

**MINUTES
CITY OF LAKE ALFRED
CITY COMMISSION MEETING
MONDAY JUNE 20, 2016
7:30 P.M.
CITY HALL**

Call to Order: Mayor Charles Lake

Invocation and Pledge of Allegiance: Pastor 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 City Attorney Seth Claytor, City Clerk Ameé Bailey-Speck, Police Chief Art Bodenheimer, Community Development Director Valerie Vaught, Finance Director Amber Deaton, Parks and Recreation Director Richard Weed, Public Works Director John Deaton.

CITY MANAGER ANNOUNCEMENTS

City Manager Leavengood stated the upcoming Lake Alfred Public Library events include Teen Advisory Board, story time, Lego Mania, adult coloring, brain games and special summer programming at the Lions Clubhouse. The Library will be also hosting the Florida Licensing on Wheels, SPCA Wellness Wagon and Friends of the Library Book sale. Contact the Library for more information.

The City of Lake Alfred 4th of July Celebration will be held on Monday July 4th from 10 am to 2 pm at Lions Park. Events include a bass tournament, car show, music, wildlife shows, Little Miss and Mister "Firecracker," food, and much, much more. Please see the website for more information and applications.

City Offices and the Library will be closed on Monday, July 4th in Observance of Independence Day.

Mackay Gardens and Lakeside Preserve will host a free gardening workshop on Thursday July 7th at 10 am. Contact the Parks and Recreation Department for more details.

The FLC Policy Committees request has been submitted for each Commissioner. Appointments will be announced after the 2016 FLC Annual Conference. The Conference will be held August 18-20 in Hollywood. Please let the City Clerk know if you plan to attend.

Just a reminder that anyone can report code enforcement complaints through the Lake Alfred 311 App. Submit complaints immediately from your cell phone, attach pictures, give location using GPS. We are getting good use form the App.

CITY ATTORNEY ANNOUNCEMENTS

No Announcements.

RECOGNITION OF CITIZENS

No Citizen Comments.

PROCLAMATION: INDEPENDENCE DAY - 2016

Mayor Lake read the entire proclamation to celebrate Independence Day, 2016. He reminded everyone to always keep in mind that no matter what problems face our Nation, here we are free to speak our minds, to assemble peaceably, to elect (or un-elect) our representatives in government, and to worship God (or not) as our conscience might compel us. We often take these liberties for granted. But on the Fourth of July, we should pause to remember that others around the globe do not enjoy such freedoms.

CONSENT AGENDA

Commissioner Dearmin moved to approve the City Commission Minutes from June 6, 2016; seconded by **Commissioner Maultsby**. The motion was approved by unanimous voice call vote.

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

Vice Mayor Daley moved to approve the City Commission announcements; seconded by **Commissioner Duncan**. The motion was approved by unanimous voice call vote.

MAYOR LAKE	AYE
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AGENDA

1.) PRESENTATION: UTILITY RATE STUDY

City Manager Leavengood stated In January of 2016 the City entered into a continuing service agreement with Raftelis financial consultants for the performance of a utility rate study. The goal was to restructure the system to be more equitable by lowering the base rate and charging based upon usage while still providing a stable revenue source for the City. The current system does not encourage conservation and the customers that use the least amount of water are essentially subsidizing the utility bill for higher water users by paying a flat rate.

Tony Hairston and Joe Williams from Raftelis Consultants presented the results from the rate study. They discussed the data collected detailing the water and sewer customers and usage;

use forecast, rate design, and bill impacts and comparisons. The City's water customers are primarily residential (3,267 of 3,422 customers). Approximately two-thirds of the water customers also receive waste water service from the City (2,200). They discussed the financial needs and projected revenues. The current and projected revenues are slightly above the current and projected expenditures. The fund also has met the targets for debt services and fund balance for unexpected expenses and capital improvements. They discussed the existing rate structure and the amount of water and sewer consumption by the users. The rates have remained unchanged since 2003 for water and 1990 for sewer. The objectives of the study was for the rate structure to be affordable, simple to understand, and have revenue stability. The new rate structure is revenue neutral and based on consumption. They then discussed the pros and cons of the existing and proposed rate structures.

Water

Meter Size	Base Charge
Residential:	\$8.95
Non-Residential:	
5/8-inch	\$8.95
1-inch	\$22.38
1.5-inch	\$44.75
2-inch & above	\$71.60

25% surcharge applies for outside city customers

Residential Usage Rates:

Usage Block	Rate
Block 1 (0-5,000 gal)	\$1.04
Block 2 (5,001-10,000 gal)	\$1.25
Block 3 (Above 10,000 gal)	\$1.46

Commercial Usage Rates:

Usage Block	Rate
All Usage	\$1.30

Sewer

Meter Size	Base Charge
Residential:	\$29.50
Non-Residential:	
5/8-inch	\$38.35
1-inch	\$73.75
1.5-inch	\$147.50
2-inch & above	\$236.00

25% surcharge applies for outside city customers

Class	Rate
Residential (0-10,000 gallons)	\$2.33
Non-Residential (All Usage)	\$2.33

The water structure and blocks were adjusted to account for the median usage. Currently user pay for 6,000 gals of water but over 50% use 4,000 gallons or less. On the new rate structure the average residential customer using 4,000 gallons will save \$1.56/ month. Users using less water will save more, while users using more water will pay more. They then showed the existing and proposed rates in comparison to other cities. The conclusion was that that the proposed rates are based on a uniform rate structure, revenue neutral, provide for equitable cost recovery, reduce the large amount of gallons included in monthly bills, and comparable to nearby communities.

The City Commission asked who are the large 50,000 gal users, what would happen to the City's revenue if everyone wants to go to a conservation rate, and the rates for users with two meters.

Staff responded that large commercial users included the distillery, car wash, and school. This proposed system provides equitable billing with lower rates. The per gallon rates could be adjustments for large challenges if presented in the future.

Raftelis Consultants responded the impacted customers will be notified and they may want to change their meter size. They commented that the cost recovery is coming down and could afford more customers going to a conservation rate. Some conservation was built into the model, based on their experience.

Staff responded that users would continue to pay the base rate for each meter. The reason the water is capped at 10,000 is for the users that have one meter and are using it for potable and irrigation. Irrigation meters do not have to pay the additional cost for sewer. Staff was very excited that the base sewer rate could be lowered to below \$35.

The City Commission stated that citizens will be happy if the rates go down and the City Commission will be happy if water is conserved. They asked about the methods to education the users, ordinance timeline, and they talked about the opportunity to reach people with the Water Ventures event.

Staff responded that staff will have to work on several different methods including the website, bills, and door hangers. In addition there will two public meetings for processing the Ordinance August/September for use in October.

Michael Strawn 149 Cypress Way, asked about incentivizing the use rain sensors.

Staff replied that there are grant opportunities, rebate program and opportunities to partner with other agencies, which staff has done in the past. Staff will look into new opportunities.

Lowell Schmidt, 365 East Sanford St. stated his water usage for residential is 2,500 and irrigation is 34,000. He asked about the cost for different sized meter.

Margaret Wheaton, 340 Carolina Ave South, asked about computer system and if prepared for the increased utility flexibility.

Chris White, 315 East Thelma Ave, asked about paying for sewer on the irrigation meter.

Staff replied that the proposed rates would not be significantly different for most customers, even those with two meters. The City utilizes ADG for utility billing as does many of the other

cities in the county. The system can handle the new proposed structure. Staff will run test and the users will see the change on the November 1st bill. Staff restated that irrigation meters will not include sewer costs.

Commissioner Dearmin moved to proceed with drafting the ordinance and the public hearing process for the adoption of the proposed rate system, seconded by **Commission Duncan**. The motion was approved by unanimous voice call vote.

MAYOR LAKE	AYE
VICE MAYOR DALEY	AYE
COMMISSIONER DUNCAN	AYE
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2.) **DISCUSSION: GARDNER HOUSE**

City Manager Leavengood stated several Commissioners and community members have identified the possibility of the City acquiring the Gardner House & Florida Fruitlands Office. In researching this opportunity, staff scheduled tours of the property and buildings with the owner to allow staff and the City Commission an opportunity to inspect the property. An appraisal was conducted to determine the value. The appraisal came in relatively low at \$135,000 due to the nature of the work that would have to be done to bring it up to historic use and the lack of comparable properties on the market. The City is pursuing a second estimate to verify and as required for any grant applications. The property owner has suggested an initial sales price of \$225,000. Renovations on the building and the property could exceed \$200,000 depending upon the amount of work needed on the property.

The City can apply for a 50% matching grant to the Florida Division of Historical Resources to help fund the purchase of the property. The grant application deadline is July 8th to be considered for funding in the State's next fiscal year beginning in July 1, 2017. The grant requires an executed purchase agreement and a commitment of matching funds (which can be accomplished within a resolution of support). The purchase agreement could be contingent upon the City's receipt of the grant. Grant rankings would be posted later in the year.

If the City Commission wishes to proceed with the grant we would need to have a special meeting possibly on Tuesday, July 5th to approve the purchase agreement and resolution of support committing the funding in order to meet the July 8th grant application deadline (with the holiday our first regular meeting in July is on the 11th).

Future grants would be necessary to complete renovations in a manner similar to what has been done at the Mackay House. A Mackay CIP project waited several years for funding and was recently completed.

The **City Commission** asked about the amount set aside for the state historical grant cycle and a purpose for the building is purchased. They stated that it would be horrible to have the house destroyed due to the historical significance. The property could be used as a historical museum, office, or rental.

Staff stated the grant process is very competitive. Staff showed photos from the site visit and stated that the property is approximately 1.4 acres and surrounded by the Edenfield property which is commercial. The Edenfield family tried to purchase the property at one point. If the adjacent property was developed commercial, it would need to meet buffer requirements. If the City does not purchase the property the property could be purchased and developed commercially. The property also includes a second building which was used by the Fruitland Company and then re-located to the property in question.

Connie White, 315 East Thelma St. and President of the Historical Society, stated that the City has lost several historic buildings and that the City should hold onto this building if possible. The building could be used as a museum, and the Historical Society needs more space.

Betty Shinn, 140 North Pennsylvania Ave. spoke about the Lake Alfred Realty Company Office which was moved to the property and used as a winter home for one of the Gardner nieces (Kate Powers). The City lost the school building and depot and should preserve this major historic building.

Herb Nigg, 700 South Ilakee Ave. and serves on the Polk County Historic Commission stated he has seen many changes in Lake Alfred. Citizens tried to save the school by suggesting it be used as a library. The Gardner House is the most significant building in Lake Alfred since it is the home of the City's founder. He stated that in order to get a grant, you must first apply. No one moved forward on a grant for the school and it was demolished.

The **City Commission** asked if a Florida Forever grant could be used for the purchase and then use the historical resources funds for renovations, similar to Mackay. If the home was purchased with a Florida Forever grant there would be no cost to the City, then the purchase price can be used to match the Historic Preservation Grant application for renovation. The Commission asked about the revenue and budget for Mackay. The City Commission asked about the Historic Grant match and if it was based on the appraisal or asking price, if the grant required public education opportunities, or specified use in the future.

Marilyn Anderson 25 East Columbia St. stated she always heard about the Gardner family when she was growing up and the importance of keeping the home to her.

Leon Juday, 535 North Todhunter Way asked about the 50% match for the grant. He spoke about the need for sidewalks for students.

Staff stated that the current grant focus had been on the historic preservation grant, but that staff could research other opportunities. Staff stated that matching funds would come from the unassigned reserve of 1 million. The City is in a strong financial position, not a financial question versus policy question. The Historic Preservation grant award would be based on the appraisal, which is why the City is having a second appraisal. The Historic preservation grant usually funds more renovations than purchases. The Mackay House has revenue from the rentals and a budget of \$30,000 each year. The Gardner house could be part of the heritage trail or opened at Christmas for tours similar to the Baynard House in Auburndale.

The **City Commission** asked about moving the house and other priority projects. They discussed options for the 15 acres Edenfield property (commercial) and the impacts the Gardner House.

Staff replied that if the adjacent property was developed commercial, it would need to meet buffer requirements. The Florida Forever grant cycle is open and will close on August 30th with a 10 million appropriations. The purchase and renovation of the Gardner House would be 5-7 year project. The Division of Historic Preservation allocated 10.9 million.

Commissioner Maultsby moved to proceed with researching possible grant opportunities to purchase the Gardner house, seconded by **Commission Dearmin**. The motion was approved by unanimous voice call vote.

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

Staff commented that we may need a special meeting to if need to proceed with the Historic Preservation Grant.

3.) DISCUSSION: PROPERTY SALE AND ACQUISITION

City Manager Leavengood stated City staff has been pursuing several different property acquisition opportunities that the Commission has been updated on including:

Duplex - The duplex property is adjacent to the Public Library. The purchase would to close out city ownership of the corner. If purchased staff recommends tearing down for potential future parking or expansion project. The property appraised for \$60,000 a few years ago. The owner is asking \$90,000. A fence was added to separate from the library. The Friends of the Library (letter) stated they would assist with the purchase. The Purchase of the duplex property would require a purchase agreement to be approved by the City Commission.

Commercial strip - A vacant ½ acre commercial parcel adjacent to city owned downtown parcel (former Buchanan building) is available for purchase. The property is not easily developed as a standalone property (limited access). City ownership would allow the City to combine with other property and the City easement for future development, parking, and/or green space. The appraisal came in at \$37,500 and the owner is asking for \$55,000. The Purchase of the ½ acre lot would require a purchase agreement to be approved by the City Commission.

The **City Commission** discussed about Columbia Street which does not go all the way through to Shinn Ave.

Residential Lot – The house was demolished by Polk County and then the property was deeded to the City. Staff proposes donating the City owned residential parcel in the Fruitland Park Area to Polk Habitat for Humanity. They are interested and would take the property and build a home. The donation of the Fruitland Park parcel to Habitat for Humanity will require an ordinance.

City Property - The City has received an offer from Circle K for the purchase of the city owned downtown parcel for \$500,000 for the construction of a convenience store and gas station. Staff is proposing to negotiate a development agreement for the sale of the property that would contain all required and encouraged elements of the downtown overlay code (façade treatments around entire building, improved landscaping, reduced stormwater retention through pervious

pavement and other mitigation techniques, etc.) as well as potential improvements to Columbia Street (which is currently unpaved). He stated that there may be an opportunity to reduce or eliminate the need for a stormwater pond. The City Manager discussed the Auburndale Circle K on Berkley Rd and showed examples of the new store which was in reaction to the new RaceTrac across the street. This is the first proposal the City has received since the property has been marketed. The development agreement would ultimately require City Commission approval and an ordinance for the sale of the property.

The City Commission discussed the pros and cons of a Circle K. A gas station was not a part of the Downtown Master Plan and many concerns were mentioned such as; stormwater, pedestrian implications, impacts to the school zone/ traffic; and loss of small town charm. The Commission also discussed that the City can control the way the site looks since the City owns the property. The development could spur other development and lead to a traffic lights at Cummings. This is the first offer and the City is not in a rush to develop the property. There could be many other opportunities for mixed use development. They discussed development in Winter Haven and the process and timing. They stated that a gas station is need, but the City center may not be the best location. A gas station would also generate gas tax funding.

Staff stated they were excited to receive a proposal and know that the marketing package is generating interest. McDonalds has also expressed an interest in Lake Alfred. Commercial inters in Lake Alfred is most likely going to be in the form of chain stores or retail.

Judy Schelfo 640 East Lake View Rd, stated she has some of the same concerns since their business is across the street. However, the traffic is already here, there is a state highway through the City. This may be the best property for a gas station, especially if the City can get the extra amenities and clean look. The parcel is at end of the downtown district. The flea market property does not have four sided access. The Circle K could be a kick-start. The Family Dollar helped the Commercial value of other properties and so would a Circle K. There needs to be lights at Cummings and FDOT would have to reconsider with this type of development.

The City Commission asked about including pedestrian elements into the development. They stated others may be more interested now that the Circle K has expressed an interest.

Staff stated that the Circle K proposal is based on their typical store and does not address the City Codes. Staff would work with the Circle K to incorporate the required and suggested Master Plan elements. These elements could be required rather than negotiating a higher price. There is no guarantee that the Circle K would agree to changes. FDOT would determine if and when a traffic light would be installed.

Jane Brumbaugh, 655 East Pierce St., stated she is leery of having a gas station for future development because of the tanks in the ground. She is also concerned about traffic.

Margaret Wheaton, 340 Carolina Ave South, stated that the property is a keystone and this is not the way she thought the downtown area would look.

Lowell Schmidt, 365 East Sanford St, stated that that Circle K serves Shell gas which is popular. He stated the site sees that this is an ideal place and the City should counter offer \$650-750 because it is a valuable piece of property. The revenue and gas tax could override the value of other developments.

The City Commission discussed that another station would create completion and lower gas prices. They stated citizens have asked about a gas station.

Marilyn Anderson 250 East Columbia St., stated the City may not get what the City wants in the Master Plan. She is concerned, but also goes out of town to buy gas. Other stations are near schools and successful get kids across the street. This may be the first big business to get the development started.

Staff stated asked for a consensus on how to move forward with each property. Staff will negotiate price and development agreement with performance standards. Then all properties will be brought back to the Commission for formal action. The staff also recommended updating some elements of the code.

- Duplex – consensus to pursue purchase
- Commercial – consensus to pursue purchase
- Residential – consensus to process donation to Habitat for Humanity
- Circle K - consensus to negotiate price and development agreement

RECOGNITION OF CITIZENS

There were no citizen comments.

COMMISSIONER QUESTIONS AND COMMENTS

Mayor Lake stated he attended the Polk Regional Water Coop meeting, recognition of Commissioner Albertus Maultsby as Polk County Pioneer, and Ridge League Dinner. He questioned the TPO about traffic with Discovery HS for possibility of light. He also attended the Lions Club installation of Officers. Richard Weed was awarded the Citizen of the Year award. Citrus Label installation at the Historical Society is complete.

Vice Mayor Daley – no comment.

Commissioner Duncan – no comment.

Commissioner Dearmin stated it was a great night.

Commissioner Maultsby thanked Mayor Lake for taking him to Bart to receive his recognition.

With there being no further business to discuss, Mayor Lake adjourned the meeting at 10:13 pm.

Respectfully Submitted,



Ameé Bailey
City Clerk