

MEMORANDUM

September 17, 2009

TO: Honorable Mayor and City Commissioners
FROM: Judith H. Delmar, City Manager ^{jhd}
SUBJECT: Ordinance 2009-20 Adopting Millage Rate for FY09'10
Ordinance 2009-21 Adopting FY09'10 Budget

ACTION OF THE CITY COMMISSION

After second reading and separate public hearings, the City Commission enacted Ordinance 2009-20 adopting a millage rate of 7.3277 mills for FY09'10 and Ordinance 2009-21 adopting the FY09'10 operating budget.

BACKGROUND

In accordance with Florida Statutes and the City Charter, Ordinances 2009-20 and 2009-21 were adopted after second reading and public hearing. The adopted FY09'10 budget document includes the revenue and expenditure details for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Utility System Fund and Airport Fund. This budget was prepared in accordance with Article VI, Section 6.04 of the City Charter which requires that the budget provide a complete financial plan of municipal funds and activities. Estimated current year ending fund balances were considered and are included in the budget.

PROPERTY TAX

The budget is based on the current millage rate of 7.3277 per \$1,000 of taxable valuation. This is 10.44% below the rolled-back rate of 8.1817 mills that was adopted as the interim millage rate. The rolled-back rate is the rate that will generate the same amount of revenue with 2009 property values as the current rate generated with 2008 property values. The following chart shows the difference between the rolled-back rate and the adopted rate for taxpayers at various assessed valuations:

Assessed Value	Taxable Value		Tax Rate per \$1,000		Difference between rolled-back rate and adopted rate
	with 1 st \$25,000 homestead exemption	with 1 st & 2 nd \$25,000 homestead exemption	8.1817 mills (rolled-back)	7.3277 mills (adopted)	
\$60,000	\$35,000	-	\$286.36	\$256.47	\$29.89
\$75,000	\$50,000	-	\$409.09	\$366.39	\$42.70
\$100,000	-	\$50,000	\$409.09	\$366.39	\$42.70
\$150,000	-	\$100,000	\$818.17	\$732.77	\$85.40
\$175,000	-	\$125,000	\$1,022.71	\$915.96	\$106.75
\$200,000	-	\$150,000	\$1,227.26	\$1,099.16	\$128.10

USER FEES

A series of ordinances adopted by the City Commission in September 2007 authorized annual increases in city user fees based on June's annual CPI or 2.5%, whichever is greater. The change in the CPI measured from June 2008 to June 2009 was -1.4%, and all user fees (i.e, water and sewer, solid waste collection, facility rental, development fees, etc.) will be increased by 2.5% on October 1.

Although a 2.5% increase in user fees will generate some additional revenue for the General Fund, ad valorem proceeds and development-related revenues have declined dramatically during the past two years. Revenues from state and other intergovernmental sources are also projected to be lower than last year. As a result, General Fund revenues in FY09'10 are projected to be \$418,060 less than budgeted in FY08'09 and \$1,005,824 less than actually received in FY07'08.

EXPENDITURE CHANGES SINCE PRESENTATION OF BUDGET

The budget that was originally presented on August 11 and discussed during the budget workshop was revised by the City Commission during budget hearings to include increases and reductions of expenditures as follows:

Expenditure	Item Description
-83,496	Reduction in City-paid Health Insurance costs
17,418	Increase in Payroll - Correction of P/T employee to F/T (Salary + benefits)
38,269	Increase in Fire Dept C/O - grant-funded Mobile Radios
-33,508	Reduction in Gen Fund transfer to Airport Fund
	Increase in Gen Fund transfer to Streets Div
-646	Net effect of Change in Allocated expenses
316,230	CRA transfer to Gen Fund (Coop Fruit Prop Proceeds - Escrow Acct)
-176	Reduction in budget for Road Repairs
250,000	Increase in Cap Proj Fund C/O - grant-funded Kiwanis Park Improvements
-2,597	Increase in Gen Fund admin charge to Utilities Admin
122,692	Increase in Airport grant-funded MITL construction budget
748,762	Increase in Airport grant-funded Runway construction budget
-40,000	Deletion of Airport fuel truck purchase
30,000	Increase in budget for LWLL field maintenance contract
11,500	Addition of budget for NW Complex field maintenance contract
40,695	Increase in Gen Fund payroll - Field Maintenance position
13,500	Increase in Gen Fund utilities - Kirkland Gym electric, water, gas
55,698	Increase in budget for Kirkland Gym management contract
1,484,341	Total change in expenditure budget after 8/11/09 (All Funds Combined)

The changes shown in the table above affect expenditures in the General Fund, Transportation Fund, CRA Fund, Library Fund, Capital Projects Fund, Utilities Fund and Airport Fund.

It is anticipated that a surplus of at least \$183,000 will be carried forward from the current budget year to FY09'10 because fuel costs have been so much lower than anticipated. Soaring fuel prices during the spring and summer of 2008 caused us to increase our fuel budget for FY08'09 at the expense of purchasing much needed equipment for the parks and streets divisions. The FY09'10 budget will utilize this surplus to fund parks equipment (\$88,000), streets division equipment (\$13,000), 2 marked police vehicles (\$50,000), and a projector for Commission Chambers (\$2,000). In addition this surplus will fund the \$30,000 local match required for the \$20,000 Urban Forestry grant that will be used to purchase a bucket truck to be shared by several departments. Additional police vehicles (\$125,000) will be purchased from CRA funds for use by the Community Policing unit that will be assigned primarily to the Downtown and Lincoln Avenue commercial districts.

Initial budget requests submitted by the departments exceeded General Fund revenue projections by more than half a million dollars. By utilizing the surplus mentioned above for capital purchases and significantly reducing the initial requests, staff was able to balance the budget at the current millage rate while avoiding measures that some cities and counties have been forced to implement (i.e, employee lay-offs, salary reductions, and days off without pay).

The adopted General Fund operating budget \$10,785,691, including transfers out. This represents an increase of 0.2% over the current year's budget and a 5.5% reduction compared to actual expenditures in FY07'08.

As strongly recommended by the City's auditors, it has been the City's goal to increase the General Fund balance to 15-20% of the total operating budget. In terms of the FY09'10 budget, this would require a General Fund balance of \$1.6 to \$2.16 million.

On September 30, 2008, the total fund balance of the General Fund was \$2,596,546 or 24.1% of the total operating budget for FY08'09. Excluding the Tax Anticipation Reserve/Pool Construction Account (\$1,037,852), the fund balance of the General Fund was \$1,558,694 or 14.5% of the FY08'09 budget.

If revenue and expenditure levels reported at June 30 are maintained through the end of the year, it is estimated that revenues will exceed expenditures by approximately \$200,000 at 9/30/09 allowing us to carry forward a fund balance of \$2,814,025 –the equivalent of 26.1% of the FY09'10 General Fund budget as revised. However, we are conservatively budgeting a fund balance forward of \$2,596,546 in order to allow for unanticipated expense in the 4th quarter of this fiscal year.

SUMMARY OF ALL FUNDS

General Fund	\$10,497,038
Special Revenue Funds	6,278,886
Debt Service Fund	2,363,120
Capital Projects Fund	645,000
Utility System Fund	10,257,566
Airport Fund	1,606,943
TOTAL	<u>\$31,648,553</u>

The expenditure total of \$31,648,553 is comprised of operating costs in the amount of \$22,072,480 and capital outlay in the amount of \$9,576,073. Transfers in the amount of \$4,124,671 bring total expenditures plus transfers to \$35,773,224. The operating budget expenditures for FY09'10 are 50.0%

less than the actual total expenditures for FY07'08 (projects funded by bond proceeds are excluded from this calculation).

Capital expenditures include utility system improvements such as the rehabilitation and upgrade of the wastewater treatment plant and asbestos pipe removal, airport taxiway lighting improvements, Lincoln Avenue parking improvements, Downtown improvements, purchase of police vehicles and miscellaneous equipment purchases budgeted as follows:

General Fund	213,269
Special Revenue Funds	2,352,343
Capital Projects Fund	645,000
Utility System Fund	4,865,518
Airport Fund	1,499,943
TOTAL	<u>\$9,576,073</u>

REVIEW OF DEBT SERVICE

As required by Charter, a summary of the City's outstanding debt at September 30, 2009 is presented as follows:

Public Improvement Bonds, Series 1997; issued to refund Public Improvement Bond Series, 1991 which refinanced Public Improvement Bond Series, 1989 funding capital projects. Balance: \$1,990,000; last payment October, 2014.

SunTrust 2003 Note; issued to accomplish advance refunding of Capital Improvement Revenue Bonds, Series 1996 (\$4,666,859), to refinance Non-Ad Valorem Revenue Bonds, Series 1999 (\$4,757,115) and to finance interest and issuance costs (\$125,716). Annual interest rate, 3.84%. Balance: \$6,883,127; last payment 2016.

SunTrust 2005 Note; issued finance construction of chlorine contact chamber at Wastewater Treatment Plant and city's cost portion of reuse transmission lines. Annual interest rate, 4.2%. Balance: \$673,059; last payment 2015.

Wachovia Utility System Improvement Refunding Revenue Note, Series 2006A; issued to refund existing bonds and fund Water and Sewer system improvements. Balance: \$4,894,870; last payment October, 2016.

Utility System Revenue Note, Series 2006B, is an authorized credit line in the principal amount of not to exceed \$3,100,000 to finance the cost of constructing and acquiring certain additions, extensions and improvements to the utility system. Current variable interest rate as of August 8, 2008 based on 74% of 1-Month LIBOR plus 95 basis points. Balance: \$2,550,000; last payment 2026.

CRA Redevelopment Revenue Note, Series 2007; issued to finance redevelopment capital improvement projects. Balance: \$8,760,417; last payment October 2027.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of costs associated with Wastewater Reuse Project, Phase I. Annual interest rate, 2.56%. Balance: \$873,576; last payment February 2019.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of costs associated with Wastewater Reuse Project, Phase II. Annual interest rate, 3.05%. Balance: \$542,978; last payment August 2022.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of costs associated with sludge dewatering Improvements to the Wastewater Treatment Plant. Annual interest rate, 2.14%. Balance: \$1,081,451; last payment October 2024.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of pre-construction costs associated with the Wastewater Treatment Plant Expansion Project. Annual interest rate, 1.88%. Balance: \$961,181; last payment October 2028.

Florida Department of Environmental Protection Revolving Loan Program assistance for funding of pre-construction costs associated with the Wastewater Treatment Plant Expansion Project. Unless this agreement is amended to provide construction funding, the first semi-annual loan payment in the amount of \$11,567 will be due on December 15, 2012. Principal amount of loan is approved at \$350,000; current amount drawn down is \$180,000. Annual interest rate: 2.30%. Balance: \$180,000; last payment 2022.

Florida League of Cities Master Lease Program, 2004 for lease-purchase of Fire Truck. Annual interest rate: 2.37%. Balance: \$63,334; last payment 2010.

Florida League of Cities Master Lease Program, 2006 for lease-purchase of Fire Truck. Annual interest rate: 4.28%. Balance: \$267,321; last payment 2012.

Motorola Capital Lease Program for lease-purchase of Public Safety communications equipment and other equipment. Annual interest rate: 6.263%. Balance: \$138,526; last payment 2012.

Fixed Base Operator's Prepayment Credit for \$300,000 in leasehold improvements done by the FBO on airport property. Annual interest rate: 0%. Balance: \$49,500; last payment 2012.

The City's total indebtedness at 9/30/09 is \$29,909,340 which is equal to 3.9% of the 2009 taxable valuation of 757,664,673. Debt payments due during FY09'10 total \$3,879,333 and represent 17.6% of the City's operating budget (excluding interfund transfers and capital outlay). A schedule showing the City's outstanding debt at September 30, 2009 is included in the Charts & Graphics portion of the budget (page C-3).

BUDGET HIGHLIGHTS

A summary of the important aspects of the FY09'10 budget is provided as follows:

1. Funding of a cost of living adjustment (COLA) for employees was not approved by the Commission.
2. A 10% increase for workers' compensation, liability, property and casualty insurance premiums is budgeted. There is no increase in cost for the period 10/1/09 to 3/31/10; this period is covered for the rates that went into effect on 4/1/09. Our current insurance policies will renew on 4/1/10. A rate increase, if any, will apply to the period 4/1/10 to 3/31/11, of which only 6 months are included in the FY09'10 budget. Because the term of coverage is from 4/1/ to 3/31, it will not be possible to estimate a rate increase until we get closer to the renewal date.
3. The budget that was initially presented allowed for an increase of 10% over current year costs for city-paid employee health care coverage. Following a request for proposals and input from

city employees, a change in health care provider will result in an actual increase of only 1.6% over current year costs. The city-paid premium for each employee will increase from \$489.75 per month to \$497.68 per month. The cost to employees for family coverage will decrease 1.1% from \$503.00 per month to \$497.65 per month.

4. Pension contribution rates have been budgeted for FY09'10 to yield the actuarially determined funding requirements calculated by the actuaries retained by the City's pension boards as follows:

	General Employees	Police Officers	Firefighters
FY 08'09	6.0%	17.3%	23.7%
FY 09'10	1.4%	21.9%	26.9%
Change	-4.6%	+4.6%	+3.4%

5. Changes in departmental staffing in FY09'10 as compared to the FY08'09 amended budget are detailed in the following chart:

City Manager	- 1.00	Assistant City Manager position eliminated
Human Resources	+ 0.50	Switchboard/Receptionist position added (position shared with Clerk's Office)
City Clerk's Office	+ 0.50	Minutes Clerk position added (position shared with HR)
Information Technology	+ 1.00	Computer Technician position added
Permits & Inspections	- 1.00	50% of Office Manager and Admin Asst positions reclassified to Planning & Zoning Dept
Permits & Inspections	- 0.75	Bldg Inspector eliminated 6/30/09
Planning & Zoning	+ 1.00	50% of Office Manager and Admin Asst positions reclassified from Permits & Inspections
Finance Department	- 0.25	Clerk position eliminated (shared with Utilities Cust Svc)
Utility Customer Service	- 0.75	Clerk position eliminated (shared with Finance)
Utility Customer Service	- 1.00	Clerk position transferred to Utilities Admin
Utility Customer Service	- 0.75	Clerk position transferred to Support Services
Utilities Admin	+ 1.00	Clerk position transferred from Utility Customer Service
Support Services	+ 0.75	Clerk position transferred from Utility Customer Service
Support Services	- 1.00	Assistant to City Manager position eliminated
Support Services	+ 0.25	Administrative position transferred from Streets Division
Fleet Maintenance	- 3.00	Mechanic positions eliminated from city payroll; employees added to county payroll
Parks Division	- 7.00	Positions transferred to Field Operations
Streets Division	- 6.00	Positions transferred to Field Operations
Cemetery Division	- 1.00	Position transferred to Field Operations
Recreation Facilities Division	- 1.00	Position transferred to Field Operations
Field Operations	+ 15.00	Positions transferred from Parks, Streets, Cemetery & Rec Facilities to consolidate field work force
Field Operations	+ 2.00	Maintenance Worker I position added

Field Operations	+ 0.75	Maintenance Worker III position added at 1/1/10 to maintain US27 medians between SR60 and Towerview
Streets Division	- 0.25	Administrative position transferred to Support Services
Public Services Admin	+ 0.50	Public Works Director position added, shared with Utilities Admin
Library	- 0.50	Position transferred to Books-by-Mail
Books-by-Mail	+ 0.50	Position transferred from Library
Community Policing	+ 1.00	Officer added with emphasis on Housing Authority property; 50% of position funded by LWHA
Community Policing	+ 1.00	Officer added for increased patrol presence in downtown commercial district
Utilities Admin	- 1.00	Utility Director position eliminated
Utilities Admin	+ 0.50	Public Works Director position added, shared with Public Services Admin
Utility Operations	+ 2.00	System Maintenance Technicians added (1 for water and 1 for wastewater operations)
Facilities Maintenance	+ 1.00	Facility Worker position added
	<u>+ 3.00</u>	Net Change in positions since amended FY08'09 Budget

6. Capital expenditures budgeted for FY09'10 are itemized in the following chart, however it should be noted that projects funded by the CDBG grant and the CRA bond may be modified after completion of the budget adoption process. The inclusion of the 1919 School grant-funded project is dependent on approval by the State regarding expenditure of the \$300,000 local match. It is anticipated that these modifications and other matters of concern will be included in the first budget amendment of FY09'10.

Item	Cost	Funding Source
IMPROVEMENTS		
Airport - Runway Extension	1,084,396	Airport Grants
Airport - Medium Intensity Taxiway Lights	393,497	Airport Grants, Airport Revenues
Drainage Improvements - Twin Lakes	770,702	CRA Bond, SWFWMD Grant
Parking Improvements - Lincoln Ave	75,000	CDBG Commercial Vitalization Grant
Parks & Recreation - Hardman Hall (1919 School)	650,000	State Grant, CRA Tax Increment
Parks & Recreation - Kiwanis Park Improvements	250,000	FRDAP Grant
Streetscape Improvements - Dr ML King Jr	200,000	CRA Bond
Streetscape Improvements - Downtown	331,390	CDBG Commercial Vitalization Grant
Streetscape Improvements - Lincoln Ave Lights	145,000	CRA Bond
Streetscape Improvements - Lincoln Ave Lights	150,000	CDBG Commercial Vitalization Grant
Reuse System - Misc New Services	25,000	Utility System Operating Revenues
Reuse System - Monitoring Wells	50,000	Impact Fees, Operating Revenues

Item	Cost	Funding Source
Reuse System - Ground Storage Tank (Engineering)	200,000	Impact Fees, Operating Revenues
Sewer System - Lift Station Pump Replacement	73,663	CRA Bond
Sewer System - Treatment Plant Rehabilitation	1,000,000	Loan Proceeds, Operating Revenues
Sewer System - Force Main/Lft Stn Crooked Lake	450,000	Loan Proceeds, Impact Fees
Sewer System - Treatment Plant Upgrade/Expansion	2,025,000	Loan Proceeds, Impact Fees
Water System - PRV at 9 th , Scenic, SR 60	45,000	Utility System Operating Revenues
Water System - PRV at Hunt Bros & Scenic	60,000	Impact Fees, Operating Revenues
Water System - Misc New Services	25,000	Utility System Operating Revenues
Water System - Interconnect at N US 27	92,000	Impact Fees, Operating Revenues
Water System - Minnesota/Grove Area Upgrades	100,000	Utility System Operating Revenues
Water System - Southwest Line Extensions	100,000	Utility System Operating Revenues
Water System - Asbestos Pipe Removal	566,855	CRA Bond
LAND		
Airport - Avigation Easements	22,050	Airport Grants
VEHICLES & EQUIPMENT		
Streets Division - Mower	13,000	General Fund Revenues
Commission - Projector for Commission Chambers	2,000	General Fund Revenues
Parks & Recreation - Tractor	40,000	General Fund Revenues
Parks & Recreation - Stump Grinder	20,000	General Fund Revenues
Parks & Recreation - Mowers	28,000	General Fund Revenues
Fire Dept - Mobile Radios	38,269	AFG Grant, General Fund Revenues
Police Dept - Generator	35,000	Insurance Proceeds
Police Dept - Vehicles	50,000	General Fund Revenues
Police Dept - Community Policing - Vehicles	125,000	CRA Revenues
Police Dept - Community Policing - Weapons	5,000	CRA Revenues
Police Dept - Misc Equipment	25,000	Forfeiture Funds
Police Dept - Computers	74,000	Byrne Law Enforcement Grants
Police Dept - Video Systems/Cameras	25,000	Byrne Law Enforcement Grants
Police Dept - Weapons	23,251	Byrne Law Enforcement Grants
Parks, Streets - Bucket Truck	50,000	Urban Forestry Grant, General Fund

Item	Cost	Funding Source
Water System - Misc Equipment	4,000	Utility System Operating Revenues
Sewer System - Misc Equipment	4,000	Utility System Operating Revenues
Reuse System - Booster Station	45,000	Impact Fees, Utility System Operating Revenues
OTHER CAPITAL OUTLAY		
Library - Books & Subscriptions	85,000	Library Fund Revenue
TOTAL CAPITAL EXPENDITURES	9,576,073	

7. In accordance with Ordinance 2007-07 adopted by the City Commission on September 18, 2007, water and sewer rates and charges will be adjusted to reflect a 2.5% increase based on June's annual CPI. The increase will be applied to service provided on or after October 1, 2009.

	WATER CHARGES					SEWER CHARGES		
	base charge	rate per 1,000 gallons				base charge	rate per 1,000 gallons	
		0-5,000	5,001 - 10,000	10,001 - 25,000	over 25,000		0 -5,000	5,001 - 15,000
Current	5.20	2.06	2.78	4.32	7.11	18.47	2.43	4.25
10/1/09	5.33	2.11	2.85	4.43	7.29	18.93	2.49	4.36

For inside-city residential customers using an average of 8,000 gallons per month, water charges will increase from \$23.84 to \$24.43, and sewer charges will increase from \$43.37 to \$44.46; the combined bill for water and sewer will increase from \$67.21 to \$68.89.

8. The FY09'10 Budget includes a 2.5% increase in all General Fund user fees and charges. For residential solid waste collection and recycling, fees will increase from \$18.82 per month to \$19.29 per month.
9. Organizational changes were approved that will reduce costs in some areas and reallocate resources to others:

Fleet Maintenance. At the June budget workshop, the Commission expressed an interest in closing all or part of the city's fleet maintenance operation and contracting with a local dealer for fleet maintenance services. Prior to investigating the privatization of fleet maintenance operations, staff contacted Polk County Fleet Maintenance (PCFM) to see if that agency could provide services to us through an interlocal agreement with the Board of County Commissioners. PCFM submitted a proposal to provide a full-time on-site supervisor to run the fleet maintenance operation using the City's garage facility and equipment. The three mechanics currently employed by the City will be employed by the County subject to successful completion of the County's routine screening process mandatory for all new employees.

The proposal was subsequently approved by the City Commission and will save the City an estimated \$135,000 in vehicle and equipment maintenance and repair costs in FY09'10. The

anticipated cost savings permits the funding of a fire prevention specialist that would have remained unfunded following the retirement of the employee currently holding that position (\$59,163), tuition assistance in the amount of \$22,610, and site licenses for upgrading 58 computers from Microsoft Office 97 to the 2003 edition (\$15,000).

City Manager's Office. While it may be necessary or desirable to restore an assistant city manager position at some time in the future, several department heads have expressed a willingness to assume some of the duties previously assigned to the assistant city manager and city manager. This organization-wide support of the City Manager's Office permits the reallocation of resources to areas in serious need of additional workers. Specifically, the following positions are added:

1. Addition of a computer technician position is approved for the Information Technology (IT) department. The city administrative and public safety functions are highly dependent on computer technology. Two employees currently maintain more than 17 servers with 4 firewalls and other networking equipment, 201 desktop and laptop computers, 25 in-car video systems, the new MOTOMESH system, the FLEXNET meter reading system, and the telephone system. The workload is currently more than can be handled by two employees in a normal workweek and will only increase as the MOTOMESH and FLEXNET systems expand.
2. Addition of a maintenance worker position is approved for the Field Operations division (see below), primarily to improve our ability to keep rights-of-way and open areas maintained properly.
3. Addition of a switchboard operator/minutes clerk position is approved for the administrative staff. Adding a switchboard operator will eliminate the need to navigate the automated message system when calling City Hall. The person filling this position will also assist the city clerk with minutes of the City Commission, the CRA, and other city boards.

Public Works. While it may be necessary or desirable to restore these positions at some time in the future, the resignation of the utilities director and the assistant to the city manager have freed up resources to fund the following:

1. A public works director who is licensed as an engineer in the State of Florida will head both the Public Services Department (parks, streets, cemetery, airport) and the Utilities Department (water, wastewater, reuse). Having a licensed engineer on staff will expedite our dealings with regulatory agencies and provide savings in small project design costs.
2. Addition of two system technician positions is approved for the Utilities Department, one for water operations and one for wastewater operations. The water position is necessary to maintain compliance with increasing DEP regulatory requirements, and the wastewater position is necessary to perform routine maintenance on lift stations and other system components.
3. Addition of a maintenance worker III position is approved for the Field Operations division to maintain the landscaped and grass medians on US 27 between SR 60 and Towerview Drive (at entrance to Tower Wood). The City will be required to maintain these medians after 12/31/09.

Field Operations. Workers currently assigned to the Streets, Parks, Cemetery, and Recreational Facilities divisions will be transferred into a single General Fund operational division effective 10/1/09. Although this will not result in a cost savings, combining all field

employees into the Field Operations division will improve productivity by facilitating scheduling, cross-training, and more efficient utilization of workers.

The cost of a maintenance worker will be allocated to the CRA, and the duties of that employee will consist of maintaining the landscaped areas in the downtown business district, on Lincoln Avenue, and on Central Avenue. This cost allocation will free up General Fund resources for the addition of a third new maintenance worker position to improve our ability to keep city-owned property maintained properly elsewhere in the city. This item was approved by the CRA Board and the City Commission.

Staff is currently in discussions with Polk County Corrections to secure a second prisoner work crew for utilization on weekdays. If successful, this will increase the manpower available to maintain city rights-of-ways and park areas. It is anticipated that this will also reduce the use of "weekend warriors" and cut down on city overtime costs incurred in supervising weekend work crews.

Community Policing. The budget includes an additional officer in the Community Policing unit who will be assigned to Grove Manor; the Lake Wales Housing Authority will fund 50% of this position and 50% will be funded by CRA revenues. This position and its funding sources were approved during FY08'09. A second officer is added to the unit for increasing the law enforcement presence in the downtown commercial district; this position will be funded by CRA revenues and has been approved by the CRA Board and the City Commission.

Facilities Maintenance. The budget includes an additional facility worker position. The facilities maintenance department has consisted of two employees since the department was created in the mid-70's. Since that time, the number of buildings and other facilities and playgrounds for which these employees are responsible has more than tripled. The addition of this new position will facilitate the establishment of a much-needed preventative maintenance program.

10. The City Commission approved restoring the funding for a contract with the Lake Wales Little League organization to mow and maintain the Little League fields and the area between the fence and the roadway. The final amount approved for the contract is \$60,000.

The City Commission approved extending the contract with the Boys & Girls Club for managing the Kirkland Gym while negotiating with Webber University for managing the gym and operating a basketball program in the facility. The amount included in the budget for managing the gym is \$55,698. The Boys & Girls Club will be compensated for providing two persons to supervise the gym 8 hours per day, 7 days per week.

The City Commission also restored funding for a contract in the amount of \$11,500 with KD Enterprises for mowing the softball fields in the Northwest Complex.

ATTACHMENT

Chart/Changes in Budget from Document Presented 8/11/2009

Ordinance 2009-20 Adopting Millage Rate

Ordinance 2009-21 Adopting FY09'10 Budget

CHANGES IN PROPOSED BUDGET FROM DOCUMENT PRESENTED 8/11/2009

GENERAL FUND	BUDGET PRESENTED Millage @ 7.3277	BUDGET REVISED Millage @ 7.3277	
Balances FWD	2,596,546		2,596,546
Revenue	10,501,429		10,501,429
AFG Grant - Fire Dept Equipment			+36,356
Transfer from CRA (Cooperative Fruit Property Proceeds - Escrow Acct)			+316,230
Reduction in Half-Cent Sales Tax (State estimate reduced 8/19)			-9,450
Reduction in Municipal Rev Sharing (State estimate reduced 8/19)			-2,320
Change in Utilities Admin Charge			-2,597
Subtotal Revenue	10,501,429	+338,219	10,839,648
Revenues & Balances	13,097,975	+338,219	13,436,194
Expenditures	10,674,257		10,674,257
Increase in Fire Dept C/O - Mobile Radios (grant-funded)			+38,269
Reduction in GF transfer to Airport Fund (grant funds adjusted)			-33,508
Reduction in Health Ins costs			-59,726
Increase in payroll budget: correction of P/T employee to F/T (salary & benefits)			+17,418
Change in allocated expenses			-2,412
Increase in budget for LWLL field maintenance contract			+30,000
Add mowing contract for NW Athletic Complex			+11,500
Increase in payroll budget - Facilities Maint (1 F/T employee salary + benefits)			+40,695
Increase utilities budget - Kirkland gym			+13,500
Increase in budget - Kirkland gym management contract			+55,698
Subtotal Expenditures	10,674,257	+111,434	10,785,691
Reserves & Contingency	2,423,718	+226,785	2,650,503
Expenditures & Reserves	13,097,975	+338,219	13,436,194
Revenue Over(Under) Expenditures	(172,828)	+226,785	53,957
Balance Forward funding FY09'10 Capital	183,000		183,000
Adjusted Revenue Over(Under) Expenditures	10,172	+226,785	236,957

CRA	BUDGET PRESENTED Millage @ 7.3277	BUDGET REVISED Millage @ 7.3277	
Balances FWD	3,588,982	0	3,588,982
Revenue	2,166,750	-	2,166,750
Subtotal Revenue	2,166,750	0	2,166,750
Revenues & Balances	5,755,732	0	5,755,732
Expenditures	4,855,298		4,855,298
Reduction in Health Ins Costs			-4,150
Transfer to General Fund (Cooperative Fruit Property Proceeds - Escrow Acct)			+316,230
Change in misc allocated costs			-321
Subtotal Expenditures	4,855,298	+311,760	5,167,058
Reserves & Contingency	900,434	-311,759	588,675
Expenditures & Reserves	5,755,732	0	5,755,732

CHANGES IN PROPOSED BUDGET FROM DOCUMENT PRESENTED 8/11/2009

TRANSPORTATION FUND	BUDGET PRESENTED		BUDGET REVISED
Balances FWD	-	0	-
Revenue	1,597,332		1,597,332
Transfer from General Fund			0
Increase in Municipal Fuel Tax (State Rev Sharing)			+497
Subtotal Revenue	1,597,332	+497	1,597,829
Revenues & Balances	1,597,332	+497	1,597,829
Expenditures	1,597,332		1,597,332
Allocation from Field Operations			-2,885
Allocation from Public Services Admin			+3,525
Road Repairs			-176
Change in misc allocated costs			+15
Subtotal Expenditures	1,597,332	+479	1,597,811
Reserves & Contingency	-	+18	18
Expenditures & Reserves	1,597,332	+497	1,597,829

LIBRARY FUND	BUDGET PRESENTED		BUDGET REVISED
Balances FWD	344,287	0	344,287
Revenue	902,495		902,495
Subtotal Revenue	902,495	0	902,495
Revenues & Balances	1,246,782	0	1,246,782
Expenditures	902,620		902,620
Reduction in Health Ins Costs			-1,468
Allocation from Library 001-571-000			-3,042
Subtotal Expenditures	902,620	-4,510	898,110
Reserves & Contingency	344,162	+4,510	348,672
Expenditures & Reserves	1,246,782	0	1,246,782

CAPITAL PROJECTS FUND	BUDGET PRESENTED		BUDGET REVISED
Balances FWD	230,854	0	230,854
Revenue	409,200		409,200
FRDAP Grant - Kiwanis Park Improvements			+250,000
Subtotal Revenue	409,200	+250,000	659,200
Revenues & Balances	640,054	+250,000	890,054
Expenditures	395,000		395,000
Kiwanis Park Improvements			+250,000
Subtotal Expenditures	395,000	+250,000	645,000
Reserves & Contingency		0	-
Expenditures & Reserves	395,000	+250,000	645,000

CHANGES IN PROPOSED BUDGET FROM DOCUMENT PRESENTED 8/11/2009

UTILITIES FUND	BUDGET PRESENTED		BUDGET REVISED	
Balances FWD	1,931,195		1,931,195	
Revenue	11,006,534		11,006,534	
Subtotal Revenue	11,006,534	0	11,006,534	
Revenues & Balances	12,937,729	0	12,937,729	
Expenditures	11,143,678		11,143,678	
Reduction in Health Ins Costs			-18,152	
Change in GF Admin Chg			-2,597	
Change in allocated expenses			+128	
Subtotal Expenditures	11,143,678	-20,621	11,123,057	
Reserves & Contingency	1,794,051	+20,621	1,814,672	
Expenditures & Reserves	12,937,729	0	12,937,729	

AIRPORT FUND	BUDGET PRESENTED		BUDGET REVISED	
Balances FWD	-	0	-	
Revenue	771,513		771,513	
Correction of FAA MITL grant balance			+95,610	
Correction of FDOT MITL grant balance			+2,516	
Correction of Runway Extension grant balance			+770,812	
Transfer from General Fund			-33,508	
Subtotal Revenue	771,513	+835,430	1,606,943	
Revenues & Balances	771,513	+835,430	1,606,943	
Expenditures	771,513		771,513	
Increase in MITL construction budget			+122,692	
Increase in Runway construction budget			+748,762	
Deletion of fuel truck purchase			-40,000	
Change in allocated expenses			+4,346	
Subtotal Expenditures	771,513	+835,800	1,607,313	
Reserves & Contingency	-	-370	(370)	
Expenditures & Reserves	771,513	+835,430	1,606,943	

ORDINANCE 2009-20

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, ADOPTING THE FINAL LEVYING OF AD VALOREM TAXES FOR THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA FOR FISCAL YEAR 2009-2010; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Lake Wales Polk County, Florida held public hearings on September 9, 2009 and September 15, 2009 as required by Florida Statute 200.065; and


WHEREAS, the City of Lake Wales, Polk County, Florida, adopted Fiscal Year 2009-2010 Final Millage Rates following the public hearing on September 15, 2009 as required by Florida Statute 200.65; and

WHEREAS, the gross taxable value for operating purposes not exempt from taxation within the City of Lake Wales, Polk County Florida has been certified by the Polk County Property Appraiser to the City of Lake Wales as \$757,664,673.

NOW THEREFORE BE IT ENACTED by the City Commission of the City of Lake Wales, Polk County, Florida, that:

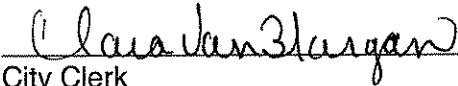
1. The Fiscal Year 2009-2010 operating millage rate is 7.3277 mills which is less than the rolled-back rate of 8.1817 mills by 10.44%.
2. This ordinance shall take effect immediately upon its adoption.

CERTIFIED AS TO ADOPTION at 6:11 P.M. at a public hearing this 15th day of September, 2009.



Mayor/Commissioner
City of Lake Wales Florida

ATTEST:



City Clerk

ORDINANCE 2009-21

AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, RATIFYING, APPROVING, ACCEPTING AND ADOPTING THE ESTIMATES OF EXPENDITURES FOR THE OPERATION OF THE SEVERAL DEPARTMENTS OF SAID CITY, AND ALL NECESSARY AND ORDINARY EXPENSES OF SAID CITY FOR THE 2009-2010 FISCAL YEAR, APPROPRIATING ALL FUNDS TO BE RAISED AND COLLECTED FROM ALL SOURCES SET FORTH IN THE ESTIMATE OF REVENUES & BALANCES FOR SAID FISCAL YEAR, AND THE REPEALING OF ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING FOR AN EFFECTIVE DATE.

BE IT ENACTED by the City Commission of the City of Lake Wales, Polk County, Florida.

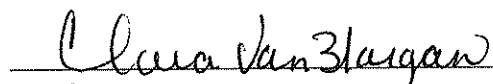
- Section 1.** That the estimates of expenditures for the payment of all necessary and ordinary and all special extraordinary expenses contemplated for the operation of the several departments of the City of Lake Wales, Polk County, Florida, for the Fiscal Year 2009-2010 which are shown in Schedule "B" hereunto attached and made a part of this ordinance by reference, shall be and the same are hereby ratified, approved, confirmed, accepted and adopted as the Budget for the ensuing year.
- Section 2.** That the said estimates shall be, and are hereby established as fixed appropriations from the revenues to be derived by the City and received by said City from whatever sources as hereinafter provided.
- Section 3.** That there is hereby appropriated for the payment of several items of expenses, as set forth in the attached schedule of estimate of expenditures for the operating of the several departments of the said Fiscal Year, and for the payment of operating expenses, including floating debts of the said City for the Fiscal Year 2009-2010, all ad valorem tax revenues collected. There is also appropriated for the general operating expenses, as designated, all revenues collected from license fees, utility charges, utility taxes, Revenue Sharing Funds, Grants, and the sale of City property acquired by tax foreclosure or otherwise all other sources, including delinquent taxes, and revenues collected and received for all past years as set out in each past year's appropriation ordinance.
- Section 4.** That the anticipated revenue of said City, as shown in Schedule "A" hereto attached and made a part of this ordinance by reference, is hereby appropriated for the several items set forth in the budget and is hereby appropriated proportionately to the amounts as shown, which said amounts are to be appropriated and allocated to the different funds as collected.
- Section 5.** That all ordinances and parts of ordinances in conflict herewith are hereby repealed.
- Section 6.** That this ordinance shall take effect immediately upon its adoption following public hearings held on September 9, 2009 and September 15, 2009 in accordance with Florida Statute 200.065.

CERTIFIED AS TO ADOPTION at 6:49 P.M. at a public hearing this 15th day of September, 2009.



Mayor/Commissioner
City of Lake Wales Florida

ATTEST:



City Clerk

SCHEDULE "A"
ORDINANCE 2009-21

SCHEDULE OF ESTIMATED REVENUES & BALANCES FY 2009-2010

GENERAL FUND	Operating	Capital	TOTAL
Balances Forward	\$2,456,546	\$140,000	\$2,596,546
Ad Valorem Taxes	\$3,963,694		\$3,963,694
Sales & Use Taxes	\$1,472,528		\$1,472,528
Licenses & Permits	\$1,146,000		\$1,146,000
Intergovernmental Revenue	\$1,074,214	\$36,356	\$1,110,570
Charges for Services	\$1,800,976		\$1,800,976
Fines & Forfeitures	\$108,950		\$108,950
Miscellaneous Revenues	\$55,787	\$36,913	\$92,700
Transfers from Other Funds	\$1,144,230		\$1,144,230
Other Financing Sources	\$0		\$0
TOTAL GENERAL FUND	\$13,222,925	\$213,269	\$13,436,194
SPECIAL REVENUE FUNDS			
Balances Forward	\$3,933,269	\$300,000	\$4,233,269
Ad Valorem Taxes	\$1,262,207	\$215,000	\$1,477,207
Sales & Use Taxes	\$622,015	\$0	\$622,015
Intergovernmental Revenue	\$1,827,679	\$1,328,641	\$3,156,320
Charges for Services	\$101,330		\$101,330
Fines & Forfeitures	\$32,550	\$25,000	\$57,550
Miscellaneous Revenues	\$69,500	\$0	\$69,500
Transfers from Other Funds	-\$13,000	\$483,702	\$470,702
Other Financing Sources	\$0		\$0
TOTAL SPECIAL REVENUE FUNDS	\$7,835,549	\$2,352,343	\$10,187,892
DEBT SERVICE FUND			
Balances Forward	\$1,346,010		\$1,346,010
Sales & Use Taxes	\$635,451		\$635,451
Licenses & Permits	\$250,686		\$250,686
Intergovernmental Revenue	\$0		\$0
Miscellaneous Revenues	\$28,000		\$28,000
Transfers from Other Funds	\$1,448,984		\$1,448,984
TOTAL DEBT SERVICE FUND	\$3,709,130	\$0	\$3,709,130
CAPITAL PROJECTS FUND			
Balances Forward		\$230,854	\$230,854
Intergovernmental Revenue		\$270,000	\$270,000
Miscellaneous Revenues		\$14,200	\$14,200
Transfers from Other Funds		\$375,000	\$375,000
Other Financing Sources			\$0
TOTAL CAPITAL PROJECTS FUND	\$0	\$890,054	\$890,054
UTILITY SYSTEM FUND			
Balances Forward	\$1,484,195	\$447,000	\$1,931,195
Charges for Services	\$6,046,450	\$303,000	\$6,349,450
Intergovernmental Revenue			\$0
Miscellaneous Revenues	\$541,566		\$541,566
Other Financing Sources	\$0	\$3,475,000	\$3,475,000
Transfers from Other Funds		\$640,518	\$640,518
TOTAL UTILITY SYSTEM FUND	\$8,072,211	\$4,865,518	\$12,937,729
AIRPORT FUND			
Balances Forward		\$0	\$0
Charges for Services	\$55,535		\$55,535
Intergovernmental Revenue		\$1,488,171	\$1,488,171
Miscellaneous Revenues	\$18,000		\$18,000
Other Financing Sources			\$0
Transfers from Other Funds	\$33,465	\$11,772	\$45,237
TOTAL AIRPORT FUND	\$107,000	\$1,499,943	\$1,606,943
TOTAL ESTIMATED REVENUES & BALANCES	\$32,946,815	\$9,821,127	\$42,767,942

SCHEDULE "B"
ORDINANCE 2009-21

SCHEDULE OF APPROPRIATED EXPENDITURES & RESERVES FY 2009-2010

GENERAL FUND	Operating	Capital	TOTAL
City Commission	\$70,374	\$2,000	\$72,374
City Manager	\$174,942		\$174,942
City Clerk	\$95,773		\$95,773
Finance	\$241,508		\$241,508
Human Resources	\$113,987		\$113,987
City Attorney	\$58,275		\$58,275
Planning	\$215,980		\$215,980
Fleet Maintenance	\$118,766		\$118,766
Facilities Maintenance	\$119,610		\$119,610
Information Services	\$152,165		\$152,165
Municipal Admin Bldg	\$73,049		\$73,049
Non-Departmental	\$54,000		\$54,000
Support Services	\$153,460		\$153,460
Police	\$3,979,070	\$85,000	\$4,064,070
Fire	\$2,151,498	\$38,269	\$2,189,767
Building Permits & Inspections	\$234,757		\$234,757
Waste Disposal	\$967,196		\$967,196
Lakes Conservation	\$25,200		\$25,200
Cemetery	\$116,656		\$116,656
* Public Services Admin	\$0		\$0
Other Transportation	\$5,433		\$5,433
Economic Environment	\$47,015		\$47,015
Other Human Services	\$6,000		\$6,000
Parks Division	\$499,222	\$88,000	\$587,222
Recreation Facilities	\$465,533		\$465,533
Depot Museum	\$67,056		\$67,056
Other Culture/Recreation	\$0		\$0
Recreation Services	\$77,247		\$77,247
Interfund Transfers	\$288,652		\$288,652
TOTAL GENERAL FUND	\$10,572,422	\$213,269	\$10,785,691
SPECIAL REVENUE FUNDS			
Transportation Fund	\$814,127	\$783,702	\$1,597,829
CRA Fund	\$5,037,023	\$130,000	\$5,167,023
Police Forfeiture Fund	\$32,550	\$25,000	\$57,550
Library Fund	\$813,099	\$85,000	\$898,099
Law Enforcement Grants Fund	\$7,749	\$122,251	\$130,000
Federal Grants - CDBG Fund	\$193,610	\$556,390	\$750,000
Florida Grants Fund	\$0	\$650,000	\$650,000
TOTAL SPECIAL REVENUE FUNDS	\$6,898,159	\$2,352,343	\$9,250,502
DEBT SERVICE FUND	\$2,363,120		\$2,363,120
CAPITAL PROJECTS FUND	\$0	\$645,000	\$645,000
UTILITY SYSTEM FUND	\$6,256,451	\$4,865,518	\$11,121,969
AIRPORT FUND	\$107,000	\$1,499,943	\$1,606,943
TOTAL FY09'10 EXPENDITURES	\$26,197,151	\$9,576,073	\$35,773,224
RESERVES & CONTINGENCIES	\$6,749,664	\$245,054	\$6,994,718
TOTAL APPROPRIATED EXPENDITURES & RESERVES	\$32,946,815	\$9,821,127	\$42,767,942

*Cost is allocated to departments/divisions under the supervision of the director