

**MINUTES
CITY OF LAKE ALFRED
CITY COMMISSION MEETING
MONDAY SEPTEMBER 26, 2016
7:30 P.M.
CITY HALL**

Call to Order: Mayor Charles Lake

Invocation and Pledge of Allegiance: Pastor Blocker

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 Drew Crawford, City Clerk Ameé Bailey-Speck, Police Chief Art Bodenheimer, Finance Director Amber Deaton, Public Works Director John Deaton, Fire Chief Chris Costine, Parks and Recreation Director Richard Weed, and Community Development Director Valerie Vaught.

CITY MANAGER ANNOUNCEMENTS

City Manager Leavengood stated the upcoming Lake Alfred Public Library events include story time, Lego Mania, adult coloring, and the Saturday movie. The Library will also be hosting the Mobile Career Source, and Friends of the Library book sale. Contact the Library for more information.

The City Commissioners will each be attending different Florida League of Cities Policy Committee Meeting this Friday, September 30th at the Embassy Suites Orlando Lake Buena Vista.

The City Commission dates will return to the normal 1st and 3rd Monday starting in October. Therefore, the City Commission will meet again next Monday October 3rd.

Mackay Gardens and Lakeside Preserve will host a free gardening workshop on Thursday October 6th at 10 am and a nature walk on Sunday October 9th at 2 pm. Contact the Parks and Recreation Department for more details.

The next Historical Building plaque dedication is scheduled for Thursday, October 6th. The dedication ceremony will be held at Biggar's Antiques, 140 Haines Blvd. at 9 am. The program will include light refreshments, dignitary comments, unveiling the plaque and photos.

CITY ATTORNEY ANNOUNCEMENTS

No Announcements.

RECOGNITION OF CITIZENS

No citizen comments.

CONSENT AGENDA

Commissioner Maultsby moved to approve the consent agenda with the amended minutes, seconded by **Commissioner Dearmin**. 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

Vice Mayor Daley moved to item #5 (Budget) up to #2 (after the Millage), seconded by **Commissioner Duncan**. 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

1.) PUBLIC HEARING: RESOLUTION 10-16: FINAL MILLAGE RATE

Assistant City Attorney Drew Crawford made an announcement regarding the millage rate and budget adoption process. He stated that the tentative millage rate under consideration tonight is 7.2390 mills, that the calculated rolled back rate is 7.2472 mills, and that the tentative millage rate represents a decrease in the City's property tax levy. He then read the entire Resolution.

Vice Mayor Daley moved to approve Resolution 10-16 final millage rate, seconded by **Commissioner Maultsby**. 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

5.) PUBLIC HEARING: ORDINANCE 1371-16: FY 2016/2017 ANNUAL BUDGET

Assistant City Attorney Drew Crawford read the Ordinance title.

City Manager Leavengood stated over the proposed FY 2016/2017 budget assembles the previously approved sections into the final budget with updates from July's experience and obtaining final revenue and expenditure information. The proposed budgets are consistent with the previous presentations, established goals, and are currently balanced with the proposed millage rate of 7.239 which is a quarter of a mil reduction from our current rate of 7.489.

**CITY OF LAKE ALFRED
FY 2016/2017 BUDGET
SUMMARY**

	2016/2017	2017/2018		2016/2017	2017/2018
General Fund			Community Redevelopment Agency		
Revenues	4,931,491	4,576,048	Revenues	57,207	57,207
Expenditures	4,931,491	4,576,049	Expenditures	57,207	57,207
Contingency	8,073	5,185	Contingency	-	-
Enterprise Fund			Stormwater		
Revenues	2,446,500	2,480,250	Revenues	58,000	58,000
Expenditures	2,446,500	2,480,250	Expenditures	58,000	58,000
Contingency	7,763	38,716	Contingency	-	-
<u>FY 2016/2017</u>		<u>FY 2017/2018</u>			
TOTAL BUDGET:		\$7,377,991	\$7,056,298		

Staff recommended approval of Ordinance 1371-16 on second and final reading. The budget cover includes some of the 17 citrus labels historically used in Lake Alfred and used as part of the sign markers.

Commissioner Dearmin moved to approve Ordinance 1371-16 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.) ORDINANCE 1368-16: UTILITY RATE STRUCTURE

Assistant City Attorney Drew Crawford read the Ordinance title.

City Manager Leavengood stated the City's existing rate structure for water and sewer service provides a stable revenue source for the utility with very little variation in the amount billed per customer based on usage. The City's sewer rates and structure has not been changed since 1990; the water rates and structure has not been changed since 1999. 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.

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.

In June of 2016 the City Commission was presented with the results of the utility rate study that provided for a reduction in the base sewer charge from \$40.54 to \$29.50 and a reduction in the base water charge from \$12.95 to \$8.95. The proposed ordinance adopts the rate structure as well as cleans up other language within the code pertaining to utilities. The proposed rate structure will not result in an increase in revenue to the City (revenue neutral). Under the proposed rate structure just over half of the residences are expected to see a decrease in their utility bill with a breakeven point between 4,000-5,000 gallons of usage per month.

Usage	Existing Rates	Proposed Rates	Difference	Cumulative % Single Family Bills
0	\$53.49	\$38.45	(\$15.04)	11.1%
1,000	\$53.49	\$41.82	(\$11.67)	17.1%
2,000	\$53.49	\$45.19	(\$8.30)	25.8%
3,000	\$53.49	\$48.56	(\$4.93)	37.3%
4,000	\$53.49	\$51.93	(\$1.56)	48.4%
5,000	\$53.49	\$55.30	\$1.81	58.0%
6,000	\$53.49	\$58.88	\$5.39	65.4%
10,000	\$57.49	\$73.20	\$15.71	82.7%
15,000	\$62.49	\$80.50	\$18.01	90.1%

Staff recommended approval of Ordinance 1368-16 on second and final reading.

Wes Warren, 2137 Lois Blvd. Lake Marianna Acres HOA President, asked about the impact on out-of-city residents. The un-incorporated subdivision on Lynchburg Rd has 311 homes. He asked if the rates would vary each month.

City Manager Leavengood replied the base rate is reduced and then the 25% surcharge would be added for the out-of-city users. Therefore, they would also see a similar reduction. The residents would see a different billing amount each month based on usage. The sewer charged is capped at 10,000 gallons to account for residents that only have one meter and may be using water for irrigation. Residents do not need to add an irrigation meter since the second meter would also pay the base rate plus the usage charge. The two scenarios work out to be similar rates (approx. \$1 dollar difference), however there is a \$625 charge (\$125 tap plus \$500 for the meter) to install an irrigation meter.

The **Commission** suggested the subdivision annex into the city to avoid the out-of-city surcharge and county fire assessment fee.

Leon Juday, 535 North Todhunter Way, asked about turn-off charges, when utilities would be shut-off, and who is responsible for determining when it will be shut-off. He also suggested the

cost for deposit should have a multiplier of 5 rather than a lower multiplier of 3. He thought this would reduce the amount of bad debt.

Amber Deaton, Finance Director reviewed the current billing practices. The bills go out on the 10th and are due on the 30th. If after the 30th there is a \$10 late fee. Then there is an additional 15 days to pay the bill before the service is disconnected. By this date you have received the bill for the following month. If the service is shut-off, the customer then owes for two and half months.

City Manager Leavengood stated that the ordinance adds language that the City Manager shall be the administrator of the City's utility systems. He then delegates the authority to the Finance and Public Works Directors. He also discussed the multiplier and the complaints about the high deposit. The bad debt is less than 1% on the operating expense. The rate can be monitored, the lower deposit will aid in customer service. He stated it is better to have the monthly revenue than a large deposit.

Commissioner Duncan asked about the bad debt and if it includes turn-off fees.

Commissioner Maultsby asked about a deposit for homeowners.

Wes Warren asked if the deposit would offset the amount owed.

Amber Deaton, Finance Director also stated that the deposit amount mentioned was not based on all services and that homeowners also pay a deposit. However not all properties have a deposit. Historically deposits were not collected or returned after a period of time.

The bad debt includes other fees and losses due to the death of residents. She also stated that the City continues to work towards collecting debt since the debt stays with the home, it may be collected during a property sale. More is collected when the market is good and houses are being sold/bought.

David Illian, 1 Bonny Shores Dr., Lakeland, Community Manager for 1675 Lynchburg Rd - Leisure Homes stated the community is master metered. He asked if the charge is then generated by the number of homes in the community.

John Deaton Public Works Director, stated that the community is billed based on 56 homes. The City then verifies that the community did not exceed the usage of 6,000 per residence. The City sells the water to the owner, then the owner then sells the water to the residents.

Vice Mayor Daley moved to approve Ordinance 1368-16 on second and final reading, seconded by **Commissioner Dearmin**. 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

3.) ORDINANCE 1369-16: CITY COMMISSION COMPENSATION (MAY 2017)

Assistant City Attorney Drew Crawford read the Ordinance title.

City Manager Leavengood stated the City Commission's compensation was last adjusted in 2005 to its current levels; \$3,600 for the Mayor & \$2,400 for Commissioners annually. The proposed ordinance increases the annual salary of the Mayor to \$6,000 and the annual salary of the Commissioners to \$5,000 which brings the salaries to approximately 80% of the surveyed average. The proposed increases would take effect at the beginning of May following the commencement of terms in the 2017 election consistent with the City's Charter provision regarding changes in Commission compensation.

Commissioner Maultsby asked if any changes needed to be made to the charter language.

City Manager Leavengood stated that the memorandum from the City Attorney should answer any questions. There was more concern with conflicts with state requirements rather than the city charter.

Assistant City Attorney Drew Crawford stated that the charter requires the City Commission to vote on their own salary and that it must be adopted by ordinance. Therefore there is a state exemption.

Vice Mayor Daley stated her opposition to the ordinance and asked for a roll-call vote.

Commissioner Maultsby moved to approve Ordinance 1369-16 City Commission Compensation on second and final reading, seconded by **Commissioner Duncan**. The motion was approved by roll call vote. There were no citizen comments.

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

4.) ORDINANCE 1370-16: POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT SYSTEM

Assistant City Attorney Drew Crawford read the Ordinance title.

City Manager Leavengood stated the City maintains a defined benefit retirement system for its public safety employees. Out of a survey of 159 plans the system ranked:

- 13th for Funding Ratio at 104% (meaning that the plan is 4% overfunded to meet its projected liabilities; 80% is considered a good funding level).
- 7th for required City Contributions at 7.3% of payroll (meaning that the plan is of lower cost to the City (e.g. Winter Haven Fire has a city contribution of 39.4%))
- Tied at 144th for benefit multiplier at 2.75%.
 - (3.00 multiplier would be tied for 66th place)

The proposed ordinance increases the multiplier for active participants in the Lake Alfred Police Officers' and Firefighters' Retirement System to 3.00%. This multiplier is consistent with the high risk category within the Florida Retirement System (FRS) and is the most common benefit level within the surveyed cities (77 out of 159; 48.4%). Haines City, Winter Haven, and Auburndale public safety systems all maintain benefit levels in excess of 3% ranging from 3.1% – 3.8%.

The benefit increase will result in an increase in the City's contribution from 7.9% to 11.1% of participating payroll or \$20,000 additional per year. The percentage amount is still well below other surveyed cities (13th at 11.1%). The increased contribution has been included in the preparation of the FY 16/17 budget.

Staff recommended approval of Ordinance 1370-16 on second and final reading.

Commissioner Maultsby stated many cities do not have a retirement plan that is in compliance and that the City is in great position to increase the compensation to the employees.

Commissioner Maultsby moved to approve Ordinance 1370-16 on second and final reading, 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

There were no citizen comments.

COMMISSIONER QUESTIONS AND COMMENTS

Commissioner Dearmin thankful of the budget and staff.

Commissioner Maultsby thanked the citizens and for the community improvements. Great City improving, lowering water bills and a balanced budget. He also encouraged the out-of city residents to talk to the City management about annexation.

Mayor Lake stated he attended the School Board News Conference and was surprised that there were not more elected officials. He attended the Mayors Roundtable, a presentation at Polytechnic to test toll equipment and driverless vehicles, and Discovery mock City Commission meeting scripted by Commissioner Duncan. He also had a citizen thank him in the efforts to reduce the water bills.

Vice Mayor Daley stated she attended the mock City Commission meeting, work day at Mackay, and that she appreciates the staff.

Commissioner Duncan asked about the status of the water level for the dock at Lions Park and about discussing recycling glass at the policy meeting.

John Deaton Public Works Director, stated that the material for the dock has arrived and the Canal Commission will construct the dock. The dock will be removed and the new dock will have sleeves.

City Manager Leavengood stated the sleeves will allow the dock to be moved up or down if needed. This option is more stable than the floating docks for ADA purposes. The new composite material should also last longer. Money is set aside for the next few years to replace the docks.

With there being no further business to discuss, Mayor Lake adjourned the meeting at 8:34 pm.

Respectfully Submitted,


Ameé Bailey
City Clerk