

The regular meeting of the Lake Wales City Commission was held on April 3, 2013 at 6:09 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: Dorothy Ecklund, Acting City Manager; Albert C. Galloway, Jr., City Attorney; Jacquie Hawkins, Deputy City Clerk

[Meetings are recorded but not transcribed verbatim]

MAYOR

Agenda Item 5. Proclamation: VOICE and Public Safety Cadet Appreciation Week; April 22-26, 2013

Mayor Carter read the proclamation to eight cadets in honor of VOICE and Public Safety Cadet Appreciation Week and Police Chief Chris Velasquez presented the proclamation to the oldest member explaining the invaluable service they do for the City of Lake Wales.

Proclamation: General Aviation Appreciation Month on April 2, 2013

Mayor Carter presented the proclamation to Jack Neal and Katherine Rogers, representing the Airport Authority, in honor of General Aviation Appreciation Month.

Agenda Item 6. ANNOUNCEMENTS: Mayor Carter made the following announcements.

- a. **Unofficial results of the 2013 Municipal Election held on April 2, 2013**
- b. **April 4, 2013, 5:00 p.m., Commission Chambers
Canvassing Board to certify final results of the 2013 Municipal Election**
- c. **April 8, 2013, 1:30 p.m., Election Headquarters
Canvassing Board to conduct a manual audit of the voting system used in the 2013 Municipal Election which shall include a tally of the Mayor race for absentee and provisional ballots cast on Election Day.**

CONSENT AGENDA

Commissioner Lutton pulled Agenda Item 8 for separate discussion.

Agenda Item 7. Approval of Minutes
March 19, 2013, Workshop Meeting
March 19, 2013, Regular Meeting

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

By Voice Vote:

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

The motion carried 5-0.

Agenda Item 8. Fire Substation – Land Lease Agreement

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

Lease agreement for the land use relating to the fire substation located at 1965 Thompson Nursery Road Lake Wales Florida.

RECOMMENDATION

It is recommended that City Commission approve the land use lease agreement relating to the fire substation located at 1965 Thompson Nursery Road Lake Wales Florida.

BACKGROUND

After the hurricane season of 2004, many insurance underwriters changed their premium schedules as they relate to fire coverage and distances to staffed fire stations. This created the need for a fire station to provide coverage to the northern area of the city. In May of 2005, Florida Food Tankers, Inc. ("FFT") agreed to allow the placement of a trailer on their property at 1965 Thompson Nursery Road to be utilized as a fire station until a permanent location could be established.

One of the financial benefits of the substation is its ability to provide coverage to northern areas of the county. As a result of this location, the City receives over \$100,000 from Polk County directly related to services provided by this northern substation. If the City lost this northern location, the City would lose \$100,000 in general fund revenue per year. Another financial benefit realized is that citizens, within the northern section of the City, have lower annual insurance premiums relating to fire coverage.

On March 31, 2011, the City received notification from FFT that rent would be required in the amount of \$3,000 to continue occupying the site. On June 21, 2011, the City Commission approved a lease agreement with FFT for a term of July 1, 2011 through June 30, 2012. The agreement included an extension clause extending the lease for one additional one year term, which ends June 30, 2013. In late 2012, FFT no longer owned the property and the land lease was transferred to 1965 TNLW, LLC. Both FFT and 1965 TNLW, LLC have similar officers/managing members.

On August 21, 2012, the City Commission approved the acquisition of the proposed fire substation site, 3.76 acres of real estate, at 600 Chalet Suzanne Road. Staff believes the planning and construction phase for the new fire substation will require twelve months before the City will be able to occupy the new station. This estimated construction period for the new substation will exceed the current lease term with 1965 TNLW, LLC.

Staff recommends that the City Commission approve an additional land use lease agreement with 1965 TNLW, LLC relating to the fire substation located at 1965 Thompson Nursery Road Lake Wales Florida. The new lease terms would lower the monthly rental payment from \$3,000 to \$1,500 per month. In exchange for this reduction in rent, the 2008 Fleetwood Trailer, carport/awning and A/C unit located at this site would become the property of 1965 TNLW, LLC at the termination of the lease agreement. The proposed lease agreements offered the following pros/cons compared to the existing contract:

Pros:

- The reduction in the monthly rental payments (\$1,500 per month) represents \$18,000 in savings to the City compared to the current terms of the existing contract.
- If the existing assets remain on site, the City would avoid costs relating to the relocation of the trailer (\$7,000) and costs relating to repairing 1965 TNLW, LLC site – fill, sod, carport removal, etc. (\$1,440). Estimated cost saving of \$8,440.

Cons:

- The estimated market values of the assets to be transferred at the termination of the lease agreement are projected between \$8,000 to \$10,000.

The City currently has the following assets located at the 1965 TNLW, LLC lease site:

Description	Purchase Date	Asset Cost	Estimated Market Value
2008 Fleetwood Trailer	2007	29,500	8,000
Carport/Awning	2005	3,413	1,000
A/C Unit	2007	2,615	1,000
Septic Tank (1000 gallon)	2007	1,170	-
		36,698	10,000

OTHER OPTION

Move the existing fire substation (the trailer) from 1965 Thompson Nursery Road to 600 Chalet Suzanne Road prior to the termination of the existing lease (June 30, 2013)

The cost for site work and to relocation of the trailer would include the following:

Site Work	Unit of Issue	Unit Cost	Quantity	Cost
Mobilization	LS	15,000	1	15,000
clearing and grubbing	CY	20	200	4,000
survey staking	LS	1,500	1	1,500
water tie-in	LS	500	1	500
sewer tie-in	LS	500	1	500
lift station	EA	45,000	1	45,000
8" PVC water line	FT	15	115	1,725
6" PVC force main	FT	14	100	1,390
8" gate valve and box	EA	1,200	1	1,200
6" gate valve and box	EA	750	1	750
6" check valve and box	EA	700	1	700
2" blow off	EA	100	1	100
driveway apron 6" concrete	SY	42	250	10,375
stabilization grade 10" LBR 40	SY	15	600	9,000
Lime rock base 8"	SF	20	600	12,000
asphalt 1 1/2 "	SY	30	600	18,000
storm culvert - 18"	FT	34	60	2,040
mitered end 18"	EA	878	2	1,755
electric to lift station	LS	4,000	1	4,000
electric to trailer	LS	500	1	500
Total Site Work				130,035

Trailer Relocation Cost	
Cost to install the trailer at the new location	2,000
Cost to transport trailer and set it up on the new site	5,000
Cost to repair FFT site(fill, sod, carport removal, etc.)	1,440
Total Trailer Relocation Cost	
	8,440

Total Site Work and Trailer Relocation Cost	138,475
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Less the proposed twelve month lease extension	(18,000)
Estimated sale of assets (trailer, car port/awning, A/C unit)	(8,000)
Net cost	<u>112,475</u>

Tom Moran, Director of Utilities, has concerns that if the construction project is accelerated to move the trailer by the June 30, 2013 costs would be higher as there would not be sufficient time for the normal bid progress to be completed.

FISCAL IMPACT

Lease Agreement with 1965 TNLW, LLC –

- Rental payments of \$18,000
- The estimated cost of the market value of assets transferred within the lease agreement (projected between \$8,000 to \$10,000). Cost saving of \$8,440 if the City is able to avoid moving the trailer to a different location.

[End agenda memo]

Commissioner Lutton asked the following questions:

- Commissioner Lutton asked when they expected break ground and Public Works Director Tom Moran said July of 2013.
- Commissioner Lutton asked if they have SWFWMD's approval. Mr. Moran said the permits for SWFWMD, the County, DEP, DOH, and NPDS are ready for his signature.

Lease Extension

Commissioner Lutton said the agreement had a six-month extension at \$3,000 a month and wanted to know if the extension could be at \$1,500 per month. Fire Chief Jerry Brown said the reduced rate of \$1,500 was in the initial agreement that he sent to the landlord to make sure there were no issues with it before it went to the Commission for a vote. The landlord had an issue with the extension at the reduced \$1,500 rate and asked that it be placed at \$3,000 per month.

Commissioner Lutton said he understood that they probably wanted to make use of that property. Chief Brown said they actually like them being there and he didn't think they were anxious for them to leave.

Finance Director Dorothy Ecklund said that she tried to get the extra six month extension at \$1500 a month in case it was needed. The correspondence she received said if we need the additional six months it would be at the original amount of \$3,000 a month, though he gave some indication that if we did need to use the extra six months they could revisit the issue at that time.

Chief Brown said they were slowed down because of a lot of hurdles they had to go through but that they are actually now on track and because it isn't a very big fire station they should be able to break ground pretty close to the July 1st.

Invitation to Bid

Commissioner Lutton asked about going out to bid because he said it would take about 60 days with all the notifications.

Schedule of events if all goes right:

- Sign the application and give them the check for the permit application
- Meet with the architect and engineer next week to go over basic things
- The end of April Mr. Moran, Fire Marshal Croley and Chief Brown will meet with the engineer and architect to go over the final plans
- Determine the total project cost estimate so the Commission knows the amount
- Bid process taking 30 days.
 - Put it out to bid
 - Two weeks later have a pre-bid conference
 - Two weeks later do a bid comparison
- Start breaking ground in July

Commissioner Wojcik asked if the lease can be terminated if the new substation is finished ahead of schedule. Ms. Ecklund said there is no verbiage in the agreement to allow for that. Chief Brown said they were not in a big hurry to finish early because once they get the certificate of occupancy they will have to start paying on the loan.

Commissioner Lutton asked who reviewed the sight plans and Chief Brown said right now it is being reviewed by SWFWMD, the engineer, architect, Tom, and the Fire Marshall. It will also go to our Planning Department for their input.

Financing

Ms. Ecklund said once the architect provides the estimated cost, the item will come back to the Commission to deal with the financing of the project. If the Commission decides that we can afford the project, we will have to take out an external loan because the General Fund cannot afford to finance it in-house. She said she already has engagement letters ready for PFM, our financial advisors.

Commissioner Lutton said there was a previous discussion that we would finance it in-house. Ms. Ecklund explained that the city already financed \$100,000 out of the General Fund's Emergency Reserve Fund and the money has been spent. The project will cost somewhere between \$700,000 and \$900,000 and using it would take the reserves down to \$300,000 until it could be reimbursed with impact fees, which is not really a realistic option.

Mayor Carter asked if they have searched for grant opportunities and Special Projects Manager Jennifer Nanek said she is keeping an eye open for one. Chief Brown said they would like to find a grant but grants for capital projects have dried up.

Commissioner Wojcik asked if getting another CDBG grant was tied up because of the C Street Project. Ms. Ecklund said that CDBG has different categories so she would have to check with Andy Easton and have him provide a statement on that. Mr. Moran said if we get a CDBG grant there will be a whole lot more hoops to jump through and two more months could easily be tacked onto the project.

Chief Brown said we will be replacing the \$36,000 lease they are paying today with a loan payment. He said the Finance Director is a good negotiator and can hopefully get terms that the City can live with, They are also expecting the reduction of the debt service which will free up some money.

Commissioner Lutton asked if they had a site map for the entire property. Chief Brown said they have the complete drawings, the first rendered in color, and Commissioner Lutton could stop by to look at them if he wished. The Commission will be the ones to determine what the rest of the property on the east and west sides will be used for.

PUBLIC COMMENT

There were no comments from the public.

Commissioner Howell made a motion to approve the land use lease agreement relating to the fire substation located at 1965 Thompson Nursery Road Lake Wales Florida. 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.

OLD BUSINESS

Agenda Item 9. Ordinance 2013-06, FY12'13 Budget Amendment #2 – 2nd Reading & Public Hearing

The full staff memo is incorporated into the minutes.

[Begin agenda memo]

SYNOPSIS

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

RECOMMENDATION

It is recommended that the City Commission adopt Ordinance 2013-06 after second reading and public hearing.

The City Commission approved first reading of Ordinance 2013-06 on March 19th. Public Notice for second reading and public hearing was advertised on Saturday, March 23rd in the Lake Wales News.

BACKGROUND

Ordinance 2012-15 estimating revenues and appropriating funds for Fiscal Year 2012-13 was adopted by the City Commission September 18, 2012, modified February 5, 2013 by ordinance 2013-02.

We are presenting for second reading and public hearing Ordinance 2013-06 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	28,863
Transportation Fund	-
Street Lighting Fund	-
CRA Fund	-
Police Forfeitures	-
Library Fund	16,770
Debt Service Fund	-
Capital Projects	-
Utility System Fund	745,000
Total Increase(Reduction) of Revenues & Balances Fwd	790,633
Appropriated Expenditures & Reserves	
General Fund	38,163
Transportation Fund	(10,000)
Street Lighting Fund	-
CRA Fund	25,000
Library Fund	2,500
Capital Projects	-
Utility System Fund	-
Airport Fund	-
Reserves	734,970
Total Increase(Reductions) of Appropriated Expenditures & Reserves	790,633

The proposed budget amendment increases the City's total budgeted expenditures by \$55,663 and increased reserves by \$734,970 for a net increase in appropriated expenditures and reserves of \$790,633 (from \$34,712,752 to \$35,503,385).

Reasons for this amendment include:

General Fund (001):

The Fire Department is requesting \$2,800 for four (4) air cards. These air cards will be used on the fire engines to gain access to the county-wide computer aided dispatching system. This data base provides the firemen with emergency call information when they are responding to an incident. The funding source for this request will be a reduction in appropriations allocated towards police department vehicle leases for \$2,800, as the actual cost for vehicle leases came in under original budget expectations.

The IT Department is requesting \$950 to add an additional internet circuit to the City's computer network for the following reasons:

- Our current internet circuit has been operating at max capacity for the last couple of years and has become inadequate for our current usage, which has resulted in gradually slower performance for our network users.
- An additional circuit from a separate provider will also provide a layer of redundancy should our primary internet circuit fail. A failure of our primary internet circuit would result in a loss of e-mail communications, a loss of connectivity from our remote facilities and mobile users, a loss of access to our Web sites (including online bill payments), and a loss of payment receipts from Amscot.

The funding source for this request will be a reduction in appropriations allocated towards police department vehicle leases for \$950, as the actual cost for vehicle leases came in under original budget expectations.

The Cemetery Department is requesting replacement of irrigation equipment totaling \$3,863. The current cemetery irrigation system has been struck by lightning three times in the past year. The new equipment has a one-year extended warranty. The funding source will be from the cemetery's deferred revenue for capital improvements.

On January 7, 2013, the City Commission approved the Depot Museum Complex to be transferred backed to the City of Lake Wales from the Lake Wales Historic Society. The new management agreement relating to the Depot Complex includes cost which the City will be responsible for. Staff recommends the following appropriations relating to the Depot Complex:

M&R – Facilities	\$ 6,000
Alloc of Field Operations	800
Cont Svc – Termite Services	<u>2,500</u>
	\$ 9,300

The Depot Museum's current septic system is inadequate. Staff has proposed the Depot be connected to the City's sewer system. Estimated preliminary costs are \$25,000. The City Manager has recommended CRA funds be used for this purpose.

CRA Fund (105):

A transfer from the CRA Fund to the General Fund for \$25,000 has been included within this budget amendment for connecting the Depot Museum to the City's sewer system.

Transportation Fund (106):

Beginning budgetary cash expectations had a slight deficit of \$9,861. In anticipation of budgetary short-falls within this fund, staff has recommended decreases in the following accounts:

M&R – Traffic Controls	decrease	-\$ 2,500
M&R – Street Lights	decrease	- 2,500
M&R – Road Repairs	decrease	<u>- 5,000</u>
		-\$10,000 (Streets Dept)

The "Stormwater Division" requires additional appropriations of \$5,600 for repair costs relating to the Greensborough/Greenfield Terrace inlet and curbing. Damage was caused by large trucks and normal wear and tear. Staff recommends the following budget amendment:

M&R – Stormwater	increase	\$5,600 (Storewater Division)
M&R – Traffic Controls	decrease	- 1,500 (Streets Dept)
M&R - Street Lights	decrease	- 2,000 (Streets Dept)
M&R – Road Repairs	decrease	<u>- 2,100</u> (Streets Dept)
Net Change		\$ 0

Library Fund (110):

Polk County Library Cooperative has notified the City that the City's portion of county funding will be \$192,270 for FY 2012'13. The original budget has \$178,000, so staff is recommending a budget increase of \$14,270 from this revenue source.

The Library is requesting additional salary expenditures of \$2,500 to fund an intern. The funding source to cover the cost of the intern will be provided in the form of a donation of \$2,500 from Lake Wales Library Association/Friends of the Library.

Utility System Fund (403):

Increase in revenue of \$745,000 for CDBG grant funding needed to be added to the budget.

For compliance with CDBG reporting requirements, staff is recommending the following re-appropriation of C Street costs which will be reimbursed through the grant:

Admin – C Street Project	increase	\$ 45,554 (CDBG Capital)
Engineering – C Street Project	increase	41,646 (CDBG Capital)
Sewer Line Replc – C Street Project	increase	657,800 (CDBG Capital)
C Street System Improvements	decrease	<u>(745,000)</u> (Sewer Capital)
Net Change		\$ 0

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

[End agenda memo]

Ms. VanBlargan read Ordinance 2013-06 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.

OPENED PUBLIC HEARING

There were no comments from the public

CLOSED PUBLIC HEARING

Finance Director Dorothy Ecklund was available to answer questions.

Commissioner Howell made a motion to adopt Ordinance 2013-06 after second reading and public hearing. The motion was seconded by Commissioner Lutton.

By Voice Vote:

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

The motion carried 5-0.

NEW BUSINESS

CITY COMMISSION TRACKING REPORT

Reuse Water Line

Commissioner Lutton asked if the reuse at the WWTP was fixed. Mr. Moran said it was not fixed yet and explained that the problem was determined to be the control valve, and because they no longer make that valve it has to be custom made and should be finished by April 22nd. Until it is fixed, the golf course, Longleaf Business Park, Cemetery, and Whispering Ridge will have to irrigate with reuse water during the day instead of night. The Soccer Complex is being irrigated with potable water. Notification has been sent out and they are on-board now.

Commissioner Lutton said the problem didn't show up until they started pumping to the County Club. Mr. Moran said the problem was probably there all along but that was when it was first noticed.

Mayor Carter asked if staff considered replacing the value with a more conventional valve system because if it breaks once it can break again and the part has to be custom made. Mr. Moran said they discussed it but have not made any decisions. He said they can spend \$10,000 for the valve to be fixed, or \$40,000 to replace it. They are researching to see if they can find something that will work that can be purchased on the shelf at, for example, Home Depot.

Mayor Carter agreed that they should look at all the options.

Lights and the Soccer Complex

Commissioner Lutton reported that the lights at the soccer field are staying on until 10:15 p.m. even though no one is using the soccer fields after 8:30 p.m. Public Works Director Tom Moran said staff had been directed to put up a sign with the times the park is open, which is until ten o'clock at night.

Commissioner Wojcik said other people use the fields besides the soccer club. Commissioner Lutton said the last coach out is responsible for closing and locking the gate. Public Service Administrator Teresa Allen said the ordinance says the park is open until 10:00 p.m. so the lights are turned off automatically at 10:15 p.m. She said the bike path around Lake Wailes is lit all through the night even if no one is there, just in case someone is walking on it. To change the light schedule we would have to change the city ordinance.

Commissioner Lutton said we were wasting electricity because no one can even get in there to use it. Mayor Carter said he has seen the light on at the baseball complex well into the morning when no one is using it. Ms. Allen said the soccer complex lights are turned on and off automatically by an out-of-state company but the baseball complex is not.

Commissioner Lutton said the city is paying more for electricity now than when the Soccer Club was managing it. He suggested changing the wording on the sign that if someone needs to have lights on until 10:00 p.m. they should call 48 hours in advance to schedule it.

Commissioner Howell said the ordinance needs to be changed.

Mayor Carter asked that the ordinance pertaining to the hours at the soccer complex be put on the agenda for the next meeting for discussion.

CITY COMMISSION COMMENTS

Utility Lines on SR 60 West

Commissioner Wojcik said that in either 2011 or 2012 the Commission discussed extending the utility lines out the SR 60 west corridor in preparation of CSX breaking ground so Lake Wales could capitalize on new businesses wanting to locate here. The idea was to do the initial work once CSX broke ground, which will take about 18 to 24 months. This item was to be brought back to the Commission once CSX broke ground. CSX broke ground several months ago and so the Commission needs to make a decision about the drawings and pre-work even if they don't start the actual construction. She requested that this item be placed on a City Commission meeting.

Commissioner Lutton said there are some problems. First of all the City does not own all the land between point A and B so will have to get easements, which isn't easy as noted by the C Street Project.

Commissioner Wojcik said the decision could be that they don't want to extend the lines.

A request was made to have this put on the next agenda.

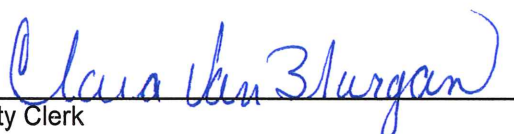
COMMUNICATIONS AND PETITIONS

There being no further business the meeting was adjourned at 7:42 p.m.



Mayor/Commissioner

ATTEST:



City Clerk