

The regular meeting of the Lake Wales City Commission was held on September 18, 2012 at 6:00 p.m. in Commission Chambers at the Municipal Administration Building. The meeting was called to order by Vice-Mayor Terrye Y. Howell following the Invocation and Pledge of Allegiance at 6:26 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

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

CONSENT AGENDA

Agenda Item 5. APPROVAL OF MINUTES: September 5, 2012, Regular Meeting

City Attorney Chuck Galloway made the following corrections to what he said were stated incorrectly in the minutes:

- Agenda Item 6: It should read “may” be executed by the City Manager instead of “must be” executed by the City Manager.
- Agenda Item 11: It should read “the ordinance was also modified to include provisions of the property maintenance code that only the Building Official can enforce it; so it included language to make that very clear because much of it could not be enforced by a code enforcement officer. So now it’s been modified to include it all. But it says who may enforce.”

Agenda Item 6. “Antiques and Oddities” – Special Event Permit Application

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

Approval of the Special Event Permit application will allow the Lake Wales Care Center to hold a monthly event “Antiques, Art & Oddities” for the next twelve months

RECOMMENDATION

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

1. Approve the Special Event Permit application from the Lake Wales Care Center to present a monthly event “Antiques, Art & Oddities” on the first Saturday of every month between the hours of 6:00 a.m. and 2:00 p.m. beginning on October 6, 2012 and ending on October 31, 2013

2. Approve the use of the Marketplace for the event and the closing of the alley between Park Avenue and Stuart Avenue
3. Approve the closing of the Marketplace parking lot located adjacent to the Marketplace for craft and food vendors.

BACKGROUND

Mike Morrow, Director of Community Affairs with the Lake Wales Care Center submitted a special event permit application to continue presenting the "Antiques, Art & Oddities" event in downtown Lake Wales. This has been an event for several years by a different sponsor up until the first of this year. The Care Center is requesting approval to continue this event. This application includes a request to close the Marketplace, the Marketplace parking lot and the alley between Park and Stuart from 6:00 a.m. to 2:00 p.m. for the event's activities.

The Lake Wales Care Center will be responsible for meeting all requirements for site preparation, site cleanup, food vendor and craft vendor licensing where necessary, and sanitary facilities. Insurance has been provided from the sponsor to cover all activities. In addition they will be required to notify the City if the event is canceled at any time during a given month.

OTHER OPTION

Do not approve this special event permit application.

FISCAL IMPACT

There will be no cost to the City for this event. However, this event brings people to the downtown and this will benefit other businesses downtown.

[End of agenda memo]

Mayor Carter asked if the event would conflict with the Farmer's Market and he was told the Antiques and Oddities are scheduled on different days.

City Attorney Chuck Galloway made a correction to the memo. He said the permittee is the Lake Wales Care Center but the Lake Wales Care Center is incorporated. It needs to reflect that in the document. Also the document is executed by Mike Morrow and it should be executed by Chairman Reid Hardman.

Agenda Item 7. Lake Wales Arts Council "Alive @ Five" event October 18, 2012

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

Approval of the Special Event Permit Application will allow the Lake Wales Arts Council to hold an event "Alive at Five" on October 18, 2012 in the downtown Marketplace between the hours of 5:00 p.m. and 8:00 p.m., and allow the closing of the Marketplace parking lot on October 17, 2012

RECOMMENDATION

It is recommended that the City Commission consider approving the following:

- Approve the Special Event Permit application for the Lake Wales Arts Council to hold their event "Alive @ Five" on October 18, 2012 in the downtown area between the hours of 5:00 p.m. and 8:00 p.m.
- Approve the request for the temporary closing of the Marketplace parking lot on Wednesday evening, October 17, 2012 at 5:00 p.m. and remain closed until Friday morning, October 19, 2012 at 7:30 a. m.
- Approve the temporary closing of the Marketplace and the alley between Stuart and Park on October 18, 2012 beginning around 3:00 p.m. so that the band and vendors can start setting up. This would remain closed until the event concludes at 8:00 p.m.
- Approve the request for musical entertainment, food vendors and a beer and wine distributor in the Marketplace on October 18, 2012 from 5:00 p.m. to 8:00 p.m.

BACKGROUND

Barbara Conner, President of the Lake Wales Arts Council has submitted a Special Event Permit Application requesting approval from the City Commission to hold the first "Alive @ Five" event in the downtown Marketplace on October 18, 2012 between the hours of 5:00 p.m. and 8:00 p.m. This event will provide an opportunity for downtown businesses to join together to promote and gain local interest downtown while boosting economic development supporting the arts and enjoying live entertainment. This event will also provide an opportunity to meet people and get together with old friends and colleagues in a fun and relaxing environment.

The Arts Council is requesting the closure of the Marketplace and the alley located between Park Avenue and Stuart Avenue on October 18, 2012 between the hours of 3:00 p.m. and 8:00 p.m. This closure will allow them to hold the main activities in this area and provides vendors and the band time to set up. Activities will include musical entertainment by HUBO, several food vendors, a few non-profit organizations with craft items, and a wine and beer table supplied by an outside distributor. The sponsor will be required by the Lake Wales Police Department to rope off the Marketplace from Stuart Avenue all the way to Park Avenue leaving only entrance and exit openings which will be monitored continually by Arts Council volunteers. The Arts Council will have an off duty officer on site paid 100% at their own expense. An officer on duty that evening will be available if the need arises. Insurance is required by both the Arts Council and the distributor and that has been provided.

This application also includes a request for the temporary closing of the Marketplace parking lot beginning on Wednesday evening, October 17 at 5:00 p.m. and remains closed until Friday morning, October 19 at 7:30 a.m. This parking lot will be used for band vehicles, vendor vehicles and trailers, a dumpster and sanitary facilities. The Arts Council will be responsible for notifying the businesses that use the Marketplace parking lot of the nature of the closing.

They will also be responsible for trash receptacles, securing a dumpster and sanitary facilities and coordinating all set ups and the final clean up after the event is concluded. The Streets Department will coordinate closing of the Marketplace parking lot, the Marketplace and the alley. There will be a minimal cost to the Arts Council for in kind services from the Streets Division in the amount of \$76.11.

OTHER OPTIONS

Do not approve the event or the closing of the Marketplace, alley and parking lot.

FISCAL IMPACT

The only in Kind services provided by the City would be from the Streets Department for a total cost of \$76.11. This would be paid by the Arts Council at 100%.

[End agenda memo]

Agenda Item 8. Vendor Selection for – Utility Bill Printing, Inserting and mailing Services

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

This is a contract with TC Delivers for utility printing, inserting and mailing services.

RECOMMENDATION

It is recommended that City Commission take the following action:

1. Authorize the City Manager to execute an agreement with TC Delivers, for outsourcing the printing and mailing of utility billing, for the first billing cycle within fiscal year 2012-2013.

BACKGROUND

On January 8, 2004, the City contracted with Infosend Inc. (located in California), for outsourcing of utility bill printing and mailing services. Outsourcing the billing process provided cost avoidance and efficiency in connection with the City of Lake Wales finance and utility departments. The City Commission and Finance Department received several complaints due to the vendor being located out of state. It was the desire of the Commission in 2009 to contract this service within the State of Florida to help support the regional economy.

On June 16, 2009, the City contracted with TC Delivers (formerly TC Specialties Co.). The contract's initial term was from October 1, 2009 to September 30, 2010 with two one-year renewals. As of October 2012, the City will no longer be under contract with TC Delivers. Service will continue under "standard pricing" realized during FY 2011'12 until the City Commission selection is completed.

August 3, 2012, staff advertised a request for utility bill printing, inserting and mailing services. Proposals were opened on August 23, 2012. Proposals were received from the following vendors:

<u>Vendor</u>	<u>Location</u>	<u>3 - Year Cost Estimate</u>	<u>Average Monthly Cost</u>
1 TC Delivers	Orlando, FL	27,335.62	759.32
2 Southwest Direct	Fort Myers, FL	31,950.72	887.52
3 Municode Advantage	Tallahassee, FL	37,275.84	1,035.44
4 Pride Enterprises	St. Petersburg, FL	86,340.17	2,398.34
5 Cash Cycle Solutions	Charlotte, NC	21,300.48	591.68
6 Peregrine Services, Inc.	Olathe, KS	23,164.26	643.45
7 InfoSend	Downers Grove, IL	25,560.58	710.02
8 Datamatx	Atlanta, GA	30,370.66	843.63
9 Emdeon	Nashville, TN	30,619.44	850.54
10 QuestMark Info. Management	Houston, TX	* Incomplete Pricing	

A

bid results worksheet was prepared by the Finance Director for the ten bid proposals received. All vendors had extensive experience, resources and customer base.

Proposals were also analyzed based on experience, location and price. The Finance Director recommends the following two vendors:

- TC Delivers – This is the current vendor used by the City. This vendor is located within the State of Florida. The City’s business would be helping to support our regional economy in the Orlando area. Annual cost is estimated to be \$9,112.
- Cash Cycle Solutions – This vendor has been in business for 33 years, and has 101 employees, 380 clients (250 utility clients). Gainesville Regional Utilities was listed as a client (over 61,000 monthly billing for utility customers).

FISCAL IMPACT

The estimated annual cost for one year of service with TC Delivers is \$9,112. The estimated annual cost of one year of service with Cash Cycle Solutions is \$7,100.

(\$9,112 - \$7,100 = \$2,012 additional annual cost to stay with TC Delivers)

[End agenda memo]

Mayor Carter asked Finance Director Dorothy Pendergrass if there was a way customers, who do not choose to sign up for E bills but choose to pay through a bank bill payment feature, could stop getting the envelope mailed to them.

Ms. Pendergrass said it was cost prohibitive because of the expensive software and that the savings would take five years to recapture. She said that she could send the information to the Commission if they wished. Mayor Carter asked her to do that at her convenience.

Agenda Item 9. Contracts for General Engineering Services

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City Commission will consider awarding continuous/master consulting contracts for general engineering services.

STAFF RECOMMENDATION

It is staff's recommendation that the City Commission take the following actions:

1. Authorize the City Manager to execute Continuous Master Consulting Engineering Service Agreements with the following firms: Atkins, AMEC, Gannett Fleming, Kimley Horn and Associates Inc. and Metzger & Willard for a period of twelve months with renewal at the discretion of the City of Lake Wales.

BACKGROUND

The City had solicited through RFP 12-348 for general engineering services that would allow the city staff to expedite engineering services that are required for City projects. There is the need for small engineering projects and work that will aid in the processing of work for water, sewer, planning, and economic development projects. In addition, as we apply for Grants and funding for projects, one of the requirements is to submit engineering plans at a certain state of completion in order to accumulate necessary ranking points to qualify for funding consideration. The City Commission will still need to authorize expenditures on all projects. This process allows staff to reduce time in advertising / soliciting for engineering services for projects.

OTHER OPTION

Reject the staff recommendation and reconvene the selection committee.
Do not award any continuing engineering services and extend the time, paperwork and expense involved in soliciting engineers for each project.

FISCAL IMPACT

None at this time. Each project will have the engineering / planning funds in the project so there is no negative fiscal impact in approving these contracts.

[End agenda memo]

Commissioner Howell made a motion to approve the Consent Agenda with the changes to the minutes as requested by City Attorney Chuck Galloway. 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.

OLD BUSINESS

Agenda Item 10. Ordinance 2012-14, Adoption of FY 2012'13 Millage Rate – 2ND Reading & Public Hearing

2012-383

Ordinance 2012-15, Adoption of FY2012'13 Budget – 2ND 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 8.5119 mills for Fiscal Year 2012-2013 which is the City's rolled-back rate. The Commissioners will also consider adopting the proposed operating budget.

RECOMMENDATION

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

1. Adopt Ordinance 2012-14 adopting a millage rate of 8.5119 mills for FY2012-2013.
2. Adopt Ordinance 2012-15 adopting an operating budget for FY2012-2013.

BACKGROUND

In accordance with Florida Statutes and the City Charter, Ordinances 2012-14 and 2012-15 are presented for second reading and public hearing. Ordinance 2012-14 establishes the millage rate for FY12'13, and Ordinance 2012-15 adopts the proposed FY12'13 budget. These ordinances must have separate public hearings and must be voted upon individually.

The proposed FY12'13 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 on August 21st.

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

On July 17, 2012, the City Commission adopted an Interim Millage Rate of 9.000 to give itself some flexibility while working through the FY12'13 budget adoption process. Although it may be lower, the final millage rate adopted by the Commission cannot exceed the Interim Millage Rate. The proposed budget was balanced on the rolled-back millage rate of 8.5119 per \$1,000 of taxable valuation. This rolled-back rate of 8.5119 mills would generate the same amount of revenue with 2012 property values as the current rate (7.9998) generated with 2011 property values.

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:

Assessed Value	Taxable Value		Tax Levy		
	with 1 st \$25,000 homestead exemption	with 1 st & 2 nd \$25,000 homestead exemption	7.9998 mills (current)	8.5119 mills (rolled-back)	Difference
\$60,000	\$35,000	-	\$279.99	\$297.92	\$17.92
\$75,000	\$50,000	-	\$399.99	\$425.60	\$25.61
\$100,000	-	\$50,000	\$399.99	\$425.60	\$25.61
\$150,000	-	\$100,000	\$799.98	\$851.19	\$51.21
\$175,000	-	\$125,000	\$999.98	\$1,063.99	\$64.01
\$200,000	-	\$150,000	\$1,199.97	\$1,276.79	\$76.82

At the August 1st budget workshop, it was the consensus of the Commission to proceed into the first budget hearing with the ad valorem revenues increased by the rolled-back rate instead of the current rate. Accordingly, Ordinance 2012-14 has been prepared for first reading and public hearing with a tentative millage rate equal to the rolled-back rate of 8.5119 mills.

The effect of the rolled-back rate (8.5119) compared to the current rate (7.9998) is an increase on fund revenues as follows:

General Fund	225,408
CRA Fund	32,557
Library Fund	20,870
Estimated Fund Balance at 9/30/12	<u>278,835</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 2011 to June 2012 was 1.7%, and all user fees (i.e. water and sewer, solid waste collection, facility rental, development fees, etc.) will be increased by 2.5% on October 1st.

Although a 2.5% increase in user fees will generate some additional revenue for the General Fund, ad valorem proceeds and development-related revenues have declined dramatically during the past five years. Revenues from state and other intergovernmental sources (communication service tax, local option gas tax and county optional gas tax) are also projected to be lower than last year.

General Fund revenues in FY12'13 (9,513,565+828,000 = 10,341,565) are projected to be \$247,493 more than budgeted in FY11'12 (9,517,072 - 251,000 pending budget amendment + 828,000 = 10,094,072) and \$18,232 more than actually received in FY10'11.

EXPENDITURE CHANGES SINCE PRESENTATION OF BUDGET

General Fund expenditures in FY12'13 are projected to be \$10,758,235, which is \$154,164 less than budgeted in FY11'12 (\$10,912,399) and \$204,161 less than actually spent in FY10'11 (\$10,962,396).

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. The City's General Fund has realized unreserved fund balances equal to:

<u>Fiscal Year</u>	<u>Unreserved Fund Balance</u>
07'08	17.88%
08'09	24.13%
09'10	29.51%
10'11	21.97%.

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.

On August 21, 2012, the City Commission approved agenda item #13 for an acquisition of a proposed fire station site at 600 Chalet Suzanne Rd. (3.76 acres of real estate). The City Commission approved an interfund loan from the General Fund Emergency Sinking Account up to \$100,000. The interfund loan shall be repayable from fire impact fees and shall accumulate 3% interest until reimbursement is received.

In terms of the proposed FY12'13 budget, a General Fund emergency sinking account balance of \$1.50 million to \$2.04 million would be required to remain within the 15% to 20% margins, while excluding the \$100,000 interfund borrowing due to the real estate purchase for the fire sub-station location.

At 9/30/2012, \$1,506,482 (15% of revised operating expenditures budgeted for FY12'13) 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, 2012 will be about \$2.1 million as follows:

Inventory & Prepaid Expenses	80,000
Emergency Sinking Fund	1,506,482
Unreserved/Undesignated	558,400
Estimated Fund Balance at 9/30/12	<u>2,144,882</u>

The proposed General Fund budget for FY12'13 expects a reduction in fund balance of \$416,670. It is estimated that total fund balance at September 30, 2013 will be about \$1.7 million as follows:

Inventory & Prepaid Expenses	80,000
Emergency Sinking Fund	1,506,482
Unreserved/Undesignated	141,409
Estimated Fund Balance at 9/30/13	<u>1,728,212</u>

Unless the economy improves or additional revenues sources are received by the General Fund in FY13'14, the City Commission will need to decrease general fund expenditures by over \$400,000 or the City Commission will be forced to use emergency sinking funds for recurring operating costs.

EXPENDITURE OVERVIEW

By necessity, the proposed FY12'13 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. 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.

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.

SUMMARY OF ALL FUNDS

General Fund	\$10,710,641
Special Revenue Funds	2,598,124
Debt Service Fund	2,162,266
Capital Projects Fund	775,000
Utility System Fund	8,761,742
Airport Fund	185,797
TOTAL	\$25,193,570

The expenditure total of \$25,193,570 is comprised of operating costs in the amount of \$20,426,219 and capital outlay in the amount of \$4,767,351. Transfers in the amount of \$1,981,635 bring total expenditures plus transfers to \$27,175,205.

Capital expenditures include utility system improvements are budgeted as follows:

General Fund	\$46,215
Special Revenue Funds	380,500
Capital Projects Fund	775,000
Utility System Fund	3,507,636
Airport Fund	58,000
TOTAL	\$4,767,351

Capital expenditures proposed for FY12'13 are itemized in the following chart:

Item	Cost	Funding Source
Community Redevelopment – Entryway Improvement	224,500	CRA Tax Increment Revenues
Community Redevelopment – Lake Weaver Fountain	15,000	CRA Tax Increment Revenues
Community Redevelopment – Signage Municipal Complex	7,500	CRA Tax Increment Revenues
Fire Dept. – North Side Sub-station	700,000	Grants, Impact Fees
Fire Dept. – Thermal Imaging Camera	11,000	Grant
Information Technology – E-mail System Upgrade	12,000	Miscellaneous Revenues
Library – Books & Subscriptions	65,000	Library Fund Revenue, Impact Fees
Police Dept – Video Systems/Cameras	16,000	Byrne Law Enforcement Grants
Airport – Master Plan	58,000	Grants, General Fund Transfer
Cemetery – Road Improvements	20,000	Cemetery Trust Account
Cemetery – Mausoleum Roof Replacement	3,215	Cemetery Trust Account
Parks & Rec. – Crystal Lake Park Improvements	25,000	Impact Fees
Parks & Rec. – Lake Wailes Park Improvements	25,000	Impact Fees
Parks & Rec. – Pram Fleet Area	25,000	Impact Fees
Street Dept. – Drainage Improvement – Polk Ave.	52,500	Gas Taxes & SWFWMD
Reuse System – Oakwood Country Club Transmission Line (Construction)	750,000	SWFWMD Grant, Impact Fees, Private Contribution
Reuse System – Misc New Services	10,000	Utility System Operating Revenues
Sewer System – C St & Vicinity Improvements	934,860	CRA Bond, Tax Increment Revenues
Sewer System – Lift Station Upgrades – Fencing, etc	27,500	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 – GPS	50,000	Utility System Operating Revenues
Sewer System – Utility Transmission System – SR 60 W.	575,000	Utility System Operating Revenues

Item	Cost	Funding Source
Sewer System – Unsewered Areas	200,000	Utility System Operating Revenues
Sewer System – Vehicle Replacement	17,243	Utility System Operating Revenues
Water System – Bathrooms @ Water Plants	10,000	Utility System Operating Revenues
Water System – Utility Relocation – US 27	200,000	Utility System Operating Revenues
Water System – GPS	50,000	Utility System Operating Revenues
Water System – Market Street Distribution Upgrades	125,000	Utility System Operating Revenues
Water System – Vehicle Replacement	23,033	Utility System Operating Revenues
Water System – Storage Tank/Ground – Market St.	125,000	Utility System Operating Revenues
Water System – Misc New Services	60,000	Utility System Operating Revenues
TOTAL CAPITAL EXPENDITURES	\$4,767,351	

REVIEW OF DEBT SERVICE

As required by Charter, a summary of the City's outstanding principal balance at September 30, 2012 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: \$4,171,742; 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: \$324,639; 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: \$3,633,123; 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: \$2,274,871; last payment 2027.

CRA Redevelopment Revenue Note, Series 2007; issued to finance redevelopment capital improvement projects. Annual interest rate: 3.77%. Balance: \$8,049,736; 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: \$1,124,500; 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: \$620,153; 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: \$435,930; 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: \$884,229; 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: \$826,889; 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 \$321,495. Annual interest rate: 2.30%. Balance: \$321,495.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of construction costs associated with the Wastewater Treatment Plant Expansion Project. Principal amount of loan is approved at \$4,425,207; current amount drawn down during FY11'12 is \$3,267,364. Annual interest rate: 2.30%. Expected principal balance during FY12'13 is: \$4,425,207.

Fixed Base Operator's Prepayment Credit for \$340,000 in leasehold improvements done by the FBO on airport property. Annual interest rate: 0%. Balance: \$115,629; last payment 2019.

The City's expected indebtedness at 9/30/12 is \$27,208,143. Debt payments due during FY12'13 total \$3,642,631 and represent 17.8% of the City's operating budget (excluding interfund transfers and capital outlay). Appendix – 2 provides a schedule showing the City's expected outstanding debt at September 30, 2012.

BUDGET HIGHLIGHTS

A summary of the important aspects of the proposed FY12'13 budget document is provided as follows:

1. No Cost of Living Adjustment (COLA) is budgeted for employees this year.
2. A 9.77% increase for health care coverage is budgeted per our insurance agent.
3. Pension contribution rates have been budgeted for FY12'13 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 12'13	10.6%	25.8%	36.5%
FY 11'12	5.7%	27.9%	41.6%
Change	+4.9%	-2.10%	-5.10%

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.

4. Appendix – 20 provides a schedule of changes in departmental staffing in FY12'13 as compared to FY11'12. Two employee positions have been removed. In FY12'13 total personnel includes 173.25 positions compared to 175.25 during FY11'12 (Appendix – 19).
5. In accordance with Ordinance 2007-07 adopted by the City Commission on September 18, 2007, water and sewer rates and charges will be adjusted to reflect a 2.5% increase. The increase will be applied to service provided on or after October 1, 2012.

	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	5.66	2.24	3.03	4.70	7.74	20.10	2.64	4.63
10/1/12	5.80	2.30	3.11	4.82	7.93	20.60	2.71	4.75

For inside-city residential customers using an average of 8,000 gallons per month, water charges will increase from \$25.95 to \$26.63, and sewer charges will increase from \$47.19 to \$48.40; the combined bill for water and sewer will increase from \$73.14 to \$75.03.

6. The FY12'13 Budget includes a 2.5% increase in all General Fund user fees and charges.
7. Contracts, grants and other items of interest:
 - The contracts with the Lake Wales Little League for field maintenance (\$60,000, pg 63) and the Boys & Girls Club for operation of the Kirkland Gym (\$55,698, pg 63) are budgeted at the same level of funding in FY12'13 as in FY11'12.
 - 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, pg 82).

CONCLUSION

By necessity, the proposed FY12'13 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. Most 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.

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 FY12'13. 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 FY12'13 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 FY13'14.

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance 2012-14 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 2012-2013; PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

There were no comments from the public.

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to adopt Ordinance 2012-14, a millage rate of 8.5119, after second reading a public hearing. The motion was seconded by Commissioner Lutton.

By Roll Call Vote:

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

The motion carried 5-0; 6:31 p.m.

City Clerk Clara VanBlargan read Ordinance 2012-15 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 2012-2013 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.

OPENED PUBLIC HEARING

There were no comments from the public.

CLOSED PUBLIC HEARING

Mayor Carter commented that he had been getting calls from the public who thought the City was not getting its money's worth from the Kimbrough and Associates contract.

Commissioner Howell said she thought they had voted last year to go out for bid at the end of the contract this year.

Economic Development Director Harold Gallup explained that the CRA Citizens Advisory Board met to discuss this agenda item and their recommendation was to renew the contract for another year, while they are trying to get through the C Street Project's legal issues, and then go out to bid next year. He said it would be very difficult to change the consultant midstream. Getting the needed easements for the 120 landowner parcels, as of the last count, is very time consuming.

Commissioner Wojcik said that those she has heard from indicated that the work Ms. Kimbrough was doing was cost effective and indispensable in getting the easements. Mr. Gallup added that the City would not be where it is today and would not be able to meet the CDBG guidelines without her assistance.

PUBLIC COMMENT

Murray Zacharia, 4004 Dunmoore Drive, member of the CRA Citizens Advisory Committee, confirmed that the Board had recommended the renewal of the contract for one more year.

Commissioner Howell made a motion to adopt Ordinance 2012-15, the operating budget for FY2012-13, after second 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 Lutton	"YES"
Mayor Carter	"YES"

The motion carried 5-0; 6:37 p.m.

Agenda Item 11. Ordinance 2012-16, Five-Year Capital Improvement Plan FY2012'13 – 2nd Public Hearing

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 2012/13 through 2016/17.

RECOMMENDATION

It is recommended that the City Commission adopt after second reading and public hearing Ordinance 2012-16 adopting the Five-Year Capital Improvement Plan for fiscal years 2012/13 through 2016/17.

BACKGROUND

In accordance with section 6.05 of the City Charter, Ordinance 2012-16 adopts the proposed 5-year Capital Improvement Plan (CIP) for the period FY2012/13 through FY2016/17. Capital improvements and

capital acquisitions proposed for Year 1 of the 5-Year plan are incorporated into the FY12'13 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 \$39,249,851 and includes \$825,000 in land acquisition, \$3,716,275 in building improvements/acquisitions, \$30,369,476 in infrastructure and recreation improvements, \$3,313,100 in equipment acquisition, and \$1,026,000 in other capital outlay. Schedule "C", within the 5-year CIP, provides a detail listing of each asset type.

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.

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. Growth related improvements will be funded by impact fees.

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

Year 1 - FY2012/13	4,767,351
Year 2 - FY2013/14	9,479,212
Year 3 - FY2014/15	10,249,949
Year 4 - FY2015/16	6,809,465
Year 5 - FY2016/17	7,943,874
5 Year Total	<hr/> 39,249,851

All items scheduled for Year 1 are included in the proposed FY12'13 operating budget presented to the City Commission for consideration.

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance 2012-16 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 2012/13 THROUGH 2016/17; REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE AND PROVIDING FOR AN EFFECTIVE DATE.

OPENED PUBLIC HEARING

There were no comments made by the public.

CLOSED PUBLIC HEARING

Commissioner Lutton said, for the record, that the reason the City Commission has no comments at this time is because it has been over the CIP Plan three times, line by line, at previous meetings. He didn't want the public to think they were simply "rubber stamping" this agenda item.

Commissioner Lutton made a motion to adopt Ordinance 2012-16 after second reading and public hearing. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 12. Ordinance 2012-17, Amendment to International Property Maintenance Code and related Code Enforcement Procedures – 2nd Reading and Public Hearing

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City Commission will consider amending the International Property Maintenance Code and related Code Enforcement procedures that will prescribe standards for maintaining residential structures in the City as well as create new, revised and updated standards for commercial properties.

RECOMMENDATION

City staff requests that the City Commission adopt Ordinance 2012-17, after second reading and public hearing, the amendment to the International Property Maintenance Code 2009 as a part of the Code of Ordinances of the City of Lake Wales.

BACKGROUND

On July 3, 2012, the City Commission adopted **Ordinance 2012-09**, Property maintenance Code and related Code Enforcement Procedures. Following this, staff realized that a significant amount of the code was inadvertently left out which included the definitions needed to implement and clarify the code. Texts in blue of Ordinance 2012-17 are sections that have been added.

Ordinance 2012-09 has already been sent to Municipal Code for codification. If we can act in September, we will save on the cost of revisions and Ordinance 2012-17 will be included in the new codification.

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance 2012-17 by title only.

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA, AMENDING ORDINANCE 2012-09 TO INCLUDE SECTIONS OF THE ADOPTED INTERNATIONAL PROPERTY MAINTENANCE CODE THAT WERE INADVERTANTLY EXCLUDED; REPEALING
2012-395

ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERE WITH; PROVIDING FOR SEVERABILITY; CODIFICATION; AND AN EFFECTIVE DATE.

Building Official Cliff Smith reviewed Agenda Item 12.

OPENED PUBLIC HEARING

There were no comments from the public.

CLOSED PUBLIC HEARING

Commissioner Wojcik made a motion to adopt Ordinance 2012-17 after second reading and public hearing. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 5-0.

NEW BUSINESS

Agenda Item 13. Ordinance 2012-18, Vacation of a portion of B and C Streets South of Seaboard Ave. – 1st Reading

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

Pastor Banks of the Bible Church of God at 49 Seaboard Ave. has requested the vacation of portions of B and C Streets between Seaboard Avenue and the CSX Railroad right-of-way. If vacated, the right-of-way will revert to the church. The streets are unimproved and not necessary for access to private property other than the church. The vacations will facilitate the construction of a youth facility adjacent to the church.

RECOMMENDATION

Staff recommends approval upon first reading of Ordinance 2012-18.

The Planning and Zoning Board unanimously recommended approval of the vacation at their August 28, 2012 regular meeting.

BACKGROUND

Pastor Bobby Banks of the Bible Church of God has asked the City to consider the vacation of the portions of B and C Streets running 150 feet between Seaboard Avenue and the CSX Railroad right-of-way as shown on "Attachment A" to the ordinance. The church currently has a one-story building located at 49 Seaboard Avenue. They have purchased the adjacent property to the east and hope to build a youth building on the property.

There are no public utilities in the rights-of-way. The rights-of-way are unimproved except for a driveway along B Street constructed by the church and are not necessary for access to other property in the neighborhood. As shown on the boundary survey dated 4/11/2012, the streets dead-end at the CSX Railroad right-of-way. The Grove Manor housing development is south of the CSX property. It is unlikely that there would be a need to extend these streets to the south across the railroad right-of-way.

OTHER OPTIONS

Decline to grant the vacation.

FISCAL IMPACT

Vacating the unimproved rights-of-way will relieve the City of any responsibility for maintaining them.

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance 2012-18 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 UNIMPROVED PORTIONS OF B AND C STREETS AS SHOWN ON "ATTACHMENT A" AND SPECIFICALLY DESCRIBED HEREIN; AND PROVIDING AN EFFECTIVE DATE.

Mayor Carter asked who would take ownership of the land. City Attorney Chuck Galloway said the church would take ownership and explained a similar instance. Mayor Carter asked if it needed to be specified in the ordinance or if it was implied. Mr. Galloway said it was implied by operation of the law.

Commissioner Wojcik said she had questioned at first why the City would give away property, but changed her mind in this case because of where it is located and because the Planning Board and the Utility Department reviewed and recommended approval.

Commissioner Lutton said that the parcel of land was a nuisance for the City because there is no use for that piece of land anymore. He said it is a win/win situation. Assistant City Planner Kathy Bangley said that it makes sense because of where the land is located.

PUBLIC COMMENT

There were no comments from the public.

Commissioner Howell made a motion to approve Ordinance 2012-18 after first reading. The motion was seconded by Commissioner Lutton.

By Roll Call Vote:

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

The motion carried 5-0.

Agenda Item 14. Resolution 2012-07, Department of Transportation Utility Relocation for Highway Construction Master Agreement

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

Staff requests commission to give approval for the signing of Resolution 2012-07 Department of Transportation Utility Relocation for Highway Construction Master Agreement.

STAFF RECOMMENDATION

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

1. Approve the signing of Resolution 2012-07 Department of Transportation Utility Relocation for Highway Construction Master Agreement.
2. Approve the signing of the Utility Relocation for Highway Construction Master Agreement and amendment.
3. Authorize the Mayor to execute the appropriate documents, on the City's behalf.

The intent of the attached document is to circumvent the necessity of processing for legal execution a separate agreement for each individual State Highway Project involving utilities owned and operated by the City of Lake Wales. As it stands today, each FDOT project has to have an approved resolution and utility work agreement each time the City has to relocate its utilities in the FDOT right-of-way. If the City Commission chooses to approve the use of this Department of Transportation Utility Relocation for Highway Construction Master Agreement, this step would be able to be removed thus streamlining the relocation of utilities process.

The attached documents were sent to the City attorney for review. As a result of his review it was noted that the issues of concern from the City Attorney were the indemnification provisions found in paragraph 8 which the City currently has an ordinance that prohibits this. Paragraph 1c4 references to the time in which responses must be returned to FDOT and Paragraph 2b gives FDOT's Engineer full authority and grants the engineer authority to stop or modify work and requires the City to comply with whatever the Engineer determines. Based on these concerns and others the Public Works Director made contact with Thomas Pridgen an FDOT representative and an amendment was approved to be added to this agreement. With the addition of this amendment some of the city concerns were able to be resolved. The indemnification issue was not. Staff is seeking commission approval for the signing of Resolution 2012-07 and the master agreement for the Department of Transportation Utility Relocation for Highway Construction and the amendment.

OTHER OPTION

By choosing not to approve the Resolution and Utility Relocation for Highway Construction Master Agreement with amendment, would result in staff having to bring a Utility Work Agreement to the City Commission every time the city has utilities that have to be relocated in the FDOT right of way.

FISCAL IMPACT

None at this time

[End agenda memo]

City Clerk Clara VanBlargan read Resolution 2012-07 by title only.

Utilities Project Administrator Sarah Kirkland reviewed Agenda Item 14.

Indemnification issue:

Mayor Carter said he believed there was an indemnification issue.

Ms. Kirkland explained that there was but FDOT would not bend on the issue.

City Attorney Chuck Galloway said that the ordinance provides for that. It says that in the event that they will not change their stance as to indemnification, that then, as long as you are given notice, you can approve it. But there are many instances where a contracted party will not give indemnification.

Liability:

Mayor Carter asked if that puts the City in a liability position.

Mr. Galloway said that if there were an accident or something that occurred then the City would be liable because it's related to an act on behalf of the City. The City would have liability associated with that. In any instance with DOT, they're not going to waive the requirement that that provision be included in contracts, whether it's a master contract or whether it's an individual contract. You find it in every one of them, the contracts we have with DOT, and you can find it in numerous contracts. In some instances you can ask them to withdraw it and they will, but very seldom and not DOT.

Mayor Carter said therefore DOT will not be held liable and the City will be liable. Mr. Galloway confirmed.

Commissioner Wojcik asked if that was only when the City is doing work in their right-of-way, or when DOT is doing their own work in the right-of-way.

Mr. Galloway responded that we are indemnifying something that we do. With your knowledge, after it is pointed out to you, then under our ordinance, you can go ahead and approve it.

PUBLIC COMMENT

There were no comments from the public.

Commissioner Thornhill made a motion to adopt Resolution 2012-07, Department of Transportation Utility Relocation for Highway Construction Master Agreement. The motion was seconded by Commissioner Lutton.

By Roll Call Vote

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

The motion carried 5-0.

Ms. Kirkland said there were two parts to the staff recommendation and the second half was not approved.

Commissioner Thornhill amended the motion to include approval of the Utility Relocation for Highway Construction Master Agreement and amendment; and to authorize the Mayor to execute the appropriate documents, on the City's behalf. The motion was seconded by Commissioner Howell.

By Roll Call Vote

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

The motion carried 5-0.

Agenda Item 15. Appointment – Airport Authority

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.

Airport Authority Board– Members are appointed by the City Commission. The Board consists of seven (7) members. At least four (4) members must be qualified electors of the City, and one member is a City Commissioner who is a non-voting member. (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, non-qualified elector of city*

1 regular vacancy: 1 term expires 07/01/15

Applying for re-appointment: None

Applying for appointment: Katherine Rogers, resident

The vacancy is due to the expiring term of Clifford Baggett, who did not apply for reappointment.

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.

OTHER 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]

Commissioner Howell made a motion to appoint Katherine Rogers to the Airport Authority Board with a term expiring on 7/1/15. The motion was seconded by Commissioner Thornhill.

By Voice Vote:

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

The motion carried 5-0.

Agenda Item 16. Airport Inter-local Agreement – Renewal for 2012-2017

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SNYOPSIS

The City created a dependent special district and designated it as the City of Lake Wales Airport Authority on September 29, 2005. In October 2007, the City and Authority into an Inter-Local Agreement for services as the Authority lacked the fiscal capacity to undertake the various tasks under its own administration. This Agreement shall be reviewed every five years or until termination by either party as provided for in the Agreement.

RECOMMENDATION

Staff recommends that the City Commission authorize the Mayor to execute the inter-local agreement between the City and the Lake Wales Airport Authority as presented.

BACKGROUND

On September 29, 2005, the City Commission of the City adopted Ordinance No. 2005-44 creating the Authority as a dependent special district of the City and designating it as the Airport Authority in accordance with the provisions of 189.4041, Florida Statutes.

On October 9, 2007, the City Commission and the Lake Wales Airport Authority entered into an Inter-Local Agreement for support services required by the Airport Authority in-order for the Airport to conduct its daily required business.

The Authority does not have sufficient resources, including personnel, to adequately administer and implement its responsibilities as set forth in the Ordinance and needs the cooperation, support, and assistance of the City, including City personnel participating in the implementation of the objectives and responsibilities set forth in the Ordinance.

The City was and is able and willing to assist the Authority to accomplish the purposes set forth in the Ordinance, including provision of personnel and other City resources to administer and implement its objectives and responsibilities.

The parties recognize the City's assistance to the Authority requires funds to pay the costs incurred by the City, including the cost of capital improvements, purchase price of property acquired by the City (including closing costs), reasonable reserves and contingencies, and the cost of personnel and other City resources used to assist the Authority in the accomplishment of its objectives and responsibilities.

The Authority desires to renew this formalized agreement with the City to provide assistance to the Authority. The City and the Authority are desirous of entering into this renewal of the inter-local agreement to set forth the responsibilities and obligations of the parties hereto. The City Attorney had prepared the original agreement and has reviewed the attached agreement. This Agreement is the same form and content of the original document. This Agreement will be subject to review and renewal in September, 2017.

At an informal meeting of the Airport Authority Board held on Wednesday, September 12, 2012, four of the six remaining members of the Authority agreed to approve to enter into the inter-local agreement with the City. Formal action could not be taken because one of the four appeared by telephone and therefore a quorum was not present.

Highlights of the agreement

The City will provide the services of its employees necessary to accomplish the purposes and intent of the Ordinance. The City's staff liaison with the Authority shall be its Public Services Director.

The City will hold title to any real or personal property acquired by the Authority in furtherance of the purposes and intent of the Ordinance.

The Authority recognizes and acknowledges that it is in the best interests of the Authority that the bank account(s) of the Authority be administered and managed by the City. Accordingly, the parties hereby agree that any bank account of the Authority shall be held by the City in trust for the Authority and administered and managed by the City in the same manner as other public funds of the City and in accordance with the Ordinance and this Agreement. Subject to oversight by the City Commission, the appropriate officials of the City, including the City Manager and the Finance Director or others subject to their direction, are authorized to take such actions as are necessary and appropriate to properly administer the Authority's account(s), including making such deposits and withdrawals as may be necessary from time to time.

Moneys in the Authority's account(s) shall be secured at all times in the manner prescribed by the laws of the State of Florida relating to the securing of public funds.

The Authority does hereby represent and warrant to the City that it has all requisite power, authority, and authorization to enter into this Agreement, has taken all necessary actions required to enter into this Agreement, make any payment contemplated hereby, and to fulfill any and all of its obligations, duties and responsibilities for or required of it by this Agreement, for their exercise individually or collectively.

The City does hereby represent and warrant to the Authority that it has all requisite power, authority and authorization to enter into this Agreement, has taken all necessary actions required to enter into this Agreement, and to fulfill any and all of its obligations, duties and responsibilities required of it by this Agreement, whether exercised individually or collectively.

The City does hereby represent and warrant to the Authority that it does not intend to assign to any other person its obligations and responsibilities under this Agreement.

The agreement may be amended only by the mutual written agreement of the City and the Authority at any time and from time to time.

It is the intent of the parties hereto that the term of this Agreement should continue throughout the existence of the Authority. In the event that the Ordinance is repealed by the City commission, this Agreement shall expire.

This Agreement shall become effective immediately upon the execution by the appropriate officers of the City and the Authority, and upon filing of this Agreement with the Clerk of the Circuit Court of Polk County, Florida, as required by Section 163.01(11), Florida Statutes.

OTHER OPTIONS

None; the Authority does not have sufficient resources, including personnel, to adequately administer and implement its responsibilities as set forth in the Ordinance.

FISCAL IMPACT

There is a potential fiscal impact within the second five years of this agreement if the airport revenues are not sufficient to cover operating expenses. Then under this agreement the City's general fund will be required to subsidize the shortfall.

[End agenda memo]

Economic Development Director Harold Gallup reviewed Agenda Item 16.

Mayor Carter asked for a brief explanation as to why this is an Authority. He said he believed it came about in order to get a runway extension a few years back. He said we spend \$7,500 for an audit every year for an Authority that has no authority.

Mr. Gallup confirmed how it started and said that continuing the Authority gives the City points on their applications, and that the ability to have an Authority now allows for the possibility of it becoming an independent Authority in the future. If the Authority is eliminated, there will be consequences for funding opportunities. Staff has recommended it.

Mayor Carter asked if there was something that could be done to cut back on the expense of maintaining the Authority, while still giving it the required name. Mr. Gallup said the Finance Director already got the audit expenses reduced from what we paid in previous years, and by State Statute we have to have an audit.

Commissioner Wojcik made a motion to authorize the Mayor to execute the interlocal agreement between the City and the Lake Wales Airport Authority. The motion was seconded by Commissioner Howell.

By Voice Vote:

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

The motion carried 5-0.

Agenda Item 17. Write-off Uncollectible Receivable Accounts

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City Commission is asked to authorize the write-off of uncollectible accounts receivables totaling \$47,427.06 for utility and solid waste services for the period of 10/01/10 through 9/30/11.

RECOMMENDATION

It is recommended that City Commission authorize the Finance Director to write-off a total of \$47,427.06 in 308 uncollectible accounts receivables for utility and solid waste services for the period of 10/01/10 through 9/30/11.

BACKGROUND

The Utilities Fund and General Fund list accounts receivable as an asset. These amounts are the total unpaid billing of utility and waste disposal services. These Funds also list an offsetting account called Allowance for Uncollectible Accounts, which is an estimate of uncollectible accounts based upon accounts receivable balances past 90 days old. The Allowance for Uncollectible Accounts is adjusted annually by an offsetting adjustment to bad debt expense. If the write-off is approved, each account's balance will be adjusted off and each account will be coded as a write-off. Applications for new service are checked against our current database. If the applicant has a coded write-off account in our system, the applicant must pay the old debt before new service is activated.

Open accounts prior to October 1, 2011 have been sent to Penn Credit, the collection agency for the City. Penn Credit will continue to attempt collection efforts relating to these accounts. The combined efforts of Penn Credit and City staff have resulted in the recovery of prior bad debt balances in the amount of \$14,217.86 for the combined FY 2008'09 and 2009'10 and \$6,454.95 for FY2010'11.

Collection recovery realized from the combined efforts of Penn Credit and City staff is equivalent to 13% of the total amount classified as bad debt (\$20,672.81 recoverable amount/ \$158,064 amount classified as bad debt = 13%).

FISCAL IMPACT

Accounts receivables will be reduced by \$47,427.06 but this will have no impact on the City's bottom line because the amount has been accruing in the Allowance for Uncollectible Accounts.

[End agenda memo]

Finance Director Dorothy Pendergrass reviewed Agenda Item 17.

Mayor Carter asked if the dollar amount was the total amount or what the City received. Ms. Pendergrass said it was a combination of both and explained.

Mayor Carter said they took steps about a year ago and asked if those steps paid off. Ms. Pendergrass explained that the bad debt that was written off today was really the debt from two years ago, so the efforts from the steps taken a year ago will show up next year. She said there was also a \$25 disconnect fee, so the City collected an additional \$28,000 for a total of \$41,000.

Commissioner Lutton asked if the typical bad debt was from people leaving town, never to come back. Ms. Pendergrass said some were from people who never intended to pay. With others the water deposit placed on it ten to fifteen years ago was so low that when they left, it did not cover the last bill. But, they do try to collect from the customers that move around inside the city.

Commissioner Wojcik asked if there was a way to attach what they owe to a lien like is done with code enforcement issues. Commissioner Lutton said you couldn't put a lien on a renting customer, which usually is the case. Ms. Pendergrass concurred. She said that according to Florida Statute you can only deny service to the person who got the benefit from the outstanding balance. Legally, service has to be provided when new tenants move in or when the landlord turns the water back on. Therefore, they have to look for the individual who owes the money and not the one who owns the property.

Commissioner Howell asked if it was true that they couldn't require customers to give their social security numbers. Ms. Pendergrass said it was true but added that customer names remain in the data base so if they try to open an account again in the future they will be required to pay the outstanding bill before service is provided.

City Attorney Chuck Galloway said that even more so now, you are precluded from publishing social security numbers in public record or any record we have because we can't give it to anyone to chase him down with. They are making sure, or at least they are trying, to preclude identity theft by virtue of social security numbers. There is any number of other ways to do it but at least by a social security number we are pretty much precluded from collecting them and are definitely precluded from publishing them.

Commissioner Wojcik said it seems that it would be helpful when trying to collect in-house. Ms. Pendergrass said customers are asked to give their social security numbers but some of them refuse. If so, staff uses other information we have on them.

Commissioner Howell made a motion to authorize the Finance Director to write-off a total of \$47,427.06 in 308 uncollectible accounts receivables for utility and solid waste services for the period of 10/01/10 through 9/30/11. The motion was seconded by Commissioner Thornhill.

By Voice Vote:

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

The motion carried 5-0.

Agenda Item 18. Renewal of Agreement with Lake Wales Little League

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City Commission will consider approving the renewal of the agreement with the Lake Wales Little League, Inc. for mowing and maintenance of the Little League fields (Barnes & Barranco) and of baseball fields 1 & 2 at the Northwest Complex.

RECOMMENDATION

Staff recommends that the City Commission take the following action:

2012-405

1. Approve the renewal agreement with Lake Wales Little League for the mowing and maintenance of the Little League fields and softball fields 1 & 2 at the Northwest Complex for the period October, 2012 through September 30, 2013 for an annual compensation of \$60,000.00.
2. Staff is bringing this to the Commission for renewal since there may be a need for a workshop concerning all recreation contracts if the Commission so desires. (Kirkland Gym, Soccer Complex, tennis courts and other recreational facilities)

BACKGROUND

The City of Lake Wales has contracted with Lake Wales Little League since 2003. The League currently mows and maintains the Little League fields (Barnes & Barranco) and the area between the fence and the edge of the surrounding roadway and to mow and maintain softball fields 1 & 2 at the Northwest Complex. A new agreement was approved for the term October 1, 2010 through September 30, 2011, which, as in the past agreements, allowed it to be renewed for four (4) additional twelve (12) month periods upon the mutual agreement of both parties as long as the terms and conditions remained the same. This renewal will constitute renewal number two (2) of that agreement. All other terms and conditions of the agreement remain unchanged.

A clause for excessive use of electricity was included in the agreement for 2009-10 which states that the league cannot exceed 156,000 kilowatts in a twelve month period. The league has continued to remain under the not to exceed kilowatts. This clause is retained in the proposed agreement. Article 9 of the agreement states that the league shall implement Section 18-137 of the Lake Wales Code of Ordinances governing league use of city-owned fields (attached).

OTHER OPTIONS

Do not approve the renewal request and schedule a workshop meeting to discuss alternatives.

FISCAL IMPACT

Funding in the amount of \$60,000.00 for this contract is included in the FY12'13 budget.

[End agenda memo]

Public Services Administrator Teresa Allen reviewed Agenda Item 18 and said that staff and the Recreation Committee requested that a workshop be set up to discuss recreation facilities. The following topics were discussed.

The Little League Contract:

- **Approval month by month:** Because the Little League contract ends on September 30th, a recommendation was made that the City Commission approve extending the contract month by month until after the workshop, and at that time approve it for the remainder of the year.
 - Ms. Allen said the Commission could consider the renewal now because this agenda item covers only the maintenance of the fields, and the proposed workshop will address other issues.
 - City Attorney Chuck Galloway interjected that the Little League contract terminates at the end of the month and the extension provision doesn't provide for month to month. The contract will not indemnify the City if there are accidents, injuries, whatever is related to their maintenance of the field, so that indemnification provision will not be in effect if we are just going to say, "Well, if you guys continue to mow, there's no contract provision that's really out there because the extension is for another year, not for month to month."
- **League Fee:** Commissioner Wojcik said the problem with the Little League contract is a provision in the city ordinance that requires the Little League to pay a league fee, which they have not been paying.

Commissioner Lutton asked if they would have the ability, if the contract is approved, to change the City Code's league fee requirement later on without making the contract null and void. He was told the City would have that ability.

- **Renewal:** Mayor Carter said the contract included four additional 12-month periods and yet he thought there were previous discussions about having consistency with the renewal periods. Mr. Galloway said there was but that this came into being before the adoption of the ordinance, so it doesn't apply. It will when the renewals cease.

Commissioner Wojcik said it therefore falls under the terms of the old agreement.

Commissioner Howell questioned having four more extensions. Mr. Galloway said that under the terms of the contract you can give notice and conclude without the extensions and are not bound by the extensions. You have the opportunity for the extensions but are not bound by them.

Field Maintenance:

- **Savings:** Commissioner Lutton said it was his understanding that Little League maintaining the fields, instead of city staff, saves the City money. Ms. Allen said it does and explained the background of how the city took over the mowing from Prince Landscaping. She said that because Little League did not think the city would be able to maintain the fields to the standard they needed, they entered into an agreement for Little League to take over Barranco Field, and later the Northwest Complex.

Commissioner Lutton said that because the Little League is doing the maintenance more cheaply than we could do it with city staff, he did not know why we wouldn't approve the contract. Mayor Carter said the Little League is maintaining it at a different level than city staff would do.

- **Bids:** Commissioner Howell asked if they could put out bids to see if someone could do it more cheaply. Mayor Carter said that was a good question.

Commissioner Lutton said they tried that with Prince Landscaping and it failed. Commissioner Howell said that was years ago and it may be different now.

Workshop:

- Ms. Leary recommended having the workshop on all of the contracts, including the Kirkland Gym, the Boys and Girls Club, the Little League and soccer complex, before approving them long term.
- Because it was recommended that the Pension Workshop, scheduled for October 9th, be put off until after the Pension Boards have a chance to review the information they just received, which was expected to take two or three weeks, if the Commission would like that information as a basis for the workshop, there was a suggestion to replace the October 9th pension workshop with the recreation facility workshop. But because Commissioner Wojcik had a prior engagement at that time and would therefore not be able to attend, there was not a consensus that the workshop be on that date.
- It was suggested that the workshop be scheduled before the City Commission meeting on October 2nd because the Kirkland Gym and Boys and Girls Club contract renewals will be up for renewal at that time. Though there is a list of workshop discussions on the books, Ms. Leary said this one takes priority because of the timing.

There was a question as to whether an hour would be sufficient time to allow for a full discussion on all the recreation facilities if scheduled before a Commission meeting. There was a suggestion that they discuss all the ball fields at the first meeting because they have common issues, and schedule another workshop later to cover issues with the Kirkland Gym.

- One of the issues to be discussed at the recreation facility workshop will be whether to enforce the league fee provision or remove the provision.
- The consensus was to have the workshop before the City Commission on October 2nd and have the City Manager put together a format of what will be discussed.

Commissioner Lutton made a motion to approve the renewal agreement with Lake Wales Little League for the mowing and maintenance of the Little League fields and softball fields 1 & 2 at the Northwest Complex. The motion was seconded by Commissioner Thornhill.

By Voice Vote:

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

The motion carried 5-0.

Agenda Item 19. Preliminary Financial Statements for August 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 August 31, 2012.

The unaudited financial statements for the City of Lake Wales for the Period Ending August 31, 2012 are presented to the City Commission for review. At the end of August 31, 2012 the City was 91.7% 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 budgetary expectations by \$251,000. The following revenue sources appear under budgetary expectations by the following amounts:

	Projected July 2012	Revised August 2012
Ad valorem taxes	\$80,000	\$73,762
Communication svc tax	61,000	62,900
Franchise fee - electric	110,000	104,184
	<u>\$ 251,000</u>	<u>\$ 240,846</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 August (FY 2011'12 \$9,978,315 compared to FY 2010'11 \$9,984,950). 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 \$241,000. 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. This fund might need a transfer from the General Fund depending on how well revenues are received during the month of September.

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 August 2012, budget projections appear reasonable

[End agenda memo]

CITY MANAGER'S REPORT

- **Snipe Signs:** Ms. Leary announced that staff will be addressing the visual problem with snipe signs soon. She said the issue was discussed at the last Main Street meeting.
- **Pension Boards Workshop:** Ms. Leary asked the Commission if they still wanted to have the pension workshop on October 9th. The consensus was that an alternative date would be set up once the Pension Boards had time to review the information. It was determined that one hour would not be sufficient time for a full discussion so it should not be scheduled before a City Commission meeting, but on a separate night. Ms. Leary said she would stay in touch with the Pension Board progress and then set up the workshop.
- **Trails Grant:** Special Projects Manager Jennifer Nanek reported that the City received the Greenways & Trails grant for \$160,000 that the City applied for last spring to be used to resurface the trail around Lake Wailes. The City has a \$40,000 match, which will be used to resurface the adjacent parking lot.

CITY COMMISSION TRACKING REPORT

- **Waste Water Treatment Plant Expansion:** Mayor Carter said the treatment plant expansion is scheduled for completion on October 2012 and asked for an update. Special Projects Administrator Sarah Kirkland said everything was on schedule and they are on the last phase.
- **Spook Hill Sign:** Mayor Carter asked for an update on the outcome of the meeting with the artist for the Spook Hill sign. Jennifer Nanek reported that she, Economic Development Director Harold Gallup, and the artist met several weeks ago to discuss the input for the sign, which wasn't a lot.

The artist shared with them his efforts for getting support through social networking and other outreach efforts.

Mayor Carter said there needs to be some resolution as to whether the artist will do the sign or not. Ms. Nanek said that people on both sides of the issue agree with that.

Ms. Leary asked that a meeting be schedule in the next week or two, and that she be invited to attend.

COMMUNICATIONS AND PETITIONS

There were no comments from the public.

CITY COMMISSION COMMENTS

There were no comments from the Commission.

City Attorney Chuck Galloway said the City Commission will recess for the litigation strategy meeting under Section 286.011 (of the Florida Statute). Those present at the meeting, which is not meeting in the Sunshine because it's a special exception, will be the members of the City Commission, the City Attorney, City Manager, and Mr. Bruce Stanley, who is the Attorney supplied by the City's insurance company for defense of the Lake Belle litigation.

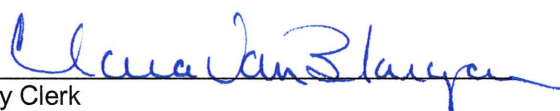
At the close of the meeting the City Commission will reconvene and adjourn.

The City Commission meeting recessed at 7:21 p.m., and at 8:00 p.m., following the litigation strategy meeting, the Mayor opened the City Commission meeting back up and adjourned the meeting at 8:00 p.m.



Mayor/Commissioner

ATTEST:



City Clerk