

The regular meeting of the Lake Wales City Commission was held on Sept 7, 2011 at approximately 6:05 p.m. in the Commission Chambers at the Municipal Administration Building. The meeting was called to order by Mayor Michael S. Carter following the Invocation and Pledge of Allegiance.

#### **INVOCATION**

The invocation was given by Dr. Jim Moyer.

#### **PLEDGE OF ALLEGIANCE**

**COMMISSIONERS PRESENT:** Terrye Y. Howell; Jonathan Thornhill; John Paul Rogers; Betty Wojcik; Michael S. Carter, Mayor.

**COMMISSIONERS ABSENT:** None.

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

#### **MAYOR**

##### **Agenda Item 5. Proclamation: Constitution Week, September 17-23, 2011**

Mayor Carter read a proclamation proclaiming September 17 – 23 as “Constitution Week.” Sylvia Carson and Virginia Oakie accepted the proclamation on behalf of the Daughters of the American Revolution.

##### **Proclamation: National Literacy Month, September 2011**

Mayor Carter read a proclamation proclaiming the month of September 2011 as “National Literacy Month.” Bunny Parthenais and Georgiana Pentinen from the Lake Wales Literacy Council accepted the proclamation.

##### **Agenda Item 6. Polk County Commissioner Melony Bell to Present Sesquicentennial Banners to the City of Lake Wales**

Polk County Commissioner Melony Bell presented Mayor Carter with a Sesquicentennial banner.

##### **Agenda Item 7. Public Comments by email during City Commission Meetings**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

#### **SYNOPSIS**

The City Commission is asked to reconsider acceptance of emails from citizens during its meetings.

Public comment plays a vital role in decisions made by the City Commission for the betterment of the community. Not all citizens are able to attend City Commission meetings to express their concerns, views or opinions on what matters most to them such as when ordinances or resolutions are being considered for adoption. For this reason, Mayor Carter requested staff to look into the possibility of implementing a procedure where citizens can make comment during the meetings by email. This issue was discussed with the Commission in the past but not all Commissioners were in favor at the time. The IT Department said that the email capability is already available and can be utilized if the Commission wishes.

The Mayor asks that the Commission reconsider this idea to allow citizens to make comment by email during meetings. The City Clerk or Deputy City Clerk will monitor the emails for relevancy and appropriateness to an item being discussed and during Communications and Petitions. This new method will be monitored and can be eliminated by the Commission if it is not successful.

[End agenda memo]

Mayor Carter explained that residents who could not attend the City Commission meetings but viewed them on TV could now email their comments to [meeting@cityoflakewales.com](mailto:meeting@cityoflakewales.com) to be read into the record by the City Clerk during the meetings. He explained the process and asked for public comment. There was none.

Commissioner Howell said she was not sure she was in favor of it, but would see how it worked during the meeting. She asked if the mayor would limit the number of emails because the present meeting was expected to be very long. Commissioner Wojcik said she thought they should try it out at a meeting that was less crowded with agenda items.

The Mayor said he didn't think they would have to read questions and comments that had been asked and answered during the meeting. City Attorney Chuck Galloway said that all emails would have to be read into the record, unless they were deemed inappropriate, but he questioned the ability of the City Clerk to decide the appropriateness of them, and did not think she should have to bear the responsibility for doing so. He said that the Mayor has had the ability to limit or allow someone to speak during meetings, though that has only happened one or two times during the 18 years he has represented the City. Though there is no prohibition against having emails being sent in during meetings, there exist numerous recordkeeping issues such as what to do with items that should have been redacted from emails sent in and are not really public record. Mayor Carter proposed that they postpone allowing email comments until they had time to review the issues. He agreed that they should try it out during a less crowded meeting.

## **APPROVAL OF MINUTES**

**Agenda Item 8.                    Approval of Minutes:  
   August 16, Regular Meeting  
   August 17, Workshop Meeting (City Manager Candidate Interviews)  
   August 17, Special Meeting (City Manager Candidate Discussion)  
   August 22, Budget Workshop Meeting**

Commissioner Howell made a motion to approve the minutes for the August 16, 2011 regular meeting; August 17<sup>th</sup> workshop meeting; August 17<sup>th</sup> special meeting; and the August 22<sup>nd</sup> budget workshop meeting. The motion was seconded by Commissioner Rogers.

By Voice Vote:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

## **BUDGET HEARINGS**

**Agenda Item 9.                    Ordinance 2011-16, Adoption of FY2011-12 Millage Rate – 1<sup>st</sup> Reading & Public Hearing**

**Ordinance 2011-17, Adoption of FY2011-12 Budget – 1<sup>st</sup> Reading & Public Hearing**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

The Commissioners will consider adopting a millage rate of 7.9998 mills for Fiscal Year 2011-2012 which is the City's rolled-back 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 2011-16 adopting a millage rate of 7.9998 mills for FY2011-2012.
2. Approve Ordinance 2011-17 adopting an operating budget for FY2011-2012.

**BACKGROUND**

In accordance with Florida Statutes and the City Charter, Ordinances 2011-16 and 2011-17 are presented for first reading and public hearing. Ordinance 2011-16 establishes the millage rate for FY11'12, and Ordinance 2011-17 adopts the proposed FY11'12 budget. These ordinances must have separate public hearings and must be voted upon individually.

The proposed FY11'12 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 22.

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**

Assessed Value	Taxable Value		Tax Levy		
	with 1 <sup>st</sup> \$25,000 homestead exemption	with 1 <sup>st</sup> & 2 <sup>nd</sup> \$25,000 homestead exemption	7.3277 mills (current)	7.9998 mills (rolled-back)	Difference
\$60,000	\$35,000	-	\$256.47	\$279.99	\$23.52
\$75,000	\$50,000	-	\$366.39	\$399.99	\$33.60
\$100,000	-	\$50,000	\$366.39	\$399.99	\$33.60

\$150,000	-	\$100,000	\$732.77	\$799.98	\$67.21
\$175,000	-	\$125,000	\$915.96	\$999.98	\$84.02
\$200,000	-	\$150,000	\$1,099.16	\$1,199.97	\$100.81

The proposed budget as originally presented was balanced on the current millage rate of 7.3277 per \$1,000 of taxable valuation. This is 8.40% below the rolled-back rate of 7.9998 mills which is the rate that would generate the same amount of revenue with 2011 property values as the current rate generated with 2010 property values. While there would be no change in the millage rate, property owners would experience a tax reduction.

On July 19, 2011, the City Commission adopted the rolled-back rate of 7.9998 as the Interim Millage Rate to give itself some flexibility while working through the FY2011-2012 budget adoption process. Although it may be lower, the final millage rate adopted by the Commission cannot exceed the Interim Millage Rate. While the millage rate increases by .6721 per \$1,000 of taxable valuation, the property owner experiences neither a tax increase nor a tax reduction.

The following chart shows the tax levied at the current rate and the rolled-back rate for taxpayers at various assessed valuations; the difference between the two rates is also shown:

At the August 22 budget workshop, it was the consensus of the Commission to proceed into the first budget hearing with revenues increased by adoption of the rolled-back rate instead of the current rate. Accordingly, Ordinance 2011-16 has been prepared for first reading and public hearing with a tentative millage rate equal to the rolled-back rate of 7.9998 mills.

The effect of this increase on fund revenues is as follows:

General Fund	310,589
CRA Fund	53,599
Library Fund	31,092
Estimated Fund Balance at 9/30/11	<u>395,280</u>

## 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 2010 to June 2011 was 3.6%, and all user fees (i.e, water and sewer, solid waste collection, facility rental, development fees, etc.) will be increased by 3.6% on October 1.

Although a 3.6% 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 five years. Revenues from state and other intergovernmental sources are also projected to be lower than last year.

If the current millage rate is adopted, General Fund revenues in FY11'12 are projected to be \$246,695 less than budgeted in FY10'11 and \$566,675 less than actually received in FY09'10. Further, General Fund revenues are projected to be \$976,360 less than actually received in FY08'09 and \$1,487,858 less than actually received in FY07'08.

If the Commission proceeds to adopt the rolled-back rate, General Fund revenues in FY11'12 are projected to be \$63,894 more than budgeted in FY10'11, although this would still be \$256,086 less than

actually received in FY09'10. The rolled-back rate would increase FY11'12 revenues to a level that is \$665,771 less than we received in FY08'09 and \$1,177,269 less than we received in FY07'08.

**EXPENDITURE CHANGES SINCE PRESENTATION OF BUDGET**

The budget that was originally presented on August 2 and discussed during the budget workshop has been revised to include increases and reductions of expenditures as follows:

Expenditure	Item Description
-53,169	Reduce Health Ins budget (Gen Fund, -39,956; Sp Rev Funds, -4,088; Ut Fund, -9,125)
920	Add M&R Contract for Fire Dept Fuel Master system
3,725	Add contract for off-site record storage/disposal
2,866	Increase General Fund subsidy of Airport Fund
16,840	Increase Professional Services for GAI services re: April 2010 settlement (Gen Fund, +13,452; Ut Fund, +3,388)
-3,043	Reduce M&R Fleet Contract (PD vehicles, -5,077; Water Div, +100; Airport, +1,934)
-4,500	Reduce Non-Departmental Bank Service Charges
-1,150	Reduce Non-Departmental Property Taxes
5,281	Increase General Fund admin charges
1,200	Increase Water Div contract for pest control
4,720	Increase Water Div operating costs for backflow inspection program
30,829	Increase Transportation Fund road repair
52,500	Increase Transportation Fund for Polk Ave Drainage Improvements (SWFWMD joint project)
15,000	Increase CRA environmental services for Ridge Fertilizer property clean-up
-12,716	Net effect of change in Allocated Expenses
Changes following workshop	
329,507	Restore 80 Furlough hours (Gen Fund, +264,661; Sp Rev Funds, +20,524; Ut Fund, +44,322)
30,000	Add grant to Lake Wales Historic Society (Depot)
6,000	Add grant to Senior Center
45,000	Add grant to Lake Wales PAL
39,155	Increase CRA capital outlay for Entryway improvements
508,965	Total change in expenditure budget (All Funds Combined)

The changes shown in the table above affect expenditure totals in the General Fund (+\$291,366), Transportation Fund (+\$88,863), CRA Fund (+\$59,853), Library Fund (+16,785), Utilities Fund (+49,232) and Airport Fund (+2,866). Nearly two-thirds of the increase is due to the complete restoration of furlough hours as discussed by the Commission at the August 22 workshop. See chart following memo for fund by fund detail of changes.

Discussions of revenue, expenditures and fund balance that follow in this memorandum reflect a tax levy of 7.9998 mills and expenditures that are included in the chart above.

**FUND BALANCE**

The City's auditors, for several years, have strongly recommended that the General Fund have an unreserved fund balance equal to 15% to 20% of the total operating costs. Fiscal years 07'08, 08'09 and 09'10 realized General Fund unreserved fund balances of 17.88%, 24.13% and 29.51%. On July 19, 2011 the City Commission adopted Ordinance 2011-11 creating policies for the provision of emergency sinking accounts in the General Fund and the Utility System Fund. This ordinance also defines lower and upper account balance limits for these emergency sinking accounts. In the General Fund, the lower limit is set at 15% of operating expenditures budgeted for the next fiscal year and the upper limit is set at 20%; the same is true of the Utility System Fund.

In terms of the proposed FY11'12 budget as revised following the workshop, this would require a General Fund emergency sinking account balance of \$1.64 million to \$2.18 million. At 9/30/2011, \$1,854,177 (17% of revised operating expenditures budgeted for FY11'12) will be set aside in the emergency sinking fund. If current revenue and expenditure trends continue through the end of this fiscal year, it is estimated that total fund balance at September 30, 2011 will be about \$2.8 million as follows:

Inventory & Prepaid Expenses	314,820
Emergency Sinking Fund	1,854,177
Unreserved/Undesignated	670,873
Estimated Fund Balance at 9/30/11	<u>2,839,870</u>

If the proposed budget as revised following the workshop is adopted with a 7.9998 millage rate, a large portion of unreserved/undesignated funds (cash in excess of the emergency sinking fund) will be used to fund the FY11'12 budget. Although \$1,854,177 is expected to remain in this account at September 30, 2012 as required by Ordinance 2011-11, the total General Fund ending fund balance on that date will be an estimated \$2.28 million as follows:

Inventory & Prepaid Expenses	314,820
Emergency Sinking Fund	1,854,177
Unreserved/Undesignated	108,020
Estimated Fund Balance at 9/30/12	<u>2,277,017</u>

In other words, at the rolled-back millage rate with expenditures revised as discussed at the workshop, fund balance at September 30, 2012 will be \$562,853 less than it will be on October 1, 2011. Despite the fact that proposed FY11'12 expenditures are \$58,073 lower than expenditures budgeted in FY10'11 and revenues are \$63,894 higher with the 7.9998 millage rate, proposed expenditures will nevertheless exceed projected revenues by \$562,853, necessitating a spend-down of unreserved/undesignated funds.

It is important to note that the General Fund expenditure reduction occurs despite the fact that the General Fund is carrying an additional \$450,000 in expense previously funded by the CRA (Code Enforcement, Community Policing, Lingleaf Business Park) while retaining only \$58,000 in revenue that would have been contributed to the CRA before the boundary contraction.

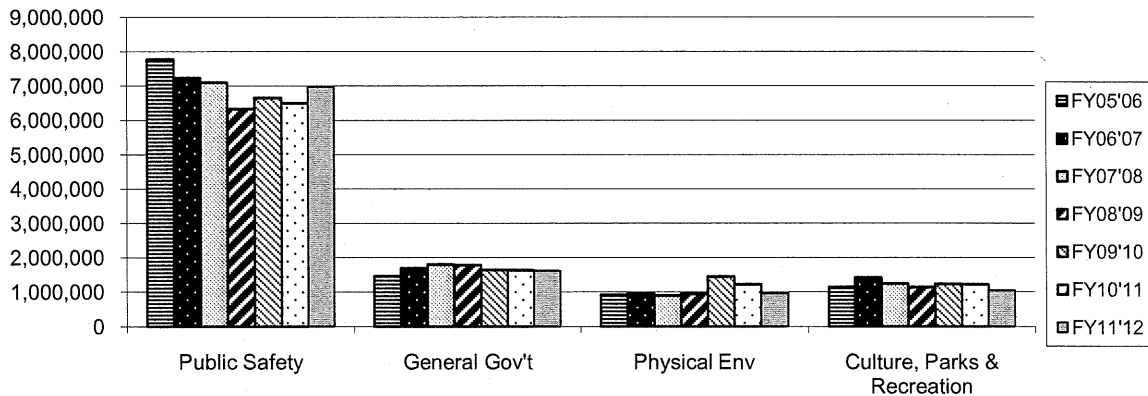
If the rolled-back rate is adopted, we are strongly recommending that the City Commission return at least an additional \$191,998 to the General Fund's unreserved/undesignated balance so that no less than \$300,000 (\$108,020 + \$191,980) remains at 9/30/12 to assist in balancing the FY12'13 budget in case the economy has not improved and revenues have not begun to increase.

## EXPENDITURE OVERVIEW

By necessity, the proposed FY11'12 Budget responds to reductions of General Fund revenues by reductions in spending on core municipal services as well as parks, recreation and other "quality of life" services. A 3% cut in payroll cost was included in the originally proposed budget through the imposition of

furlough hours, but these furlough hours were restored subsequent to the consensus of the Commission during the August 22 budget workshop.

Taking into consideration the fact that there are cost increases for fuel, utilities, insurance, pension benefits and other non-discretionary items, it is only possible to achieve cost savings 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. With the exception of a contribution to operate the 'B' Street Center that was approved by the City Commission with the conveyance of the building to the Green & Gold Foundation, no grants to outside agencies were included in the originally proposed budget. Funding of contributions to the Historic Society, the Senior Center, and PAL were added following the budget workshop.



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.

The proposed budget includes no Cost of Living Adjustment (COLA) for employees. The cost for each 1% across-the-board salary increase is approximately \$90,000. 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 \$35,835 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 FY11'12.

The proposed General Fund operating budget totals \$10,906,992 (expenditures plus transfers). This represents a reduction of .5% from the current year's budget

**SUMMARY OF ALL FUNDS**

General Fund	\$10,802,021
Special Revenue Funds	2,929,432
Debt Service Fund	2,255,877
Capital Projects Fund	775,000

Utility Svstem Fund	10.984.081
Airport Fund	260.765
<b>TOTAL</b>	<b>\$28,007,176</b>

The expenditure total of \$28,007,176 is comprised of operating costs in the amount of \$21,010,680 and capital outlay in the amount of \$6,996,496. Transfers in the amount of \$2,039,205 bring total expenditures plus transfers to \$30,046,381. The proposed operating budget expenditures for FY11'12 are 10.7% or \$3.15 million less than the total expenditures for FY10'11 (projects funded by bond proceeds are excluded from this calculation).

Capital expenditures include utility system improvements such as the rehabilitation of the wastewater treatment plant, C St. and vicinity sewer improvements, utility relocations on U.S. 27 and Mt. Lake Cut-off Road, Polk Avenue drainage improvements, fire sub-station construction, park improvements, airport master plan, and miscellaneous equipment purchases budgeted as follows:

General Fund	0
Special Revenue Funds	219.105
Capital Projects Fund	775.000
Utility Svstem Fund	5.869.951
Airport Fund	132.440
<b>TOTAL</b>	<b>\$6,996,496</b>

## REVIEW OF DEBT SERVICE

As required by Charter, a summary of the City's outstanding principal balance at September 30, 2011 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: \$5,108,777; 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: \$445,262; 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: \$4,276,382; 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: \$2,413,215; last payment 2027.

*CRA Redevelopment Revenue Note, Series 2007*; issued to finance redevelopment capital improvement projects. Annual interest rate: 3.77%. Balance: \$8,411,657; 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: \$1,504,400; 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: \$706,784; 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: \$472,698; 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: \$951,374; 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: \$872,446; 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. 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: \$92,866; last payment 2012.

*Fixed Base Operator's Prepayment Credit* for \$340,000 in leasehold improvements done by the FBO on airport property. Annual interest rate: 0%. Balance: \$133,629; last payment 2019.

The City's total indebtedness at 9/30/11 is \$25,569,490 which is equal to 4.3% of the 2011 taxable valuation of \$600,130,535. This is \$2,830,043 less than total indebtedness at 9/30/10, a reduction of 10%.

Debt payments due during FY11'12 total \$3,735,467 and represent 17.8% of the City's operating budget (excluding interfund transfers and capital outlay). A schedule showing the City's outstanding debt at September 30, 2011 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 FY11'12 budget document is provided as follows:

1. No Cost of Living Adjustment (COLA) is budgeted for employees this year.
2. A 7.3% decrease in workers' compensation, liability, property and casualty insurance premiums is budgeted in accordance with the quotes received from our property, casualty and workers' compensation providers for FY11'12 coverage.
3. A 0% increase for health care coverage is budgeted per our insurance agent.
4. Pension contribution rates have been budgeted for FY11'12 to yield the actuarially determined funding requirements calculated by the actuaries retained by the City's pension boards as follows:

Percent of Salary Contributed to Pension Plan by City			
	General Employees	Police Officers	Firefighters
FY 10'11	2.5%	24.4%	30.9%
FY 11'12	5.7%	27.9%	41.6%
Change	+3.2%	+3.5%	+10.7%

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.

The long-term sustainability of these defined benefit pension plans and the growing cost to the public are great matters of concern. By necessity, pension reform must be addressed by staff and the City Commission during the next fiscal year.

5. Changes in departmental staffing in FY11'12 as compared to FY10'11 are detailed in the following chart:

Human Resources	- 0.50	½ of Switchboard/Receptionist position transferred to Billing/Customer service to perform back-up cashier duties
Finance	+ 0.50	Part-time accounting position increased to full-time
Finance	- 0.25	Portion of accounting position transferred to Billing/Customer service
Finance	- 0.25	Accounting Manager position vacant after retirement in July 2012
Billing/Customer Service	+ 0.50	Position transferred from Human Resources to perform back-up cashier duties
Billing/Customer Service	+ 0.25	Portion of position transferred from Finance to perform supervisory duties
Billing/Customer Service	- 0.50	Vacant Billing Manager position not filled until 4/1/12
Facilities Maintenance	- 0.50	Vacant custodial position eliminated
Police Department	+ 0.50	Administrative assistant position transferred from Code Enforcement
Police Department	+ 3.00	Patrol positions increased by transfer of staff from COPS unit funded by CRA
Police Department	+ 2.00	Staff Assistant and Investigative Assistant positions added to process paperwork and perform other administrative duties previously performed by sworn officers
Community Policing	- 3.00	COPS positions eliminated to return staff to patrol positions
Code Enforcement	- 0.50	Administrative assistant position transferred to Police Admin
Utilities Operations	+ 1.00	Backflow specialist position added to implement in-house backflow inspection program
Library	- 1.25	Vacant positions unfunded
	+ 1.00	Net Change in positions since adopted FY10'11 Budget

6. Capital expenditures proposed for FY11'12 are itemized in the following chart:

Item	Cost	Funding Source
Airport – Master Plan Update	132,440	Airport Grants, General Fund
Drainage Improvements – Polk Ave at Lake Shore	52,500	Gas taxes & SWFWMD
Economic Development – Entryway Improvements	89,155	CRA Tax Increment Revenues
Fire Department – North Side Sub-station	700,000	Grants, Impact Fees
Library – Books & Subscriptions	60,000	Library Fund Revenue, Impact Fees
Parks & Recreation – Parks Parking Improvements	75,000	Impact Fees
Police Dept – Video Systems/Cameras	17,450	Byrne Law Enforcement Grants
Reuse System – LWCC Golf Course Transmission Line (Engineering)	51,200	Impact Fees
Reuse System – LWCC Golf Course Transmission Line (Construction)	750,000	SWFWMD Grant, Impact Fees, Private Contribution
Reuse System – Misc New Services	5,000	Utility System Operating Revenues
Sewer System – C St & Vicinity Improvements	934,860	CRA Bond, Tax Increment Revenues
Sewer System – Lift Station Rehabilitation	100,000	Utility System Operating Revenues
Sewer System – Lift Station Pump Replacement	15,000	Loan Proceeds, Impact Fees
Sewer System – Lift Station Upgrades – Fencing, etc	2,500	Utility System Operating Revenues
Sewer System – Utility Relocation – US 27	100,000	Utility System Operating Revenues
Sewer System – Sliplining	250,000	Utility System Operating Revenues
Sewer System - Treatment Plant Rehabilitation	3,271,391	SRF Proceeds, Operating Revenues
Water System – Utility Relocation – US 27	200,000	Utility System Operating Revenues
Water System – Utility Relocation – Mt Lake Cutoff Rd	150,000	Utility System Operating Revenues
Water System – Misc New Services	40,000	Utility System Operating Revenues

Item	Cost	Funding Source
<b>TOTAL CAPITAL EXPENDITURES</b>	\$6,996,496	

7. 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 3.6% 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	5.46	2.16	2.92	4.54	7.47	19.40	2.55	4.47
10/1/11	5.66	2.24	3.03	4.70	7.74	20.10	2.64	4.63

For inside-city residential customers using an average of 8,000 gallons per month, water charges will increase from \$25.02 to \$25.95, and sewer charges will increase from \$45.56 to \$47.19; the combined bill for water and sewer will increase from \$70.58 to \$73.14.

8. The FY11'12 Budget includes a 3.6% increase in all General Fund user fees and charges with the exception that residential solid waste collection and recycling fees will decrease as discussed below.

During FY 2010'11, residents paid monthly solid waste and recycling fees of \$20.87; i.e., \$19.77 for solid waste collection/disposal and \$1.10 for recycling. These fees were allocated for Florida Refuse contractual costs of \$14.69 (solid waste) and \$1.00 (recycling). The City retained the remaining \$5.18 (municipal service fee). The municipal service fee remains within the General Fund to fund other expenses.

During FY 2011'12, due to renegotiated terms with Florida Refuse, residents will pay a monthly solid waste and recycling fee of \$18.43; i.e., \$17.43 (solid waste) and \$1.00 (recycling). These fees will be allocated for Florida Refuse contractual costs of \$12.07 (solid waste) and \$1.00 (recycling). The City will retain the remaining \$5.36 (municipal service fee). The municipal service fee increased from \$5.18 to \$5.36 due to the June 2011 CPI increase of 3.6%.

The net effect for the residential customer is an 11.7% decrease in solid waste collection, recycling and disposal services. Commercial dumpster customers will realize an average 22% decrease per month.

9. With the exception of the items discussed below, no modifications of the organizational structure have occurred in FY10'11 or are planned for FY11'12.

#### Code Enforcement

Originally a function of the Planning and Development Department, the Code Enforcement function was transferred to the Police Department in the late 1990's to resolve some organizational issues that existed at the time.

Responding to a perceived lack of efficiency in the traditional code enforcement process, the former Police Chief made efforts to improve the Code Enforcement Department by consolidating it with the Community-Oriented Policing Section (COPS). While this approach had some success, it also had the effect of redirecting law enforcement resources (sworn staff and equipment) from traditional policing activities to community appearance concerns (high grass and weeds, signs and banners, etc.).

When the current Police Chief began his tenure, immediate attention was given to refocusing the department on basic law enforcement activities. Accordingly, Code Enforcement was transferred back to the Planning and Development Department.

### **COPS**

Since October 2008, police officers have been assigned to the COPS unit and funded by the CRA. One officer was assigned to patrol the historic Downtown and two officers were assigned to the Lincoln Avenue area. A fourth officer was assigned to Grove Manor and funded by the Lake Wales Housing Authority (50%) and the CRA (50%).

With the new Police Chief, efforts were focused on providing basic law enforcement services. Accordingly, the COPS personnel were absorbed into the general patrol function. One officer will continue to be assigned to Grove Manor and funded 50% by the Lake Wales Housing Authority, but half of the officer's time will be allocated to patrolling designated areas in the CRA.

### **Administrative Transition Plan**

Some of the duties of Assistant City Manager that were retained when taking the position as City Manager included budget preparation, TRIM compliance, and preparation of monthly financial statements for presentation to the City Commission. All of these responsibilities have now been successfully transferred to the Finance Department.

Responsibility for the monthly financial statements has been fully transferred from the City Manager to the Accounting Manager. Responsibility for the TRIM compliance process was transferred from the City Manager to the Finance Director in June of 2010, and the Finance Director now handles all of the reporting to the Department of Revenue.

Responsibility for preparing the annual budget and the 5-Year CIP was shared by the City Manager and the Finance Department this year. Parallel versions of the proposed FY11'12 budget were prepared by the Accounting Manager and the City Manager. The two versions match each other in total revenues, total expenditures, and departmental details. Presentation format is identical. The Accounting Manager has successfully converted the City Manager's budget into a document that will require less manual work in the future because it utilizes historical and year-to-date data that is imported directly from the accounting system.

Other duties connected with the Assistant City Manager position have been gradually delegated to other employees. Aside from the budget, the responsibility for the City's web site was the most complicated transition to manage, but the IT Director has successfully completed the takeover of web site maintenance responsibilities during the last twelve months.

10. As stated previously in this memorandum, significant cut-backs were necessary to balance the General Fund budget at the 7.3277 millage rate originally proposed.

To overcome revenue reductions on the one hand and cost increases for fuel, utilities, insurance, pension benefits and numerous non-discretionary items on the other hand plus the shift of \$400,000 in net expense from the CRA to the General Fund, initial budget requests submitted by the departments had to be cut by more than \$930,000.

Cuts in operating expense & capital	671,001
Cuts in payroll expense	<u>264,661</u>
Total Cuts in Budget Requests	935,662

It was only possible to achieve the required cost savings 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.

As previously discussed, it was the consensus of the Commission during the budget workshop to adopt the rolled-back rate (7.9998) as the FY11'12 tax levy and to restore the payroll cuts resulting from the imposition of furlough hours. These changes are reflected throughout this memorandum.

At the request of the Commission, we are including a list of operating and capital items that are considered essential but have been deferred until later because of revenue shortfalls in FY11'12. The list follows this memorandum.

11. Contracts, grants and other items of interest:

- The contracts with the Lake Wales Little League for field maintenance (\$60,000) and the Boys & Girls Club for operation of the Kirkland Gym (\$55,698) are budgeted at the same level of funding in FY11'12 as in FY10'11.
- The contract with Kimbrough & Associates for services relating to CRA Area 3 redevelopment is funded at the same level as in FY10'11 (\$38,250).
- There is no funding included in the proposed budget for Main Street (previously \$30,000). No request for funding in FY11'12 was submitted by this organization.
- The contribution in the amount of \$50,000 to operate the 'B' Street Center that was approved by the City Commission on December 21, 2010 with the conveyance of the building to the Green & Gold Foundation is included in the proposed budget.
- In the originally proposed budget, there was no grant funding budgeted for the Historic Lake Wales Society to operate the Depot Museum. During the workshop, the Commission added \$30,000 for this purpose.
- In the originally proposed budget, there is no grant funding budgeted for the Lake Wales Senior Center. During the workshop, the Commission added \$6,000 for this purpose.
- There was previous discussion with the Lake Wales PAL to develop a youth recreation program that would initially focus on football and basketball in return for a \$45,000 per year grant from the City. There was no funding in the originally proposed budget for such a grant. During the workshop, the Commission added \$45,000 for this purpose.
- There was previous discussion with the Recreation Commission to provide some funding to assist in performing its duties as a steering committee to coordinate community-run recreation programs and serve as a liaison between those organizations and the City. There is no provision in the proposed budget for such funding.

**CONCLUSION**

By necessity, the proposed FY11'12 Budget responds to reductions of ad valorem proceeds and other General Fund revenues with deep spending cuts. No functional area in the organization is untouched by cut-backs. As we said last year and repeat this year, most of our departments --particularly our public safety departments-- have reached the lower limit in operating cuts and can make no additional reductions without seriously compromising the quality of service to the public.

Staff worked together in an effort to close the initial \$1.5 million shortfall in General Fund budget requests, but succeeded in cutting only \$935,662. The budget originally presented proposed no increase in the current millage rate (7.3277), but did require the appropriation of nearly \$600,000 in unreserved/undesignated General Fund cash balances and an effective 3% pay cut for all employees in the form of 80 furlough hours (i.e., 10 days off without pay).

Not wanting to "balance the budget on the backs of the employees," the Commission indicated a preference for increasing the FY11'12 tax levy to the rolled-back rate of 7.9998 mills. Such an increase generates the revenue needed to restore all furlough hours and avoid a pay cut for employees. (See *Scenario 1* in chart following this memorandum. Several other scenarios are included for possible discussion.)

The revenue and expenditure numbers discussed in this memorandum reflect the rolled-back millage rate and restoration of all 80 furlough hours proposed in the originally presented budget. Revised expenditures also include the addition of funding for some outside agencies as requested by the Commission at the workshop. (See *Scenario 2*.) The net result of the revised revenue and expenditure budgets is a return of \$34,589 to fund balance, meaning that we are budgeting the spend-down of \$562,853 in unreserved/undesignated balances during FY11'12.

As stated previously, we (city manager and finance director) are strongly recommending that --if the rolled-back rate is adopted-- the City Commission return at least an additional \$191,998 to the General Fund's unreserved/undesignated balance so that no less than \$300,000 remains at 9/30/12 to help balance the FY12'13 budget in case the economy has not improved and revenues have not begun to increase. (See *Scenario 6*.) This would permit the restoration of 56 furlough hours --reducing the employee pay-cut from 3% to 1.15%-- but would not allow the funding of grants to outside agencies not included in the originally proposed budget.

There is no question that our financial resources will be severely strained for the next few years as we continue to deal with the fiscal impact of property tax reform, the problems in the housing market, and a poor economy in general. 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 actions must be taken both this year and next.

Strengthening the organization at its current size and improving the ability of our employees to provide a high level of service to the community with limited resources will continue to be a primary focus during FY11'12. By continuing to implement strong budget controls, requiring strict adherence to purchasing procedures, and maintaining the timeliness of financial reporting, it is our intent not only to complete FY11'12 without a further draw-down of cash surpluses in either the General Fund or the Utility Fund but to complete the year with cash surpluses that we can carry forward into FY12'13.

[End agenda memo]

Ms. VanBlargan read Ordinance 2011-16 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 2011-2012; PROVIDING FOR AN EFFECTIVE DATE.**

City Manager Judith Delmar reviewed Agenda Item 9, Ordinance 2011-16.

### OPENED PUBLIC HEARING

There were no public comments.

### CLOSED PUBLIC HEARING

Commissioner Rogers was concerned about the effect it would have due to the economy but said he realized that they have to make the budget work so he would go along with the higher millage rate.

Commissioner Howell made a motion to approve Ordinance 2011-16 after first reading and public hearing. The motion was seconded by Commissioner Wojcik.

By Roll Call Vote:

Commissioner Howell	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Commissioner Rogers	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

Ms. VanBlargan read Ordinance 2011-17 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 2011-2012 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.**

City Manager Judith Delmar reviewed Agenda Item 9, Ordinance 2011-17.

### OPENED PUBLIC HEARING

There were no comments from the public.

### CLOSED PUBLIC HEARING

Commissioner Thornhill said this budget was even tougher than last year's and made the following comments about why his choice was Scenario #3:

- It made the most financial sense to him.
- It would finish the gymnasium and he had received many public complaints in favor of doing so.
- It would not fund PAL. He said he was against taking on any new reoccurring debt as the City is already working on a shoestring and departments like police and fire need to be able to do their jobs. He said it looked like the economy might be far worse next year and if so, taxes may have to be raised and furloughs may have to be added.

Commissioner Wojcik said it was a very difficult budget, and she wished they could do everything that needed to be done as well as those things they would like to do. She said the Commission had requested at the budget workshop that staff add back all the deleted items so they could discuss at the present meeting what the affect would be on the overall budget with the raised millage rate and decide on what the fair thing would be. She made the following points:



- The Historic Lake Wales Society has done some wonderful things for the benefit of the community in preserving historical structures. But last year, when the City turned the buildings over to the Lake Wales Historic Society, the \$30,000 was included for the first year, similar to the agreement this year with the B Street Community Center.
- The agreement with the Green and Gold Foundation was to turn over the B Street Community Center to them upon payment of \$1.00, and with \$50,000 for only the first year. The City needs to honor that agreement because they are counting on that funding.
- The City will have to put aside capital improvement projects again. Therefore she agreed that it was not the time to be funding a totally new PAL program.
- The City cannot provide money for every organization and should discontinue support of the Lake Wales Senior Center and the Lake Wales Historic Society until the City's financial picture improves. She recommended putting the savings into the reserves.
- Commissioner Wojcik agreed that the repairs to the gymnasium need to be included.
- She said if the economy gets worse the Commission will have to make some really tough choices next year.

Commissioner Howell made the following comments:

- Staff is already down to barely getting what they need to run their departments.
- Adding unnecessary things to the budget might put the City in a tough spot so she recommended putting the money into the General Fund. But, if the consensus is to add these organizations, they need to be told it will be a onetime grant so the Commission will not have to vote on it again next year.
- She did not think it was the Commission's intention to give a grant to the Historic Society every year, but if it is added to the budget this year it needs to be with the understanding that it is only for one year.
- The money was already in the budget for the B Street Center for this year as part of the agreement and should be honored. She said that information about the reason for this contribution has confused the public and she wanted them to know it was to help them through only the first year.
- She was in favor of eliminating the employee furlough days.

Commissioner Rogers explained that the City only gets its revenue from property taxes, and user fees and that making these budget decisions was painful. He made the following comments:

- He read the June 7, 2011 minutes where he thought it said the City Commission was not obligated to pay the \$50,000 for the operation of the B Street Center. He said the City should not fund any organization because taxpayer money should be used to run the City and not to fund outside organizations when facing the possibility of employee layoffs, when the Police Chief cannot run his radar gun due to lack of funds, and when department heads have had to cut most of their budgets out. He said he was the one who made the motion to give the money to the B Street Center and to the Historic Society but the City can't afford to do it. You give to others from your abundance but the city has no abundance.
- Commissioner Rogers said he also wanted the gymnasium fixed but not until they find out why it is leaking and deteriorating.
- He wanted all the unnecessary expense removed from the budget and the money put into the General Fund or soon they may be dipping into the emergency funds. Any money left over should be given to department heads so they can do their jobs and to city employees who have not received a raise in three years even though the cost of living has risen by seven or eight percent during that time period.
- He asked the Commissioners to be prudent, cautious, and to look at the budget from a practical standpoint.
- Commissioner Rogers asked Finance Director Dorothy Pendergrass what shape the city would be in if next year if there was a 15% drop in ad valorem taxes and asked if there would be enough money in the contingency fund for the City to survive.

Ms. Pendergrass explained that if the ad valorem remains the same next year, \$453,000 will have to be taken from the emergency reserve fund to pay for reoccurring expenditures, which would reduce the reserves to below the 15% minimum the Commissioners and the auditors said we need, down to 13%. This would kick in the need of coming up with a plan to replace that money. Because departments are already working on a minimum budget and there is nothing left to cut, the Commission would then have to decide whether to raise taxes an additional mil or cut services, and that is if the property taxes remain the same. Ms. Delmar said that if property taxes drop 15% as asked by Commissioner Rogers, the mil increase would have to be much higher than 1 mil.

Ms. Delmar said that Mr. Rogers was basically describing Scenario #1 which was to:

- Use the rollback rate of 7.9998
- Restore the furlough hours
- Not add back the outside agencies that were not originally funded
- Not do the work on the gym

This would return \$115,000 to fund balance, which includes the contribution to the B Street Center but does not include contribution to the other outside agencies.

Commissioner Wojcik suggested taking another look at finishing the gym repairs after the other gym work is completed, and if SRF funding is approved, which would free up additional funds.

Mayor Carter made the following comments:

- He supported a modified version of Scenario #3
- He agreed with the others that this may not be the time to add new programs such as PAL.
- He supported contributing to the outside agencies that were helped in the past because residents use these facilities and it is a reflection on our town.
- The gym should be completed as it will provide more of an opportunity for recreation involvement, though he thought the money should be set aside and not allocated right now.
- He said it has been a horrendous two or three years and though we don't know what will happen, there is the possibility that things may not improve next year and we may have to approve a tax increase either in the form of a mil levy or higher user fees. There are a lot of capital improvement projects on the books waiting to be done and borrowing may not be the answer. He said that Ms. Pendergrass has been working on an option that would add a few dollars to each resident's utility bill to fund utility CIP projects so that 15 years down the road the City is not in the shape it could be in.
- He said that at 7.9998, the city manager was recommending would add an additional \$192,000 to the budget but that would still require a 1.15% employee pay cut. Ms. Delmar explained that using the rollback rate would restore some furlough hours, reducing the number from 80 to 56 and because we maxed out on the millage increase. She said she was stating for the record that they may have to add in some furlough hours this year so that they can balance next year's budget without a major tax increase, layoffs or furloughs.

Commissioner Howell said it was her understanding that the City agreed to contribute \$50,000 the first year to the Green and Gold Foundation to help them operate the B Street Community Center, and yet the minutes read by Commissioner Rogers seemed to suggest we didn't have to pay it. Ms. Delmar explained that the minutes Commissioner Rogers read was regarding the conveyance of additional property the Green and Gold Foundation requested so they would have room to expand. The initial motion on December 21, 2010 conveyed the B Street Center to the Green and Gold Foundation along with \$50,000 for the first year, which was the amount funded the prior year for administrative assistance and things like utilities and insurance that the City had already been paying. Staff included that in the budget because it is bound by the action of the Commission. Future Commissions are not bound by that action so if the present Commission does not want to make that contribution, it would have to rescind that motion. The Commission can't just ignore it. Ms. Delmar asked City Clerk Clara VanBlargan to read the December 21, 2010 minutes regarding the conveyance of the B Street Community Center, which she did. Commissioner Rogers asked that she also read the discussion before the motion and Ms. Delmar said it did not matter

what the discussion was because the motion controlled the outcome. City Attorney Chuck Galloway said that leaves them locked into paying \$50,000 in the 2011/12 budget unless the motion is rescinded.

Commissioner Howell asked what happened to the pool money that was transferred to the sinking account fund as she thought that money was placed there for emergencies. Ms. Delmar said it was now part of the emergency fund. Mayor Carter explained that the original money was moved from the Tax Anticipation Fund to a different name, but the amount is still there. Commissioner Wojcik said it was now part of the 17% reserve. Commissioner Rogers asked if they were dipping into the pool fund money and Ms. Pendergrass said it was part of the \$1.8 million they have in the emergency fund though they may have to dip into that fund next year to balance the budget.

Mayor Carter reopened the public hearing.

### OPENED PUBLIC HEARING

Art Falconer, Vice President of the Lake Wales Historic Society said he wanted it on record that the Lake Wales Historic Society would like to get the same amount of money as the B Street Center would be getting for operations, \$50,000, because without it they would have to close the Depot Museum and would have to cancel special events such as Pioneer Days.

David Smith, NAACP, asked that PAL be funded out of the million dollar pool fund because he was sure that money would be used in the future and they will never get a pool.

Mimi Hardman, Director of the Depot Museum, asked that they fund the Historic Society because of all the grants the organization obtained and the hard work the members have volunteered for the benefit of the City. She said if it was not funded she would resign.

Narvel Peterson and John (?), representing the "B" Street Center, spoke in favor of financially supporting the "B" Street Center.

### CLOSED PUBLIC HEARING

Commissioner Wojcik made a motion to approve after first reading and public hearing Ordinance 2011-17, Scenario #3 minus the contribution to the Lake Wales Historic Society, the Senior Center, and PAL. The motion was seconded by Commissioner Rogers.

By Roll Call Vote:

Commissioner Wojcik	"YES"
Commissioner Rogers	"YES"
Commissioner Howell	"NO"
Commissioner Thornhill	"NO"
Mayor Carter	"NO"

The motion failed 3-2.

Commissioner Thornhill made a motion to approve after first reading and public hearing Ordinance 2011-17 Scenario #3 minus the \$45,000 for gym repairs. The motion died for lack of a second.

Commissioner Howell made a motion to approve after first reading and public hearing Ordinance 2011-17 Scenario #3 with the stipulation that the funding for the Lake Wales Historic Society and the Senior Center would be a onetime grant. The motion was seconded by Commissioner Wojcik.

By Roll Call Vote:

Commissioner Howell	"YES"
Commissioner Wojcik	"YES"
Commissioner Rogers	"NO"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 4-1.

Mayor Carter called a short recess at 7:55 p.m. The meeting resumed at 8:08 p.m.

**Agenda Item 10. Ordinance 2011-18, Five-Year Capital Improvement Plan FY2011-12 - FY2015-16 – 1<sup>st</sup> Reading**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

The Commissioners will consider adopting the Five-Year Capital Improvement Plan for fiscal years 2011/12 through 2015/16.

**RECOMMENDATION**

It is recommended that the City Commission approve after first reading Ordinance 2011-18 adopting the Five-Year Capital Improvement Plan for fiscal years 2011/12 through 2015/16.

**BACKGROUND**

In accordance with section 6.05 of the City Charter, Ordinance 2011-18 adopts the proposed 5-year Capital Improvement Plan (CIP) for the period FY2011/12 through FY2015/16. Capital improvements and capital acquisitions proposed for Year 1 of the 5-Year plan are incorporated into the FY11'12 operating budget, as are appropriation of funding sources necessary to implement Year 1 of the plan.

The 5-Year CIP document includes all capital facility and infrastructure improvements which staff believes should 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 \$39,885,711 and includes \$675,000 in land acquisition, \$3,145,274 in equipment acquisition, \$3,552,275 in building improvements, \$31,597,722 in infrastructure and recreation improvements and \$915,440 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.

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 45.0% of the cost of the CIP (\$17,938,958). 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. Included in Category 1 are the \$3.3 million wastewater treatment plant rehabilitation and the \$3.1 million 'C' Street and vicinity sewer improvements project.

Items in Category 2 are improvements and equipment needed to improve productivity and efficiency or otherwise enhance current service levels. These items represent 42% of the cost of the CIP (\$16,732,924).

Items in Category 1 and 2 are not "wish list" items. All of these improvement projects and equipment acquisitions are strongly recommended by city staff.

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 13.1% of the cost of the CIP (\$5,213,829), however it is anticipated that 19.0% of this cost (\$975,000) will be funded by state, county or federal grants or donations from private sources. Grant assistance could be higher than anticipated if the economy improves and state and federal agencies resume grant funding at higher levels than they are currently.

#### **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.

Staff recognizes that the City Commission is generally opposed to assuming new debt to accomplish the projects or purchase the equipment identified in the CIP.

It is possible to fund all of the items in the Utilities CIP (\$24,316,591) on a "pay-as-you-go" basis over the next five years if we increase utility rates by approximately \$5.00 per month; however, funding the non-Utilities items (\$15,569,120) is only possible through raising taxes, borrowing, or -in limited instances- grant assistance. Options for funding the CIP will be included in the discussion at the upcoming budget workshop.

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

Year 1 - FY2011/12	6,996,496
Year 2 - FY2012/13	7,365,673
Year 3 - FY2013/14	7,698,680
Year 4 - FY2014/15	8,612,110
Year 5 - FY2015/16	9,212,752
5 Year Total	<hr/> 39,885,711

All items scheduled for Year 1 are included in the proposed FY11'12 operating budget presented to the City Commission for consideration. Funding is proposed as follows:

Operating Revenues	1,067,466
Impact Fees (Utility projects, parks improvements)	376,200
Grants (Airport Master Plan, LWCC Reuse, Fire sub-station)	1,096,579
Private Contributions (LWCC Reuse)	250,000
SRF financing (Wastewater Treatment Plant Rehab)	3,271,391
CRA Bond Proceeds ("C" St Sewer Project)	601,876
Other balances designated for capital ("C" St Sewer Project)	332,984
Year 1 Total	<u>6,996,496</u>

Changes to Year 1 since the 5-Year CIP was originally presented to the City Commission on August 2 are as follows:

39,155	Increase of budget for entryway improvements
52,500	Rescheduling of Polk Ave drainage improvements from Years 2&3 to Year 1
<u>91,655</u>	Total Change in Year 1 from original document

The reduction in the total cost of the 5-Year CIP from that originally presented relates to the fact that SWFWMD will manage the Polk Avenue drainage improvements project. The \$157,500 to be contributed to the project by SWFWMD will not be in the form of a cash grant to be expended by the City, but in the value of the asset which will be transferred to the City after the project is completed. The value of the project will be recognized upon conveyance.

[End agenda memo]

Ms. VanBlargan read Ordinance 2011-18 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 2011/12 THROUGH 2015/16; REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE AND PROVIDING FOR AN EFFECTIVE DATE.**

City Manager Judith Delmar reviewed Agenda Item 10.

Mayor Carter recommended looking into alternatives to the pay-as-you-go scenario other than the \$5.00 a month utility fee, possibly \$3.00 a month to start with. Ms. Delmar said utility rates would be discussed at the November workshop. She explained that \$5.00 a month would fund the entire 5-year CIP, but if the Commission wanted to fund only the first three years, the amount could be reduced \$3.00 a month.

Mayor Carter said the increase would affect everyone in the city, not just property owners, and so \$3.00 a month would be less of a burden and could possibly cover at least the priorities. Ms. Delmar said the highest priority items are scheduled for year one, but some of the high priorities that were on year one had to be pushed to year two.

Mayor Carter asked if they could levy a fee not associated with the utility department to cover the non-utility items instead of having to raise taxes to pay for them. He suggested adding \$1.00 to the solid waste bill. Ms. Delmar said that had been discussed in the past but they could not do it because it would be considered the equivalent of a tax and we are not authorized by State Constitution and Florida Statute to do that. Mayor Carter asked if instead of the City getting \$5.18 for administrative cost they got \$6.00 and use the difference to pay for non-utility projects. City Attorney Chuck Galloway explained that there is a constitutional prohibition against taxing without a legal basis and it has to relate to what it is. He said you could describe it as a user fee but it really would be a tax and would be construed as one, which is prohibited. Mayor Carter asked if the amount tacked onto the bill now for administration goes into the General Fund and Ms. Pendergrass said it does but for the purpose of paying for direct and indirect operating costs relating to providing that service.

Commissioner Wojcik said if the SRF funds are approved sometime in February for the C Street project, the money already expended or would have been expended would be freed up for some of the capital improvement projects, though it wouldn't be a great deal of money. Ms. Delmar concurred but added that it would have to be only for capital improvement expenditures eligible for CRA funding. The CIP projects are most likely within the bounds of the CRA, so are eligible for CRA funding, but may not be funded. Ms. Pendergrass said that all the money in utilities for the C Street project did come from the CRA fund.

Mayor Carter suggested taking this opportunity to determine the engineering needs over the next five-years for CIP projects to see if it would be cost effective to hire someone with the appropriate skill level and education to manage them. Commissioner Rogers said that some companies contract a project manager for this purpose, paying them a flat fee until the job is done, without having to pay retirement or social security. Ms. Delmar said there were many projects where a project manager at that level would be appropriate, unless governed by things like FAA regulations.

#### **OPENED TO PUBLIC COMMENT**

There were no comments from the public.

#### **CLOSED TO PUBLIC COMMENT**

Commissioner Howell made a motion to approve Ordinance 2011-18 after first reading. The motion was seconded by Commissioner Rogers.

By Roll Call Vote:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

#### **OLD BUSINESS**

**Agenda Item 11. Ordinance 2011-14, Fy10'11 Budget Amendment #4– 2<sup>nd</sup> Reading & Public Hearing**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

#### **SYNOPSIS**

The City Commission will consider approval of the fourth Amendment to FY 10'11 Budget that was adopted on September 21, 2010.

**RECOMMENDATION**

It is recommended that the City Commission adopt Ordinance 2011-14 after second reading and public hearing.

The City Commission approved Ordinance 2011-14 after first reading on August 16, 2011.

**BACKGROUND**

Ordinance 2010-19 estimating revenues and appropriating funds for Fiscal Year 2010-11 was adopted by the City Commission September 21, 2010 and amended on December 21, 2010, March 15, 2011 and April 19, 2011. We are presenting for first reading a fourth amendment of Ordinance 2010-19 to modify the estimates of revenues and appropriations budgeted in various funds. Exhibits A and B and supporting attachments provide the detail for the proposed amendment.

This budget amendment is based on unaudited financial reports for the accounting period ending on 6/30/11. The following is a summary of changes included in the proposed amendment:

Revenues & Balances Fwd	Increase(Reduction)
General Fund	107,017
Special Revenue Fund	(2,389)
Debt Service Fund	4,418
Capital Projects Fund	-
Utility System Fund	6,798
Airport Fund	-
Total Increase(Reduction) of Revenues & Balances Fwd	115,844
Appropriated Expenditures & Reserves	
General Fund	121,981
Special Revenue Fund	117,763
Debt Service Fund	-
Capital Projects Fund	121,961
Utility System Fund	98,028
Airport Fund	-
Reserves	(343,889)
Total Increase(Reductions) of Appropriated Expenditures & Reserves	115,844

The proposed budget amendment increases the City's total budgeted expenditures by \$459,733 and decreases reserves by \$343,889 for a net increase in appropriated expenditures and reserves of \$115,844 (from \$42,445,864 to \$42,561,708).

The decrease in reserves of \$343,889 is essentially due to the following items:

**Estimated Revenues and Reserve Balances:**



- Balances forward must be adjusted to conform to the audited fund balances at 9/30/10. This amendment resulted in a net decrease of \$80,801:
  - decrease of \$2,313 in the General Fund,
  - increase of \$4,418 in Debt Service Fund,
  - decrease of \$82,906 in the Utility System Fund.
- Revenues projected within the General Fund must be adjusted to reflect a net increase of \$107,017 for revenue changes realized/expected within several revenue accounts:

**Transfer (\$99,475)**

- increase of \$99,475 to the General Fund due to a transfer from the Capital Projects Fund. Between 2002 & 2003 the Capital Project Fund owed \$99,475 to the General Fund. This transaction will transfer those funds into the General Fund.

**Increased Revenues (\$148,355)**

- increase of \$2,358 in bullet proof vest grant,
- increase of \$37,526 in payment in lieu of taxes for Water's Edge,
- increase of \$2,500 from deferred revenues received in prior years for tree replacement fee,
- increase of \$4,971 from deferred revenues received in prior years for cemetery capital,
- increase of \$26,000 in gain on sale of capital assets,
- increase of \$45,000 in utility service tax – electric due to expectation of year ending balance,
- increase of \$15,000 in utility service tax – water due to expectation of year ending balance,
- increase of \$15,000 in ad valorem taxes due to expectation of year ending balance.

**Decreased Revenues (-\$138,500)**

- decrease of \$37,500 in communication service tax due to expectation of year ending balance,
- decrease of \$75,000 in franchise fee – electric due to expectation of year ending balance,
- decrease of \$26,000 in site development fee due to expectation of year ending balance.

- Revenues projected within the Special Revenue Fund must be adjusted to reflect a net decrease of \$2,389 for revenue changes realized/expected within several revenue accounts:

**Increased Revenues - Transportation Fund (\$20,000)**

- increase of \$20,000 from deferred revenues received in prior years for sidewalk fees. This revenue is proposed to be allocated towards sidewalk projects costs \$23,897. (\$3,603 for Seminole & 3<sup>rd</sup> Street, \$5,231 for MLK & Central (corner), \$10,887 for MKL & Central (New Harvest Church) and \$4,176 for 4<sup>th</sup> Street)).

**Decreased Revenues - CRA Fund (-\$22,389)**

- decrease of \$3,859 in CRA ad valorem taxes due to expectation of year ending balances,
- decrease of \$18,530 in county tax increment revenues due to expectation of year ending balances.

**Estimated Expenditures & Reserve Balances:**

- Expenditures projected within the General Fund must be adjusted to reflect a net increase of \$126,143 for expenditure changes realized/expected within several accounts:
  - Fleet Maintenance - increase of \$2,490 for ground water test required by DEP at fleet building,

- Municipal Administrative Building – increase of \$10,000 in capital outlay relating to installation/equipment for a generator transfer switch.
  - Non-Departmental - increase of \$73,092 due to settlement agreement for \$55,000 (Sims V.s City) and reimbursement to the Department of Community Affairs relating to Hurricane Jeanne for \$18,092,
  - Police – increase of \$2,358 for operating safety supplies,
  - Police – increase of \$28,749 for two police cars,
  - Fire - increase of \$21,000 for substation land lease rental,
  - Waste Disposal - decrease of (\$27,029) due to expectation of year ending balance,
  - Cemetery - increase of \$4,971 due to capital outlay fencing for \$4,567 and capital outlay security system for \$404,
  - Library - increase of \$4,162 in professional service due to impact fee study,
  - Recreation Facilities – increase of \$2,850 to Boys & Girls Club for foam termite treatment.
  - Recreation Facilities – increase of \$2,500 for additional trees at the soccer park.
  - Special Events – increase of \$1,000 due to contract services for 4<sup>th</sup> of July DJ for \$750 and porta potty rentals for \$250.
- Expenditures projected within the Special Revenue Fund must be adjusted to reflect a net increase of \$113,601 for expenditure charges realized/expected within several accounts:
    - Transportation Fund - increase of \$23,897. This increase is requested for sidewalk repair/replacement for the following locations:
      - \$3,603 for Seminole & 3<sup>rd</sup> Street,
      - \$5,231 for MLK & Central (corner),
      - \$10,887 for MKL & Central (New Harvest Church), and
      - \$4,176 for 4<sup>th</sup> Street.
    - CRA Fund – increase of \$89,704 in transfers to utility fund. This transfer appropriates the remaining bond proceeds, from Series 2007, from the CRA Fund into the Utility Fund to be used for eligible capital projects. These funds will be appropriated towards the C Street Project until the City is able to obtain SRF funding.
- Expenditures projected within the Capital Project Fund must be adjusted to reflect a net increase of \$121,961 for expenditure changes realized/expected within several accounts:
    - increase of \$99,475 for transfer to the General Fund
    - increase of \$10,000 for soccer field parking lot,
    - increase of \$12,486 for professional services relating to the impact fee study.
- Expenditures projected within the Utility System Fund must be adjusted to reflect a net increase of \$98,028 for expenditure changes realized/expected within several accounts:
    - increase of \$89,704 for C Street Project,
    - increase of \$8,324 for professional service relating to the impact fee study.

## OTHER OPTIONS

With the exception of the request for the generator transfer switch for \$10,000 for the administrative building, the sidewalk repair/replacement for \$23,897, the transfer from the Capital Projects Fund to the General Fund of \$99,475 for funds owed to the General Fund, and a transfer from the CRA to Utility Fund of \$89,704 to be used eligible capital project funding, this is primary a housekeeping ordinance to conform the budget to items approved by the City Commission.

## FISCAL IMPACT

See Exhibit A and Exhibit B attached to Ordinance 2011-14

[End agenda memo]

Ms. VanBlargan read Ordinance 2011-14 by title only.

**AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING ORDINANCE 2010-19 AS AMENDED BY ORDINANCE 2010-32, 2011-05 and 2011-07 TO MODIFY THE ESTIMATES OF EXPENDITURES FOR THE OPERATION OF THE SEVERAL DEPARTMENTS OF SAID CITY FOR THE 2010-2011 FISCAL YEAR AND TO MODIFY THE APPROPRIATION OF FUNDS RAISED AND COLLECTED FROM ALL SOURCES SET FORTH IN THE ESTIMATE OF REVENUES FOR SAID FISCAL YEAR; REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE.**

Finance Director Dorothy Pendergrass reviewed Agenda Item 11.

## OPENED PUBLIC HEARING

There were no comments by the public.

## CLOSED PUBLIC HEARING

Commissioner Thornhill made a motion to adopt Ordinance 2011-14 after second reading and public hearing. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

Commissioner Thornhill	"YES"
Commissioner Howell	"YES"
Commissioner Wojcik	"YES"
Commissioner Rogers	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

## **Agenda Item 12. Ordinance 2011-15, Cross Connection Control/Backflow Prevention Program – 2<sup>nd</sup> Reading & Public Hearing**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

## SYNOPSIS

The Commission will consider adopting an ordinance to establish a cross connection control and backflow prevention program that complies with the current requirements of FDEP. The ordinance establishes a requirement for in-house backflow prevention device inspections and a fee to reimburse the City for costs associated with the program.

## RECOMMENDATION

It is recommended that the City Commission adopt Ordinance 2011-15 after second reading and public hearing.

This ordinance was approved by the City Commission after first reading.

## **BACKGROUND**

In order to comply with regulations promulgated by the Florida Department of Environmental Protection (FDEP), Ordinance 96-06 adopted on May 21, 1996 revised the city code as it relates to the water system. The ordinance established prohibitions against cross connection, required the installation of backflow prevention devices on commercial and irrigation meters, and established the requirement for annual inspection of backflow prevention devices.

These regulations were promulgated to protect the public drinking water supply from the possibility of contamination from pollutants or other contaminants that could backflow from the customer's internal system into the public water supply system. Over the last several years, the FDEP has become more proactive in ensuring that the regulations are enforced by all providers of potable water, among whom are municipal utility departments. Accordingly, the utility must maintain annual reports to ensure that every backflow prevention device installed at a connection to the system receives a certified inspection and operational test at least once per year. Failure to do subjects the utility to fines for non-compliance with FDEP regulations.

Subsequent to discussion between citizens and the City Commission at the June 7, 2011 meeting pertaining to the cost of inspection of the devices, Commissioners asked staff to look into bringing the inspection program in-house.

At a workshop held on June 21 for the purpose of discussing the feasibility of an in-house inspection program, staff explained that the Water Division had begun enforcing a commercial backflow program about two years earlier. Implementation had been very difficult and had consumed many man-hours because it had been necessary to issue repeated reminders to the applicable customers to comply both in getting inspected and in forwarding the required inspection report to the city. Staff indicated that implementing an in-house backflow inspection program for commercial businesses and for residential customers who have irrigation meters would eliminate the administrative problems previously experienced and could reduce the cost to the public for the annual inspections. It was the consensus of the Commission that staff should prepare an ordinance to implement an in-house inspection program.

After the workshop, the City Manager and some Commissioners received concerns relating to an in-house backflow inspection program. Some of the concerns included the proposed cost of the program and the fact that the city would be competing against private business if staff performed repair services on backflow devices. A follow-up workshop was held on August 2<sup>nd</sup>. At the workshop staff outlined the proposed in-house backflow inspection program as follows

- The in-house backflow inspection program will be implemented for commercial businesses and for residential customers who have irrigation meters.
- Meters requiring annual in-house backflow inspections will be billed \$2.50 per month per meter to cover the cost of the program. The fee will be included on the monthly utility billing statement from the city.
- The program will require one full-time backflow specialist on city staff.
- The backflow specialist will be responsible for annual inspections, certifications in compliance with DEP standards, and notification to property owners of backflow devices which fail inspection.

- If the backflow specialist finds that a backflow prevention device has failed inspection, he or she will contact the customer by letter and provide the customer with the option of water termination or calling a plumber for repairs. No repairs or replacements of backflow prevention devices will be performed by the backflow specialist. All repairs and replacements will be the responsibility of the customer.
- The backflow specialist will be responsible for coordination of utility accounts which require termination due to non-compliant backflow prevention devices.

Following discussion with a local plumbing contractor, it was again the consensus of the Commission that staff should prepare an ordinance to implement an in-house inspection program.

Proposed Ordinance 2011-15 was prepared for this purpose. In addition, the ordinance adopts a cross connection control and backflow prevention program that mirrors the model programs recommended by the FDEP and the American Water Works Association.

### **OTHER OPTIONS**

Do not adopt Ordinance 2011-15 or modify the proposed language.

### **FISCAL IMPACT**

Cost to implement the program will be reimbursed by a \$2.50/month fee applied to each utility service account for commercial and irrigation meters.

[End agenda memo]

Ms. VanBlargan read Ordinance 2011-15 by title only.

**AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA AMENDING CHAPTER 21, UTILITIES, ARTICLE III. WATER SYSTEM, TO ESTABLISH A CROSS CONNECTION CONTROL AND BACKFLOW PREVENTION PROGRAM; REVISING CURRENT RULES PERTAINING TO CROSS CONNECTION CONTROL AND BACKFLOW PREVENTION; AMENDING ARTICLE VI. CHARGES FOR SERVICES, TO ESTABLISH FEE FOR ANNUAL BACKFLOW PREVENTION DEVICE INSPECTION; PROVIDING FOR AN EFFECTIVE DATE.**

Utilities Project Administrator Sarah Kirkland reviewed Agenda Item 12.

### **OPENED PUBLIC HEARING**

There were no public comments.

### **CLOSED PUBLIC HEARING**

City Attorney Chuck Galloway said that during the break someone had inquired of him whether or not this ordinance related to the plumbing code. He said he found nothing in the Florida Administrative Procedures or the wastewater code to address that, and did not understand what the person was saying the City was doing wrong. He said the Commission could either postpone adopting it, or go ahead and adopt it and amend it later if there is an issue. He asked Ms. Kirkland if she had any idea what he was referring to. Ms. Kirkland said they got the majority of their information from DEP and FWPCOA guidelines. Mr. Galloway said he thought the person was saying that the city could not do it in-house and Ms. Kirkland said the City would not be installing them. Ms. Delmar said it seemed to her that the person was saying the City can't inspect its own work but the City would not be doing the installations. It was the consensus of the Commission to go forward for approval and if needed, revisit this item.

Commissioner Howell made a motion to adopt Ordinance 2011-15 after second reading and public hearing. The motion was seconded by Commissioner Thornhill.

By Roll Call Vote:

Commissioner Howell	"YES"
Commissioner Thornhill	"YES"
Commissioner Wojcik	"YES"
Commissioner Rogers	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

### **NEW BUSINESS**

Mayor Carter asked for some of the agenda items under New Business to be discussed before Agenda Item 13.

#### **Agenda Item 24. Special Event: 36<sup>th</sup> Annual Pioneer Days Celebration and Road Closure**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

### **SYNOPSIS**

Approval of this request will allow the Pioneer Days Celebration to take place on October 28, 2011 to October 30, 2011 in Lake Wailes Park, allow vendors to set up RV's in the park, and allow for the temporary street closings for the Antique Car Parade.

### **RECOMMENDATION**

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

1. Approve the special event permit application from the Historic Lake Wales Society for the 36<sup>th</sup> Annual Pioneer Days Celebration to be held October 28, 2011 to October 30, 2011
2. Approve the temporary road closing as specified in this memorandum for the Antique Car Parade on October 29, 2011 from 11:00 a.m. to 1:30 p.m.
3. Approve the request for RV's and tents to be set up by vendors in Lake Wailes Park throughout the three-day event subject to the conditions specified by staff.

### **BACKGROUND**

Mimi Hardman, President of the Historic Lake Wales Society, submitted a Special Event Permit Application for the 36<sup>th</sup> Annual Pioneer Days celebration to be held from October 28, 2011 through October 30, 2011 at Lake Wailes Park.

This application also includes a request for vendors to set up RV's and tents in Lake Wailes Park throughout the three-day event. Vendors would like to stay on site for security reasons and protection of their property. Per Sec. 18-82 q. of the Lake Wales Code, camping is prohibited in a City park unless specifically authorized by special permit. Staff recommends that approval specify the following conditions:

- The RV's will arrive no earlier than 8 a.m. Friday, October 28, 2011 and must depart no later than

- 7 p.m. on Sunday, October 30, 2011 allowing ample time for take down and clean up.
- The RV's, vehicles, and tents will be set up in areas as designated by the City.
- No parking of vehicles will be allowed off pavement except in areas approved and designated by the City.
- No vehicles shall be parked or driven within 15 feet of the trunk of any trees within the park. Event personnel will install tape or temporary fencing to protect the trees.
- No vehicles shall drive or park on the bike path or cross the bike path.
- Vendors approved to set up inside the "horseshoe drive" across from the basketball courts, shall maintain a 15-foot distance from tree trunks. Vehicles shall be parked on the pavement only.

The event will also include the Antique Car Parade on Saturday, October 29, 2011 from 11:00 a.m. to 1:30 p.m. and requires approval of the temporary closing of several streets. The requested temporary street closings will involve the following:

To Seminole Avenue from Scenic Highway west to First Street; north on First Street from Seminole Avenue to Stuart Ave.; east on Stuart Avenue to Third Street.; Third Street to Central Ave.; Central Avenue to Lake Shore Blvd.; follow Lakeshore Blvd. to the entrance drive at Lake Wailes Park; travel on the "Horseshoe Drive" in the park until reaching Lakeshore Blvd.; cross Lakeshore Blvd. to N 5<sup>th</sup> Street and end at Crystal Lake Park.

The FDOT permit application has been submitted and pending.

On Friday, October 28, 2011, vendors and participants will be setting up in Lake Wailes Park beginning at 10:00 a.m. The main event will commence on Saturday, October 30, 2010 with the Pioneer Hour at 10:00 a.m. and will continue throughout the day with events and activities until 5:00 p.m. Sunday's activities will begin at 11:00 a.m. and will wrap up at 4:00 p.m.

#### **OTHER OPTIONS**

Do not approve the Special Event Permit Application for the Pioneer Days Celebration or the request for the road closures.

#### **FISCAL IMPACT**

In-Kind services provided by the City are projected in the FY11/12 budget to be \$5,585.00. Historic Lake Wales Society Inc. will not be responsible for 25% of in-kind services based on City Commission wishes last year.

[End agenda memo]

Commissioner Howell made a motion to approve the special event permit for the 36<sup>h</sup> Annual Pioneer Days Celebration; approve the temporary road closing as specified in this memorandum for the Antique Car Parade; and approve the request for RV's and tents to be set up by vendors in Lake Wailes Park subject to the conditions specified by staff. The motion was seconded by Commissioner Rogers.

By Voice Vote:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

**Agenda Item 25. Special Event: Lake Wales High School Homecoming Parade Road Closure**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

[End agenda memo]

**SYNOPSIS**

Approval of the street closing request will allow the Lake Wales High School Homecoming Parade to be held on Thursday, October 6, 2011.

**RECOMMENDATION**

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

1. Approve the special event permit application submitted by the Lake Wales High School for the Homecoming Parade to be held Thursday, October 6, 2011 beginning at 5:00 p.m.
2. Approve the following road closings from 4:00 p.m. to 6:00 p.m.: First Street from SR60 to Central Avenue, Central Avenue from First Street to Lakeshore Boulevard, and from Lakeshore Boulevard to Legion Field.

**BACKGROUND**

Ms. Donna Dunson, Principal of the Lake Wales High School, submitted a special event permit application for the Homecoming Parade to be held on Thursday, October 6, 2011 between the hours of 4:00 pm and 6:00 pm. Parade line up begins at 4:00 p.m. in the parking lot of Polk Avenue Elementary School off of First Street with the parade starting at 5:00 p.m. The requested temporary street closings will involve the following streets:

First Street from State Road 60 beginning at Polk Avenue Elementary School north to Central Avenue, turn right and head east on Central Avenue crossing Scenic Hwy. (SR 17) to Lakeshore Boulevard, turn left on Lakeshore Boulevard, continue to Legion Field where the parade ends.

The crossing of Scenic Hwy (SR 17) requires a road closing permit from the Florida Department of Transportation. This permit request has been submitted to the FDOT office in Bartow. All Departments have reviewed the application and recommend approval of the event. Lake Wales Police Department and VOICE will be available to provide escort for the parade and for traffic control. The Streets Department will be providing assistance with the barricades for the street closings and will take care of normal, street cleaning on Friday. The school has provided the required proof of liability insurance.

**OTHER OPTIONS**

Do not approve the request for the road closings for the event.

**FISCAL IMPACT**

In-kind services from the City for this event are budgeted at \$950.00 for FY2011/2012. Lake Wales High School is responsible for 25% of the total cost for in-kind services in the amount of \$237.00.

[End agenda memo]

Commissioner Howell made a motion to approve the special event permit for the Homecoming Parade and the road closings. The motion was seconded by Commissioner Rogers.



By Voice Vote:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

**Agenda Item 20. Pre-acceptance of Grant Award: Airport Master Plan Update**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

The City Commission will consider pre-accepting a grant award agreement from the Federal Aviation Administration for the airport Master Plan Update in the amount of \$126,768.00 and approve task order #14 with Hoyle, Tanner & Associates to conduct the airport Master Plan Update contingent upon the City's final acceptance of the grant award.

**RECOMMENDATION**

Staff recommends that the City Commission approve the following action:

1. Pre-accept the grant award from the Federal Aviation Administration (FAA) for the airport Master Plan Update for the Lake Wales Municipal Airport in the amount of \$126,768.00.
2. Approve task order #14 with Hoyle, Tanner & Associates for the Master Plan Update in the amount of \$132,440.00 contingent upon the City's final acceptance of the grant award.

**BACKGROUND**

On August 15, 2011 the city submitted an application to the Federal Aviation Administration (FAA) for the airport Master Plan Update in the amount of \$126,768.00. The last airport Master Plan Update was completed in 2004.

The hurricanes of 2004 modified the time line for the projects identified in that update due to the destruction sustained at the airport. After the airport was rebuilt, the City was able to move forward with the first elements of the planned Runway 06/24 improvements. This included acquiring additional airport land, conducting the necessary environmental review, and completing the design process. Due to various physical and project time line changes, the FAA has requested the Airport Master Plan and Airport Layout Plan drawings be updated in order to re-establish the overall airport development program.

In order to be considered for this grant, the Federal Aviation Administration (FAA) is requiring the city to pre-accept the grant offered by September 12, 2011 and approve task order #14 with Hoyle, Tanner & Associates for the project contingent upon the City's final acceptance of the grant award.

Pre-acceptance of this offer will constitute a grant pre-agreement by which the government will participate in the allowable cost of the project amounting to \$126,768.00 (Federal Share) and approval of task order #14 with Hoyle, Tanner & Associates to conduct the Master Plan Update.

This pre-acceptance step is a new requirement by the FAA to ensure the commitment of the local government to perform the project before the FAA spends time and other agency resources in administering the grant and obtaining the funding appropriation for the project.

### FISCAL IMPACT

Funding is as follows:

FAA	\$126,768.00
City	3,336.00 (funds will be available in the 11/12 City budget)
State	3,336.00

Project total: \$133,440.00

(The project total includes \$1,000.00 for an independent cost estimate that is required by the Federal Aviation Administration (FAA) for any Master Plan Update project that exceeds \$100,000.00).

### OTHER OPTIONS

If the City does not pre-accept the grant offer and pre-approve the task order with Hoyle, Tanner & Associates, the Federal Aviation Administration (FAA) will not process the grant application for the airport Master Plan Update.

The Master Plan Update is a mandatory project if further FAA grants for airport development are desired. These updates are required every five years, but the City's schedule was interrupted by the airport reconstruction following the 2004 hurricanes. This update will reestablish our five-year schedule.

[End agenda memo]

Public Service Administrator Teresa Allen reviewed Agenda Item 20 and explained that instead of pre-approving they would be approving the grant because they had received the grant in the morning mail.

Commissioner Wojcik asked if the grant required any money from the City and Ms. Allen said the total grant was \$133,440, and of that the FAA was paying \$126,768 and the state was paying \$3,336, leaving the city with \$3,336.

Mayor Carter said that Hoyle-Tanner would be getting about \$132,000 of the \$133,440 to do a study. Ms. Allen said it was for the Master Plan Update Study, and was the amount FAA approved and is paying 95% of.

Commissioner Thornhill made a motion to accept the grant award from the Federal Aviation Administration (FAA) for the airport Master Plan Update in the amount of \$126,768.00 and approve task order #14 with Hoyle, Tanner & Associates for the Master Plan Update in the amount of \$132,440.00. The motion was seconded by Commissioner Rogers.

By Voice Vote:

Commissioner Thornhill	"YES"
Commissioner Rogers	"YES"
Commissioner Wojcik	"YES"
Commissioner Howell	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

**Agenda Item 26. Appointment of Redistricting Committee**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

A redistricting committee needs to be appointed to determine boundary lines for geographic areas represented by Commission Seats 2 through 5.

**RECOMMENDATION**

Staff recommends that each commissioner appoint a citizen to serve on the redistricting committee that will define the boundaries of four city commission districts containing population that is as equal as feasible. It is recommended that the appointments be effective on October 1, 2011.

**BACKGROUND**

Now that the results of the 2010 Census have been received and compiled, it is necessary to redraw the city commission district boundary lines to ensure that each district contains population that is distributed as equally as feasible.

Although there are currently five commission districts, recent charter amendments approved by the electorate created four geographical commission districts. These geographical districts will be represented by commission seats two through five. Commission seat one will be an at-large seat and will be held by the mayor.

In accordance with the City Charter, the City Commission must appoint a districting commission comprised of 3 to 5 registered voters of the city within one year of receiving the 2010 census data.

The Charter assigns the following task to the districting commission:

Within six months after its appointment, the districting commission shall file with the city clerk a report containing a recommended plan for adjustment of either the allocation of commission seats within each commission district or adjustment of the commission district boundaries to comply with the following specifications:

- (1) Each district shall be formed of compact, contiguous property, as nearly rectangular as possible, and its boundary lines shall follow the center lines of the streets.
- (2) Each commission seat assigned to the commission districts shall represent as nearly as possible the same number of citizens as determined from population data derived from the last decennial census. The area represented by each commission seat does not differ in population by more than ten percent.

The districting commission may establish its own procedures or methodology for completing its task. Each member will be provided with a copy of the census block map and population data for each block. The goal of the districting commission will be to produce a recommendation to the City Commission for establishment of four geographical districts that are as equal in population as possible.

Exactly how a recommendation is determined will be up to the members of the districting commission. With the past two redistricting commissions, for example, each member developed an individual

recommendation that was discussed at the committee meetings where consensus was reached regarding the recommendation to the City Commission.

The City Commission must appoint the districting commission within 12 months of receiving the census data, and the districting commission must make its recommendation within six months after appointment. The census data was received in June 2011; thus, by Charter, the City has until December 2012 to complete the redistricting process.

Following the 1990 and 2000 censuses, it was possible to complete the redistricting process within 12 months of receiving the data, including the six month period allowed for committee work.

Initially, it was planned to complete the 2010 redistricting by December 2011 so that the new district boundaries would be in place for the 2012 election. However, the Charter amendments relating to the establishment of four geographical districts and one at-large district will not take effect until the April 2013 election. Because of the Charter amendments, the 2012 election must take place under the current system of five geographical districts.

Also by Charter, the ordinance implementing the districting commission recommendation and establishing the new district boundaries must be adopted no later than 90 days before the 2013 election; i.e., not later than December 31, 2012. The districting commission report must be filed no later than November 15, 2012 in order to allow two readings and adoption of an ordinance by December 31, 2012.

## **OPTIONS**

The City Commission may wish to postpone appointment of the districting commission until after the first of the year. Once appointed, the commission has six months in which to make its recommendation. The commission may be appointed as late as May 2012 and still make the required deadlines.

If the City Commission wishes to move forward and appoint a districting commission at this time, we recommend making the appointment effective on October 1, 2011. The districting commission would then have until April 1, 2012 to make its recommendation.

## **FISCAL IMPACT**

none

[End agenda memo]

Special Projects Manager Jennifer Nanek reviewed Agenda Item 26.

The Commissioners recommended the following for the Redistricting Committee

Commissioner Howell nominated Reverend Cleare  
Commissioner Wojcik nominated Jack Brandon  
Commissioner Rogers nominated Linda Kimbrough  
Mayor Carter nominated Andrea Fitterling

Commissioner Thornhill said he would turn in his recommendation the following day because his first choice canceled.

Ms. Delmar said that in the past they had one year from receiving the census and the committee had six months of that to complete their task. This time it was different because of the Charter Amendment. The changes that would be made to redistricting won't go into effect until December 2013, which is a full 18 months from the receipt of the census data. Therefore, they have a year to appoint a redistricting committee and the committee will have six months to complete their work. They have until December

2012 to complete the whole process in order to get it on the ballot so the Commission has the following two options:

- Delaying the redistricting work until later in the year as they have until May of 2012 to appoint the Committee
- Go ahead and appoint the Redistricting Committee so they can get started. Once the committee is appointed they have six months to complete it.

The consensus of the Commission was to go ahead. Ms. Delmar suggested that they vote for the nominees that were presented and vote on Commissioner Thornhill's nominee at the next meeting, The Committee could then begin their work October 1<sup>st</sup>.

Commissioner Wojcik made a motion to approve the nominees presented for the Redistricting Committee. The motion was seconded by Commissioner Thornhill.

By Voice Vote:

Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Commissioner Rogers	"YES"
Commissioner Howell	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

### **Agenda Item 13. Ordinance 2011-19, Solid Waste Services – 1<sup>st</sup> Reading**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

#### **SYNOPSIS**

Staff is recommending amendment to the Code of Ordinances for solid waste services.

#### **RECOMMENDATION**

It is recommended that the City Commission approve Ordinance 2011-19 after first reading.

#### **BACKGROUND**

On July 5, 2011, the City Commission approved updated provisions of solid waste collection, recycling, and disposal services. Changes within the solid waste administration and collection function have caused the need to update Section 17 of the City Code. These updates include the following items:

- **Section 17-4 – Administration.** The Finance Department has been assigned the responsibility for the administration of any solid waste contract authorized by the City Commission. The Finance Department will also be responsible for the billing of charges for such services.
- **Section 17-11 – Garbage and Trash.** The definition of a "Tote" has been added. The responsibility of Florida Refuse to provide totes has been defined. Within Section 17-11(g) wording has been added for residents to use "front" curbside service when possible. In instances when there are concerns relating to safety, health, or welfare of the community the public alley may be used. The City Manager or his/her designee will determine whether or not alley use is necessary for the safety, health, or welfare of the community.

- **Section 17-12 – Yard Waste.** Additional wording has been added stating that no single item shall exceed fifty (50) pounds in weight. Within Section 17-12(c) wording has been added stating that yard waste shall be placed at the curbside immediately in front of the premises if possible. In instances when there are concerns relating to safety, health, or welfare of the community, the public alley may be used. The City Manager or his/her designee will determine whether or not alley use is necessary for the safety, health, or welfare of the community.
- **Section 17-13 – Special Collection Services.** Wording has been added requiring professional tree service companies to be responsible for disposing of resident's debris relating to tree removal.
- **Section 17-35 – Fee Schedule.** An updated fee schedule for fiscal year 2011'12 has been included.

### FISCAL IMPACT

With the exception of the Finance Department taking responsibility for the solid waste contract, this is primarily a housekeeping ordinance to conform City Code Section 17 Solid Waste to items approved by the City Commission.

[End agenda memo]

Ms. VanBlargan read Ordinance 2011-19 by title only.

### **AN ORDINANCE OF CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING LAKE WALES CODE OF ORDINANCES CHAPTER 17, SOLID WASTE SERVICES, PROVIDING FOR SEVERABILITY, PROVIDING FOR AN EFFECTIVE DATE.**

Finance Director Dorothy Pendergrass reviewed Agenda Item 13.

Commissioner Howell made a motion to approve Ordinance 2011-19 after first reading. The motion was seconded by Commissioner Rogers.

By Roll Call Vote:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

### **Agenda Item 14. Ordinance 2011-20, Concerning the Legislature's Statutory Preemption of Control of Firearms and Ammunition and its Revision of 790.33, Florida Statutes – 1<sup>st</sup> Reading**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

### RECOMMENDATION

That the City Commission adopt Ordinance 2011-20 after consideration of it following its initial presentation and its second presentation and public Hearing.

## **BACKGROUND**

Section 790.33, Florida Statutes, preempted to the State of Florida the control of firearms and ammunition upon its initial adoption by the Legislature in 1987. Over the years, numerous counties and municipalities have adopted ordinances or regulations which regulate firearms and/or ammunition other than as set forth in the cited statute. The City of Lake Wales is no exception and has adopted certain provisions found in its Code of Ordinances which in some manner regulate firearms and/or ammunition. During the 2011 Legislative session, the Legislature approved a significant revision to §790.33, Fla.Stat., which reiterates the original legislative intent that control of firearms and ammunition be preempted to the State and adopts significant sanctions and penalties for violation of it. The stated intent is to require local jurisdictions to enforce state firearm laws. The penalties may be assessed against several entities, including local governments, their elected and appointed officials, employees or agents, and persons contracting with a governmental entity. Violation includes enforcement or attempted enforcement of existing provisions which were created or adopted prior to this most recent revision to §790.33, Fla.Stat., which was approved by the Governor and which will become law on October 1, 2011. In order to avoid any possibility of conflict with this enactment, Ordinance 2011-20 has been prepared to alter the Code of Ordinances to remove any provisions which violate or might be construed to violate the State's preemption.

## **FISCAL IMPACT**

None

## **ALTERNATIVES**

None that do not risk significant penalties for violation of the State's preemption.

[End agenda memo]

Ms. VanBlargan read Ordinance 2011-20 by title only.

**AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, REPEALING, PARTIALLY REPEALING, OR AMENDING CERTAIN PROVISIONS OF THE LAKE WALES CODE OF ORDINANCES WHICH CONFLICT WITH OR MAY CONFLICT WITH THE PROVISIONS OF §790.33, FLORIDA STATUTES, WHICH PREEMPTS TO THE STATE OF FLORIDA THE WHOLE OR ENTIRE FIELD OF REGULATION OF FIREARMS AND AMMUNITION; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE**

City Attorney Chuck Galloway reviewed Agenda Item 14.

City Manager Judith Delmar asked if this meant fire crackers could not be set off in a park but you could shoot a gun and Mr. Galloway said no because we have to enforce the State Statute which prohibits firearms in a park. Mayor Carter added that this requires local jurisdictions to enforce state firearm laws.

Commissioner Wojcik said if there is a need to confiscate a firearm, the police are authorized to do that under state law. Mr. Galloway said that if adopted, there will be no local firearm laws, just state law and he strongly recommended adoption. Mayor Carter said that in the same section it says it is unlawful to discharge an air-gun or BB gun but the word firearms is scratched out which could be interpreted as meaning that it was not unlawful to discharge a firearm. Mr. Galloway said it was scratched out to show that it will be removed from city code because it refers to firearms which has to be enforced through state law not city law. The City can regulate everything but firearms, such as slingshots and fire crackers. Commissioner Wojcik said that though the City can't tell people they can't shoot firearms the state does. Ms. Delmar said the City Code picks up those things not covered by Florida Statute. The state does not regulate things like air guns, BB guns and bows and arrows so the city's code does.

Commissioner Thornhill made a motion to approve Ordinance 2011-20 after first reading. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

Commissioner Thornhill	"YES"
Commissioner Howell	"YES"
Commissioner Wojcik	"YES"
Commissioner Rogers	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

**Agenda Item 15. Ordinance 2011-21, Vacation of Alley 402 E. Park Avenue, Associate Reformed Presbyterian Church of Lake Wales – 1<sup>st</sup> Reading**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

Vacation of an alley running through the residential property at 402 E. Park Ave. has been requested by the owner, the Associate Reformed Presbyterian Church of Lake Wales. Public use of the alley was apparently curtailed in 1936 when a garage was built across it, but there is no record that the alley was formally vacated. "Vacation" means that the public will no longer have a right to use the alley.

**RECOMMENDATION**

Staff recommends approval on first reading of Ordinance 2011-21 vacating an alley through the property at 402 E. Park Ave.

**BACKGROUND**

Attorney D. Andrew Hunt, representing the property owner, the Associate Reformed Presbyterian Church of Lake Wales, has requested vacation of an old alley running through the lot of a single-family house at 402 E. Park Ave. The alley runs eastward from Fourth St., parallel to and south of Park Ave., as shown on "Attachment A" to the ordinance. It is 15 feet wide and 90 feet long. A garage was built across the alley in 1936.

Several branches of platted alleys in the neighborhood have been abandoned over the years, but no record of formal abandonment of the subject alley by the City has been found. The branch alleys were replaced by an alley running off Fourth St. about 220 feet south of Park Ave. The replacement alley is labeled as "Current alley" on "Attachment A." A missing piece of the replacement alley on the south side of the church property will be dedicated to the City, according to Mr. Hunt.

There are no utilities or public improvements in the alley. Sign-offs from utility companies will be obtained prior to the public hearing on second reading of the ordinance.

Note: the strip of land on the east side of the property south of the alley to be vacated is not part of the alley, but appears to be a piece that was left out of the legal descriptions when property was transferred.

**FISCAL IMPACT**



The City's maintenance responsibilities will not change with the vacation. The City is not maintaining the alley being vacated and is already maintaining the "replacement" alley south of the church property.

#### **OTHER OPTIONS**

If the City declines to vacate the alley, the title to the church property will not be clear.

[End agenda memo]

Ms. VanBlargan read Ordinance 2011-21 by title only.

#### **AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, CLOSING, VACATING, RENOUNCING, AND DISCLAIMING ANY RIGHTS OF THE CITY AND THE PUBLIC IN AND TO AN ALLEY LYING EAST OF FOURTH STREET AS SHOWN ON "ATTACHMENT A" AND SPECIFICALLY DESCRIBED HEREIN; AND PROVIDING FOR AN EFFECTIVE DATE**

Commissioner Howell made a motion to approve Ordinance 2011-21 after first reading. The motion was seconded by Commissioner Rogers.

By Roll Call Vote:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

#### **Agenda Item 16. Approval of City Manager Employment Agreement**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

#### **SYNOPSIS**

Staff is requesting approval of the Employment Agreement between the City of Lake Wales and Therese Leary.

#### **RECOMMENDATION**

Staff recommends that the City Commission take the following action:

1. Approve the Employment Agreement between the City of Lake Wales and Therese Leary.
2. Authorize the Mayor to execute all applicable documents.

#### **BACKGROUND**

This Employment Agreement is very similar to the agreements which have been in place for other City Managers.

There are changes to this Agreement which have been requested by the City Commission and by Ms. Leary during the selection process and the subsequent discussions regarding the terms of the Employment Agreement. Those changes are as follows:

1. The City agrees to pay Employee for services rendered pursuant to this Agreement an annual base salary of one hundred thousand dollars (\$100,000) per year payable in installments at the same time as other employees of the City are paid.
2. The City further agrees to pay a sum equal to four (4) percent of the annual base salary as "deferred compensation" which will be contributed to the Employee's Deferred Compensation Retirement Plan as provided for in paragraph 8 of this Agreement.
3. The City agrees to increase said base salary and/or other benefits of the Employee in the same manner as provided for other City employees or such other greater increase which the City Commission may deem appropriate. The Employee agrees to reduce said base salary and/or other benefits of the Employee in the same manner as required for other City employees due to budgetary constraints.
4. The City shall furnish to Employee, during the term of her employment, an automobile allowance of three hundred dollars (\$300.00) per month. Employee shall be responsible for all costs of her automobile, including but not limited to, insurance, repairs, fuel, and all other costs incidental to the ownership and operation of an automobile.
5. The City shall furnish to Employee, during the term of her employment, a cell phone allowance of seventeen dollars and fifty cents (\$17.50) per pay period (\$455.00 per year). Employee shall be responsible for all costs of her cell phone.
6. The City agrees to reimburse employee for moving and relocation expenses not to exceed \$2,000.
7. The City Manager is required to reside within the City limits of the City of Lake Wales. The Employee shall have a period of up to one (1) year in which to relocate to Lake Wales.
8. The City acknowledges that Employee has certain family obligations prior to offering employment and therefore grants Employee a one-time 2 week leave in March, 2012 (or Thereabout) regardless of leave time and/or sick leave accrued by Employee up to that date.

## **FISCAL IMPACT**

The costs for the City Manager's salary and benefits are provided for in FY 11'12 proposed budget.

## **OTHER OPTIONS**

Don't approve the Employment Agreement.

[End agenda memo]

Human Resource Director Sandra Davis reviewed Agenda Item 16

Mayor Carter said he thought we were fortunate and very lucky to get Ms. Leary.

Commissioner Howell made a motion to approve the Employment Agreement between the City of Lake Wales and Therese Leary and authorize the Mayor to execute all applicable documents. The motion was seconded by Commissioner Rogers.

By Voice Vote:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

**Agenda Item 17. Approval of FY11'12, Employee Insurance Coverage**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

Staff is requesting approval to enter into contracts for health, dental, vision, life, and disability insurance coverage.

**RECOMMENDATION**

Staff recommends that the City Commission take the following actions:

1. Renew coverage for Health Insurance with United Healthcare (City pays 100% for employee).
2. Renew coverage for Dental Insurance with United Healthcare (Employee paid).
3. Renew coverage for Vision Insurance with Advantica (Employee paid).
4. Award contract for Life Insurance to Sun Life Insurance (City pays 100% for employee).
5. Award contract for Long and Short Term Disability Insurance to Sun Life Insurance (Employee paid).
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's Broker/Agent Lassiter Ware shopped the market for Health Insurance coverage. In this climate of Health Care Reform, premiums are increasing anywhere from 10% to 20%. Factors fueling the increases are mandates resulting from Healthcare Reform, more hospital admissions, higher charges for hospital care, an aging workforce, an increased use of prescription drugs, an increase in the number of claims and an increase in expensive claims. Although over the last couple of years our medical claims experience (utilization) has improved drastically, improvement is not enough to overcome all of the factors that affect premiums. In spite of an increasingly expensive health insurance market, we have been able to negotiate a flat rate (no increase) in premium cost for FY 11'12.

As you can see from the list below, a few companies declined to bid stating persistency as the reason. We have had four different carriers in the past four years, and the City has a reputation for "dumping" its carrier if a rate increase is anticipated. This is due to trying to hold the rates down by bidding the business out each year. Unfortunately this works against us because insurance companies like stability. This explains the reason for the declination letters we received this year. The results of the health insurance bids tabulated are as follows:

Medical Insurance

Company	FUNDING	BID AMOUNT
United Healthcare	Fully Funded	1,171,418.76
Aetna	Fully Funded	Declined to Bid
Blue Cross & Blue Shield	Fully Funded	Declined to Bid
Cigna	Fully Funded	Declined to Bid

**MEDICAL**

The proposed employee rate for medical insurance is \$488.09 and the family rate is \$488.10. This is the current medical rate.

**VISION**

The proposed rate monthly rate for vision insurance is low plan is employee only \$5.03, employee & spouse \$10.06, employee & child(ren) \$10.66 and family \$16.79. The buy-up plan is employee only \$6.96, employee & spouse \$13.92, employee & child(ren) 14.75 and family 23.25.

**DENTAL**

Employees will continue to pay 100% of the premium for the dental insurance. Due to heavy utilization, there is a slight increase to the dental premium as shown below:

Dental Insurance  
Low Option

Company	Current Rate/Per Month	Proposed Rate/Per Month
<b>United Healthcare</b>	Employee Only: 12.40	Employee Only: 15.00
	Employee & Spouse: 26.88	Employee & Spouse: 32.53
	Employee & Child(ren): 33.90	Employee & Child(ren): 41.02
	Family: 45.28	Family: 54.79

Dental Insurance  
High Option

Company	Current Rate/Per Month	Proposed Rate/Per Month
<b>United Healthcare</b>	Employee Only: 24.34	Employee Only: 29.45
	Employee & Spouse: 52.76	Employee & Spouse: 63.84
	Employee & Child(ren): 66.54	Employee & Child(ren): 80.51
	Family: 88.88	Family: 107.55

Dental Insurance  
Low Option

\*NOTE: This rate is lower than proposed UHC rate however the benefit is reduced

Company	Current Rate UHC/Per Month	Proposed Rate/Per Month
<b>Delta Dental</b>	Employee Only: 12.40	Employee Only: 15.68
	Employee & Spouse: 26.88	Employee & Spouse: 26.90
	Employee & Child(ren): 33.90	Employee & Child(ren): 27.09
	Family: 45.28	Family: 39.04

Dental Insurance  
High Option

Company	Current Rate UHC/Per Month	New Rate/Per Month
<b>Delta Dental</b>	Employee Only: 24.34	Employee Only: 30.49

	Employee & Spouse: 52.76	Employee & Spouse: 74.67
	Employee & Child(ren): 66.54	Employee & Child(ren): 82.20
	Family: 88.88	Family: 132.04

Dental Insurance  
Low Option

\*NOTE: This rate is lower than the proposed UHC rate however the benefit is reduced

Company	Current Rate UHC/Per Month	Proposed Rate/Per Month
<b>Delta Dental</b>	Employee Only: 12.40	Employee Only: 15.68
	Employee & Spouse: 26.88	Employee & Spouse: 26.90
	Employee & Child(ren): 33.90	Employee & Child(ren): 27.09
	Family: 45.28	Family: 39.04

Dental Insurance  
High Option

Company	Current Rate UHC/Per Month	New Rate/Per Month
<b>Delta Dental</b>	Employee Only: 24.34	Employee Only: 30.49
	Employee & Spouse: 52.76	Employee & Spouse: 74.67
	Employee & Child(ren): 66.54	Employee & Child(ren): 82.20
	Family: 88.88	Family: 132.04

Dental Insurance  
Low Option

\*NOTE: This rate is lower than proposed UHC rate however the benefit is reduced

Company	Current Rate UHC/Per Month	Proposed Rate/Per Month
<b>Lincoln</b>	Employee Only: 12.40	Employee Only: 18.60
	Employee & Spouse: 26.88	Employee & Spouse: 40.32
	Employee & Child(ren): 33.90	Employee & Child(ren): 50.85
	Family: 45.28	Family: 68.97

Dental Insurance  
High Option

Company	Current Rate UHC/Per Month	New Rate/Per Month
<b>Lincoln</b>	Employee Only: 24.34	Employee Only: 36.51
	Employee & Spouse: 52.76	Employee & Spouse: 79.14
	Employee & Child(ren): 66.54	Employee & Child(ren): 99.81
	Family: 88.88	Family: 13332

**Disability**

There is a 10% decrease in premiums for Long and Short Term disability coverage. Employees pay 100% of the premiums. The results of the bids tabulated are below:

Short Term Disability

		<b>Current The Hartford Short Term Disability</b>	<b>Lincoln Short Term Disability</b>	<b>Sun Life Short Term Disability</b>
<b>Benefits</b>				
Class / Eligibility			All Active Full Time Employees	All Active Full Time Employees
Maximum Weekly Benefit		\$1,000	\$1,000	\$1,000
Maximum Benefit Duration		25 Weeks	26 Weeks	25 Weeks
Benefit Percentage of Income		60%	60%	60%
Benefit Commences		8th day for Accident & Illness	8th day for Accident & Illness	8th day for Accident & Illness
Pre-Existing Conditions Exclusion			3 / 6	None
Rate Guarantee Period			1 Year	2 Years
Employer Contributions		\$0.00	\$0.00	\$0.00
Participation Requirements				
	<b>Age</b>	<b>Rates Per \$10 of Weekly Benefit</b>	<b>Rates Per \$10 of Weekly Benefit</b>	<b>Rates Per \$10 of Weekly Benefit</b>
	<25	\$0.79	Composite rate for all ages: \$0.77	\$0.71
	25-29	\$0.77		\$0.69
	30-34	\$0.60		\$0.54
	35-39	\$0.58		\$0.52
	40-44	\$0.79		\$0.71
	45-49	\$1.07		\$0.96
	50-54	\$1.16		\$1.04
	55-59	\$1.45		\$1.31
	60-64	\$1.93		\$1.74
	65-69	\$2.24		\$1.74
	70-74	\$2.24		\$2.02
	75-79	\$2.24		\$2.02
	80-84	\$2.24		\$2.02
	85-89	\$2.24		\$2.02
	90-94	\$2.24		\$2.02

95-99	\$2.24		\$2.02
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	<b>Current The Hartford Long-Term Disability</b>	<b>Lincoln Long-Term Disability</b>	<b>Sun Life Long-Term Disability</b>
<b>Benefits</b>			
Class / Eligibility		All Active Full Time Employees	All Active Full Time Employees
Benefit Percentage	60%	60%	60%
Monthly Benefit Maximum	\$5,000	\$5,000	\$5,000
Monthly Benefit Minimum		\$50	100
Elimination Period	180 days	180 days	180 days
Disability Definition		24 Months Own Occupation	24 Months Own Occupation
Benefit Duration		Later of Age 65 or SSNRA	SSNRA
Survivor Benefit		3 Months	3 Months
Portability		Included	Included
Pre-Existing Condition Exclusion		3 / 12	3 / 3 / 12
Rate Guarantee		2 Years	2 Years
Participation Requirements			
<b>Employees Age</b>	<b>Per \$100 of Covered Monthly Payroll</b>	<b>Per \$100 of Covered Monthly Payroll</b>	<b>Per \$100 of Covered Monthly Payroll</b>
<25	\$0.16	\$0.17	\$0.15
25-29	\$0.18	\$0.17	\$0.17
30-34	\$0.21	\$0.26	\$0.20
35-39	\$0.31	\$0.37	\$0.29
40-44	\$0.53	\$0.48	\$0.50
45-49	\$0.93	\$0.82	\$0.88
50-54	\$1.35	\$1.16	\$1.28
55-59	\$1.53	\$1.71	\$1.45
60-64	\$1.63	\$1.62	\$1.55
65-69	\$1.46	\$1.07	\$1.39
70-74	\$1.46	\$0.75	\$1.39
75-79	\$1.46	\$0.75	\$1.39
80-84	\$1.46	\$0.75	\$1.39
85-89	\$1.46	\$0.75	\$1.39
90-94	\$1.46	\$0.75	\$1.39
95-99	\$1.46	\$0.75	\$1.39

**LIFE**

There is a 10 % decrease in premiums for Life Insurance coverage. The City Pays 100% of the premiums. The results of the bids tabulated are below:

		<b>Current Mutual of Omaha Basic Life and AD&amp;D</b>	<b>Lincoln Basic Life and AD&amp;D</b>	<b>Sun Life Basic Life and AD&amp;D</b>
<b>Rates</b>	<b>Volume</b>			
Rate per \$1,000- Life	\$6,595,900.00	\$0.170	\$0.220	\$0.150
Rate per \$1,000- AD&D		\$0.025	\$0.032	\$0.025
<b>Combined Monthly Life &amp; AD&amp;D Rate</b>		<b>\$0.195</b>	<b>\$0.252</b>	<b>\$0.175</b>
<b>Estimated Monthly Premium</b>		<b>\$1,286.20</b>	<b>\$1,662.17</b>	<b>\$1,154.28</b>
<b>Estimated Annual Premium</b>		<b>\$15,434.41</b>	<b>\$19,946.00</b>	<b>\$13,851.39</b>
<b>Percentage Change From Current</b>			<b>29.23%</b>	<b>-10.26%</b>
<b>Annual Dollar Change From Current</b>			<b>\$4,511.60</b>	<b>(\$1,583.02)</b>

### FISCAL IMPACT

Renewing coverage with United Healthcare will result in no increase in medical cost in the proposed 11'12 budget. Awarding the bid to Sun Life for life insurance coverage will result in a -10.26% decrease in cost to the city compared to the adopted 10'11 budget.

### OTHER OPTIONS

Don't approve any of the recommendations.

[End agenda memo]

Human Resources Director Sandra Davis reviewed Agenda Item 17.

Mayor Carter said the City has a reputation for dumping carriers if the rate increases and asked what effect that has. Ms. Davis said eventually we would have companies unwilling to bid. This year there were no bids from Aetna, Blue Cross and Blue Shield, and Cigna so next year the City may have to accept an increase. Ms. Delmar said the City has not had an increase in four or five years but at some point our luck will not hold out. Commissioner Howell said it was embarrassing and Ms. Davis said she wouldn't say it was embarrassing, but companies know if they go up on the rates the City will change companies. On one hand it is good because the City saves money, but on the other hand it is bad because companies know we won't stay with them if they go up on their rates. She said we may want to stay with a company for a while so we can change our reputation. Ms. Delmar said that from the City's point of view it is good, but from the company's point of view it is bad.

Commissioner Howell made a motion to:

1. Renew coverage for Health Insurance with United Healthcare (City pays 100% for employee).



2. Renew coverage for Dental Insurance with United Healthcare (Employee paid).
3. Renew coverage for Vision Insurance with Advantica (Employee paid).
4. Award contract for Life Insurance to Sun Life Insurance (City pays 100% for employee).
5. Award contract for Long and Short Term Disability Insurance to Sun Life Insurance (Employee paid).
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 Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

**Agenda Item 18. Approval of Time Extension: Villa Ridge Town Homes PDP, Burns Avenue**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

The Commission is requested to approve an extension of time on the preliminary PDP plan approval for Villa Ridge Townhomes on the north side of Burns Avenue.

**RECOMMENDATION**

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

At its July 26, 2011, the Planning and Zoning Board voted unanimously to recommend approval of a one-year extension of time for the Villa Ridge Townhomes PDP approval.

**Request**

Gregory Bell, owner, has requested a fifth one-year extension on the referenced project, originally approved by the City Commission June 20, 2006 and extended for one-year on July 17, 2007, June 17, 2008, June 16, 2009 and again on August 3, 2010. Preliminary plan approvals expire one year from the date of approval unless a site development permit or building permit application has been submitted. The request for extension was made prior to the expiration of the approval. Mr. Bell stated that the real estate market conditions have not changed since last year; therefore they were not able to proceed with the development of their project.

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

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

**OTHER OPTIONS**

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

[End agenda memo]

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

By Voice Vote:

Commissioner Thornhill	"YES"
Commissioner Howell	"YES"
Commissioner Wojcik	"YES"
Commissioner Rogers	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

**Agenda Item 19. Award of Contract: Title Search Services**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

The Commission will award a contract for delivery of title search services for the preparation of easements which must be acquired by the City for the "C" Street sewer replacement project

**RECOMMENDATION**

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

1. Approve the award of contract for delivery of title search services for the subject project to All Service Title, Inc., for delivery of the title evidence in accordance with the terms of its proposal submitted to the City for the required services.
2. Authorize the City Manager or her designee to direct that All Service Title, Inc., proceed with delivery of the title evidence to the City Attorney in accordance with the terms of the City's Request for Proposal, #11-337.

**BACKGROUND**

The "C" Street Sewer Project includes replacement of much of the existing sewer infrastructure in the northwest area of the community. Integral to the project is the acquisition of easements in which the replacement sewer lines will be installed. The engineering plans for the project have been prepared by Envisors, inc., and the plans indicate the 209 parcels over which easements are required. The number of parcels may change slightly (increase or decrease) as the project proceeds. A title search must be performed for each parcel in order to accurately identify the owners who have the right to convey the

required easements to the City. These searches will also identify any existing easements or restrictions which may impact the location of the easements sought.

On July 31, 2011, staff advertised Request for Proposal #11-337, Title Search Services. The Bid opening took place on August 16, 2011. Three companies submitted proposals. The Project Director, Tom Moran, Utilities Director, identified All Service Title, Inc., as the low bidder. The bidders are shown on the attached Bid Tabulation Sheet.

### **FISCAL IMPACT**

The low bidder, All Service Title, Inc., has agreed to perform the searches for \$175.00 each. The total for the 209 contemplated parcels is the sum of \$36,575.00. Project funds are allocated for this purpose.

### **ALTERNATIVES**

None; the title searches are necessary in order for the City to acquire good title to the easements required for the project.

[End agenda memo]

City Attorney Chuck Galloway reviewed Agenda Item 19.

Mayor Carter said if we couldn't get a Lake Wales' firm at least one in Winter Haven is the next best thing. Mr. Galloway said the Lake Wales firm said that they did not have sufficient staff to do the job within the required time limit of six weeks.

Commissioner Howell asked if the city would have to pay for a search if the property owner could prove he owned the property. Mr. Galloway said a title search would still have to be done on each one.

Commissioner Wojcik made a motion to approve the award of contract for title search services to All Service Title, Inc., and authorize the City Manager or her designee to proceed with the delivery to the City Attorney. The motion was seconded by Commissioner Howell.

By Voice Vote:

Commissioner Wojcik	"YES"
Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

### **Agenda Item 21. Approval of CenterState Bank Changes of Interest Rate and Fee Schedule**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

### **SYNOPSIS**

The City Commission will consider approval of CenterState Bank interest rates and fee changes for FY 2010'11 and FY 2011'12.

## RECOMMENDATION

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

1. Approve CenterState Bank's interest rate, effective September 15, 2011 through September 14, 2012.
2. Approve CenterState Bank's service fee schedule as provided in Attachment A, effective July 1, 2011 through September 30, 2012.

## BACKGROUND

On July 7, 2009, City Commission selected CenterState Bank for banking services. The initial term of the contract was for one year and three months (July 2009 thru September 2010) with three (3) additional one-year terms (FY 2010'11, 2011'12 and 2012'13), provided both parties could annually negotiate mutually acceptable terms.

### Proposed Changes in Interest Rates

On August 9, 2011, CenterState Bank offered the City the following interest rates effective September 15, 2011. These rates will remain in effect for twelve months.

- The two savings accounts, currently paying 1% interest, would change to 0.60%
- All other checking accounts, currently paying 0.60% would change to 0.40%

**Note:** Certificate of deposits will be negotiated as they mature. Current certificate of deposits are paying 1% and will mature on August 22, 2012.

A summary review of the proposed interest rates reveals a 39% reduction in estimated interest income currently offered by CenterState Bank on the City's checking and savings accounts. The proposed interest rates offered by CenterState Bank are above rate quotes provided by other similar local banks. Bank of America has provided a rate quote of 0.25% and SunTrust has provided a rate quote of 0.12% based on the same information reviewed by CenterState Bank.

City staff recommends acceptance of the current interest rates being offered by CenterStat

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**CenterState Bank  
Summary Review of Proposed Interest Rates**

<u>Checking &amp; Savings Accounts</u>	<u>Account Type</u>	<u>Average Balance</u>	<u>Proposed Interest Rate</u>	<u>Current Interest Rate</u>	<u>Proposed Average Annual Interest</u>	<u>Current Average Annual Interest</u>	<u>Estimated Annual Interest Increase (Decrease)</u>
General - Emergency Sinking	Saving	1,802,659	0.60%	1.00%	10,816	18,027	(7,211)
Saving Account	Saving	4,808,466	0.60%	1.00%	28,851	48,085	(19,234)
Operating Account	Checking	1,394,416	0.40%	0.60%	5,578	8,366	(2,788)
Merchant Service	Checking	115,502	0.40%	0.60%	462	693	(231)
Police Forfeiture	Checking	5,939	0.40%	0.60%	24	36	(12)
Utility Capacity Reservation	Checking	17,131	0.40%	0.60%	69	103	(34)
Utility - Series 2003 Sinking	Checking	46,923	0.40%	0.60%	188	282	(94)
Utility - Series 2006A Sinking	Checking	716,507	0.40%	0.60%	2,866	4,299	(1,433)
Utility - Series 2006B Sinking	Checking	149,884	0.40%	0.60%	600	899	(299)
Fire North Rescue Impact Fee	Checking	103,853	0.40%	0.60%	415	623	(208)
Fire Rescue Impact Fee	Checking	13,654	0.40%	0.60%	55	82	(27)
Library Impact Fee	Checking	35,424	0.40%	0.60%	142	213	(71)
Parks & Recreation Impact fee	Checking	16,689	0.40%	0.60%	67	100	(33)
Police Service Impact Fee	Checking	116,025	0.40%	0.60%	464	696	(232)
Wastewater System Impact Fee	Checking	106,147	0.40%	0.60%	425	637	(212)
Water System Impact fee	Checking	195,843	0.40%	0.60%	783	1,175	(392)
		<u>9,645,062</u>			<u>51,805</u>	<u>84,316</u>	<u>(32,511)</u>
							-39%
<b>Investments*</b>							
CD - Library Impact Fee	Cert. of Deposit	200,822.00		1.000%	Renewal date 08/22/2012		
CD - Park & Rec. Impact Fee	Cert. of Deposit	240,986.00		1.000%	Renewal date 08/22/2012		
CD - SRF Reserve	Cert. of Deposit	211,387.00		1.000%	Renewal date 08/22/2012		
CD - Wastewater Impact Fee	Cert. of Deposit	903,701.00		1.000%	Renewal date 08/22/2012		
CD - Water Impact Fee	Cert. of Deposit	150,616.00		1.000%	Renewal date 08/22/2012		

\* Investments are handled by the Investment Committee. The City currently have several CD's with CenterState Bank.

**Proposed Changes in Bank Fee Pricing**

On June 7, 2011, CenterState Bank provided updated pricing relating to their fee schedule. The fee schedule has been included as Attachment A. A summary review of the proposed pricing, based on the last twelve months of transaction types reveals an estimated annual reduction in costs to the City of \$2,252.

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CenterState Bank  
Summary Review of Proposed Pricing  
Effective Date - July 1, 2011

Services	Proposed Fee Schedule July, 2011	RFP Fee Schedule July, 2009	Total Annual Transactions	Proposed Fee Schedule	Existing Fee Schedule	Estimated Annual Fee Increase (Decrease)
Monthly Maintenance Fee	10.00	10.00	12.00	120.00	120.00	-
Checks Paid	0.06	0.12	4,156.00	249.36	498.72	(249.36)
Items Deposited	0.06	0.12	47,301.00	2,838.06	5,676.12	(2,838.06)
ACH/Electronic Credit	0.12	0.12	363.00	43.56	43.56	-
ACH/Electronic Debit	0.12	0.12	188.00	22.56	22.56	-
Outgoing Wire Transfers	10.00	10.00	9.00	90.00	90.00	-
Chargeback Items Per Item	7.00	6.50	167.00	1,169.00	1,085.50	83.50
Stop Payment Per Item	32.00	5.00	2.00	64.00	10.00	54.00
Insufficient Funds Per Item	32.00	32.00	-	-	-	-
Online Cash Management	25.00	25.00	12.00	300.00	300.00	-
ACH Origination Monthly Maintenance	25.00		12.00	300.00	-	300.00
ACH Origination Per File	5.00	5.00	13.00	65.00	65.00	-
ACH Origination Per Item	0.07	0.11	11,290.00	790.30	1,241.90	(451.60)
ACH Return Item	2.00		13.00	26.00	-	26.00
ACH Notification of Change (NOC)	1.50		25.00	37.50	-	37.50
Positive Pay/ACH Filter Monthly Maintenance	50.00		13.00	650.00	-	650.00
Positive Pay/ACH Filter Per Item	0.03		4,534.00	136.02	-	136.02
Remote Image Cash Letter Monthly Maintenance	40.00	40.00		-	-	-
Remote Image Cash Letter Per Item	0.06			-	-	-
			68,110.00	6,901.36	9,153.36	(2,252.00)

**FISCAL IMPACT**

Based on quoted interest rates, estimated annual interest income is as follows:

CenterState Bank	(0.60% and 0.40%)	\$ 51,805
Bank of America	(0.25%)	24,114
SunTrust Bank	(0.12%)	11,574

Based on the updated fee schedule provided by CenterState Bank and historic transaction types, the City is expected to receive an annual reduction in bank fees of \$2,252.

[End agenda memo]

Finance Director Dorothy Pendergrass reviewed Agenda Item 21.

Commissioner Rogers asked if Ms. Pendergrass reconciled with CenterState Bank as he knew she was not satisfied with them during the robbery. Ms. Pendergrass said she no longer had safety concerns because of the controls staff put into place in the Finance Department through IT. So they now are looking at yield and CenterState is not only a good local bank, but offers the best rates. She added that Bank of America and SunTrust did not want to negotiate and she has not found any bank that could beat CenterState's rates at this time. Mayor Carter said it looked like we will save \$200 a month.

Commissioner Rogers made a motion to approve CenterState Bank's interest rate, effective September 15, 2011 through September 14, 2012 and approve CenterState Bank's service fee schedule effective July 1, 2011 through September 30, 2012. The motion was seconded by Commissioner Howell.

By Voice Vote:

Commissioner Rogers "YES"

Commissioner Howell	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

**Agenda Item 22. Authorization and Acceptance of DRF Amendment 1 to Loan Agreement WW530300 For the Wastewater Treatment Plant (WWTP)**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

The City Commission will consider approval of SRF Amendment 1 to Loan Agreement WW530300.

**RECOMMENDATION**

It is recommended that City Commission take the following actions:

1. Approval of Amendment 1 to Loan Agreement WW530300;
2. Authorize the Mayor to execute Amendment 1 to the loan agreement, on the City's behalf.

**BACKGROUND**

On September 22, 2010, Florida Department of Environmental Protection (FDEP) provided a letter to the City stating that \$3,937,342, excluding capitalized interest, in construction funding was available for the City's Treatment and Transmission Facilities Project No. WW530300 as a result of the September 15, 2010 public hearing held by the Department.

On August 1, 2011, FDEP stated that based on the low bid amount received by the City on the WWTP the City may be listed for a loan increase of \$401,096. Staff was instructed that no further action was required and that a loan amendment providing for the additional funds would be sent to the City, probably in late August or early September.

On August 18, 2011, staff received Amendment 1 for Loan WW530300, which consists of \$4,338,438 authorized for disbursement to the City and \$67,900 of capitalized interest (loan principal amount of \$4,406,338). The annual interest rate is 2.17%. Amendment 1 is due back to FDEP by 10/01/2011. If not received by October 1, 2011, this additional loan may be subject to a higher interest rate.

**FISCAL IMPACT**

The City currently does not have sufficient utility reserves for pay-as-you-go capital relating to the additional estimated construction costs of \$401,096. The interest rate offered by SRF of 2.17% is below the current market rate of 4.00%.

[End agenda memo]

Finance Director Dorothy Pendergrass reviewed Agenda Item 22.

Commissioner Rogers made a motion to approve Amendment 1 to Loan Agreement WW530300 and authorize the Mayor to execute Amendment 1 on the City's behalf. The motion was seconded by Commissioner Howell.

By Voice Vote:

Commissioner Rogers	"YES"
Commissioner Howell	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

### **Agenda Item 23. Authorization to Dispose of Surplus Property**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

#### **SYNOPSIS**

Staff is seeking authorization to dispose of surplus vehicles and equipment identified on the Schedule of Surplus Equipment and post them for auction on GovDeals.com.

#### **RECOMMENDATION**

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

1. Authorize disposal of items identified in Schedule of Surplus Equipment 2011.
2. Authorize staff to post surplus vehicles and equipment on GovDeals.com.
3. Determine that any items not purchased at Public Auction be considered as having no commercial value and authorize the disposal of these items by sale as scrap or by disposal as deemed appropriate by the City Manager.

#### **BACKGROUND**

In accordance with Sec. 2-476 of the City Code, the City Commission may classify as surplus any of its property that is obsolete or the continued use of which is uneconomical or inefficient, or which serves no useful function or purpose.

Authority for the disposal of surplus property for which the initial purchase price equals or exceeds \$750.00 shall be recorded in the official minutes of the City Commission. Such authority shall include approval of the method of disposal and the estimated value of the property. Authority for the disposal of surplus property for which the initial purchase price does not equal or exceed \$750.00 shall be granted to the City Manager.

Property, the value of which the City estimates to be under five thousand dollars may be disposed of in the most efficient and cost-effective means as determined by the City Commission. In this case, the most practical way to dispose of surplus items will be post the vehicles and equipment on GovDeals.com for auction.

Equipment for which the initial purchase price equals or exceeds \$750.00 is listed on the schedule attached to this memo. This list will be made part of the official record.

The Chief of Police has determined that these vehicles have outlived their usefulness, have excessive mileage and/or need extensive repairs.



**FISCAL IMPACT**

Proceeds from the public auction will be deposited into the general fund.

[End agenda memo]

Purchasing Director Bonnie Hodge reviewed Agenda Item 23.

Mayor Carter asked if Ms. Hodge was happy with the prior use of GovDeals.com in disposing of surplus. Ms. Hodge said that the City did very well financially last time.

Commissioner Howell made a motion to authorize the disposal of the identified items, authorize staff to post surplus vehicles and equipment on GovDeals.com., and authorize the disposal of leftover items by sale as scrap or by a method deemed appropriate by the City Manager. The motion was seconded by Commissioner Rogers.

By Voice Vote:

Commissioner Howell	"YES"
Commissioner Rogers	"YES"
Commissioner Wojcik	"YES"
Commissioner Thornhill	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

**CITY MANAGER'S REPORT**

**City Commission Tracking Report:**

There were no additions or changes to the Tracking Report

**COMMUNICATIONS AND PETITIONS**

No were no public comments.

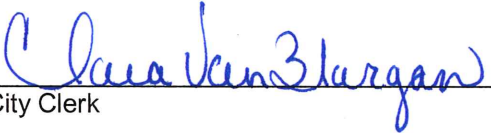
**CITY COMMISSION COMMENTS**

There were no comments.

There being no further business, the meeting was adjourned at approximately 9:07 p.m.

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

ATTEST:

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