

The meeting of the Lake Wales City Commission was held on July 15, 2014 in the Commission Chambers at the Municipal Administration Building. Mayor Eugene Fultz called the meeting to order at 6:00 p.m. following the invocation and the Pledge of Allegiance.

INVOCATION

The invocation was given by Dr. Jim Moyer.

PLEDGE OF ALLEGIANCE

COMMISSIONERS PRESENT: Terrye Howell; Betty Wojcik; Jonathan Thornhill; Christopher Lutton, Eugene Fultz, Mayor

COMMISSIONERS ABSENT: None

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

[Full staff memos are incorporated into the minutes. Meetings are recorded, but not transcribed verbatim.]

MAYOR

Agenda Item 5. RECOGNITION: Karla Martinez, Lake Wales Sr. High School - Winner of an Annual Scholarship Award from Ridge League of Cities

Ms. Martinez was recognized as a winner of a scholarship from the Ridge League of Cities.

Agenda Item 6. PROCLAMATION: Florida Water Professionals Month; August 2014

Mayor Fultz presented the proclamation to Holly Britt, Water Supervisor and Christopher Jackson, Water Reclamation Operator.

COMMUNICATIONS AND PETITIONS

Nicholas Smith, 1001 Tower Boulevard, gave an update on the financial status of the Historic Lake Wales Society. He requested that the City consider returning the Depot Museum Complex to the Historic Lake Wales Society so that they can move forward on the possible sale of the railroad cars, the Pullman Car, and the Whitcomb Engine. Mr. Smith said that as the property was sold to the City for \$10 then that is the established value. He offered \$100, a profit over the \$10 that was paid in 2013, and said that they will cover all legal fees. The Historic Lake Wales Society has no other way to raise funds.

David Smith, 101 Britton Street Babson Park, asked about the money, \$1 million, previously set aside for a swimming pool, if it was still there. Commissioner Wojcik responded that the Commission voted a few years ago to move those monies into the sinking fund until the economy improved and a pool could be looked at again. Commissioner Thornhill said the money was not earmarked for that purpose. Mr. Smith said he thought if the money was used for anything then it would be replaced. Mr. Fields emphasized that operating and capital funds are separate, money from the sinking fund is not used for other recreation purposes.

Dorothy Ecklund, Finance Director, reviewed the establishment of the sinking fund, which repealed the fund Mr. Smith referenced. All reserve funds were put into the sinking fund, and the earlier resolution was repealed. Mr. Smith confirmed that the money was moved for use by the City Commission. Commissioner Wojcik said that it is available for emergency purposes. Commissioner Thornhill said that the decision was

made not to do a pool at that time. Someday the pool can be revisited. Mr. Smith asked for copies of records confirming this. Clara VanBlargan, City Clerk, said that she would provide those to Mr. Smith.

Albert C. Galloway Jr, City Attorney, explained that the recitation of \$10 as consideration in an instrument such as a Deed or Bill of Sale does not indicate fair market value. Mr. Galloway explained that he does not address letters sent to him unless authorized by the Commission or the City Manager. Mayor Fultz said that the issue of the Depot Museum needs to be reviewed by the City Commission and it is being looked at. Kenneth Fields, City Manager, said that it was important to follow proper procedures for disposal of assets belonging to the City. These issues will be discussed at a future workshop.

Mimi Hardman, 300 S Lake Shore Blvd., said that they want to follow proper procedures but her and Mr. Smith are volunteers and are looking for ways to raise funds for the museum. She said she would appreciate any assistance from the City Commission. Mayor Fultz commented that her efforts for Lake Wales are appreciated.

CONSENT AGENDA

**Agenda Item 7. APPROVAL OF MINUTES: June 21, 2014, ICS-402 Training
July 1, 2014, Regular Meeting**

Agenda Item 8. Engineering Services for the SR 60 Westerly Water and Sanitary Force Main

[Begin Agenda Memo]

SYNOPSIS

The approval of the contract authorizes Kimley-Horn and Associates, Inc. to provide engineering services for the SR 60 westerly water and sewer force main route extension for \$394,639.30.

RECOMMENDATION

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

1. Approve the contract with Kimley-Horn and Associates, Inc. for \$394,639.30.
2. Authorize the City Manager to execute the appropriate documents on behalf of the City regarding this service.

BACKGROUND

In an attempt to expand the city's utilities system westward towards the limits of the City's utility service area boundary, several factors had to be considered prior to development and construction of those utilities. The commission approved at its December 17, 2013 city commission meeting to enter into a contract with Kimley-Horn & Associates to perform a preliminary route analysis to determine the most cost effective route. This contract allowed Kimley-Horn & Associates the opportunity to work with staff to determine future water and wastewater demand estimates, identify up to three possible routes (to be determined by city staff), preliminary pipe size determination, and lift station and booster station sizing and location. The engineering staff assigned to the project, from Kimley-Horn & Associates brought before the commission on June 3, 2014 the results of the route analysis to seek additional commission direction. It was at this time that the commission recommended that the project was to continue forward and in depth engineering and design should take place.

Staff, therefore, recommends the City Commission to approve the contract with Kimley-Horn and Associates, Inc. for \$394,639.30, and authorize the City Manager to execute the appropriate documents on the City's behalf in regards to this service.

OPTIONS

Choose not to approve the contract with Kimley-Horn and Associates, Inc. for the engineering and possibly miss any opportunity for development of the SR 60 West corridor.

FISCAL IMPACT

\$575,000.00 is in the FY'2013-2014 Capital Improvements Budget for the engineering services for the facilitation of this westward expansion.

[End Agenda Memo]

Agenda Item 10. Agreement with the BoCC Fleet Management Division for City vehicle and equipment maintenance services

[Begin Agenda Memo]

SYNOPSIS:

Staff is requesting Commission approval to extend our existing maintenance agreement with the BoCC for an additional twelve-month period.

RECOMMENDATION

It is recommended that the City Commission take the following actions:

1. Approve the agreement to extend the existing contract for an additional twelve month period
2. Authorize the City Manager to execute the agreement on behalf of the City

BACKGROUND

In August of 2009, the City entered into an agreement with the Polk County Board of County Commissioners for fleet maintenance services. Per the agreement, BoCC's Fleet Management Division provides maintenance services on all City-owned vehicles and equipment at the City's fleet facility located on Crystal Avenue. The initial term of the agreement was for a twelve month period with the option to renew annually upon mutual agreement between the City and the BoCC. The agreement has been renewed each consecutive fiscal year since the initial agreement in 2009.

Under the terms of the agreement, Polk County Fleet Management provides:

- Preventative and breakdown maintenance on all City-owned vehicles and equipment
- Management of accident and abuse related repairs in conjunction with City management
- Tire maintenance, replacement and repair
- Parts and Lubricants
- 24 hours/day service and breakdown support
- Maintenance reporting
- Access to and service from Polk County Fleet's entire network of maintenance facilities
- City Fire Apparatus maintenance by EVT certified technicians

The Polk County Fleet Management Division provides the City with a fixed-rate fee schedule for maintenance services prior to the beginning of each fiscal year. These fees are based on historical equipment repair costs incurred by Polk County Fleet Management throughout the previous year.

Prior to the agreement with Polk County Fleet Management, the City operated its own Fleet Maintenance Department. An eleven year summary of the City's total fleet maintenance costs are outlined below:

Fiscal Year Actual (Pre-County Contract)	Salari es	M&R Vehicles	Operating Supplies Vehicles	M&R Vehicles Refurbishme nt	Fleet Budget	Operating	Total
2004/2005	137,477	72,127	4,537	0	20,179		234,320
2005/2006	110,969	155,834	30,848	4	21,703		319,358
2006/2007	100,978	168,051	38,952	5,932	27,379		341,292
2007/2008	131,822	185,353	49,251	5,665	143,894		515,985
2008/2009	152,472	186,492	46,052	7,440	35,735		428,191
5 Year Average	126,744	153,571	33,928	3,808	49,778		367,829
Fiscal Year Actual (Post- County Contract)		M&R Fleet Contract	Operating Supplies Vehicles/M&R Fleet Non-Contract	M&R Vehicles Refurbishme nt	Fleet Budget	Operating	Total
2009/2010	N/A	308,076	10,860	7,792	41,270		367,998
2010/2011	N/A	210,577	30,974	2,669	19,893		264,113
2011/2012	N/A	250,391	16,255	200	13,393		280,329
2012/2013	N/A	272,083	33,605	0	15,198		320,886
2013/2014 (YTD)	N/A	218,011 (YTD)	18,140 (YTD)	0	11,540		247,691
2013/2014 Projected	N/A	290,682	22,000		15,387		328,069
2014/2015 (Budget)	N/A	283,252	19,900	0	15,941		319,093
6 Year Average	N/A	269,177	22,266	1,777	20,181		313,415

Staff solicited a proposal from Vector Fleet Management, a private-sector company that provides a similar service to Polk County Fleet Management, for cost comparison purposes. Their proposal was 554,380 annually.

OTHER OPTIONS

The City Commission may choose not to enter into this agreement and 1) direct staff to develop a request for proposal for fleet maintenance services or 2) direct staff to assume the responsibility of our own fleet maintenance services.

FISCAL IMPACT

The annual maintenance fee for FY2014/15 is \$283,252.

[End Agenda Memo]

Agenda Item 11. Polk County Library Cooperative Interlocal Agreement

[Begin Agenda Memo]

SYNOPSIS

The Interlocal Agreement will allow the Lake Wales Public Library to continue receiving revenues to reimburse the community for the cost of library service provided to unincorporated residents of Polk County, along with the benefits and services provided by the Polk County Library Cooperative.

RECOMMENDATION

It is recommended that the City Commission take the following actions:

1. Approve the Polk County Library Cooperative Interlocal Agreement
2. Authorize the Mayor to execute the Agreement on the City's behalf

BACKGROUND

The Polk County Library Cooperative (PCLC) is a group of seventeen public and special libraries and government entities that joined together in 1997 to provide library services to all persons residing in Polk County, including residents of the unincorporated areas and incorporated communities not served by a local public library. Upon the formation of PCLC in 1997, the Polk County Board of County Commissioners agreed to a funding commitment of \$600,000 per year for at least three years.

On September 16, 1997, the City Commission approved the first Polk County Library Cooperative Interlocal Agreement authorizing participation by the Lake Wales Public Library in PCLC. Under the initial three-year interlocal agreement, the Lake Wales Public Library received \$36,591 per year from the BOCC to reimburse the costs incurred providing library services to non-City of Lake Wales' residents.

The Lake Wales Public Library, its staff, and physical plant have seen the effects of an enormous increase in usage by unincorporated and city residents alike. The average monthly foot traffic through the library's doors exceeds 18,000 per month.

As of May 1, 2014, the Lake Wales Public Library's membership is 35% are city residents, 63% are residents of unincorporated Polk County, and 2% are from outside Polk County.

The 2006 Interlocal Agreement with the Polk County Library Cooperative and the Board of County Commissioners was modified to denote the BOCC's creation of a dedicated funding source, the Library MSTU (Ordinance 05-025) that assists in the BOCC's effort to reach a funding level of \$20 per capita.

The proposed Interlocal Agreement contains a funding distribution formula that calculates the amount of revenues each city receives to serve the unincorporated residents of Polk County. Allocation levels are

based on the most recently completed fiscal year's circulation figures and the level of support provided to each city's library budget.

This updated Interlocal Agreement is a ten-year commitment; the next renewal scheduled for September 2024.

With the approval of this Interlocal Agreement, the Lake Wales Public Library will continue to receive revenues to reimburse our community for the cost of library service provided to unincorporated residents of Polk County, along with the benefits and services provided by the Polk County Library Cooperative.

OPTIONS

None

FISCAL IMPACT

None

[End Agenda Memo]

Agenda Item 12. Preliminary Financial Statements for May 31, 2014

[Begin Agenda Memo]

SYNOPSIS

The preliminary financial statements report revenues received and expenditures made through the end of May 31, 2014.

The unaudited financial statements for the City of Lake Wales for the Period Ending May 31, 2014 are presented to the City Commission for review. At the end of May 31, 2014 the City was 67% into the fiscal year.

General Fund (001), page 2:

The General Fund appears to be materially on target with revenue and expenditure expectations.

Transportation Fund (102), page 7:

The Transportation Fund appears to be materially on target with revenue and expenditure expectations.

CRA Fund (105), page 10:

The CRA fund appears to be materially on target with revenue and expenditure expectations.

Library Fund (110), page 17:

The Library Fund appears to be materially on target with revenue and expenditure expectations.

Utility System Fund (403), page 27:

The Utility System Fund appears to be materially on target with revenue and expenditure expectations.

Airport Authority (404), page 29:

The Airport Authority appears to be materially on target with revenue and expenditure expectations.

ATTACHMENTS

Preliminary Financial Statements for May 31, 2014, Fiscal Year to Date

[End Agenda Memo]

Deputy Mayor Lutton asked to pull Agenda Item #9 for separate discussion.

Commissioner Howell made a motion to approve the Consent Agenda excluding Agenda Item 9. Commissioner Wojcik seconded the motion.

By Voice Vote:

Commissioner Howell "YES"
Commissioner Wojcik "YES"
Deputy Mayor Lutton "YES"
Commissioner Thornhill "YES"
Mayor Fultz "YES"

The motion carried 5-0.

Agenda Item 9. FRDAP Grant Funds to Enhance and Improve the Skate Park at Kiwanis Park

[Begin Agenda Memo]

SYNOPSIS

This is a Project Agreement for a grant award of \$50,000 towards improvements to the skate park at Kiwanis Park. These funds will be for additional skate park equipment as well as additional landscaping benches and irrigation well. Deadline for return is September.

RECOMMENDATION

Staff recommends that City Commission take the following action:

1. Approve the Florida Recreation Development Assistance (FRDAP) grant Project Agreement to with the Department of Environmental Protection for \$50,000 for the enhancement and improvement of the Skate Park at Kiwanis Park.
2. Authorize the Mayor to sign the agreement on the City's behalf.

BACKGROUND

In September 2013, the City Commission approved an application for a FRDAP grant to enhance Kiwanis Park. This was the third time to submit an application after previous attempts in 2008 & 2010. The State Legislature approved funding for our project this year.

This \$50,000 will primarily be for additional equipment at the skate park but also for landscaping to provide shade, benches, and irrigation for the skate park. The grant must be complete by April 30, 2017.

OTHER OPTIONS

Do not accept the grant and decline the funding.

FISCAL IMPACT

Prepared by the Finance Department and attached.

[End Agenda Memo]

Deputy Mayor Lutton expressed concerns about the irrigation item and said that we should not install a well and just run a line to where it is needed. He said that in the future he would like to see reuse be available for that entire area. Just putting in a line will cost less than a well. Commissioner Wojcik asked if the funds could be used elsewhere. Jennifer Nanek, Special Projects Manager, confirmed that yes the money could be used on other elements of the grant. Commissioner Lutton asked if there was a match required. Ms. Nanek answered that there was no match required. Deputy Mayor Lutton said that a well would send the wrong message if we are discouraging residents from installing a well. Kathy Bangley, Assistant Director of Planning and Development, explained that the landscaping will just need establishing and will not be watered every year.

Commissioner Thornhill made a motion to approve the FRDAP grant for the Skate Park as modified without the irrigation well. Commissioner Howell seconded the motion.

By Voice Vote:

Commissioner Thornhill	"YES"
Commissioner Howell	"YES"
Commissioner Wojcik	"YES"
Deputy Mayor Lutton	"YES"
Mayor Fultz	"YES"

The motion carried 5-0.

OLD BUSINESS

NEW BUSINESS

Agenda Item 13. Ordinance 2014-07 - 1st Reading & Public Hearing – Zoning Map Amendment Equinox of Florida LLC Property – North of Chalet Suzanne Rd.

[Begin Agenda Memo]

SYNOPSIS

A change in the zoning classification from R-1B Single-family to R-3 Multi-family is proposed for 20 acres of property north of Chalet Suzanne Rd. and east of US 27. An apartment complex is proposed on the property by the owner, Equinox of Florida LLC.

RECOMMENDATION

At their meeting June 24, 2014, the Planning & Zoning Board voted unanimously to recommend the zoning change from R-1B Single-family to R-3 Multi-family on 20 acres of property owned by Equinox of Florida LLC as set forth in Ordinance 2014-07 and shown on Attachment A.

A public hearing is required on both first and second readings. Advertising requirements have been met.

BACKGROUND

An apartment complex is proposed for the 20-acre property, located north of Chalet Suzanne Rd. and east of US 27. The zoning change from R-1B Single-family to R-3 Multi-family, initiated by staff, will facilitate the development of apartments on the property.

The proposed R-3 zoning is consistent with the Comprehensive Plan's Future Land Use Map and related policies. About 8 acres of the property is designated as RAC-Regional Activity Center, the City's most

intense commercial classification, where multi-family development is encouraged. The remaining 12 acres is designated MDR-Medium Density Residential. (See Attachment A.) Multi-family residential development is appropriate on the entire parcel because of its close proximity to a major commercial area and an arterial highway, US Highway 27.

The allowable density will not be increased by the zoning change. Density is governed by the Future Land Use Map, which in this case allows up to 12 units per acre on the RAC portion of the property and 6 units per acre on the area designated MDR-Medium Density Residential.

The developer proposes to submit a PDP (Planned Development Project) for approval in the fall. A 20-acre wetland parcel to the east, also owned by Equinox, is proposed as open space for transfer of density to the apartment parcel. (See attached Aerial Photo.) If the transfer is approved by City Commission under the PDP process, a conservation restriction and/or rezoning to Conservation will be recommended for the open space parcel.

The site presently has no roadway access. The developer will be required to construct a road from Chalet Suzanne Rd. to the project entrance. In the gap between the two 20-acre parcels, there is an easement granted to the developer from the property owner Star Lake Inc. for this purpose. The road will continue north in the future as the remainder of the Star Lake Inc. property is developed.

The R-1B zoning was assigned as an interim designation, until a master plan could be developed for the acreage east of Shoppes on the Ridge and Home Depot, all at one time owned by Star Lake Inc. However, no agreement on the master plan was reached.

OTHER OPTIONS

The City Commission could decline to approve the change in zoning designation. Apartments on the property could still be approved through the PDP process, but with the open space ratios required in a single-family district, it would be difficult to achieve the full allowable density.

FISCAL IMPACT

Processing the zoning change is the only fiscal impact on the City.

[End Agenda Memo]

City Clerk Clara VanBlargan read Ordinance 2014-07 by title only.

AN ORDINANCE OF THE CITY OF LAKE WALES, FLORIDA, AMENDING THE ZONING MAP ESTABLISHED UNDER THE LAKE WALES CODE OF ORDINANCES, CHAPTER 23, ZONING, LAND USE AND DEVELOPMENT REGULATIONS, TO CHANGE THE ZONING DESIGNATION OF 20 ACRES LOCATED NORTHWARD OF CHALET SUZANNE ROAD AND EASTWARD OF U.S. HIGHWAY 27 FROM R-1B SINGLE-FAMILY RESIDENTIAL TO R-3 MULTI-FAMILY RESIDENTIAL; AND PROVIDING FOR AN EFFECTIVE DATE.

Kathy Bangley, Assistant Director of Planning and Development, reviewed the item.

Commissioner Wojcik asked if this was between Shoppes on the Ridge and the Preserve. Ms. Bangley confirmed that it was. Commissioner Howell asked about the distance from the road. Ms. Bangley explained that it was back from the road as the Bice family kept most of the frontage. Deputy Mayor Lutton asked what is going on in the 8 acres. Ms. Bangley answered that it is all residential, they own a 20-acre site, a portion of that was already in the RAC land use and another portion was R1B in the MDR. We are not changing the underlying land use categories because they do not affect the development but we are making the zoning all R3 for those 20 acres for development purposes. Deputy Mayor Lutton asked where the

second exit is. Ms. Bangley responded that it will go into the Kohl's development or that is what is proposed at the moment.

Deputy Mayor Lutton commented that this development is perfect to add more residential and commercial without needing to add additional police officers or firefighters. Mayor Fultz agreed saying that this will add money to the tax rolls. Kenneth Fields, City Manager, said that end of the City is ripe for development. Commissioner Wojcik asked about the status of Leoma's Landing. Ms. Bangley said they are in process of making some of the requested changes. Commissioner Howell asked how many units there were. Ms. Bangley answered that there will be 330 apartment units with three story walkups, a pool and a clubhouse. Right now this is what is proposed, but it is in the conceptual stage right now. Commissioner Wojcik asked if there will be no elevators. Ms. Bangley confirmed that there are no elevators.

OPENED PUBLIC HEARING

There were no comments from the public.

CLOSED PUBLIC HEARING

Commissioner Thornhill moved to approve Ordinance 2014-07 after first reading and public hearing. Commissioner Howell seconded the motion.

By Roll Call Vote:

Commissioner Thornhill "YES"
Commissioner Howell "YES"
Commissioner Wojcik "YES"
Deputy Mayor Lutton "YES"
Mayor Fultz "YES"

The motion carried 5-0.

Agenda Item 14. Resolution 2014-10, Notice to Consider Withdrawal from Public Risk Management Insurance Pool

[Begin Agenda Memo]

SYNOPSIS

The City Commission will consider adoption of Resolution 2014-10, which authorizes the City to provide notice to consider withdrawal from the Public Risk Management Insurance Pool.

RECOMMENDATION

It is recommended that the City Commission adopt Resolution 2014-10; notice to consider withdrawal from Public Risk Management Insurance Pool.

BACKGROUND

As a member of PRM's Risk Management Pool, we are required to enter into an Intergovernmental Cooperative Agreement. In accordance with the Agreement and the By-laws, Resolution 2014-10 is prepared to serve as notice of the City's intent to solicit insurance proposals and perhaps, withdraw from the PRM Pool, effective October 1, 2014.

FISCAL IMPACT

There is no cost associated with the adoption of Resolution 2014-10. Moreover, in the future it could save money because it will allow us to examine other risk financing alternatives that might yield a lower cost of risk.

[End Agenda Memo]

City Clerk Clara VanBlargan read Resolution 2014-10 by title only.

A RESOLUTION OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, TO CONSIDER WITHDRAWAL FROM PUBLIC RISK MANAGEMENT OF FLORIDA INSURANCE POOL.

Sandra Davis, Human Resources Director, reviewed the item.

Commissioner Wojcik asked why. Ms. Davis said it is to be sure we are getting the best rates so we are putting it out to bid to see what we get. We have not done it in about 6 years. Kenneth Fields, City Manager, said that he hopes the competition will result in a lower rate.

Commissioner Wojcik made a motion to adopt Resolution 2014-10. Commissioner Howell seconded the motion.

By Roll Call Vote:

Commissioner Wojcik	"YES"
Commissioner Howell	"YES"
Commissioner Thornhill	"YES"
Deputy Mayor Lutton	"YES"
Mayor Fultz	"YES"

The motion carried 5-0.

Agenda Item 15. Interlocal Agreement for Public School Facility Planning

[Begin Agenda Memo]

SYNOPSIS

In 2007, the City entered into the Interlocal Agreement for Public School Facility Planning. In 2011 with adoption of the Community Planning Act changes were required to the agreement. The resulting document *Interlocal Agreement for Public School Facility Planning* is presented for approval.

RECOMMENDATION

Staff recommends that the City Commission take the following action:

1. Approve the Interlocal Agreement for Public School Facility Planning
2. Authorize the Mayor to sign the agreement.

BACKGROUND

In 2005, the Florida Legislature amended 163.3180, F.S., which ordered the implementation of public school concurrency. School concurrency is the provision that adequate capacity at all school levels (elementary, middle, high school) will be available when needed by development.

In 2011 the Florida Legislature again amended 163.3180, F.S., revising local government requirements, revising and providing requirements relating to school concurrency management systems, school concurrency, and interlocal agreements etc.

This agreement is between Polk County Board of County Commissioners, The City Commission, City Council or Town Council of Auburndale, Bartow, Davenport, Dundee, Eagle Lake, Fort Meade, Frostproof, Haines City, Lake Alfred, Lake Hamilton, Lake Wales, Lakeland, Mulberry, Polk City and Winter Haven, and the School Board of Polk County, Florida.

Staff will again provide a copy of this agreement to the Lake Wales Charter School system. Many of the facilities that are occupied by the Charter Schools are owned by the School Board.

The Commission originally approved this agreement in December 2007. There are no substantive changes to the intent of the Agreement or in the responsibilities of the City.

[End Agenda Memo]

Kathy Bangley, Assistant Director of Planning and Development, reviewed the item.

Commissioner Thornhill made a motion to approve the Interlocal Agreement for Public School Facility Planning. Commissioner Wojcik seconded the motion.

By Voice Vote:

Commissioner Thornhill "YES"
Commissioner Wojcik "YES"
Commissioner Howell "YES"
Deputy Mayor Lutton "YES"
Mayor Fultz "YES"

The motion carried 5-0.

Agenda Item 16. State Revolving Fund Loan Agreement (WW530310) for Major Sewer Rehabilitation/Replacement Project

[Begin Agenda Memo]

SYNOPSIS

The Commission will consider approval of SRF loan agreement for major sewer rehabilitation/replacement (Phase II of the C Street Project).

STAFF RECOMMENDATION

It is recommended that the City Commission:

1. Authorize the Mayor to sign the appropriate official documents relating to the State Revolving Fund Loan Agreement for Phase II of the C Street Project.

BACKGROUND

Because of sewer system back-ups, historical operation, and maintenance difficulties experienced by the City, the City of Lake Wales commissioned an engineering study in 2010 to evaluate the suspected

substandard sanitary sewer system contributing to Lift Station No. 16, which is located near the center of the City's utility service area.

Envisor's (EVI) engineering study determined that the sewer system for this defined area was substandard due to substandard pipe slopes, pipe materials, and pipe cover. It was also suspected that a significant amount of inflow and infiltration (I/I) was occurring throughout the system due to the substandard pipe materials and deteriorating manholes.

In August 2010, the City Commission approved a contract with EVI to design and permit the project area in order to come into compliance with existing directives. In December 2010, the City Commission approved the preparation of a CDBG grant application to start work on the project (referred to as Phase I of the C Street Project). The CDBG phase is approximately 15% of the total project area.

Phase I was started by Killebrew Inc. in August 2013 and is anticipated to be completed in November 2014.

The site certification (ownership / utility easements) for Phase II of the project is expected to be completed by the end of July 2014. The temporary service connection easements are at 85%, the remaining percentage should be acquired by August 2014.

Ideally, Phase II of the C Street Project would start November 2014 and be completed by May 2016 (approximately 18 months).

FISCAL IMPACT

The SRF Construction Loan WW530310 would be in the principal amount of \$6,046,751, which consists of \$5,932,251 for construction and \$114,500 capitalized interest. The loan service fee is estimated to be \$118,645. Interest rate is estimated at 1.82%, if executed by October 1, 2014. Estimated semiannual payments of \$184,578 (annual \$369,156).

[End Agenda Memo]

Tom Moran, Utilities Director, reviewed the item, reported that we now have all the easements for this project, and deferred to Mr. Galloway for the details.

Albert C. Galloway, Jr, City Attorney reported that there was a taking hearing that morning and the judge ordered the taking of all the remaining easements needed for the eminent domain project. The funds required will be deposited and the owners will need to take certain steps to get the money. The City now has control of all the necessary easements.

Commissioner Wojcik asked if we can now get the money to move forward with phase 2. Dorothy Ecklund, Finance Director, confirmed that we are approved for the \$6 million; it works just like a construction loan where we draw it down as we spend it. Then they will provide an estimate of what the annual payback will be. Kenneth Fields, City Manager, said that this is a much needed project and that we are moving forward.

Commissioner Thornhill made a motion to approve the State Revolving Fund Loan Agreement. Commissioner Wojcik seconded the motion.

By Voice Vote:

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

Mayor Fultz “YES”

The motion carried 5-0.

**Agenda Item 17. Certification of 2014 Taxable Value, Interim Millage & FY14'15 Budget
Hearing Dates**

[Begin Agenda Memo]

SYNOPSIS

The City Commission will consider approval of the Polk County property appraiser's certification of taxable value for 2014, set the interim millage rate, and set the dates for the public hearings to adopt the final millage rate and the FY14'15 budget.

RECOMMENDATION

It is recommended that the City Commission take the following actions:

1. Approve the Property Appraiser's Certification of Taxable Value for 2014.
2. Set the interim millage rate at 8.5866 mills.
3. Set the dates for the required public hearings for the final millage rate and adoption of the FY14'15 Budget as Wednesday, September 3 and Tuesday, September 16.

BACKGROUND

Certification of Taxable Values

Attached for your review and approval is the Polk County property appraiser's Certification of Taxable Value for 2014. As indicated, the City's gross taxable value for operating purposes is \$582,220,897. Lake Wales has experienced an increase in taxable value of \$19,437,618 since the 2013 certification. The certification for 2014 is 3.45% above 2013's final gross taxable value of \$562,783,279. It is recommended that the City Commission approve the Certification of Taxable Value for 2014.

Interim Millage Rate

In order for the property appraiser to proceed with the mailing of the required TRIM notices, it will be necessary for the Commission to set an interim millage rate and establish the required public hearing dates for adoption of the final 2014 millage rate and the FY14'15 budget.

We are recommending that the interim millage rate be set at 8.5866 mills to allow the City Commission flexibility as they work through the budget process. The current year rolled-back rate is 8.3638. A millage rate of 8.5866 mills represents an increase of \$160,898 or 3.43% change in taxes paid (\$135,400 - General Fund, \$13,418 - Library Fund and \$12,080 - CRA Fund). The rolled-back rate represents a \$35,071 change in taxes paid, which is due to new growth added to taxable value. **The final adopted millage rate may not exceed the interim millage rate, but it may be lower than the interim millage rate.**

Date and Time for Public Hearings:

The City Commission must set a date and time for the first public hearings on the final millage rate and FY14'15 budget. This information will be included on the preliminary tax notice, which is forwarded to each taxpayer and will serve as official public notice of the hearings. Florida Statutes stipulate that the first public hearings can be held no sooner than 65 days after the Certification of Taxable Value by the Property Appraiser or July 1, whichever is later. Certification occurred on July 1, therefore the first public hearings can be held no sooner than Wednesday, September 3 (65 days after July 1).

This year, the Board of County Commissioners has scheduled its public hearings on Monday, September 8 and Monday, September 15. The School Board's final public hearing is scheduled for Tuesday,

September 9. We are recommending the first public hearings for the millage and budget be set for Wednesday September 3, 2014. We are also recommending that the second public hearings be set for Tuesday September 16, 2014.

OTHER OPTIONS & FISCAL IMPACT

If we were designing the ideal budget process, it would look like this:

1. City staff would gather information and prepare the budget
2. The Commission would review the budget document
3. The Commission would adopt the millage rate required to fund the budget

However, state law requires that the county property appraiser notify each property owner of the interim millage rate and the dates of the meetings for adoption of the millage and budget. To give time for the mailing of this notice to the property owner, the taxing agency (city, county, school board, water management district, etc) must, by law, adopt an interim millage rate no later than August 4.

This date creates difficulties in the budget schedule because some critical information that staff must use in budget preparation – including state revenue estimates and insurance cost increases – is not usually available early enough to work into the proposed budget much before the deadline for adopting the interim millage rate.

The law provides that the final rate adopted can be lower than the interim millage, but not higher (you cannot have a final rate that is higher than the interim millage rate, but it can be lowered). Therefore, it is not uncommon for a city commission to adopt an interim millage rate that is likely to be higher than the final millage rate in order to allow flexibility during the budget review process.

Taxes levied by the various options are as follows:

	2014 millage rate	2014 ad valorem taxes levied	2014 taxes over (under) 2013 taxes	Minimum adoption requirement
			4,785,607	
current	8.5866	4,999,298	166,903	3-2 vote
rolled-back	8.3638	4,869,579	37,184	3-2 vote
maximum (cap@10 mills)	10.0000	5,822,209	989,814	3-2 vote

Note: The City does not receive 100% of ad valorem tax levy due to 1) discounts offered for early payment and 2) unpaid delinquent taxes. A 3% reduction is included within budget calculations for ad valorem tax revenues. The 3% reduction has not been applied to the data table listed above.

Estimated revenue received by the City at the various options are as follows:

	2013 millage rate	2013 ad valorem proceeds	2013 proceeds over (under) 2011 proceeds	Minimum adoption requirement
			4,657,801	
current	8.5866	4,849,319	160,898	3-2 vote
rolled-back	8.3638	4,723,492	35,071	3-2 vote
maximum (cap@10 mills)	10.0000	5,647,543	959,122	3-2 vote

The City Commission is not required to make a decision on the final millage rate at this meeting. The final decision should be made after we thoroughly review and discuss the budget and all of its implications; however, we do have to make a decision on the interim millage rate at this meeting.

[End Agenda Memo]

Dorothy Ecklund, Finance Director, reviewed this item.

Commissioner Thornhill made a motion to approve the Property Appraiser's Certification of Taxable Value for 2014, set the interim millage rate at 8.5866 mills and to set the dates for the required public hearings for the final millage rate and adoption of the FY14'15 Budget as Wednesday, September 3 and Tuesday, September 16. Commissioner Howell seconded the motion.

By Voice Vote:

Commissioner Thornhill "YES"
 Commissioner Howell "YES"
 Commissioner Wojcik "YES"
 Deputy Mayor Lutton "YES"
 Mayor Fultz "YES"

The motion carried 5-0.

CITY MANAGER

Agenda Item 17. City Commission Tracking Report:

Kenneth Fields, City Manager, reported that there are no major updates.

Agenda Item 18. City Commission Calendar

Mr. Fields said that the next budget workshop is Tuesday, August 5, 2014 at 5 p.m. The focus will be the Five Year CIP.

Agenda Item 19. Annual Reporting – Boards, Commissions, and Committees

None.

CITY COMMISSION COMMENTS

Deputy Mayor Lutton asked Library Director Tina Peak about Library usage and asked about the City getting its fair share from the county for the high number of county residents who use the library. Ms. Peak reported that the Library Board sent the County Commissioners a letter indicating they are appreciative of county assistance but asks that in the future they take into consideration that municipalities are carrying the load financially to serve county residents. The letter conveyed the concern of the City Commissioners as well. Maybe next year some progress can be made if we keep this issue in front of them. Commissioner Lutton asked if other cities are in similar circumstances. Ms. Peak said the numbers may not be the same but they all are in the same situation where they are serving more county residents than city residents. Deputy Mayor Lutton asked about the distribution of funds. Ms. Peak said that some of the funds go towards the administrative office, IT, and Books by Mail. Ms. Peak commented that it is good that this issue is being brought up. Mr. Fields agreed that both for the Library Services as well as Fire Services, the County gets a bit of a free ride and its time these issues were brought up. The City Commissioners in the cities need to bring this up as well. Mayor Fultz suggested bringing this up with the Ridge of League of Cities. Deputy Mayor Lutton suggested involving the school boards as well, and suggested getting the numbers on the materials circulated inside and outside the City. Ms. Peak said that she could get those figures.

Commissioner Wojcik reported on a rude email from a citizen regarding the water fountain at the gym. She said she spoke with James Slaton, Public/Support Services Director, who reported that new water fountains are coming soon. She encouraged citizens to report their concern but be patient while the repair is underway. Mayor Fultz asked that citizens be cordial in their emails.

Commissioner Wojcik recommended adding an area in the chamber for the members of the press. Mr. Fields said he would look into it.

Deputy Mayor Lutton encouraged the City to look into expansion of reuse service throughout the City.

CITY MANAGER COMMENTS

Kenneth Fields, City Manager, said things should not be done in a hurried manner and that all City procedures should be followed when making a decision to address assets of the City.

MAYOR COMMENTS

The meeting was adjourned at 7:11 p.m.

Mayor/Deputy Mayor

ATTEST:

Clara VanBlargan, City Clerk