

A workshop meeting of the City Commission was held on April 2, 2012 at 5:00 p.m. in the Commission Chamber at the Municipal Administration Building. The meeting was called to order by Mayor Michael S. Carter.

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

COMMISSIONERS ABSENT: None

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

[Meetings are recorded but not transcribed verbatim]

Agenda Item 2. Disposal of Billy Allen Grove – Conversion to a Cemetery

SUBJECT

Billy Allen Grove's vis-à-vis Cemetery

Staff has prepared a packet (attached) containing the relevant information regarding the disposition of the Billy Allen Groves. The area was previously identified as a proposed cemetery by the then City Commission.

Staff would like the present City Commission to review and discuss the information and to provide direction to the staff regarding the disposition of the property.

Public Works Director Tom Moran reviewed Agenda Item 2.

Mr. Moran said the first question to be answered is if the City wants to stay in the cemetery business or if we want to just maintain the ones we have. If we don't want a new cemetery, we need to decide what to do with the property. If we continue to lease the property to Billy Allen we will at least be getting money from the lease.

Mayor Carter made the following comments:

- Mayor Carter said they were excellent questions and it may be that we decide to let private companies take over the cemetery business.
- According to the information they received in their agenda packet, it will take three-and-a-half million dollars to construct a ten-acre cemetery. Finance Director Dorothy Pendergrass said there is no significant future funding for a new cemetery and it would have to be paid for with other funding sources. She explained that cemeteries are not money makers. \$35,000 is the yearly estimate the city receives for selling plots, and yet it cost \$145,000 for operating them. When all the plots are sold, the city will still have the reoccurring operational cost.
- Once the cemeteries we have are full, the City will receive no further revenue to off-set the cost and yet from now to perpetuity the City will have to maintain them.
- Mayor Carter said he would like to see a fiscal analysis.

Commissioner Rogers made the following comments:

- Mr. Allen is using about 45 acres of useful grove land, producing approximately three to four hundred boxes of fruit per acre per year at one and a half to two dollars a pound. Mayor Carter said the proposed lease agreement is not based on property yield but is a flat fee of \$40,000 annually.
- Commissioner Rogers said that discontinuing cemetery services will be an emotional issue and yet it costs a great deal of money to sustain them, though the \$40,000 for the Billy Allen lease would off-set the cost. It needs to be opened for public input and opinion before deciding.

- Commissioner Rogers mentioned that fifteen to thirty years ago the city robbed the \$200,000 cemetery fund for, he believed, a fire truck and the funds were never replaced. If it had been, the interest from it would be sufficient to sustain the present cemeteries. Finance Director Dorothy Pendergrass said the statement "that the City 'robbed' the cemetery money" was inaccurate because all the money in the cemetery fund has been accounted for and she can provide a spreadsheet depicting the capital outlay and cemetery trust fund that past City Manager Judith Delmar put together last year. Commissioner Rogers insisted that the money had been transferred out and never was returned.
- Commissioner Rogers said they needed to move slowly and consider if the city can afford to build another cemetery.

Commissioner Wojcik made the following comments:

- Commissioner Wojcik asked where the money for sale of lots goes and Ms. Pendergrass explained the system for the deferred revenue fund that was approved by our auditors. She explained that 25% of the sale of a plot goes into a trust fund for small capital outlay items, presently \$26,000, which is tracked by the City.
- Commissioner Wojcik asked for a comparison of costs with surrounding communities to see if we are charging enough. Public Service Administrator Teresa Allen explained the rates for burial and cremation, for inside, customers outside the city that use city water, and outside resident rates. She said she did a survey in the past and found that Lake Wales had amongst the lowest rates and that people from outside the city come here because the outside rate in Lake Wales is still lower than the inside rate where they live. She said she can do another survey and they can certainly charge more if the Commission wishes.
- Commissioner Wojcik said that even if we decide to build the cemetery, it will take one and a half to two years just to complete the preconstruction work before even starting the construction phase. Mr. Moran said suggested doing the preliminary work, the platting and conceptual design on all 45 acres, so when it comes time for the construction it can be broken into 5 acre parcels, or even 2 acre parcels.

Mayor Carter was concerned that once a cemetery is constructed you couldn't sell the rest of the land because no one would want to build a house next to a cemetery. Commissioner Rogers explained that there are RIB's (Rapid Infiltration Basins) on each side of that land so no houses could be built next to the cemetery anyway.

Commissioner Thornhill made the following comments:

- Commissioner Thornhill asked how long it will take to sell the existing 500 cemetery lots. He said we could get an idea from how long it took per acre to sell the existing lots. Ms. Allen said she would have to gather that information.
- Commissioner Thornhill said it will cost more than three-and-a-half million dollars to build the cemetery but may take a long time to generate the money from the sale of the 5,000 lots we can get on the ten acres, so we may not be able to afford it.
- Commissioner Thornhill said there are issues on both sides because family members buried in Lake Wales may want to be buried near their deceased loved ones and not in another city, and yet the city may not be able to afford it. Ms. Allen said there could be church-run or private-run cemeteries in Lake Wailes instead of city-run.

Commissioner Howell made the following comments:

- Commissioner Howell said she could not imagine not having a cemetery in Lake Wales because people who lived here should have the opportunity to be buried here and not have to go to another city. One can no longer be born in Lake Wales and it may be that they can no longer be buried here either and yet they pay taxes here.
- Commissioner Howell said she did not understand why it should cost so much to operate a cemetery but it is a service the city should provide.

- Commissioner Howell said if the Billy Allen property is not suitable or the City can't afford it, we should sell it for homes or a Coca Cola plant bringing in 2,000 jobs, and let a private company open a cemetery in Lake Wales. Ms. Allen said it's not that the land is unsuitable and it would cost the same in another location because you have to clear the land, get the surveys etc.
- Commissioner Howell said the contract with Billy Allen should be written so it can help pay for the clearing of the land and if the \$40,000 lease is not enough it should be raised.
- Commissioner Howell said if it's cheaper to do the preconstruction on the whole 45 acres now and later break it apart then that is what we should do. Mr. Moran said it would be better to do the preconstruction and plat on the whole 45 acres at once, even if later we decide not to have a cemetery there. Then all we would have to do is change the plat, as it takes two years to get an original plat approved. Commissioner Wojcik said that in the meantime, the money we would get over the two years for leasing out the land would more than cover the cost of the preconstruction work. Once the land is platted, the Commission can determine where we are financially and what we can afford. Mr. Moran said in two years we may still have 150 lots left and we wouldn't need to build a cemetery yet.
- Commissioner Howell asked why it costs \$62 to locate a plot at the cemetery and Ms. Allen explained the process involved.

Staff Direction:

- Staff needs to see if our prices are in line with other cities so they can be adjusted to make it a deterrent for non-Lake Wales to buy a plot and, if we decide not to be in the cemetery business anymore, give first right of refusal to those families who already own plots.
- The Commission needs to address the question, "Do we want to stay in the cemetery business longer?" by being provided:
 - Projections
 - Alternatives other cities may be using.
 - Models

Mr. Moran asked that the Commission not take too long in deciding because of the amount of time it takes to do the preconstruction phase. Mayor Carter asked that it be put on a Commission meeting within the next month.

ADDENDUM

Agenda Item 3. Question & Answer Session – Envisors, LLC.

Public Works Director Tom Moran said this item is in response to the Commission's request to have an opportunity to ask an Envisors' representative why their estimate for the FDOT project was so much lower than the actual contractor's bids.

Steve Elias, Vice President of Envisors explained that they compared bids from two recently finished, similar projects in Sebring in which 9 miles of similar pipes at \$150,000 per mile were used. The Lake Wales' project is for 800 feet of similar pipe so they calculated the cost to be approximately \$90,000. This was for a normal 90-day construction period, but just before the bids opened, they were advised that the construction period had been shortened to just 14 days. Contractors had to take this into consideration when submitting their bids because it would cost them a lot more to do the project for the following reasons:

- They would be facing liquidated damages from FDOT if they did not get the project done within the 14 days.
- The only place they could get the pipe on such short notice was in Georgia and they would have to pay to have it shipped here.
- The only way to finish the project on time was to work on weekends so they would have to pay their workers overtime.
- A good portion of the project is the directional bore, and they would have to get the contractor off of another job, at a premium price, to come here.

Commissioner Rogers asked if it was the City's fault for not bidding earlier. Mr. Elias said probably more time would have helped. Commissioner Rogers said we were notified in December. Ms. Kirkland said they did get notified from DOT in December that they let their job to the contractor. It came before the Commission in January to approve the engineering. FDOT said construction would be in 120 days which was plenty enough time to get the engineering and bidding done.

Mayor Carter asked why DOT condensed the time period in such a drastic manner. Ms. Kirkland said staff figured the engineering would be finished in January and the bid documents would go out mid-February at the latest, but bids did not go out until the beginning of March and the pre-bid meeting not until March 21st. Mr. Moran found out at DOT's preconstruction meeting on March 21st that they were going to start in April.

Mayor Carter asked if DOT was told that the accelerated timeframe would put Lake Wales in a crunch and Mr. Moran said he did. He told DOT they had not kept the city informed properly over the year-and-a-half of the project. Their response was that if it is not done on time the DOT contractor can sue the City of Lake Wales for delaying the project. Ms. Kirkland said they went back and forth with DOT for the whole year-and-a-half on the relocation schedule because DOT wanted countless changes to be made. The schedule was not approved until October 2011 when it was initially sent to them in 2010.

Commissioner Rogers said it sounded like it was DOT's fault for not giving us adequate time and Mr. Moran agreed but said "DOT has the big guns." The Mayor asked if there was any recourse the city could take. Mr. Moran said he didn't know, but now they have another DOT project starting on SR 60 and the city is going through the same unresolved rigmarole.

Commissioner Thornhill asked Mr. Moran to find out who is in charge so the Mayor and City Manager can contact them. Ms. Kirkland said it was too late for the Mt. Cutoff Road project because the contractor has already been hired, but it might help with the SR 60 project. The Mayor said the right people may not be aware of the impact this is causing in Lake Wales and they should be made aware of it. County Commissioner Melony Bell and State Representative J.D. Alexander were suggested as contact persons.

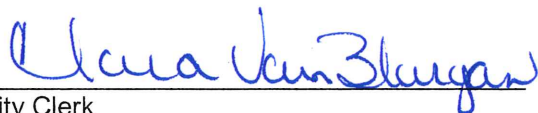
The Commission asked Mr. Elias if the estimates for the C Street project were accurate. He said it was hard to know because skyrocketing gas prices make it a moving target and because the projections were made a year-and-a-half ago. City Manager Terry Leary asked if Envisors would update those projections at least for the first phase of the C Street project and he said he would.

There being no further business, the meeting was adjourned at 5:51 p.m.



Mayor/Commissioner

ATTEST:



City Clerk