

City of Lake Alfred
120 E. Pomelo Street
Lake Alfred, FL 33850



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AGENDA
CITY COMMISSION MEETING
MONDAY, JUNE 1, 2015
7:30 P.M.
CITY HALL

CALL TO ORDER: MAYOR CHARLES LAKE

INVOCATION AND PLEDGE OF ALLEGIANCE: PASTOR MIKE JONES

ROLL CALL: DEPUTY CITY CLERK AMEÉ BAILEY

CITY MANAGER & CITY ATTORNEY ANNOUNCEMENTS

RECOGNITION OF CITIZENS: ITEMS NOT ON AGENDA

PROCLAMATION – FLAG DAY AND NATIONAL FLAG WEEK
CITY CLERK SWEARING IN CEREMONY - AMEÉ BAILEY-SPECK

CONSENT AGENDA:

- 1.) **CONSIDER APPROVAL OF MAY18, 2015 CITY COMMISSION MEETING MINUTES.**

AGENDA

- 1.) **PUBLIC HEARING: ORDINANCE 1353-15: PROPERTY TRANSFER**
- 2.) **PUBLIC HEARING: RESOLUTION 02-15: UNIFORM COLLECTION METHOD 2015 ASSESSMENT ROLL**
- 3.) **RESOLUTION 03-15: ESCHEATMENT OF LAND – FRUITLAND PARK**
- 4.) **RESOLUTION 04-15: FDOT HIGHWAY LIGHTING MAINTENANCE AGREEMENT**
- 5.) **RECYCLING DISCUSSION: REPUBLIC'S PROPOSED RENEWAL**

RECOGNITION OF CITIZENS (PLEASE LIMIT YOUR COMMENTS TO 5 MINUTES.)

COMMISSIONER QUESTIONS AND COMMENTS:

COMMISSIONER DUNCAN
COMMISSIONER MAULTSBY
MAYOR LAKE
VICE MAYOR DALEY
COMMISSIONER DEARMIN

ADJOURN



Proclamation

To recognize Flag Day and during National Flag Week, we pay tribute to the banner that weaves us together and waves above us all.

WHEREAS, on June 14, 1777, the Second Constitutional Congress adopted a flag with thirteen stripes and thirteen stars to represent our Nation, one star for each of our founding colonies; and

WHEREAS, through successes and struggles, the American flag has been ever present. It has flown on our ships and military bases around the world as we continue to defend liberty and democracy abroad. It has been raised in yards and on porches across America on days of celebration, and as a sign of our shared heritage. And it is lowered on days of remembrance to honor fallen service members and public servants; or when tragedy strikes and we join together in mourning. Our flag is the mark of one country, one people, uniting under one banner; and

WHEREAS, in 1949 to commemorate the adoption of our flag, the Congress, by joint resolution designated June 14 of each year as "Flag Day" and requested that the President issue an annual proclamation calling for its observance and for the display of the flag of the United States on all Federal Government buildings. Then in 1966, Congress also requested, by joint resolution, that the President annually issue a proclamation designating the week in which June 14 occurs as "National Flag Week" and call upon citizens of the United States to display the flag during that week.

THEREFORE, BE IT RESOLVED that the City of Lake Alfred formally designates June 14, 2015 as Flag Day and the week beginning June 14 as

"National Flag Week"

in the City of Lake Alfred and urges all citizens to observe with pride and all due ceremony those days from Flag Day through Independence Day, as a time to honor America, to celebrate our heritage in public gatherings and activities, to proudly display the flag and publicly recite the Pledge of Allegiance to the Flag of the United States of America.

IN WITNESS WHEREOF, I have hereunder set my hand this 1st day of June, 2015.

Charles O. Lake, Mayor
City of Lake Alfred, Florida

**LAKE ALFRED CITY COMMISSION MEETING
JUNE 1, 2015**

CONSENT AGENDA

1.) MAY 18, 2015 CITY COMMISSION MEETING MINUTES

ATTACHMENTS:

- May 18, 2015 Draft Minutes

ANALYSIS: Please review the minutes at your earliest convenience and if there are any questions, comments or concerns please contact the Interim City Clerk, Valerie Ferrell or Deputy Clerk Ameen Bailey at (863) 291-5747.

DRAFT MINUTES
CITY OF LAKE ALFRED
CITY COMMISSION MEETING
MONDAY, MAY 18, 2015
7:30 P.M.
CITY HALL

Call to Order: Mayor Charles Lake

Invocation and Pledge of Allegiance: Ron Schelfo

Roll Call: Those in attendance were Mayor Charles Lake, Vice Mayor Nancy Daley, Commissioner Jack Dearmin, Commissioner John Duncan, Commissioner Albertus Maultsby, City Manager Ryan Leavengood, Assistant City Attorney Seth Claytor, and Deputy City Clerk Ameen Bailey.

Staff attendance: Public Works Director John Deaton, Fire Chief Chris Costine, Finance Director Amber Deaton, Parks and Recreation Superintendent Richard Weed.

CITY MANAGER ANNOUNCEMENTS

City Manager Leavengood stated Registration for Summer Camp is open for kids ages 5-12. Summer camp is eight weeks starting on June 8th. This year includes new field trips and activities. Interested parties can visit the website or contact Parks and Recreation for more information on the camp or temporary summer positions.

A Medicare 101 Workshop will be hosted by Dennis Nagle & David Walls at the Lake Alfred Library on Tuesday, May 19th from 4 till 5:30pm.

The City will be closed in observance of Memorial Day on May 25th.

The Lake Alfred Library will be hosting a variety of events over the summer including superhero movies, crafts, touch-a-truck, and more. Check out the website for more details.

CITY ATTORNEY ANNOUNCEMENTS

There were no legal announcements.

RECOGNITION OF CITIZENS

There were no citizen statements.

PROCLAMATION: COMMUNITY ACTION MONTH

Mayor Lake read the proclamation for Community Action Month and called upon each citizen to recognize the hard work and dedication of Lake Alfred's Community Action agencies, and encourages citizens to assist in the goal to help low-income families move out of poverty and achieve economic security.

Al Miller from the Agricultural and Labor Program, Inc. (ALPI) was on hand to accept the Proclamation. ALPI is a Community Action Group whose mission is to propose, implement, and advocate development and human service delivery programs for the socially and economically disadvantaged; children and families; and farm workers. Mr. Miller gave a summary of Community Action in Lake Alfred by ALPI stating they have served 83 families over the past year. In addition they have provided funds to help pay for emergency electricity (\$35,000+) for elderly or low income families.

CENTENNIAL BADGE CEREMONY FOR THE FIRE DEPARTMENT

Chief Chris Costine stated how proud he was of the Fire Fighters in a difficult line of work. He then presented each of the Fire Fighters for pinning. He stated their years of service, type of duty, and who was pinning the officer. The officers were then pinned by family or friend. Officers receiving the Centennial Badges included: Chief Chris Costine, Captain Michael Jeff Allen, and Fire Fighters Wilder "Will" Rodrigues, William Emro, Christopher Varner, and Frederick Poke. Captain Brian Beasley, Captain Wallace Nix and Fire Fighters Charles Parr and Hunter Hart were absent.

CONSENT AGENDA: APPROVE CITY COMMISSION MEETING MINUTES 5/4/15.

Commissioner Dearmin moved to approve the City Commission Meeting minutes from May 4, 2015; seconded by **Commissioner Maultsby** and the motion was approved by unanimous voice call vote. There were no public comments.

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

AGENDA

1.) PUBLIC HEARING: ORDINANCE 1351-15: INVESTMENT POLICY

Assistant City Attorney Seth Claytor read the ordinance title.

City Manager Leavengood stated as a part of a comprehensive review of City codes and policies, city staff has identified an opportunity to improve the City's investment policy related to surplus funds. In 2003, the City adopted an investment policy following a state audit. The adopted investment policy is complex both with its requirements and investment ratios and it gives access to investment products that are higher risk. The current policy may be appropriate in organizations that have a true investment "portfolio" with specialized finance staff or contracted fund managers that would manage the City's portfolio in accordance with a detailed policy but has little value to the City. The proposed ordinance repeals the current investment policy, thereby deferring to the state's simple and conservative investment policy provided for in state statutes (F.S. 218.415(17)).

The state policy allows for local governments to invest surplus public funds in only a few options including intergovernmental investment pools for which the Florida League of Cities would qualify. The league is a trusted partner with the City, handling our workers compensation, property/liability insurance, and pension investments for the general employee retirement

DRAFT

system. They offer quality low risk investment options that are simple to use and are the only investment option we would need to utilize as a City for surplus funds. The City currently has approximately \$600,000 in unrestricted enterprise reserves invested in several low risk bond funds with the league. Staff Recommendation is to approve Ordinance 1351-15 on second and final reading.

Assistant City Attorney Seth Claytor clarified that the Florida Statue is designed to place the highest priority on the safety of principle funds. In addition only funds in excess of those required to meet current expenses are eligible to be invested.

Commissioner Maultsby asked about the rate of return for these investments.

Mayor Lake asked how liquid the funds are to the City.

City Manager Leavengood stated that the current plan is very complex. Reserves were in a bank account gaining very little interest and a low risk investment seemed more beneficial for the City. Since there are reserves the City should try to get the best return possible while still protecting the investment. The City has been reviewing all the City policies and codes and saw this policy as a possible liability. This new proposed policy defers to the State Statue.

Finance Director Amber Denton stated that the reserves are currently in three different bond funds with the Florida League of Cities. Also the earnings are listed within the monthly the Revenues and Expenses (R&E) report. The City has made over \$8,000 on \$600,000 over the past 6+ months. The new policy is more restrictive and limits labiality. She also stated there is a timeframe to access the bond funds however the sweet fund is fully liquid at Center State Bank.

City Manager Leavengood asked the Finance Director to add benchmarking tools and return on investment for each fund to the next R&E statements for the Commissioners. The FLC also manages the City's pension and workers compensation and they have all the tools the City would need for investing the revenues. He also stated the \$600,000 is very conservative since the City has over \$2 million in reserves between the enterprise and general fund.

Commissioner Dearmin moved to approve Ordinance 1351-15 on second and final reading; seconded by **Commissioner Duncan**. The motion was approved by unanimous voice call vote. There were no public comments.

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

2.) ORDINANCE 1353-15: PROPERTY TRANSFER WITH EAGLE-RIDGE, INC.

Mayor Lake read the ordinance title.

City Manager Leavengood stated on February 2, 2015 the City Commission authorized the execution of an agreement to convey approximately 80 acres of surplus spray field property to the University of Florida (UF) in return for two commercial properties in downtown Lake Alfred.

Per section 2.09(d.7) of the Lake Alfred City Charter the conveyance or lease of any city lands must be done so by ordinance. The proposed ordinance is consistent with the previously executed agreement and is being presented to satisfy the charter requirement. Staff Recommendation is to approve Ordinance 1353-15 on first reading.

Vice Mayor Daley asked about the rationale for the ordinance.

City Manager Leavengood stated that the ordinance is a charter requirement to officially authorize the land transfer in the existing agreement. He then gave an update on the process that has occurred. Staff and attorneys have reviewed the title work, surveys and easements. The Phase II Environmental Assessment was clear for the Buchanan Building and the site would be ready for re-development. The next item for that property would be demolition bids and direction from the Central Florida Development Council. The Hughes building will be utilized by Parks and Recreation freeing up space at the Public Works facility.

City Manager Leavengood also discussed the changes in acreage that occurred during the process. The acreages changed due to wetlands and the desire by the UF to include a well from the City property for irrigation. The City had purchased 400 acres of spray field property in 1989 with the bond. However, the City only needs approximately 150 acres of the remaining 320 acres to discharge effluent waste water based on the future estimated water demands. The White property is also less valuable to the City since it cannot be used as a spray field. The City will need to spend some money on piping to discharge water onto a different part of the property that the City will maintain. In addition the UF may also use some effluent water for irrigation.

Mayor Lake mentioned if approved tonight the public hearing would be held on June 1, 2015.

Vice Mayor Daley asked about the possibility to utilize a private company for recruiting additional businesses into City of Lake Alfred since the City has the funding and control of some property that could be re-developed. She also asked about the tax liabilities for the City regarding the future sale of the property.

City Manager Leavengood mentioned use of the Polk County Economic Development Council for commercial development opportunities or assisting with recruitment. The properties are of equal value, therefore no taxes. However there would be taxes on the gain from the future sale.

Commissioner Duncan asked if the funds used to demo of the building could be deducted from the capital gains. He also asked who Eagle Ridge was in relation to UF.

Assistant City Attorney Seth Claytor clarified the 1031 tax deferral incentives of capital from the sale. The tax code also requires the reasonably equivalent value. He responded that additional research would be needed regarding the reduction of the demo cost.

City Manager Leavengood stated Eagle Ridge is the land holding company for the Jim Hughes estate, which is controlled by UF.

Lowell Schmidt, 3650 East Sanford St., stated that Jim Hughes left his estate to Institute of Food and Agricultural Science (IFAS). He asked for clarification for IFAS versus UF and who the City is dealing with regarding the property transfer.

City Manager Leavengood stated that the City is dealing with the UF real estate office; however it is IFAS who is making the decisions. IFAS will utilize the additional property for additional research.

Vice Mayor Daley moved to approve Ordinance 1351-15 on first 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.) HOLIDAY DECORATION PROJECT

City Manager Leavengood stated in April of 2015 the City Commission gave conceptual approval of the City's capital improvement program (CIP) to be included in the FY 15/16 Budget. Within the approved plan, the City Commission advanced a holiday decoration project to the upcoming FY 15/16 Budget beginning on October 1, 2015. In recognition of the lead times and price discounts associated with this project staff is recommending to advance funding now in order to complete the project in time for the 2015 holiday season. The CIP will be amended to show a multiyear repayment to reserves to account for the project's expense of \$25,000 re-investment into the CIP for approximately 2 years.

City staff has reached out to several holiday decoration companies to research options and general pricing and have attached several different styles for consideration. Decorating every other pole would require 63 decorations (recommended purchase of 80 which includes shipping and brackets).

As a part of this project staff has also identified an opportunity to purchase a 26ft-30ft "paneled" tree to be placed in Gardner Park during the holiday season. The tree we currently use needs to be removed and will allow for the extension of the sidewalk network in Gardner Park.

The total price for 80 decorations, tree, shipping and handling was as follows:

- Holiday Design: \$42,200
- Temple Display: \$48,782

Holiday Design is a direct manufacturer and presented pricing lower across the board for all options. Additionally, Holiday Design is the supplier for the City of Winter Haven which provided a good reference for the company.

The City also solicited bids for providing power on the power for the decorations:

- Montoya Electric: \$14,175 (\$225 per pole)
- Reiter Electric: declined to bid

Montoya electric currently provides maintenance on the poles for the City through our maintenance agreement with FDOT (and most of the County) and was the contractor that originally installed the poles for FDOT as a part of the road project.

Staff recommendation is to advance up to \$60,000 to complete the holiday decoration project and authorize staff to make purchase of goods and services from Holiday Design and Montoya Electric. Then the decoration needs to be chosen. The product by Holiday Design comes with a 10 manufactures warranty, 5years for the electrical components and powder coating.

Vice Mayor Daley commented on the designs and keeping a theme to help identify the City. She also stated she liked the poinsettias and that the companies should send a sample for review. She stated the size of the three poinsettias design was good.

Mayor Lake commented on the design stating he also like the idea of one decoration with the poinsettias, which could also be used during the parade.

Commissioner Dearmin asked about the decorations for the adjacent cities.

Deputy City Clerk Amée Bailey stated that the City of Winter Haven does have the candle with the poinsettias which is why staff listed other decorations with poinsettias such as the dove and bells. She also stated that the purchase of all 80 designs and the three poinsettias would be a little more since the quote was for 40 of each and the candle design was less.

Judy Schelfo, 640 East Lakeview Rd., stated she also liked the poinsettias since they are traditional.

Commissioner Maultsby mentioned using the money for a utility rate study on the holiday decorations instead of the rate study. The last time the City completed a rate study, the study recommended increasing rates. However, the Commission did not approve the rate increase because the funds were not needed.

City Manager Leavengood stated that the project is less than originally expected and the early purchase is reducing the cost. He also stated that the funds for the rate study would come from the Enterprise fund. He mentioned there is a difference between the type of rate study Lake Alfred needs compared to Winter Haven. The goal of the study is not to generate funds rather the study is needed to restructure rates and to benefit residential customers with a conservation rate. Currently, there is very little difference between high water users and small water users. A rate structure based on usage could promote water conservation. The last time the sewer rate was reviewed was in 1990 and 2003 for the water rate. The Commission may also want to review an inflation clause as mentioned by the City Auditor.

Vice Mayor Daley moved to advance up to \$60,000 to complete the holiday decoration project and authorize staff to make purchase of goods and services from Holiday Design and Montoya Electric; 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

The Commission conceptual approved the triple poinsettia design upon review of a sample.

RECOGNITION OF CITIZENS

Ron Schelfo, 640 East Lakeview Rd., commented on citizens and their participation on City boards and committees. He stated that no one person is the driving force of the actions of these groups.

COMMISSIONER QUESTIONS AND COMMENTS

Commissioner Maultsby mentioned that there is an invasive tree (Brazilian Pepper) growing close to the Veterans Memorial trail may need to be inspected or removed for public safety. The area is between Echo St. and Hwy 17/92.

Commissioner Dearmin acknowledged Fire Fighters and staff for their dedication and maintenance of property within the City. He stated summer is coming and everyone needs to be cautious of dehydration.

Vice Mayor Daley mentioned the June 11 Ridge League Dinner in Lakeland. She stated she enjoyed the centennial pinning ceremonies.

Mayor Lake mentioned the loss Lee Jonson a former Mayor of Lake Alfred and veteran. He spoke with the City Manager regarding a plaque at the Veterans memorial. The former City Attorney Robert Crittenden also passed away recently. Lastly he mentioned the loss of William Jones.

He stated the good news was that last Saturday was the ribbon cutting for the Harvest Meat Market grand opening. In addition the LAAMS Leadership team visited the City and was informed about city management and toured the City. Last Friday the First Baptist Church held a Responder Appreciation Day and supplied meals for the police officer, fire fighters and EMTs.

He mentioned the next Chamber meeting which would be Wednesday. The subject is the TPO's Momentum 2040. He will also be attending the Central Florida Water Initiative (CFWI) for water solution. He will also be attending his First Mayors Round Table in two weeks representing the City.

He mentioned that during the time capsule research he discovered that Frank Gardner who basically founded Lake Alfred the Gardner Monument in Gardner Park was dedicated on June 10 1995 with Commissioner Maultsby and members of the Gardner family in attendance. He recommended the City hold a re-dedicate ceremony on June 10, 2015 as part of the centennial tributes.

Lastly he mentioned the new sign in front of City Hall.

Commissioner Duncan mentioned that the City Stats for Florida League of Cities (FLC) is due by June 1. He stated he attended a FLC workshop on what every municipal official needs to know about the National Flood Insurance Program and Community Rating System. He mentioned there is an opportunity to reduce the flood insurance premiums for the citizens similar to the ISO for fire. He also mentioned that the baseball season ended and there should be a plaque presented to the Mayor soon.

With there being no further business to discuss, Mayor Lake adjourned the meeting at 8:52 pm.

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Respectfully Submitted,

Ameé N. Bailey
Deputy City Clerk

Reviewed by

Valerie Ferrell
Interim City Clerk

**LAKE ALFRED CITY COMMISSION MEETING
JUNE 1, 2015**

AGENDA

**1.) ORDINANCE 1353-15: PROPERTY TRANSFER WITH EAGLE-RIDGE, INC.
(UPDATED)**

ISSUE: The City Commission will consider a proposed Addendum to Agreement for Land Exchange and Ordinance No. 1353-15 on second and final reading. The purpose is to provide for a land exchange agreement with Eagle Ridge, Inc. for commercial property in downtown Lake Alfred in exchange for a city owned grove property.

ATTACHMENTS:

- Proposed Ordinance 1353-15 (Revised)
- Executed Property Swap Agreement
- Proposed Addendum to Agreement for Land Exchange (Addition)
- Charter excerpt 2.09

ANALYSIS: On February 2, 2015 the City Commission authorized the execution of an agreement to convey approximately 80 acres of surplus sprayfield property to the University of Florida in return for two commercial properties in downtown Lake Alfred.

As discussed in the May 18, 2015 City Commission Meeting there has been a change in the final property boundaries from the original agreement authorization. Therefore, the legal descriptions have been revised to slightly reduce the overall acreage. This affects both the lands the City will convey to Eagle Ridge and the lands over which the City will retain a perpetual easement for ingress and egress to adjacent lands that the City will continue to own. As a result Eagle Ridge is agreeable to entering into an Addendum with the City showing the revised legal descriptions for the City Property and Easement as well as extending the closing for 30 days to on or before June 30, 2015.

Per section 2.09(d.7) of the Lake Alfred City Charter the conveyance or lease of any city lands must be done so by ordinance. The proposed ordinance is consistent with the previously executed agreement and is being presented to satisfy the charter requirement.

STAFF RECOMMENDATION:

1. Approve Addendum to Agreement for Land Exchange
2. Approve Ordinance 1353-15 on second and final reading

ORDINANCE NO. 1353-15

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA, APPROVING THE AGREEMENT FOR LAND EXCHANGE BETWEEN THE CITY OF LAKE ALFRED AND EAGLE-RIDGE, INCORPORATED AND AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE AND DELIVER DEEDS AND OTHER INSTRUMENTS TO CONVEY CERTAIN REAL PROPERTY TO EAGLE-RIDGE, INCORPORATED IN ACCORDANCE WITH THE APPROVED AGREEMENT FOR LAND EXCHANGE AND RESERVING A PERPETUAL EASEMENT IN FAVOR OF THE CITY TO ACCESS ADJACENT REAL PROPERTY OWNED BY THE CITY OF LAKE ALFRED; REPEALING ALL ORDINANCES IN CONFLICT HERewith; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Eagle-Ridge, Incorporated desires to acquire ownership of certain real property now owned by the City of Lake Alfred, Florida; and

WHEREAS, the City of Lake Alfred desires to acquire ownership of certain real property now owned by Eagle-Ridge, Incorporated; and

WHEREAS, an Agreement for Land Exchange (hereinafter "Agreement") between the City of Lake Alfred and Eagle-Ridge, Incorporated contemplates a 1031 Exchange (under the rules and regulations of the Internal Revenue Service) of real properties that are reasonably equivalent in value to each party to the transaction; and

WHEREAS, on February 2, 2015, the City Commission in an open public meeting approved the Agreement between the City of Lake Alfred and Eagle-Ridge, Incorporated in order to allow the parties to the Agreement to conduct due diligence matters within the subsequent forty-five (45) business day period. Prior to the adoption of this Ordinance the parties entered into an Addendum to the Agreement ("Addendum") which revised the legal description of the lands that the City would convey and transfer to Eagle-Ridge, Incorporated and retain an easement for ingress and egress and extends the closing date to on or before June 30, 2015. Said Agreement and Addendum are attached hereto as Schedule "A" and incorporated herein by reference; and

WHEREAS, said real properties are described on Exhibit "A" to Schedule "A" (hereinafter "Eagle-Ridge Property") and on Exhibit "B-R" to Schedule "A" (hereinafter "City Property") both of which Exhibits are attached to Schedule "A" which is attached hereto and incorporated herein by reference; and

WHEREAS, City staff and representatives of Eagle-Ridge, Incorporated conducted and performed due diligence that each party determined to be appropriate including but not limited to surveys, environmental assessments and appraisals; and

WHEREAS, the due diligence performed by each party has been reviewed and considered and as a result thereof each party is satisfied and desires to proceed with a closing of the transaction in accordance with the terms of the Agreement and Addendum; and

WHEREAS, the City shall retain a perpetual easement over, on, upon, through and under the City Property it conveys to Eagle-Ridge, Incorporated as described on Exhibit "C-R" attached to Schedule "A" which is attached hereto and incorporated herein by reference, to access adjacent real property owned by the City of Lake Alfred; and

WHEREAS, it is in the best interests of the health, safety and welfare of the residents and citizens of the City of Lake Alfred to convey the City Property to Eagle-Ridge, Incorporated and for Eagle-Ridge, Incorporated to convey the Eagle-Ridge Property to the City in accordance with the terms of the Agreement approved by the City Commission on February 2, 2015, and Addendum approved by the City Commission.

NOW THEREFORE, BE IT ORDAINED by the City Commission of the City of Lake Alfred, Florida that this Ordinance is hereby passed for the protection and welfare of the citizens of Lake Alfred, and that:

SECTION 1. RECITAL INCORPORATED.

The above recitals are incorporated herein and form a factual basis for the passage of this Ordinance.

SECTION 2. AGREEMENT AND ADDENDUM APPROVAL.

That the Agreement and Addendum between the City of Lake Alfred and Eagle-Ridge, Incorporated regarding the conveyance of the City Property to Eagle-Ridge, Incorporated and the conveyance of the Eagle-Ridge Property to the City of Lake Alfred are hereby approved.

SECTION 3. AUTHORIZATION.

The proper City Officials are hereby authorized and empowered to execute and deliver a deed of conveyance thereof for the City Property to be conveyed to Eagle-Ridge, Incorporated described on Exhibit "B-R" to Schedule "A" attached hereto and incorporated by reference and reserving a perpetual easement over, on, upon, through and under the City Property as more particularly described on Exhibit "C-R" to Schedule "A" attached hereto and incorporated by reference in order to have access to adjacent real property still owned by the City of Lake Alfred and execute and deliver other necessary instruments to Eagle-Ridge, Incorporated in accordance with the terms of the Agreement and Addendum attached hereto as Schedule "A" which is incorporated herein by reference.

SECTION 4. SEVERABILITY.

If any provision or portion of this Ordinance is declared by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then all remaining provisions and portions of this Ordinance shall remain in full force and effect.

SECTION 5. CONFLICTS.

All ordinances in conflict herewith are repealed.

SECTION 6. EFFECTIVE DATE.

This ordinance shall become effective immediately upon final adoption.

INTRODUCED AND PASSED on First Reading this 18th day of May, 2015.

PASSED AND ADOPTED on Second Reading this 1st day of June, 2015.

CITY OF LAKE ALFRED

Charles O. Lake, Mayor

ATTEST:

Ameé Bailey-Speck, City Clerk

APPROVED AS TO FORM:

Frederick J. Murphy, Jr., City Attorney

DRAFT ORDINANCE NO. 1353-15

AN ORDINANCE OF THE CITY OF LAKE ALFRED, FLORIDA, APPROVING THE AGREEMENT FOR LAND EXCHANGE BETWEEN THE CITY OF LAKE ALFRED AND EAGLE-RIDGE, INCORPORATED AND AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE AND DELIVER DEEDS AND OTHER INSTRUMENTS TO CONVEY CERTAIN REAL PROPERTY TO EAGLE- RIDGE, INCORPORATED IN ACCORDANCE WITH THE APPROVED AGREEMENT FOR LAND EXCHANGE AND RESERVING A PERPETUAL EASEMENT IN FAVOR OF THE CITY TO ACCESS ADJACENT REAL PROPERTY OWNED BY THE CITY OF LAKE ALFRED; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Eagle-Ridge, Incorporated desires to acquire ownership of certain real property now owned by the City of Lake Alfred, Florida; and

WHEREAS, the City of Lake Alfred desires to acquire ownership of certain real property now owned by Eagle-Ridge, Incorporated; and

WHEREAS, an Agreement for Land Exchange (hereinafter "Agreement") between the City of Lake Alfred and Eagle-Ridge, Incorporated contemplates a 1031 Exchange (under the rules and regulations of the Internal Revenue Service) of real properties that are reasonably equivalent in value to each party to the transaction; and

WHEREAS, on February 2, 2015, the City Commission in an open public meeting approved the Agreement between the City of Lake Alfred and Eagle-Ridge, Incorporated in order to allow the parties to the Agreement to conduct due diligence matters within the subsequent forty-five (45) business day period. Said Agreement is attached hereto as Schedule "A" and incorporated herein by reference; and

WHEREAS, said real properties are described on Exhibit "A" to Schedule "A" (hereinafter "Eagle-Ridge Property") and Exhibit "B" to Schedule "A" (hereinafter "City Property") both of which Exhibits are attached to Schedule "A" which is attached hereto and incorporated herein by reference; and

WHEREAS, City staff and representatives of Eagle-Ridge, Incorporated conducted and performed due diligence that each party determined to be appropriate including but not limited to surveys, environmental assessments and appraisals; and

WHEREAS, the due diligence performed by each party has been reviewed and considered and as a result thereof each party is satisfied and desires to proceed with a closing of the transaction in accordance with the terms of the Agreement; and

WHEREAS, the City shall retain a perpetual easement over, on, upon, through and under the City Property it conveys to Eagle-Ridge, Incorporated to access adjacent real property owned by the City of Lake Alfred as described on Exhibit "C" attached to Schedule "A" which is attached hereto and incorporated herein by reference; and

WHEREAS, it is in the best interests of the health, safety and welfare of the residents and citizens of the City of Lake Alfred to convey the City Property to Eagle-Ridge, Incorporated and for Eagle-Ridge, Incorporated to convey the Eagle-Ridge Property to the City in accordance with the terms of the Agreement approved by the City Commission on February 2, 2015.

NOW THEREFORE, BE IT ORDAINED by the City Commission of the City of Lake Alfred, Florida that this Ordinance is hereby passed for the protection and welfare of the citizens of Lake Alfred, and that:

SECTION 1. RECITAL INCORPORATED.

The above recitals are incorporated herein and form a factual basis for the passage of this Ordinance.

SECTION 2. AGREEMENT APPROVAL.

That the Agreement between the City of Lake Alfred and Eagle-Ridge, Incorporated regarding the conveyance of the City Property to Eagle-Ridge, Incorporated and the conveyance of the Eagle-Ridge Property to the City of Lake Alfred is hereby approved.

SECTION 3. AUTHORIZATION.

The proper City Officials are hereby authorized and empowered to execute and deliver a deed of conveyance thereof for the City Property to be conveyed to Eagle-Ridge, Incorporated described on Exhibit "B" and reserving a perpetual easement over, on, upon, through and under the City Property in order to have access to adjacent real property still owned by the City of Lake Alfred and execute and deliver other necessary instruments to Eagle-Ridge, Incorporated in accordance with the terms of the Agreement attached hereto as Schedule "A".

SECTION 4. SEVERABILITY.

If any provision or portion of this Ordinance is declared by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then all remaining provisions and portions of this Ordinance shall remain in full force and effect.

SECTION 5. CONFLICTS.

All ordinances in conflict herewith are repealed.

SECTION 6. EFFECTIVE DATE.

This ordinance shall become effective immediately upon final adoption.

INTRODUCED AND PASSED on first reading at the regular meeting of the Lake Alfred City Commission held on the 18th day of May, 2015.

PASSED AND ADOPTED on second reading at the meeting of the Lake Alfred City Commission duly assembled on the 1st day of June, 2015.

CITY OF LAKE ALFRED

Charles O. Lake, Mayor

ATTEST:

Ameé Bailey-Speck, City Clerk

APPROVED AS TO FORM:

Frederick J. Murphy, Jr., City Attorney

SCHEDULE "A"

AGREEMENT FOR LAND EXCHANGE

THIS AGREEMENT, made and entered into on February 2, 2015, between **EAGLE - RIDGE, INCORPORATED**, Florida corporation (Eagle Ridge), and the **CITY OF LAKE ALFRED**, a Florida municipal corporation (City).

BACKGROUND/RECITALS

WHEREAS, the parties have agreed to enter into an agreement for a concurrent land exchange under Section 1031 of the Internal Revenue Code and/or other applicable similar law, rule and regulation, whereby Eagle Ridge will convey to the City certain property and in exchange the City will convey to Eagle Ridge certain other property; and

WHEREAS, the City Commission of the City has found and determined by a unanimous vote that it is in the public interest to waive the provisions of Article VII of Chapter 2 of the City of Lake Alfred Code of Ordinances regarding the purchase, sale or lease of public lands; and

WHEREAS, the City and Eagle Ridge have found and determined that the exchange of the lands as contemplated herein is in the best interests of the residents and citizens of Lake Alfred and the residents of the State of Florida; and

WHEREAS, the City and Eagle Ridge have found and determined and acknowledge and agree that the monetary value of the lands that are contemplated to be exchanged in this Agreement are of about approximately equal value and that each party is receiving the benefit and furtherance of goals and policies of their respective organizations as a result of the land exchange contemplated herein; and

Therefore, the parties hereby covenant and agree as follows:

1, Eagle Ridge shall transfer and convey to the City the real property located in Polk County, Florida, and described on Exhibit A attached hereto and incorporated by reference (the Eagle Ridge Property). The Eagle Ridge Property shall be transferred to the City free and clear of any and all liens and encumbrances, except for any title matters approved by the City as set forth below. Any real estate taxes that may be due for the Eagle Ridge Property shall be paid by Eagle Ridge and escrowed at closing and remitted to the Polk County Tax Collector by Closing Agent.

2. Concurrently with the transfer of the Eagle Ridge Property to the City, the City shall transfer and convey to Eagle Ridge the real property located in Polk County, Florida, and described on Exhibit B hereto and incorporated by reference (the City Property). The City Property shall be transferred to Eagle Ridge free and clear of any and all liens and encumbrances, , any title matters approved by Eagle Ridge as set forth below, and a reserved easement for ingress and egress to and from other property owned by the City, as described on Exhibit C attached hereto and incorporated by reference. Any real estate taxes that may be due as a result of the transfer and conveyance of the City Property to Eagle Ridge shall be the obligation of Eagle Ridge.

3. A. Eagle Ridge shall have sixty (60) business days (Eagle Ridge Inspection Period) after the effective date of this Agreement in which to perform, at Eagle Ridge's cost, any and all due diligence Eagle Ridge determines to be necessary. Such due diligence may include, but not be limited to, obtaining a title insurance binder, survey, and environmental audit. Should Eagle Ridge determine for any reason that the Property is not suitable for Eagle Ridge's intended use, then Eagle Ridge may terminate this Agreement by written notice to the City no later than thirty days after expiration of the Eagle Ridge Inspection Period.

B. Eagle Ridge shall share the results of its due diligence and/or inspections of the lands with City at such time as they become available and upon request by City. Eagle Ridge shall be solely liable for all costs and expenses, or damage or injury to any person or property resulting from any such due diligence it may conduct on the lands currently owned by City, whether caused by the acts of Eagle Ridge or any of its employees, agents, contractors, consultants or representatives, and Eagle Ridge shall indemnify, defend and hold harmless City its elected and appointed officials, employees, and agents from any liability, claims and expenses (including, without limitation, construction liens and/or reasonable attorneys' fees and costs) resulting therefrom. In the event any notice to owner or claim of lien is filed arising out of Eagle Ridge's contractors, subcontractors, professionals, laborers, or suppliers, Eagle Ridge shall promptly obtain a release of lien from the claimant or lienor, or, alternatively, where appropriate, Eagle Ridge may transfer such a lien to a cash bond pursuant to the requirements of Chapter 713, Florida Statutes. Eagle Ridge shall restore the lands to substantially the same condition as it existed prior to Eagle Ridge activities and shall remove and dispose of any waste generated by Eagle Ridge's activities in compliance with all applicable laws, regulations and requirements. The obligations of Eagle Ridge under this paragraph shall survive the Closing and/or any termination of this Agreement.

4. A. The City shall have sixty (60) business days (City Inspection Period) after the effective date of this Agreement in which to perform, at the City's cost, any and all due diligence the City determines to be necessary. Such due diligence may include, but not be limited to, obtaining a title insurance binder, survey, and environmental audit. Should the City determine for any reason that the Property is not suitable for the City's intended use, then the City may terminate this Agreement by written notice to Eagle Ridge no later than thirty days after expiration of the City Inspection Period.

B. City shall share the results of its due diligence and/or inspections of the lands with Eagle Ridge at such time as they become available and upon request by Eagle Ridge. City shall be solely liable for all costs and expenses, or damage or injury to any person or property resulting from any such due diligence it may conduct on the lands currently owned by Eagle Ridge, whether caused by the acts of City or any of its employees, agents, contractors, consultants or representatives, and City shall indemnify, defend and hold harmless Eagle Ridge its appointed officials, employees, and agents from any liability, claims and expenses (including, without limitation, construction liens and/or reasonable attorneys' fees and costs) resulting therefrom. In the event any notice to owner or

claim of lien is filed arising out of City's contractors, subcontractors, professionals, laborers, or suppliers, City shall promptly obtain a release of lien from the claimant or lienor, or, alternatively, where appropriate, City may transfer such a lien to a cash bond pursuant to the requirements of Chapter 713, Florida Statutes. City shall restore the lands to substantially the same condition as it existed prior to City activities and shall remove and dispose of any waste generated by City's activities in compliance with all applicable laws, regulations and requirements. The obligations of City under this paragraph shall survive the Closing and/or any termination of this Agreement.

5. After receipt of the title binder, each party shall have thirty days within which to notify the other, in writing, of any defects in title. "Defects" include, but are not limited to, encroachments by structures, and violations of covenants. Upon receipt of such notice, the owner of that property shall have a reasonable time within which to cure such defects and shall exercise due diligence to do so, but shall not be obligated to institute or pursue any litigation.

6. Each party agrees that, upon reasonable notice, the other party's representatives or agents may enter the other's property for all lawful purposes in connection with this Agreement, including, but not limited to any inspections, tests, surveys, or studies to be done during the inspection period. The entering party shall be responsible for damage or injury to persons or property resulting from its entry (or entry by its representatives or agents) upon the property.

7. The closing of the transaction shall occur no later than June 1, 2015. Each party shall bear all its own costs of closing, including its attorneys' fees, title insurance for the property being acquired by such party, and the cost of recording the deed to the party. Conveyance by both parties shall be by special warranty deed.

8. Entire Agreement. This Agreement contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Any amendment to this Agreement shall not be binding upon any of the parties hereto unless such amendment is in writing and executed by authorized representatives of City and Eagle Ridge.

9. Governing Law and Venue. This Agreement shall be interpreted under the laws of the State of Florida. Venue for any actions arising out of the terms of this Agreement shall be exclusively in the State Courts in and for Polk County, Florida.

10. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

11. Days as set forth in this Agreement shall mean calendar days unless specifically indicated otherwise.

12. The effective date of this Agreement shall be the date on which the City Commission of City approves this Agreement.

13. Time is of the essence of this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed in their respective names, on the date first above written.

WITNESSES:

**EAGLE - RIDGE, INCORPORATED, a
Florida corporation ("Eagle Ridge")**


Print Name: Tonya Birmingham

By: DMC
Print Name: David M. Christie
Title: President


Print Name: Susan G. Goffman

Date: 1/24/15

Approved

OFF Legal Counsel

THE CITY OF LAKE ALFRED ("CITY")

ATTEST:

By: Nancy Z. Daley
Nancy Z. Daley, Mayor

By: Valerie Ferrell
Valerie Ferrell, Interim City Clerk

Date: February 2, 2015

Approved as to Form and Legal
Sufficiency:

By: Frederick J. Murphy, Jr.
Frederick J. Murphy, Jr.
City Attorney

EXHIBIT "A"

DESCRIPTION:

(OFFICIAL RECORDS BOOK 7444, PG. 0937-0938, PUBLIC RECORDS OF POLK COUNTY, FLORIDA)

Lots 11, 12, 13, 14, 15, and 16, of Block 5 of Arbuthnot Subdivision to Lake Alfred, Florida, as shown by map or plat thereon recorded in the office of the Clerk of the Circuit Court in and for Polk County, Florida, in Plat Book 23, Pages 26 and 26A. Parcel ID# 322726-501000-005110

AND

Lot 4 of the Replat of Arbuthnot Subdivision to Lake Alfred, Florida, as shown by map or plat thereon recorded in the office of the Clerk of the Circuit Court in and for Polk County, Florida, in Plat Book 26, Pages 40 and 40A. Parcel ID# 322726-502000-00040

DESCRIPTION: (PROVIDED O.R. 7397, PGS 1565-1567)

South 51.5 feet of Lots 1 through 5, Block 18 of the original TOWN OF CODINGTON (now Lake Alfred) as per plat recorded in Plat Book 1, Page 61, Public Records of Polk County, Florida.

EXHIBIT "B"

17477 BNDY LGL.doc

Lake Alfred Parcel

That part of Section 21, Township 27 South, Range 26 East, Polk County, Florida, described as follows:

Begin at a 3"x3" concrete monument at Southeast corner of Section 21; thence S 89°39'18" W along the south line of said Section 21 a distance of 2657.91 feet to a found 1/2" pipe at the south quarter corner of said Section 21; thence S 89°40'19" W along the south line of said Section 21 a distance of 210.90 feet; thence N 00°19'41" W a distance of 480.00 feet; thence N 89°40'19" E a distance of 500.00 feet; thence N 00°19'41" W a distance of 839.00 feet; thence N 89°40'19" E a distance of 1095.00 feet; thence N 00°19'41" W a distance of 770.00 feet; thence N 89°40'19" E a distance of 500.00 feet; thence S 00°19'41" E a distance of 762.34 feet; thence N 89°41'28" E a distance of 773.45 feet to a 3"X3" concrete monument on the east line of said Section 21, being the northwest corner of the southwest quarter of Section 22, Township 27 South, Range 26 East as shown on Maintained Right of Way Map for White Road recorded in Map Book 6, pages 336-339; thence S 00°20'39" E along the east line of said Section 21 a distance of 1325.62 feet to the Point of Beginning.

LESS maintained right of way of White Road.

SUBJECT TO:

An ingress egress easement in Section 21, Township 27 South, Range 26 East, Polk County, Florida, the centerline of said easement is described as follows;

Commence at a 3"x3" concrete monument at the Southeast corner of Section 21; thence S 89°39'18" W along the south line of said Section 21 a distance of 34.75 feet to the intersection with the maintained right of way line of White Road as recorded in Map Book 6, pages 336-339; thence continue S 89°39'18" W along said south line a distance of 1895.79 feet to the intersection with the maintained right of way line of White Road as recorded in Map Book 14, pages 43-44 of the public records of Polk County, Florida; thence along the northerly maintained right of way for the following 2 courses; (1) N 00°06'40" W a distance of 3.45 feet; (2) S 89°33'00" W a distance of 81.00 feet to the Point of Beginning at the center of an existing dirt road; thence said easement lies 10.00 feet on each side of said centerline for the following 2 courses; (1) N 08°08'10" W a distance of 5.10 feet to the beginning of a curve concave to the southwest and having a radius of 70.00 feet; (2) thence along said curve to the left through a central angle of 80°30'32", an arc distance of 98.36 feet (chord = 90.47 feet, chord bearing N 48°23'26" W); thence said easement lies 20.00 feet on each side of said centerline for the following 1 course; (1) N 88°38'43" W a distance of 172.14 feet to the beginning of a curve concave to the northeast and having a radius of 90.00 feet; thence said easement lies 10.00 feet on each side of said centerline for the following 10 courses; (1) along said curve to the right, through a central angle of 88°18'35", an arc distance of 138.72 feet (chord = 125.39 feet, chord bearing = N 44°29'25" W); (2) N 00°20'07" W a distance

EXHIBIT "B"

of 101.49 feet to the beginning of a curve concave to the west and having a radius of 200.00 feet; (3) thence along said curve to the left through a central angle of $29^{\circ}09'33''$, an arc distance of 101.78 feet (chord = 100.69 feet, chord bearing = $N 14^{\circ}54'54'' W$); (4) $N 29^{\circ}29'40'' W$ a distance of 54.06 feet to the beginning of a curve concave to the east and having a radius of 350.00 feet; (5) thence along said curve to the right through a central angle of $30^{\circ}06'40''$, an arc distance of 183.94 feet (chord = 181.83 feet, chord bearing = $N 14^{\circ}26'20'' W$); (6) $N 00^{\circ}37'00'' E$ a distance of 83.94 feet to the beginning of a curve concave to the southeast and having a radius of 350.00 feet; (7) thence along said curve to the right through a central angle of $43^{\circ}11'57''$, an arc distance of 263.89 feet (chord = 257.68 feet, chord bearing = $N 22^{\circ}12'58'' E$); (8) $N 43^{\circ}48'56'' E$ a distance of 218.42 feet to the beginning of a curve concave to the west and having a radius of 163.00 feet; (9) thence along said curve to the left through a central angle of $84^{\circ}47'15''$, an arc distance of 241.21 feet (chord = 219.80 feet, chord bearing = $N 01^{\circ}25'19'' E$); (10) $N 40^{\circ}58'19'' W$ a distance of 45.01 feet to the Point of Terminus.

The side lines of said easement shall be shortened or extended to begin at the north maintained right of way of White Road and end at a bearing of $N 89^{\circ}40'19'' E$ extending through the Point of Terminus.

EXHIBIT "C"

An ingress egress easement in Section 21, Township 27 South, Range 26 East, Polk County, Florida, the Eagle Ridgeline of said easement is described as follows;

Commence at a 3"x3" concrete monument at the Southeast corner of Section 21; thence S 89°39'18" W along the south line of said Section 21 a distance of 34.75 feet to the intersection with the maintained right of way line of White Road as recorded in Map Book 6, pages 336-339; thence continue S 89°39'18" W along said south line a distance of 1895.79 feet to the intersection with the maintained right of way line of White Road as recorded in Map Book 14, pages 43-44 of the public records of Polk County, Florida; thence along the northerly maintained right of way for the following 2 courses; (1) N 00°06'40" W a distance of 3.45 feet; (2) S 89°33'00" W a distance of 81.00 feet to the Point of Beginning at the Eagle Ridge of an existing dirt road; thence said easement lies 10.00 feet on each side of said Eagle Ridgeline for the following 2 courses; (1) N 08°08'10" W a distance of 5.10 feet to the beginning of a curve concave to the southwest and having a radius of 70.00 feet; (2) thence along said curve to the left through a central angle of 80°30'32", an arc distance of 98.36 feet (chord = 90.47 feet, chord bearing N 48°23'26" W); thence said easement lies 20.00 feet on each side of said Eagle Ridgeline for the following 1 course; (1) N 88°38'43" W a distance of 172.14 feet to the beginning of a curve concave to the northeast and having a radius of 90.00 feet; thence said easement lies 10.00 feet on each side of said Eagle Ridgeline for the following 10 courses; (1) along said curve to the right, through a central angle of 88°18'35", an arc distance of 138.72 feet (chord = 125.39 feet, chord bearing = N 44°29'25" W); (2) N 00°20'07" W a distance of 101.49 feet to the beginning of a curve concave to the west and having a radius of 200.00 feet; (3) thence along said curve to the left through a central angle of 29°09'33", an arc distance of 101.78 feet (chord = 100.69 feet, chord bearing = N 14°54'54" W); (4) N 29°29'40" W a distance of 54.06 feet to the beginning of a curve concave to the east and having a radius of 350.00 feet; (5) thence along said curve to the right through a central angle of 30°06'40", an arc distance of 183.94 feet (chord = 181.83 feet, chord bearing = N 14°26'20" W); (6) N 00°37'00" E a distance of 83.94 feet to the beginning of a curve concave to the southeast and having a radius of 350.00 feet; (7) thence along said curve to the right through a central angle of 43°11'57", an arc distance of 263.89 feet (chord = 257.68 feet, chord bearing = N 22°12'58" E); (8) N 43°48'56" E a distance of 218.42 feet to the beginning of a curve concave to the west and having a radius of 163.00 feet; (9) thence along said curve to the left through a central angle of 84°47'15", an arc distance of 241.21 feet (chord = 219.80 feet, chord bearing = N 01°25'19" E); (10) N 40°58'19" W a distance of 45.01 feet to the Point of Terminus.

The side lines of said easement shall be shortened or extended to begin at the north maintained right of way of White Road and end at a bearing of N 89°40'19" E extending through the Point of Terminus.

Addendum to Agreement for Land Exchange

This Addendum to Agreement for Land Exchange (hereinafter "Addendum") is entered into between the City of Lake Alfred, a Florida municipal corporation (hereinafter "City"), and Eagle – Ridge, Incorporation, a Florida corporation (hereinafter "Eagle Ridge").

WHEREAS, City and Eagle Ridge entered into an Agreement for Land Exchange (hereinafter "Agreement") with an effective date of February 2, 2015; and

WHEREAS, the City Commission of City approved the Original Agreement at a duly called public meeting on February 2, 2015; and

WHEREAS, the title search performed in anticipation of Closing revealed an approximate five (5) acre Conservation Easement between the State of Florida, Department of Environmental Protection, and the City, dated May 4, 1998, and recorded on May 28, 1998, in Official Records Book 4034, Page 0491, public records of Polk County, Florida, (hereinafter "Conservation Easement") over a small portion of the land owned by the City that is proposed to be conveyed to Eagle Ridge pursuant to the Agreement; and

WHEREAS, the City proposes to amend the legal description for the real property that the City proposes to transfer and convey to Eagle Ridge which was described in Exhibit "B" attached to the Agreement to less out that portion of the land held under the Conservation Easement as well as amend the legal description for the real property over which the City is retaining and holding a perpetual easement for ingress and egress and which was described on Exhibit "C" attached to the Agreement; and

WHEREAS, the City proposes to transfer and convey to Eagle Ridge that real property more particularly described on Exhibit "B-R" attached hereto and incorporated by reference (which is revised to less out that portion of the lands held under the Conservation Easement) pursuant to the terms of the Agreement and this Addendum; and

WHEREAS, the City will retain and hold a perpetual easement for ingress and egress over the lands described on Exhibit "C-R" attached hereto and incorporated by reference pursuant to the terms of the Agreement and this Addendum

WHEREAS, the City and Eagle Ridge are still awaiting receipt of an appraisal of the lands owned by the City and being performed by Lloyd Race; and

WHEREAS, the City and Eagle Ridge would also like to amend paragraph 7 of the Agreement for an extension of the closing date from June 1, 2015, until on or before June 30, 2015; and

WHEREAS, the City believes that it is in the best interests of the citizens and residents of the City to amend the Agreement as more particularly set forth in this Addendum; and

WHEREAS, Eagle Ridge is agreeable to amending the Agreement as more particularly set forth in this Addendum; and

WHEREAS, City and Eagle Ridge desire to memorialize their understandings and agreements with respect to amending the Agreement;

NOW, THEREFORE, the City and Eagle Ridge agree as follows:

1. Exhibit "B" of the Agreement shall be amended to show the revised legal description which excludes that portion of the real property subject to the Conservation Easement. A copy of Exhibit "B-R" is attached hereto and incorporated by reference.

2. Exhibit "C" of the Agreement shall be amended to show the revised legal description for the perpetual easement for ingress and egress to be retained and held by the City. A copy of Exhibit "C-R" is attached hereto and incorporated by reference.

3. Paragraph 7 of the Agreement is hereby amended and the closing will be held on or before June 30, 2015;

4. This Addendum and the rights and obligations of the parties hereto shall be binding upon the parties and their respective successors and assigns.

5. This Addendum shall be effective upon its execution by all parties hereto and approval by the City Commission of City.

6. All other provisions and terms of the Agreement not expressly amended herein shall remain in full force and effect, and the parties hereto will be bound and perform in accordance with the terms of the Agreement and this Addendum.

WITNESSES:

**EAGLE - RIDGE, INCORPORATED, a
Florida corporation**

By: _____

Print Name:

Title:

Print Name: _____

Date: _____

Print Name: _____

THE CITY OF LAKE ALFRED ("CITY")

ATTEST:

By: _____
Charles O. Lake, Mayor

By: _____
Amee Bailey-Speck, City Clerk

Date: _____

Approved as to Form and Legal
Sufficiency:

By: _____
Frederick J. Murphy, Jr.
City Attorney

EXHIBIT "B-R"

Lake Alfred Parcel

That part of Section 21, Township 27 South, Range 26 East, Polk County, Florida, described as follows:

Begin at a 3"x3" concrete monument at Southeast corner of Section 21; thence S 89°39'18" W along the south line of said Section 21 a distance of 2657.91 feet to a found 1/2" pipe at the south quarter corner of said Section 21; thence S 89°40'19" W along the south line of said Section 21 a distance of 210.90 feet; thence N 00°19'41" W a distance of 480.00 feet; thence N 89°40'19" E a distance of 500.00 feet; thence N 00°19'41" W a distance of 539.62 feet to a point on the boundary of a Conservation Easement described in Official Records Book 4034, page 491 of the public records of Polk County, Florida; thence along said Conservation Easement boundary for the following three courses; (1) N 44°24'41" E a distance of 190.36 feet; (2) N 11°21'04" W a distance of 165.26 feet; (3) N 67°53'41" W a distance of 5.13 feet; thence N 89°40'19" E a distance of 997.35 feet; thence N 00°19'41" W a distance of 770.00 feet; thence N 89°40'19" E a distance of 500.00 feet; thence S 00°19'41" E a distance of 762.34 feet; thence N 89°41'28" E a distance of 773.45 feet to a 3"X3" concrete monument on the east line of said Section 21, being the northwest corner of the southwest quarter of Section 22, Township 27 South, Range 26 East as shown on Maintained Right of Way Map for White Road recorded in Map Book 6, pages 336-339; thence S 00°20'39" E along the east line of said Section 21 a distance of 1325.62 feet to the Point of Beginning.

LESS maintained right of way of White Road; and LESS additional right of way as described in Official Records Book 7398, page 679, Public Records of Polk County, Florida

SUBJECT TO:

An ingress egress easement in Section 21, Township 27 South, Range 26 East, Polk County, Florida, the centerline of said easement is described as follows;

Commence at a 3"x3" concrete monument at the Southeast corner of Section 21; thence S 89°39'18" W along the south line of said Section 21 a distance of 2013.45 feet; thence N 00°20'42" W a distance of 15.00 feet to the north right of way line of White Road as described in Official Records Book 7398, page 679 of the public records of Polk County, Florida, and the Point of Beginning at the center of an existing dirt road also being at the beginning of a non-tangent curve concave to the southwest having a radius of 70.00 feet; thence said easement lies 10.00 feet on each side of said centerline for the following 1 course; (1) along said curve to the left through a central angle of 74°58'25", an arc distance of 91.59 feet (chord = 85.20 feet, chord bearing N 51°09'30" W); thence said easement lies 20.00 feet on each side of said centerline for the following 1 course; (1) N 88°38'43" W a distance of 172.14 feet to the beginning of a curve concave to the northeast and having a radius of 90.00 feet; thence said easement lies 10.00 feet on each side of said centerline for the following 10 courses; (1) along said curve to the right, through a central angle of 88°18'35", an arc distance of 138.72 feet

(chord = 125.39 feet, chord bearing = N 44°29'25" W); (2) N 00°20'07" W a distance of 101.49 feet to the beginning of a curve concave to the west and having a radius of 200.00 feet; (3) thence along said curve to the left through a central angle of 29°09'33", an arc distance of 101.78 feet (chord = 100.69 feet, chord bearing = N 14°54'54" W); (4) N 29°29'40" W a distance of 54.06 feet to the beginning of a curve concave to the east and having a radius of 350.00 feet; (5) thence along said curve to the right through a central angle of 30°06'40", an arc distance of 183.94 feet (chord = 181.83 feet, chord bearing = N 14°26'20" W); (6) N 00°37'00" E a distance of 83.94 feet to the beginning of a curve concave to the southeast and having a radius of 350.00 feet; (7) thence along said curve to the right through a central angle of 43°11'57", an arc distance of 263.89 feet (chord = 257.68 feet, chord bearing = N 22°12'58" E); (8) N 43°48'56" E a distance of 218.42 feet to the beginning of a curve concave to the west and having a radius of 163.00 feet; (9) thence along said curve to the left through a central angle of 84°47'15", an arc distance of 241.21 feet (chord = 219.80 feet, chord bearing = N 01°25'19" E); (10) N 40°58'19" W a distance of 45.01 feet to the Point of Terminus.

The side lines of said easement shall be shortened or extended to begin at said north right of way of White Road and end at a bearing of N 89°40'19" E extending through the Point of Terminus.

EXHIBIT "C-R"

An ingress egress easement in Section 21, Township 27 South, Range 26 East, Polk County, Florida, the centerline of said easement is described as follows;

Commence at a 3"x3" concrete monument at the Southeast corner of Section 21; thence S 89°39'18" W along the south line of said Section 21 a distance of 2013.45 feet; thence N 00°20'42" W a distance of 15.00 feet to the north right of way line of White Road as described in Official Records Book 7398, page 679 of the public records of Polk County, Florida, and the Point of Beginning at the center of an existing dirt road also being at the beginning of a non-tangent curve concave to the southwest having a radius of 70.00 feet; thence said easement lies 10.00 feet on each side of said centerline for the following 1 course; (1) along said curve to the left through a central angle of 74°58'25", an arc distance of 91.59 feet (chord = 85.20 feet, chord bearing N 51°09'30" W); thence said easement lies 20.00 feet on each side of said centerline for the following 1 course; (1) N 88°38'43" W a distance of 172.14 feet to the beginning of a curve concave to the northeast and having a radius of 90.00 feet; thence said easement lies 10.00 feet on each side of said centerline for the following 10 courses; (1) along said curve to the right, through a central angle of 88°18'35", an arc distance of 138.72 feet (chord = 125.39 feet, chord bearing = N 44°29'25" W); (2) N 00°20'07" W a distance of 101.49 feet to the beginning of a curve concave to the west and having a radius of 200.00 feet; (3) thence along said curve to the left through a central angle of 29°09'33", an arc distance of 101.78 feet (chord = 100.69 feet, chord bearing = N 14°54'54" W); (4) N 29°29'40" W a distance of 54.06 feet to the beginning of a curve concave to the east and having a radius of 350.00 feet; (5) thence along said curve to the right through a central angle of 30°06'40", an arc distance of 183.94 feet (chord = 181.83 feet, chord bearing = N 14°26'20" W); (6) N 00°37'00" E a distance of 83.94 feet to the beginning of a curve concave to the southeast and having a radius of 350.00 feet; (7) thence along said curve to the right through a central angle of 43°11'57", an arc distance of 263.89 feet (chord = 257.68 feet, chord bearing = N 22°12'58" E); (8) N 43°48'56" E a distance of 218.42 feet to the beginning of a curve concave to the west and having a radius of 163.00 feet; (9) thence along said curve to the left through a central angle of 84°47'15", an arc distance of 241.21 feet (chord = 219.80 feet, chord bearing = N 01°25'19" E); (10) N 40°58'19" W a distance of 45.01 feet to the Point of Terminus.

The side lines of said easement shall be shortened or extended to begin at said north right of way of White Road and end at a bearing of N 89°40'19" E extending through the Point of Terminus.

Lake Alfred Charter: 2.09

- (d) *Action requiring an ordinance.* In addition to other acts required by law or by specific provisions of this Charter to be done by ordinance, those acts of the city commission shall be by ordinance which:
- (1) Adopt or amend an administrative code or establish, alter or abolish any city department or agency;
 - (2) Establish a rule or regulation, the violation of which carries a penalty;
 - (3) Levy taxes authorized by general law;
 - (4) Grant, renew or extend a franchise;
 - (5) Set service or user charges for municipal services or granting administrative authority for such charges;
 - (6) Authorize the borrowing of money not inconsistent with the limitations in the constitution and general law of the state;
 - (7) Convey or lease or authorize by administrative action the conveyance or lease of any lands of the city;
 - (8) Amend or repeal any ordinance previously adopted, except as otherwise provided in article V, with respect to repeal of ordinances reconsidered under the referendum power.

(Ord. No. 1059-04, § 1, 1-19-2004/4-6-2004)

**LAKE ALFRED CITY COMMISSION MEETING
JUNE 1, 2015**

**2.) PUBLIC HEARING: RESOLUTION 02-15: UNIFORM COLLECTION METHOD 2015
ASSESSMENT ROLL**

ISSUE: The City of Lake Alfred will consider Resolution 02-15 adopting the 2015 assessment roll for Code Enforcement Liens to be collected by the uniform method of collecting non-ad valorem assessments on the annual tax bill.

ATTACHMENTS:

- Resolution 02-15
- Affidavit of Public Notice

ANALYSIS: In July of 2014 the City adopted by ordinance elements of the International Property Maintenance Code providing a unified set of building and property maintenance standards. Coupled with this ordinance were interlocal agreements with the Property Appraiser and Tax Collector that allowed for actual costs incurred by City through the code enforcement process to be recovered as a non-ad valorem assessment on the property tax bill. As a part of this process, The City also adopted Resolution 18-14 in December of 2014 expressing the City's intent to utilize the uniform method of collecting the non-ad valorem assessments as provided by Florida Statutes 197.3632.

The proposed Resolution is the next step required to recover abatement costs on the 2015-2016 tax bills. Notices to property owners were mailed via certified mail and was published in the newspaper twenty days prior to this hearing.

STAFF RECOMMENDATION: Approval of Resolution 02-15.

DRAFT RESOLUTION NO. 02-15

A RESOLUTION OF THE CITY OF LAKE ALFRED, FLORIDA AUTHORIZING TO UTILIZE THE UNIFORM METHOD OF COLLECTING NON-AD VALOREM ASSESSMENTS; ADOPTING THE SPECIAL ASSESSMENT ROLL FOR ABATEMENT OF CODE VIOLATIONS FOR FISCAL YEAR 2015-2016; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the City of Lake Alfred, Florida (the "City") has undertaken to improve various properties throughout the City by adopting a unified set of building and property maintenance standards in order to protect and preserve the health, safety and general welfare of the City and its residents; and

WHEREAS, the City Commission of the City of Lake Alfred, Florida (the "City Commission") finds that by implementing certain provisions of the International Property Maintenance Code ("IPMC") and abating and/or correcting any harmful or dangerous buildings, structures, and/or premises not in strict compliance therewith through the code enforcement process would best operate to serve and protect the health, safety and general welfare of the City and its resident; and

WHEREAS, the City Commission, on July 28, 2014, adopted Ordinance 1333-14, (the "Ordinance"), authorizing the City, through its code enforcement process, to abate certain nuisances and/or correct certain violations of the IPMC and other applicable City, County, State and Federal Code provisions; and

WHEREAS, the City, through the adoption of the Ordinance, finds that it was fair and equitable to assess against each property benefitted by such abatement and/or corrective actions a non-ad valorem special assessment in an amount equal to the actual costs incurred by the City in improving said property; and

WHEREAS, the Ordinance states that a resolution may be prepared for consideration by the City Commission identifying outstanding special assessments owed to the city for municipal abatement of nuisances and municipal correction of violations of the minimum property maintenance standards of the city, including municipal demolition of one (1) or more structures, and seeking authorization to collect such special assessments as non-ad valorem property tax pursuant to Chapter 197, Florida Statutes; and

WHEREAS, the uniform method of collecting non-ad valorem assessments, as authorized by Section 197.3632, Florida Statutes, provides for the collection of non-ad valorem assessments by authorizing the inclusion of said assessments on the tax bills issued for the collection of ad valorem taxes; and

WHEREAS, notice was given pursuant to Section 197.3632, Florida Statutes, that the City of Lake Alfred would collect the liens imposed for abatement of nuisances, such as removal of junk, debris, and overgrown lots, by means of the uniform method of collecting non-ad valorem assessments at a property advertised public hearing held on December 15, 2014; and

WHEREAS, the City Commission desires to utilize the uniform method of collecting non-ad valorem assessments to collect the non-ad valorem assessments specified herein; and

WHEREAS, in accordance with the requirements of the Ordinance and Section 197.3632, Florida Statutes, the City Commission held a duly advertised public hearing prior to the adoption of this Resolution and a copy of such notice was served upon the property owners by first class mail at the owner's last known address as same appears on the records of the property appraiser of the county; and

WHEREAS, the City Commission desires to adopt an Assessment Roll at this time for collection of the special assessments by the Tax Collector on the 2015 tax notices.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE ALFRED, FLORIDA, AS FOLLOWS:

SECTION 1. RECITAL INCORPORATED.

The foregoing findings are incorporated herein by reference and made a part hereof and constitute the factual basis for the passage of this Resolution.

SECTION 2. AUTHORIZATION.

The City Commission hereby elects to utilize the uniform method of collecting non-ad valorem assessments, as provided in Section 197.3632, Florida Statutes for collecting the non-ad valorem assessments specified herein, which assessments have been levied against the properties described in the Assessment Roll in Exhibit "A" attached hereto and made a part hereof.

SECTION 3. SPECIAL ASSESSMENT.

The City Commission hereby adopts Exhibit "A" as the City of Lake Alfred Assessment Roll for special assessments imposed against properties for the cost of the City to abate code violations of junk, debris and clearing of overgrown lots.

SECTION 3. SEVERABILITY.

The provisions of this Resolution are severable. If any word, sentence, clause, phrase or provision of this Resolution for any reason is declared by any court of competent jurisdiction to be void, unconstitutional or unenforceable, then all remaining provisions and portions of this Resolution shall remain in full force and effect.

SECTION 4. CONFLICTS.

All Resolutions in conflict with this Resolution are repealed to the extent necessary to give this Resolution full force and effect.

SECTION 5. EFFECTIVE DATE.

This Resolution shall take effect immediately upon its passage.

INTRODUCED AND PASSED by the City Commission of the City of Lake Alfred, in regular session, this 1st day of June, 2015.

**CITY OF LAKE ALFRED, FLORIDA
CITY COMMISSION**

Charles O. Lake, Mayor

ATTEST:

Ameé Bailey-Speck, City Clerk

Approved as to form:

Frederick J. Murphy, Jr., City Attorney

Exhibit "A"

2015 ASSESSMENT ROLL

**CODE ENFORCEMENT LIENS FOR ABATEMENT OF NUISANCES, JUNK, DEBRIS
AND OVERGROWN LOTS**

<u>Location #</u>	<u>Property Owner</u>	<u>Address</u>	<u>Parcel ID</u>	<u>Legal Description</u>	<u>Abatement</u>	<u>Total</u>
1	James Travis	300 S Lake Shore Way	262732-512000-000072	RESUB OF BLK 52 OF LAKE ALFRED PB 10 PG 35 THE N 85 FT OF LOTS 7 & 8	Mowing and debris removal	\$ 1,404.82
2	Tax Ease Florida REO LLC	0 E Tangerine Ave	262728-493500-007170	HIGHLAND SUB PB 4 PG 2 BLK G LOTS 17 & 18	Mowing and debris removal	\$ 683.60
3	Nena Mae Burton Estate	695 E Orange Ave	262728-493500-001010	HIGHLAND SUB PB 4 PG 2 BLK A LOTS 1, 2 & 3	Mowing, debris removal and securing unsafe structure	\$ 1,902.71
4	James Lewis	780 Martin Luther King	262728-493500-002012	HIGHLAND SUB PB 4 PG 2 BLK B LOTS 1 & 2 S 75 FT	Mowing and debris removal	\$ 1,546.34
5	Terry Franklin	625 Grapefruit Ave	262728-493500-004070	HIGHLAND SUB PB 4 PG 2 BLK D LOT 7	Mowing and debris removal	\$ 814.71
6	Florine Lollar Estate	865 Lake Shore Way	262805-525000-002080	ROCHELLE TERRACE PB 8 PG 44 BLK 2 LOT 8 LESS ST RD 600	Mowing and debris removal	\$ 216.31
7	Hop Trust 2013-1	250 S Nekoma Ave	262732-513200-000060	REPLAT OF BLK 40 LAKE ALFRED PB 34 PG 31 LOTS 6 & 7	Mowing and debris removal	\$ 349.74

AFFIDAVIT OF PUBLICATION

NEWS CHIEF

Lakeland, Polk County, Florida

STATE OF FLORIDA)
COUNTY OF POLK)

Before the undersigned authority personally appeared Michelle Reece who on oath says that she is an Account Executive for Advertising at The Ledger, the owner of the News Chief, a daily newspaper published at Lakeland in Polk County, Florida; that the attached copy of advertisement, being a

NOTICE OF HEARING

In the matter of **SPECIAL ASSESSMENTS**

Concerning **CITY OF LAKE ALFRED**

was published in said newspaper in the issues of

5-14; 2015

Affiant further says that said The Ledger is a newspaper published at Lakeland, in said Polk County, Florida, and that the said newspaper has heretofore been continuously published in said Polk County, Florida, daily, and has been entered as second class matter at the post office in Lakeland, in said Polk County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Signed... *Michelle Reece*
Michelle Reece
Advertising Account Executive
Who is personally known to me.

Sworn to and subscribed before me this 15th day of May, A.D., 2015

Patricia Ann Rouse
Notary Public

(SEAL)



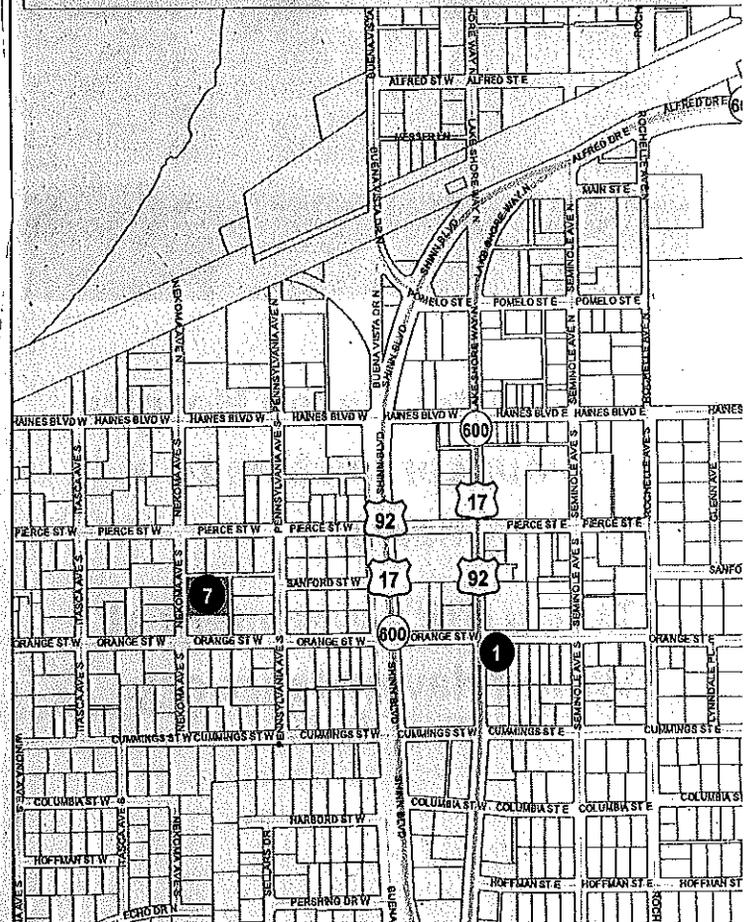
Notice of Hearing
Providing for Collection of Code Enforcement
Special Assessments

NOTICE IS HEREBY GIVEN that the City Commission of the City of Lake Alfred, Florida at a meeting to be held on Monday, June 1, 2015 at 7:30pm in the City Commission Chambers, 600 Pomelo Street, Lake Alfred, Florida, will hold a public hearing pursuant to Section 197.3632, Florida Statutes, utilizing the uniform method of collecting non-ad valorem assessments set forth in Section 197.3632, Florida Statutes, to collect the assessments set forth in this Notice. All affected persons have a right to appear at this hearing and to be heard and the right to file written objections with the publication of this notice.

The listed assessments will be included by the Tax Collector on the ad valorem tax bills to be November. Failure to pay assessments will cause a tax certificate to be issued against the subject property which may result in a loss of title. Written objections or questions should be directed to the City Development Department, 120 E Pomelo Street, Lake Alfred, Florida 33850, telephone 863-261-1111 or email VFerrell@Mylakealfred.com.

Anyone deciding to appeal a decision made by the City Commission at this hearing will need to appear at the hearing and for purposes of that appeal, may need to ensure that a verbatim record of the proceedings is made, which record includes testimony and evidence upon which the appeal is based pursuant to Section 286.0105 Florida Statutes. Please be advised that you must make arrangements to produce this record.

In accordance with the Americans with Disabilities Act and Florida Statutes 286.26, person with disabilities needing special accommodations to participate in this proceeding should contact the City Clerk's Office at least 48 hours prior to the hearing located in the Administration Building 155 E Pomelo Street, Lake Alfred, FL 33850, telephone 863-261-1111 or email ABailey@Mylakealfred.com.



chelle Reece
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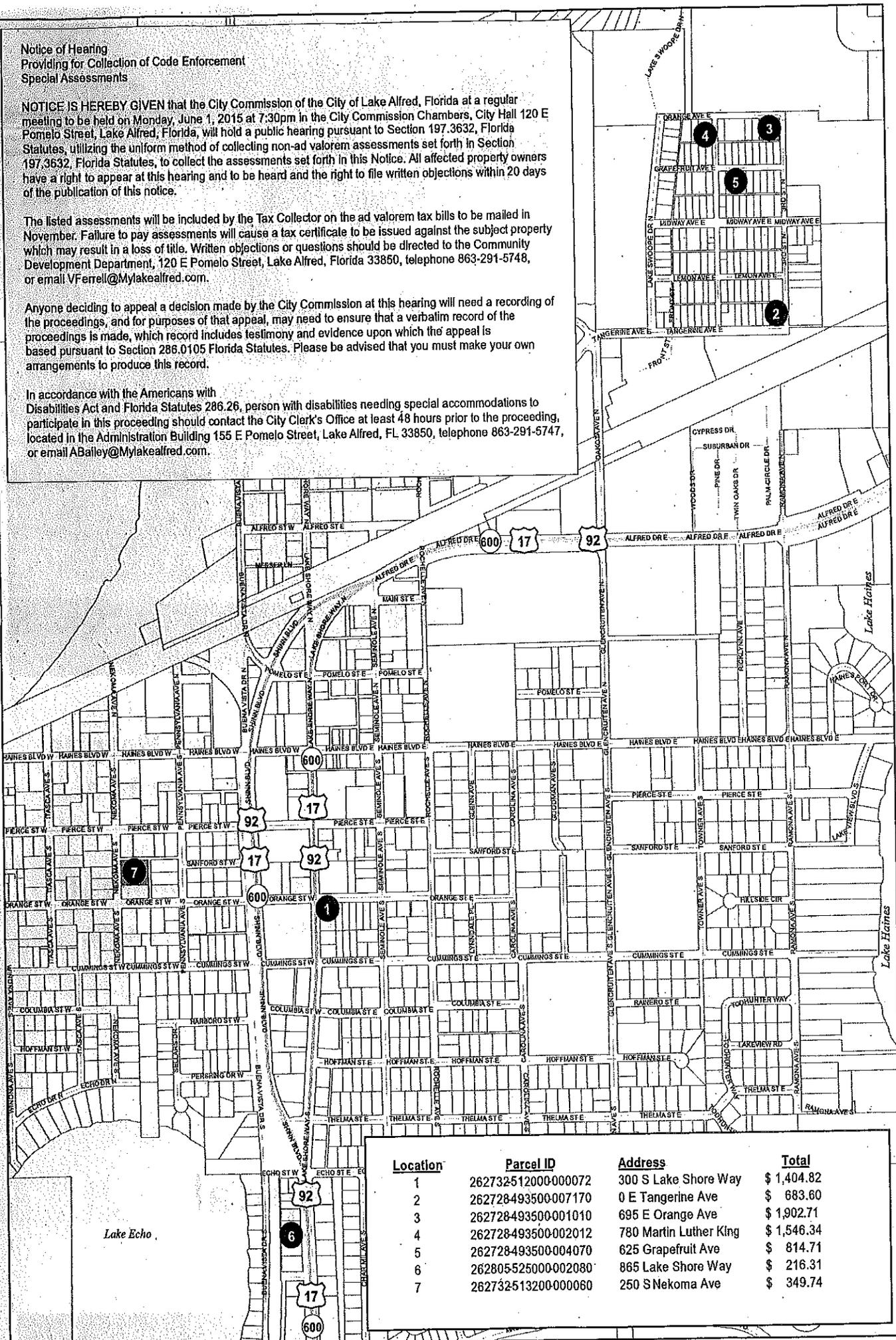
**Notice of Hearing
 Providing for Collection of Code Enforcement
 Special Assessments**

NOTICE IS HEREBY GIVEN that the City Commission of the City of Lake Alfred, Florida at a regular meeting to be held on Monday, June 1, 2015 at 7:30pm in the City Commission Chambers, City Hall 120 E Pomelo Street, Lake Alfred, Florida, will hold a public hearing pursuant to Section 197.3632, Florida Statutes, utilizing the uniform method of collecting non-ad valorem assessments set forth in Section 197.3632, Florida Statutes, to collect the assessments set forth in this Notice. All affected property owners have a right to appear at this hearing and to be heard and the right to file written objections within 20 days of the publication of this notice.

The listed assessments will be included by the Tax Collector on the ad valorem tax bills to be mailed in November. Failure to pay assessments will cause a tax certificate to be issued against the subject property which may result in a loss of title. Written objections or questions should be directed to the Community Development Department, 120 E Pomelo Street, Lake Alfred, Florida 33850, telephone 863-291-5748, or email VFerrell@Mylakealfred.com.

Anyone deciding to appeal a decision made by the City Commission at this hearing will need a recording of the proceedings, and for purposes of that appeal, may need to ensure that a verbatim record of the proceedings is made, which record includes testimony and evidence upon which the appeal is based pursuant to Section 286.0105 Florida Statutes. Please be advised that you must make your own arrangements to produce this record.

In accordance with the Americans with Disabilities Act and Florida Statutes 286.26, person with disabilities needing special accommodations to participate in this proceeding should contact the City Clerk's Office at least 48 hours prior to the proceeding, located in the Administration Building 155 E Pomelo Street, Lake Alfred, FL 33850, telephone 863-291-5747, or email ABAiley@Mylakealfred.com.



Location	Parcel ID	Address	Total
1	262732512000-000072	300 S Lake Shore Way	\$ 1,404.82
2	262728493500-007170	0 E Tangerine Ave	\$ 683.60
3	262728493500-001010	695 E Orange Ave	\$ 1,902.71
4	262728493500-002012	780 Martin Luther King	\$ 1,546.34
5	262728493500-004070	625 Grapefruit Ave	\$ 814.71
6	262805525000-002080	865 Lake Shore Way	\$ 216.31
7	262732513200-000060	250 S Nekoma Ave	\$ 349.74

**LAKE ALFRED CITY COMMISSION MEETING
JUNE 1, 2015**

3.) RESOLUTION 03-15: ESCHEATMENT OF LAND - HIGHLAND SUBDIVISION

ISSUE: The City Commission will consider approval of resolution 03-15 accepting conveyance of land in the Fruitland Park area (620 E. Grapefruit Ave.) from the Board of County Commissioners.

ATTACHMENTS:

- Resolution 03-15
- Property Description from Polk County

ANALYSIS: In May of 2015, the City of Lake Alfred received a correspondence from the Polk County offering a parcel of vacant land located within the municipal limits of Lake Alfred. The parcel of land was escheated to Polk County in January of 2015 and is approximately 0.17 acres in size. Per Florida Statutes, Section 197.592 requires that delinquent tax lands deeded to the County be conveyed to cities in which they are located when not otherwise needed for County purposes. The approval of this resolution will transfer ownership of the parcel to the City.

City staff has reached out to Habitat for Humanity to determine if this parcel would be a good fit for their housing construction programs. The parcel is included in City's recently established Community Redevelopment Agency (CRA) area and funding that we eventually receive could be used to aid in the redevelopment of that parcel.

STAFF RECOMMENDATION: Approval of Resolution 03-15.

DRAFT RESOLUTION NO. 03-15

A RESOLUTION OF THE CITY OF LAKE ALFRED, FLORIDA; AUTHORIZING THE ACCEPTANCE OF ESCHEATED LANDS FROM POLK COUNTY, FLORIDA, WITHIN HIGHLAND SUBDIVISION AND THE CITY OF LAKE ALFRED; PROVIDING SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Polk County, Florida is the owner of escheated lands that within the Highland Subdivision and within the municipal limits of the City of Lake Alfred, Florida; and

WHEREAS, Polk County, Florida, desires to convey to the City of Lake Alfred, Florida, those escheated lands described as follows, to wit:

HIGHLAND SUB PB 4 PG 2 BLK A LOT 11
Parcel Identification No. 262728-493500-001110.

WHEREAS, the City Commission finds it to be in the best interests of the public health, safety, and welfare and advantageous to the advancement of the public good to accept the conveyance of escheated lands from Polk County, Florida, within the Highland Subdivision and municipal limits of the City of Lake Alfred, Florida.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE ALFRED, FLORIDA AS FOLLOWS:

SECTION 1. RECITAL INCORPORATED.

The above recitals are incorporated herein as the factual basis for passage of this Resolution.

SECTION 2. AUTHORIZATION.

That the City Commission of the City of Lake Alfred hereby accepts the conveyance of escheated lands from Polk County, Florida, within Highland Subdivision and the municipal limits of the City of Lake Alfred, Florida, described as follows, to wit:

HIGHLAND SUB PB 4 PG 2 BLK A LOT 11 Parcel Identification No. 262728-493500-001110.

SECTION 3. SEVERABILITY.

The provisions of this Resolution are severable. If any word, sentence, clause, phrase or provision of this Resolution for any reason is declared by any court of competent jurisdiction to be void, unconstitutional or unenforceable, then all remaining provisions and portions of this Resolution shall remain in full force and effect.

SECTION 4. CONFLICTS.

All Resolutions in conflict with this Resolution are repealed to the extent necessary to give this Resolution full force and effect.

SECTION 5. EFFECTIVE DATE.

This Resolution shall take effect immediately upon its passage.

INTRODUCED AND PASSED by the City Commission of the City of Lake Alfred, Florida, in a regular session, this 1st day of June, 2015.

CITY OF LAKE ALFRED, FLORIDA
CITY COMMISSION

Charles O. Lake, Mayor

ATTEST:

Ameé Bailey-Speck, City Clerk

Approved as to form:

Frederick J. Murphy, Jr., City Attorney



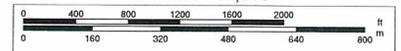
Data use subject to license.

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www.delorme.com



Scale 1 : 17,600



1" = 1,466.7 ft

Data Zoom 13-5



Tax Deed File Number: 12075-2008

Property Identification Number: 28-27-26-493500-001110



DR-506E INSTR # 2015013846
R.12/06 PB 9437 Pg 473 PG(e)1
RECORDED 01/26/2015 12:06:48 PM
STACY M. BUTTERFIELD,
CLERK OF COURT POLK COUNTY
RECORDING FEES \$10.00
RECORDED BY monirobl

Escheatment Tax Deed

STATE OF FLORIDA

COUNTY OF POLK

For Official Purposes Only

This Tax Deed is issued pursuant to Section 197.502(8), Florida Statutes, wherein three years have passed from the day the subject land was offered for public sale and placed on the list of "lands available for taxes" in accordance with Section 197.502(7), Florida Statutes, without having been purchased. As provided in Section 197.502(8), Florida Statutes, the property has escheated to the County free and clear of any and all tax certificates, tax liens or any other liens of record, including governmental liens, which liens are deemed canceled pursuant to said statute.

Now, on this 23rd day of January, 2015, the undersigned Clerk conveys to POLK County through its Board of County Commissioners, whose address is: HIGHLAND SUB PB 4 PG 2 BLK A LOT 11

together with all hereditaments, buildings, fixtures and improvements of any kind and description, the following legally described land situate in POLK County, Florida:

Witness:

Stacy M. Butterfield (Seal)
Clerk of the Circuit Court or County Comptroller



POLK County, Florida

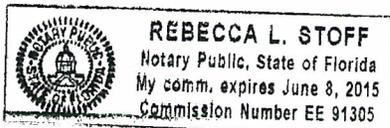
Teresa S. Tierney
TERESA S. TIERNEY
Monica L. Robles
MONICA L. ROBLES
State of Florida

County of POLK

On this 23rd day of January, 2015, before me REBECCA L STOFF personally appeared STACY M BUTTERFIELD, Clerk of the Circuit Court or County Comptroller in and for the State and this County who is known to me to be the person described herein, and who executed the foregoing instrument, and acknowledged the execution of this instrument to be of his/her own free act and deed for the use and purposes therein mentioned.

Witness my hand and official seal on date aforesaid.

Rebecca L Stoff
NOTARY PUBLIC STATE OF FLORIDA



RETURN TO : TAX DEED DEPT.

**LAKE ALFRED CITY COMMISSION MEETING
JUNE 1, 2015**

**4.) RESOLUTION 04-15: FDOT HIGHWAY LIGHTING MAINTENANCE, AND
COMPENSATION AGREEMENT**

ISSUE: The City Commission will consider approval of Resolution 04-15 for the execution of a Highway Lighting Maintenance and Compensation Agreement with the Florida Department of Transportation (FDOT) for a term of one year (July 1, 2015- June 30, 2016).

ATTACHMENTS:

- Resolution 04-15
- Exhibit "A" Agreement

ANALYSIS: The City has a Highway Lighting, Maintenance, and Compensation Agreement with the Florida Department of Transportation (FDOT) that provides for reimbursement to the City for maintenance of the lighting system within our municipal boundaries. A summary of the funding we have received previously from FDOT has been included below:

2012/2013	94 Lights @ \$201.58	\$17,053.67
2013/2014	94 Lights @ \$244.00	\$20,642.40
2014/2015	94 Lights @ \$251.32	\$21,261.67
2015/2016	94 Lights @ \$258.86	\$21,899.56

The proposed contract represents an increase of \$637.89 over the prior year's agreement.

STAFF RECOMMENDATION: Approval of resolution 04-15.

DRAFT RESOLUTION NO. 04-15

A RESOLUTION OF THE CITY OF LAKE ALFRED, FLORIDA, AUTHORIZING THE EXECUTION OF A HIGHWAY LIGHTING MAINTENANCE, AND COMPENSATION AGREEMENT BETWEEN THE STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION AND THE CITY OF LAKE ALFRED FOR THE MAINTENANCE OF THE STATE HIGHWAY LIGHTING SYSTEM WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF LAKE ALFRED AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, this City of Lake Alfred currently operates and maintains lighting on the State Highway System (SHS) and;

WHEREAS, the State of Florida Department of Transportation (FDOT) is requesting the City of Lake Alfred maintain all ninety four (94) street lights currently located within the City's municipal boundaries as well as any added in the future and;

WHEREAS, the FDOT is allotting funds to The City of Lake Alfred at \$258.86 per light for the maintenance of 90% of the 94 lights maintained on the SHS located within the City's municipal boundaries on State Road 600 for the fiscal year 15/16; and

WHEREAS, the State of FDOT proposes to pay the City of Lake Alfred \$21,899.56 for these services in the 2015/2016 fiscal year; and.

WHEREAS, the FDOT Work Order AM869 for Highway Lighting Maintenance and Compensation between the City of Lake Alfred and the FDOT for fiscal year 15/16 is attached hereto as Exhibit "A".

WHEREAS, the City finds that entering into this Agreement is in the best interests and promotes the health, welfare, and safety of the residents and citizens of the City of Lake Alfred.

NOW THEREFORE, BE IT RESOLVED: BY THE CITY COMMISSION OF THE CITY OF LAKE ALFRED, FLORIDA AS FOLLOWS:

SECTION 1. RECITAL INCORPORATED.

The above recitals are hereby incorporated as a factual basis for the passage of this Resolution.

SECTION 2. AUTHORIZATION.

That the City of Lake Alfred does hereby authorize the Mayor to execute the Highway Lighting Maintenance, and Compensation Agreement with the FDOT for fiscal year 14/15 under contract work order AM869 and attached hereto and made a part of this Resolution.

SECTION 3. SEVERABILITY.

The provisions of this Resolution are severable. If any word, sentence, clause, phrase or provision of this Resolution for any reason is declared by any court of competent jurisdiction to be void, unconstitutional or unenforceable, then all remaining provisions and portions of this Resolution shall remain in full force and effect.

SECTION 4. CONFLICTS.

All Resolutions in conflict with this Resolution are repealed to the extent necessary to give this Resolution full force and effect.

SECTION 5. EFFECTIVE DATE.

That this Resolution shall take effect immediately upon passage.

INTRODUCED AND PASSED by the City Commission of the City of Lake Alfred, Florida, in a regular session this 1st day of June, 2015.

CITY OF LAKE ALFRED, FLORIDA
CITY COMMISSION

ATTEST:

Charles O. Lake, Mayor

Ameé Bailey Speck, City Clerk

Approved as to form:

Frederick J. Murphy, Jr., City Attorney

EXHIBIT "A"
FY 15/16 FDOT WORK ORDER

**STATE HIGHWAY LIGHTING MAINTENANCE, AND COMPENSATION
AGREEMENT**

Contract Number AM869
Maintaining Agency: City of Lake Alfred
Financial Project No.: 413561-1-78-01
Effective Date: July 1, 2015 to June 30, 2016

1.0 PURPOSE

This exhibit defines the method and limits of compensation to be made to the Maintaining Agency for the services described in the original agreement executed on 8/14/02.

2.0 COMPENSATION

The Department will compensate each Maintaining Agency for maintenance of lights being maintained on state highways for FY 15/16 is 90% of the total number of lights at \$258.86 per light.

The current inventory of lights to be maintained by your agency for FY 15/16 is ninety-four (94) at a cost of \$258.86 per light, which brings the amount of compensation to \$21,899.56.

3.0 PAYMENT PROCESSING

The Maintaining Agency shall invoice the Department yearly for services rendered in a format acceptable to the Department.

For Satisfactory completion of all services as detailed in the original agreement for this FY 15/16, the Department will pay the Maintaining Agency a Total Lump Sum of \$21,899.56.

By: _____
Sharon L. Harris
FDOT District Maintenance Administrator

By: _____
City/County

Date: _____

Date: _____

**LAKE ALFRED CITY COMMISSION MEETING
JUNE 1, 2015**

5.) RECYCLING DISCUSSION: REPUBLIC'S PROPOSED RENEWAL

ISSUE: The City Commission will discuss the proposed Florida Refuse Agreement.

ATTACHMENTS:

- Talking Points (Provided by Republic)
- Article: "Negotiating the Single Stream" (Provided by Republic)

ANALYSIS: The City of Lake Alfred currently provides residential curbside recycling services through Republic at a monthly rate of \$2.38 cents per customer. The City pays for this service directly to Republic and the City recovers the cost by placing a \$2.33 charge on each customer's monthly utility bill (City pays the 5 cent difference). The current agreement with Republic is set to expire on September 30, 2015.

Representatives from Republic have proposed a renewal rate of \$5.00 (per month, per customer) for the new term beginning on October 1, 2015. The proposed rate is more than double our existing rate and from the information Republic has submitted is based, in part, on the reduction in the resale market for recycled materials.

STAFF RECOMMENDATION: Bid out recycling services and explore other alternatives.

Recycling Talking Points

- Recycling plays an important role in contributing to the sustainable future and goals to City of Lake Alfred and Republic Services. Conserving our landfills by reducing the tonnage shipped to the landfill is critical to extending the life at the Polk County Landfill.
- Due to many factors as outlined below Republic Services recycling landscape has changed. After declining for most of 2014, market prices for recycled materials have dropped an additional 25% in the last three months and now stand at 6-year lows. In addition, Republic Services continues to invest in recycling technology to ensure the optimal recovery for all recycled materials. Republic must be able to counterbalance the declining prices for recycled materials and rising cost of recycling processing by adjusting our rates.
- The market prices for Cardboard, Paper, Aluminum and Plastic have all dropped. These materials make up a majority of the recyclable materials that Republic Services picks up. In addition, glass provides very little economic benefit when recycled, and is therefore more costly than other recycled commodities to market.
- There is an industry belief that these declines in recycling commodity prices are not short-lived, but rather reflect changing international markets for recycled commodity products; specifically lower demand from the Chinese markets due to slower economic growth and commodity growth in the Chinese domestic markets.
- The slowdown of Chinese cardboard imports started in early 2013, following the implementation of Operation Green Fence, an initiative meant to improve the quality and environmental standards of imported recovered material. Although the measure expired in November of that year, tighter regulation has remained in place. In particular, anecdotal evidence suggests Chinese mills that previously purchased bales with a high degree of contaminants are less willing to do so following Green Fence. This occurs at a time when the quality of China's collection and sorting systems is improving, making local producers even less prone to purchase foreign OCC bales.
- This increase to cover the drop in commodities values was not a planned increase. This adjustment is in reaction to market forces that are outside our company's control.

- Commodity prices for Old Corrugated Cardboard (OCC) continue to decline. North America also has a surplus of cardboard which is negatively impacting OCC commodity prices.



\$

OCC PRICING*

January 2015	\$82.78
October 2014	\$89.15
July 2014	\$97.50
April 2014	\$102.23

*Average U.S. national price per short ton for material delivered FOB. Prices used with permission from PPI Pulp & Paper Week (incorporating Official Board Markets). Free trial available: www.risi.com/rt.

- Lower oil prices have had a significant impact on commodity prices for plastics
Plastic has dropped from April 2014 – March 2015 prices have dropped over 40%.



Negotiating the Single-Stream

The materials recovery facility is the backbone of the recycling industry – if MRFs can't make it, then robust recycling can't exist. In this first part in an ongoing series looking at the challenges MRFs face in a changing recycling landscape, our author does a deep dive into the choppy waters of recovered materials markets.

BY MICHAEL TIMPANE

Processing recyclables is a tough business and single-stream materials recovery facilities (MRFs) are again under pressures to maintain acceptable output, product quality and profit margins. Over the last two years, experts have cited multiple causes for the strong uptick of difficulty in this part of the municipal recycling value stream, focusing on two causes in particular: the quality of inbound single-stream collected materials and more voluminous tons resulting from lighter packaging. But there are other variables as well, and each conspires against complacency or restful sleep for MRF managers.

The heavy news of lightweighting

Locally reported recycling program tonnages in sites with no change in collection technology has generally remained flat, or is only slightly declining, in North American curbside programs. However, due to more plastics and other lighter feedstock taking the place of denser printed materials and consumer packaging, the physical characteristics of inbound MRF volumes have pushed MRF operators to run at slower volume throughput in MRF operating systems. What is happening?

There have been precipitous declines in printed newspaper, office paper and magazines in the last five years in the curbside materials stream. The modern design of almost all single-stream processing facilities has, at its core, the separation of newspaper over screens designed especially for its capture. This is because this material made up over 50 percent of the inbound flow of materials when these plants were conceived. Now, loose com-

pacted paper (200-500 pounds per cubic yard and making up over half of the incoming stream) has been replaced by compacted plastic containers (50-75 pounds per cubic yard, flattened), and other newer types of consumer products (e.g. juice boxes and multi-laminated film products, both around 75 pounds per cubic yard, flattened).

In fact, estimates from the U.S. Environmental Protection Agency show a decline in total paper in the waste stream by over 20 percent in recent years, while plastic waste generation has increased over 15 percent. Industry sources confirm that from 2009 to 2013, the total supply of newsprint in the U.S. shrunk from 10.8 million tons to 8.3 million tons, due to a combination of lightweighting and the digital replacement of printed materials – a 23 percent drop. The sharp downward plunge was similar in other printed paper supply categories.

Importantly, flexible film packaging and individual, custom single-use containers are also increasingly replacing previously recyclable larger and bulk packaging. “One serving per package” is now more the rule than ever and making more units more efficiently has become important for product manufacturers. Naturally, this accelerates as manufacturers seek to use less energy and material for greater savings along the production and distribution chains. The customization process unfortunately has made their products initially more expensive to handle in a MRF and potentially less recyclable.

One example is single-serve PET container usage, which has increased from 5 to 7 percent per year in usage over the last five years. NAPCOR, among others, reported that the weight of the containers themselves have gone down over 20 percent in a sim-

ilar time period. The same lightweighting trend is true for printed paper and all other recyclable container stock. In sheer volume, a ton may be as much as 10 to 15 percent larger in size – more physical volume – with individual pieces having less weight than just five years ago. This requires more time on a sorting belt, more storage for lighter units, and more overall units of material to make a ton in a MRF. It also results in less shipping efficiencies due to lighter bales.

Materials: more complex, more heterogeneous

Single-stream inbound material is also ever more dynamic, with new chemically diverse packaging entering the market at increasing rates, especially when it comes to plastics. In a striking example, most municipal single-stream collection programs have expanded contract definitions when new programs are started or contracts are renewed that cover all consumable plastic containers (Nos. 1-7), though the most reliable markets only exist for No. 1, No. 2, and No. 5 plastic bottles. The most valuable materials coming into MRFs are also receding, as new plastic materials replace traditional curbside recyclables with more present-day value.

Here is one of many examples of the growth of new categories. A February article in *Plastics News* reported flexible plastics had “annual growth ... forecast at 4 percent during the next five years.” Similar growth rates in other newer packaging solutions – including PET thermoforms (up 4.7 percent in 2013), high impact polystyrene and polycoated fiber materials – are accelerating due to their consumer popularity, overall efficiency and cost advantages.

New materials entering single-stream MRFs are likely to have lower recyclability, intrinsic value and structural market potential when they are first recovered (see text box on page 18). Sadly for the MRF, their inclusion into the single-stream flow leads to dilution of the overall value of a recovered ton and, where markets don't exist at all, higher residue at the MRF or elsewhere downstream (the plastic reclaimer and/or paper mill, for example). The cost of recovering therefore needs to be picked up elsewhere in the value stream for these products. The dilemma of the new materials is that their other benefits outweigh recyclability to producers and consumers.

Yet, getting to higher levels of recycling

and diversion is a desirable public policy. Success rests upon adding new materials to a recycling program in a deliberate way, by engineering and understanding the impacts to the value chain. These new materials require more available sorting, storage and baling time as each product category is added. Without initial buyers – as many new materials do not have readymade end users – markets should be developed alongside a new product's acceptance into the recovery stream.

Nonetheless, demand for MRFs to accept new products is growing from all points of the packaging value stream – all in the quest for sustainability, higher landfill diversion rates and acceptance as “recoverable.” The colliding trends have caused MRFs to find themselves in today's discomfort, where there is a widespread demand (without an initial return) for new technology, more available sorting stations, more storage space and markets that pay for recovery. In sum, MRFs struggle to keep up with the demand for access to easy consumer recycling for new packages that offer other attractive features.

Less maintenance of inbound streams

The trends of greater non-recyclable composition, more difficult-to-recycle materials and growing residue rates have grabbed more attention from around the industry recently, with multiple public companies, government agencies and NGOs, such as Curbside Value Partnership and Keep America Beautiful, drawing attention to the issue. They point out that some of the problem is due to a lack of recycling program “maintenance.”

Consider the “Quality Alert” issued by the large MRF operator ReCommunity last year: “Unacceptable items – such as garden hoses, plastic grocery bags, diapers, needles and other medical waste, propane tanks, yard and food waste – expose industry employees to unsafe working conditions, lower productivity, increase disposal costs and reduce end-market material quality,” the company wrote. “It is an industry-wide issue.” This is a current hot button topic directly affecting MRF market credibility. It is also a lesson lost.

Early on in the curbside recycling evolution in North America, in the classic “Handbook of Solid Waste Management,” the very definition of a recycling program was asserted to include the following: publicity and educational activities as well as ordinances and enforcement activities. Except for some notable exceptions, such

as steps taken in Seattle recently, the idea has been disregarded that such drivers are necessities.

There has been a singular lack of continuous maintenance of the inbound recycling stream through social marketing, outreach, enforcement and feedback systems (such as regular material audits) by the municipalities, MRF operators and haulers. At the outset, most programs included this component, and it often came through in the momentum of program launches. But as U.S. curbside programs matured, belt tightening and other pressing priorities cut out education and enforcement. The palpable results testify to the fact.

A recent study of over 35 curbside recycling programs by Government Advisory Associates (GAA) showed an average residual rate of 16.6 percent. Residue for disposal over 10 percent was rare just five years ago. Recently, some program non-recyclable rates have been reported as high as 25 or 30 percent.

The rising contamination is also affecting the ability to sort. A report from the Container Recycling Institute found that unacceptable material in paper bales could be as high as 18 percent. The cost stress (in both disposal costs and product downgrades) stemming from this level of contamination at MRFs can be precipitous.

The quality concern has been exacerbated by challenging export market conditions. China's Operation Green Fence customs enforcement action and other export control efforts have increased costs for MRFs. These efforts have resulted in either more quality control sorting on recycled paper and other materials, or facilities facing lower prices and load rejections. Rejected loads can be expensive – whole shipping containers or even entire lots of shipping containers have been denied entry into ports from violating locations. These relatively recent efforts by historically more permissive consumers, such as outlets in China, have not faded away.

Falling single-stream commodity values

In February 2015, the public indexes of recycled materials all reported the following average commodity price trends year-over-year: ONP had lost 14 percent of value, OCC down 20 percent, PET fell 28 percent, aluminum 2 percent, and natural HDPE was “optimistically” off 1 percent. Several dynamic forces are responsible:

- Large exporters (well over 40 percent

of single-stream paper flows toward export) have reduced market share due to economic factors. This new condition has curtailed an over-five-year positive demand trend from export that masked falling domestic paper mill consumption.

- Shipping disruptions due to a lengthy strike on the West Coast further increased supplies and backlogged inventory, lowering prices to almost desperate levels. One persistent rumor from industry sources has inventories of bales waiting for shipping containers to be recycled still in the hundreds of thousands of tons. A telling development here is that the ability to substitute feedstock bound for recycled mills by China from sources other than the U.S. is growing as Asia creates its own burgeoning consumer recycling infrastructure and forestry industry. One mill executive told me, “I was shocked when I went over there (recently) by their internal consumer recycling efforts. None of the mills seemed disrupted by the loss of (U.S.) paper from the strike.”
- Accordingly, a February 2015 industry report showed recovered pulp and paper prices approaching their second-lowest level since 2001.
- The commodities issue is not unique to recyclables; oil prices dropped dramatically beginning last fall and are almost 60 percent lower than last year. In fact, most of the world’s recognizably traded commodities have experienced large price falls recently.
- The strength of the U.S. dollar (at press time at an 11-year high compared with other currencies) does not help either. In December, *US News and World Report* summed up the chilly seas for U.S. exports: “Global commodities are priced in U.S. dollars... [and] suddenly [are] more expensive to purchase.” The U.S. dollar has improved (on-average) over 10 percent relative to the basket of world currencies in the last three years. Markets cannot afford “expensive” commodities and have adjusted to the strong value through price controls or substitution, threatening the over 40 percent of MRF-produced commodities which end up overseas.

Many of these converging trends have also shown signs of accelerating in the last two months, even with the settling of the port issues.

Markets needed

A “chicken and egg” dilemma exists when it comes to the marketability of new materials heading toward MRFs. When enough of a new material is captured in a region, the supply reaches a predictable flow, allowing investment in marketing infrastructure and downstream uses. But such development will not take place earlier, and the process of building the infrastructure takes time. MRFs must take the leap and accept material if a market is ever to form, but the MRF is in a bind when market development has not completed. Household rigid polyethylene (i.e., toys and lawn furniture) and the emerging market for polypropylene (yogurt cups) are examples of material types that have recently achieved the critical supply-demand balance.

Moving beyond current conditions, the well-known volatility of sharp upward and downward swings in paper, based on regional panic for supply, has now been displaced with a permanent-seeming stagnation. In the strange new world of commodity markets for recycled paper, large players and controlled export markets are dominant while smaller independent mills have closed. Sharp upward swings, meanwhile, have been few and far between.

In addition, there has been a marked change in the recognized grade of the material that makes up the highest tonnage in single-stream collection programs. The majority of MRFs have evolved from recovering a mostly ONP bale, one with high demand and selling as an ONP grade, to a curbside soft-mixed printed paper bale. This is true whether it is labeled as a #8 ONP ISRI designation, a more truthful #1 Residential Mix designation or a #2 Soft Mix designation with more limited demand due to the decline in newsprint consumption. The Curbside Mixed Paper bale has supplanted real ONP bales as the predominant non-brown grade from curbside recycling programs. Prices and sales grades have generally reflected the change; it can be more than \$10 between the two. With approximately 40 percent of the almost-20-million-ton curbside market now gravitating toward this grade, the impact of the change to the industry is in the hundreds of millions of dollars.

For these interacting reasons, North

American markets for single-stream collected materials (North American markets for all commodities averaged and publicly reported) hovered around \$95 to \$105 per ton recovered for nearly three years up to November 2014. Though increases in commodity pricing of oil/virgin resin allowed a growing price for HDPE and PET to mask the structural changes of paper, when oil prices started falling late last year, the overall recovered value of the MRF ton (referred to as Blended Value, Average Commodity Revenue or Average Material Value) began to fall with it. Now it is down close to \$80 per ton, and it’s even lower in many parts of the country.

Increased labor cost pressures

Despite the growth of impressive technologies in the space, MRF sorting protocols are, by and large, still very manual processes. This makes the primary and quality sort positions (along with grounds-keeping labor) the single-largest variable cost component in single-stream facilities. Increasing minimum wage standards across the U.S. have outstripped inflation adjustment rates in many public contracts in the last 18 months. This does not allow many operators to recoup full increases in the cost of these standards, especially if MRF contracts have a fixed rebate. Added to that, the higher turnover from improving job opportunities in less demanding environments has pinched MRF operators on the cost side as wages must be increased to attract reliable workers.

Contract dependency is also a concern. Though exact numbers are elusive, it is estimated that the vast majority of single-stream processing facilities – around 80 percent – are public-contract dependent. These contracts are generally long term, ranging from three to 10 years. Most have renewal clauses that usually favor municipalities, though recent pushback by the industry is now making these more balanced agreements. A contract four years ago may have reliably bet on a commodity revenue stream 30 to 40 percent higher per ton than that which can be garnered today. The average MRF commodity value over the last three years, when adjusted for inflation, has continued going down painfully, particularly in the last seven months. MRF costs have also risen significantly in the last three to five years due to the cited factors. Thus, rebates offered just a few years ago are likely tough to meet in today’s market.

What's a MRF to do?

MRF operation is a tough business and always has been. Yet some MRFs generally make money, while other MRFs are seldom profitable. What are the differences? The hard downturns of the early- and mid-1990s, which shuttered up to one-third of the fleet, and the 2001 and 2008 fallbacks in commodities are the kinds of hurdles that will always confront a MRF operator. Today, MRFs face similar crises. With rising costs, falling revenues and long-term contract obligations, there are more than a few stories of insufficient revenues to cover operations costs and contract responsibilities like commodity rebates and public education programs.

But fortunately, strategies and solutions do exist. This rundown of the state of MRF affairs surely has had a gloomy element throughout. However, in the second chapter of this holistic look at the MRF landscape, coming in the May issue of *Resource Recycling*, we'll analyze how materials recovery facilities can meet and overcome these challenges through good management, savvy marketplace negotiation and more. **RR**

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