

The regular meeting of the Lake Wales City Commission was held on August 21, 2012 at 6:05 p.m. in 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 at 6:06 p.m.

INVOCATION

The invocation was given by Dr. Jim Moyer.

PLEDGE OF ALLEGIANCE

COMMISSIONERS PRESENT: Christopher Lutton; Jonathan Thornhill; Betty Wojcik; Terrye Y. Howell; Michael S. Carter, Mayor

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]

MAYOR

Agenda Item 5. A. Commendations to Fire Department and Police Department Employees

Mayor Carter said that most of us take the day-to-day work of police officers and firefighters for granted but during the city-wide budget survey, the public recognized the outstanding work they do and he wanted to publically recognize and thank them.

B. Economic Development

Economic Development Director Harold Gallup introduced Doug Bacon, the CEO, President, chief architect, designer and technology expert for Reneu Energy of Florida; Mark McDuff, the senior representative for the Central Development Council; and Joe Miranda, the most important person on the team for Lake Wales. He explained the important role Mr. Miranda played in getting the project located in here.

Mark McDuff said the project will create 60 highway jobs while bringing futuristic lighting to Lake Wales. The project represented a partnership between the City of Lake Wales and Polk County as they worked together to find the right pieces and necessary information to locate here. He recognized the efforts of Mr. Gallup for his dogged determination to see the project through. He complemented Mr. Miranda for his dedication to the Longleaf Business Park and to the City of Lake Wales, and for the time, money and resources he dedicated to the project.

Joseph Miranda said the product Mr. Bacon is putting out is truly amazing and thanked Mr. McDuff and Mr. Gallup for their hard work and the expertise they brought to the project. He said that in 1999 he committed himself to Lake Wales and the Longleaf Business Park and it stands true today.

Doug Bacon talked about the project background and his credentials. He lit up the sample light he brought with him, explained through a PowerPoint presentation how it is built and how it works. The following are the benefits:

- It is a "future" energy efficient system that will light up in a minute with less energy than using a 60 wt bulb so the tighter the economy gets, the more attractive this light will become.
- It is convertible to solar and other alternative energy sources.
- The savings are exceptional.
- They have eliminated 70% of the heat created by normal lighting.

- The light goes only where directed, that being at the ground, and does not waste energy lighting above like normal lights.
- It's expensive to purchase but the payback is less than 7 years.
- The lifespan is presently 15 to 20 years but he is working on increasing it to 40 years.
- All components of the light fixture are recyclable.
- The lights have no screws or moving parts that will break, except the cover with hinges.
- It's all aluminum.

CONSENT AGENDA

**Agenda Item 6. APPROVAL OF MINUTES: August 1, 2012 Budget Workshop Meeting
August 7, 2012 Regular Meeting**

Agenda Item 7. Award of Bid to Fort Bend Services Inc. for the Purchase of Polymer

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City's Public Works Department Utilities Division made a request for bid for the purchase of polymer, which is a necessary chemical to aid in the waste water treatment process. Commission approval is being sought for the award of bid for this purchase.

STAFF RECOMMENDATION

It is recommended that the City Commission:

1. Award the bid to Fort Bend Services Inc. for the Purchase of Polymer.
2. Authorize the City Manager to execute the appropriate documents, on the City's behalf in regards to this Purchase.

BACKGROUND

The use of polymers optimizes the treatment process; thus yielding better quality sludge that could not be obtained otherwise. The proper selection and use of a polymer will often significantly reduce the overall treatment costs of producing public access reuse. Sometimes these savings are hidden through less obvious concerns, such as sludge disposal costs, labor costs, or reduced backwash costs. The use of a polymer, in lieu of an inorganic coagulant such as alum, significantly reduces the amount of sludge that is generated in the treatment process. The cost of disposing of these sludge in landfills has steadily increased. Consequently, it is a significant economic benefit when polymer is employed. The proper selection and use of a polymer often results in extended filter runs, reduced backwash times, and lower energy costs, resulting in significant savings as well. The proper selection and application of a polymer can simplify operations by improving overall performance of the treatment process; thus reducing the probability of treatment plant upsets.

Staff made a request for bid for the purchase of polymer, with a bid open date of July 10, 2012. There were three responsive bidders, two out of the three of these bidders submitting letters of no bid, resulting in Fort Bend Services, Inc, being the only responsive bidder. Staff has done work with Fort Bend Services, Inc, in the past and has been pleased with the product the company provides and professionalism this company exhibits. Therefore, staff requests commission approval to award the bid for purchase of bulk polymer to Fort Bend Services, Inc. The initial contract terms as stated in the attached agreement calls for the initial contract period to begin on October 1, 2012 and expire on

September 30, 2013, if approved by the Commission. The agreement will renew annually on October 1 of each year for up to two (2) additional one (1) year periods. It is also stated in the original agreement, that if either party elects not to renew the agreement that party will endeavor to provide thirty (30) days written notice.

OPTIONS

None at this time. This chemical is necessary in the wastewater treatment process.

FISCAL IMPACT

\$12,000.00 is placed in the FY '12-'13 Operating Budget for Wastewater Operating Supplies – Chemicals. The portion of the budget set aside for this chemical p

[End agenda memo]

Agenda Item 8. Award of Bid Sludge Transporting & Disposal

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS:

The City's Public Works Department Utilities Division made a request for bid for the transportation and disposal of sludge. Commission approval is being sought for the award of bid for this service.

TAFF RECOMMENDATION

It is recommended that the City Commission:

1. Award the bid to Appalachian Material Service, Inc. to provide the transportation and disposal of sludge services.
2. Authorize the City Manager to execute the appropriate documents, on the City's behalf in regards to this Purchase.

BACKGROUND

The Florida Department of Environmental Protection (FDEP) and the Environmental Protection Agency (EPA) require a system of accountability for proper disposal of all wastewater sludge by the generating wastewater treatment facility. The sludge produced at the Sam P. Robinson Reclaimed Water Treatment Plant as an end product is dried to a consistency of approximately 14 percent solids.

Continuous monitoring of the City's Wastewater Treatment Plant sludge is required. An annual sludge report must be submitted to EPA and FDEP. The City must maintain a record of all sludge produced, treated and applied to the approved disposal land site. The City is responsible for how much sludge is applied to the site, how the sludge is applied to the site, chemical analysis of the sludge on the site, location and size of the sludge application areas and the water levels at the time of application. This level of accountability makes it absolutely necessary for the City to have a qualified hauler transporting and disposing of the sludge.

Staff made a request for bid for a qualified bidder to provide sludge transporting and disposal, with a bid open date of July 10, 2012. There were four responsive bidders. Of the four responsive bidders, Appalachian Material Services, Inc. was the apparent low bidder. Staff has done work with Appalachian

Material Services, Inc, in the past and has been pleased with the transporting and disposal service the company provides. Therefore, staff requests commission approval to award the bid for sludge transporting and disposal to Appalachian Material Services, Inc. The initial contract terms as stated in the attached agreement calls for the initial contract period to begin on October 1, 2012 and expire on September 30, 2013, if approved by the Commission. The agreement will renew annually on October 1 of each year for up to two (2) additional one (1) year periods. It is also stated in the original agreement, that if either party elects not to renew the agreement that party will endeavor to provide thirty (30) days written notice.

FISCAL IMPACT

\$112,000 is placed in the FY '12-'13 Operating Budget for Wastewater Contract Services – Sludge.

OTHER OPTIONS

None at this time. The City must maintain a record of all sludge produced, treated and applied to the approved disposal land site. This level of accountability makes it absolutely necessary for the City to have a qualified hauler transporting and disposing of the sludge.

[End agenda memo]

Agenda Item 9. Award of Bid to Odyssey Manufacturing Inc. for the Purchase of Sodium Hypochlorite

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City's Public Works Department Utilities Division made a request for bid for the purchase of sodium hypochlorite, which is a necessary chemical to aid in the water and waste water treatment process. Commission approval is being sought for the award of bid for this purchase.

RECOMMENDATION

It is recommended that the City Commission:

1. Award the bid to Odyssey Manufacturing Inc. for the Purchase of Sodium Hypochlorite.
2. Authorize the City Manager to execute the appropriate documents, on the City's behalf in regards to this Purchase.

BACKGROUND

Over the past 20 years, disinfection technology and chemical treatment for wastewater has been consistent with the use of Chlorine as the standard chemical to safely and effectively treat wastewater media. The delivery of chlorine to the flow stream ranges from gaseous and liquid chemical, to carrier chemical agents. Today, through the development and realization towards improving safety and reducing risk, Sodium Hypochlorite (NaOCl) has commonly been used in various applications where disinfection or sterilization of water is needed. NaOCl is becoming more and more popular based on its inherent chemical characteristics of being a safer, less costly, lower risk chemical and still effective means to treat wastewater media. Sodium hypochlorite is essential in the treatment of both water and wastewater processing killing pathogens that could prove to be harmful to humans.

Staff made a request for bid for the purchase of chlorine, with a bid open date of July 10, 2012. There were two responsive bidders, Odyssey Manufacturing, Inc and Allied Universal Corporation. At first glance Allied Universal Corporation was the apparent low bidder. Once the bids were reviewed by the review committee, it was later determined that the City would receive the best benefit for the price by awarding the contract for procurement services of Sodium Hypochlorite to Odyssey Manufacturing Company. Staff has done work with Odyssey Manufacturing Company in the past and has been pleased with the product the company provides and professionalism this company exhibits. In addition, Odyssey Manufacturing Company has also agreed to fix this quoted price till September 30, 2015. Therefore, staff requests commission approval to award the bid for purchase of bulk Sodium Hypochlorite to Odyssey Manufacturing Company. The initial contract terms as stated in the attached agreement calls for the initial contract period to begin on October 1, 2012 and expire on September 30, 2013, if approved by the Commission. This agreement will renew annually on October 1 of each year for up to two (2) additional one (1) year periods. It is also stated in the original agreement, that if either party elects not to renew the agreement that party will endeavor to provide thirty (30) days written notice.

OPTIONS

None at this time. This chemical is necessary in the water and wastewater treatment process.

FISCAL IMPACT

\$80,000.00 is placed in the FY '12-'13 Operating Budget for Wastewater Operating Supplies – Chemicals. The portion of the budget set aside for this chemical purchase is \$45,000.00.

\$30,000.00 is placed in the FY '12-'13 Operating Budget for Water Operating Supplies – Chemicals for this purchase.

[End agenda memo]

Mayor Carter said that only one of these items mentioned the tax exemption for the City and he asked if it was too late to require that. Utilities Project Administrator Sarah Kirkland said that all they are getting is service, which is not a taxable product.

Commissioner Wojcik made a motion to approve the Consent Agenda. The motion was seconded by Commissioner Howell.

By Voice Vote:

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

The motion carried 5-0.

OLD BUSINESS

Agenda Item 10. Ordinance 2012-12 Police Officers' Pension Plan Amendment 0 2nd Reading & Public Hearing

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City Commission will consider approval of the proposed amendment to the Police Officers' Pension Plan to provide clarification in regards to the calculation of a revised benefit upon a change in the designated beneficiary.

RECOMMENDATION

Staff recommends that the City Commission approve Ordinance 2012-12 on 2nd Reading & Public Hearing.

BACKGROUND

At its May 2012 meeting, the Police Officers' Pension Board asked staff to bring forward Ordinance 2012-12 for adoption. The proposed amendment will provide clarification with regard to the calculation of a revised benefit upon a change in the member's designated beneficiary.

Note: This change makes it clear to the members that the Actuary will assume that the person being removed is deceased for purposes of calculating a revised benefit.

OPTIONS

Do not approve the amendments

FISCAL IMPACT

According to the attached letter dated May 18, 2012 from Foster & Foster Inc., Plan Actuary, they have determined that adoption of Ordinance 2012-12 will have no impact on the assumptions used in determining the funding requirements of the pension program.

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance 2012-12 by title only.

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA, AMENDING SECTION 16-239(b), CHAPTER 16, ARTICLE IV OF THE LAKES WALES CODE, TO PROVIDE TRUSTEES OF THE POLICE OFFICERS' PENSION PLAN AND TRUST CLARIFICATION RELATING TO THE CALCULATING OF A REVISED BENEFIT UPON A CHANGE IN THE DESIGNATED BENEFICIARY OF AN OPTIONAL FORM OF BENEFIT; PROVIDING FOR CODIFICATION; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Thornhill made a motion to adopt Ordinance 2012-12 after second reading & public hearing. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

Commissioner Thornhill	"YES"
Commissioner Howell	"YES"

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Commissioner Lutton	"YES"
Commissioner Wojcik	"YES"
Mayor Carter	"YES"

The motion carried 5-0.

Agenda Item 11. Ordinance 2012-13, Firefighters' Pension Plan Amendment – 2ND Reading & Public Hearing

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City Commission will consider approval of the proposed amendment to the Firefighters' Pension Plan to provide clarification in regards to the calculation of a revised benefit upon a change in the designated beneficiary.

RECOMMENDATION

Staff recommends that the City Commission approve Ordinance 2012-13 on 2nd Reading & Public Hearing.

BACKGROUND

At its May 2012 meeting, the Firefighters' Pension Board asked staff to bring forward Ordinance 2012-13 for adoption. The proposed amendment will provide clarification with regards to the calculation of a revised benefit upon a change in the member's designated beneficiary.

Note: This change makes it clear to the members that the Actuary will assume that the person being removed is deceased for purposes of calculating a revised benefit.

OPTIONS

Do not approve the amendment

FISCAL IMPACT

According to the attached letter dated May 18, 2012 from Foster & Foster Inc., Plan Actuary, they have determined that adoption of Ordinance 2012-13 will have no impact on the assumptions used in determining the funding requirements of the pension program.

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance 2012-13 by title only.

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA, AMENDING SECTION 16-169(b), CHAPTER 16, ARTICLE III OF THE LAKES WALES CODE, TO PROVIDE TRUSTEES OF THE FIREFIGHTERS' PENSION PLAN AND TRUST CLARIFICATION RELATING TO THE CALCULATING OF A REVISED BENEFIT UPON A CHANGE IN THE DESIGNATED BENEFICIARY OF AN OPTIONAL FORM OF BENEFIT; PROVIDING FOR CODIFICATION; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Thornhill made a motion to adopt Ordinance 2012-13 after second reading and public hearing. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 5-0.

NEW BUSINESS

Agenda Item 12. Fire Dispatch Agreement

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City Commission will consider approval of the Interlocal Agreement between the City and Polk County Sheriff's Office for fire dispatch services.

RECOMMENDATION

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

1. Approve the Interlocal Agreement which states that the City of Lake Wales will compensate the Sheriff at the rate of \$35,585 for the fiscal year beginning October 1, 2012 through September 30, 2013 for fire dispatch services.
2. Authorize the City Manager to execute the agreement on the City's behalf.

BACKGROUND

All 911 calls are received at the 911 Call Center on Jim Keene Blvd. in Winter Haven, regardless of whether they originate inside or outside of the city limits of Lake Wales. Emergency calls are then transferred to the Fire/EMS dispatchers at the same location. Dispatchers notify the fire department by radio pager and continue communications with responding personnel and equipment for the duration of the emergency call.

This agreement is similar to the agreements instated by the cities of Winter Haven, Haines City, Auburndale, Frostproof, Fort Meade, Davenport, and Mulberry.

OPTIONS

Do not approve the agreement and hire full time dispatch personnel.

FISCAL IMPACT

The \$35,585 is included in the proposed FY 2012-2013 budget.

[End agenda memo]

Fire Chief Jerry Brown reviewed Agenda Item 12.

Mayor Carter asked for confirmation that this was for only 911 calls for fire and EMS. It was confirmed.

PUBLIC COMMENT

There were no comments made by the public.

Commissioner Thornhill made a motion to approve the Interlocal Agreement which states that the City of Lake Wales will compensate the Sheriff at the rate of \$35,585 for the fiscal year beginning October 1, 2012 through September 30, 2013 for fire dispatch services; and authorize the City Manager to execute the agreement on the City's behalf. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 13. Authorization to Close on Contract for Acquisition of Proposed Fire Station Site at 600 Chalet Suzanne Rd. on 3.76 Acres of Real Estate

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City has programmed a Fire Sub-Station for the Northern Sector of the City for a number of years. Currently the City enjoys a very high ISO 3 Rating that allows the property owners in the City to enjoy a reduced rate for Homeowners Insurance policy quotes. Currently the city has leased a site for the last year and a-half to maintain this rating and has been on the same site since 2005. Negotiations have been on-going and sites pricing reviewed along this corridor and the subject property is now available at a competitive price. The Subject property was placed under contract by action of the City Commission on June 19, 2012. All required reviews and actions under the Contract have been satisfactorily completed.

RECOMMENDATION

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

Approve and authorize the Mayor to execute the Deed and related documents and expend the funds for purchase in the amount of One Hundred Eighty Five Thousand Dollars (\$185,000.00) as represented as the Contract Price for the purchase of 3.76 acres identified as 600 Chalet Suzanne Rd., Lake Wales, Florida. The subject property has met all of the conditions for closing as set-forth in the Contract and as stipulated by City Commission action on June 19, 2012.

BACKGROUND

The Subject Property has had the required Boundary Survey, Environmental Assessment Phase 1 and Phase 2 (Limited) Reports, Title Search, and Market Appraisal that established the current value of the property at One Hundred Ninety Thousand Two Hundred Dollars (\$190,200.00). All of the required actions have been completed with no negative findings.

The Lake Wales Fire Department has been providing fire protection from a sub-station site at 1965 Thompson Nursery Road since may 2005. The City is currently in a lease for the sub-station site through June 30, 2013 at an annual rate of \$36,000.00. In February 2012 staff made City Commission aware that several sites were under evaluation and being considered for a permanent sub-station location that is mission critical to the City of Lake Wales Fire Department. The acquisition of this site provides for the following with respect to the City's needs and requirements:

- Eliminate Lease Expenditures for a site in the subject corridor. That expenditure is currently at \$36,000.00 per annum and subject to increases or termination at the end of a lease term;
- Provides a permanent site that is Mission Critical for the City of Lake Wales Fire Department and for the provision of fire services to the Citizens of Lake Wales;
- The subject site is within the mandatory 5 miles distance from the proposed station and the downtown fire station that allows the City to maintain its current ISO 3 Rating. This is critical for both response times and obtaining property insurance;
- Provide for a permanent location for the Fire Station for the Northern portion of the City and those areas under agreement with Polk County for protection that generates in excess of \$250,000.00 of revenue for the City.
- Provide the necessary control of real estate for applying for Grants for the project;
- Provide some addition property for limited additional municipal services that may be identified for future citizens needs;
- The acquisition of the property will provide for programming of the construction of the permanent fire station under less onerous time constraints with a lease termination in June 2013 on the current site;
- The purchase of the property ends the loss of monies made through lease payments on this needed municipal asset;
- This Fire Station is on the 2012-2013 Capital Program of the Fire Department for the City of Lake Wales, albeit additional funding will be required (Grants or loans) for construction (See Fiscal Impact);

CURRENT / FUTURE FISCAL IMPACT

As of June 12, 2012, the City has \$111,064.26 in impact fees eligible to be used towards the acquisition of property for the purpose of a fire station. Additional funding needed for the acquisition and pre-engineering related to environmental and other closing activities are estimated at an additional \$100,000. Staff recommends an internal loan from the Emergency Sinking Account with 3% annual interest to be paid to the General Fund until such time as Fire Impact Fees are sufficient to reimburse the General Fund.

The source of funding for the construction of the Fire Station may come from several sources including but not limited to grants, as available, or debt financing. These alternatives will be presented to the City Commission once engineering cost estimates relating to the construction of a fire station are available.

OTHER OPTIONS

Do not purchase the property and continue with a lease; Instruct Staff to continue seeking an alternative site; continue with the smaller site from the Eagle Ridge Mall.

[End Agenda memo]

Economic Development Director Harold Gallup reviewed Agenda Item 13.

Mayor Carter asked for and received confirmation that \$111,000 would be paid for with impact fees and the \$100,000 would come through an internal self-loan with interest being paid to the City instead of to a bank, until it can be paid back with future impact fees.

Commissioner Wojcik asked if the \$100,000 would cover the purchase and the engineering study. Mr. Gallup said it covers the additional design as well as closing the purchase gap.

Fire Chief Jerry Brown said he thought it was the best deal they could find and he was good with it.

City Attorney Chuck Galloway said there was no deed; only a settlement statement to be executed by the Mayor, which is not necessary as it could be signed by the City Manager if they wished.

City Manager Terry Leary said she would be at a conference the rest of the week and would not be here to sign it. Mr. Galloway suggested that Harold Gallup could sign it. Consensus was taken and approved for Mr. Gallup to sign the document instead of the Mayor.

PUBLIC COMMENT

There were no comments made by the public.

Commissioner Thornhill made a motion to approve the purchase of the proposed fire station site in the amount of \$185,000.00 and authorized Economic Development Director Harold Gallup to execute the deed and related documents. The motion was seconded by Commissioner Lutton.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 14. Memorandum of Understanding between BOCC Polk County Fleet maintenance Division for City Vehicles Maintenance and Service

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

Renewal of Memorandum of Understanding (MOU) between BOCC Polk County Fleet Maintenance for City Vehicle Maintenance and Service.

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

Approve the renewal of the Memorandum of Understanding between BOCC Polk County Fleet Maintenance for City Vehicle Maintenance and Service.

BACKGROUND

In 2009, the City Commission tasked staff to explore the cost-effectiveness of privatizing the city's fleet maintenance operation. Staff contacted Polk County Fleet Maintenance (PCFM) to discuss the possibility of the agency providing maintenance to all of the City's vehicles and equipment.

In August of 2009, the City entered into a Memorandum of Understanding with the Board of County Commissioners, administered through the PCFM Division. The initial term of the MOU was for 12 months with the MOU automatically renewing for additional 12 month periods upon mutual agreement of the City and the BOCC. This MOU has been mutually renewed each year.

In the FY ending 9/30/08 with the City managing its own Fleet Maintenance operation, expenses were \$545,211 for materials and labor related to maintenance and repair of vehicles and equipment. In FY ending 9/30/09 the City spent approximately \$376,000 for maintenance and repair of vehicles and equipment.

In the first year of the MOU with PCFM the city spent \$178,000 for maintenance and repair of vehicles and equipment, \$225,000 in 2010/2011 and currently in 2011/2012 the City has spent \$191,000. Each year that PCFM has managed our Fleet operation we have come under the County's projected budget they prepare. In accordance with the MOU "after the initial 12 month period, if the fees assessed to the City of Lake Wales exceed the actual costs incurred by PCFM the variance will be split equally between the City of Lake Wales and PCFM." This was the case in 2010/2011 and PCFM anticipates that this will be the case in 2011/2012.

OPTIONS

One option would be for the City to take back Fleet Maintenance operations at a considerable expense or go out to bid for local dealerships to maintain our fleet and equipment.

FISCAL IMPACT

The budgeted amount for all departments for FY 2012/2013 is \$278,000.

[End Agenda memo]

Purchasing Director Bonnie Hodge reviewed Agenda Item 14.

There was a discussion about the agreement with BOCC Polk County Fleet Division for repair and maintenance of our vehicles and equipment. The following points were made:

- **Vendors:**
 - Ms. Hodge said that no one in Lake Wales would be able to do the entire job so most likely six to seven different vendors would be needed for the following reasons:
 - We have different makes of cars, both Fords and Chevrolets.
 - There are mowers and other equipment that need maintenance.
 - The fire trucks need maintenance.
 - We have a Vac and a Sweeper truck that needs maintenance.
 - Staff can research to see what they can find out from local vendors.

- **Savings:**

- Ms. Hodge said the County is not in it to make money. They are doing it in the interest of the taxpayer and are saving the municipalities a lot of money. There has been considerable savings to the city under the current county contract.
- **County Fleet Maintenance**
 - Ms. Hodge said that Polk County also has a fleet maintenance contract with Ft. Meade, Mulberry and Auburndale, and therefore they can buy parts in bulk more cheaply than we can.
 - The county's mechanics have all kinds of certifications, for example to work on fire trucks.
 - The contract with the County states that either the county or city can terminate at any time with a 60 day notice.
 - Staff recommended going with the County.
- **Staff Time:**
 - Ms. Hodge said that if the work was divided between six different businesses it would take staff-time to manage it all.
 - Staff looked into the City taking back the maintenance but all we have is a facility.
 - Hiring mechanics without the needed qualifications would be catastrophic. If we couldn't hire people with those special qualifications and certificates we would have to outsource the work anyway.

The consensus was to approve the present contract and then, before this comes up again next September, try to find local vendors qualified to do the work, or part of the work and then contract with the county to do the rest.

Commissioner Howell made a motion to approve the renewal of the Memorandum of Understanding between BOCC Polk County Fleet Maintenance for City Vehicle Maintenance and Service; and direct staff to looking into using local vendors for FY13'14 before the agreement expires on September 30, 2013. The motion was seconded by Commissioner Wojcik.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 15. Extension of Time – Approval of Preliminary PDP Plan, Villa Ridge Townhomes – North Side of Burns Avenue

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The housing market has not improved in the last 12 months therefore Mr. Bell is seeking another extension to his PDP approval as required by code.

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.

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 Lutton said he was happy that they have a developer who is sticking with his project instead of trying to sell-out, leaving us with nothing.

PUBLIC COMMENT

There were no comments made by the public.

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

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 16. Selection for Pension Benefit consultant

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

Approval of a pension benefit consulting firm and authorization to execute a contractual agreement.

RECOMMENDATION

It is recommended that City Commission take the following action:

1. Approve the recommendation, submitted by the Selection Committee, of Matthews Benefit Group, Inc. for pension benefit consulting services for the City of Lake Wales.
2. Authorize the Mayor to execute an agreement with Matthews Benefit Group, Inc. for pension benefit consultant services, as outlined within their proposal.

BACKGROUND

On June 5, 2012, the City Commission directed staff to issue an RFP for pension benefit consulting services. On June 8, 2012, staff advertised a request for pension benefit consulting services with a due date of July 23, 2012. Proposals were received from the following firms.

- Bolton Partners, Inc.
- Buck Consultants, LLC
- Cafaro Greenleaf
- Matthews Benefit Group, Inc.
- The Segal Company

Proposals were analyzed based on:

- Qualifications and Experience
- Quality of Services
- Approach to the Project
- Creative Ideas
- Operational Information
- Financial Information and Cost Detail

Bid ranking sheets were prepared by the Selection Committee for the five bid proposals received. The Selection Committee consisted of:

- Terry Leary, City Manager
- Sandra Davis, Human Resources Director
- Dorothy Pendergrass, Finance Director
- Jerry Brown, Fire Chief
- Chris Velasquez, Police Chief

The Selection Committee recommends to the City Commission:

First Ranked Firm:	Matthews Benefit Group, Inc.
Second Ranked Firm:	Buck Consultants, LLC
Third Ranked Firm:	Bolton Partners, Inc.

FISCAL IMPACT

Matthews Benefit Group, Inc. estimates their professional fees to be \$15,000 for the twelve week process as outlined within their proposal (page 5). In the event that the scope of their services changes during the course of the engagement, a written approval by the Commission, prior to providing services must be obtained. Their hourly rates range from \$115 for administrative services to \$350 for senior actuarial services. They will bill out-of-pocket costs, such as travel, to meetings on a cost basis.

[End Agenda memo]

Finance Director Dorothy Pendergrass reviewed Agenda Item 16.

The following comments were made about the contract with Matthews Benefit Group for pension benefit consultant services:

- The proposal is good for six months.
- The service will take about 12 weeks
- There will be definite benchmarks.
 - They will meet with the pension boards and city manager to get their input and ideas
 - They will give us a draft of the economically favorable alternatives with the cost of each.
- The group does not have any preconceived ideas and will look at our existing plan first to see if it can be improved and modified.
- The company has also been a consultant for the City of Sebring and the City of Lakeland.
- The Florida League of Cities was contacted to see if they had any experience with them and they spoke highly of the Matthew Benefit Group.
- If they are hired, staff would be comfortable with that decision.
- Their proposal was more reasonable than the others in terms of what we are looking for.

Pat Quinn, police officer member to the Police Officers' Retirement Board, asked that this item be tabled. He said the pension board realizes that the City can't keep throwing money at this issue, but instead of the City spending more money for a consultant, he requested giving the Pension Board time to come up with a solution, a one-time fix, palatable to both the Commission and city employees. But, in order to do that they needed some direction from the Commission as to the dollar amount.

Officer Quinn gave the following examples of changes that can be made that would result in significant savings if direction is given:

- Modify the cap for the City cost, or cap them to what they are now
- Set the ceiling on the percentage of payroll the city pays
- Increase employee contribution
- Set a ceiling as to how much the City can pay
- Reduce the multipliers after certain years of service
- Reduce benefits for incoming employees
- Impose a ceiling of 25% and a floor of 10%, if it goes above that, some of the afore-mentioned ideas would come into play in order to keep the City's cost within that range

Joe Jenkins, firefighter member and Chairman of the Fire Pension Board, said they need from the Commission a dollar amount goal instead of a percentage of the payroll. He explained how retirees and those in the DROP Plans will affect the percentage because their salaries are removed and the percentage is calculated against a smaller amount. If they have a specific dollar amount goal for reduction then they can sit down with the pension board and bargaining units to start chipping away until they reach it.

He listed things they have already done to lower the cost as follows:

- They already changed the amortization from 10 to 30 years

- They lowered the 6% percentage automatic pay raises every year
- Moved 5% of the cash flow into a spider fund, which has been returning 3% per quarter

Other ways to get savings:

- Reduce benefits for future employees, though the savings will not show until years from now
- If the market picks up we could have a good year
- Use stair-step multipliers
- Increase employee contribution
- Change the plan for future employees

Both board members had asked for direction but Commissioner Wojcik said she didn't know if the Commission was in a position to give that direction. Commissioner Lutton said they don't have a crystal ball to know a dollar amount.

The following reasons were given in favor of spending the money for a consultant:

- Mayor Carter said the City needs professional help to find a solution that everyone can live with twenty years from now. He said that the suggestions discussed so far may not even be options we can take and a professional would be able to tell them if it can be done or not. He suggested that they approve hiring the consultant because they have a six-month window and if the pension boards come up with a sustainable solution we don't have to use them.
- Commissioner Lutton said he is not a professional and neither are those on the pension boards except for the actuarial. He has no idea if the economy will go up again, or how many will be retiring with a fixed income. That is why he believes it would be wise to hire the consultant, someone independent, so they can get a third point of view. He didn't want the City down the road looking back, wishing they had hired one. He said he thought it was well worth \$15,000 to get a professional opinion and a list of choices available to the Commission.
- Commissioner Wojcik said we have six months after we approve this in which to exercise the contract. It would be beneficial if we can work on it and get it done without having to hire the consultant and the six-month delay would give the pension boards time to fine-tune their plan.

Commission suggestions for making it more sustainable:

- Determining a realistic rate of return on their investment, possibly 6%, even though that would mean the City's cost would go up.
- Determining a minimum percentage the City will pay every year so what is owed can be calculated and budgeted. We never know how much the bill will be when we pay less when the investments do really well and more when it doesn't.
- Compensating the fund manager based on his performance, how well he manages the money, instead of the amount of money he manages
- Using a combination of percentages and fixed dollars.
- Increasing the contribution of current employees
- Using the FRS
- Cutting benefits

Commissioner Wojcik asked about the \$100,000 estimate that was given to them in a workshop. Ms. Pendergrass had said at the workshop that it would be from \$70,000 to \$100,000 but that was from start to finish, for the legal fees, the actuarial, the consultant, and anything else that was needed. She said the \$15,000 is to pay for the approximately 12 weeks of consulting service.

Commissioner Lutton asked if the actuary could download the data for the consultant so he doesn't have to recreate it. Ms. Pendergrass said if the consultant feels comfortable with that they could work with the actuary but Foster and Foster would charge a fee for that service.

Commissioner Thornhill asked how the consultant was chosen because it seemed that we chose the Fire and Police Department's least favorite. Ms. Pendergrass said the selection committee filled out ranking

heets and there was a tie between two. Chief Brown said that he and Chief Velasquez were outvoted
ree to two.

Commissioner Lutton suggested having a brainstorm workshop. There was a consensus and the following comments were made:

- It needs to be a calm discussion without any stress and without getting personal about it.
- They need to take care of the employees.
- They need to come to the table with no pre-conceived ideas.
- There needs to be a dialogue between the City Commission and the three pension boards.
- There was a discussion as to whether the consultant should come to the workshop and the consensus was not to have him present.

Commissioner Wojcik made a motion to approve Matthews Benefit Group, Inc. for pension benefit consulting services for the City of Lake Wales and authorize the Mayor to execute an agreement. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 17. Health Insurance & Dental Insurance

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

Staff is requesting approval to award the bid for health insurance to Cigna and dental Insurance to Renaissance.

RECOMMENDATION

Staff recommends that the City Commission take the following action:

1. Award the Bid for Health Insurance to Cigna (City pays 100% for employee)
2. Dental Insurance to Renaissance (Employee paid)
3. 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 and dental insurance coverage. In this market premiums are increasing anywhere from 14% to 30%. Factors fueling the increases are 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. It is necessary to note our ratio of claims to premium was at 100% by the end of June. We will continue to be proactive and take measures to contain costs while providing employee medical insurance,

efforts to assist in this regard by our employees through the employee wellness program, on-site biometric screening and health risk assessment.

The results of the health insurance bids tabulated are as follows:

Medical Insurance

Company	FUNDING	BID AMOUNT
United Healthcare	Fully Funded	1,388,609.88
Aetna	Fully Funded	1,281,388.44
Cigna	Fully Funded	1,239,215.64

DENTAL

Employees will continue to pay 100% of the premium for the dental insurance.

Dental Insurance

Low Option

Company	Current Rate/Per Month	Proposed Rate/Per Month
United Healthcare	Employee Only: 15.00	Employee Only: 16.18
	Employee & Spouse: 32.53	Employee & Spouse: 35.09
	Employee & Child(ren): 41.02	Employee & Child(ren): 44.25
	Family: 54.79	Family: 59.10

Dental Insurance

High Option

Company	Current Rate/Per Month	Proposed Rate/Per Month
United Healthcare	Employee Only: 29.45	Employee Only: 31.77
	Employee & Spouse: 63.84	Employee & Spouse: 68.66
	Employee & Child(ren): 80.51	Employee & Child(ren): 86.84
	Family: 107.55	Family: 116.01

Dental Insurance

Low Option

Company	Current Rate UHC/Per Month	Proposed Rate/Per Month
Lincoln	Employee Only: 15.00	Employee Only: 18.12
	Employee & Spouse: 32.53	Employee & Spouse: 39.30
	Employee & Child(ren): 41.02	Employee & Child(ren): 49.55
	Family: 54.79	Family: 66.19

Dental Insurance

High Option

Company	Current Rate UHC/Per Month	New Rate/Per Month
Lincoln	Employee Only: 29.45	Employee Only: 35.58
	Employee & Spouse: 63.84	Employee & Spouse: 77.12
	Employee & Child(ren): 80.51	Employee & Child(ren): 97.26
	Family: 107.55	Family: 129.92

Dental Insurance
Low Option

Company	Current Rate UHC/Per Month	Proposed Rate/Per Month
Renaissance Dental	Employee Only: 15.00	Employee Only: 14.70
	Employee & Spouse: 32.53	Employee & Spouse: 31.87
	Employee & Child(ren): 41.02	Employee & Child(ren): 40.19
	Family: 54.79	Family: 53.68

Dental Insurance
High Option

Company	Current Rate UHC/Per Month	New Rate/Per Month
Renaissance Dental	Employee Only: 29.45	Employee Only: 28.86
	Employee & Spouse: 63.84	Employee & Spouse: 62.55
	Employee & Child(ren): 80.51	Employee & Child(ren): 78.88
	Family: 107.55	Family: 105.38

FISCAL IMPACT

Awarding the medical insurance coverage with Cigna will result in a 10.77% increase in medical cost in the proposed 12'13 budget.

OPTIONS

Don't approve any of the recommendations.

[End Agenda memo]

Human Resources Director Sandra Davis reviewed Agenda Item 17.

Commissioner Wojcik asked if Cigna has a \$500 deductible or \$1,000 and if the Cigna network is the same as United Healthcare. Ms. Davis said the deductible will be the same as this year, which is \$500. She said she was told that the network looks comparable though she hasn't seen the network yet. What information they have been able to get looks identical based on statistical information.

Commissioner Lutton asked why United Healthcare went up 11%. Ms. Davis said last year was a bad year for medical claims.

Commissioner Howell made a motion to award the bid for health insurance to Cigna; to Renaissance for dental insurance; and to authorize the City Manager to execute all applicable contract documents. The motion was seconded by Commissioner Thornhill.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 18. Interlocal Agreement Amendment #3 – Winter Haven Area Transit System (WHAT)

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City Commission will consider extending the Winter Haven Area Transit System Interlocal Agreement, Amendment #3, with the Polk County Board of County Commissioners for FY2012-2013.

RECOMMENDATION

It is recommended that the City Commission approve Amendment #3 to the Interlocal Agreement with the Polk County Board of County Commissioners for the management and operation of the Winter Haven Area Transit System and the "Fair Share" contribution up to \$5,433.00 for FY12'13.

BACKGROUND

The Winter Haven Area Transit System is currently providing transportation service to six municipalities, one of which is Lake Wales. Service level forecasts for the WHAT system for FY12'13 are based on each municipality's commitment and is critical to the continuation of service at near current service levels. The assessed amount is based solely on the percentage of service being provided within each respective municipality and is considered a "fair-share" contribution.

In August of 2009, the Lake Wales City Commission approved an Interlocal Agreement with the Polk County Board of County Commissioners to provide funding for FY09'10. Amendment #3 is the second extension of that agreement. The "Fair Share" contribution of up to \$5,433.00 has not changed since the original agreement.

OPTIONS

Do not approve the Amendment #3 and the "Fair Share" contribution.

FISCAL IMPACT

The fiscal impact is \$5,433 which is included in the proposed FY12'13 budget.

[End Agenda memo]

PUBLIC COMMENT

There were no comments from the public.

Commissioner Wojcik made a motion to approve amendment #3 to the Interlocal Agreement with the Polk County Board of County Commissioners for the management and operation of the Winter Haven Area Transit System and the "Fair Share" contribution up to \$5,433.00 for FY12'13. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 19. Appointment – Bicycle/Pedestrian Advisory Commission

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The appointment will fill a vacancy due to resignations, expiration of terms, newly established boards, etc.

RECOMMENDATION

It is recommended that the City Commission make the appointment as deemed appropriate.

BACKGROUND

Vacancies exist on various Boards, Commissions, and Committees due to resignations, expirations of terms, newly established boards, etc. The City Commission is asked to make the appointment as deemed appropriate.

Bicycle/Pedestrian Advisory Commission – Members are appointed by the City Commission. The Board consists of seven (7) regular members and three (3) alternate members. At least five (5) regular members and two (2) alternate members must reside within the City limits. Members who are not City residents must reside within the City's utilities service area in a residence served by the City's utilities system, receiving either water or sewer service. (3-year term)

- There is no interview process requirement for applicants applying for appointment to this board.
- Members are not required to file an annual Form 1, Statement of Financial Interests
- Current Vacancies: 1 resident or non-resident; 2 resident alternates & 1 alternate meeting other requirement

1 regular vacancy: 1 term expires 07/01/13; partial term

3 alternate vacancies: 2 terms expire 07/01/13
1 term expires 07/01/15

Applying for re-appointment: None

Applying for appointment: Evelyn Pabon, resident

Commissioner Howell made a motion to appoint Evelyn Pabon to the Bicycle and Pedestrian Advisory Board for a partial term expiring on 7/1/13. The motion was seconded by Commissioner Thornhill.

By Voice Vote:

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

The motion carried 5-0.

These vacancies have not been filled for a while.

OTHER INFORMATION

Board Applications are considered for appointment by the City Commission at various times of the year. Regulatory Boards require an interview process for all new applicants before being considered for appointment by the City Commission.

Applications are available from the City Clerk, Municipal Administration Bldg., 201 W. Central Avenue or can be obtained on the City's website at www.cityoflakewales.com.

FISCAL IMPACT

None. These are volunteer citizen boards.

OPTIONS

Do not appoint the applicant named above and seek other applicants; however, it may be difficult for the board to obtain a quorum until vacancies are filled.

[End Agenda memo]

City Manager Terry Leary said that if the Commission decides to take the Depot Museum back they may want to look at restructuring the Depot Advisory Committee to benefit both the City and the Historic Lake Wales Society and they may want to even change the purpose of the Board. She noted that there were several vacancies on that board.

Commissioner Lutton suggested that it may be easier to fill the board vacancies if more appreciation was shown to those volunteering. City Clerk Clara VanBlargan said they will be giving out appreciation plaques. Ms. Leary suggested having an appreciation dinner. Mayor Carter asked if they were invited to the employee luncheon and was told they were not. Ms. VanBlargan said it would be nice if they were invited.

Referring to the CRA meeting held before the City Commission meeting, Commissioner Wojcik asked when an agenda item would be scheduled to take back the historical buildings. Commissioner Lutton suggested having it on the next agenda for discussion and future action. City Attorney Chuck Galloway said before they could do that the Historic Lake Wales Society Board needs to make a proposal to convey the property back to the City. Then the Commission can consider the proposal and either accept or reject it.

Agenda Item 20. Preliminary Financial Statements for July 31, 2012

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The preliminary financial statements report revenues received and expenditures made through the end of July 31, 2012.

The unaudited financial statements for the City of Lake Wales for the Period Ending July 31, 2012 are presented to the City Commission for review. At the end of July 31, 2012 the City was 83.3% into the fiscal year.

General Fund (001), page 2:

The Finance Department has concerns that General Fund revenues on September 30, 2012 will be under budget expectation by \$251,000. The following revenue sources appear under budget expectations by the following amounts:

Ad valorem taxes	\$80,000
Communication svc tax	61,000
Franchise fee - electric	110,000
	<u>\$ 251,000</u>

In order to preserve fund balance and create a surplus during FY 2011'12 to help the City fund next year's operating budget, the City Manager effective June 22, 2012 issued a spending and hiring freeze for the remainder of FY 2011'12. No purchase is to be made unless departments operations cannot continue without the purchase. No vacant position is to be filled unless department operations will cease to function or the safety of the public or other department employees will be placed in jeopardy.

Operating expenditures are similar to the prior year at the end of July (FY 2011'12 \$9,041,055 compared to FY 2010'11 \$9,051,641). The General Fund expenditures appear to be coming in within current budget expectations of \$10,912,502.

A 2011'12 budget amendment will be prepared by the Finance Department for the short fall in General Fund revenues expectations for \$251,000. A reduction of \$231,000 was estimated within "beginning fund balance" for the General Fund within the draft budget for FY 2012'13 so no adjustment, at this time, will be needed relating to the draft budget for FY 2012'13.

Transportation Fund (102), page 7:

The Finance Department has concerns for various fuel tax revenues, which are slightly below budget expectations (estimated combined amount of \$37,200). Finance has spoken to the appropriate personnel to make them aware of possible funding issues. Staff is mindful to watch costs for the remainder of FY 2011'12 within this fund.

CRA Fund (105), page 11:

CRA tax increment revenues are below budget expectations by \$22,126.

Library Fund (110), page 15:

The Finance Department has concerns the Library Fund ad valorem taxes will be under budget by \$8,000. Polk County- Intergovernmental revenues are under budget by \$24,212.

Utility System Fund (403), page 23:

Utility system revenues appear on target with budget expectations. This summer's weather could affect final revenues actually received. But as of May 2012, budget projections appear reasonable.

nd Agenda memo]

Finance Director Dorothy Pendergrass reviewed Agenda Item 20.

Commissioner Lutton asked Ms. Pendergrass why the electricity franchise funding with Progress Energy was so much less. Ms. Pendergrass said it could be the weather or because of the lower housing market, but the City has no control over that revenue source.

CITY MANAGER'S REPORT

Condemned and Unsafe Buildings:

Ms. Leary said that Section 109.4 of the City's property maintenance code that the Commission newly adopted requires that she gives notification of emergency closings to the Commission. Three have gone to the Code Enforcement Board so they are aware of the problems and she is working with the City Attorney and that Board to get it resolved.

Homes Posted Unsafe

419 East Tillman
130 S First Street

Homes Posted Uninhabitable

1068 E SR60

Commissioner Wojcik asked what the next step would be. Ms. Leary said one of the structures can be brought into compliance but she didn't know about the other two.

Building Official Cliff Smith explained that when a home is posted, a letter goes out to the owner stating the reasons for the posting and what must be repaired or that it has to be demolished. The letter is also posted at City Hall. If the owners ignore the letter then Code Enforcement can start the lien process.

Commissioner Lutton asked if anyone was living in the house and Mr. Smith said no. Mayor Carter asked if they were boarded up and Mr. Smith said some were. Mr. Smith explained that a building posted as being unsafe can be made safe again by doing repairs but a building posted as condemned means it must be demolished.

Update on Rat Problem

Mayor Carter asked for an update on the rat problem at the residence of Bob Kelly. Mr. Smith said the County Code Enforcement Officer was tasked with the issue and Mr. Smith understands that the County plans to aggressively deal with the problem.

Commissioner Wojcik told them that the Florida Realtors group sent out a copy of the News Chief article about the rat situation to all realtors in the association, which doesn't make Lake Wales look too good. She said it wasn't like Lake Wales is the only town in Florida that has to deal with rats.

Conference

Ms. Leary announced that she and Commissioner Thornhill would be at the Florida League of Cities Conference for the next three days and some of the sessions they plan to attend deal with pensions, abandoned houses, and financing.

CITY COMMISSION TRACKING REPORT

No Update

COMMUNICATIONS AND PETITIONS

Commissioner Lutton announced that no one showed up for his monthly meeting at Lake Wailes Park and as the next meeting will fall on September 2nd, the day before Labor Day, he moved it to September 16th at 5 PM.

Commissioner Thornhill advised everyone to keep track of the hurricane and to be prepared because currently all the tracks lead to Florida. He said that in his insurance line of business he sees too many people who are not prepared.

CITY COMMISSION COMMENTS

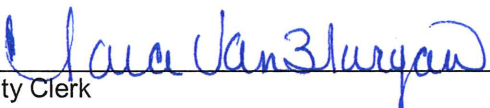
There were no comments from the public.

There being no further business, the meeting was adjourned at 8:08 p.m.



Mayor/Commissioner

ATTEST:



City Clerk