise related offenses. She asked Commissioner Howell if it seemed quieter to her and she said it did.

COMMUNICATIONS AND PETITIONS

David Smith, Babson Park, addressed the following:

- He was concerned that there was no more PAL organization in Lake Wales, though a brand new van had been purchased to haul the kids around for that program that was now being used to haul prisoners. He asked that it be started back to get the kids off the streets.
- He asked what happened to the proclamation for Chief Mark LeVine that he had asked for about five months ago.
- He said that he heard Dinner Lake was going to provide land for the fire station. Ms. Delmar said that was Forrest Lake and that the project no longer exists. She said the development that had been approved was for a donation of some public property that doesn't exist anymore

Robert Strange, 804 Casselberry, asked if the city inspector could inspect the light poles on Hwy 60 after the arms are put up to make sure they are placed correctly. He said there used to be a company on Hwy 60 who installed a light that was turned the wrong way over a parking lot and it stayed that way for years. Since then it has been torn down and the light is proper now but the inspector should check to make sure that does not happen again. Ms. Delmar asked if FDOT inspected them and Ms. Allen said they do. Ms. Delmar said they would check into that.

Jack Neil, 435 E. Central Avenue, thanked the Commission and staff for doing a great on the budget.

CITY COMMISSION COMMENT

Commissioner Carter wanted to make sure the lights for SR 60 were the most efficient light fixtures at the proper specifications and Ms. Allen said they were but that FDOT sets the specifications.

Commissioner Carter said that the Spook Hill attraction 15 or 20 years ago had a different effect than it does today because the topography was different. He said he would like to have an ordinance presented to the

commission that would restore and preserve the Spook Hill attraction. Ms. Delmar asked if by restoring he meant to take out the landscaping that had been done in the 90's as before that time there was no landscaping. Commissioner Carter said he was not sure but it should be researched to find out at what time the attraction worked the best because it never worked for him in the nine years he lived here. A lot of people come here for that attraction and if it does not work then they will not have a good opinion of Lake Wales. He said staff should get public input and opinion. Ms. Delmar said if the commission desires staff to do that they can. Commissioner Howell said she was in favor of Spook Hill being Spook Hill again. She said it would help if the Spook Hill sign was put back across the street, the way it originally was. Mayor Van Sickle said he did not know how they would find out what does and does not work. He said when he tried the hill, he did roll up but his father-in-law was not impressed at all. Ms. Delmar said it is an optical illusion and she did not know if the added landscape had an effect on that. She said they could look into what Spook Hill looked like in the 50's and 60's. Commissioner Howell said there use to be a lake there.

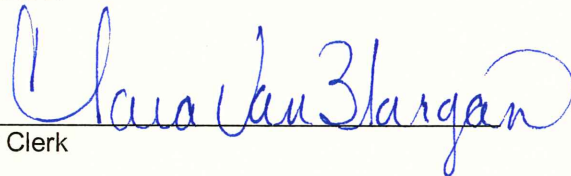
Commissioner Carter said the curb on the corner of Central Avenue and Lake Shore Blvd. was atrocious and a tragic accident waiting to happen. The handicap ramp is placed in such a way that a car coming around the corner cannot see anyone on the ramp. He said he would get some pictures of it. Mr. Moran said the only place people using the old ramp could go was into a triangle, and the ramp was not ADA compliant. Therefore, they moved it up on both sides of the street just above the lake side of the stop sign. He said they plan on placing signs there. Commissioner Carter suggested that the Police Department look into the situation because cars going 25 mph southbound on Lake Shore have 10 feet when turning west on Central Avenue to see someone in a wheel chair, a stroller, or a small child who is crossing. He said maybe signs will fix the problem but the city has a huge liability in this situation.

There being no further business, the meeting was adjourned.



Mayor/Commissioner

ATTEST:



City Clerk