

1 MINUTES OF THE LAKE MARY CITY COMMISSION WORK SESSION held July 9,  
2 2015, 5:30 P.M., Lake Mary City Commission Chambers, 100 North Country Club Road,  
3 Lake Mary, Florida.

4  
5 The work session was called to order by Mayor David Mealor at 5:30 P.M.

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7 Mayor David Mealor Jackie Sova, City Manager  
8 Commissioner Gary Brender Carol Foster, City Clerk  
9 Deputy Mayor George Duryea Dianne Holloway, Finance Director  
10 Commissioner Sidney Miller John Omana, Community Development Dir.  
11 Commissioner Jo Ann Lucarelli Colin Morgan, Deputy Police Chief  
12 Mary Campbell, Deputy City Clerk  
13

14 ITEMS FOR CONSIDERATION:

15  
16 I. Police Pension  
17

18 Ms. Holloway said we are here to continue discussion on the request made by the  
19 Police Pension Board to increase their benefits. Since we last spoke there is a new law  
20 in effect that substantially changes Chapters 175 and 185 rules. We have our pension  
21 attorney present to talk about the new law, options, and to answer any questions.  
22

23 Glenn Thomas, Pension Attorney with Lewis, Longman and Walker law firm came  
24 forward. (Copy of PowerPoint presentation attached.) The new law just signed is  
25 Senate Bill 172 and went into effect on July 1<sup>st</sup> but the provisions it requires is supposed  
26 to go into effect on October 1<sup>st</sup> of this year. He understood everyone is familiar with  
27 how the premium tax situation works. If anybody wasn't familiar it doesn't matter  
28 because none of those rules exist anymore. We are starting from scratch.  
29

30 Mr. Thomas said under the general rules you have the premium tax revenues. This is  
31 the same for the fire law and the police law. The way you use premium tax revenues is  
32 going to depend on when they were received. You have this base amount that has  
33 been set up and that's the amount you received for 2003 and that has to be used to  
34 fund what the minimum benefits are in the statute. There was one change. The  
35 minimum multiplier was increased from 2% to 2.75%. That amount is used for  
36 minimums or if your minimums don't need that amount they get used to fund benefits in  
37 excess of the minimums. The next amount is the amount between the 2003 amount  
38 and over that up to the amount you received in 2012. That amount can only be used to  
39 fund benefits in excess of these minimums.  
40

41 Mr. Thomas said then you have the final amount which is the amount above the 2012  
42 amount. Half of this can be used to fund the chapter minimums of benefits in excess  
43 but the other half has to be put into what's called special benefits, which is something  
44 we have called a shared plan in the past which is where all the money from the  
45 premium tax revenue is going. It is kind of a defining contribution component and  
46 everybody gets their share of it.

1  
2 Mr. Thomas said the accumulation that you have currently looks like around \$185,000.  
3 If it hasn't been used to fund any minimum benefits then what happens is half of that is  
4 used to fund special benefits, which is again a defined contribution component, and half  
5 is used to pay down the unfunded actuarial liability. The share plan or the defined  
6 contribution component has to be placed in the plan either way even if there are no  
7 funds attributed to it. This is for pension plans created after March 1, 2015, so it's not  
8 relevant. Under this new law you can still reduce benefits but if you had premium tax  
9 revenues that were being used to fund those benefits then you have to take that amount  
10 that was being used and it has to be split up between the benefits that are minimum or  
11 in excess of minimum and half has to be put into the share plan.  
12

13 Mr. Thomas said the good news is you can deviate from these confusing rules. If you  
14 have an agreement with your union or the majority of the plan members, you can use  
15 premium tax revenues any way you want. You can ignore completely all of those  
16 confusing rules. My understanding is that's the way a lot of cities are heading. One of  
17 my cities, Vero Beach, their police have already voted on how to use them and have  
18 already drafted an ordinance and are in the process of drafting their mutual consent  
19 letter which is a brand new thing. Now we have this mutual consent letter that nobody  
20 understands what it's supposed to look like and will find out if I do it right the first time.  
21

22 Deputy Mayor Duryea said if by mutual consent the police department and the City  
23 come to an agreement that we are going to use all this premium tax revenue for  
24 whatever we want to do with it, what's the sense of all of that before that?  
25

26 Mr. Thomas said over the past few years I have watched this and I monitored those  
27 closely in the legislative session. I went to Tallahassee and we paid attention to this  
28 stuff and I think it kind of morphed from that. There was a lot of input from a lot of  
29 different people on what to do with premium tax revenues. The cities wanted more  
30 flexibility and wanted to be able to use it to reduce their contribution rates which were  
31 skyrocketing or at least use it to pay down the unfunded liability and do something with  
32 it whereas the union said no; that needs to be used to increase benefits. It took years to  
33 come up with this confusing mess. I think what eventually happened was the cities  
34 came to an agreement that we can do all these rules but we have to have something in  
35 there to allow us flexibility if we all agree to it. There were things you couldn't do before  
36 even if the union and city agreed to it. You still couldn't use the premium cut. You  
37 could only use a certain amount. The rules weren't really working. I think the  
38 legislature wanted it to be confusing to force the cities and employees to come to a  
39 mutual consent on how to do this. Nobody will admit it but I think they made it as  
40 unappealing and confusing as they possibly could. They changed some of the phrases  
41 in the statute before so they were different that nobody understood what they meant.  
42 They were saying it was a special benefits defined contribution when it's not really. In  
43 terms for being self-directed and your being able to contribute your own money to it, I  
44 don't think that's what they're contemplating at all. Under this statute I would argue you  
45 certainly could have a defined contribution component that you put 2% of your salary  
46 into. As far as being self-directed I think that might be tough to get into. I don't think

1 that's what they were talking about. What they should have used was the share plan  
2 language which has been used for a dozen years and everybody understood what it  
3 meant but instead they went with this defined contribution component which made it  
4 more confusing.

5  
6 Mr. Thomas said the short answer to the question is I think it was meant to be confusing  
7 in order to force mutual consent. I think mutual consent should have been the original  
8 intent and have some rules that were less convoluted if you couldn't come to mutual  
9 consent.

10  
11 Mr. Thomas said as far as how your Chapter 185 premium taxes fit into this, you are in  
12 a confusing situation because in most cities the 2003 amount is the least amount, the  
13 2012 amount will be the next highest and the 2013 would be the highest amount. Yours  
14 are the exact opposite of what 90% of the plans have. It doesn't appear the legislature  
15 even contemplated that possibility because each one of those is supposed to be a pool.  
16 Under yours there is no pool; it would be a negative amount. That 2012 amount can  
17 only be used for excess benefits would not come into play. You would be able to use  
18 your amounts for the chapter minimums, or benefits or benefits in the excess. The 2013  
19 amount it refers to will be the amount whenever you receive an amount that's above  
20 that \$136,000. That will be your amount that will be divided up between the minimums  
21 and the defined contribution component which just added more confusion to this one.

22  
23 Mr. Thomas said another thing to keep in mind is participation in Chapter 185 and 175  
24 is entirely optional. Cities do that for one reason and that is to get the premium tax  
25 revenue. If you violate the rules of 175 or 185, all that means is you don't get the  
26 premium tax revenues but if violating the rules of Chapter 175 or 185 would save more  
27 money than you would receive in premium tax revenues then there are things you can  
28 do. Even if they are unpopular they are legally permissible. They are not in violation of  
29 IRS rules which would be the only rules. Chapter 112 and the IRS rules are the ones  
30 you have to follow.

31  
32 Mr. Thomas said some of the options you have are FRS to set up the defined  
33 contribution plan, reduce benefits prospectively for new hires and you would have a  
34 two-tiered plan. You can reduce benefits for all employees which you can still do under  
35 this statute. You can create a hybrid plan which is a defined benefit/defined contribution  
36 plan not in the same mode that is in the statute but a little more complicated. You can  
37 have an increase in employee contributions or cost sharing of benefit increases.

38  
39 Mr. Thomas said a couple of legal rules that will always apply regardless, changes are a  
40 mandatory subject if collective bargaining. That is not an issue here. Accrued pension  
41 benefits can never be reduced which is whatever somebody has earned up until today.  
42 They earned that and accrued it and cannot be reduced. Future benefits can be  
43 reduced as long as the person hasn't reached retirement status. Ultimately the plan  
44 sponsor (the city) is responsible for the unfunded liability. If the plan is terminated or  
45 frozen or all employees were laid off, the total amount of that is always going to be  
46 borne by the city. That money doesn't come from anywhere else.

1  
2 Mr. Thomas said the concepts we talked about, closing the plan, that means that the  
3 plan is going to continue as it is with all the current members. It will continue to accrue  
4 benefits but new employees will go into something else such as FRS, defined  
5 contribution plan, a different tiered plan. Freezing means that nobody accrues any  
6 more benefits but the plan continues. You are basically freezing everybody's benefits.  
7 All employees go to another plan but the plan itself continues to be administered by the  
8 pension board, the investments continue, it has to be funded until all benefits are  
9 completely funded. Terminating the plan is liquidating the plan, immediately paying out  
10 all the benefits and it doesn't exist anymore in any form. At that point the plan simply no  
11 longer exists.

12  
13 Mr. Thomas showed on the overhead some advantages and disadvantages of joining  
14 FRS for new hires. Some of the advantages are it will definitely reduce costs as new  
15 employees. Over the years as new employees go into FRS it will reduce your cost of  
16 the current plan. FRS has state standardized benefits. There is a 3% employee  
17 contribution that has been in FRS for a few years. Portability – it can track other county  
18 employees or other employees to come here. You will continue to receive the premium  
19 tax revenues and eventually you get out of the pension business although it would take  
20 quite a while before everybody's benefits are paid out completely. Looking far down the  
21 road eventually everybody will be in FRS. The disadvantage is there is no immediate  
22 savings. These are things that happen in the future as fewer benefits are being accrued  
23 under you defined benefit plan. Your normal costs would go down.

24  
25 Mr. Thomas said the portability is a double edged sword. Your employees after a few  
26 years of working here can take their FRS and go other places. You are relying  
27 completely on the State Legislature to set your benefit contributions. If you join FRS for  
28 all employees, you get reduced costs and it is a shorter time. The disadvantages are  
29 that the plan has to be terminated or frozen. Terminating the plan is almost impossible  
30 even if your plan is fully funded. When you try to pay all those benefits, the pension  
31 board gets to decide the manner in which the benefits are paid out. Let's say they  
32 voted to do an insured annuity. Even though you have enough money to cover the  
33 costs of all the benefits you are paying out, you don't have enough money to pay for an  
34 insured annuity which is a lot of money on top of whatever your benefits costs. It has  
35 been tried before and very rarely are you able to terminate a police or fire plan because  
36 of this provision in the law that says the pension board gets to choose the option. If  
37 they were to choose to pay a lump sum then if you were 100% funded you could afford  
38 that but very few of them will do that. It has been the cause of litigation in the past over  
39 the city which had enough money to pay off all the benefits but not in the form they  
40 chose so it is not feasible. Freezing a plan is more feasible but then you stay in the  
41 pension business and are still making your contributions. Some of the things that  
42 actuaries do is they reduce the amount of time to pay off the unfunded liability which  
43 immediately your contributions could increase. In some cases freezing the plan can  
44 cost more money in the short term. You will lose your premium tax revenues on that  
45 and the other disadvantages we discussed.

46

1 Mr. Thomas said a two-tiered plan is having a reduced set of benefits for all of your new  
2 hires and people who are hired in the future. The advantages are reduced costs over  
3 time but the corresponding disadvantage is that your current employees are still going  
4 to have the higher cost benefits. They have more years so their benefits are more  
5 expensive and not the newer employees who have a lower salary and their benefits are  
6 not costing as much. This happens more with a union in place but it doesn't take long  
7 for the new hires to ask for higher benefits and there could be a lot of pressure in that.  
8 The other problem with that is you are staying in the pension business and is not what  
9 you are looking for and is one of the disadvantages.

10  
11 Mr. Thomas said reducing benefits across the board, you do get immediate cost  
12 savings. It will reduce your unfunded liability. Everybody has the same benefits and you  
13 can do this and still keep your premium tax revenues as long as you stay within the  
14 minimum benefits in Chapter 185. The disadvantage is you do reduce benefits but it's  
15 prospectively. You are going to have the value of the current benefits stay in place.

16  
17 Mr. Thomas said in the defined contribution plan, the good things about this are the  
18 predictable employer costs. You always know what your contribution is to your defined  
19 contribution plan. It stays the same. There is no investment risk. It does appeal to  
20 some employees. There is the portability and the administrative costs are lower. There  
21 are no actuarial liabilities on it. The disadvantages depending on how you implement it,  
22 termination and freezing the plan those problems come back but you also have shifted  
23 the investment risk onto the employee which some do not find appealing. There is no  
24 COLA or inflation protection. The portability could work the other way around. They  
25 know they won't have to stay here until they vest in the defined benefit plan. You would  
26 lose premium tax revenues on that one.

27  
28 Mr. Thomas said a hybrid plan is where a defined benefit plan is divided up. You have  
29 your defined benefit plan and you reduce your benefits. In this case you would lose  
30 your premium tax revenues because you are reducing benefits below the minimums.  
31 For example one of the cities reduced it to 1.25% but then you set up a separate  
32 defined contribution plan in conjunction with this plan and you have a set contribution  
33 and a set employer contribution. There is a variable annuity DB plan. If the cost goes  
34 up you reduce your multiplier. It goes from 2% to 1%. These are all things that would  
35 result in losing premium tax revenues. They are just extra ideas that have been tried in  
36 the past. The good news is there is some protection and is a guaranteed benefit for  
37 employees at a certain level and there is the ability for them to direct their own defined  
38 contribution plan and invest it as they please.

39  
40 Commissioner Brender said we keep talking about this premium tax revenue like it's the  
41 end all/make all of this whole pension program. In the grand scheme of things you're  
42 talking about \$130,000 for us. I'm paying out \$1.8 million a year for a pension benefit.  
43 He asked why the premium seemed to be so critical. The \$130,000 is a drop in the  
44 bucket compared to \$1.8 million that we still have to do. He said he wanted to hit the  
45 \$1.8 million part.

46

1 Mr. Thomas said depending on what year the cities got into the police and fire pension  
2 business, originally the idea was if you had a police and fire pension plan then you got  
3 the premium tax revenues. You just used them to reduce your contribution. At some  
4 point that became less popular because the amount of premium tax revenues were  
5 getting higher and higher. There are some cities that get a million dollars a year in  
6 premium tax revenues. Depending on your city's size it means more to you. Even for a  
7 large city that \$1 million is a pretty impressive piece. It all depends on your situations  
8 as to how important maintaining the premium tax revenues are. Their down side is  
9 when you use the tax revenues and you want to keep receiving them, there are certain  
10 requirements you have that are unpopular with city councils. You will lose any ability to  
11 determine how the plan is interpreted because you have a pension board that has to be  
12 made up in a certain way. That pension board makes a lot of decisions. They have a  
13 lot of power for how that plan is interpreted. If you were determining the plan you get to  
14 decide how that is paid out. There are some drawbacks to receiving the money but it  
15 has always been significant enough. Let's say you're getting 5% in premium tax  
16 revenues. That is more than your employee contribution.

17  
18 Mr. Thomas said you can increase employee contributions. Every 1% in employee  
19 contributions reduces the city's contribution by 1%. With Chapters 175 and 185 you  
20 have to have an agreement to increase contributions. There is a cost sharing where if  
21 the city's contributions go up employees will automatically agree to that. I have always  
22 thought that when it's done there might be an argument by future employees that may  
23 not agree to that. It has to be agreed to so you might have to run that problem again  
24 with them saying I think we need to agree with this again.

25  
26 Mayor Meador said if we go back to the meeting we had in June, we did the presentation  
27 and the sentiment was we needed additional information. If you look at our benefit rate  
28 of 3.2% and if you compare that with other municipalities in the area, we probably have  
29 one of the more favorable percentage rates. We have to be careful. Now it is in  
30 statutes 175 and 185 and we have to be cautious as we go forward. My sentiment was  
31 no one was in favor of reducing but we weren't in favor of adding additional benefits.  
32 He asked if he heard that discussion correctly.

33  
34 Commissioner Brender said he had half of that right. Nobody is in favor of reducing but  
35 I don't think anybody was in favor of increasing the benefit in the defined pension  
36 portion. I am not afraid to increase benefits for police officers. The key is I don't want to  
37 do it in a defined pension plan. I want to do it through some kind of contribution plan  
38 and I think we can make it juicier for them by doing that.

39  
40 Mayor Meador said the data presented by Ms. Holloway and her staff showed that  
41 effective 2009 the City's contribution rate has been in the negative. The one thing that  
42 captures my attention was when the Commission was saying whatever we do we don't  
43 want to burden the taxpayers of the City of Lake Mary with a long-term obligation that  
44 may not be able to be met as we are currently moving forward. That was what brought  
45 us to this evening with Mr. Thomas and further discussion. Commissioner Duryea has a  
46 long-term perspective on this. We are about to start the budget process and one of

1 things we have been able to do, and the Chief refers to it as a broken window  
2 syndrome, everything that we provide and public safety is the hallmark of this  
3 community. If you look at what we do for our public safety officers, whether it is in terms  
4 of their equipment, training or special development, we have a wonderful amenity  
5 package far beyond most. That's that value added proposition that has to be factored  
6 in. It may not appeal to everyone. We talked about portability. I think most people  
7 would prefer to come into this community and work without looking at some of the  
8 discussions we are having simply based on the way that our leadership has created the  
9 dynamic. When I looked at municipalities, our benefit rate is very favorable compared  
10 to others. That is a starting point. It is something that needs to be pointed out in any  
11 kind of discussion as we go forward as to whether we want to add more. How do we  
12 reduce the long-term risk for the taxpayers of Lake Mary.

13  
14 Deputy Mayor Duryea said this discussion was brought about by the Police Pension  
15 Board's proposition of change in benefits which would not cost the City any money. I'm  
16 not sure we're going in that direction at this point. He asked where that request stands  
17 in relationship to this.

18  
19 Ms. Sova said we keep going over what does this pension plan consist of. The reason  
20 we are here and there with that conversation is they did bring forth something that said  
21 it would not cost the City any money. We have been there before with them and the  
22 numbers we showed since 2009, a pension plan increase that was not going to cost the  
23 City any money has cost to this point \$246,000. When they come forward with these  
24 actuarial statements that the plan will not cost any money and he comes up with a  
25 calculation to make it look like that, that's a one year—a snapshot—and is not a long  
26 term extended view of how this is going to be implemented and what it's going to look  
27 like in the future. We immediately did a plan change and all of a sudden every year the  
28 taxpayers are on the hook for more. What we are trying to lay out and clarify is that  
29 zero is not necessarily zero.

30  
31 Deputy Mayor Duryea said we had a bad year in 2008 so actuarially they drop off this  
32 year. I think the City is going to wind up paying less in the future.

33  
34 Ms. Sova said it does go up and down with the market and is part of the total calculation  
35 of the City's contribution rate to the plan. They have asked to use the whole \$185,000  
36 left over towards an increase multiplier plus they offered to contribute more themselves.  
37 The actuary came up with a statement that said it was going to cost zero and we have  
38 learned by history that's a one time when the actuary is looking at the snapshot so what  
39 could have cost zero that year could have continued to grow. That \$246,000 deficit  
40 could have grown when we didn't get the state monies. You can look and see the state  
41 monies aren't moving. They are down from 2008.

42  
43 Deputy Mayor Duryea said he noticed that but didn't know why that is.

44  
45 Ms. Sova said our building valuations and valuations in general for the insurance  
46 premium and how the rate is calculated hasn't really come back. You can see the

1 percentages in the actuary report. You can see the years that our tax base fell off really  
2 bad. It all aligns with what's going on with our tax base and our growth.

3  
4 Commissioner Brender said I am looking at a \$1.8 million nut which is 31.7% of our  
5 millage rate.

6  
7 Ms. Holloway interjected that was for all of our retirement plans.

8  
9 Commissioner Brender said that is a lot of money. We spend that every year and it  
10 goes up by \$150,000 every year for the last ten years. This is a continuously moving  
11 and growing result which if we maintain our millage rate we are going to end up eating  
12 more and more into the budget and millage rate in order to hit. He said he was a  
13 pensioner. He has a military pension and was getting it now and it is a great thing.  
14 However, if I was told when I was 22 years old that we are not giving you a pension but  
15 are giving me \$5,000 a year for the rest of your life to put into a pension, I think I would  
16 have been okay with that. I want to stop the increasing but don't want to cut benefits.  
17 How do we do that?

18  
19 Deputy Mayor Duryea said that was impossible because as costs rise the COLA is  
20 going to create an increase in costs. What I hear you saying is you want to minimize  
21 the cost compared to the open end we have right now.

22  
23 Commissioner Brender said the problem I am having with this is what we are doing is  
24 we are putting money into a pension fund then these officers over the next 100 years  
25 are going to draw out of that fund. They created a fund, we got the fund together, we  
26 are funding the fund and then they are eventually going to take it out. Can't we just  
27 shortcut this and say we will give you some payment per year into a self-directed  
28 retirement plan and I believe will be cheaper than \$1.8 million and would be a better  
29 investment long term because (1) they get it now and (2) it is portable. It seems if we  
30 have a \$1.8 million benefit going out for pensions that's \$10,000 per employee that we  
31 are paying out every year for pension benefits. You put \$10,000 a year into a mutual  
32 fund making 7% for 40 years, you are going to be a multi-millionaire ten times over. We  
33 are not giving this money to them to do what they want to. We are giving this money to  
34 them as a replacement of this defined pension.

35  
36 Deputy Mayor Duryea said we cannot say we are going to stop the way it is right now  
37 and everything from this point on is going to be a defined contribution plan.

38  
39 Mayor Meador said we heard the picture Commissioner Brender was painting and then  
40 Deputy Mayor Duryea's comments. Based on the municipalities you worked with, he  
41 asked Mr. Thomas his response/reaction to Commissioner Brender's suggestion.

42  
43 Mr. Thomas said when you talk about setting up a defined contribution plan there is  
44 always the problem of terminating or freezing the existing plan. I'm not sure if  
45 terminating was the option you were thinking of or closing the plan which means all your  
46 new hires would go under the defined contribution plan. Your current employees would

1 stay in the defined benefit plan and would continue in existence. There would be no  
2 change in the plan. The only change would be new employees would not be going into  
3 it; they would be going into the defined contribution plan.

4  
5 Commissioner Brender said then we are stuck with the two-tiered system.

6  
7 Mr. Thomas said it is definitely two tiers of employees and you have the problems  
8 inherent with that. Freezing the plan nobody accrues any more benefits in it and all  
9 employees are under the defined contribution plan but you are still funding that plan for  
10 all ex-members and all of their beneficiaries.

11  
12 Mayor Meador said the 175/185 discussion is interesting back to 2006 when you had the  
13 optional retirement plan and people opted out of FRS. We quickly realized we are  
14 getting whacked because of the marketplace so the legislature goes in and readjusts it  
15 so you can come back into the FRS system. One of the reasons it happened is that  
16 option Commissioner Brender is presenting was available to some employees. It was a  
17 dual system and many felt was franchised. They felt that others were receiving added  
18 benefits and it created conflict within certain work places.

19  
20 Commissioner Brender asked how we take the benefits the guys have already earned  
21 and have planned for in their retirement plan, how do we take that and freeze it so it's  
22 not bleeding anymore and is not killing us but at the same time give them a benefit that  
23 everybody gets. We have a lot of money that we are putting into this. It seems to me if  
24 we do something smarter with it we can put in less money and build in a better benefit.

25  
26 Mr. Thomas as far as building a better benefit, I don't think that's feasible. Let's say you  
27 froze your plan and everybody went into a defined contribution plan and you said we are  
28 going to contribute 9%. There is no way to guarantee them what that benefit is going to  
29 look like by the time they retire. That is what the actuary is doing in this and figuring out  
30 what your contributions are.

31  
32 Commissioner Brender said you could ask the people in Chicago and Detroit what their  
33 benefit looks like and they are not too happy with that right now. If this keeps going the  
34 way it is, what I see happening to pensions—municipal, civil and military pensions—is  
35 getting out of the pension business. Congress is looking at a law next year that will  
36 remove military pensions and put everybody through a savings plan but they are upping  
37 some of the costs. They are going to be participating more by giving each employee  
38 more money to manage themselves.

39  
40 Mr. Thomas said he just did a plan freeze in Vero Beach for their general employees  
41 and now they are all on a defined contribution plan. One of the other problems you run  
42 into with high risk employees is you would be one of only three or four cities that did that  
43 and you might lose employees and have trouble attracting new employees.

44  
45 Commissioner Brender said even if it is a good benefit?  
46

1 Mr. Thomas said I think in order to guarantee the same benefit you are going to have to  
2 have a contribution rate similar to that in the defined benefits plan. What you are doing  
3 is trying to copy the benefit. We don't want your benefit to go down. The actuary is  
4 saying you need 38% this year based on investments. That doesn't translate into a  
5 defined contribution plan. Whatever you are giving to them is set at 9% or 10%.  
6 Investments go up and investments go down and your contribution rate is going to stay  
7 the same because you can never replicate what you are doing in the defined benefit  
8 plan.

9  
10 Deputy Mayor Duryea asked if it was possible to create a modification to what we have.  
11 In other words change the multiplier to a certain number lower than what we're using  
12 now and then contribute more to a defined savings plan than a defined benefits plan.  
13 We are trying to limit the variable costs and try to get a handle on the fixed costs. He  
14 asked if that was possible.

15  
16 Mr. Thomas said under the new law it is a lot more possible than it was before because  
17 they have put in language about a defined contribution plan but haven't defined it or  
18 limited it. Taking it to its logical conclusion saying a defined contribution component you  
19 could put that in the plan where there is a component that has both a set employee and  
20 employer contribution. You reduce benefits so you are reducing employer contribution  
21 on the other side based on the difference of your multiplier. Your contribution would go  
22 down. What amount I could not guess; the actuary would have to tell us that. Now you  
23 have set up and you are saying we are going to donate another 2% to this defined  
24 contribution plan and employees are going to put in another 2%. Now they have this  
25 4% that is going into this defined contribution plan and is growing over time. That's in  
26 lieu of increasing the other benefits or maintaining the same level of benefits. At least  
27 you know that 2% isn't going up. What that actually looks like is something we have to  
28 work out. An administrator for a defined contribution component would explain how that  
29 component would work in the defined benefit plan.

30  
31 Deputy Mayor Duryea said it used to be called the target benefit plan which was  
32 basically a defined benefit plan without guaranteeing the target.

33  
34 Mayor Mealor said we know that in our reserve fund we set a percentage and we would  
35 not drop below that percentage in any of our operational activities. The percent of the  
36 ad valorem dollars to fund our retirement plan is about 30%. He asked if there was a  
37 threshold that one should not trip over or is that just an indicator of what we have right  
38 now.

39  
40 Ms. Holloway said it is an indicator of what we have now. To my knowledge I have  
41 never heard anybody talk about that. That is a measure to show how we can use up a  
42 lot of our ad valorem because that's what we have control over. A lot of our revenue  
43 sources we don't have control.

44

1 Mayor Mealor asked what you need from us right now since we have an applied  
2 practitioner with us that can help us get to the next steps and Commissioner Brender  
3 and Deputy Mayor Duryea have talked about.

4  
5 Ms. Sova said our Police Pension Board has brought forward this request. They think  
6 we are not doing anything about it. This is our third meeting about it. If we are not  
7 going to approve what they have asked for they would like us to suggest to them what it  
8 is that the City might consider. Every time they want to consider something one of the  
9 things they do is get an actuarial impact statement that costs about \$1,000. Every time  
10 they have a thought or an idea there is at least a \$1,000 cost before it even gets here.  
11 It seems not prudent of them to ask for several of those and have them keep coming  
12 and us saying that's not what we are thinking about.

13  
14 Mayor Mealor said it is safe to say that you can tell them that is something we are not  
15 contemplating. At a benefit rate of 3.2, better than most, do we have to do anything if  
16 what we have in place is working and is agreeable to the majority of those impacted.

17  
18 Mr. Thomas said under the new law you would have to determine where all these  
19 premium tax revenues are going to go. The accumulated excess is not going to exist.  
20 There is never again going to be an accumulated excess so you have to determine what  
21 to do with the current premium tax revenues and future increases in premium tax  
22 revenues. In general you don't have to change any benefits or change contributions.  
23 You can maintain the plan as it is and agree that all future premium tax revenues go into  
24 a shared plan. That is probably the scenario contemplated most by the statute. Just  
25 create a share plan. We are not going to increase your benefits. This is where all the  
26 future premium tax revenues will go to.

27  
28 Commissioner Brender said then each year we put that \$100,000 into a share plan.

29  
30 Mr. Thomas said it doesn't have to be all of it. You can still keep your amount. You can  
31 say the 2003 amount which is your highest is still being used to offset the City's  
32 contribution. Everything above that goes into a share plan from now on. You can agree  
33 to that.

34  
35 Mr. Sova said she believed we can recapture that \$246,000 as well.

36  
37 Mayor Mealor said Gary brought up a good point about the military changing. I can only  
38 speak to the Army but right now there was a mass exodus to '03's and '04's in the past  
39 16 months because of some of that discussion.

40  
41 Mayor Mealor asked Deputy Chief that based on your experience, not necessarily here  
42 in Lake Mary but among your colleagues and peers, does a dual or differentiated benefit  
43 plan have the potential of causing issues within a working group.

44  
45 Deputy Chief Morgan said he spoken to a lot of officers recently. Yes that would cause  
46 an issue.

1  
2 Mayor Meador said the reason he says that is we have something really unique. If you  
3 talk to those young academy graduates out of Seminole State or the CJ Institute out of  
4 Valencia, they will tell you they would give anything if they could have the opportunity to  
5 work in Lake Mary. One of the most remarkable young men tried his best to get on with  
6 the City of Lake Mary and he couldn't get on. What we are saying is we have captured  
7 a core that basically takes care of its own. They come in and there is an expectation of  
8 excellence. We have to problem solve this but if we start differentiated benefit plans I  
9 think you are opening up a dilemma in this city that the next several commissions may  
10 not want to have to deal with.

11  
12 Commissioner Lucarelli said it was mentioned about putting the extra premiums in a  
13 share plan and see what we can recoup. What percent funded were we at.

14  
15 Ms. Sova said the police plan is at 100%. They had good investment returns last year  
16 but that hasn't reduced the City's contribution.

17  
18 Commissioner Lucarelli said if everything is good and everyone is happy with it per se I  
19 would be agreeable to putting it in a share plan and seeing what we can recoup on our  
20 expenses. I don't want to get in a position in the future where we have to raise taxes. It  
21 is taking a bigger chunk out of our budget then you have to start looking into if we keep  
22 our police department. I see so much fallout. We need to work together on this and  
23 come up with as good a scenario as we can.

24  
25 Commissioner Brender said that is the hard part.

26  
27 Ms. Holloway said we are talking about police but will also affect fire.

28  
29 Mayor Meador said we use the broad term public safety and then you go to all  
30 employees. The expectation is excellence at every level. No matter what you are  
31 asked to do you are going to be treated fairly by the City. As long as we don't put an  
32 additional burden or risk on future taxpayers in this community is what this discussion is  
33 about.

34  
35 Commissioner Brender said Colin is going back to the police department and the word  
36 is going to get out that Brender wants to go to a defined contribution plan and kill the  
37 pension plan and everybody is going to start running away. I'm not saying that. I am  
38 trying to find a way to increase your benefits and make Lake Mary even more  
39 accessible and successful in police. There has got to be a way to do this smarter  
40 because going in and taking 30% of our budget every year and we have one officer  
41 under 24 years of age. We have to fund him for the next 80-some years until actuarially  
42 he's 110 years old. There has got to be a way out of this. What is the way out?

43  
44 Mr. Thomas said there is no silver bullet. The problems that define benefit plans  
45 inherently have right now. I always view them as a percentage of payroll. When I see  
46 pension plans that are eating of 60-70% of payroll for cities, it's not sustainable but on

1 the other hand it got to that point over 20 or 30 years and then on top of that you had  
2 2008 and 2009 and the stock market crash. The problem didn't happen quickly and  
3 there is no way to resolve it quickly. Almost every solution you can come up with you  
4 are talking about what is it going to look like in 30 years. In 30 years are we going to  
5 have unfunded actuarially liability under control to the point where we are really just  
6 every year paying our normal cost in an ideal world. What you are really paying is your  
7 normal cost plus a huge percentage of the unfunded actuarially liability that you can pay  
8 off over 30 years. We try to get rid of that quickly in a way that it's not going to drive all  
9 your employees away is always going to be a delicate operation. I think it's a good idea  
10 now with this mutual consent consideration to get together with the employees to the  
11 extent that you can have an employee representative and say this is what we're  
12 thinking. Your benefits will be this but then you have this separate component. You are  
13 still going to meet the minimum benefits under Chapter 185 but on top of it you have this  
14 ability to build up a separate benefit. With the way the stock market has been lately it  
15 could be substantial.

16  
17 Commissioner Brender said that is what I'm looking for. How do we up the benefit but  
18 at the same time give them the benefit they have already earned.

19  
20 Mr. Thomas said you are going to try your best but there is no guarantee in the defined  
21 contribution plan. You know what happens if the stock market crashes again.

22  
23 Commissioner Brender said if the stock market crashes like it did in 2008, I'm not sure  
24 this city is going to survive and there will probably be 10,000 cities around the country  
25 that their defined perfect pension benefit is going to be done. We have to find another  
26 way and that's why I'm frustrated. I want to find that other way. Maybe this incremental  
27 change of going to this shared benefit might give us that move in that direction.

28  
29 Commissioner Lucarelli said you have to slowly transition especially if you are going to  
30 change it you change it with the new hires. It's going to be a slow transition.

31  
32 Commissioner Brender asked who manages the new shared benefit.

33  
34 Mr. Thomas said it is a separate category but it's still earning the investment returns of  
35 the plan. Let's say your plan earns 2%. The one thing I say to watch out for when you  
36 are devising a share plan and we started seeing more of these ten years ago and one of  
37 the things they tried to do was have a guaranteed rate of return. You're looking to have  
38 something that is no cost to the City. This was back before 2008 so you can imagine  
39 those set up with 8% guaranteed rate of return because that is the assumption, when  
40 you are earning minus 16% that year—do the math.

41  
42 Mayor Mealor said based on Commissioner Brender's comments and a transition period  
43 or an option, we are not reducing benefits and may be providing an additional option for  
44 our employees. He asked the City Manager if that gets her where she needs to be this  
45 evening.

46

1 Ms. Sova said she thought it does.

2

3 Mayor Mealor thanked Mr. Thomas and the Commission for their input. The most  
4 important thing is we really have something that's to be valued and treasured but at the  
5 same time not to be compromised long term.

6

7 There being no further business, the work session adjourned at 6:35 P.M.

8

1 MINUTES OF THE LAKE MARY CITY COMMISSION MEETING held July 9, 2015,  
2 7:00 P.M., Lake Mary City Commission Chambers, 100 North Country Club Road, Lake  
3 Mary, Florida.

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1. Call to Order

The meeting was called to order by Mayor David Mealor at 7:09 P.M.

2. Moment of Silence

3. Pledge of Allegiance

4. Roll Call

- |                               |   |
|-------------------------------|---|
| Mayor David Mealor            | Jackie Sova, City Manager               |
| Commissioner Gary Brender     | Carol Foster, City Clerk                |
| Deputy Mayor George Duryea    | Dianne Holloway, Finance Director       |
| Commissioner Sidney Miller    | John Omana, Community Development Dir.  |
| Commissioner Jo Ann Lucarelli | Bruce Paster, Public Works Director     |
|                               | Bryan Nipe, Parks & Recreation Director |
|                               | Tom Tomerlin, Economic Development Mgr. |
|                               | Colin Morgan, Deputy Police Chief       |
|                               | Frank Cornier, Fire Chief               |
|                               | Gary Glassman, Acting City Attorney     |
|                               | Mary Campbell, Deputy City Clerk        |

5. Approval of Minutes: June 18, 2015

**Motion was made by Commissioner Lucarelli to approve the minutes of the June 18, 2015, meeting, seconded by Commissioner Brender and motion carried unanimously.**

6. Special Presentations

There were no special presentations at this time.

7. Citizen Participation – This is an opportunity for anyone to come forward and address the Commission on any matter relating to the City or of concern to our citizens. This also includes: 1) any item discussed at a previous work session; 2) any item not specifically listed on a previous agenda but discussed at a previous Commission meeting; or 3) any item on tonight’s agenda not labeled public hearing. Items requiring a public hearing are generally so noted on the agenda and public input will be taken when the item is considered.

No one came forward at this time and citizen participation was closed.

1  
2 8. Unfinished Business  
3

4 There was no unfinished business to discuss at this time.  
5

6 Mayor Meador announced City Attorney Katie Reischmann is attending a Municipal  
7 Attorneys Conference and with us this evening is Mr. Gary Glassman.  
8

9 9. New Business  
10

- 11 A. Minor Site Plan revision for Homewood Suites by Hilton, 755 Currency Circle,  
12 Homewood Suites by Hilton Lake Mary/Kimberly Hayden Corporation,  
13 applicant (Public Hearing) (Steve Noto, Deputy City Planner)  
14

15 Mr. Omana said we believe the action should the Commission approve it tonight will  
16 resolve a chronology of events in the issue that created at this time a non-conformity.  
17 We have the Homewood Suites by Hilton located in Primera. He showed the location  
18 on the overhead at Currency Circle and Primera Boulevard.  
19

20 Mr. Omana said in 1996 when this project originally came in, it was approved with a  
21 variance to reduce the parking requirements of the code at that time and that the  
22 meeting rooms be specifically reserved for use by guests only. Market conditions have  
23 changed over the last 20 years and typically hotels and facilities such as these rent  
24 them out and use them for other functions other than guests. The reason we ran into  
25 this particular item is that we received a zoning confirmation letter from an outside  
26 finance and zoning company and they asked if the project complied with code. In  
27 looking at the conditions of approval from 1996, it said meeting rooms to be used by  
28 guests only so we did some homework. We found that in 1996 the Planning & Zoning  
29 Board and the City Commission approved the project and approved the variance for the  
30 reduction in spaces with the condition that the conference rooms be used only by the  
31 guests that are registered at the hotel. In January of 1997, Ordinance No. 823 allowed  
32 the utilization of meeting rooms under 2,000 S.F. to be utilized with no additional  
33 parking required. One can argue that by virtue of that ordinance being passed in '97  
34 would nullify the situation that was approved in '96. However, since it was still  
35 technically a condition of approval, we as staff could not administratively wave the wand  
36 and make it go away. We have to go back to the Commission since a Commission  
37 imposed that condition. If the project were to come in today, it meets code. Their  
38 meeting room is less than 2,000 S.F. We have a technicality that we cannot erase the  
39 condition. Only the Commission can erase the condition.  
40

41 Mr. Omana said this item went before the Planning & Zoning Board at their meeting of  
42 June 9, 2015, and it was unanimously recommended for approval by a 4-0 vote. The  
43 representative from Homewood Suites was unable to be here this evening but they  
44 concur with staff's findings.  
45

1 Commissioner Brender asked if there were any plans to increase square footage of the  
2 meeting space.

3  
4 Mr. Omana answered negatively.

5  
6 Commissioner Miller said originally they would have required more parking spaces if the  
7 meeting rooms were to be used by other than guests. He asked if that's what happened  
8 originally.

9  
10 Mr. Omana said they had a variance request for the overall hotel site and not just the  
11 meeting rooms. When the City said we will cut you a break on the overall parking so to  
12 compensate for that put that condition to not make the conference rooms a blank check  
13 for everybody.

14  
15 Mayor Meador said Ordinance No. 823 modified that.

16  
17 Mr. Omana said that was correct.

18  
19 Mayor Meador asked if anyone wanted to speak in reference to this minor site plan  
20 revision. No one came forward and the public hearing was closed.

21  
22 **Motion was made by Commissioner Brender to approve the Minor Site Plan**  
23 **revision for Homewood Suites by Hilton, seconded by Commissioner Lucarelli**  
24 **and motion carried by roll-call vote: Commissioner Brender, Yes; Deputy Mayor**  
25 **Duryea, Yes; Commissioner Miller, Yes; Commissioner Lucarelli, Yes; Mayor**  
26 **Meador, Yes.**

27  
28 B. Preliminary Subdivision Plan approval for Twelve Oaks at Lake Mary, 330  
29 Washington Street, Patrick Knight, applicant (Public Hearing) (Steve Noto,  
30 Deputy City Planner)

31  
32 Mr. Omana said this item has been before the Commission in the past. The reason it is  
33 before you again is that there was a modification to the preliminary subdivision plan  
34 layout. There was a modification that added an additional stormwater pond. He showed  
35 the original plan on the overhead. He pointed out the location of the stormwater pond.  
36 When they came back in for final subdivision review, we noticed some changes we felt  
37 were worthy of further review. It shows the addition of a pond. He pointed out the  
38 location on the overhead. There were some adjustments to the geometry. The density  
39 hasn't changed and is still 12 lots. The cul-de-sac is still aligned in the center area.  
40 There have been minor changes with respect to the square footages but it still meets  
41 the underlying zoning regulations for bulk and size.

42  
43 Mr. Omana said this item went before the Planning & Zoning Board at its June 9, 2015,  
44 meeting and was unanimously recommended for approval by a vote of 4-0.

45

1 Mr. Omana said that was a change we felt was important enough to bring back to the  
2 Commission given its frontage along Washington Avenue.

3  
4 Commissioner Brender asked the slope and if it would look like a swale.

5  
6 Mr. Omana said we are reviewing that now. It is in for final engineering review. We will  
7 take a look at the slope issues and whether it is a dry/wet, proper fencing, etc.

8  
9 Mayor Mealor said this is a follow up to our October meeting when we discussed this  
10 item.

11  
12 Mr. Omana answered affirmatively.

13  
14 Mayor Mealor asked if anyone wanted to speak in reference to this preliminary  
15 subdivision plan.

16  
17 Rick Burr, 311 Washington Avenue, came forward. You talked about the slope. We are  
18 directly across from the subdivision as well as his neighbor who was present. We  
19 notice on Washington Avenue now before the subdivision goes in is there is a huge  
20 runoff any time there is rain and it comes down our driveways and runs through our  
21 properties. He appreciated the fact the second pond was requested but was worried  
22 about runoff coming off of that property even more so than we have today.

23  
24 Mayor Mealor said Mr. Omana will follow up with Mr. Burr and is a follow up to  
25 Commissioner Brender's concern. He said to make sure that is not an additional  
26 burden.

27  
28 No one else came forward and the public hearing was closed.

29  
30 **Motion was made by Commissioner Lucarelli to approve the Preliminary**  
31 **Subdivision Plan for Twelve Oaks at Lake Mary, seconded by Deputy Mayor**  
32 **Duryea and motion carried by roll-call vote: Deputy Mayor Duryea, Yes;**  
33 **Commissioner Miller, Yes; Commissioner Lucarelli, Yes; Commissioner Brender,**  
34 **Yes; Mayor Mealor, Yes.**

35  
36 C. Resolution No. 967 – Paylocity Corporation be approved as a Qualified  
37 Target Industry (QTI) Business and Approval of Expenditures as Required  
38 Local Financial Support for this State Administered Incentive (Tom Tomerlin,  
39 Economic Development Director)

40  
41 The Acting City Attorney read Resolution No. 967 by title only.

42  
43 Mr. Tomerlin said this item is a Qualified Target Industry (QTI) incentive. He made the  
44 distinction between and QTI and a JGI (Job Growth Incentive). QTI is administered by  
45 the State of Florida and JGI is administered in partnership with Seminole County. This

1 particular incentive before us is the state incentive QTI. As a state incentive, the state  
2 typically carries about 80% of the incentive.

3  
4 Mr. Tomerlin said this QTI incentive is a tax refund program and is paid after job  
5 creation. All monitoring and audit work for this incentive is done by the State of Florida.  
6 This incentive is addressing the creation of 176 new jobs within the City of Lake Mary.  
7 These jobs will pay in excess of 150% of the County's average annual wage accepted  
8 by the state. That works out to approximately \$47,000+ per year. The jobs are primarily  
9 based in computer related services, programming, technical support, and data analytics.  
10 The capital investment associated with the project is \$16 million including the value of  
11 the leasehold which is a typical practice in looking at the job growth incentive that is  
12 typically wrapped into that.

13  
14 Mr. Tomerlin said also present this evening is Casey Barnes with the Metro Orlando  
15 EDC, Pamela Lynch with Seminole County Economic Development, and Jim White who  
16 is Director of Executive Accounts with Paylocity.

17  
18 Mr. Tomerlin said regarding Paylocity, they are cloud based solutions for human  
19 resource and payroll functions. Their corporate headquarters is based in Arlington  
20 Heights, Illinois, which is a suburb of Chicago; however, they have had a long-term  
21 presence in Lake Mary.

22  
23 Mr. Tomerlin said Paylocity was the recipient of a prior incentive in which Lake Mary  
24 participated. They participated in the job growth incentive. They were recipient for the  
25 creation of 83 new jobs for that historical incentive. The City participated in the amount  
26 of \$83,000 for that prior incentive. That job growth incentive has finished and we are  
27 pleased to report that Paylocity exceeded those numbers in terms of job creation and  
28 capital investment. At the Lake Mary facility they are at 150 jobs.

29  
30 Mr. Tomerlin said this incentive is asking the City of Lake Mary to cover 10% of the  
31 entire incentive. The entire incentive is calibrated at \$5,000 per job. That includes the  
32 base amount of \$3,000 per job plus \$2,000 per job associated with it being in a high-  
33 impact sector. That is a total incentive of \$880,000 but our 10% would equate to  
34 \$88,000. This \$88,000 would be paid out over a course of eight years. That is attached  
35 to the fact that the jobs will be created over a five-year span and the payout for this  
36 incentive after job creation is dictated by statute. That payout schedule is across an  
37 eight-year period. It is not an equal disbursement across those eight years but it is paid  
38 out over an eight-year period.

39  
40 Mr. Tomerlin said the County will consider this incentive along their schedule. The  
41 payout occurs after job creation and over eight years.

42  
43 Mr. Tomerlin said staff is recommended approval of the resolution which recommends  
44 Paylocity for participation in this program and commits a local financial support of that  
45 \$88,000. He said Mr. White would like to share his history with this company.

1 Mayor Meador said we have Pamela Lynch with the County with us. He thanked her for  
2 her work in economic development. *Florida Trend* magazine just singled out the  
3 Seminole County Board of County Commissioners for their work with another Lake  
4 Mary company. These are the kinds of activities that send a message to the  
5 community, particularly those in a talent development pipeline whether it is Seminole  
6 State or UCF in this community. He appreciated Seminole County's partnership in  
7 these types of initiatives.

8  
9 Jim White, Director of Executive Accounts with Paylocity, 533 Legacy Park Drive, came  
10 forward. About five years ago I had the opportunity to start working with this  
11 organization. In doing so we had a very small suite in the Lake Mary area off Primera.  
12 He was employee No. 9. In this five years I had the opportunity to watch us grow to our  
13 current status of about 170 employees. We love the opportunity we have had in  
14 working with the City of Lake Mary and all the offerings we have we have for the  
15 employees here. He thanked the Commission for the opportunities they have had so  
16 far.

17  
18 **Motion was made by Commissioner Miller to approve Resolution No. 967**  
19 **recommending Paylocity Corporation for the Qualified Target Industry Incentive**  
20 **and the expenditure of \$88,000 as Local Finance Support, seconded by**  
21 **Commissioner Lucarelli and motion carried unanimously.**

22  
23 Commissioner Brender asked if this was step one. The County goes next and then the  
24 state approves after they get both approvals.

25  
26 Mr. Tomerlin said that was correct. The track on this is local support first and then the  
27 state participates and executes the agreement.

28  
29 D. Interlocal Agreement with Seminole County to construct a turn lane on Lake  
30 Mary Boulevard at Palmetto Street (Bruce Paster, Public Works Director)

31  
32 Ms. Sova said at the intersection of Palmetto and Lake Mary Boulevard there has been  
33 a signal installed and covered up since the beginning of January. She recently called  
34 the County Manager and asked what was up. They have been holding off because one  
35 of the residents on the other side of Palmetto on the south side of the road convinced  
36 someone they needed a turn lane there. The County has been holding up turning on  
37 that light based on them getting that turn lane.

38  
39 Mr. Paster said it was a westbound turn lane onto Palmetto.

40  
41 Ms. Sova said there are only three residences and one has convinced the County that  
42 we needed a turn lane. They have held up turning on the signal for that. She called the  
43 County Manager's office and the County has put this out for bid twice but it is too small  
44 of a project for anybody else to deal with. Since that time she has seen Lynx buses  
45 sideways in that median and about 5:00 or 5:30 it is a scariest situation she can think of.  
46 We contributed to get that traffic light put in and they paid for the signal itself because of

1 the problem at the intersection. That's what got us to the point of looking at this  
2 interlocal. We are getting ready to do other work at that intersection so we might as well  
3 get our contractor to get the turn lane built. That puts us about six months out and puts  
4 the signal hanging there covered up for a year. Her next campaign is to get the signal  
5 operational without this turn lane. It makes no sense.  
6

7 Mr. Paster said like the City Manager mentioned, the County bid this out twice and got  
8 no response. We got with the County to try to come up with a better solution. At last  
9 month's Commission meeting you approved the contract with Pospiech Contracting to  
10 put in sewer along Lake Mary Boulevard. Since our contract will be in the area of that  
11 intersection, this interlocal agreement allows our contractor to propose a change order  
12 to add the left hand turn lane as part of the City's contract. The interlocal agreement  
13 allows the County to pay us whatever the change order amounts are and to hold those  
14 monies until the work is done and our contractor is paid. First we will do the  
15 underground and when we finish up will add the lane. It will be a good six months out.  
16

17 Mr. Paster said he had been talking with Seminole County Traffic Engineering. Their  
18 belief is it would create an unsafe condition to turn the signal on without having a turn  
19 lane first. The perception there is people driving see the green light and think they have  
20 a go and someone might be slowing down to make a left hand turn and there is no turn  
21 lane. We believe that is their thinking. This interlocal agreement allows the County to  
22 pay us for our contractor to do the work.  
23

24 Mayor Mealor said we issued the contract with the contractor for the sewer. He asked if  
25 this could be expedited if the County accepted this.  
26

27 Mr. Paster said at this point he didn't think so because we need to do the underground  
28 work first and do the surface work after all the underground is in.  
29

30 Commissioner Brender said we are doing a westbound left-turn lane onto South  
31 Palmetto. There is going to be a right-turn lane.  
32

33 Mr. Paster said there is an existing decel lane going eastbound to make a left towards  
34 the SunRail Station.  
35

36 Commissioner Brender asked if there was going to be a right-turn lane on Palmetto  
37 southbound.  
38

39 Mr. Paster answered affirmatively. That is part of the City's project. The City is putting  
40 in sewer, a lift station and on Palmetto a right hand turn lane as well as a sidewalk that  
41 will run from Lake Mary Boulevard up to the entrance to the SunRail Station.  
42

43 Commissioner Brender said as far as the timing of this light he gathered it would be  
44 timed somehow to Country Club Road.  
45

1 Mr. Paster said he would work with Seminole County Traffic Engineering who  
2 coordinates all the lights on Lake Mary Boulevard. They have an interactive system that  
3 can measure vehicles. That's why you see those cameras. They are measuring  
4 vehicles and are not for red light runners. They have an interactive computer system in  
5 the cops' cars and can real time adjust light timing.  
6

7 **Motion was made by Commissioner Lucarelli to authorize the Mayor to execute**  
8 **the Interlocal Agreement with Seminole County to construct a turn lane on Lake**  
9 **Mary Boulevard at Palmetto Street, seconded by Commissioner Brender and**  
10 **motion carried unanimously.**

11  
12 10. Other Items for Commission Action  
13

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

16 11. City Manager's Report  
17

18 A. Items for Approval

19 a. Metroplan Annual Funding Agreement  
20

21 Ms. Sova said this item is the Metroplan Annual Funding Agreement. As indicated by  
22 Commissioner Miller, each member who has a voting membership on the Metroplan  
23 Orlando Board has been requested to execute a funding agreement with the funding  
24 based on population estimates with the City's share being \$1,223. We would request  
25 the Mayor be able to execute the agreement with Metroplan Orlando for 2015-16 in an  
26 amount not to exceed \$1,223.  
27

28 **Motion was made by Deputy Mayor Duryea to authorize the Mayor to execute the**  
29 **Metroplan Annual Funding Agreement for FY 2015-16 in an amount not to exceed**  
30 **\$1,223, seconded by Commissioner Brender and motion carried unanimously.**  
31

32 B. Items for Information

33 a. 4955 CR 46A 7-Eleven Pedestrian Usage Update

34 b. Anderson Lane Update

35 c. Sign Code – Case Law Update  
36

37 Ms. Sova said we have a couple of update items in the packet. The pedestrian usage  
38 for the 7-Eleven on 46A, the statistics are there. Mr. Noto has completed a study on  
39 Anderson Lane and should indicate to her at some point if we would like to bring  
40 forward more discussion on it but thought it was laid out pretty well. From the City  
41 Attorney a case law update *Reed v. the Town of Gilbert* and has provided information  
42 on that.  
43

44 Ms. Sova said our back to school supply drive is underway through August 10<sup>th</sup> for  
45 donations, backpacks without wheels, pencils, colored pencils, erasers, glue sticks,

1 pocket folders, and general school supply items. Supplies can be dropped off at the  
2 police department or senior center.

3  
4 Ms. Sova said this Sunday the Summer Series Car Show will be returning to Downtown  
5 at Central Park. We expect to have 60 or 70 cars, hot rods, classics and entertainment.  
6 It was very well attended last month. It's 11:00 A.M. to 2:00 P.M. on Sunday, July 12<sup>th</sup>.

7  
8 Ms. Sova reminded everyone that the budget work session begins at 5:30 P.M. on July  
9 23<sup>rd</sup>.

10  
11 12. Mayor and Commissioners (4)

12  
13 Mayor Mealor said we had a number of resignations on the Planning & Zoning Board  
14 and we need three appointments. The first is a regular member term ending on  
15 December 31, 2017. He asked for nominations for this vacancy.

16  
17 Mayor Mealor nominated Sam Aycoth.

18  
19 Commissioner Lucarelli nominated Steven Gillis.

20  
21 **Vote on nomination for Steven Gillis: 4 ayes. Steven Gillis is appointed to the**  
22 **Planning & Zoning Board to a term ending on December 31, 2017.**

23  
24 Mayor Mealor asked for nominations for the regular member term ending on December  
25 31, 2016.

26  
27 Commissioner Lucarelli nominated Sam Aycoth.

28  
29 **There were no other nominations and Sam Aycoth is appointed to the Planning &**  
30 **Zoning Board to a term ending on December 31, 2016.**

31  
32 Mayor Mealor asked for nominations for the alternate member term ending December  
33 31, 2015.

34  
35 Commissioner Brender nominated Shane Burnsed.

36  
37 Commissioner Lucarelli nominated Scott Threlkeld.

38  
39 **Vote on nomination for Shane Burnsed: 1 aye.**

40  
41 **Vote on nomination for Scott Threlkeld: 4 ayes. Scott Threlkeld is appointed as**  
42 **the alternate member on the Planning & Zoning Board to a term ending December**  
43 **31, 2015.**

44  
45 Commissioner Lucarelli had no report at this time.

1 Commissioner Brender had no report at this time.

2

3 Deputy Mayor Duryea had no report at this time.

4

5 Commissioner Miller had no report at this time.

6

7 13. City Attorney's Report

8

9 Mr. Glassman said Katie has submitted a memo about the new statute 70.09 dealing  
10 with exactions and thought she had submitted some of the law itself. It is an interesting  
11 law and was sure Katie would give more information on it as time goes on. It's another  
12 one of those where the Commission is going to have to be careful in what they do. It is  
13 an attempt by the state to make it more difficult to impose conditions on development.

14

15 14. Adjournment

16

17 There being no further business the meeting adjourned at 7:45 P.M.

18

19

20

21

22 \_\_\_\_\_  
David J. Mealor, Mayor

\_\_\_\_\_   
Mary Campbell, Deputy City Clerk

23

24

25

26 ATTEST:

27

28

29

30

31 \_\_\_\_\_  
Carol A. Foster, City Clerk