

**MINUTES
CITY OF LAKE ALFRED
CITY COMMISSION MEETING
MONDAY MAY 1, 2017
7:30 P.M.
CITY HALL**

Call to Order: Mayor Charles Lake

Invocation and Pledge of Allegiance: Pastor Mike Strawn

Roll Call: Those in attendance were Mayor Charles Lake, Vice Mayor Nancy Daley, Commissioner John Duncan, Commissioner Jack Dearmin and Commissioner Albertus Maultsby.

Staff attendance: City Manager Ryan Leavengood, Assistant Attorney Drew Crawford, City Clerk Ameé Bailey-Speck, Police Chief Art Bodenheimer, Fire Chief Chris Costine, Public Works Director John Deaton, and Finance Director Amber Deaton,

CITY MANAGER ANNOUNCEMENTS

City Manager Leavengood stated the Mackay Gardens and Lakeside Preserve will host a free Master Gardner Workshop on Thursday May 4th at 10 am. The City is currently accepting applications for summer camp which will run June 12 – July 28th. This year the camp will be held at Lake Alfred Elementary. He thanked Parks and Recreation Please visit the website for the list of fieldtrips, application, and the Jr. Counselor Handbook. Contact the Parks and Recreation Department for more details.

The City will be closed in observance of Memorial Day on May 29th.

The Florida Association of City Clerks, Class of 2017 has chosen to support veterans as part of their community service projects. They are collecting items to provide to veteran organizations around the state. Each member of the class, including our current clerk, Ameé Bailey, will be distributing items to local districts, cities and towns; in addition we will be distributing items to the state for homeless veterans. May is a great time to donate items in recognition of Memorial Day. Please contact Ameé if you have any items you would like to donate.

City Manager Leavengood stated that the prescription pill drop off event occurred around the county and at the Police Department in April.

Chief Bodenheimer DEA pays to dispose of the items. This year the City collected 65 lbs. of medications.

City Manager Leavengood provided an update on the sidewalk at the Secret Garden and the progress on the new electronic sign.

CITY ATTORNEY ANNOUNCEMENTS

No announcements.

RECOGNITION OF CITIZENS

No citizen

Proclamation: NATIONAL POLICE WEEK

Mayor Lake read a proclamation to recognize National Police Week 2017 and to honor the service and sacrifice of those law enforcement officers killed in the line of duty while protecting our communities and safeguarding our democracy. He urged all citizens to publicly salute the service of law enforcement officers in our community and in communities across the nation. The proclamation was accepted by **Police Chief Art Bodenheimer**.

City Manager Leavengood recognized the new Deputy City Clerk, Margarita Martin.

Mayor Lake adjourned the 2016-2017 City Commission sine die at 7:41 pm.

Assistant City Attorney Crawford assumed the Mayor's chair and called the meeting to order at 7:41 p.m.

Roll Call: Those in attendance were Commissioner Charles Lake, Commissioner Nancy Daley, Commissioner Jack Dearmin, Commissioner John Duncan, and Commissioner Albertus Maultsby.

Assistant City Attorney Drew Crawford gave instructions on the process of nominations.

Commissioner Duncan made a motion to have the re-elected commissioners sworn in, seconded by **Commissioner Daley**.

COMMISSIONER DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER LAKE	AYE
COMMISSIONER MAULTSBY	AYE

Assistant City Attorney Crawford administered the Oath of Office to Commissioner Lake and Commissioner Daley.

Assistant City Attorney Crawford stated the first item of business for the City Commission to consider is the nomination and appointment of the Mayor for the 2017-2018 year.

Commissioner Maultsby nominated Commissioner Charles Lake as Mayor for 2017-2018. **Commission Lake** accepted the nomination

Assistant City Attorney Crawford restated the motion and asked if there were any further nominations to come before the floor. There was none.

Commissioner Maultsby made a motion that the nominations be closed and it was seconded by **Commissioner Dearmin**.

Assistant City Attorney Crawford said there was a motion on the floor to close nominations. He asked for discussion.

Assistant City Attorney Crawford called for the vote to close the nominations. The motion was approved by unanimous voice call vote.

COMMISSIONER DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER LAKE	AYE
COMMISSIONER MAULTSBY	AYE

Assistant City Attorney Crawford stated Commissioner Lake was appointed as Mayor by acclamation. He went on to open nominations for the Vice Mayor for the 2017-2018 year.

Commissioner Maultsby nominated Commissioner Nancy Daley for Vice Mayor for the 2017-2018 year. Commissioner Daley accepted the nomination.

Commissioner Dearmin moved that the nominations be closed, seconded by **Commissioner Maultsby**.

Assistant City Attorney Crawford called for the vote to close the nominations. The motion was approved by unanimous voice call vote.

MAYOR LAKE	AYE
COMMISSIONER DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

Assistant City Attorney Crawford congratulated the Mayor and Vice Mayor.

Call to Order: Mayor Charles Lake

Roll Call: Those in attendance were Mayor Charles Lake, Vice Mayor Nancy Daley, Commissioner John Duncan, Commissioner Jack Dearmin and Commissioner Albertus Maultsby.

EMPLOYEE RECOGNITION – WILLIAM EMRO 5-YEARS

Chief Costine stated that Firefighter **William Emro** started his fire service career with Lake Alfred Fire Department in April of 2012. In the five years that Firefighter Emro has been with us he has accomplished a lot. He has completed his pump operator, Fire Officer 1 classes, and paramedic training, which is a one year course, and attained CPR instructor certification. Firefighter Emro was the Employee of the 3rd Quarter in 2016 as well as Employee of the Year for 2016. He is a sports fanatic, especially the Tampa Bay Lightning Hockey team.

CAFR PRESENTATION ANNUAL AUDIT AND FINANCIAL STATEMENTS FY ENDING 9/30/2016

Mike Brynjulfson, President of Brynjulfson, CPA external auditor reviewed the audit for the year ending September 30, 2016. He reviewed the documents included in the packets, including the Financial Statements, Report on Internal Control and Compliance, Trend and Analysis, Management Letter, Compliance Report, and Letter to the Members of the City Commission. He stated that the budget was submitted to the GFO reviewer for the Certificate of Achievement for Excellence in Financial Reporting (CAFR). In addition he stated that the financial department could apply to review other submittals, since the city has done so well for the past five years. He stated that it is difficult to maintain this level of achievement and that it comes from having qualified people in place, longevity, and trust.

Overview

- Report on the Financial Statements – Unmodified “Clean” audit opinion with no material errors.
- Report on Internal Control & Compliance – One recommendation to enhance internal control and no instances of noncompliance reported.
- Compliance report with Section 218.415 – no issue of non-compliance with Local Government Investment Policies
- Management Letter – No findings reported.
- Governance Letter to the Members of the City Commission – no disagreements with management or difficulties encountered while performing audit and in compliance with the new requirements of Government Accounting Standards Board (GASB) 72.

City Manager Leavengood asked how soon the audit starts after the fiscal year ends.

Mike Brynjulfson stated they like to begin the process in August or September, then they come back after the city has closed the books. They spend approximately 300 hours at the City of Lake Alfred.

The GASB requires the auditor split the City’s finances into governmental type activities and business type activities. This translates into the General Fund (governmental activities) and Enterprise Fund (business type activities). The new CRA was added as a new fund this year and is shown in the financial statements as a component of the governmental type activities.

Lake Alfred shows Consistency. The city has received the certificate of achievement from GFOA for many years. The financial statements show data for the past 10 years.

General Fund Snapshot

- At September 30, 2016 the unassigned fund balance was \$1,782,003.
- This would provide 4.93 months without any revenue coming into the City.
- City trend showed 41%; and is above the minimum 15% fund balance policy established by City and the industrial standard. This will fluctuate based on cash flows.
- The net change in the 2016 fund balance was (\$382,561) a 16% increase.
- For every dollar brought into the City, as a percentage, in 2016 expenditures exceeded revenues by 1%.

- The positive revenues show that the general fund is self-sufficient even with the capital expenditures.

City Manager Leavengood stated he expected the fund balance to decrease due to the expenditures such as the property purchases outside of the budget. The City has tried to increase capital expenditures and to hold the operational expenditures as budgeted.

Enterprise Fund Snapshot

- Total Net Position in 2016 (equivalent of fund balance in the general fund) was \$10,509,685.
- Unrestricted Net Position (equivalent to unassigned fund balance in the general fund) was \$2,605,795.
- This would provide 12.81 months without any revenue coming into the City.
- Net position as a percent of revenues was 106%.
- For every dollar brought into the City, as a percentage, in 2016 revenues exceeded revenues by 22.92% gross profit. (Does not include interest or operating transfer expenses). The percentage necessary to operate the system and pay principal and interest on debt and make the interfund transfer is 14%.
- After operations, paying debt, and interfund transfers the enterprise fund had \$217,621 in excess cash flow.

City Manager Leavengood stated that the decreasing trend of the fund balance is by design. As an example; our portion of the Alternate Water Supply project is \$300,000 and having the fund balance allows the City to pay its share without incurring debt or increasing rates. He thanked Mike for showing the excess cash flow.

Mike Brynjulfson stated that there were several large capital projects including the meter project and utility line relocations.

Overall Snapshot

- Unrestricted cash and investment includes proprietary funds and governmental funds for a total of \$4,218,692.

The City implemented a new standard in 2016 to accommodate GASB 72, which defined fair value to enhance disclosure. The report includes new tables to address this new standard. The Buchanan property shows up as an investment in real property on page 11. The value is based on the appraised value.

The deadline for the GOFA CAFFR is March 31. This year due to a delay by the pension actuary a lot of the city financial statements are on hold, 25% of the pages in the financial statement are associated with the pension. Last year the unfunded portion of the pension was added to the financial statement rather than as a footnote. It doubled the actuaries work and the auditor has to wait on the actuaries.

City Manager Leavengood asked the Auditor to cover the pension funded ratios. He stated that the standard is 80% and both the Lake Alfred pensions exceed that standard. He also asked about the debt liability. He asked the Auditor to explain the change in the City preparing the financial statements.

Mike Brynjulfson stated the General Employees' Pension Plan is 87% funded and Police and Firefighter's pension is 98% funded. The debt liability is the combination of the pension liability and unpaid sick and vacation.

Mike Brynjulfson stated that the City is doing a good job and works well with the Auditors. Previously the City had Tierso Nunez prepare the yearend financial statements which were audited. Last year the City took back the yearend closing process and is slowly taking over preparing the financial statements. Staff has received the GFOA Certificate for Certificate of Achievement for Excellence in Financial Reporting for the last five years.

City Manager Leavengood stated he appreciated the Auditors diligence and thanked Amber Deaton the Finance Director for her leadership and work in assuming some of the task in preparing the financial statements. The City is in a great position financial while still being aggressive with capital projects. The City has a great team.

The Commissioners praised the Auditor and the City staff for the financial statements and budget process.

Vice Mayor Daley asked if the City would be eligible for the GFOA award for 2016.

Mike Brynjulfson stated that the City applied for an extension and then submitted within the extension period, which would qualify the City.

Commissioner Duncan asked when the financial packet was delivered.

City Manager Leavengood stated that the information is normally distributed earlier, but it was provided for tonight's presentation. If the City Commissioners have any questions they can ask at any time.

CONSENT AGENDA

Commissioner Dearmin moved to approve the Consent Agenda, seconded by **Commissioner Maultsby**. The motion was approved by unanimous voice call vote.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

AGENDA

1.) PUBLIC HEARING: ORDINANCE 1381-17: PERSONNEL MANUAL AND EMPLOYEE HANDBOOK

Assistant City Attorney Crawford read the ordinance title.

City Manager Leavengood stated the employee handbook sets forth in detail the employee benefits programs, personnel policies, general guidelines, and disciplinary rules of the city. The last formal review of the Personnel Manual was conducted last year, and adopted on January 19, 2016.

Following the major revisions from previous years, staff has reviewed the policies on a continuing basis and how they have been implemented and applied. The majority of the changes are designed to clarify and to improve the intent of existing policies.

The one substantive change is a rebalancing of leave time accrual for firefighters. Firefighters accrue the same amount of hours for sick leave and holiday leave as regular fulltime employees (e.g. 8 hours for each sick day/holiday). This is a reduced benefit for a firefighter that works 53 hours per week since they have a lower hourly rate of pay for their given salary but receive the same numeric of hours as a standard employee that works 40 hours per week. The proposed change increases holiday and sick leave to 12 hours instead of 8 per holiday/sick day. The same standard of a 50% increase over regular employees was applied to vacation accrual which resulted in a decrease in each accrual tier (-24 hours to -48 hours).

The annual net change of the rebalancing is an increase in holiday pay for all firefighters of 40 hours; an increase in sick leave accrual of 48 hours; and a reduction in vacation accrual ranging between 24 and 48 hours depending on years of service. The changes are consistent with a survey of several cities' fire departments that were included in our most recent salary survey. The budget impact of the proposed changes is minimal (~\$5,000).

Staff recommended approval of Ordinance 1381-17 on second and final reading.

Commissioner Dearmin moved to approve Ordinance 1381-17 on second and final reading, seconded by **Commissioner Duncan**. The motion was approved by unanimous voice call vote. There were no citizen comments.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

2.) PUBLIC HEARING: PROPERTY PURCHASE

Assistant City Attorney Crawford stated item requires a public hearing and the agenda included the required notice.

City Manager Leavengood stated the City owns approximately two and a half acres of vacant downtown commercial property. The property is composed of the former site of the Buchanan Building (1.6 acres), existing right of way (0.5 acres), and a small parcel (0.3 acres) the City acquired in 2016. The estimated value of the property is approximately \$380,000 per acre.

The proposed property purchase will "square off" and add an additional 0.4 acres to the existing city owned property for a total of nearly 3 acres. The proposed purchase price of \$150,000 has been agreed upon by the seller contingent upon City Commission approval. The purchase price is consistent with the estimated fair market value. The true benefit of acquiring the property is increasing the value and total acreage available on the adjacent properties the City already

owns. The proposed acquisition will open up new options for larger or multi-unit developments. The existing structure on the parcel will be demolished and cleared so the entire 3 acre tract can be marketed as shovel ready for development. The purchase will square off the property and provide more opportunity for larger development or more possibilities.

Funding is available in unrestricted general fund reserves to accommodate the purchase (~\$1.5 million). This amount along with any additional surplus revenue will be deposited into general fund reserves upon the eventual sale of the property for development. The purchase would trade liquidity for a physical asset. When the property sales the City will recoup the funds.

Staff recommended approval of the property purchase in the amount of \$150,000.

Commissioner Maultsby asked if the cost included the demolition of the building, contaminants, and what is meant by shovel ready.

Commissioner Duncan asked if the property has to be appraised every year.

Mayor Lake asked about contamination and how development could meet the Downtown Vision.

City Manager Leavengood stated the purchase amount does not include the demolition fees. The City will also complete a phase one environmental assessment on the property similar to the adjacent Buchanan property which was clean from contamination. According to the Auditor the property will need an appraisal every year. The City will work to minimize the cost of appraisals.

Staff will bring a discussion item to the City Commission to discuss the development plan. The City could sell early to get redevelopment moving or hold out to allow other properties to move forward first. Community Development Director Bailey has been in touch with the Central Florida Development Council and local brokers to discuss the existing demand. The City will be in a very good financial position when the property sells from economic development, additional value for other projects, and an increase in value to the tax rolls to fund the CRA.

The property is located within the Downtown Development Overlay, which has higher development standards. In addition since the property is City owned, the City can establish development standards through a Development Agreement to allow for additional control.

Commissioner Dearmin moved to approve the property purchase in the amount of \$150,000, seconded by **Commissioner Duncan**. The motion was approved by unanimous voice call vote. There were no citizen comments.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

3.) BIDS: RAMONA STREET PROJECT

City Manager Leavengood stated the City currently performs a resurfacing project every two years utilizing gas tax revenues that are restricted for public works. The city receives

approximately \$85,000 per year allowing for a \$170,000 resurfacing project during the project year. During the off-year city staff updates the street priority list for consideration and approval by the City Commission to determine which streets are resurfaced.

In April of 2016 the City Commission approved the updated street resurfacing priority list to name the widening and resurfacing of Ramona Avenue as the priority project. In anticipation of the additional costs associated with the widening an additional \$70,000 from general fund reserves was included to bring the total FY 16/17 project budget to \$270,000.

In February of 2017 the City Commission approved Task Order #11 with CPH for engineering, bidding, and administration of the project at a cost of \$38,083.

The City put out a request for seal bids for the project and received five bids for the project:

- Blacktip Services: \$287,092.50*
- C.W. Roberts Contracting: \$291,802.50
- Tucker Paving: \$322,907.00
- Lane Construction Corp: \$333,590.96
- Grade-A-Way: \$347,888.00

Additional funding is available in unrestricted general fund reserves to accommodate the overage.

*Based on the letter of recommendation from CPH, staff is recommending the second lowest bid (a difference of \$4,709).

Staff recommended awarding the bid to C.W. Roberts Contracting in the amount of \$291,802.50.

Allen Lane, stated CPH prepared the bid package and they contacted the references supplied by Blacktip Services. The references were not for work similar to the bid request. CPH requested additional references for work comparable to the Ramona street project. The references provided were not road milling, resurfacing and reconstruction. At the same time CPH contacted the references supplied by C.W. Roberts and found they were much more similar to the Ramona Street project.

Mayor Lake stated the Blacktip proposal was very detailed with several projects listed. He asked if CPH has worked with C.W. Roberts before.

Commissioner Duncan asked what the projects were that Blacktip Services submitted for references. He also asked when would the contractor begin work and if he can vote on the item since he lives on Ramona Ave.

Commissioner Maultsby asked if the project was awarded to the 2nd lowest bidder, could the lowest bidder delay the project.

Vice Mayor Daley asked if any portion of the project could be paid from the Enterprise Fund, if any wetlands would be impacted and if any work will be completed by staff.

Allen Lane stated CPH requested additional references from Blacktip and then contacted three more in the vicinity, they could visit. Although the projects submitted were road projects, they were erosion control, MOT, and excavation. CPH has not worked with either company in the past.

Assistant City Attorney Crawford stated that the bid document states that the bidder shall have performed as the prime contractor on at least three projects of similar type and size as the proposed contract work. It is a principle requirement, to receive the award of the contract, to verify that the contractor has worked on a similar type of contract. The City has the right to reject any and all bids if we find that a contractor does not meet the criteria of the bid document. He also clarified that unless a commissioner has a private gain or loss from the matter under consideration, they are required to vote.

Public Works Director Deaton stated that at the north end of Ramona there is a crossing that has a storm pipe and there are head walls that the City will have to move. Therefore a small portion of the project could be funded from the Enterprise fund. No wetland mitigated was required by the permit. The contract is for the entire project and will need a qualified contractor to perform the work. No additional cost are expected to complete the entire project. There will be a pre-construction meeting to determine the start date for the project.

City Manager Leavengood stated he will be monitoring the project to be able to evaluate any opportunities to utilize Enterprise funds. He will keep the Commissioners informed of any changes in the scope of work. The City staff will not perform work associated with the project.

Assistant City Attorney Crawford suggested that if the City Commission desired to award to C.W. Roberts that the motion state that the award was for the lowest responsible bidder.

Vice Mayor Daley moved to award the bid to C.W. Roberts Contracting in the amount of \$291,802.50 as the lowest responsible bidder, seconded by **Commissioner Dearmin**. The motion was approved by unanimous voice call vote. There were no citizen comments.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DEARMIN	AYE
COMMISSIONER DUNCAN	AYE
COMMISSIONER MAULTSBY	AYE

RECOGNITION OF CITIZENS

Judy Ritsma 395 S. Ramona Ave., thanked the Commission for their consistency and thoughtfulness.

COMMISSIONER QUESTIONS AND COMMENTS

Commissioner Dearmin thanked the audience for their understanding, City staff for their work, Mr. Brynjulfson for the audit information, and the Mayor and Vice Mayor for all they put into their job. He enjoyed the boat races and he welcomed Deputy Clerk Margarita Martin.

Commissioner Maultsby asked if there had been inquiries on the property that the city has for sale.

City Manager Leavengood stated that there will be a discussion item at a future meeting to determine if the City Commission wants to look at a short-term gain or a long term option.

Mayor Lake stated that the TPO and FDOT started a program called a slowdown pledge. He attended the SWFWMD governing board meeting and they have approved the Polk Regional Water Cooperative phase two. There is a billboard on 17/92 coming from Haines City, put together by four of the businesses in Lake Alfred, promoting the City. That makes him feel good that businesses are not only promoting themselves but the City as well. Ryan Leavengood has been nominated to get the award of Early Career of Excellence from the Managers Association.

Vice Mayor Daley congratulated the staff and Finance Director Deaton. There were 75 first graders at Mackay Gardens and Lakeside Preserve for Earth Day. Pat Ferris is going to retire she has been hosting the gardening workshops. The Fact-finding Committee is working on a way to maintain the programs held at the gardens. She would like to recognize Pat Ferris at a meeting in June to recognize her work at Mackay Gardens. She also thanked the Commission for allowing her to serve as Vice Mayor.

Commissioner Duncan thanked the Assistant Attorney for attending the commission meeting. He reminded everyone that school is out in 24 days roads will be full again. He asked if Ramona Ave would be closed to some traffic during construction. He thanked the Mayor and Vice Mayor for serving.

Public Works Director Deaton stated the road will be open to local traffic only and then during a portion of the construction the road will be closed.

Judy Schelfo 640 E. Lakeview stated that the businesses on the sign are paying \$150 a month per business.

With there being no further business to discuss, Mayor Lake adjourned the meeting at 9:25 pm.

Respectfully Submitted,


Ameé Bailey
City Clerk