

1 MINUTES OF THE LAKE MARY CITY COMMISSION MEETING held September 4,
2 2014, 7:00 P.M., Lake Mary City Commission Chambers, 100 North Country Club Road,
3 Lake Mary, Florida.

4
5
6 1. Call to Order
7

8 The meeting was called to order by Mayor David Mealor at 7:03 P.M.
9

10 2. Moment of Silence
11

12 3. Pledge of Allegiance
13

14 4. Roll Call
15

16 Mayor David Mealor	Jackie Sova, City Manager
17 Commissioner Gary Brender	Dianne Holloway, Finance Director
18 Deputy Mayor George Duryea	John Omana, Community Dev. Dir.
19 Commissioner Thom Greene	Tom Tomerlin, Economic Development Mgr.
20 Commissioner Jo Ann Lucarelli	Wanda Broadway, Human Resources Mgr.
21	Joe Laundreville, Deputy Fire Chief
22	Steve Bracknell, Police Chief
23	Katie Reischmann, City Attorney
24	Mary Campbell, Deputy City Clerk

25
26 5. Approval of Minutes: August 21, 2014
27

28 **Motion was made by Commissioner Brender to approve the minutes of the**
29 **August 21, 2014, meeting, seconded by Commissioner Lucarelli and motion**
30 **carried unanimously.**
31

32 Mayor Mealor welcomed the liaisons from the Forest community. We appreciate their
33 interaction with the Commission and the feedback to the community.
34

35 Mayor Mealor recognized a student from the University of Central Florida on a class
36 assignment. Any student is welcome at any time. Any member of the Commission or
37 the City Manager stands ready to assist with those projects if needed.
38

39 6. Special Presentations
40

41 There were no special presentations at this time.
42

43 7. Citizen Participation
44

45 Tom Abraham, 1930 Hillside Avenue, Orange City, Florida, came forward. He stated he
46 was a Council member for District 3 in Orange City. He said his appreciation again is

1 about the budget. The last time I gave a holistic look on the budget and appreciate the
2 organization and transparency of the budget. After that I went more specific into the
3 Water and Sewer Funds. Again I am impressed by the water, sewer, stormwater, utility
4 billing sections where I see how they are managed and organized. Your water rate is
5 very low in my opinion and am very envious about it. Seventy-five cents per 1,000
6 gallons up to 3,000 gallons in Lake Mary I was surprised to see that. After that \$1.15 up
7 to 10,000 gallons. All these numbers and the transparency which I see in this budget is
8 great and I appreciate that. One thing more I want to mention is in your Water and
9 Sewer Fund sections I see a specific description called performance measure or
10 workload/output measures. This is very unique and very educational how many billions
11 of gallons of water treated in Lake Mary and the fluoride and chlorine used, samples
12 taken. This kind of information is very useful. I have a lot to tell my friends and others
13 about Lake Mary. Your Water and Sewer Funds are well managed and a lot of
14 restricted and unrestricted fund balance.

15

16 No one else came forward and citizen participation was closed.

17

18 8. Unfinished Business

19

20 There was no unfinished business to discuss at this time.

21

22 9. New Business

23

24 A. Ordinance No. 1513 – Proposed FY 2014/2015 Millage Rate – First Reading
25 (Public Hearing) (Jackie Sova, City Manager) and Ordinance No. 1514 –
26 Proposed FY 2014/2015 Budget – First Reading (Public Hearing) (Jackie
27 Sova, City Manager)

28

29 The City Attorney read Ordinance No. 1513 and Ordinance No. 1514 by titles only on
30 first readings.

31

32 Ms. Sova said tonight begins the formal process of adopting the Fiscal Year 2015
33 budget. To comply with the truth in millage section of Florida Statutes we must conduct
34 public hearings to discuss the tentative millage rate and the proposed budget. We
35 began with a workshop held July 17, 2014, and established the tentative millage rate at
36 that point and a total citywide budget of \$31,737,475. Of that the General Fund budget
37 is \$20,352,219. The only change that has been made since the Commission saw the
38 budget at the workshop is that she deleted the part-time Recreation Maintenance
39 Specialist, which was George Gibson's position, and we had discussed looking mid-
40 year at making another full-time job. She deleted the part-time job and added a full-time
41 job at this time. We were able to do that within the monies that were already dedicated
42 to the budget so there was no change to the bottom line.

43

44 Ms. Sova said a Capital Improvement Program totaling \$3.1 million is in the budget
45 including the Community Center parking lot, the first phase of Heritage Park, the
46 SunRail Station enhancements, a roundabout at Greenleaf and Palmetto, and a traffic

1 signal and beautification of Wilbur and Country Club Road. We have planned the
2 Emma Oaks Trail sidewalk funded by the Rinehart Trail Rehabilitation grant of \$75,000.
3 We've provided for a new roof for the gazebo and cemetery, two cardiac monitors, a
4 portable decontamination system, and a fire extinguisher trainer.

5
6 Ms. Sova said in the Stormwater Fund we will do cold mix paving, conduct a roadway
7 surface analysis and perform inspections, cleaning, and repair of our City-owned
8 drainage infrastructure as required by our NPDES permit.

9
10 Ms. Sova said the action required tonight is for the Commission to adopt the millage
11 rate at 3.5895 mills, which is 3.3% over the rolled back rate of 3.4747 mills, and by a
12 separate vote adopt the tentative Fiscal Year 2014/2015 budget.

13
14 Mayor Mealor asked if anyone wanted to speak in reference to Ordinance No. 1513
15 and/or Ordinance No. 1514. No one came forward and the public hearings were closed.

16
17 **Motion was made by Deputy Mayor Duryea to approve Ordinance No. 1513 on**
18 **first reading, seconded by Commissioner Greene and motion carried by roll-call**
19 **vote: Commissioner Brender, Yes; Deputy Mayor Duryea, Yes; Commissioner**
20 **Greene, Yes; Commissioner Lucarelli, Yes; Mayor Mealor, Yes.**

21
22 **Motion was made by Commissioner Brender to approve Ordinance No. 1514 on**
23 **first reading, seconded by Commissioner Lucarelli and motion carried by roll-call**
24 **vote: Deputy Mayor Duryea, Yes; Commissioner Greene, Yes; Commissioner**
25 **Lucarelli, Yes; Commissioner Brender, Yes; Mayor Mealor, Yes.**

26
27 Mayor Mealor thanked Ms. Sova for the work she and her team have done putting this
28 together. It is a job well done.

29
30 Commissioner Brender said we have to thank all the staff. This is not easy. These
31 guys have been working on this for months and it is a huge project. Because we do
32 maintain a five-year budget, the work that goes into it is monumental. He extended his
33 compliments to staff.

34
35 B. Ordinance No. 1515 – Amending the Police Officers' Retirement System –
36 First Reading (Public Hearing) (Dianne Holloway, Finance Director)

37
38 Mayor Mealor said we will read Items B and C together and vote separately.

39
40 The City Attorney read Ordinance No. 1515 and Ordinance No. 1516 by title only on first
41 readings.

42
43 Ms. Holloway said our Police and Fire have separate retirement systems that are
44 established by City ordinance. When they want to make proposed changes we have to
45 take it forward in the form of an ordinance. Both pension boards wish to amend their
46 respective ordinances to include Master Limited Partnerships (MLP) as an investment

1 facility and as recommended by their investment advisor. The formal impact statement
2 from the actuary is not required for either plan but they have attached letters from each
3 one of the actuaries to tell us there is no cost impact to the retirement systems.

4
5 Ms. Holloway said our investment advisor, Frank Wan from Burgess Chambers, is here
6 to discuss what the MLPs are and answer any questions.

7
8 Frank Wan with Burgess Chambers & Associates, located in downtown Orlando, came
9 forward. He said they have been around about 26 years. To make an introduction to
10 what we are trying to do with the pension systems is what everyone else is trying to do
11 and that is to lower our fixed income in the portfolio while at the same time reduce the
12 risk. Five years ago we had 55% of our portfolios in bonds and today we have roughly
13 25% to 30%. A structural change as everyone is doing and aiming for the actuarial
14 assumption.

15
16 Mr. Wan said the first step we took was to implement convertible bonds as a substitute
17 to traditional bonds. The second step we took was to implement private real estate.
18 These are A Class real estate with more than 90% occupancy. The third step is Master
19 Limited Partnerships. Master Limited Partnerships are very similar to stocks. They
20 trade on the New York Stock Exchange, daily liquidity, there're tickers. The only
21 difference between a MLP and a stock is simply by the code or by definition of their
22 corporation status. Master Limited Partnership is a tax exempt or a pass-through
23 vehicle so unlike a stock or a C-Corporation is subject to a 35% corporate tax. Master
24 Limited Partnerships are not subject to a corporate tax but instead it passes through the
25 net income to the ultimate investors. Us being the pension plan are tax exempt. In
26 essence we are getting a double free taxation and that produces a 6% to 7% yield and
27 growing at the same rate going forward. Compare that to a current yield in the core
28 bonds of 2% to 2-1/2% again you are offsetting or trading a much better yield in a space
29 that we think is going to be the next growth area for America and Master Limited
30 Partnerships being energy infrastructure related. We have a lot of confidence in this
31 particular space.

32
33 Commissioner Brender said as we move forward with this, he realized percentages
34 given are never guaranteed. When you're talking the difference between 2% or 3%
35 versus 6% on something like this which is a very long term project, all the forward
36 looking numbers are going to change dramatically. He asked if that was correct.

37
38 Mr. Wan answered negatively. We are recommending a very small exposure to Master
39 Limited Partnerships. Think about where we have been. We have taken a 5% to 10%
40 position with convertible bonds and then real estate. This will be something similar. We
41 will probably start off with a 5% exposure and ultimately cap it at 10% at the max.
42 Master Limited Partnerships in relevance is expected to produce much better than
43 bonds. It has a similar characteristic where risk characteristic of a stock. The reason
44 we like Master Limited Partnerships in a portfolio is because it doesn't correlate with the
45 other asset categories. When you consider stocks, bonds, real estate, convertibles,
46 Master Limited Partnerships, what you are doing is having five different asset classes

1 that are not strongly correlated to one another. By combining them all you are actually
2 lowering the risk for the total pension plan. In relevance five years ago our standard
3 deviation was 8.2 to 8.5. Today even though we have drastically reduced our fixed
4 income, the standard deviation with the risk is about the same.

5
6 Mayor Mealor asked if anyone wanted to speak in reference to Ordinance No. 1515
7 and/or Ordinance No. 1516. No one came forward and the public hearings were closed.

8
9 **Motion was made by Commissioner Lucarelli to approve Ordinance No. 1515 on**
10 **first reading, seconded by Commissioner Greene and motion carried by roll-call**
11 **vote: Commissioner Greene, Yes; Commissioner Lucarelli, Yes; Commissioner**
12 **Brender, Yes; Deputy Mayor Duryea, Yes; Mayor Mealor, Yes.**

13
14 C. Ordinance No. 1516 – Amending the Firefighters’ Retirement System – First
15 Reading (Public Hearing) (Dianne Holloway, Finance Director)

16
17 Ordinance No. 1516 was read by title only on first reading, presented, and public
18 hearing held under Item 9-B.

19
20 **Motion was made by Commissioner Brender to approve Ordinance No. 1516 on**
21 **first reading, seconded by Commissioner Lucarelli and motion carried by roll-call**
22 **vote: Commissioner Lucarelli, Yes; Commissioner Brender, Yes; Deputy Mayor**
23 **Duryea, Yes; Commissioner Greene, Yes; Mayor Mealor, Yes.**

24
25 D. Ordinance No. 1517 – Repealing Chapter 36 entitled Surplus Ordinance –
26 First Reading (Public Hearing) (Dianne Holloway, Finance Director)

27
28 The City Attorney read Ordinance No. 1517 by title only on first reading.

29
30 Ms. Holloway said the last time we looked at the City’s disposal of surplus property
31 ordinance was 26 years ago. We recently reviewed it and determined the existing
32 ordinance is outdated. The original intent of the ordinance was to provide guidance on
33 tangible personal property. Currently in our ordinance is defined as tangible personal
34 property of a non-consumable nature, the normal expected life of which is one year or
35 more as determined by the custodian of the property as hereinafter provided which is
36 owned by the City. We are of the opinion that it is probably more appropriate for us to
37 manage tangible personal property and the disposal of such property in the form of a
38 City policy. We believe City policies can be adopted and governed by a resolution
39 similar to what we have done with our fund balance policy and investment policy. To
40 accomplish this task we must first repeal Chapter 36, Disposal of Surplus Property.
41 After second reading and adoption we will bring forward a resolution to adopt the policy
42 that will provide guidance for tangible personal property and the disposal of such
43 property.

1 Ms. Holloway said tonight we are recommending that the Commission adopt Ordinance
2 No. 1517 to repeal Chapter 36 and at the next meeting we will bring forth the new
3 resolution.

4
5 Mayor Mealor asked if anyone wanted to speak in reference to Ordinance No. 1517. No
6 one came forward and the public hearing was closed.

7
8 **Motion was made by Commissioner Lucarelli to approve Ordinance No. 1517 on**
9 **first reading, seconded by Commissioner Brender and motion carried by roll-call**
10 **vote: Commissioner Brender, Yes; Deputy Mayor Duryea, Yes; Commissioner**
11 **Greene, Yes; Commissioner Lucarelli, Yes; Mayor Mealor, Yes.**

12
13 10. Other Items for Commission Action

14
15 There were no items to discuss at this time.

16
17 11. City Manager's Report

18
19 1. Request for purchase of glow sticks from Law Enforcement Trust Fund

20
21 Ms. Sova said with fall approaching we are requesting the annual purchase of LED
22 safety glow sticks from the Law Enforcement Trust Fund. We use these with City and
23 community sponsored Halloween activities. They make things safer for the children
24 when they are out after dark. One thousand of these Life Gear LED glow sticks will cost
25 \$4,274.14.

26
27 Ms. Sova asked the Commission for authorization to purchase the glow sticks from the
28 Law Enforcement Trust Fund.

29
30 **Motion was made by Commissioner Greene to approve the expenditure from the**
31 **Law Enforcement Trust Fund in the amount not to exceed \$4,274.14 for purchase**
32 **of 1,000 Life Gear LED Glow Sticks from Inkhead Promotional Products,**
33 **seconded by Commissioner Lucarelli and motion carried unanimously.**

34
35 Ms. Sova said qualifying ended last Friday with only Mayor Mealor and Commissioner
36 Brender qualifying for their seats and Sid Miller qualifying for Seat 3 without opposition
37 for everyone.

38
39 Ms. Sova congratulated George Gibson on his retirement after 24 years of service with
40 the City. We had a nice party for him last Friday and he made us a nice and generous
41 gift. He is the hardest worker we have ever had and everyone will miss him.

42
43 Mayor Mealor said we talk about making a difference in the life of an individual and we
44 talk about quality of life, this City Commission is to be commended because of the
45 direction we gave the City Manager in terms of providing opportunities. We will miss
46 George.

1
2 12. Mayor and Commissioners' Reports (3)
3

4 Mayor Meador had no report at this time.
5

6 Commissioner Greene congratulated Mayor Meador for his reelection without opposition.
7 That is a very big compliment because that means the job you have done, not only the
8 last term but since 2008 and before that in the 1990's, has impressed our citizens to the
9 extent they are satisfied 100% with the job you've done. When Mayor Meador took over
10 in 2008 the economy was not doing too well and things were starting to change and
11 through his leadership of the team, staff and employees he was able to go through that.
12 Now things are changing and in reading *Lake Mary Life* the accolades are starting to
13 come back again. The City is getting awards and being ranked as one of the best cities
14 in the country. He wanted him to feel good about that because he has done a great job
15 and we all appreciate it. Hopefully you will continue to do that for a long time in the
16 future.
17

18 Mayor Meador thanked Commissioner Greene. He said he was smart enough to know
19 things don't happen in isolation. We have a remarkable commission and a great team
20 and was thankful to be able to serve with them. He thanked Commissioner Greene for
21 his kind words. For Commissioner Greene stepping out of a situation where he didn't
22 have to come back but was willing to come back and help us and his presence on this
23 Commission has made a difference. We are better off with him here.
24

25 Commissioner Greene complimented Commissioner Brender on his reelection. He has
26 been here a long time and still has the energy and enthusiasm to do this job. That is
27 something he should be commended for because a lot of people couldn't do this job for
28 that long—they just burn out—but he has been able to continue on and think out of the
29 box and make a great contribution to the City. Being reelected without opposition is the
30 ultimate compliment for an elected official. Take that compliment and enjoy it.
31

32 Commissioner Lucarelli extended congratulations to Mayor Meador and Commissioner
33 Brender. She enjoyed serving with all of them and thought it was good we get to
34 continue it.
35

36 Commissioner Lucarelli said she attended a Purple Purse affair at the Millennia Mall for
37 Harbor House. Carol Wick, CEO of Harbor House, is one of our citizens. She has done
38 an amazing job with Harbor House which is a domestic violence shelter in Orange
39 County. She is happy and proud of Ms. Wick for her accomplishments and how well
40 she is doing with that. It was a great event and she was glad to be there to represent
41 Lake Mary.
42

43 Commissioner Lucarelli said she passed out some fliers of some Lake Mary Rotary
44 events. We have the barbecue in October and this Sunday is the Champion's Ride. If
45 you're not riding come out and cheer everyone on. It is another fundraiser to raise

1 scholarship money and things for students. We are trying to reach out more to the high
2 schools and get some interact clubs active.

3
4 Commissioner Lucarelli said October 25th and 26th is the Lake Mary/Heathrow Arts
5 Festival. We bumped it up a week this year because of the Halloween conflict with law
6 enforcement. It's at the same place.

7
8 Mayor Mealor thanked Commissioner Lucarelli for her report and also for her support of
9 Harbor House. He chaired the board of that group when we went with the name
10 change. The recognition she gave Carol Wick. Sometimes we lose sight. That is one
11 of the largest shelters in the nation and the responsibility that she has as a CEO is
12 remarkable. If there was ever any group that is deserving of support it is certainly hers.

13
14 Commissioner Brender said there was no CALNO last night. The County was unable to
15 host.

16
17 Commissioner Brender said he would attend the Leadership Seminole class tomorrow
18 and will be facilitating a couple of the classes. It is something he enjoys when they do
19 government day.

20
21 Deputy Mayor Duryea congratulated Mayor Mealor and Commissioner Brender on their
22 reelection.

23
24 13. City Attorney

25
26 Ms. Reischmann wished Mayor Mealor and Commissioner Brender congratulations.
27 She always says she wished a video of the meetings could be sent out to other cities
28 and counties and people can see how you can disagree and still laugh.

29
30 14. Adjournment

31
32 There being no further business, the meeting adjourned at 7:35 P.M.

33

34

35

36

37 _____
38 David J. Mealor, Mayor

_____ Mary Campbell, Deputy City Clerk

39

40

41

42 ATTEST:

43

44

45

46

Carol A. Foster, City Clerk