

The regular meeting of the Lake Wales City Commission was held on January 15, 2013 at 6:06 p.m. following the invocation and the Pledge of Allegiance in Commission Chambers at the Municipal Administration Building. The meeting was called to order by Mayor Michael S. Carter.

INVOCATION

The invocation was given by Dr. Jim Moyer.

PLEDGE OF ALLEGIANCE

COMMISSIONERS PRESENT: Michael S. Carter; Christopher Lutton; Betty Wojcik; Terrye Y. Howell

COMMISSIONERS ABSENT: Jonathan Thornhill

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

Mayor Carter reported that Commissioner Thornhill was doing better after his hospital stay but was still recuperating at home. He reminded the Commission that Commissioners were not allowed to miss three meetings in a row without those absences being excused. He asked for a motion.

Commissioner Lutton made a motion to excuse Commissioner Thornhill's absence. It was seconded by Commissioner Howell.

By Voice Vote:

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

The motion carried 4-0.

CONSENT AGENDA

**Agenda Item 5. Minutes: December 18, 2012, Regular
January 2, 2013, Regular**

Agenda Item 6. Lease of Approximately 208 Square Feet of Office Space for House of Representative Mike La Rosa, District Office 42

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

An inquiry was made approximately several months ago concerning availability of space in the municipal center for the House District Office 42 for House of Representative Mike La Rosa with a positive response that such a space could be available if desired.

RECOMMENDATION

Staff recommends that the City Commission make and authorize the following actions:

1. That the City enter into a lease on a year to year basis, dependent on State Funding, for support office space for House of Representative Mike La Rosa's Office in Lake Wales. That the term being yearly for not more than two successive terms and the rent is set at Three Hundred Dollars per month with provisions for prorating the rent for a term not starting at the beginning at the first of the month and not ending on the last day of the month. The first month is set for January 2013 and ending at November, 2014.

BACKGROUND

Latter part of 2012 an inquiry was made for space inside the City Hall. The preliminary space requirements were reviewed and the available space presented to the House of Representative's staff. The Basic Deal Points are as follows:

- Square footage-+/- 208
- Rooms –111 and part of 116 in the Administration area in the City Manager's Office
- Lease Term is for 1 year with Options to renew for 2 succeeding like terms
- Rent --\$300.00 per month, plus appropriate sales tax. Rent is a modified Triple Net Lease. Water, Sewer, Common Area Restrooms, No CAM or additional pass through charges are in the lease.
- Access—Normal Business Hours of City Hall

The Lease meets the general market parameters as outlined by the House of Representative's staff of the available space in the marketplace.

CURRENT FISCAL IMPACT

Impacts on Revenue: There is a positive impact on revenue through the lease payments for the space.

Impacts on Expenditures: No impact with this project

OTHER ALTERNATIVES

None required

[End agenda memo]

Commissioner Lutton made a motion to approve consent agenda. The motion was seconded by Commissioner Howell.

By Voice Vote:

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

The motion carried 4-0.

OLD BUSINESS

NEW BUSINESS

Agenda Item 7. Ordinance 2013-01, Amendment to Chapter 8, Municipal Election Code – 1st Reading

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The amendment to Chapter 8, Municipal Election Code, is necessary to comply with the recent Lake Wales Charter changes and to comply with Florida Statutes.

RECOMMENDATION

It is recommended that the City Commission approve Ordinance 2013-01 after first reading.

BACKGROUND

It is necessary from time to time to revise the City's Municipal Election ordinance to conform to changes to Florida law and amendments to the City Charter. The City Commission is requested to approve Ordinance 2013-01 to comply with these changes.

FISCAL IMPACT

None.

OTHER OPTIONS

None.

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance 2013-01 by title only.

AN ORDINANCE AMENDING CHAPTER 8, ELECTIONS, LAKE WALES CODE OF ORDINANCES; AMENDING VARIOUS SECTIONS OF THE MUNICIPAL ELECTION CODE TO CONFORM TO AMENDMENTS TO THE CITY CHARTER AND FLORIDA STATUTES; AND PROVIDING FOR AN EFFECTIVE DATE.

Ms. VanBlargan reviewed Agenda Item 7. She explained some of the changes to the election code as follows for 2013:

- The change in term length of commissioners and the mayor from four years to two years
- The change from five districts to four districts
- A mayor elected at large
- A change in who serves as Canvassing Board members

Ms. VanBlargan said the upcoming ballot will be for Seat 2, as Commissioner Thornhill's four-year term is expiring, with a two-year term and for a Mayor to be elected at large.

City Attorney Chuck Galloway said the ordinance will be simply codifying a Charter revision that is already effective for the upcoming election in April.

Commissioner Wojcik said she was okay with the ordinance because the City Attorney said he reviewed it.

PUBLIC COMMENT

David Smith, NAACP President, said that Commissioner Howell's seat will be eliminated and that this was the first time he heard that Seat 2 would be open. Commissioner Lutton explained that Commissioner Thornhill's term would have ended even without the changes.

Mr. Smith expressed his concern that they would no longer have a black commissioner. Mayor Carter said we could possibly have a black mayor instead. Mr. Smith asked if someone from the black community was running for Mayor and Ms. VanBlargan said there was.

Commissioner Lutton said there was still plenty of time before the end of the qualification period for others to qualify. We could possibly have thirteen or fourteen candidates because the mayor can come from any location within the City limits. Mr. Smith asked if 51% was needed to win the election and the Mayor said it was by majority vote. Therefore, the winner could technically win by one vote.

Commissioner Lutton made a motion to approve Ordinance 2013-01. The motion was seconded by **Commissioner Howell**

By Roll Call Vote:

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

The motion carried 4-0.

Agenda Item 8. Ordinance 2013-02, FY12'13 Budget Amendment #1 – 1st Reading

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City Commission will consider approval of the first Amendment of FY 12'13 Budget that was adopted on September 18, 2012.

RECOMMENDATION

It is recommended that the City Commission approve Ordinance 2013-02 after first reading.

BACKGROUND

Ordinance 2012-15 estimating revenues and appropriating funds for Fiscal Year 2012-13 was adopted by the City Commission September 18, 2012. We are presenting for first reading an amendment of Ordinance 2012-15 to modify the estimates of revenues and appropriations budgeted in various funds. Exhibits A and B and supporting attachments provide the detail for the proposed amendment.

The following is a summary of changes included in the proposed amendment:

Revenues & Balances Fwd	Increase(Reduction)
General Fund	14,098
Transportation Fund	(26,146)
Street Lighting Fund	1,341
CRA Fund	(112,157)
Police Forfeitures	(588)
Library Fund	(17,721)
Debt Service Fund	(23,361)
Capital Projects	(15,634)
Utility System Fund	295,364
Total Increase(Reduction) of Revenues & Balances Fwd	115,196
Appropriated Expenditures & Reserves	
General Fund	14,331
Transportation Fund	(6,465)
Street Lighting Fund	-
CRA Fund	(111,449)
Library Fund	(422)
Capital Projects	220,000
Utility System Fund	261,219
Airport Fund	(5,756)
Reserves	(256,262)
Total Increase(Reductions) of Appropriated Expenditures & Reserves	115,196

The proposed budget amendment increases the City's total budgeted expenditures by \$371,458 and decreases reserves by \$256,262 for a net decrease in appropriated expenditures and reserves of \$115,196 (from \$34,597,556 to \$34,712,752).

Reasons for this amendment include:

General Fund - Estimated Beginning Cash Balances, Revenue Sources & Expenditures:

Based on preliminary, unaudited financial statements, the projected General Fund "cash balance forward" amount is \$64,335 less than projected. Staff is recommending the following cost reductions (total \$64,760) within the General Fund to cover the beginning cash balance deficit in order to avoid additional draw downs from the General Fund - Emergency Sinking Account:

- The Finance Department has frozen a full-time position and hired a part-time clerk (20 hours per week). This staffing change will result in a decrease in personnel cost of \$22,235 within the finance department (budget, pg 12). The part-time position will also provide relief for the utility billing department when necessary which will result in additional Utility Billing personnel costs of \$7,845.
- The inventory clerk position, which originally was budgeted 50% within Support Services (budget, pg 29) is recommended to be moved 100% to the Utility System Fund. This would result in \$18,733 decrease in personnel cost within the General Fund and a contra increase in the Utility System Fund. Nearly all of the inventory clerk's responsibilities directly relate to the utility system operation.
- Public Service Administration (budget, pg 53) was originally allocated 50% of the personnel costs for Tom Moran, who is both the Public Works Director and also the Utility System Director. After discussion with Mr. Moran, a re-allocation of his personnel costs, based on his time allocation, will be 25% Public Service Administration and 75% Utility System Administration. This would result in

\$23,792 decrease in personnel costs within the General Fund and a contra increase in the Utility System Fund.

Revenues projected within the General Fund must be adjusted to reflect a net increase of \$78,433 for revenue changes realized/expected within several revenue accounts. A detail listing of revenue account adjustments has been attached. In summary, these increases are mainly due to:

- Increase in donation revenue for \$15,000 and increase in appropriations for (2) police dogs. A private citizen provide the City with a donation of \$15,000 to purchase (2) police dogs. This was approved by the City Commission on 11/06/2012 (agenda item #13).
- Increase in other revenue for \$55,000 from Heartland LLC for the use of the City as a conduit for issuance of tax exempt bonds. On 11/13/2012 (agenda item #13) the City Commission approved this revenue source to be used to fund employee bonuses.
- Increase in code enforcement fines for \$5,000. The City has increased its efforts in code enforcement activities and expects an increase within this revenue source.
- Increase in the Bulletproof Vest Partnership Program of \$2,268. Once the reimbursement is received, the police department is requesting additional appropriations of \$2,268 in operating supplies-safety. This appropriation request has been included within this budget amendment.
- Increase of \$1,165 in management fees – water/sewer. This increase is due to the increase in personnel cost from the employee bonuses. The management fee is mainly based on personnel cost allocations.

Expenditures projected within the General Fund must be adjusted to reflect a net increase of \$14,331 for appropriation changes realized/expected within the General Fund. A detail listing of appropriation account adjustments has been attached. In summary, these increases are mainly due to:

- Decrease of \$22,235: The Finance Department has frozen a full-time position and hired a part-time clerk (20 hours per week).
- Decrease of \$18,733: The inventory clerk position, which originally was budgeted 50% within the Support Services (budget, pg 29) has been moved 100% to the Utility System Fund.
- Decrease of \$23,792: Public Service Administration was originally allocated 50% of personnel costs for Tom Moran, who is both the Public Works Director and also the Utility System Director. A re-allocation of his personnel costs, based on his time allocation, will be 25% Public Service Administration and 75% Utility System Administration.
- Decrease of \$16,251 in employer contribution requirement for the general employee pension. A change in assumptions has resulted in a reduction of the City's required contribution rate from 10.6% to 9.5% for FY 2012'13.
- Increase of \$8,000: Transfer to the Capital Project Fund for the City's matching contribution relating to the Recreation Trails Grant.
- Increase of \$15,000 for (2) police dogs.
- Increase of \$15,000 for pension benefit consultant. Approved by the City Commission 08/21/2012 (agenda item #16).
- Increase of \$2,070 for grant to the Green & Gold Foundation for utility services. Approved by the City Commission 11/20/12 (agenda item #12).
- Increase of \$5,000 for professional fees (printing costs) for municipal code codification within the City Clerk's budget.
- Increase of \$2,268 for police operating supplies – safety.
- Increase of \$48,004 for personnel cost relating to the employee bonus approved by the City Commission on 11/20/12 (agenda item #13).

Transportation Fund:

Based on preliminary, unaudited financial statements, the projected Transportation Fund "cash balance forward" amount is \$26,146 less than projected. Appropriations have been reduced by \$6,465 mainly due to allocation changes within Public Works Administration. Staff recommends \$10,000 within the "deferred revenue – sidewalk account" be allocated to current year expenditures for sidewalk repair and replacement. The remaining deficit of \$9,681 will require continued monitoring and a possible future budget amendment.

CRA Fund:

Based on preliminary, unaudited financial statements, the projected CRA Fund "cash balance forward" amount is \$99,066 less than projected. Actual City and County tax increment revenues have been received for FY 2012'13 and a reduction in revenues of \$13,091 is necessary. Appropriations have been reduced by \$111,449 mainly due to the beginning cash balance and the reduction in expected revenues to be received during FY 2012'13.

Capital Project Fund:

Based on preliminary, unaudited financial statements, the projected Capital Project Fund "cash balance forward" amount is \$183,634 less than projected. The main reason for the reduction in beginning cash is the prior year purchase of the land for the Fire Substation.

A budget amendment is also needed for the Recreation Trails Grant. The City Commission approved the application of this grant on 03/20/2012 (agenda item #9). The appropriation request is for \$220,000 (funding sources are \$160,000 grant and \$50,000 impact fees, \$2,000 in-kind contribution and \$8,000 from the General Fund Emergency Sinking Account).

Utility System Fund:

Based on preliminary, unaudited financial statements, the projected Utility System Fund "cash balance forward" amount is \$295,364 more than projected.

Expenditures projected within the Utility System Fund must be adjusted to reflect a net increase of \$261,219 for appropriation changes realized/expected within the Utility System. A detail listing of appropriation account adjustments has been attached. In summary, these increases are mainly due to:

- Increase of \$100,000 for lift station rehab. This is a prior year carryover item.
- Increase of \$15,000 for lift station pump replacement. This is a prior year carryover item.
- Increase of \$100,000 for reuse R&M pigging. Pigging of reuse line from WWTP to pump house on Owens Rd, from Owens Rd to LLBP, and from Owens Rd to past Salter Rd.
- Increase of \$7,845 for part-time clerk in Utility Billing.
- Increase of \$18,733 for additional allocation of inventory clerk.
- Increase of \$23,792 for additional allocation of Utility System Director's time.
- Increase of \$8,757 for personnel cost relating to employee bonuses.
- Decrease of \$12,908 for reduction in general pension employer costs due to assumption changes.

Airport Fund:

Appropriations have been reduced by \$5,756 mainly due to allocation changes within Public Works Administration.

OTHER OPTIONS

This is primarily a housekeeping ordinance to conform the adopted budget to realized or expected changes within the current fiscal year.

FISCAL IMPACT

See Exhibit A and Exhibit B attached to Ordinance 2013-02

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance 2013-02 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING ORDINANCE 2012-15 AS AMENDED BY ORDINANCE 2013-02 TO MODIFY THE ESTIMATES OF EXPENDITURES FOR THE OPERATION OF THE SEVERAL DEPARTMENTS OF SAID CITY FOR THE 2012-2013 FISCAL YEAR AND TO MODIFY THE APPROPRIATION OF FUNDS RAISED AND COLLECTED FROM ALL SOURCES SET FORTH IN THE ESTIMATE OF REVENUES FOR SAID FISCAL YEAR; REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE

Finance Director Dorothy Ecklund reviewed the following changes in the budget for Agenda Item 8:

- The addition of the employee Christmas bonus and Heartland funds.
- The \$65,000 shortfall adjustments were as follows:
 - The fulltime vacancy in finance was frozen and replaced with a part-time employee.
 - An inventory clerk was changed from part-time support services/utilities to full-time utilities.
 - Tom Moran's allocation was changed from 50% Public Works Director and 50% Utilities Director to 25% Public Works Director and 75% Utilities Director, which was based on where he spends his time.
 - Minor changes in the Police Department for grant money put into operating supplies and for the donation used to purchase two police dogs.
 - Funds for needed codification in the City Clerk's office.

The auditors will be here tomorrow and already have the preliminary draft of the audit.

Commissioner Wojcik asked Ms. Ecklund to explain the \$220,000 in capital projects. Ms. Ecklund said it had to do with the \$160,000 Recreation Trail Grant, which is Agenda Item 14, the rest being paid from impact fees, in-kind services and \$8,000 from the General Fund Emergency Sinking Fund.

Commissioner Lutton praised Ms. Ecklund for taking quick action to address the City's shortfall early in the year.

Commissioner Lutton made a motion to approve Ordinance 2013-02 after first reading. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 4-0.

Agenda Item 9. Ordinance 2013-03, Establishment of Lake Wales Debt Policy – 1st Reading
2013-30

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

The City Commission will consider establishing a debt management policy.

RECOMMENDATION

It is recommended that the City Commission approve Ordinance 2013-03, either as proposed or with Commission revisions, after first reading.

BACKGROUND

A debt management policy ("policy") is a written guideline that affects the amount and type of debt issued by a state or local government, the issuance process, and the management of a debt portfolio. Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. An effective policy provides guidelines for a government to manage its debt program in line with those resources.

An effective policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals, and demonstrates a commitment to long-term financial planning, including a multi-year capital plan. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner.

The City Commission has expressed a desire to implement a debt management policy for future planning purposes. Staff has drafted a policy based on best practices provided by the Government Finance Officer Association.

The City Commission is aware that several of the existing General Government debt issues will be expiring over the next few years such as Series 2009, which expires in 2015 and Series 2003, which expires in 2017. The Utility System also have several existing debt issues which will be expiring over the next few years such as Series 2005, which expires in 2015, Series 2003 and 2006A, which expire in 2017 and SRF – 5907P, which expires in 2019.

Listed below are the individual debt issues and the outstanding principal balance at September 30, 2012:

	<u>Purpose(2)</u>	<u>Frequency of Payment(1)</u>	<u>Maturity</u>	<u>Originally Issued</u>	<u>Outstanding Amount</u>	<u>Interest Rate</u>
Governmental activities						
Note payable:						
Capital Improvement Revenue Note, Series 2003	1	S	2017	9,117,280	\$ 3,982,709	3.84%
Redevelopment Revenue Note, Series 2007	9	S	2028	9,500,000	8,049,736	3.77%
Refunding Revenue Note, Series 2009	10	S	2015	1,870,300	1,124,500	3.25%
Total governmental activities					<u>\$ 13,156,945</u>	
Business-type activities						
Note payable:						
State Revolving Fund Loan - 5907P	3	S	2019	\$ 1,592,804	\$ 620,154	2.56%
State Revolving Fund Loan - 5911O	3	S	2022	1,171,882	435,930	3.05%
State Revolving Fund Loan - 5912S	4	S	2024	1,428,648	884,229	2.14%
State Revolving Fund Loan - 5913P	5	S	2028	1,025,345	827,028	1.88%
State Revolving Fund Loan - 5914O	11	S	2032	362,200	350,000	2.30%
State Revolving Fund Loan - 530300	12	S	2032	4,338,438	3,882,982	2.30%
Capital Improvement Revenue Note, Series 2003	1	S	2017	432,610	189,033	3.84%
Utility System Revenue Note, Series 2005	6	M	2015	1,110,000	325,880	4.20%
Utility System Refunding Note, Series 2006A	2	S	2017	6,272,220	3,633,123	4.09%
Utility System Refunding Note, Series 2006B	7	S	2027	3,100,000	2,274,871	1.14%
Total business-type activities					<u>\$ 13,423,230</u>	
Lake Wales Airport Authority						
Discretely presented component unit						
Fixed Based Operator's Payment Credit	8	M	2012	340,000	115,629	0.00%
Total Lake Wales Airport Authority					<u>\$ 115,629</u>	

(1) (A) = Annual, (S) = Semiannual, (M) = Monthly

(2) Purpose:

- Advance refund of Capital Improvement Revenue Bonds, Series 1996 (originally for municipal complex, streets, and other improvements) and refund 1999 Non-Ad Valorem Revenue Bonds.
- Refund the outstanding 1996 Utility System Improvement Refunding Revenue Bonds, which had provided funding for water and wastewater system improvements, and refunded the outstanding revenue bonds from 1964, 1987, and 1988 Series (also originally for utility system improvements).
- Construction of reclaimed water reuse facilities.
- Construction of sludge dewatering facilities.
- Planning and design of wastewater treatment plant expansion.
- Construction of chlorine contact chamber and reuse system improvements.
- Construction of water and wastewater system improvements, including rehabilitation of lift station #2, southside force main and water main extension, and southside reuse transmission lines. This note was initially issued as a non-revolving line of credit during May of 2006 but on October 1, 2009, the loan converted to a term loan.
- Agreement between the City and Lake Wales Aviation, Inc., (the Airport Fixed Base Operator) related to leasehold improvements done by the FBO on airport property. The City agreed to credit the FBO for \$300,000 in improvements and up to \$40,000 for mowing equipment by reducing their rent \$1,500 per month until fully paid (at 0% interest).
- Acquisition, construction and equipping of various capital improvements within the Community Redevelopment Area.
- Refund of Public Improvement Revenue Bonds, Series 1997 (which refunded 1991 and 1989 bonds originally for various water/sewer, street, drainage and parking infrastructure improvements, plus the airport FBO lease and Police Department building). Also, refunded the 2010 Motorola lease which originally funded fire and police equipment.
- Planning and design for wastewater plant rehabilitation and expansion.

12. Construction of wastewater plant rehabilitation and expansion.

Debt service obligations on existing debt:

City of Lake Wales

Summary of Outstanding Debt Service (Principal and Interest), excluding the Airport Authority
Beginning - FY 2012'13

	Fiscal Year	General Government		Total	Increase(Decrease) In Debt Service Compared to FY 12'13	Total Gov'n't & Utility Debt
		Principal	Interest			
Current Yr	2012 - 13	1,700,948	461,317	2,162,265		3,783,364
1	2013 - 14	1,711,539	398,502	2,110,041	(52,224)	3,824,354
2	2014 - 15	1,779,986	334,096	2,114,082	(48,183)	3,760,093
3	2015 - 16	1,061,918	281,011	1,342,929	(819,336)	2,902,310
4	2016 - 17	877,886	244,051	1,121,937	(1,040,328)	2,675,378
5	2017 - 18	451,994	218,812	670,806	(1,491,459)	1,401,528
6	2018 - 19	469,050	201,435	670,485	(1,491,780)	1,351,358
7	2019 - 20	486,750	183,402	670,152	(1,492,113)	1,301,225
8	2020 - 21	505,118	164,688	669,806	(1,492,459)	1,303,215
9	2021 - 22	524,178	145,268	669,446	(1,492,819)	1,305,243
10	2022 - 23	543,958	125,115	669,073	(1,493,192)	1,256,403
11	2023 - 24	564,484	104,201	668,685	(1,493,580)	1,214,935
12	2024 - 25	585,785	82,498	668,283	(1,493,982)	1,173,537
13	2025 - 26	607,890	59,976	667,866	(1,494,399)	1,175,693
14	2026 - 27	630,828	36,604	667,432	(1,494,833)	1,177,918
15	2027 - 28	654,633	12,351	666,984	(1,495,281)	984,546
16	2028 - 29	-	-	-	(2,162,265)	289,338
17	2029 - 30	-	-	-		221,602
18	2030 - 31	-	-	-		16,199
19	2031 - 32	-	-	-		-
20	2032 - 33	-	-	-		-
21	2033 - 34	-	-	-		-
22	2034 - 35	-	-	-		-
23	2035 - 36	-	-	-		-
		<u>13,156,945</u>	<u>3,053,327</u>	<u>16,210,272</u>		<u>31,118,239</u>

	Fiscal Year	Utility System		Total	Increase(Decrease) In Debt Service Compared to FY 12'13
		Principal	Interest		
Current Yr	2012 - 13	1,331,146	289,953	1,621,099	
1	2013 - 14	1,469,261	245,052	1,714,313	93,214
2	2014 - 15	1,446,850	199,161	1,646,011	24,912
3	2015 - 16	1,402,992	156,389	1,559,381	(61,718)
4	2016 - 17	1,440,007	113,434	1,553,441	(67,658)
5	2017 - 18	644,482	86,240	730,722	(890,377)
6	2018 - 19	605,557	75,316	680,873	(940,226)
7	2019 - 20	564,908	66,165	631,073	(990,026)
8	2020 - 21	575,916	57,493	633,409	(987,690)
9	2021 - 22	587,159	48,638	635,797	(985,302)
10	2022 - 23	547,341	39,989	587,330	(1,033,769)
11	2023 - 24	513,913	32,337	546,250	(1,074,849)
12	2024 - 25	479,308	25,946	505,254	(1,115,845)
13	2025 - 26	487,922	19,905	507,827	(1,113,272)
14	2026 - 27	496,731	13,755	510,486	(1,110,613)
15	2027 - 28	309,124	8,438	317,562	(1,303,537)
16	2028 - 29	284,500	4,838	289,338	(1,331,761)
17	2029 - 30	220,150	1,452	221,602	(1,399,497)
18	2030 - 31	15,963	236	16,199	(1,604,900)
19	2031 - 32	-	-	-	(1,621,099)
20	2032 - 33	-	-	-	
21	2033 - 34	-	-	-	
22	2034 - 35	-	-	-	
23	2035 - 36	-	-	-	
		<u>13,423,230</u>	<u>1,484,737</u>	<u>14,907,967</u>	

OTHER OPTIONS

Do not adopt Ordinance 2013-03; however, adoption is recommended to ensure future debt management, identify policy goals and demonstrate a commitment to long-term financial planning in accordance with the wishes of the City Commission.

FISCAL IMPACT

There is no fiscal impact associated with adoption of Ordinance 2013-03

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance 2013-03 by title only.

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE LAKE WALES CODE, ESTABLISHING A DEBT MANAGEMENT POLICY; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

Finance Director Dorothy Ecklund reviewed Agenda Item 9

Ms. Ecklund said because there was a request from the City Commission for a debt policy and because it was also addressed in the recent Strategic Planning Workshop, she developed a draft debt policy based on the best practices of GFOA. The Commission could accept it as it is or make revisions.

Commissioner Lutton said he was in favor of being more restrictive in the policy and made the following suggestions to inhibit the ability of the Commission to secure huge bonds:

- **Debt Limitations**, Section 2-526: Commissioner Lutton suggested changing the debt limitation from 115% to 125%. Ms. Ecklund said it is normal for bond covenants to have a restriction and the SRF always includes one. She said she could raise the limitation to 125% which would mean that the funding source used to pay off a debt would have to be 125% of the annual debt service obligation instead of 115% thereby being self-supporting. If we try to take out a loan but don't have an annual funding source equal to 125%, it will become a dead issue based on the policy. If we do have it, but it falls below that, the Commission would have to raise rates or take some other kind of Commission action to raise the revenue source. Mayor Carter agreed with raising it to 125%.
- **Long Term Debt-One-time capital projects** Section 2-527 sub-b, ¶1: Commissioner Lutton suggested changing the debt period to 70% of the expected life of the capital improvement and explained. Ms. Ecklund said she agreed that 70% was probably a good life expectancy. She explained that the City is still paying for debt accrued in the late 80's and 90's and the capital put in place at that time may not even be functioning now. This way the City would make sure that the debt will be paid off long before a replacement is needed. She said it would also eliminate the practice of refinancing old debt with new debt and explained. The Commission agreed to the change.
- **Temporary Leasing-Unusual equipment purchase** Section 2-527 sub-b, ¶2: Commissioner Lutton suggested that it might be economically beneficial to the City to temporarily lease rather than buy if by leasing it would cost less than the annual loan needed to buy it. He said if you use something all the time it would be better to purchase it, but if you are going to use specialized equipment temporarily or once in a while it may be cheaper to rent or lease it instead.
- **Temporary Leasing-Self-Supporting** Section 2-527 sub-b, ¶ 4: Commissioner Lutton asked for an explanation and Ms. Ecklund said this is an example of the "build it and they will pay for it" mentality, allowing the Commission to go into debt if there will be user fees to make it self-supporting.
- **Temporary Leasing -Variable Rate Debt** Section 2-527 sub-e: Commissioner Lutton suggested striking this out as an option and Ms. Ecklund agreed that she was not a fan of SWAPS. She said

she could either remove it or put in the wording that variable rate debt was NOT an option. The consensus was for the NOT version.

- **Credit Enhancements** Section 2-528, #4: Commissioner Lutton suggested removing this option but Ms. Ecklund explained why she thought it should be left in. She said if they go out for a true bond, instead of notes which they normally get, they would have to hire a rating agency to rate us on our financial status. If we received an A status but wanted an AAA status in order to get a cheaper rate we would be able to "buy up" by getting an insurance policy to cover a possible default. Consensus was to leave it in.
- **Derivatives** Section 2-528 #4: Commissioner Lutton asked if this could be removed and Ms. Ecklund agreed by saying she did not like basing our interest rate on another market or something plus prime. She said she could strike it or she could change the wording to say it is NOT an option, though she reminded them that the City currently has one on the books that was placed long before she took over. The consensus was the NOT version.
- **Subordinate Lien Obligations** Section 2-258, #5: This section related to which credits had first claim on the funding source relating to the debt payment. Mayor Carter asked if it was okay to consider them. Ms. Ecklund said it may be used once in a while and was like taking out a second mortgage on your house.
- **Competitive versus Negotiated Sale**: Commissioner Lutton asked for a clarification. Ms. Ecklund explained that a competitive sale is one going out for bid and you take the lowest bid. A negotiated sale is one in which you buy debt by negotiating for the terms of the debt, the structure of the debt and the interest rate.
- **Refunding of Debt**, Section 2-532: Commissioner Lutton asked for clarification. Ms. Ecklund said this would be an option to refinance an old debt at a lower interest rate, but not for a longer term, in order to increase cash flow as long as there is nothing in the bond covenant preventing you from doing it. Another way is to take old debt and add it to new projects, which would make a cash-flow they can afford, similar to combining five credit cards into one. Commissioner Wojcik said the city wouldn't want to do that, but Ms. Ecklund said there may be instances that the city would want to so she recommended leaving it in. Commissioner Lutton said if the Commission is conservative the only way it would use that option is if we found a cheaper rate to finish out the term of the loan.
- **Retired Debt**: Commissioner Lutton recommended putting into the policy that you can't put less than 50% of the decrease in debt service into the General Fund. The other 50% has to be put into the operating budget, in the same category, designated to go toward "pay-as-you-go" replacement. Ms. Ecklund said she would start a new section for that but recommended that she talk to the auditor about his recommendation first. She said she knows there are statistical indicators that the auditors can look at for cities of our size and maybe there is a favorable benchmark used by other cities our size that can be put into our policy.

Ms. Ecklund said she would get a draft to them by Friday and then would like to get their feedback through the City Manager. They can keep working on it until it is right.

Commissioner Howell asked if the proposed changes would in any way hamper the City from borrowing money in order to make things better for future generations. Ms. Ecklund said they would not be hindered but the City is currently paying three million dollars of debt service a year for debts incurred in the 1980's and 90's, and this policy will just make the Commission think first before putting debt on future generations by making sure paying off future debt is feasible. Of course, future Commissions can change it but because it is an ordinance, they will have to go through a process unlike if it is just a policy.

Back-Loading, Section 2-528 #1: Commissioner Wojcik brought up the option of back-loading where debt payments are less at the beginning then increase in the future. Ms. Ecklund said that was a way to "sneak-debt in" and explained. She said she wanted to make sure the City has a good policy so they can make sure there is a funding source and the city is self-sufficient, with no hidden debt snuck in. Commissioner Lutton said they may want to add a section to make sure the City can't use back-loading as a vehicle to increase debt.

Equipment Replacement: Commissioner Lutton said he would like to see an equipment replacement schedule included in the policy. Ms. Ecklund said that replacement and repair is a separate policy that they can start addressing once the debt policy is finished, for example replacing police vehicles using a specific, logical reason such as by age, mileage and use of the vehicle.

Mayor Carter had the following questions:

- Mayor Carter asked if this could be tied in with the CIP and Ms. Ecklund said it will be.
- **Section 2-525, Categorization of Debt:** Mayor Carter asked if the 125% should be changed to 150% of the debt service obligation if the debt hasn't been incurred for three years. There was a discussion and the consensus was to keep that at 125%.
- **Short-term and Long-term Debt:** Section 2-527: Mayor Carter said he didn't see a calendar for short-term and long-term loans. Ms. Ecklund said short-term loans are typically twelve months or less and long-term loans are typically over a year.
- Mayor Carter asked if it was appropriate to put in the debt policy a defined method for acquisitions based on the life expectancy of the asset, for example that you have to pay cash for a life expectancy of five years or less and can only use other options over five years. Ms. Ecklund said it was already in the policy.
- Mayor Carter asked if it could be stated in the policy that the preferred method is "pay-as-you-go". Ms. Ecklund said she could put that wording in the policy. Commissioner Wojcik said she would go along with that as long as it doesn't hinder the Commission from doing what needs to be done.

Commissioner Lutton made a motion to approve Ordinance 2013-03 after first reading with the revisions. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 4-0.

Agenda Item 10. Resolution 2012-20, Notice of Intent to Use Uniform Method of Collecting Non-Ad Valorem Assessments – Public Hearing

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

Resolution 2012-20 declares the City's intent to collect code enforcement service liens through the county tax collector's office as allowed under state statute.

RECOMMENDATION

Staff recommends adoption of Resolution 2012-20 after public hearing as required by Florida Statute. Public notice requirements have been met.

BACKGROUND

In September 2012, the City Commission adopted Ordinance 2012-17 to incorporate the International Property maintenance Code as a tool for code enforcement. It was also Commission's desire to

implement an alternative collection method for abatement and violation correction costs incurred by the City.

It is the City's intent to use this method for service lien collection. Service liens are those that result from services provided by the City to clean properties, repair buildings and the like. This does not include fines or administrative liens.

The Uniform Method of Collecting Non-ad Valorem special assessments is one such alternative method allowed by Sec. 197.3632 F.S. State Statute requires a resolution of intent be adopted after a public hearing that has been advertised for four consecutive weeks prior to adoption. Once adopted the resolution and proof of publication is provided to the Polk County Tax collector, Polk County Property Appraiser, and the Florida Department of Revenue.

OTHER OPTIONS

Not adopt the resolution and seek another alternative method of collection without utilizing the tax bills.

FISCAL IMPACT

This method of collection should result in an increase in reimbursement to the City for costs incurred in the abatement and violation correction process.

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance 2012-20 by title only.

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

PUBLIC HEARING

Assistant Planner Kathy Bangle reviewed Agenda Item 10 and went over the future timetable as follows.

- It was required to be advertised four consecutive weeks, once each week prior to the public hearing
- Agenda Item 10 is that public hearing.
- The resolution will be sent to the tax collector, the property appraiser and the State Department of Revenue.
- Staff will wait for the property appraiser's response and contract.
- An ordinance will come before the Commission in February which lays out the parameters for alternative collection within our code for Commission consideration.
- Every year between June and August the Commission will consider a resolution listing the individual service liens that are being moved onto the tax rolls, which is advertised twenty days prior to a required public hearing.

OPENED PUBLIC HEARING

There were no comments from the public.

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to adopt Resolution 2012-20 after public hearing. The motion was seconded by Commissioner Wojcik.

By Roll Call Vote:

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

The motion carried 4-0.

Agenda Item 11. Resolution 2013-01, Declaration of Office Intent – Fire Substation

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

Approval of Resolution 2013-01 in connection with the construction of the fire substation, the City expects to incur expenses for which the City intends to reimburse itself.

STAFF RECOMMENDATION

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

1. Approve Resolution 2013-01, authorizing the declaration of official intent under U.S. Treasury Regulations with respect to reimbursement from note and bond proceeds of temporary advances made for payment prior to issuance, and related matter.

BACKGROUND

In anticipation of possible debt being necessary to fund the fire substation construction project, staff recommends approval of the attached resolution to be executed. This resolution is necessary to comply with United State Treasury Regulations for funding infrastructure projects with tax exempt debt when the City intends to reimburse itself from debt proceeds.

Also, the regulations require that the reimbursement resolution be adopted no later than 60 days after payment of the original expenditure. There is also a de minimis exception for amounts less than the lesser of \$100,000 or 5 percent of sale proceeds, so, if the City issues \$900,000, the reimbursement would probably be limited to about \$45,000.

FISCAL IMPACT

There is no fiscal impact associated with adoption of Resolution 2013-01.

[End agenda memo]

City Clerk Clara VanBlargan read Resolution 2013-01 by title only.

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA
DECLARING THE OFFICIAL INTENT OF THE CITY TO REIMBURSE ITSELF FROM THE PROCEEDS
OF DEBT FOR EXPENSES TO BE INCURRED WITH RESPECT TO A CERTAIN PROJECT;
AUTHORIZING CERTAIN INCIDENTAL ACTIONS; AND PROVIDING AN EFFECTIVE DATE.**

Finance Director Dorothy Ecklund reviewed Agenda Item 11, a housekeeping item for IRS purposes.

Commissioner Wojcik asked Ms. Ecklund to explain the \$45,000 and the 5% of the sales proceeds. Ms. Ecklund explained the following:

- Ms. Ecklund said the preliminary numbers for the substation debt is approximately \$900,000.
- The City Commission has a loan for \$100,000; \$70,000 for the purchase of the land coming out of the Emergency Sinking Fund, plus \$28,450 for the next step.
- The IRS has a limit as to how much can be paid back out of the debt proceeds. Our limit is \$45,000 that will be paid back to the General Fund through financing, and the rest will be paid from north fire impact fees. We presently have approximately \$4,000 in the fund and accumulating more will depend on what is built in the north section.

Commissioner Lutton made a motion to adopt Resolution 2013-01. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 4-0.

Commissioner Lutton recognized the two members of the Citizen's Academy who were present in order to meet a requirement for VOICE training.

Agenda Item 12. Resolution 2013-02, Pension Reform

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

This is a resolution supporting the position of the Florida League of Cities on much needed Pension Reform.

RECOMMENDATION

It is recommended that the City Commission adopt Resolution 2013-02 to support much needed Pension Reform throughout the State of Florida.

BACKGROUND

At the Commission meeting of December 18, 2012, Kathy Till, consultant to the Florida League of Cities, made a presentation on behalf of the League concerning their efforts to convince the Florida Legislature to adopt meaningful pension reform. The League is encouraging all municipalities to adopt a resolution and send copies to the local legislative delegation as well as the Florida League of Cities Office. If the Commission does so tonight, we will send it on.

OPTIONS

Choose not to support the Florida League of Cities position on much needed Pension Reform.

[End agenda memo]

City Clerk Clara VanBlargan read Resolution 2013-02 by title only.

A RESOLUTION OF THE CITY OF LAKE WALES SUPPORTING POLICE OFFICER AND FIREFIGHTER PENSION PLAN AND DISABILITY PRESUMPTION REFORMS TO MAKE THE PLANS SUSTAINABLE, SOUND AND SECURE FOR CURRENT AND FUTURE POLICE OFFICERS AND FIREFIGHTERS.

Mayor Carter said all three pension boards were asking for an exact dollar amount the City can afford in order to support the pension plan so they can have a base from which to work. City Manager Terry Leary said the city pension consultant told her he finished working those numbers. She asked that he submit them to the pension boards who are meeting next week. If that doesn't happen, it will be done shortly after that.

Mayor Carter said the pension boards were asking for the dollar amount to come from the city and he asked if it had to come from the consultant. Finance Director Dorothy Ecklund said she did not believe the pension boards have seen the consultant's report yet but when they do, if the pension boards and the members agree to the terms in the proposal, she as the Finance Director would fully support it. She added that the consultant told her that the changes in the proposal were the ones recommended by the pension boards themselves, though she did not personally know that to be fact because she has stayed impartial by not attending the meetings and she had not given any input into the creation of the consultant's report.

Commissioner Wojcik said she liked the way it specified the mandates that the legislature places on the city.

Commissioner Howell made a motion to adopt Resolution 2013-02. The motion was seconded by Commissioner Wojcik.

By Roll Call Vote:

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

The motion carried 4-0.

Agenda Item 13. Resolution 2013-03, Depot Museum Complex Transfer & Management Agreement

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

This resolution is the transfer of the Depot Museum Complex back to the City of Lake Wales and the management agreement by the Historic Lake Wales Society to manage the Depot Complex buildings.

RECOMMENDATION

It is recommended that the City Commission authorize Staff to move forward with the transfer of the Depot Museum Complex back to the City of Lake Wales and accepting the management agreement of the complex with the exception of the Stuart House.

In the unlikely event that the Historic Society cannot maintain solvency it is still in the City's best interest to maintain and control this valuable historic resource. It is therefore recommended that we continue moving forward with the transfer.

BACKGROUND

The City Commission transferred title of the Depot Museum complex to the Historic Lake Wales Society on February 24, 2011.

It was determined that an urgent need exists to install a city sewer system at the property. The Historic Society, due to lack of funds, cannot pay for this improvement. The Commission did not want to bear the cost of this project if it remained private property.

At the City Commission meeting of September 5, 2012 the Commission agreed to accept the property back and instructed staff to draft an acceptable Management Agreement with the Historic Lake Wales Society. It was understood that the City would not be responsible for any programming costs, salaries, utilities or equipment.

Staff drafted a Management Agreement which was reviewed by the City Attorney. The full text of the agreement is attached to this memo. The Historic Society, on January 7, 2013, approved the agreement but will relinquish management and use of the Stuart House to the City. (Section 5).

It is also important to note that the Historic Lake Wales Society is going through a restructuring of its Board of Directors and business practices. They will be developing various fund raising endeavors in order to keep the Depot Museum Complex operating. If, at any time, the Historic Society cannot continue operations or cannot live up to the terms of the agreement, the lease will be terminated as provided in Sections 15 and 16.

[End agenda memo]

City Clerk Clara VanBlargan read Resolution 2013-03 by title only.

A RESOLUTION OF THE CITY OF LAKE WALES, FLORIDA, AUTHORIZING THE CONDITIONAL TRANSFER OF CERTAIN REAL AND PERSONAL PROPERTY FROM THE HISTORIC LAKE WALES SOCIETY TO THE CITY OF LAKE WALES, INC.; PROVIDING FOR AN EFFECTIVE DATE

Commissioner Howell made a motion to adopt Resolution 2013-03. The motion was seconded by Commissioner Wojcik.

City Manager reviewed Agenda Item 13.

Commissioner Wojcik said the City would not be paying any of the museum's operating cost and Ms. Leary confirmed. Commissioner Howell asked if the City would be responsible for mowing the lawn and doing the landscaping. Ms. Leary said the City was obligated to mow most of the lawns surrounding the property through the City's agreement with the railroad but that city workers will not be doing the landscaping, weeding etc. She explained that Ms. Hardman has mostly used community service workers to do specific landscaping.

Special Projects Manager Jennifer Nanek explained that in the contract the Historic Society will be responsible for doing its own trimming, weeding and edging, though the City will do the mowing.

City Attorney Chuck Galloway said the Resolution title needs to be corrected and the Inc. moved from after the City of Lake Wales to after the Historic Lake Wales Society so it reads Historic Lake Wales Society, Inc.

Ms. Leary said the Historical Society signed off on the agreement and the next step will be for the City Attorney to go forward with the legal papers.

By Roll Call Vote:

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

The motion carried 4-0.

Agenda Item 14. Project Agreement for Recreation Trails Program Grant – Lake Wailes Trail

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

This agreement with the State of Florida, Department of Environmental Protection, Office of Greenways and Trails is for \$160,000 to resurface the Lake Wailes Trail and enhance the parking lot across from Kiwanis Park. A required 20% City match contribution will consist of \$40,000 of cash and in-kind services. This agreement is for two years.

RECOMMENDATION

Staff recommends:

1. Approval of the Project Agreement with the State of Florida, Department of Environmental Protection, Office of Greenways and Trails.
2. Authorize the City Manager (or designee) to sign all grant application related materials.

BACKGROUND

The project entails resurfacing the Lake Wailes Trail and the expansion of the parking lot at the north trail head. The 2.5-mile trail runs from the north trail head at Cephia Street to the south trail head at Marietta Street. The trail is a 12-wide asphalt path serving both pedestrians and bicycles.

Along the trail there are numerous spots where holes and cracks have developed in the pavement. These areas will be repaired and the entire trail will be resurfaced.

The trail head parking lot is a paved, unstriped parking area with one row of parking spaces sufficient for 12-14 vehicles. Demand for parking has increased significantly in the last few years, and vehicles are regularly parked beyond the pavement, tearing up grass. The parking surface will be expanded by adding 20 feet of turf block along the south side and striping a row of spaces on the north side on existing asphalt.

A picnic area will be created in the shady area south of the parking lot. Safety at the trail head itself will be improved by separating the pedestrian trail entrance from the vehicular parking lot entrance. This will be accomplished by creating a pedestrian/bike plaza with decorative pavers and bollards.

A grant application to the Recreation Trails Program was approved by the City Commission in March of 2012. The City of Lake Wales was notified of the grant award in September 2012.

OTHER OPTIONS

Do not approve the agreement.

FISCAL IMPACT

If the grant application is approved, the City's costs towards this project would be \$60,000 in Fiscal Year 2012'13. The City's funding source would consist of \$50,000 from park impact fees, \$2,000 from in-kind services (filling potholes) from public works, and \$8,000 from the General Fund – Emergency Sinking Account.

[End agenda memo]

Special Projects Manager Jennifer Nanek reviewed Agenda Item 14.

Mayor Carter said it was not just the trail but the parking lot expansion also. Ms Nanek said it was for the trail, the parking lot and for exercise stations around the trail.

PUBLIC COMMENT

Jack Van Sickle, 4060 Ashton Club Drive, said he did not believe the community survey results were used by the Commission when determining the budget. He said money was cut out of the Fire Department budget for equipment that would save lives and he wondered why the Commission would approve \$40,000 for a matching grant for a trail that is nice to have but not used that much instead of spending \$24,000 for equipment needed to save lives.

City Manager Terry Leary said the \$40,000 was not coming from general funds but from impact fees.

Fire Chief Jerry Brown said the equipment was listed in their CIP budget but it was unfunded so they will try to get a grant for it. In the meantime they will be sharing the use of the one belonging to the Police Department, though it is not exactly the one they need.

Commissioner Lutton said he had no problem with spending the money on the trail, especially because it is from impact fees. He said the trail is highly used every day from sunup to sundown, is recreation that every citizen can use, and they were expanding the parking lot so that even more people can use it.

Commissioner Wojcik said the impact fees are going to pay the initial match and it is something that really benefits our residents.

Commissioner Howell said she did not believe the city should ever send back grant money from anywhere.

Commissioner Lutton agreed and said there was a great deal of documental work involved, along with a lot of grief and aggravation and, if after going through that we get a grant, we certainly should not send it back.

Mayor Carter said it takes a significant amount of effort to get a grant and there is tons of paperwork after you get it.

Commissioner Howell made a motion to approve the project agreement with the State of Florida, Department of Environmental Protection and authorize the City Manager to sign all grant applications and related materials. The motion was seconded by Commissioner Lutton.

By Roll Call Vote:

Commissioner Howell
Commissioner Lutton

"YES"
"YES"

Commissioner Wojcik
Mayor Carter

"YES"
"YES"

The motion carried 4-0.

Agenda Item 15. Preliminary Financial Statements for December 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 December 31, 2012.

The unaudited financial statements for the City of Lake Wales for the Period Ending December 31, 2012 are presented to the City Commission for review. At the end of December 31, 2012 the City was 25% into the fiscal year.

General Fund (001), page 1:

Following the first budget amendment, the general fund appears to be on target with revenue and expenditure budgetary expectations.

Revenue collections are slightly higher compared to the prior year. Expenditures are slightly lower compared to the prior year.

Transportation Fund (102), page 7:

Following the first budget amendment, the transportation fund appears to be materially on target with revenue and expenditure budgetary expectations.

Beginning cash expectations had a slight deficit of \$9,861 but staff will continue monitoring collections and expenditures within this fund. A possible future budget amendment might be necessary. Revenue collections are comparable to the prior year. Expenditures are less compared to the prior year.

CRA Fund (105), page 10:

Following the first budget amendment, the CRA fund appears to be materially on target with revenue and expenditure budgetary expectations.

Revenue collections are lower than prior year collections. This is due to the reduction in ad valorem taxes associated with the CRA. Expenditures are slightly higher compared to the prior year at this time.

The Finance Department has concerns relating to the CRA's funding ability during FY 2013'14 if capital expenditures scheduled during FY 2012'13 are completed.

The Finance Department also has concerns over the CRA's funding ability during FY 2014'15 and 2015'16, even if capital expenditures scheduled during FY 2012'13 are not completed.

Library Fund (110), page 17:

Following the first budget amendment, the library fund appears to be materially on target with revenue and expenditure budgetary expectations.

Revenue collections are slightly higher compared to the prior year. Expenditures are also slightly higher compared to the prior year.

Utility System Fund (403), page 25:

Following the first budget amendment, the utility system revenues appear on target with budget expectations.

[End agenda memo]

Finance Director Dorothy Ecklund reviewed Agenda Item 15.

Mayor Carter asked when the city will receive the figures for the ad valorem tax. Ms. Ecklund said officially we receive the preliminary ad valorem assessment, a document that comes from the property appraiser, by June 1st and the final notice of ad valorem by July 1st. She said if she asks earlier they always tell her they won't know until June.

Mayor Carter asked if she heard any talk on the streets that we may do better this year. Ms. Ecklund said that last year someone got preliminary estimates early from the property appraiser that the rate would be 1.56%, but when the June numbers came out it was 6%. She said she has found that it is best to wait and give the property appraiser time to do her job so that when we do get numbers we can set our expectations on them.

CITY COMMISSION TRACKING REPORT

C Street Project: Ms. Leary said the C Street Project has been put on the fast-track and work is being done on getting the easements.

Country Club Reuse: Commissioner Lutton asked how many gallons of reuse waster were sold to the County Club and Public Works Director Tom Moran said 350,000 per day. Commissioner Lutton said it would be better to get the month totals and Mr. Moran said about ten million gallons a month.

COMMUNICATIONS AND PETITIONS

Manuel Crespo, 850 Wildabon Avenue, expressed his opposition to the City taking over the museum property when the city is already strapped for money because the city will also have to pay for casualty insurance, (which Human Resource Director said was \$9,000) major repairs, lawn care and maintenance as per our lease with Florida Midland Company, extermination services and major repairs. He asked if we would have to pay for garbage collection and Finance Director Dorothy Ecklund said if it is part of the city it is free. Before the city encumbers itself with this added burden he asked that the Commission do its homework.

CITY COMMISSION COMMENTS

Commissioner Howell said she had spoken with the City Manager about the letter she placed in Clara's (City Clerk) file and it came up a couple meetings ago, but she could not remember if it was discussed or not. She asked the City Attorney, if as a Commissioner, could she ask the City Manager to remove the letter from Clara's file. The City Attorney said no because it was not a policy decision of the Body, but she could ask the City Manager personally. He said it was purely a situation of the City Manager who is responsible for the supervision of that employee and it was within her purview to put a letter of either accolade or reprimand in her file. He said it was not a policy issue that comes to this body. Commissioner Howell said she was wondering because she had explained to the City Manager in her discussion with her that Clara should not have been singled out for the letter of reprimand when a mass letter was sent to everyone. She was told by the City Manager that she and Sandra (HR Director) had decided that Clara should be the one to get the letter of reprimand and that she would do something differently. Commissioner Howell asked the City Manager if she remembered the conversation and she said yes. Commissioner Howell said she was asking because if there is nothing she could do about it then they could go on. If there is something she could do, then she would rather do it now because it was her understanding that Clara, as a city clerk, did not do anything to get the letter. Mr. Galloway said it was not a policy decision for the Board. Commissioner Howell asked if it would be considered an evaluation point

against the City Manager on her evaluation since she is responsible for the way she handles her employees. Mr. Galloway said yes.


Commissioner Lutton reminded viewers that his next Sunday meeting for residents to talk about concerns they may have will be February 3rd at the basketball court area at Lake Wailes Park at 5 PM.

The meeting was adjourned at 7:45 p.m.



Mayor/Commissioner

ATTEST:



City Clerk