

**Minutes
City Commission Meeting
Monday, September 22, 2014
City Hall
7:30 p.m.**

Call to order – Nancy Z. Daley, Mayor

Invocation: Rev. Mike Jones First Baptist Church of Lake Alfred

Pledge of Allegiance: Nancy Z. Daley, Mayor

Roll Call: Those in attendance were Mayor Nancy Z. Daley, Vice Mayor Charles Lake, Commissioner John Duncan, Commissioner Jack Dearmin, Commissioner Albertus Maulsby, City Manager Ryan Leavengood, Assistant City Attorney Seth Claytor, and City Clerk Linda Bourgeois.

Staff attendance: Public Works Director John Deaton, Finance Director Amber Deaton, Parks and Recreation Manager Richard Weed, and Police Chief Art Bodenheimer.

CITY MANAGER ANNOUNCEMENTS

This Thursday, September 25, 2014, the students from Discovery Academy will be visiting City Hall. This event will start at 8:00a.m.

Additionally, the Chamber of Commerce is having a breakfast meeting at the Methodist Church Thursday September 25, 2014 at 8:00 a.m. This meeting is a follow-up from the community roundtable. Please let the City Clerk know if you will be in attendance.

The next free community gardening workshop at the Mackay Gardens and Lakeside Preserve will be held on Thursday, October 2, 2014 at 10:00 a.m. The topic of *Florida Friendly Landscaping* will be presented by Debra Howell.

All trail naming surveys should be returned to the City by Friday, October 3, 2014. You can find them on the front page of the website, in city hall, city administration, and the library. This form is being revised to provide a comprehensive list of recommendations the city has received to date.

On Saturday, October 4, 2014, starting at 10:00 a.m. is the annual bar-b-que competition "Grillin and Chillin" at Lions Park. Bring the family out for a day filled with food, fun, and entertainment.

The next Ridge League of Cities Dinner is Thursday, October 9, 2014 in Winter Haven at the Ritz Theater. Social hour begins at 6:00p.m. with Dinner following at 7:00p.m.

Race for the Kids Foundation will present the UIM(Union International Motonautique) World Championship Boat Race in Lions Park in Lake Alfred, FL. Over 80 boats from all over the U.S. will be competing on October 17th, 18th and 19th! This is a sanctioned event by the American Power Boat Association & Union International Motonautique.

There will be a Lake Alfred CRA workshop with the Board of County Commissioners on October 21st at 10:30a.m.in the Board Room on the 4th floor in Bartow.

In October, the City of Lake Alfred will have a new "100 Years of Agriculture" art exhibit in City Hall. Details for the reception and awards will be provided upon confirmation of dates.

City Manager Leavengood provided an overview of the proposed wayfinding signage. He said this will be presented in October and he is just waiting on one or two more items to be approved. He went on to show what the Purple Heart Memorial will look like. This will be a cube type formation, with a slant top which is similar to the 9-11 monument but on a larger scale. He went on to say we received a \$15,000.00 grant from Home Depot which will help with pavers, landscaping, and the re-sod of the entire park. He went on to say an estimate has been obtained for the monument and it is approximately \$5,000.00. This quote is not for a solid slab monument, but it is more economically feasible.

Vice Mayor Lake asked if the medal (as depicted on the slide) will be in color.

City Manager Leavengood said the etching will be sandblasted and they have the color option. There may be a maintenance requirement every five years and they will have to come back out to recolor. With color, it is a much sharper look rather than one that is just grey and black. He went on to propose a Centennial workshop at 6:00p.m. on the Monday, October 13, 2014.

A consensus was given to schedule the Centennial workshop.

Mayor Daley congratulated the City Manager on his new addition to his family.

CITY ATTORNEY ANNOUNCEMENTS

There were no legal announcements.

RECOGNITION OF CITIZENS

There were none.

EMPLOYEE LONGEVITY- KIMBERLY WALKER – LIBRARY 5 YEARS

Mayor Daley invited Kimberly Walker to the front and said she came to the City of Lake Alfred on September 18, 2009 as a librarian assistant. She is a very hard worker, often taking on extra tasks without being asked to. She gives her utmost attention to every task assigned to her and loves recommending books to our patrons. Kimberly is a joy to work with and helps everyone with a smile. She concluded by saying in recognition of her five year tenure, the City of Lake Alfred will provide her with a certificate of appreciation for service and a five year longevity pin. Congratulations!

CONSENT AGENDA: APPROVE CITY COMMISSION MEETING MINUTES – 09/10/14

Commissioner Maultsby moved to approve the minutes from the September 10, 2014 regular meeting; seconded by **Commissioner Dearmin** and the motion was approved by unanimous voice call vote.

There were no public comments.

MAYOR DALEY

AYE

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

AGENDA

1.) PUBLIC HEARING –RESOLUTION 11-14: FINAL MILLAGE RATE

Mayor Daley stated this is a public hearing, and read the resolution, in its entirety, into record.

City Manager Leavengood said the City is required to advise the Property Appraiser's Office of its final millage rate, roll-back rate, as well as the date, time and place of the final budget hearing. The final millage rate is proposed to be set at 7.589 per \$1,000 taxable value for the upcoming 2014-2015 fiscal year. He presented the millage rate illustration which included the history of the millage rate since 2002. He provided an overview of the revenues generated throughout the years and said the City is still collecting the dollars and cents that we were collecting in 2006, even though the millage rate is still one-half of a point higher than it was back then. The proposed millage rate is consistent with last year's millage rate, and it does represent an increase of \$27,000.00. He concluded by saying staff recommendation is for approval of resolution 11-14 and we would be happy to stand for any questions.

Mayor Daley said we have to be reminded that because of the Save Our Homes and Homestead exemption, that individuals' tax –when the property values go up – their tax rate can't go up in the incremental way because of those things that are in force. For the City to be collecting the extra money to provide all of the services, they don't always have that extra money available to them when the property values decline so we have to wait for them to come back up. So it comes back up a lot more slowly unless you have a lot of commercial or new development that comes into the City.

City Manager Leavengood said that is true. He stated the other point too, is the roll-back rate looks at revenue neutrality. Essentially, it is what we have to collect to have the same amount of dollars that we had the year previous. He went on to say, but if you had 100 new houses built during that time, and you go to the roll-back rate, you are effectively not collecting the taxes on the increase in population.

Mayor Daley opened the public hearing.

There were none.

Mayor Daley closed the public hearing.

Commissioner Duncan said he had spent pretty much the whole weekend reviewing this budget, and he believes he has found more than enough in the budget to roll the rate back. He then made a motion to table the millage rate decision and discuss the budget.

Assistant City Attorney Claytor said you can go ahead and make motion to table the resolution to discuss the budget; however you have to vote on the millage rate prior to adopting the budget.

Commissioner Duncan added that he is not looking at payroll or capital projects, this is purely looking at raw numbers and experience.

Mayor Daley seconded the motion and commented she wanted to hear what he had to say. She said this motion is to table the resolution until after we talk about the budget. We already have had the public hearing, although we will ask for more comments from the audience.

A roll call vote was requested and the motion was approved by majority vote.

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

2.) PUBLIC HEARING –ORDINANCE 1337-14:BUDGET ADOPTION

Mayor Daley read ordinance 1337-14 in its entirety and stated this is a public hearing.

City Manager Leavengood said over the past several months the City Commission has been presented with and has given conceptual approval to the different sections of the fiscal year 2014/2015 and 2015/2016 annual operating budgets including: Capital, Expenditures, Revenue, and Payroll. He provided an overview of the contingency in both budget years. He said the thing to keep in mind is that in the second year budget, it is not as if the expenditures decreased, the second year budget includes some revenue assumptions of major line items. We have also tried to anticipate some expenses as well, and but again the second year budget is like a crystal ball to try and forecast the future events as well as balancing then around capital. He provided an overview of the Enterprise Fund and said there is no contingency and explained why this was. The stormwater fund is balanced in both years, with a \$14,000.00 contingency in the first year, and this is because there is no capital, however the second year has a stormwater sampler within the proposed budget. He said the total budget for 2014/2015 fiscal year is \$6.356 million dollars and in 2015/2016 \$6.307 million dollar budget with the variance being capital. He said staff recommends approval of Ordinance 1337-14 on second and final reading and would be happy to answer any questions.

Mayor Daley opened the public hearing.

Leon Juday of 535 N. Todhunter Way, said as he understands it, Commissioner Duncan is after us to consider the budget because of the affect it has on the millage rate. He continued and said before you get into looking at the budget, he would like to point out what affect the proposed millage rate will have on his taxes. He continued and said this year would be \$843.20 as opposed to \$830.05 last year. He went on to say that when he adjusts that figure with the increase in the CPI (Consumer Price Index) over the past year, it actually only increased his taxes \$1.17. He went on to provide a comparison from a ten year overview (26.75%) and said if we adjust for that increase it would be nearly double than what they are. He said he appreciated what Commissioner Duncan is doing to keep the expenses down, but please do not get carried away because you are not really hurting the tax-payers that much with the proposed millage rate. He concluded by saying thank you.

Mayor Daley closed the public hearing.

Commissioner Duncan said he really appreciates the opportunity to at least discuss the millage rate. He said he is not talking about taking anything away; he is talking about just reducing these line items because there is not any experience or history. He pointed out the repair and maintenance right-of-way and said right now it is sitting at \$40,000.00 for repair and maintenance on Highway 17/92 and Mackay Boulevard. This can be found on page 12 line item number 446.400. This is for landscaping. He said that with \$40,000.00 budgeted the first year and \$10,000.00 budgeted the next year, he would feel it would be safe if we budgeted just \$20,000.00 for the first year. This is a nonrecurring expense and these funds can come from reserves. He went on to say last year there was a 2% increase in the ad-valorem and we put \$25,000.00 in contingency. This year we are putting \$7,000.00 if we kept the current rate. So theoretically we only have to find \$20,000.00. He went on to say there is also a line item for building repair and maintenance (line item, 446.100; on page 10) that is budgeted at \$30,000.00. By reducing both of these line items by \$10,000.00 and using reserves if it went that high, we can pass this savings on to our residents and still get all of the jobs completed. If they do run over, we have already built in the reserves if they did. He went on to say he found more by rolling through it, but if we adjusted just these two line items, we could roll the rate back.

City Manager Leavengood said he had updated the City Commission on this and he thinks this is where the strength of the two year budget process shows. He explained and said let's say we needed \$27,000.00, most certainly we could balance the first year no problem. The second year – and remember it already has revenue expectations built in – if I were take the revenue expectations out we would probably be close to a deficit in the second year. He said if you take the revenue out of the first year, additionally you would have to take it out of the second year as well. The flux is the capital; and those are your bread and butter projects such as replacement of mowers, police vehicles, and things like that.

Commissioner Duncan added that the City's property values have increased 4.9% in two years, and next year - relatively speaking - the values may go up again. We have more buildings being built and our building permits have increased, all he is looking to do is lower our rate a little bit so that we are a competitive city.

City Manager Leavengood requested attention to the last page of the capital section. He said in 2014/2015 there is \$384,000 in total capital expenses. These are similar to your discretionary funds from a family perspective. Now the second total on the bottom, the \$234,000.00 that is your total operating unrestricted funds. The reason why there is extra money in the first year is because if you look at the total operating general fund, it's a \$149,500.00 so that is how much capital we are proposing to pay for out of current revenues, without reaching into the bank or restricted funds to pay for it. He went on to say, the second year moves up to \$184,000.00. So if you were only looking at the first year budget, yes you could balance the budget and trim those two and go down; but as you can see in the second year, your capital picks back up and the wiggle room is gone, because you are spending \$40,000.00 more during the second year budget.

Commissioner Duncan said he is by no means stating not to do those projects; he pinpointed it because it is a high number for this year. He said all he was doing was trying to find \$20,000.00 to save our residents some money.

Mayor Daley said the amount that it would take to save \$20,000.00 is such a miniscule amount.

Commissioner Duncan said even if it is \$.50 if you went around and asked anybody they would appreciate some help right now.

Mayor Daley said all of those years we were collecting the higher dollars, we were putting money into the reserves, which is why we have a healthy reserve. We have not put any money into the reserves for the last several years.

City Manager Leavengood said we do technically put money in the reserves. He explained we still put the \$50,000.00 away for the fire engine the only difference is we have allocated this revenue specifically and have self-restricted the money. It is currently tracked in the budget.

A discussion ensued about how the process works with a two year budget with the example of purchasing a \$ 90,000.00 backhoe, and the purpose of the City reserves for unplanned incidents.

City Manager Leavengood reiterated the effect of reducing the revenue in the first year budget and the impact it has on the second year budget. He provided an example of an unplanned project such as the Lions Club pavilion replacement. He continued by saying it is purely a policy call on the City Commission. The ad-valorem, that ball, is solely in your court. He said we are very far in the process at this time; it just complicates things when we are kind of like at the 11th hour with the second read.

Commissioner Duncan said all we would have to do is just change the line item total.

Assistant City Attorney Claytor said it would make more sense to move forward on what we have presented tonight and then if we wanted to change that at a later time we can do it. It just becomes more complicated tonight if we are trying change things.

Commissioner Duncan said we cannot change the millage rate after we pass the resolution tonight so it would be next year before we could have that discussion.

Mayor Daley said she is having the feeling that most of the Commissioners are happy with the millage rate the way the budget has been presented to us.

Commissioner Dearmin said that is the comment he wanted to make. We have been diligently working on this document for quite a while.

Commissioner Duncan said theoretically, the City Commission has just received bits and pieces of the budget from July until now. We got the whole budget just within the last month. It is not like I have waited because we have only had two meetings. Additionally, I can only speak with the Commission when we are sitting here publically. So this is the opportunity, and this is why I brought it forward. He continued and said we are not very far from being able to accomplish this but what is basically presented is that if we don't do this today, or say we do this today, we are causing damage a year down the road.

Mayor Daley said she thinks it is the opposite is true because if we do, do this today we could be causing damage because this has all been worked out and studied and done with actuary tables.

Commissioner Duncan said all we are talking about are two repair and maintenance line items and we are not talking about payroll or any reoccurring expenses.

Vice Mayor Lake said if we put \$40,000.00 in the budget it does not necessarily mean that the \$40,000.00 will be spent. However, he has talked about the need to make the city look better since he has moved here. He said we want people to move and shop here, and stores to open here. The City looked like it was dying five years ago and it is looking so much better now. He went on to say the lawn service in his development charges \$34,000.00 a year to just cut grass. So we are talking about spending money to put in plants and maintenance and stuff like that to make the City look better, and to change the millage rate just to get rid of \$20,000.00 it is kind of weird to do at this point.

Commissioner Duncan said he definitely appreciated the opportunity to make an attempt at lowering it.

Mayor Daley said she is glad that he brought it forward and we were able to discuss it. She opened the floor up for public comment and there were no comments from the audience. She directed the Commission back to the first order of business, Resolution 11-14.

Vice Mayor Lake moved to approve Resolution 11-14 setting the final millage rate for fiscal year 2014/2015 at 7.5890; seconded by **Commissioner Dearmin** and the motion was approved by majority voice call vote.

There were no public comments.

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

Mayor Daley said now we will move onto the Ordinance 1337-14 on second and final reading. She said have already held this public hearing and requested for any additional comments. There were none.

Commissioner Dearmin moved to approve Ordinance 1337-14 on second and final reading; seconded by **Commissioner Maultsby** and the motion was approved by unanimous voice call vote.

There were no final public comments.

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

3.) RESOLUTION12-14:BAD DEBT WRITE-OFF

Mayor Daley read the resolution into record.

City Manager Leavengood said as a part of the closeout process for the end of the current fiscal year, city staff is requesting authorization to expense any outstanding utility billing accounts as bad debt. Overall the percentage of the accounts to be expensed as bad debt is less than 1% of the billing revenue. The total amount for the current fiscal year is 149 accounts totaling \$15,079.30. This amount is consistent with previous years' experience, and while the debt is written-off for accounting purposes, collection efforts will still continue after the debt is written-off the ledger. He provided an overview of collection processes and said he is currently working with the Finance Director on revising some of the internal policies including the vacation policy to assist residents. He said this may be something we look at just in terms of increasing the deposit for repeat offenders. This is really just a cost of doing business and is less than one percent of the revenue. He concluded by saying staff recommendation is for approval of resolution 12-14.

Mayor Daley asked how much money we typically collect after the debt has been written-off.

Finance Director Deaton said if you look on the revenue and expense report, that figure is shown in the enterprise fund on the line item called write-offs collected. It is generally about two to three thousand dollars annually.

Commissioner Duncan moved to approve resolution 12-14 authorizing the finance department to write-off bad debt in the amount of \$15,079.30; seconded by **Commissioner Maultsby and Commissioner Dearmin** and the motion was approved by unanimous voice call vote.

There were no public comments.

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

4.) PLANNING BOARD RESIGNATION AND APPROVAL OF SUCCESSION

City Manager Leavengood provided an overview of the Planning Board's organizational structure and said the items before you tonight are to accept the resignation letter from Ted Anthony, and approval of Judy Schelfo from an alternate position to a full board member.

Mayor Daley inquired if Judy Schelfo had been asked if she would accept.

City Manager Leavengood replied yes.

Vice Mayor Lake moved to accept the resignation of Ted Anthony from the Planning Board; seconded by **Commissioner Dearmin** and the motion was approved by unanimous voice call vote.

There were no public comments.

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

COMMISSIONER MAULTSBY

AYE

Commissioner Maultsby moved to approve Judy Schelfo to a full member on the Planning Board; seconded by **Vice Mayor Lake** and **Commissioner Dearmin** and the motion was approved by majority voice call vote.

There were no public comments.

MAYOR DALEY

AYE

VICE MAYOR LAKE

AYE

COMMISSIONER DEARMIN

AYE

COMMISSIONER DUNCAN

NAY

COMMISSIONER MAULTSBY

AYE

Mayor Daley thanked Judy Schelfo for her service.

RECOGNITION OF CITIZENS

Judy Schelfo of 640 East Lakeview requested when the City is talking about the Home Depot Foundation grant, to please mention the Lions Club. She continued and said without the Lions Club being a willing partner with the City, and allowing the funds to flow through them, the City would not have received that funding. She said the grass for the project will be about seven truckloads of sod.

City Manager Leavengood said yes, most certainly. He shared there will be about 100 volunteers coming out to lay the sod. He went on to address the City Commission about the budget process. He said he is always looking to improve it and to simplify it to make it accessible as he can. He went on to say he kind of liked the way we did the chop-up in terms of getting the different sections. We can go back to a different format, but his thoughts are the budget can be a complex and overbearing document. He said the items the Commission typically focuses on are your projects, and your capital expenditures. These are the last dollars you spend and the first ones you plan for. Those changes that he makes every year for operational expenses are really based upon experience. He provided an overview of how the experience works. He said the last thing we look at is payroll, and the mentality there for me personally, is that for the employees to get paid more, with the cost of living adjustments, is that the City really has to get paid more. So that is typically how I do it and the best opportunity to have the millage rate conversation is really around the time we present expenditures and then again when we present revenues. He said he would say he is committed to bringing the millage rate down, you know again, city operations in a way dictate it but it is really management working with the City Commission to reach your goals. We can do that with whatever millage rate that you guys want. He discussed the historical millage rates and said from a staff's point of view he would be more comfortable if we were to get back up to the 2010 revenue range, but again if there is an opportunity to do the rollback rate, he would suggest we do it incrementally. If we can start chipping away at that number by reducing \$5,000.00 to \$10,000.00 every year, that would be a good game plan going forward. He concluded by saying this is pure policy and we can do the budget process however you guys want.

COMMISSIONER QUESTIONS AND COMMENTS

Mayor Daley welcomed Richard Weed the new Parks and Recreation Manager. She went on to say that the City is here for him and she is very happy to have him here.

City Manager Leavengood said he is glad to have Richard on board and it was a good selection process. He went on to say we had candidates from out of state. Some had their Master's degree and Richard comes to us from Polk State College with a Bachelor degree in Public Administration, previous experience in working with Auburndale, and is actually a local. Overall he felt that Richard would be the best fit with the department heads, and the kind of the team we have assembled. He concluded by saying he is looking forward to his continued success here in Lake Alfred.

Mayor Daley complimented the Lake Alfred City App. She said it is working really well for her. She shared about a reported stop sign which was fixed the very next day. She is really appreciating the ability to just quickly do that and get it to the right department at the right time. She continued by thanking City staff for their hard work on the budget and keeping Lake Alfred in a good strong financial position that we have been in and have enjoyed. It is always amazing to her, for a town of our size, to be able to still be a full service city and have our police and fire and garbage. We have citizens who really like our services and they are actually happy to pay for the services they enjoy. She concluded by saying; in reading about other cities and what they are going through with their tax and budget, she thinks we are very fortunate that we are able to keep our millage rate where it is and work on reducing it in the future when we have some more money coming in.

Commissioner Dearmin commended city staff. There was a lot of work involved in the budget and said he is very pleased about the new police officer which was sworn in this evening. We are a family and he is glad we can discuss the things that we need to discuss in order to bring things forward. He is real happy with the budget and will be ready for October 1, 2014.

Commissioner Duncan said the Mayor did a fantastic job reading the budget ordinance into record. He continued and said at 8:00 a.m. tomorrow morning he will be at Discovery Academy to have the students select their positions for this Thursday; the City Hall experience. October 17th and 18th will be the drop-off for the next art show. He shared they will be coming at the end of this month to pick up the existing art. He concluded by thanking his colleagues again for allowing him to talk about the millage and said we will figure out a way to lower it next year.

Vice Mayor Lake shared that Reverend Mike Jones will be the Chaplain for the City of Lake Alfred Police Department. Good selection there. He said they had their first legislative policy committee meeting and it went as usual. He continued and said when the City Manager moved here they were discussing how they can increase the population, and said he has decided to take it upon himself. The Chamber of Commerce golf outing was cancelled due to rain. He continued to say it was interesting that the new Parks and Recreation Manager's name is Weed, because it is a very close affinity to the project he is working with. He concluded and said he had the opportunity to use the app today for a hole in front of the Chamber; however he just asked the Public Works Director to help fill a hole because he was right there. Thank you.

Commissioner Maultsby shared he is on the taxation and personnel committee. He said they discussed the potential for local revenue on the sale of marijuana. He was thinking that marijuana was going to be a medicine, and they don't tax medicine in the State of Florida. He said the committee wanted to know where these dispensaries or establishments will be located within the cities. He said they did not get too much accomplished in the meeting. He went on to say this referendum initiative has to pass the legislature by sixty percent of the vote. There is still going to be a lot of discussion into this measure. He continued and thanked staff for putting things together and said they do a great job. He is happy when he has citizens complimenting

the looks of our medians, so he hopes we won't do anything to hurt the highway. They work hard daily. He concluded by saying he thinks we are doing great and there is no need to step back, just keep moving forward.

Mayor Daley shared tomorrow is the last day you can register to vote if you want to vote in the November election. She encouraged everyone to share this information with anyone that may not be registered. It is really important. That is the only way that you can complain about the government, is if you vote first. Let's make sure we get out and vote.

Commissioner Dearmin said we had a birthday last week. Happy Birthday wishes were shared with Vice Mayor Lake.

Without any further business the meeting adjourned at 8:53 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Linda Bourgeois".

Linda Bourgeois, M.M. C.
City Clerk