

The regular meeting of the Lake Wales City Commission was held on February 5, 2013 at 6:04 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; Jonathan Thornhill

**COMMISSIONERS ABSENT:** None

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

[Meetings are recorded but not transcribed verbatim]

#### **MAYOR**

**Agenda Item 5. Invitation from Margaret Block, Community Representative & Staff Partner with the American Cancer Society to the Lake Wales Relay for Life on April 5 & 6, 2013**

Margaret Block, Community Representative for the American Cancer Society had not arrived in time to speak to the Commission when Agenda Item 5 was called. When she arrived later, she was allowed to speak. She spoke about the Lake Wales Relay for Life and invited the city to form a team and participate in the event that will take place on April 5-6 at the Lake Wales High School

#### **CONSENT AGENDA**

**Agenda Item 6. Approval of Minutes:**  
**January 12, 2013, Planning Retreat Workshop Meeting**  
**January 15, 2013, Workshop Meeting**  
**January 15, 2013, Regular Meeting**

**Agenda Item 7. Municipal Election Administration Agreement with Polk County Supervisor of Elections**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

#### **SYNOPSIS**

The approval of the Election Administration Agreement will allow the Supervisor of Elections to provide for the administration of the City's 2013 Election at no cost to the City.

#### **RECOMMENDATION**

Staff recommends that the City Commission approve the Municipal Election Administration Agreement with the Polk County Supervisor of Elections for the administration of the City's Election to be held on Tuesday, April 2, 2013.

## **BACKGROUND**

Pursuant to the commitment of Lori Edwards, Polk County Supervisor of Elections, to assist cities holding their elections on Municipal Election Day, it is necessary to authorize the Mayor to execute the "Municipal Election Administration Agreement" with the Polk County Supervisor of Elections for the administration of the City Election on April 2, 2013. This agreement stipulates the administrative duties that will be performed by the Elections Office and by the City.

## **OTHER OPTIONS**

Do not authorize the Municipal Election Administration Agreement and do not seek assistance from the County Elections Office.

## **FISCAL IMPACT**

If the City Commission chooses not to authorize the execution of the Municipal Election Administration Agreement with the Supervisor of Elections, the City will be responsible for any cost involved for services that would otherwise be provided in the agreement at no charge to the City.

[End agenda memo]

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

By Voice Vote:

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

The motion carried 5-0.

## **OLD BUSINESS**

**Agenda Item 8. Ordinance D2012-01, CPA/Zoning – San Juan Citrus LLC Property, Belleview Drive and 11<sup>th</sup> St. S. – 2<sup>nd</sup> Reading & Public Hearing**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

## **SYNOPSIS**

This ordinance will amend land use designations on the Future Land Use Map (Comprehensive Plan) and the Zoning Map for the San Juan Citrus LLC Property, 33.4 acres on Belleview Drive and 2.2 acres on the east side of 11<sup>th</sup> St. S. The property was recently annexed into the City at the request of the property owner. The Planning & Zoning Board recommends single-family designations for 33.4 acres and industrial designations for the 2.2 acres on 11<sup>th</sup> St.

## **RECOMMENDATION**

Staff recommends adoption of Ordinance D2012-01.

In November the Commission accepted Ordinance D2012-01 upon first reading and public hearing for the proposed amendments to the Future Land Use and Zoning Maps for the San Juan Citrus LLC property as set forth below:

33.4 acres located on Belleview Dr. west of 11<sup>th</sup> St. South

Polk County Future Land Use Map designation RS-Residential Suburban to  
City of Lake Wales Future Land Use Map designation LDR-Low Density Residential and Zoning  
Map designation R-1B-Single-family Residential

2.2 acres located on the east side of 11<sup>th</sup> St. S. south of Atlantic Coast Line Railroad

Polk County Future Land Use Map designation RS-Residential Suburban to  
City of Lake Wales Future Land Use Map designation IND-Industrial and  
Zoning Map designation I-1 – Industrial

Ordinance D2012-01 was transmitted to the State Land Planning Agency for review after first reading. The agency completed its review. No objections or comments were received from the State Land Planning Agency or any other state agency. The ordinance is ready for adoption.

A public hearing is required. Public notice requirements for the hearing have been met.

## BACKGROUND

In November the City transmitted Ordinance D2012-01 to the State Land Planning Agency for review after first reading. In addition the ordinance was provided to other State agencies for review. The City has received no comments to the contrary for adoption of this ordinance.

Recommended land use designations are in keeping with adjacent designations and uses.

The parcels on the west side of 11<sup>th</sup> St. (33.4 acres) are proposed for LDR-Low Density Residential Future Land Use designation, allowing a maximum of 3 dwelling units per acre, and R-1B Zoning Map designation, requiring a minimum lot size of 9,000 sq. ft. To the north is Whispering Ridge, a single-family development, and the railroad. Other surrounding properties are in agricultural use. The LDR designation is similar to the current Polk County designation of RS-Residential Suburban.

The 2.2-acre property on the east side of 11<sup>th</sup> St. is proposed for an IND-Industrial Future Land Use designation and I-1 Industrial zoning. To the north is the railroad and residentially zoned land. To the south and southeast, adjacent property is owned by Hunt Brothers and designated for industrial uses. I-1 is the appropriate designation for vacant industrial land. Other land in the vicinity is in citrus production.

The potential demand on City services has been calculated to determine the future impact of development of the 33 acres for residential use. Capacity in required services is more than adequate to serve full development of the property. A projection of impacts of industrial development on the 2.2 acres has not been made. It is likely to be developed along with adjacent industrial acreage.

Please note that the concurrency provisions of the zoning regulations prohibit the approval of development when capacity in required services is not available. At the time development is proposed, a detailed analysis is made to ensure that this provision is met.

### **Projected impacts upon public services (when developed):**

Potable water: Total 29,036 GPD

Current available capacity: approximately 1.6 MGD

Estimated volume of potable water usage:

2.4 persons x 99 DU = 238 people

238 people x 122 GPCD = 29,036 GPD

Wastewater: Total 23,800 GPD

Current available capacity: approximate 1.3 MGD  
Estimated volume of wastewater flow  
2.4 persons x 99 DU = 238 people  
238 people x 100 GPCD = 23,800 GPD  
Community Parks: 0.48 acres  
238 people divided by 1000 x 2 = 0.48 acres

Average trips/day @9.57/unit: 947.43 average vehicle trips per day  
Polk County transportation standard applied: 9.57 average daily trips per single-family unit. Trips will primarily impact 11<sup>th</sup> Street South (CR17-B). The level of service standard for 11<sup>th</sup> St. is "D" and the current level of service is "C," indicating sufficient capacity to accommodate development of the property.

Solid waste @ 7.3lbs/person/day: 1737 pounds per day  
LOS standard: 7.3lbs per person per day. Projected 2.4 persons per unit, 238 total people.

Schools Total Number of Students: 45

Schools impacted:

Hillcrest Elementary – capacity 667 students, current enrollment 645

McLaughlin Middle – capacity 1150 students, current enrollment 706

Lake Wales High School – capacity 1623 students, current enrollment 1251

Projected students: Polk County School Board generation factors used as noted.

Elementary School @ .205 students/unit	20 students
Middle School @ .126 students/unit	13 students
High School @ .118 students/unit	12 students

### FISCAL IMPACT

Assigning land use designations enables future development of the property and a potential increase in the tax base. The annexation resulted in a reduction in the reuse water rate for irrigating the groves and an increase in the tax base through the addition of the property to the city tax rolls. The total property value according to the Polk County Property Appraiser is \$195,800. The property has an agricultural exemption.

### OTHER OPTIONS

A RR-Rural Residential land use designation, limiting residential density to 1 unit per 5 acres, could be applied to the property until such time as the owner wishes to develop the property. However, a second amendment to the comprehensive plan would be required at that time. Lake Wales has no equivalent zoning district for Polk County RR and no Agricultural designation. Agricultural uses, limited to plant cultivation, are allowed in all zoning districts. The keeping of livestock is prohibited in the city.

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance D2012-01 by title only.

**AN ORDINANCE OF THE CITY OF LAKE WALES, FLORIDA, AMENDING THE FUTURE LAND USE MAP OF THE COMPREHENSIVE PLAN AND THE ZONING MAP TO CHANGE LAND USE DESIGNATIONS ON 33.4 ACRES OF LAND LOCATED ON BELLEVIEW DRIVE FROM POLK COUNTY DESIGNATION RS-RESIDENTIAL SUBURBAN TO CITY OF LAKE WALES FUTURE LAND USE DESIGNATION LDR-LOW DENSITY RESIDENTIAL AND ZONING DESIGNATION R-1B SINGLE-FAMILY RESIDENTIAL AND TO CHANGE THE LAND USE DESIGNATIONS ON 2.2 ACRES ON THE EAST SIDE OF 11<sup>TH</sup> STREET SOUTH FROM POLK COUNTY DESIGNATION RS-RESIDENTIAL SUBURBAN TO CITY OF LAKE WALES FUTURE LAND USE DESIGNATION IND-INDUSTRIAL AND ZONING DESIGNATION I-1 INDUSTRIAL; AND PROVIDING FOR AN EFFECTIVE DATE.**

Assistant City Planner Kathy Bangley reviewed Agenda Item 8.

OPENED PUBLIC HEARING

There were no public comments.

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to approve Ordinance D2012—01 after second reading and public hearing. The motion was seconded by Commissioner Wojcik

By Roll Call Vote:

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

The motion carried 5-0.

**Agenda Item 9. Ordinance D2012-02, CPA/Zoning – City Airport Runway Extension Property, West of Municipal Airport – 2<sup>nd</sup> Reading & Public Hearing**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

The ordinance will amend land use designations on the Future Land Use Map (Comprehensive Plan) and the Zoning Map for the City's 60-acre runway extension property, annexed in 2008. The Planning & Zoning Board recommends industrial designations for the property.

**RECOMMENDATION**

Staff recommends adoption of Ordinance D2012-02.

In November the Commission accepted Ordinance D2012-02 upon first reading and public hearing for the proposed amendments to the Future Land Use and Zoning Maps for City Airport Runway Extension. An IND-Industrial Future Land Use Map designation and an I-1 Zoning Map designation are proposed.

Ordinance D2012-01 was transmitted to the State Land Planning Agency for review after first reading. The agency completed its review. No objections or comments were received from the State Land Planning Agency or any other state agency. The ordinance is ready for adoption.

A public hearing is required. Public notice requirements for the hearing have been met.

#### **BACKGROUND**

The property was purchased for the purpose of extending the east-west runway. The proposed extension was shown on the presentation of the Airport Master Plan on November 6.

The recommended industrial land use designations are in keeping with those of the airport and adjacent properties. To the northwest is other industrial property within the city, and to the south and southwest, land in Polk County is designated A/RR-Agricultural Rural Residential.

The extension of the runway itself will have little to no impact on required services. Development of land surrounding the airport, as called for in the master plan, will require extension of water and sewer lines and construction of other infrastructure.

#### **FISCAL IMPACT**

There is no fiscal impact to the recommended action.

#### **OTHER OPTIONS**

The designations recommended are the only designations appropriate for the proposed use.

[End agenda memo]

City Clerk Clara VanBlargan read Ordinance D2012-02 by title only.

**AN ORDINANCE OF THE CITY OF LAKE WALES, FLORIDA, AMENDING THE FUTURE LAND USE MAP OF THE COMPREHENSIVE PLAN AND THE ZONING MAP TO CHANGE LAND USE DESIGNATIONS ON 60 ACRES OF LAND LOCATED WEST OF THE LAKE WALES MUNICIPAL AIRPORT FROM POLK COUNTY DESIGNATION A/RR-AGRICULTURAL/RURAL RESIDENTIAL TO CITY OF LAKE WALES FUTURE LAND USE DESIGNATION IND-INDUSTRIAL AND ZONING DESIGNATION I-1 INDUSTRIAL; AND PROVIDING FOR AN EFFECTIVE DATE.**

Assistant City Planner Kathy Bangley reviewed Agenda Item 9.

Mayor Carter asked if this was the next step in the process and Ms. Bangley said it was.

OPENED PUBLIC HEARING

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to approve Ordinance D2012-02 after second reading and public hearing. The motion was seconded by Commissioner Thornhill.

By Roll Call Vote:

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

The motion carried 5-0.

**Agenda Item 10. Ordinance 2013-01, Amendment to Chapter 8, Municipal Election Code – 2<sup>nd</sup> Reading & Public Hearing**

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 second reading and public hearing.

The City Commission approved first reading of Ordinance 2013-01 on January 15, 2013

**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.

In accordance with charter amendments approved by voters in April 2011, five commissioners will be elected from four geographical districts. This combined Seat 2 & Seat 3 making it Seat 3. Seat 1 became an at large seat, the commissioner serving as mayor.

In accordance with a charter amendment approved by voters in April 2012, Commission members shall serve two-year terms beginning with the 2013 election, the terms of which shall be as follows:

SEAT	CURRENTLY SERVED BY	(2013)	(2014)	(2015)	(2016)	(2017)	(2018)	(2019)	(2020)
Seat 1/At-Large	-----		2015	2015	2017	2017	2019	2019	2021
Seat 2/District 19	Thornhill	2013	2015	2015	2017	2017	2019	2019	2021
Seat 3/District 122	Carter/Howell (2013)	2014	2014	2016	2016	2018	2018	2020	2020
Seat 4/District 27	Wojcik	2015	2015	2015	2017	2017	2019	2019	2021
Seat 5/District 28	Lutton	2016	2016	2016	2016	2018	2018	2020	2020

*(Two seats expire in even years & three seats expire in odd years)*

**CANVASSING BOARD, Sec. 8-26.**

Currently the City Commission is the Canvassing Board for any election, whose duty it is to canvass the Absentee Ballots & Precinct Returns on election night, April 2nd, at the Election Headquarters in Bartow. The exception is a commissioner who is the subject of a recall pursuant to F.S. § 100.361 who shall not participate in the canvassing of that issue. Ordinance 2013-01, if adopted, will allow a commissioner whose seat is up for re-election or is unable to serve on the canvassing board for any other necessary reason, to appoint the city manager, city attorney, or a resident/s of the city to serve in that capacity so that a quorum can be met. The Commission could choose to appoint an alternate member to be called if something unforeseen occurs.-

There are two seats available for the 2013 municipal election: the commission Seat 2, and the mayor at-large Seat 1. This creates two possible vacancies on the Canvassing Board for this election. Although,

three members constitute a quorum, it is possible that an unknown circumstance could happen and the Board would not have a quorum, which would necessitate a special election to be held. Therefore, it is necessary to change the Board membership requirements to allow the Commission to appoint additional members to serve on the Canvassing Board, if only to prevent that from happening.

The deadline for providing the Supervisor of Elections office with who will be serving on the Canvassing Board for 2013 is February 22<sup>nd</sup>. If Ordinance 2013-01 is adopted, the Commission will need to make the appointments at its meeting on February 19. The Commission is asked to consider what other members they would like to serve on the Canvassing Board.

**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.**

City Clerk Clara VanBlargan reviewed Agenda Item 10.

**OPENED PUBLIC HEARING**

There were no public comments.

**CLOSED PUBLIC HEARING**

Commissioner Lutton made a motion to approve Ordinance 2013-01 after second reading & public hearing. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 5-0.

**Agenda Item 11. Ordinance 2013-02. FY12'13 Budget Amendment #1 – 2<sup>nd</sup> Reading & Public Hearing**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]



**SYNOPSIS**

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

**RECOMMENDATION**

It is recommended that the City Commission adopt Ordinance 2013-02 after second reading and public hearing.

The City Commission approved first reading of Ordinance 2013-02 on January 15, 2013.

**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 second reading and public hearing 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
<b>Total Increase(Reduction) of Revenues &amp; Balances Fwd</b>	<b>115,196</b>
<b>Appropriated Expenditures &amp; Reserves</b>	
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)
<b>Total Increase(Reductions) of Appropriated Expenditures &amp; Reserves</b>	<b>115,196</b>

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:

- o Increase of \$100,000 for lift station rehab. This is a prior year carryover item.
- o Increase of \$15,000 for lift station pump replacement. This is a prior year carryover item.
- o 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.
- o Increase of \$7,845 for part-time clerk in Utility Billing.
- o Increase of \$18,733 for additional allocation of inventory clerk.
- o Increase of \$23,792 for additional allocation of Utility System Director's time.
- o Increase of \$8,757 for personnel cost relating to employee bonuses.
- o 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 Agenda Item 11.

OPENED PUBLIC HEARING

There were no public comments

CLOSED PUBLIC HEARING

Commissioner Howell made a motion to approve Ordinance 2013-02 after second reading & public hearing. The motion was seconded by Commissioner Thornhill.

By Roll Call Vote:

Commissioner Howell

"YES"

2013-63

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

The motion carried 5-0.

**Agenda Item 12. Ordinance 2013-03, Establishment of Lake Wales Debt Police – 2<sup>nd</sup> Reading & Public Hearing**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**SYNOPSIS**

The City Commission will consider establishing a debt management policy.

**RECOMMENDATION**

It is recommended that the City Commission adopt Ordinance 2013-03, either as proposed or with Commission revisions, after second reading and public hearing.

The City Commission approved first reading of Ordinance 2013-03 on January 15, 2013.

**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>
<b>Governmental activities</b>						
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%
<b>Total governmental activities</b>					<u>\$ 13,156,945</u>	
<b>Business-type activities</b>						
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%
<b>Total business-type activities</b>					<u>\$ 13,423,230</u>	
<b>Lake Wales Airport Authority</b>						
Discretely presented component unit						
Fixed Based Operator's Payment Credit	8	M	2012	340,000	115,629	0.00%
<b>Total Lake Wales Airport Authority</b>					<u>\$ 115,629</u>	

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

(2) Purpose:

1. 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.
2. 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).
3. Construction of reclaimed water reuse facilities.
4. Construction of sludge dewatering facilities.
5. Planning and design of wastewater treatment plant expansion.
6. Construction of chlorine contact chamber and reuse system improvements.
7. 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.
8. 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).
9. Acquisition, construction and equipping of various capital improvements within the Community Redevelopment Area.
10. 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.
11. 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**

Current Yr	Fiscal Year	General Government		Total	Increase(Decrease) In Debt Service Compared to FY 12'13	Total Govn't & Utility Debt
		Principal	Interest			
	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>

Current Yr	Fiscal Year	Utility System		Total	Increase(Decrease) In Debt Service Compared to FY 12'13
		Principal	Interest		
	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 Resolution 2013-03 by title only.

## **AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING CHAPTER 2, ARTICLE V OF THE LAKE WALES CODE OF ORDINANCES; ESTABLISHING A DEBT POLICY; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.**

Finance Director Dorothy Ecklund reviewed Agenda Item 12.

### **Debt Policy:**

Commissioner Lutton asked Ms. Ecklund to explain Section 526, **Debt Limitations**. Ms. Ecklund explained that the state auditor prepares an annual report based on audits from other cities in Florida in which they group cities by similarities like population and the ad valorem revenue stream. Whenever the city goes out for a debt issuance, those benchmarks will be considered to determine if the City is overextending itself but reasonableness and affordability will also be considered.

Commissioner Lutton said that was not what he had in mind. He explained that he had wanted half of the reduced debt service put into a capital fund to build up revenue for capital expenditures and the rest put into the general fund. Ms. Ecklund said that would be the next step, to create a replacement policy

Commissioner Thornhill said he just wanted to make sure we don't just spend the money because we have it.

### **Replacement Policy:**

Ms. Ecklund said that when the Replacement Policy is created, the Commission will set benchmarks and will determine whether the replacement should be based on a percentage of revenue or based on the CIP. She said she tried to base it on a fixed amount as the commission requested but the policy needs to be flexible enough to accommodate change and growth. The benchmarks will provide the commission with ratios. If other cities of equal size or revenue can't afford it the commission may realize we could be overextending ourselves. Commissioner Lutton said that when the city retires the debt, he does not want the \$819,000 it to be spent frivolously. He wants half of it put into the capital budget.

Commissioner Wojcik said she thought we already had a replacement policy. Ms. Ecklund said one doesn't presently exist though the commission had talked about creating one for pay-as-you-go capital. Commissioner Wojcik asked when they could expect the policy to be created and Ms. Ecklund said about six weeks to two months as she is waiting for the information from the various departments.

Mayor Carter said he assumed that the debt policy would be a document they can use to analyze whether we should lease or purchase. Ms. Ecklund said it is required in two places in the document, one talks about lease versus purchase and the other option is for rentals based on how often it will be used. Mayor Carter said that part of that analysis should include that an asset is to be strictly based to some extent on

its useful life. Ms. Ecklund said it says in the policy that purchases can't be financed for over 70% of its expected life. Mayor Carter said other costs need to be brought into the equation such as the maintenance contract we have with Polk County, which goes up every year the older the purchased item becomes. He said they need to know all the aspects of cost before a determination can be made whether to lease or rent.

Commissioner Wojcik agreed and said the life-cycle cost would be used especially for things like new vehicles because there will be less maintenance cost at first but that number will increase every year.

Commission Lutton said a better example is our roads; in five years there will be pot holes to fill, in ten years there will be twice the number and in fifteen years there will be four times the number.

#### OPEN PUBLIC HEARING

There were no comments from the public.

#### CLOSED PUBLIC HEARING

Commissioner Lutton made a motion to approve Ordinance 2013-03 after second reading and public hearing. The motion was seconded by Commissioner Howell.

By Roll Call Vote:

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

The motion carried 5-0.

#### NEW BUSINESS

##### **Agenda Item 13. Ordinance 2013-04, Abatement and Violation Correction Assessment and Uniform Collection Agreement "Municipality" – Polk County Tax Collector – 1<sup>st</sup> Reading**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

#### SYNOPSIS

Ordinance 2013-04 Abatement and Violation Correction Assessment, is an amendment to the Lake Wales Code of Ordinances Chapter 17.5 Special Assessments. This amendment allows for the collection of unpaid code enforcement service fees through the Uniform Method for the Levy, Collection, and Enforcement of Non-ad valorem assessments.

Uniform Collection Agreement "Municipality" from the County Tax Collector, is the enabling document between the City and County for this alternative method of collection.

#### RECOMMENDATION

Staff recommends approval of Ordinance 2013-04 after first reading and the execution of the Uniform Collection Agreement with the Polk County Tax Collector's office. No public hearing is required.

On January 15<sup>th</sup> the Commission approved Resolution 2012-20. This resolution declared the city's intent to utilize the alternative method of collection and was transmitted to Polk County Tax Collector, Polk County Property Appraiser and the Department of Revenue. The Tax Collector's office has forwarded their Uniform Collection Agreement to the City for execution.

## **BACKGROUND**

In September 2012 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 fee collection. Service fees are those that result from services provided by the City to clean properties, repair buildings and the like. When a service fee is left unpaid it is recorded as a service lien against the real property where the service was performed. This does not include fines or administrative liens.

Ordinance 2013-04 lays out the policy and procedure in the City's code for applying the assessment method in the City of Lake Wales.

## **OTHER OPTIONS**

None with the approval of Resolution 2012-20 at the last meeting the Commission declared its intent to use this method. Therefore its specific inclusion in the city's code is required.

## **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 2013-04 by title only.

**AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING LAKE WALES CODE OF ORDINANCES, CHAPTER 17.5, "SPECIAL ASSESSMENTS" TO ADD ARTICLE II. "ABATEMENT AND VIOLATION CORRECTION ASSESSMENT" FOR THE PURPOSE OF AUTHORIZING AND REQUIRING THE CITY TO UTILIZE THE "UNIFORM METHOD FOR THE LEVY, COLLECTION, AND ENFORCEMENT OF NON-AD VALOREM ASSESSMENTS" AS SET FORTH IN SECTION 197.3632 F.S. TO COLLECT UNPAID CODE ENFORCEMENT SERVICE FEES IMPOSED ON PRIVATE PROPERTY AND PROVIDING FOR AN EFFECTIVE DATE.**

Assistant City Planner Kathy Bangley reviewed Agenda Item 13.

Ms Bangley explained that, although the agreement with the Tax Collector's Office was included in the agenda item, the authorization for them to be able to take action will come in the second reading and adoption of the ordinance at the February 19<sup>th</sup> meeting.

## **OPENED PUBLIC HEARING**

Robert Ritt, citizen, asked for further explanation.

City Attorney Chuck Galloway explained that this would give the city the authority to collect only money expended by the City to correct a violation and not for code enforcement fines, by attaching it to the ad

valorem tax. He gave the example of having to mow an abandoned lot. Ms. Bangley explained that this would only be as a last resort. The City would send a letter informing the owner to mow the lot because it didn't meet the city code. If the mowing isn't done the city will have it done and send the bill to the owner. If it is not paid, the city will pay for it and attach the amount to the tax bill so it can recoup what was spent. She added that it was not a way to collect administrative liens.

Commissioner Wojcik said it was only on private property if the owner does not respond to notices, for example to mow the grass, so the city has to spend the money to get it mowed, or for demolishing a building.

Mayor Carter said it is a vehicle for the city's attempt to recover the cost that the city incurred because the property has been in consistent violation.

Mr. Ritt asked how they would know who to send the bill to if no one lives there. Ms. Bangley explained that they would pursue the heirs to the property through a process that code enforcement uses, but it is not a quick process when dealing with foreclosure or death.

### **CLOSED PUBLIC HEARING**

Commissioner Howell made a motion to approve Ordinance 2013-04 after first reading. The motion was seconded by Commissioner Lutton.

By Roll Call Vote:

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

The motion carried 5-0.

### **Agenda Item 14. Vehicle Lease Agreement with Mears Motor Leasing**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

### **SYNOPSIS**

Staff is requesting Commission approval to lease-purchase six (6) unmarked police vehicles.

### **RECOMMENDATION**

Staff recommends the Commission approval of the sixty (60) month lease of six Chevrolet Impala 9C3 unmarked police vehicles from Mears Motor Leasing and authorize the City Manager to execute the lease. This is a lease-purchase, which allows the City to purchase the vehicles for one (1) dollar each at the end of the sixty (60) month term.

### **BACKGROUND**

Within the FY 2012'13 annual budget, the City Commission approved \$91,644 for police vehicle leases (annual budget pg 38). The City currently has existing police vehicle lease obligations of \$64,644 for FY 2012'13.

During a July 3, 2012 budget workshop the City Commission received the recommendation from staff for the leasing of six (6) police vehicles to be included within the FY 2012'13 budget appropriations. The following was provided within that agenda memo:

**PUBLIC SAFETY**

Residents of the City put a high priority on public safety, both police and fire. Equipment needed to provide the expected level of service are at a bare minimum. In order to get us through these next few difficult years, the proposed budget provides for the lease of 6 replacement vehicles (\$27,000 for the annual lease and \$9,000 for additional equipment) for the police department. By replacing these older vehicles, maintenance costs will be reduced and up-front dollars will be kept to a minimum.

Staff recommends the lease purchase of six unmarked police vehicles for the following reasons:

- The new vehicles would replace two model year 2000 and four model year 2002 Ford Crown Victorias which have been in daily service over the last decade.
- If these six Crown Victorias were replaced the annual maintenance cost assessed by Polk County Fleet Management would initially be reduced by \$7,110. The County would reduce the cost from \$11,910, which we are currently paying on the Ford Crown Victorias, to \$4,800 for the Chevrolet Impalas.
- The proposed lease obligation of \$24,624 provided by Mears Motor Leasing came in under budgetary appropriations by \$2,376 ( $\$27,000 - 24,624 = \$2,376$ ).

City Commission has approved appropriations within the adopted budget of \$27,000 ( $\$91,644 - 64,644 = \$27,000$ ) for the leasing of additional vehicles within the police department.

- If these six new vehicles were purchased under the State of Florida Contract the total purchase price would be \$119,184. Under the Mears Motor Leasing agreement these six vehicles can be leased at an annual cost of \$24,624 (total cost over the five year lease term is \$123,120). A full purchase would result in a current-year decrease in cash flow of \$119,184 as compared to \$24,624.
- The lease term of sixty (60) months will conclude at approximately 50% of the useful life of these vehicles.
- Bids submitted included a one (1) dollar purchase price at the end of the sixty (60) month lease term.
- As with all purchases, if the City were able to purchase items without the use of financing this would result in the lowest overall cost, but the greatest single annual cash flow decrease. If the City decided to use financing options, this lease purchase-option would result in the lowest financing cost over the life of the lease. The interest costs of the lease-purchase option are \$3,936.

The City advertised an Invitation to Bid on December 7<sup>th</sup>, 2012 and received two responses from qualified bidders: Mears Motor Leasing submitted a bid which included a total vehicle purchase price of \$119,184, or an APR of 1.34% and a total annual lease payment of \$24,624 (Total lease cost of \$123,120).

Roundtree-Moore Chevrolet submitted a bid which included a total vehicle purchase price of \$122,718, or an APR of 4.94% and a total annual lease payment of \$27,636 (Total lease cost of \$138,180).

Five of the six vehicles to be replaced will be sold via an online auction with Govdeals.com and one will be rotated into the City Administration fleet pool. We have sold eight Ford Crown Victorias on Govdeals.com in the past for an average sale price of \$1,127.

#### **OTHER OPTIONS**

1. A full purchase would result in a current year decrease of cash flow of \$119,184.
2. Retain the existing six vehicles and continue to have a minimum cost of \$11,910 annually for maintenance. This amount represents the cost of maintenance for these vehicles within the last two years.

#### **FISCAL IMPACT**

The annual proposed lease obligation of \$24,624 provided by Mears Motor Leasing came in under budgetary appropriations by \$2,376 ( $\$27,000 - 24,624 = \$2,376$ ). If the City Commission decides to approve the vehicle lease agreement, the City is committed to a yearly lease payment of \$24,624 for the remaining four (4) years of the five (5) year lease. If revenues are insufficient in future years, an option would be to return the vehicles under the non-appropriation of funds clause. If it becomes necessary to exercise this option, however, the Police Department would suffer the loss of six vehicles.

A summary of existing lease obligations has been attached for review purpose only.

[End agenda memo]

Support Services Director James Slaton reviewed Agenda Item 14.

#### **Maintenance:**

Mayor Carter asked what the maintenance cost would be for years two-through-six. Mr. Slaton said he wouldn't know that until cars were brought in for maintenance but looking back at the vehicles they now have, some of the maintenance fees have not increased. As vehicles get older and require more maintenance, the cost will rise. He said we have four 2012 vehicles and the maintenance has stayed the same as they were last year.

Mayor Carter said as the vehicle gets older it will need more maintenance and therefore cost more. He asked if that cost was factored in. Mr. Slaton said that some cars need very little maintenance and therefore the cost was very little. Mayor Carter said the ones he looked at cost \$1,885 a year. Ms. Slaton said that was for only those six vehicles, which are police vehicles that are driven a lot more than for example a utility truck. He was talking about the overall maintenance fee for all their vehicles.

Mayor Carter asked if maintenance while the vehicles are under warranty would be fixed by the dealer and Mr. Slaton said they would.

Commissioner Howell said that the first two years therefore cost us nothing for maintenance because they are covered through the dealership. Commissioner Lutton explained that we would still have to pay for anything not covered under the warranty, like normal wear-and-tear.

#### **Lease Agreement:**

Mayor Carter said that though he is not a big fan of leasing, in some cases it makes sense to do so. He said this was one of those times because the interest rate is 1.4% and inflation is 1.7%. When interest rate is below inflation leasing is a viable alternative.

Commissioner Wojcik said that she was happy with the provision that the city can purchase the vehicles in six years for one dollar per car. She said she was assuming that a police car would exceed the life of the lease.

**Consent Agenda Discussion:**

Commissioner Wojcik asked why these type agenda items aren't listed under the Consent Agenda instead of taking up so much commission time because for example this item had been analyzed during the budget process and was approved. If it is put on the consent agenda a Commissioner still has the opportunity to pull an item for discussion if desired. Mr. Slaton said that under the present ordinance they are required to bring it back to the Commission.

Commissioner Lutton agreed and said if the item was already approved, city staff should not be slowed down by having to bring it back to the Commission, answering the same questions again. He said he would like the purchasing ordinance to say that if the item comes at or under what was budgeted, staff would not have to wait for the Commission to look at it, though he added that it would leave open an opportunity for staff to sandbag the numbers. If the item is over the budgeted amount, staff needs to explain why it went over. Mr. Slaton said that staff has a deadline for having their items in for a commission meeting and if the bid opening falls after that deadline they have to wait two or three weeks for the next commission meeting, which delays things.

Commissioner Lutton said he would love to brag about positive outcomes like this one: they will retire six vehicles ten or more years old for new vehicles that came under budget and consume less gas, reducing the fleet maintenance cost by \$7,000 a year; and they can purchase the vehicles for a dollar each at the end of the lease. At the end of the lease the savings would pay for one of the cars.

Mayor Carter said that anytime an item deals with money it should not be on the consent agenda and he had asked Ms. Leary to pull those out of the consent agenda when she sees them.

Commissioner Thornhill made a motion to approve the sixty month lease/purchase agreement of six Chevrolet Impala 9C3 unmarked police vehicles from Mears Motor Leasing, allowing for the purchase of the vehicles for one dollar each at the end of the 60 months, and authorize the City Manager to execute the lease. The motion was seconded by Commissioner Howell.

By Voice Vote:

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

The motion carried 5-0.

City Manager Terry Leary asked to see if there was a consensus to change the purchasing ordinance so that items already budgeted that fall at or under the budgeted amount would be listed in the consent agenda. Mr. Slaton reminded them that according to the purchasing ordinance all purchases have to be reviewed and signed by the City Manager anyway. City Attorney Chuck Galloway said that all contracts have to come before the City Commission because either the Mayor or City Manager have to be authorized to execute the contract, but it can come back under the consent agenda if they so choose.

A consensus was taken and the majority approved the change.

**Agenda Item 15. Modification of the Altitude Valve at the Owens Road Pump House**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

### **SYNOPSIS**

Staff requests commission approval to hire sole source vendor Tom Evans Environmental for the modification of the altitude valve at the Owens Road Pump House.

### **STAFF RECOMMENDATION**

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

1. Approve staff to hire sole source vendor Tom Evans Environmental for the repair of the altitude valve at the Owens Road Pump House and wastewater treatment plant.
2. Authorize the City Manager to execute the appropriate documents, on the City's behalf.

### **BACKGROUND**

According to the City of Lake Wales' Florida Department of Environmental Protection (FDEP) Operating Protocol for the reuse system, city staff is required to have the capability to kill the distribution of the reuse water if the city produces reuse water that goes outside of the stated perimeters set forth in the operating permit. If this occurs, the wastewater plant operators are required to have the capabilities to close the valve which allows the water that is being distributed to the reuse storage tank from the wastewater plant. On the same token, if reuse water is being sent to the reuse ground storage tank and the tank levels approach the set fill point, the altitude valve is supposed to open and direct any and all overflow to the RIB site. The entire design of this system was to be set up as a safety precaution and bypass.

Currently, these capabilities do not exist at the plant. Staff has made numerous inquires to different vendors to try and resolve this problem. But no one has been able to provide the correct fix. Tom Evans Environmental has come out and met with plant staff and has provided a cost estimate in the amount of \$12,750.00 to correct this problem.

Staff is seeking commission approval to hire sole source vendor Tom Evans Environmental for the repair of the altitude valve at the Owens Road Pump House and to provide the necessary program controls at wastewater treatment plant.

### **OTHER OPTIONS**

Chose not to approve the fix by Tom Evans Environmental and run the risk of being out of compliance as stated and set forth in the waste water operating permit.

### **FISCAL IMPACT**

The Wastewater Department has placed \$47,800.00 for M & R Treatment Plants in the FY 2012'13 Operating Budget for these repairs.

[End agenda memo]

Utility Support Manager Sarah Kirkland reviewed Agenda Item 15.

Commissioner Wojcik asked if the pump house valve was fairly new and Ms. Kirkland said it was done in 2000 and they have been having trouble with it ever since.



Mayor Carter asked if the valve was part of the original design. Ms. Kirkland said it was but it never worked correctly. They had several contractors try to figure out what was wrong and each time it was fixed but it never lasted.

Mayor Carter asked if the people who installed it were still around and Ms. Kirkland said she did not know because it happened before her time. Commissioner Wojcik said we need to make sure we don't use them again.

Commissioner Howell made a motion to approve staff to hire sole source vendor Tom Evans Environmental for the repair of the altitude valve at the Owens Road Pump House and wastewater treatment plant and authorize the City Manager to execute the appropriate documents, on the City's behalf. The motion was seconded by Commissioner Wojcik.

By Voice Vote:

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

The motion carried 4-0.

**Agenda Item 16. Lake Wales Strategic Plan, January 12, 2013**

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

**BACKGROUND**

On Saturday, January 12, 2013 the City Commission and staff attended a Strategic Planning Workshop at the Austin Center. Rich Thompson facilitated the all-day session. The Commission and Staff gave input to 3 specific subjects and from these, Goals for each segment were formulated.

The staff worked on the different items and developed the attached strategic plan based on the direction received from the Commission. It is intended to serve as a roadmap for the next 1-3 years.

Please review the draft and during our discussion, I will make whatever changes/additions you desire.

[End agenda memo]

City Manager Terry Leary reviewed Agenda Item 16.

Commissioner Howell said that the phrase "immediate and on-going" was repeated many times throughout the document and asked Ms. Leary to explain. Ms. Leary said it means that the item would start now and was an on-going process that will need to be dealt with every year.

**Strategies:**

Commissioner Howell said that only goals were listed on the Strategic Plan but she did not see strategies.

Commissioner Wojcik explained that the strategies would be coming. Ms. Leary said if the goals are approved by the Commission she would start working on specific strategies and the Commission would get periodic reports.

Commissioner Lutton recommended having an update whenever the strategies for one goal were finished so the plan stays in the forefront, about every 3<sup>rd</sup> or 4<sup>th</sup> meeting. He suggested setting some definite deadlines for staff or it may be six months down the road. He said he thought all the strategies for these goals should be finished, but not necessarily implemented, by the anniversary date of the Strategic meeting on January 12<sup>th</sup>.

Commissioner Thornhill agreed that updates were needed so the plan is not just thrown to the side and forgotten.

Mayor Carter recommended having an update monthly. Ms. Leary said portions of it will be coming to them at the next meeting, or the following meeting.

Commissioner Wojcik explained that completion of some strategies might be earmarked for year one, and some will be for years two or even three.

Commissioner Lutton said some of the strategies will be for staff to assign a goal to people in the community for them to plan and execute.

Mayor Carter asked how these goals fit in with the economic development plan and Ms. Leary said they intertwine. She said they captured things from the economic development workshop so they can move forward with the strategies. Economic Director Harold Gallup explained how incentives would work.

Commissioner Wojcik asked if these goals would be used at the City Manager's anniversary date to evaluate her or would there be another set of goals they were to use. She said they could use the strategic goals to determine how much progress has been accomplished. Mayor Carter said all the goals listed are ultimately Ms. Leary's responsibility even though they are delegated out. Commissioner Lutton reminded them that they will be working on a new evaluation form.

There was consensus for Ms. Leary to move forward with the listed goals and begin working on strategies.

#### **CITY COMMISSION TRACKING REPORT**

Commissioner Thornhill asked for an update on the Little League bleachers. Ms. Leary said that Jim Maggard, President of Little League, has not been successful in raising enough funds to purchase new bleachers so the city will be moving bleachers from another spot to the Little League field to use until a new one can be purchased.

Commissioner Lutton asked that completed items be taken off the Tracking Report. Commissioner Wojcik suggested putting the finished items on a separate list so they can look back and see when they were completed.

#### **COMMUNICATIONS AND PETITIONS**

Police Chief Chris Velasquez recognized those present from the Citizen's Police Academy who were in attendance to fulfill one of the requirements to the program. He also invited the public to come to the next Citizens and Police Committee at Holy Spirit Catholic Church as they will be discussing tax fraud and identity theft. This committee meets the 3<sup>rd</sup> Thursday of each month.

Jean Scott, resident, asked that the Citizen's Police Academy graduates consider becoming part of VOICE as more volunteers are needed for the program.


Mimi Hardman, President of the Lake Wales Historic Society, described the three historic districts in Lake Wales: the Commercial District, the Residential District, and the Northwest District. She said it was up to the city and its residents to preserve the integrity of the community by insuring its history.

**CITY COMMISSION COMMENTS**

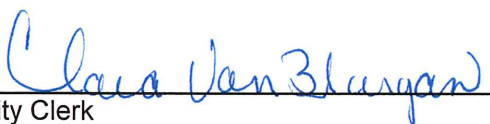
Commissioner Lutton recommended having their workshops on another night to allow them more time so they are not rushed and they can give staff a clear consensus. He asked that the agenda memo for workshops contain more information and list all the topics to be discussed and specific questions staff needs answered so the Commissioners can have time to focus beforehand on their views on each subject.

City Manager Terry Leary said that the next workshop would be on economic development. The Chamber of Commerce would be giving a presentation for a joint partnership.

The meeting was adjourned at 8:15 p.m.

  
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Mayor/Commissioner

ATTEST:

  
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City Clerk