

1 MINUTES OF THE LAKE MARY CITY COMMISSION MEETING held July 23, 2009,
2 7:00 P.M., Lake Mary City Commission Chambers, 100 North Country Club Road.

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5 I. Call to Order

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7 The meeting was called to order by Mayor David Mealor at 7:05 P.M.

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9 II. Moment of Silence

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11 III. Pledge of Allegiance

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13 IV. Roll Call

14
15 Mayor David Mealor
16 Deputy Mayor Gary Brender
17 Commissioner George Duryea
18 Commissioner Shirley Gray
19 Commissioner Jo Ann Lucarelli

John Litton, City Manager
Carol Foster, City Clerk
Jackie Sova, Finance Director/
Assistant City Manager
John Omana, Com. Dev. Dir.
Gary Schindler, City Planner
Tom Connelly, City Eng.
Bruce Paster, Public Works Dir.
Dave Dovan, Asst. Public Works Dir.
Bill Carrico, Parks & Recreation Dir.
Gunnar Smith, Events Center Mgr.
Ed Koch, Building/Facilities Mgr.
Steve Bracknell, Police Chief
Colin Morgan, Deputy Police Chief
Craig Haun, Fire Chief
Katie Reischmann, City Attorney
Mary Campbell, Deputy City Clerk

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33 V. Approval of Minutes: July 9, 2009

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35 **Motion was made by Commissioner Gray to approve the minutes of the July 9,**
36 **2009, meeting, seconded by Commissioner Lucarelli and motion carried**
37 **unanimously.**

38
39 VI. Special Presentations

40
41 A. Presentation to the Lake Mary Historical Society for funding of the film
42 "Growing Home"

43
44 Mindy Matthews, 618 Serena Street, Sanford, Florida, came forward. She said every
45 time she comes back to the Lake Mary City Commission it feels like home. So many of
46 the commissions are not as warm and community oriented as she felt this one was.

1
2 Ms. Matthews as we have the 60-minute, high definition film “Growing Home” and many
3 on the Commission were at the kickoff event. In this challenging economy, to fund a
4 film is beneficial but not essential, but we have some wonderful partners that are going
5 to help kick it off. The Lake Mary Historical Society is in partnership with the Crawford
6 Group to produce the film. Tonight we are going to recognize the generosity of several
7 film funding partners. Progress Energy, represented by Community Relations Manager
8 Tricia Johnson, is here with a check for \$10,000. She said Michael and Sheila Kramer
9 of *Lake Mary Life* magazine were present who would document and update all the
10 readers of the magazine.

11
12 Cora Rice, President of the Lake Mary Historical Society, accepted the check from
13 Progress Energy.

14
15 Mayor Meador said on behalf of the City of Lake Mary and the Commission, it is an
16 honor to accept this check from Progress Energy. They are a remarkable corporate
17 neighbor.

18
19 Ms. Matthews said we have formed a new website, www.growinghomefilm.com and
20 people can donate there using Pay Pal or mail a check to the Historical Society.

21
22 Ms. Matthews said since we’ve parted last we have formed a “Growing Home”
23 community of 100 and that’s 100 individuals who have written \$1,000 checks. There
24 are special membership benefits that come with that. It is very much a community
25 event and is a very special group.

26
27 Masuma Virgi, Director representing the United Muslim Foundation of Lake Mary, came
28 forward and presented a check to Cora Rice.

29
30 Mayor Meador said the presenter is a graduate of the University of Central Florida and is
31 an Education and Biology major. It is a pleasure to have her with us this evening and
32 we appreciate her generosity.

33
34 Seminole County Commissioner Mike McLean came forward and presented a check to
35 Cora Rice.

36
37 Mayor Meador said Lake Mary is only as good as those who helped us get here and
38 Mike (McLean) in his current role as the Vice Chairman of the Seminole County
39 Commission and his role in Lake Mary as Deputy Mayor played an instrumental role in
40 the recognition we received lately. He thanked Commissioner McLean for his
41 generosity and leadership.

42
43 Commissioner McLean said we were fortunate when we had the kickoff for this event.
44 He said he and the Mayor were co-emcees and hoped to keep the momentum going.
45 This will not only be great for marketing but also a great way to preserve the history of
46 this wonderful community.

1
2 Ms. Matthews said Reverend John and Linda Montgomery of the River Oaks
3 Presbyterian Church and Lake Mary Optometrist Dr. Carol Logan made donations. She
4 said Jen and Lois Paulucci donated \$5,000 and she would give that check to Cora
5 Rice tonight.

6
7 Ms. Matthews said 5,000 households will receive this hour-long film which we believe
8 will help bring them back into the community for the past, present and future of where
9 they live. If there are any more donations tonight, that is great and if not please visit the
10 website. We look forward to future updates and involvement. We will be uploading
11 contributors and keeping current there as well.

12
13 Mayor Mealor said the Crawford Group producing this does a remarkable job. They are
14 a Lake Mary company and have a very talented team. It's one of those moments when
15 people are willing to invest in our community and all we can say is thank you and we
16 wish them every success. We will do what we can help them gain that status.

17
18 VII. Unfinished Business

19
20 There was no unfinished business at this time.

21
22 VIII. New Business

- 23
24 A. Resolution No. 845 – Replacement of an off-site directional sign in the
25 median of Weldon Boulevard and U.S. Highway 17-92 (postponed 6/4/09,
26 7/9/09)

27
28 Mayor Mealor said we have a request from Seminole Community College that this item
29 be postponed to August ~~28~~ 20, 2009.

30
31 **Motion was made by Deputy Mayor Brender to postpone Resolution No. 845 to**
32 **August ~~28~~ 20, 2009, seconded by Commissioner Lucarelli and motion carried**
33 **unanimously.**

34
35 **NOTE: Amended motion was made to postpone Resolution No. 845 to August**
36 **20th. See Page 4, Line 1.**

37
38 B. Financial Update – Fiscal Year 2009

39
40 Mayor Mealor said we are interested in what Ms. Sova has to present tonight. We are
41 working on the 2010 budget and Ms. Sova and her team have done a remarkable job.

42
43 Mr. Litton said as a point of order, Seminole Community College asked that Resolution
44 No. 845 be postponed to August 20th.

1 **Amended motion was made by Deputy Mayor Brender to postpone Resolution**
2 **No. 845 to August 20, 2009, seconded by Commissioner Lucarelli and motion**
3 **carried unanimously.**
4

5 Ms. Sova said tonight she had the results from October 1, 2008, through June 30, 2009.
6 Ad valorem taxes are in at just over 100% of budget totaling \$7,935,450. That is pretty
7 much the total for the year. If there is any more money it will be very small. All the
8 items out of the state (state sales tax, revenue sharing) continue to be lower than
9 projections—even lower than their reduced projections which they have done three
10 times this year. That is solely a state of the economy. We will end up at the end of the
11 year about 85% of budget.

12
13 Commissioner Duryea fines have the least amount of budget realized.

14
15 Ms. Sova said those have fallen off the last couple of years. Several years ago the
16 state legislature changed the distribution formulas. Some of the clerks of the court
17 waited before implementing them and some implemented them piecemeal, but there
18 has been another recent set of changes to the implementation formulas. The local
19 entity doesn't end up with all that much. For \$200 tickets we get about \$42. The
20 percentage of those proceeds just isn't that great. The court system gets the money.
21 When things go to court the officers end up there on overtime and it just costs money.
22 The combined effect is not fruitful. It's the enforcement that's important.

23
24 Ms. Sova said the telecommunications tax is a large source of revenue of about \$2.25
25 million a year, and it continues to greatly fluctuate. It has been as low as \$179,000 this
26 year and as high as \$240,000. The difference between the last two months was
27 \$240,000 and \$201,000. It will average out but it is unpredictable. We're not supposed
28 to deal with those vendors ourselves but one large vendor we do call and ask why their
29 payment was late and try and find out what's going on. When we try to work with the
30 state we just keep hearing that they're auditing them. There is no penalty for them
31 being late and there is no penalty to the state for them distributing the money to us late
32 which has happened a couple of times. She thought that's what causes things to be
33 erratic. That is a very flat revenue over the last several years and a lot of that is
34 attributable to people combining phone lines into the T-1 lines and reducing phone
35 costs. Reducing phone costs is the major business perspective for cost savings.
36 People are dropping their home phone lines and going to cell phones. That affects this
37 bottom line when you combine all of that together and is why it's gotten so flat and our
38 community has not done a lot of growing.

39
40 Commissioner Gray said her cell phone charges include local government taxes.

41
42 Ms. Sova said that was the tax she was talking about but it goes to the state. We can't
43 collect it ourselves. We levy the tax based on a formula the state gave us and the state
44 gave us a maximum.

1 Ms. Sova said the permit fee revenues are where we projected. Investment income is
2 not bad comparatively. We've done pretty well but interest rates are at historic lows and
3 we have to invest in everything that is very safe. Water revenues are running low as we
4 continue to transition customers to reclaimed.

5
6 Ms. Sova said overall expenditures are just about the same percentage of the year as
7 they always are. We will probably be about 5% under budget at the end of the year.
8

9 Ms. Sova said regarding our investment portfolio, for our CDRS investments that we
10 began last December we have \$12 million and the composite rate of return is 3.24%.
11 Those are invested from six months to about four years, three months.
12

13 Ms. Sova said the bond portfolio is at \$15,358,008 at a combined rate of 4.25%. Those
14 are larger, individual investments of about \$1.5 million apiece. We have one maturing
15 next week at \$1.5 million so as they drop off those interest rates start to drop because
16 we can't reinvest at these rates. The offerings we are getting now are under 3% for
17 three years. We try to keep our portfolio averaged at three years so we are never too
18 long on one particular interest rate environment or too volatile.
19

20 Ms. Sova said this is where we are to date and it reflects pretty much what we
21 expected. We were very conservative, sort of saw what was coming with the economy,
22 and thought we are going to finish the year pretty well.
23

24 Mayor Meador commended Ms. Sova and her team for the anticipation of what the
25 volatility would be and to have the foresight far in advance of our sister cities and
26 counties to move our funds out of a difficult situation to secure the future of this city and
27 to protect it. He said he was very appreciative.
28

29 Mr. Litton interjected that Lake Mary has definitely been the leader and not the follower.
30

31 Mayor Meador said absolutely and said the same thing at the homeowners' meeting.
32 This city has received a lot of recognition, particularly in the area that Ms. Sova is
33 responsible, and it goes directly to the leadership that she provides and the expertise
34 that she brings to the table. It's a way of giving back to the community, and the trust
35 that we work very hard to gain helps tremendously and we appreciate her efforts.
36

37 C. Fiscal Year 2010 Budget Message – John Litton, City Manager

38 Setting of:

- 39 1. Proposed operating millage rate
- 40 2. Current year rolled-back rate
- 41 3. Date, time and place of tentative budget hearing
42

43 Mr. Litton said in accordance with Section 13.02 of the City Charter, I present to the
44 Commission the proposed budget for 2010 together with a five-year plan, the latter
45 being more important than ever during these tough economic times. We have again
46 added information for each program showing personnel services costs compared to

1 operating in a pie chart format. The budget process continued to be a moving target
2 right up until the end as not only were we assessing the long-term impacts of tax law
3 changes to include Amendment 1 but also the declining revenue projections from the
4 state. Lake Mary is extremely fortunate today when compared to most other cities but
5 that will be short lived if we do not continue taking a hard look--be it visionary or
6 otherwise--at all our priorities as well as the economic commitments that we are willing
7 to pledge to such things as downtown development, regardless of SunRail.

8
9 Mr. Litton said we are again showing the City's payment to the 17-92 CRA of \$62,196
10 which is down from last year's number of \$66,200 as a result of property value decline.
11 This number should soon start to grow as our small portion of the CRA continues to
12 develop. We are currently committed to the CRA through Fall of 2017 at which time it
13 can be extended by Seminole County for a third and final ten-year increment.

14
15 Mr. Litton said we are proposing to spend \$549,869 of General Fund balance to
16 basically maintain the same levels of services we now provide citizens, which we also
17 did in 2009 to the tune of approximately \$893,300. We are able to do this because we
18 have always maintained a very conservative spending policy even during the good
19 times. He said he projected those opportunities were pretty much over after this year
20 unless there is a quick and marked turnaround in the economy.

21
22 Mr. Litton said the rolled-back rate as defined by Florida Statutes for 2010 and
23 calculated by the Seminole County Property Appraiser's Office is 4.0031 mills with a mill
24 in the City of Lake Mary projected to represent \$1,980,815 in 2010 at the 95% collection
25 rate. Even with tax law changes, this is the first time that figure has decreased in his 20
26 plus years as City Manager and is currently a telling sign of the challenges which we are
27 all facing. He is proposing no increase in rates for fees or services next year, however,
28 there is a CPI provision in the contract with Waste Management and/or potentially a \$1
29 increase in the base charge should the Commission decide to go back to twice per
30 week garbage pickup as some residents have suggested. And speaking of that service
31 we need to mention recycling with the new single source program having so far been a
32 huge success with the volumes close to double when compared to the old system.

33
34 Mr. Litton said we are not recommending the addition of any new personnel this year
35 and through this budget document have memorialized the changes the Commission
36 approved in the March 2009 pay plan update. For 2010 we propose to replace one
37 Police Officer with a Community Service Officer. That person will also have additional
38 responsibilities including administering the police department's accreditation program.
39 Mr. Litton said the following positions which were previously funded in years past have
40 now been deleted from the 2010 budget: Engineering Tech and Planning & Zoning
41 Tech in Community Development; two Code Compliance Inspectors and a Plans
42 Examiner in the Building Department; Maintenance Specialist in Public Works; a part-
43 time Professional Standards Coordinator in Police; and in Parks & Recreation, three
44 part-time Rec. Assistants and both a full and part-time Maintenance Specialist. With the
45 exception of the Professional Standards Coordinator who is leaving October 1st to finish
46 her pharmaceutical studies, all of the other jobs mentioned are currently unfilled and are

1 directly related to building and other growth related activities which, when needed, will
2 generate a corresponding revenue.

3
4 Mr. Litton said assuming the proposed millage rate is adopted, total General Fund
5 Revenues are estimated to go down an overall \$1,164,002 from '09 with General Fund
6 balance at the end of 2010 projected to be \$10,127,226. This compares to '09 at
7 \$10,677,095 and \$11,570,395 in '08. A lot of thought and effort went into these revenue
8 projections in an effort to ensure that they are truly reflective of the way we see the
9 economy for the next year while being careful not to substantially over or understate
10 those numbers. To some degree it is still a roll of the dice. We also did not consider
11 any possible revenue increases from franchise fees or utility taxes as a result of
12 pending upward rate applications with the Public Service Commission by both Progress
13 Energy and Florida Power & Light.

14
15 Mr. Litton said General Fund Debt Service for 2010 is \$1,836,554 with all other funds,
16 including Water and Sewer, being debt free. Unreserved Fund Balance as a percent of
17 General Fund Expenditures at the close of 2010 will be approximately 56%. He said he
18 removed the \$300,000 donation commitment for the Lake Mary High School swimming
19 pool as that allocation has been on the books for more than two years with no plans, to
20 his knowledge, forthcoming for construction. Should the Commission want to keep that
21 appropriation in the 2010 budget then we would either need to reduce the proposed
22 fund balance accordingly or further cut expenditures. He said he did not feel
23 comfortable letting the fund balance number go below \$10 million on purpose when we
24 live in a state that is subject to multiple major storms such as occurred in 2004. We
25 must always have enough to front the necessary costs, including payroll, while we await
26 reimbursement that, even if all goes well (which it never does!) takes months.

27
28 Mr. Litton said his budget recommendation calls for a levy of 3.6355 mills for 2010
29 which is 9.18% less than the rolled-back rate of 4.0031 mills and requires but a simple
30 majority of the City Commission for approval. To balance without using any reserves
31 requires a levy of 3.914 mills and a two-thirds vote of the Commission as would going to
32 4.5135 which is the rolled-back rate without the impacts of Amendment 1. Any levy
33 between that number and the 10-mill maximum requires unanimous approval.

34
35 Mr. Litton said keeping our good employees competitive with salaries, benefits and
36 technology is just as important as it ever was while we truly do more with less. Our
37 turnover rate continues to be minimal and those who leave are doing so for the right
38 reasons. However, due to current economic challenges we have not provided any
39 monies for pay plan adjustments or merit increases in 2010. He said he has also
40 suspended funding for the City's contribution to the YMCA as well as the tuition
41 reimbursement program in 2010. He said he used the word "suspended" because he
42 hoped there could be a return of both programs in the near future. He said he has
43 reduced, but not eliminated, the City's contribution to other employee recognition
44 programs in 2010 but was hopeful that at some point in time to be able to restore them
45 in total. The focus was making sure the existing workforce continued to have jobs and
46 benefits during these difficult times. He said he was not recommending any changes to

1 the sick leave buyback or safety incentive programs, longevity or the take home vehicle
2 policy which is certainly liberal as compared to others, but it's something that our
3 employees have and look forward to and didn't want to touch that if we don't have to.
4 FY 2010 estimated costs in fuel for fleet operations are almost \$269,000 citywide.

5
6 Mr. Litton said he thought it was important to note that while we may not have a lot of
7 good news our property and casualty insurance premiums to include worker's
8 compensation and vehicle liability have continued to drop significantly, but it takes but
9 one major event to send premiums skyrocketing. Our costs came down some \$200,000
10 this year thanks not only to a softer market but also an excellent year from a claims
11 perspective. At the annual PRM Conference held in June, Lake Mary received two
12 prestigious awards while competing with 48 other entities for having the best overall
13 workplace safety performance and an accident-free safety record. It reflects a more
14 focused approach to self insurance as well as the fact that our employees are
15 dedicated, diligent, and safety conscious which directly benefits the taxpayers of Lake
16 Mary.

17
18 Mr. Litton said on the revenue side of the General Fund, we expect a decrease of
19 slightly more than \$1,164,002 which includes ad valorem taxes, licenses, permits,
20 franchise and utilities fees among others. We have also limited new money for General
21 Fund Capital, instead using previously allocated but unspent dollars such as the study
22 for WiFi that was never done but the funding continued to carry forward. We also
23 moved many of the previous costs shown as capital into operating which is where they
24 belong. Everything else is relatively routine and consists primarily of replacement items.

25
26 Mr. Litton said in General Fund Capital Projects, we estimate \$1,806,656 in carry-
27 forward money of which \$4,814,200 is the Sand Pond Road/Skyline Drive road
28 improvements that will be reimbursed to the City by Seminole County as part of the
29 Second Generation One-Cent Sales Tax. Despite many challenges, staff has continued
30 to work toward acquiring the necessary property to complete the punch through of that
31 roadway based on the Commission's previous direction. Should the Commission want
32 to delay this item, he recommended to complete the land acquisition which makes good
33 sense for the future. We are proposing no new major projects.

34
35 Mr. Litton said additional carry-forward monies (in General Fund Capital Projects)
36 consist of \$8,000 for computer network upgrades and development with \$13,500 in new
37 money; \$19,669 for e-mail software/server upgrade; \$17,093 for in-car cameras in the
38 Police Department; \$5,000 each for the Federal FIRE Act grant match and State EMS
39 grant match; \$5,000 for miscellaneous unscheduled replacements such as small
40 gasoline and electric powered equipment and hand tools; \$153,286 for sidewalk
41 replacements and installation; and \$46,627 for streetlight additions. In the downtown,
42 \$7,500 for the overpass sign; \$55,589 for land acquisition; \$44,682 for beautification
43 and stair step park improvements, including sidewalks, streetlighting, signage, etc. with
44 an additional \$30,000 in new money; and \$69,879 for from the federal grant for the
45 Downtown T-21 Reauthorization Fund Project for the Bypass Corridor Analysis, with an
46 additional \$80,000 in new grant money.

1
2 Mr. Litton said additional funding (in General Fund Capital Projects) includes \$15,000
3 for computer replacements; \$46,185 for equipment replacements in the Police
4 Department including laptops, portable and mobile radios; and \$5,200 for ticket writers.
5 In Public Works he is asking for \$300,000 for annual street resurfacing. In Parks and
6 Recreation those previous items carried as capital, such as Liberty Park and Frank
7 Evans improvements, have now been moved into operating as previously discussed. In
8 Facilities Maintenance, \$15,000 is budgeted for a KVAR Capacitor System, which is an
9 energy savings program that will hopefully be on all city buildings in the not-so-distant
10 future. He said he wanted to mention an amendment that we will have to make to this
11 document prior to final adoption and that is three resurfacing projects totaling
12 \$1,366,500 which were approved as part of the economic stimulus package. The LAP
13 agreements have been approved by the state meaning Lake Mary's projects should be
14 some of the first out on the street.

15
16 Mr. Litton said from the Police Second Dollar Education and Training Fund, we project
17 to spend \$16,800 on training which will leave the fund balance of \$110,475. In
18 Recreation Impact Fees, we are carrying forward \$7,500 for the Heritage Park Study
19 leaving a fund balance of \$113,547. We are looking at some security measures for the
20 Sports Complex area that we will spend out of this year's budget and that will come out
21 of impact fees. That has become a priority. There are no other expenditures in impact
22 fees leaving a fund balance of \$185,182 in Fire; \$52,866 in Public Works; and \$361,663
23 in Police. From the Law Enforcement Trust Fund we will designate annual donations
24 during the year to eligible organizations from a balance of \$183,650. In the
25 Streetlighting Fund we project a FY 2010 ending balance of \$14,208.

26
27 Mr. Litton said in the Water and Sewer Fund, we estimate total revenues of \$3,865,783
28 of which \$2,055,085 is water sales. There are no new personnel budgeted in this fund
29 and new capital project monies requested are \$988,000 which includes \$25,000 for
30 consumptive use permit monitoring requirements; \$50,000 for commercial meter testing
31 and repair; \$15,000 for HVAC replacement at Public Works Complex; \$80,000 for
32 security fencing and the water plant; and \$18,000 to upgrade skid steer to track loader.
33 We estimate \$1,171,498 in carry-forward monies in the Water and Sewer Fund to
34 include such items as the Mill Creek reclaimed water storage and pumping project,
35 relocating existing water service lines and meters, and \$800,000 of new money along
36 with \$700,000 of carry-forward for sewer and reuse implementation.

37
38 Mr. Litton said in the Stormwater Utility Fund, we anticipate revenues of \$268,000 for
39 stormwater fees and operating expenses of \$207,761. At the end of the year we
40 estimate an unrestricted net asset of \$440,056. The focus with capital dollars is to
41 maintain existing cold mix streets by applying fog seal or overlays on those listed in the
42 program summary and for the Total Maximum Daily Load Reduction Project.

43
44 Mr. Litton said also in the budget books is the fleet maintenance program which
45 includes the projected vehicle replacement list, not only for 2010 but through the year
46 2014. The replacement schedule for any vehicle or piece of equipment is subject to

1 change but regardless of when it happens, the costs are significant. While the 135
2 pieces of rolling stock are owned by vehicle maintenance, each program pays rent
3 based upon the particular life cycle cost. Estimated vehicle/equipment replacement
4 costs for 2010 are \$231,566 but jumps substantially over the next four years based on
5 the replacement schedule.

6
7 Mr. Litton said we will review each of the various operating programs during work
8 sessions but other than what has already been mentioned, they are pretty much flat.
9 There are some things in the General Government section that we may want to look at
10 this year including memberships, contributions, etc. because with tax reform, public
11 support of outside organizations will be an obvious target. We will also be looking at
12 travel and other outside electives to ensure a return on investment.

13
14 Mr. Litton complimented Jackie Sova for her diligence during these difficult times and
15 being on top of not only our overall finances but specifically our investments. We made
16 some decisions that complied with our policy but were things we had never done before.
17 He thanked Commissioner Duryea for his advice in that area. He said he was proud to
18 say we have a diversified portfolio that has enjoyed an excellent return on investment
19 given today's economy and with little or no risk to our citizens.

20
21 Mr. Litton said in last Sunday's *Orlando Sentinel* there was a blurb that basically said
22 Lake Mary had been demoted by *Money Magazine* from a previous ranking of #4 to #96
23 as the best city in the United States with a population of 50,000 or less in which to live.
24 That may be technically true but we are still #1 in Florida and that so-called demotion
25 was for factors outside our control including a real estate market that has been in a free-
26 fall for the last two plus years. He said he was proud of this city, the progressive
27 reputation and respect it enjoys, and through the state it is talked about often. He said
28 he was also proud of the volunteers who give of their time and expertise to help out
29 where needed, our dedicated professional staff who are always trying to do the best
30 they can, and a Commission who always puts the citizens first.

31
32 Mr. Litton said we have scheduled the first work session for August 6, 2009, at 5:00
33 P.M. to go over the proposed budget in detail. We can also change or have other
34 meetings should that be necessary to accommodate schedules.

35
36 Mr. Litton said in accordance with Florida Statutes, the action required by the
37 Commission tonight is to establish a proposed millage rate, set the rolled-back rate, and
38 schedule the first public hearing. He recommended the proposed millage be set at
39 3.6355, the rolled-back rate at 4.0031, and the first public hearing be September 3,
40 2009, at 7:00 P.M. as part of the regular Commission agenda.

41
42 Mayor Meador thanked Mr. Litton for a very thorough and exceptional job in presenting
43 the proposed budget. He said he enjoyed this group and liked being around them here
44 and out in the community. He said he was glad Commissioner Duryea was mentioned
45 in the budget message. He said Commissioner Duryea is the second longest serving
46 elected official in the State of Florida and it is his expertise that helps us. He does it

1 quietly, does not seek the limelight, but it makes such a tremendous difference in how
2 we operate as a community, and thanked him for a job well done.

3
4 **Motion was made by Deputy Mayor Brender to set the proposed millage rate for**
5 **Fiscal Year 2010 at 3.6355 mills, seconded by Commissioner Gray.**

6
7 Commissioner Gray asked the current millage. Ms. Sova said it is the same (3.6355).
8 Mayor Mealor said the proposal has no increase in millage to the citizens.

9
10 **Motion carried by roll-call vote: Deputy Mayor Brender, Yes; Commissioner**
11 **Duryea, Yes; Commissioner Gray, Yes; Commissioner Lucarelli, Yes; Mayor**
12 **Mealor, Yes.**

13
14 **Motion was made by Commissioner Gray to set the rolled-back rate at 4.0031**
15 **mills, seconded by Commissioner Lucarelli and motion carried by roll-call vote:**
16 **Commissioner Duryea, Yes; Commissioner Gray, Yes; Commissioner Lucarelli,**
17 **Yes; Deputy Mayor Brender, Yes; Mayor Mealor, Yes.**

18
19 **Motion was made by Deputy Mayor Brender to set the first public hearing for**
20 **September 3, 2009, at 7:00 P.M. in the Commission Chambers at City Hall,**
21 **seconded by Commissioner Lucarelli and motion carried by roll-call vote:**
22 **Commissioner Gray, Yes; Commissioner Lucarelli, Yes; Deputy Mayor Brender,**
23 **Yes; Commissioner Duryea, Yes; Mayor Mealor, Yes.**

24
25 IX. Citizen Participation

26
27 Pamela Randle, 228 Shady Oaks Circle, came forward.

28
29 Mayor Mealor said the clerk distributed to the Commission a letter from Pamela Randle.
30 (A copy is attached and made a part of these minutes.)

31
32 Ms. Randle said she wished to submit a statement for public record and address an
33 issue that she considered worthy of consideration. Florida's Energy Plan and the Ten-
34 Year Site Plan indicate proposed projects to increase generation capacity for electrical
35 needs. Progress Energy's current base rate increase reflects cost overruns of 64% for
36 the Bartow repowering project and a portion of the costs for the CR3 up rate, which is
37 not scheduled for completion until 2011 when another increase will be incurred. Just
38 the 2010 base rate increase represents a 31% increase in customer billings beginning
39 January 2010 and does not include the expected increase in CCRC rates for the Levy
40 project or the July 2009 base rate increase. These combined increases will result in
41 about a \$65.00 per month increase for a Lake Mary customer who averages 1,800
42 kilowatt hour usage, yet this extraordinary increase is considered to be only minor and
43 the majority of increases will not be collected from consumers until the Levy project
44 goes into service. Progress Energy's use of the construction work in progress cost
45 recovery method results in an average monthly increase of \$19.52 per 1,000 kilowatt

1 hours each year before the Levy project is placed in service and then monthly billings
2 will increase an average of \$52.00 per 1,000 kilowatts.

3
4 Ms. Randle said these kinds of cost growth rates are unaffordable for consumers and
5 are not sustainable by the economy for such a basic necessity. Costs are further
6 exacerbated by the state's gross receipts tax, the Lake Mary franchise fee and the Lake
7 Mary utility tax. Estimates for the project rate increases for 2010 indicated that Lake
8 Mary's fees and taxes will be \$32.03 per month for 1,800 kilowatt usage before adding
9 new CCRC rates. By the time the Levy project is placed in service, Lake Mary fees and
10 taxes will be well over \$50.00 per month without additional increases for other proposed
11 projects and cost overruns. Other local taxes and fees currently include garbage pickup
12 and stormwater charges on water billings totaling \$18.15 per month, state and local
13 communications service taxes on BrightHouse Cable billings, state and local
14 communications service taxes on telephone services and long distance charges, and
15 state and local communications service taxes on cell phone services. Of course, there
16 are property taxes which include state, county, and city taxes and sales taxes which
17 include state, county and city taxes. It is estimated that individual federal income taxes
18 account for only 25% of all taxes. The preceding tax surcharges make that fact
19 exceedingly clear.

20
21 Ms. Randle said current economic conditions with high unemployment rates and falling
22 home values have created severe budget shortages for the state as well as local
23 communities which are impacted with similar budget shortfalls. However, in view of
24 Progress Energy's projected capital expenditures and their impacts on consumers, it is
25 obvious that Lake Mary's utility franchise fee and utility tax rates will be excessive and
26 create undue burdens for citizens. Lake Mary residents will be faced with unaffordable
27 electricity rates which may force many to live without air conditioning to reduce billings.
28 They will not be able to afford Lake Mary's taxes in addition to their already unaffordable
29 electric bills. Considering the tax incentives the City has provided for businesses and
30 corporations while none were provided for residents, it is time to provide some tax relief
31 for over-burdened residents. Taxes of \$30.00 to \$50.00 per month or more on electric
32 bills are not fair or reasonable and will add insult to injury of increased billings.

33
34 Ms. Randle said future electricity rate increases will be so extreme that the franchise fee

35
36 **SIDE 1B**

37
38 and tax rate would easily be reduced and the city would still realize an increase in
39 revenues. Beginning in 2010, electricity rates will begin to soar and the City needs to
40 project the effects of its current rates on PEF's projected future billings. Windfall tax
41 revenues created by Progress Energy cost overruns should not be cause for future
42 budget surplus or increased spending by the City. The impacts on businesses,
43 residents, and the local economy will be severe. The hardship for some will result in
44 loss of either electric service or dietary needs or medical care. Progress Energy's
45 desired profits will create unsustainable cost growth rates while Lake Mary's tax rates
46 will exacerbate that growth and prevent economic stability. The City of Lake Mary

1 should consider a reduction in the future franchise fee and utility tax rates for the sake
2 of all citizens and the well-being of the city itself. For now a long-term study of PEF
3 projected rates, the impacts of Lake Mary's utility tax and franchise fees and the
4 projections for future City revenues should be completed. Market estimates are that
5 utility rates will double at a minimum with a potential to increase fivefold. Lake Mary
6 taxes and fees should not also double or increase up to fivefold and add an excessive
7 burden on top of an already extraordinary one.

8
9 Ms. Randle said she was told before the meeting that the City has done a five-year
10 projection and would be interested in seeing what PEF rates were used for that
11 projection. If the Levy project goes through, the rate increases in electricity will be
12 extraordinary. There are a lot of owners of large homes in the City that are already
13 paying \$400 or \$500 a month for electricity because of their large square footage, but
14 average homeowners have 1,500 to 2,500 square foot homes and those average
15 homeowners in the future have averaged \$450 to \$500 electric bills based on PEF's
16 Levy project and their cost overruns aren't included in those rates. As much as we
17 need the revenues for the City budget, I see the projected electric rates increasing
18 those taxes and they are going to become an extraordinary burden for people. They
19 are not going to be able to afford it.

20
21 Mayor Meador thanked Ms. Randle for her input. We have budget hearings starting
22 August 6th and we are going to be monitoring this. As was heard in the message this
23 evening, the last thing we are going to do is put any additional burden on the residents
24 at this very difficult time.

25
26 Ms. Randle said she understood that and was not suggesting that the utility rates be
27 reduced right now. She said she was looking at a long range projection because they
28 are not looking at the Levy project being placed in service until 2019, but prior to that
29 time there is an average of \$19.52 per month increase in bills with just the CCRC rates
30 and they are applicable to the Levy project. When that goes into service, without any
31 cost overruns, you are going to look at another \$52.00 per 1,000 kilowatts. If you use
32 2,000 kilowatts that's over \$100.00 a month just on your base rate increase on top of
33 what you're already paying and that's how much the utility tax will also increase right
34 along with it and then it's out of hand.

35
36 Commissioner Michael McLean, 278 Woldunn Circle, came forward. He said he was
37 here to greet the Commission not only as a citizen of Lake Mary but also as a member
38 of the Seminole County Commission.

39
40 Commissioner McLean said he couldn't help but sit in the audience with pride in
41 watching the budget address tonight. It's obvious that Lake Mary is an elite community
42 that was planned very well and the results speak for themselves. You all should be
43 proud of the roles that you played in the city that we all have the pleasure to live in.

44
45 Commissioner McLean said he heard the information in the budget message talking
46 about the pool and the fact that those dollars are going to be moved back to reserves.

1 Commissioner McLean said as a citizen and as a partner with the Board of County
2 Commissioners, he wanted to give an update of their situation in Seminole County
3 regarding those funds. We are not dealing with our budget until the hearings on the 5th
4 and 6th of August but County Manager Cindy Coto in her budget message is including
5 removing the \$1.2 million of our allocation and moving it to reserves at my suggestion.
6 He said he brings that forward but not saying that anything is permanent because votes
7 need to be taken but we understand with a challenging present and an uncertain future
8 that this is a step we need to take. He said he wanted to mention that because we have
9 been partners in this regard. We realize it has been controversial and there have been
10 different points of view. He said he wanted the Commission to be aware of that so it
11 isn't surprising if indeed that is the path we take. But right now in the County Manager's
12 remarks it is to remove those dollars.

13
14 Commissioner McLean said it was mentioned about the *CNN Money* survey. He had
15 the pleasure of serving with Mayor Meador at the Board of Directors of the Seminole
16 County Regional Chamber. The *CNN Money Magazine* survey is one of the most
17 comprehensive surveys of small towns in the United States. They collect so much data
18 that they only give out these rankings once every two years. Over 4,000 communities
19 are measured from everything from per capita income to how many movie theaters
20 within a five-mile radius of your town and everything in between. Lake Mary is one of
21 six cities in the United States that has been included in each and every top 100 of each
22 *CNN Money* survey that's been produced. That is pretty impressive. In the last two
23 surveys, we are the only city in Florida that has been on the last two surveys in the top
24 100. He agreed with Mr. Litton that the word "demotion" was an interesting choice of
25 words. We are fortunate in our city to be an elite community and that is very much due
26 to the hard work of all of you on the dais, the personnel, and our citizens.

27
28 No one else came forward and citizen participation was closed.

29
30 X. Reports

31
32 A. City Manager

- 33
34 1. Request Commission authorize Clancy & Theys to replace rotunda windows and
35 other minor HVAC changes at the Events Center at no cost to the City

36
37 Mr. Litton said this is a request to authorize Clancy & Theys who was the contractor for
38 the Events Center to replace the windows in the rotunda. He noted Dave Ferrar of
39 Clancy & Theys was present. He said Clancy & Theys has been the most professional
40 organization during these discussions. He thanked Commissioner Brender for keeping
41 his nose to the fire on this. We learned a lot in this process. We think this is the best
42 for everybody—for the citizens and the long term needs and uses of the Events Center.
43 He thanked Dave Ferrar and his company for stepping up to the plate.

44
45 Mr. Carrico said the Commission has memos in the packets from him, ZHA, Ed Koch
46 and Mr. Litton. The building is great and is very little wrong with it. The reason there

1 has been a delay in reporting to the Commission was the question of did we want to tint
2 those windows or replace those windows. That took a lot of research.

3
4 Mr. Carrico asked the Commission to authorize Clancy & Theys to perform the
5 following:

- 6
7 1. Removal and replacement of the existing glazing in the five bay windows of the
8 rotunda with 1-inch insulated Solex over Low-E glazing. The new insulated glass
9 will match the existing glass in the facility.
- 10 2. Removal and replacement of the existing variable air volume box -16 that
11 currently has no heating capacity. The new variable air box -16 will add eight
12 kilowatts of heat per drawings in the packets.
- 13 3. Add a new variable air volume box -19 (VAV-19) that will serve the bride and
14 groom dressing rooms and will work independently from the administrative
15 offices via a separate thermostat.

16
17 Mr. Carrico explained No. 3. On a weekend when we are not in the administrative area
18 and the bride turns down the air conditioning it also turns down the air conditioning in
19 the administrative area which is totally unnecessary, and that's about 1,500 square feet.

20
21 Mr. Carrico said those are the three things we would like to accomplish and asked the
22 Commission for permission to do that. This will be at no cost to the City. Clancy &
23 Theys is doing it at their cost.

24
25 Mr. Litton said there will be no interruption to scheduled events. We will work around
26 that. We are assured that they can change those windows out one at a time in no more
27 than 48 hours per window. The outside is just as important as the inside to the bride
28 because they take a lot of pictures out there.

29
30 Mr. Litton said Ed Koch did a great job; his background and expertise was so important
31 during this process. He thanked Mr. Koch.

32
33 **Motion was made by Deputy Mayor Brender to approve, seconded by**
34 **Commissioner Lucarelli.**

35
36 Deputy Mayor Brender thanked Clancy & Theys. In a situation like this the mark of a
37 good company is how well you build it but the mark of a "great" company is how you
38 monitor it after it is built. Their response in this situation has been terrific and it shows
39 the kind of construction company and developer that they are.

40
41 Deputy Mayor Brender thanked Bill Carrico, Ed Koch and Gunnar Smith who have been
42 very involved in this process from the beginning. He said he had gotten involved in this
43 process from the very beginning and have been following it along. After several phone
44 calls and conversations with Ed Koch, we were able to get an independent look at the
45 values and the glass and going to the double paned windows is going to be a huge

1 savings. We just heard from Ms. Randle about electric rates. We have to look far
2 ahead in our planning.

3
4 Deputy Mayor Brender said the other thing that was talked about had the CO₂
5 monitoring device which is not part of this agreement. He was not sure if there was any
6 value doing it with the work that Clancy & Theys does. A public building is built for a
7 maximum of X number of people to be in it. The air conditioning is adjusted to expel the
8 carbon dioxide created when we breathe. Every so often during the course of the day,
9 whether the Events Center is full or empty, all of the air conditioned air is dumped out of
10 the building because it's fixed for the maximum load rate for CO₂ and then all the
11 outside hot air is brought in, cooled, and put back in. We probably need to look at this
12 during the budget sessions.

13
14 **Motion carried unanimously.**

- 15
16 2. Request Commission renew our Mutual Aid Agreement with the Orange County
17 Sheriff's Office and authorize Police Chief and Mayor to execute same

18
19 Mr. Litton said this is a request from the Police Department to renew the Mutual Aid
20 Agreement with the Orange County Sheriff's Office. We are doing this because we
21 have a new sheriff in Orange County and a new signatory to the agreement. It doesn't
22 happen very often but there are occasions when we have the opportunity to share
23 resources and we want that memorialized for everybody's protection.

24
25 **Motion was made by Commissioner Duryea to approve renewal of the Mutual Aid**
26 **Agreement, seconded by Commissioner Gray and motion carried unanimously.**

27
28 Mr. Litton said we will have a presentation by ACi on the downtown master plan
29 expansion at the next Commission meeting and would like to do that in a work session.
30 It doesn't look like we have a lot for the agenda so we might move it to the regular
31 agenda.

32
33 Mr. Litton said we canceled the community gathering to celebrate National Night Out
34 which was scheduled for Tuesday, August 4th, at the Lake Mary Splash Park. We just
35 couldn't bring it together in that short period of time. Timacuan is going to hold theirs at
36 another time. There are two neighborhoods and maybe more that are going to hold
37 their neighborhood outing on August 4th. We have Lake Mary Landings at 6:00 P.M.
38 and Huntington Pointe at 7:00 P.M. He said these were the only two he had on the
39 schedule but as we get more information he would let the Commission know.

40
41 Mr. Litton said in September 2008 the Commission appointed John Thomas to
42 represent the City on the Metroplan Orlando Citizens Advisory Committee and he is no
43 longer able to serve. We don't have any names right now that we feel are potential
44 candidates so if the Commission knows anybody that might fill that bill we would
45 appreciate it. Usually it is a businessman.

1 Mr. Litton said Progress Energy has announced they have renewed their lease in North
2 Pointe for an additional ten years. They have been good corporate neighbors and we
3 appreciate their continued participation with us.
4

5 Mr. Litton said we had a meeting with the Hills of Lake Mary Homeowners' Association
6 last week. We are continuing discussions with them regarding reclaimed water and the
7 possibility of retrofitting reclaimed water into their subdivision. Their main concern is the
8 cost and the current situation with the economy. They all know that water is a valuable
9 commodity right now and potable water is going to get more expensive. They are going
10 to let us know in August whether or not they want to go forward.
11

12 B. Mayor

13
14 Mayor Meador said as the representative on the Board of Directors for Envision
15 Seminole, one of the things we do is cultivate the next group of leaders and share
16 information for a better informed citizenry. He said he was pleased that Deputy Chief of
17 Police Colin Morgan was willing to serve and it would be a wonderful reflection on the
18 City to have him in that class. It is one of the larger classes and he thought it would
19 have true impact.
20

21 Mayor Meador thanked the board and the members of the Hills of Lake Mary for the
22 hospitality they extended to us. It was a very informative meeting and he appreciated
23 the dialogue.
24

25 Mayor Meador asked the Commission to mark their calendars for August 6th, 7:30 A.M.,
26 for the Good Morning Seminole Chamber Breakfast. The featured group will be UCF
27 athletics. That cheerleading squad has the highest national ranking over the last five
28 years of all cheerleading squads in America. The Chamber is going to officially
29 recognize the City of Lake Mary for its recognition that Commissioner McLean alluded
30 to earlier. It will be held at the Marriott.
31

32 Mayor Meador said on August 6th, 5:00 P.M. to 6:30 P.M., there will be a reception for
33 new Leadership Seminole class members at AAA.
34

35 Mayor Meador thanked the Commission for all they do. They give of their time and are
36 active in different community groups and organizations. It reflects positively on all of
37 them and he greatly appreciated it.
38

39 C. Commissioners (4)

40
41 Commissioner Lucarelli thanked Bruce Paster for his presentation at the Hills of Lake
42 Mary Homeowners' meeting. It was very well attended.
43

44 Commissioner Lucarelli said she attended the retirement party for Sgt. Picklesimer and
45 it was very nice.
46

1 Commissioner Lucarelli said she attended the EDC reception at the Central Florida
2 Educators facility on Rinehart Road.

3
4 Commissioner Lucarelli said she attended Seniors Day at the Spring Hills ALF and it
5 was a lot of fun. She got to meet the new Community Service Officer, Officer Hudson,
6 and was very impressed by him. They had some great ideas for revitalizing the
7 Neighborhood Watch. She said she hoped more than two communities do the night
8 out.

9
10 Commissioner Lucarelli said she attended the RPA meeting. Not much going on—just
11 some paperwork and procedural stuff.

12
13 Deputy Mayor Brender said he attended the Hills of Lake Mary meeting. It is always a
14 great time to see what's going on and what people are thinking. We generally hear
15 good things. The Hills' board and the Hills' citizens will take a hard long look at the
16 reclaimed water thing and decide for themselves. The point was made that we have got
17 to keep going in the direction of water conservation.

18
19 Commissioner Duryea commended Jackie Sova, John Litton, and all the department
20 heads. In these crazy times and the changes in the way the ad valorem, utility, and
21 telecommunications taxes are calculated, it is increasingly not to our benefit. He
22 commended those who put the budget together and hopefully we can do more for less
23 in the coming year.

24
25 Commissioner Duryea thanked Mayor Mealor for his recognition.

26
27 Commissioner Gray said she had planned to attend the Hills of Lake Mary meeting but
28 had a minor accident that day.

29
30 Commissioner Gray said she attended Sgt. Picklesimer's retirement party. She said
31 she loved his remark that everybody can speed as much as they want in Lake Mary
32 "except on Tuesdays" (which is the day he will be working).

33
34 Commissioner Gray said she is one of the facilitators for orientation for Leadership
35 Seminole on August 6th. There are 54 in the class this year, including Deputy Chief
36 Morgan and the City Manager Barbara Lispcomb of Casselberry.

37
38 D. City Attorney

39
40 Ms. Reischmann distributed a complaint about the challenge to House Bill 360 by the
41 City of Weston and a number of other cities. The City Manager of Weston has indicated
42 that any city that wants to join would just have to pay \$2,500 towards attorney's fees.
43 We don't have a lot of issues with it but wanted everyone to be aware of that option.
44 There are as many interpretations of this bill as there are cities and counties in Florida
45 so we will see how that all plays out.

1 Ms. Reischmann said there was an article in *Quality Cities* magazine about the gag bill
2 that was passed that prohibits the use of public funds for expressing opinions on
3 election issues. It points out a lot of traps called Land Mine No. 1 and Land Mine No. 2.
4 Elected officials are not prohibited from expressing opinions but you can't use public
5 funds to do that. That means if you use a city computer to write to a colleague and say
6 be sure you vote yes on the penny sales tax then you have just violated the law. You
7 are subject to criminal investigation and Florida election fines. This applies to all city
8 employees as well. The article is saying if you go to a library and use a library computer
9 to write a piece for the newspaper saying I disagree with some election issue, you have
10 just violated the law and are subject to criminal investigation. We all know that all it
11 takes is for the press getting hold of some of these violations and then you are tried in
12 the press.

13
14 Ms. Reischmann suggested the Commission read the article in *Quality Cities* because it
15 is absolutely absurd. It is called the "profound gag effect" on all public officials and
16 employees. A city elected official cannot use a computer at city hall, a copy machine, a
17 telephone, or any service at city hall or potentially drive a city vehicle to a local chamber
18 luncheon if the official writes a factual speech on an issue and at the end of the speech
19 gives his/her opinion to vote for or against the matter. If you say you think this is a good
20 idea, you have now committed a crime. It does not apply to state employees and
21 officials. They are saying the Secretary of DCA can use public money to state that
22 hometown democracy is a bad idea but the Mayor of Jacksonville cannot. It's a real
23 mess and she hoped they all read the article so they get an idea of what they are up
24 against with that bill. Hopefully it will get modified.

25
26 XI. Adjournment

27
28 There being no further business, the meeting adjourned at 8:25 P.M.
29
30
31

32 _____
33 David J. Meador, Mayor

Mary Campbell, Deputy City Clerk

34
35
36
37 ATTEST:

38
39
40
41 _____
42 Carol A. Foster, City Clerk