

A special meeting of the Lake Wales City Commission was held on June 14, 2016 in the Commission Chambers at the Municipal Administration Building at approximately 5:45 p.m. The meeting was called to order by Mayor Eugene Fultz.

COMMISSIONERS PRESENT: Terrye Y. Howell; Pete Perez; Robin Gibson; Jonathan Thornhill, Deputy Mayor; Eugene Fultz, Mayor

COMMISSIONERS ABSENT: None

CITY REPRESENTATIVES PRESENT: Kenneth Fields, City Manager; Clara VanBlargan, City Clerk; Albert C. Galloway, Jr., City Attorney

1. **ROLL CALL**
2. **Resolution 2016-13(A), Correcting the date of the Public Hearing previously authorized in Resolution 2016-13, Amended and Restated Initial Assessment Resolution adopted by the City Commission on June 7, 2016**

[There was no agenda memo prepared for Agenda Item 2]

City Clerk Clara VanBlargan read Resolution 2016-13(A) by title only:

A RESOLUTION OF THE CITY OF LAKE WALES, FLORIDA, RELATING TO THE PROVISION OF FIRE PROTECTION SERVICES, FACILITIES AND PROGRAMS; PROVIDING AUTHORITY, PURPOSE, AND DEFINITIONS; PROVIDING LEGISLATIVE FINDINGS; DESCRIBING THE METHOD OF ASSESSING FIRE SERVICES ASSESSMENT COSTS AGAINST PROPERTIES WITHIN THE CITY OF LAKE WALES; DETERMINING THE FIRE ASSESSMENT COST AND INITIAL FIRE SERVICES ASSESSMENTS; DIRECTING THE PREPARATION OF AN ASSESSMENT ROLL; AUTHORIZING A PUBLIC HEARING AND DIRECTING THE PROVISION OF NOTICE THEREFOR; CORRECTING THE DATE OF THE PUBLIC HEARING PREVIOUSLY AUTHORIZED IN RESOLUTION 2016-13; PROVIDING FOR SEVERABILITY, CONFLICTS, AND AN EFFECTIVE DATE.

Mr. Fields said this resolution corrects the resolution passed at the last Commission meeting. The resolution had the wrong public hearing date of September 6 on it and the amended resolution reflects the correct public hearing date of September 7, so the proper public hearing date will be noticed. The date is the only thing that had to be corrected.

Commissioner Gibson said he was kind of surprised that this came up because he was the one that raised the fire fee issue in the budget session which a budget is like an interlocking puzzle if you have one piece of it that affects the other pieces, so a fire fee would be impacted by what revenues and expenses are on the other items as to what is needed or makes sense. He said he had no idea that it would be brought up in a regular Commission meeting because it is a budget issue going forward. The fire fee was there to be rescinded and when the decision was declared invalid by the court it was still on the ballot so it turned out to be a referendum. We got a chance to learn what our constituents thought about the fire fee and the City lost it so that means we should take a look at it. If we handle it before the City Commission in a public hearing all by itself without any fill for where it fits in the rest of the budget, that is lousy politics because if it is isolated the people are not going to like it but if it is part of a budget and it is has been fully considered and balanced with everything else and can be demonstrated that it suits the needs there is a better chance for an intelligent evaluation of the fire fee. He believes in putting everything on the table and therefore, favors

broadening the tax base with the hope that it might lower the millage. Everybody should pay something but it ought to be equitable. We had a real issue with a flat fee as opposed to a graduated fee. In terms of broadening the tax base the fire fee reaches everybody and it is not homestead exempt. It seems as though the ad valorem tax is about 20% of the budget, much less than it used to be. He does not know how many are escaping ad valorem tax because of homestead exemption and that has a direct relationship to the impact that a fire fee would have. There was a \$255,000 hole in the budget and it was plugged by a fire fee that generated \$1.2 million. He fully appreciated the fact that nobody had a party with the excess money and it worked to reduce the millage, which is commendable but we all need to know what the performance on the fire fee is to this point, how many delinquencies we have, and what collection rate has been. Next year, it will appear on the tax bill which will make things a lot easier. We should be upfront about what our purpose is in regards to the fire fee. Is it to plug the hole or is it to find a way to bring in more revenue as painlessly as possible? Lake Wales is at a revenue disadvantage because we don't have some of the better enterprise funds that other cities have. Lakeland has a power company and their millage is low. We don't have a power company so we struggled to get revenue, water and sewer, and he does not know to what extent those enterprise funds spill over into the general revenue budget to help us, but they should spill over some. The important thing, which is the reason he raised it in the budget discussion as opposed to a City Commission meeting, is what the impact is on the rest of the budget because it should all fit together and we should consider it with our budget considerations. Mr. Gibson said he would like see this tabled and made part of the budget consideration.

Mr. Fields responded that this particular resolution is only procedural. It is a requirement of State law that we pass an initial assessment amount similar to the not-to-exceed millage that we will deal with at the end of July. If we don't pass this resolution we will not be able to do any fire assessment at all. Commissioner Gibson said when he heard the title read all he heard was fire fee and not anything else. Mr. Fields said this is the initial rate for next year which is a not-to-exceed rate. When we come back in September for the final public hearing, which is the date that we are changing today the Commission can lower the amount from whatever amounts are in here now or eliminate it if the Commission really wanted to do so, but it cannot be raised above whatever rate is set today.

Commissioner Gibson asked what the discussion was about the fire fee and Mr. Fields explained that this continues the existing fire fee, it sets the amount that will be printed on the TRIM notice, it sets the date for the hearing on the TRIM notice, and then in September there will be a public hearing that will then formerly adopt a fire assessment amount for the next fiscal year.

Commissioner Gibson said what it says is the fire fee becomes part of our overall budget consideration for the TRIM notice and that we still retain the full discretion with regard to the fire fee so that it can be considered with all the rest of the budget. Mr. Fields said at the July workshop on the budget we will present a full operating budget to the Commission and at that time and how that interacts with everything else you have to do the same thing with the millage rate for next year or set the rate necessarily other than the not-to-exceed rate. We can come back in September and adjust it.

Mr. Gibson said, so in an effort to table the fire fee from a City Commission resolution so it can become part of the full budget discussion would be unnecessary and Mr. Fields said that was correct, and that it will definitely be part of the full budget discussion. Mr. Gibson said the only benefit then of what he had to say was to just fully explain why he brought it up in the first place and that he appreciated the explanation.

Mr. Fields said the schedule is driven by the property appraiser's office and that he wished Commissioner Gibson had been present for the initial discussion and if he had known that he would not be here he would have postponed the discussion to another day. Commissioner Gibson said it was unavoidable because it was a preplanned trip before becoming a Commissioner. Mr. Fields said we are having the special meeting because we did not have time to postpone this to the next meeting.

Commissioner Perez said we had a two hundred and something thousand dollar fire fee that was taken away by the County and we then assessed \$1.2 million, so from the beginning he had a problem trying to understand what justification we had to get an additional \$800,000 from our folks when we were only losing

City Commission Special Meeting
June 14, 2016

two hundred and something thousand dollars, which is really all we had to make up. Mr. Fields said the assessment amount was only \$1.2 million and the actual estimated collections because it was not on the ballot were going to be roughly a little over a million dollars, which is the actual amount we had budgeted this year, the actual collections expected. The hole is \$256,000 or little more than that, and on top of that there were an additional \$150,000 that we added to the budget this past year because of the short-term cash flow requirements and the remaining \$600,000 roughly was used to reduce the millage. So, it was a loss of revenue from the County, a dollar for dollar reduction in the millage rate, and then there was a small budget hole to fill up of roughly \$150,000 for debt service plus some. That is the current year budget and we are on target to collect about 80% of what was assessed, which is roughly what we had budgeted for this year.

Next year the dollar amount collection rate will go up into the low 90% rate because it will be on the tax bill. However, because it will be on the tax bill there will be a 4% discount and a 1% collection fee for the property appraiser so that means the most we will get is about 95% of whatever it is we levy. We will lose maybe 2% or 3% at the most, so if we did the full amount we would be collecting about \$1.2 million or so but what the Commission decided on this preliminary one was to reduce the total dollar amount of the assessment for next year by reducing the fee for single-family residential, for multi-family, and mobile homes so that we are going to net next year exactly the same amount as this year which is little over a million dollars. That is the current proposed amount in this preliminary resolution. We can revisit that in July and then we will formerly revisit that at the September public hearing. What is proposed for next year is to collect roughly the same amount but because the collection rate will be higher the overall rates were reduced and there was a reallocation so that mobile homes and multi-family homes will be paying less because we now updated it to split them out separately, which was explained at the last Commission meeting.

Commissioner Howell asked Commissioner Gibson not to imply that they are trying to hide something with this fire fee although she is in agreement with a lot of people that they might not have gotten it out right, didn't explain everything like they should have, didn't educate the people enough, and they could have had more meetings but they did not hide anything or keep anything in the dark. We have to do this again and she would love for the millage rate to be lower so we can get a company like Coca-Cola and others to come in. If we are going to have more meetings this time that is fine. People are still fussing about the \$150.00 and we are going to do better at trying to explain it and even if it was \$20 we still cannot explain it to some people no more than what we did.

The Mayor said the fire assessment is not going to disappear just because people come here and say they don't like it and according to what the City Manager said it was only a hundred and something thousand dollars that the City actually used for debt services. Everything else went back into what was necessary to plug the hole in the fire area that was taken by the County and also giving them a reduction in the millage rate so the City did not come out with party money.

Deputy Mayor Thornhill made a motion to approve Resolution 2016-13(A) and the motion was seconded by Commissioner Howell.

By Voice Vote:

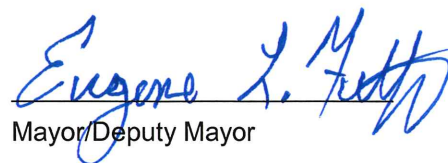
Deputy Mayor Thornhill "YES"
Commissioner Howell "YES"
Commissioner Perez "YES"
Commissioner Gibson "YES"
Mayor Fultz "YES"

The motion carried 5-0.

3. COMMUNICATIONS AND PETITIONS

City Commission Special Meeting
June 14, 2016

The meeting was adjourned at 6:06 p.m.


Mayor/Deputy Mayor

ATTEST:


City Clerk Clara VanBlargan, MMC