

CITY COUNCIL MINUTES

FEBRUARY 14, 2011

Mayor Joe LaCascia called the meeting to order at 7:01 p.m.

Pastor Walter Lawlor, New Life Community Church, gave the Invocation.

Those present recited the Pledge of Allegiance, led by Mayor Joe LaCascia

ROLL CALL

Mayor Joe LaCascia, Vice Mayor Trudy Block, Councilor Nancy Adorno-absent, Councilor Mike Blethen, Councilor Don Kimsey, City Attorney Thomas Cloud—absent and City Clerk Patricia Jackson. Kathy Delp, Planner / Code Enforcement, was also present.

A quorum was established.

APPROVE CONSENT AGENDA

Councilor Kimsey made a motion to approve the Consent Agenda; the motion was seconded by Councilor Blethen.

Roll Call: Councilor Blethen-aye, Councilor Kimsey-aye, Vice Mayor Block-aye, Mayor LaCascia-aye.

4-eyes

0-nays

The motion carried.

PRESENTATIONS AND/OR RECOGNITIONS

There were none.

PUBLIC HEARINGS

ORDINANCE 1272, AN ORDINANCE OF THE CITY OF POLK CITY, FLORIDA VACATING STREETS "A" AND "B" RECORDED IN PLAT BOOK 24, PAGE 1 AND 1A AND ALSO SHOWN ON REPLAT OF A PORTION OF THE AMENDED MAP OF POLK City, PLAT BOOK 29, PAGES 41 AND 41A, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, ALL LYING IN THE NORTH HALF OF SECTIONS 33 AND 34, TOWNSHIP 26 SOUTH, RANGE 25 EAST, POLK COUNTY, FLORIDA; REPEALING ANY CONFLICTING ORDINANCES; PROVIDING AN EFFECTIVE DATE

Mayor LaCascia read Ordinance 1272 in short title, and explained in 1998 the County closed a portion of the rights-of-way for the property owner, but inadvertently left out

Streets "A" and "B"; this Ordinance will close Streets "A" and "B". Mayor LaCascia opened the Public Hearing, and there being no questions or comments from the audience, Mayor LaCascia closed the Public Hearing and turned it over to City Council for discussion.

Under discussion, Vice Mayor Block advised this has been going on for seven years. There are two roads on the property that go nowhere, and this is a housekeeping item.

Councilor Kimsey made a motion to approve Ordinance 1272 on first reading; the motion was seconded by Councilor Blethen.

Roll Call: Mayor LaCascia-aye, Councilor Kimsey-aye, Councilor Blethen-aye, Vice Mayor Block-aye

4-ayes

0-nays

The motion carried.

ORDINANCE 1273, AN ORDINANCE OF THE CITY OF POLK CITY, FLORIDA, AMENDING THE UNIFIED LAND DEVELOPMENT CODE OF THE CITY OF POLK CITY, FLORIDA; SPECIFICALLY, TO CHANGE THE TEXT OF ARTICLE 2, SECTION 2.04.01 – TABLE 4; ARTICLE 2, SECTION 2.04.01 – TABLE 5; AND ARTICLE 2, SECTION 2.04.02.06, TO ALLOW FOR MOBILE HOMES IN THE R-4 (MIXED RESIDENTIAL USE) ZONING DISTRICT; REPEALING ALL OTHER ORDINANCES IN CONFLICT HEREIN; AND PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Mayor LaCascia read Ordinance 1273 in short title. Councilor Kimsey advised this Ordinance is repealing all other Ordinances concerning mobile homes; it is putting the mobile homes back to the original R-4 whereby if something happens to a mobile home, it can be replaced with a mobile home. Mayor LaCascia read a motion of the memorandum received from Kathy Delp explaining the change. The Planning Commission held a public hearing and recommends approval of this Ordinance.

Mayor LaCascia opened the Public Hearing. Mr. Shawn Trinkle, who is with David Woodman Realty, advised Council that Mr. Woodman is in favor of this Ordinance being adopted.

There being no additional questions or comments from the audience, Mayor LaCascia closed the Public Hearing.

Under discussion, Councilor Blethen asked if there was a date of a mobile home established. Kathy Delp advised June 15, 1976; anything prior to that date does not meet the wind requirements. Councilor Blethen asked if there was any adjustment for newer homes; Kathy Delp advised that is the County standards.

Councilor Kimsey advised mobile homes would have to be inspected – they would be inspected before moved to a lot and inspected when it is moved. Mayor LaCascia commented the date would be something to discuss in the future.

Councilor Blethen made a motion to approve Ordinance 1273 in its entirety; the motion was seconded by Councilor Kimsey.

Roll Call: Councilor Kimsey-aye, Vice Mayor Block-aye, Mayor LaCascia-aye, Councilor Blethen-aye

4-eyes
0-nays

The motion carried.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

Appointment of Vice Mayor Block as Acting City Manager for an additional 30 Days

Councilor Blethen made a motion to appoint Vice Mayor Block as Acting City Manager for an additional 30 days; the motion was seconded by Mayor LaCascia. Under discussion, Councilor Kimsey commented he doesn't like to see anyone on Council as City Manager. It was also mentioned a meeting could probably be held with the Range Riders the first Monday in March.

Roll Call: Vice Mayor Block-aye, Councilor Blethen-aye, Councilor Kimsey-aye, Mayor LaCascia-aye

4-eyes
0-nays

The motion carried.

ORDINANCE 1274, AN ORDINANCE OF THE CITY OF POLK CITY, FLORIDA, AMENDING THE UNIFIED LAND DEVELOPMENT CODE OF THE CITY OF POLK CITY, FLORIDA; SPECIFICALLY, TO AMEND THE TEXT OF ARTICLE 7 TO ADD SECTION 7.10.06 PROVIDING FOR REQUIREMENTS REGARDING UNOCCUPIED DWELLING UNITS; REPEALING ALL OTHER ORDINANCES IN CONFLICT HEREIN; AND PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Mayor LaCascia read Ordinance 1274 in short title, and read a portion of the memorandum from Kathy Delp explaining this Ordinance and advised the Planning Commission has made a recommendation to the City Council for approval. When asked about the existing 90-day time frame, Kathy advised that

pertained to non-conforming structures. Kathy also advised this Ordinance will pertain to any unoccupied dwelling unit that has been vacant or unoccupied and without water and electric service for a period of one year. Councilor Blethen asked if other cities are doing this and Kathy advised they were. Councilor Kimsey asked if the County had an Ordinance similar to this, and Kathy advised they do, but she is unsure of the time frame. Vice Mayor Block commented if the utilities have been off, we would have to check it. Councilor Blethen asked if there would be a charge for this, and Kathy Delp advised there would be. When asked who would pay for the inspection, Kathy advised whoever is applying to have the utilities turned on.

Councilor Blethen made a motion to approve Ordinance 1274; the motion was seconded by Vice Mayor Block.

Roll Call: Councilor Blethen-aye, Mayor LaCascia-aye, Vice Mayor Block-aye, Councilor Kimsey-aye

4-eyes

0-nays

The motion carried.

Second Extension of Dormancy Period – Cardinal Hill Property

The City needs to extend the one year dormancy period for the use of Cardinal Hill up to the time of re-permitting the wastewater treatment plant. The property owner has requested \$3000 a month to be given in full. Vice Mayor Block advised the City needs to extend the dormancy period until we know what the plan is. The property owner has requested rather than continue with giving credits for water and sewer, to pay a fee up front. DEP would like the lease extension. Vice Mayor Block advised she signed a two week extension. Vice Mayor Block advised the property owner is requesting \$18,000 for the extension, and the City can afford to pay this. At this time Mayor LaCascia asked for a motion and second in order to continue discussion.

Vice Mayor Block made a motion to approve the Second Extension of Dormancy Period for the Cardinal Hill Property; the motion was seconded by Mayor LaCascia.

Under further discussion, Councilor Kimsey commented this would be until we can come to an agreement ourselves; it was mentioned we may not need the entire six months. Councilor Blethen asked what property can the water and sewer credits be used for (one water impact fee credit and one sewer impact fee credit); he was advised the credits can be used on any property they own. Councilor Blethen also asked if the City has paid anything on the property and he was advised no. Discussion followed regarding the property owner has been working with the City now and will continue working with the City in the future.

Roll Call: Mayor LaCascia-aye, Councilor Kimsey-aye, Councilor Blethen-aye, Vice Mayor Block-aye

4-eyes
0-nays

The motion carried.

Vehicle Lease between the City of Polk City and Woodard & Curran

Councilor Blethen made a motion to approve the vehicle lease between the City of Polk City and Woodard & Curran; the motion was seconded by Vice Mayor Block.

Under discussion, Councilor Kimsey asked what the terms of the lease would be; Vice Mayor Block advised it would cover insurance, maintenance, fuel, and there would be no cost to the City up to \$2,500. Councilor Blethen wanted to make sure we don't have any use for them; he was advised this would be a part of our savings (the City would not be using the vehicles).

Roll Call: Councilor Kimsey-aye, Mayor LaCascia-aye, Vice Mayor Block-aye, Councilor Blethen-aye

4-eyes
0-nays

The motion carried.

Mayor LaCascia called recess (7:40 p.m.) until Tuesday, February 15, 2011 at 7:00 p.m.

Tuesday, February 15, 2011, at 7:00 p.m. there was no quorum present. Vice Mayor Block advised the Council will reconvene on Tuesday, February 22, 2011, at 7:00 p.m. (Vice Mayor Block and City Clerk Jackson were present).

Mayor LaCascia reconvened the meeting from February 14, 2011, at 7:00 p.m.

ROLL CALL

Mayor Joe LaCascia, Vice Mayor Trudy Block, Councilor Nancy Adorno, Councilor Mike Blethen, Councilor Don Kimsey, City Attorney Thomas Cloud and City Clerk Patricia Jackson.

A quorum was established.

NEW BUSINESS (Continued)

Investment Banking

Mayor LaCascia advised Gerry Hartman will make his presentation to Council, and when finished Mr. Hartman will entertain questions from Council.

Mr. Hartman then presented his report; a copy of which is attached and part of the official minutes, as follows:

Population

- City of Polk City – approximately 2,000
- Polk City Water System – approximately 5,000
- Polk City Wastewater System – approximately 2,500
- Utility Service Area – approximately 7,500
- City Limits – approximately 4 square miles
- Utility Service Area – approximately 33 square miles

Water Capacity / Supply

- 3 Water Treatment Plants
- 4 Wells
- 1 System Emergency Interconnect
- Installed Existing Capacity – 3.89 MGD
- Firm Existing Capacity – 2.45 MGD
- Average Day Demand – 330,000 gpd
- Peak Hour
- Facilities to Peak
- Firm Capacity to peak
- At present another 2,000 (100% growth) residential meters can be served without increasing capacity
- Water Mains 2-inch to 10-inch

Wastewater Capacity

- 2 Wastewater Treatment Plants (WWTP) Currently
- 1 WWTP for Cost Optimization
- 300,000 gpd AADF Treatment Capacity
- 290,000 gpd AADF Effluent Disposal
- Existing Flow – 152,000 gpd AADF
- Firm Capacity to AADF – 197%
- At present LOS, another 1,000 (100% growth) residential customers can be served
- 12 Wastewater pump/lift stations
- Significant gravity, raw wastewater force mains and effluent force mains

Mr. Hartman will be meeting with staff to review the draft of the optimization plan; he then discussed the following with Council (which is part of the report that is made a part of these minutes):

- Water Facilities Optimization
- Wastewater Facilities Optimization
- Water and Wastewater Financial Optimization
- Revenue Sufficiency Study
- Rate Study

During this presentation, Mr. Hartman then reviewed the maps and the wastewater capital projects; it is his recommendation to close the Mt. Olive Wastewater Treatment Plant as it will be less costly to redirect the flow. The projected Operations and Maintenance Savings without the Mt. Olive being shut down is \$1,445,300, which is for FY 2011 through FY 2016. The projected capital improvement savings for the Wastewater System will be \$210,000 for FY 2011 through FY 2016 (with shut-down of Mt. Olive). He also discussed and reviewed 169 meters which are outside the City not being charged a surcharge.

At this time Mr. Hartman directed Council to page 16 of his report, which is the Summary of uses for the Bond Issue. Mr. Hartman has reviewed the RBC Engagement Letter with City Council. RBC Capital Markets, LLC, shall develop a financing plan with the purpose of assisting the City in achieving its financial objectives. Mayor LaCascia advised the City had entered into a similar agreement with NGN (did not do); however, in this agreement all funds will be coming out of the money obtained through the bond – no one will be paid unless the bond issue closes. Jerry advised his firm would receive the standard fee; Vice Mayor Block advised it is less than one percent. Vice Mayor Block advised this would stretch out payments over a 30-year period. Mr. Hartman advised the County loan is at 11%; the City is currently paying out approximately \$565,000 per year and this bond would cost approximately \$540,000 per year, which is \$25,000 less per year for more money. Vice Mayor Block advised we would be able to retire the County loan (11% interest), the Sun Trust loan, pay back the impact fees owed to the County, and be able to do capital improvements.

Attorney Cloud advised there are 169 meters outside the city limits that were being charged a surcharge that will no longer be charged a surcharge; however, to set the record straight, no one on the Mt. Olive System has been charged a surcharge – they have been charged inside city rates. Attorney Cloud then discussed the debt being incurred and assuming the system were split – half of the system will have one owner and half would be Polk City; it would cost more should that happen. Mr. Hartman explained what would take place if split. Attorney Cloud then discussed keeping the old system and bringing it up to compliance, and discussion took place regarding the Mt. Olive System being sent to Lakeland – there would be capital charges / wholesale rates, which would result in possible rate increases.

Councilor Kimsey asked if the City gave the Mt. Olive System back and diverted sewer to Auburndale, would that be a considerable savings. Mr. Hartman advised it would not; he explained that capacity would have to be purchased for approximately 40,000 gpd, and the long pipe line would be very expensive. If the Mt. Olive system is diverted the City would lose its connectivity, and would have to run parallel pipelines. Councilor Kimsey advised he didn't understand; Mr. Hartman explained not the Mt. Olive System – County would own the system. Discussion followed regarding subsidizing and rates.

Councilor Blethen asked if County takes back Mt. Olive, would they run it to Auburndale. Discussion took place of cost to run a line and what impacts it could have.

Councilor Kimsey asked if the City had a firm commitment from Mr. Johnson on the Cardinal Hill property; Vice Mayor Block advised we do and it is within the budgetary limits. Attorney Cloud advised it will not go higher, but could go lower. The number noted in the report is not going to be exceeded. Councilor Kimsey asked about any firm commitment not higher than this (in the report); Vice Mayor Block advised a firm offer has been made. Attorney Cloud advised the response would be to put as a condition in the contract. Councilor Kimsey advised before he voted, he wants to see a firm commitment.

Councilor Adorno advised it is more economical not to split it; it would fall on the residents.

Mayor LaCascia asked if we were moving in the direction of approving the Investment Banking Agreement. Councilor Kimsey questioned what would be the next step to approve the Investment Banking Agreement. Mayor LaCascia advised it is approving the agreement, and does not include an amount. Mr. Hartman advised they would be the Bond underwriters. Councilor Blethen advised we would not be paying anything until it goes through; it is at the end of the deal.

Vice Mayor Block made a motion to approve the Investment Banking Agreement; the motion was seconded by Councilor Adorno.

Under discussion, Councilor Kimsey advised he was elected to vote the way people of Polk City wants him to vote; he is their representative. A petition was circulated to de-annex from the city because of high utility rates, and there was a good chance that would have gone through if the Attorney had not ruled in invalid. Petition circulated had a high number of signatures to de-annex from the city. There will be two Council seats is up in 2012; if it goes through to borrow 8 million dollars to further the sewer system, he promises two other people will be running for those seats, and he will be the third person to vote for de-annexing the city. If the Council does a right thing they will schedule a referendum to let the people vote on it. Mayor advised we don't know that; Councilor Kimsey commented to schedule a referendum – will be stuck with higher utility bills. Chairman Smith said to give it back; Council Kimsey agrees with him.

Vice Mayor Block advised it is two different things; many more people are coming to the City in support. Vice Mayor Block also advised the reason for the bond is to decrease rates; she also agrees with Mr. Hartman – if the City does what Councilor Kimsey suggests, there will have to be an increase in rates. Mayor LaCascia advised at the County meeting the City agreed to pay the impact fees and the other money that is owed to them. Without entertaining those two items and other issues we have, we can't go further; we have to go forward. Councilor Adorno clarified the motion – with the motion we move forward. Councilor Adorno also commented regardless of what happens we have to pay our debt 0—the debt will not go away. We have to decide whether or not we want to keep the interest rate at what it is now, or renegotiate the best terms we can now. The City provides good reliable service; we need to look at this. Discussion then took place regarding cost if County took over. Councilor Adorno advised we know why we want to keep Mt. Olive – once we work everything out, we will actually benefit from it. Vice Mayor Block called for the question.

Roll Call: Vice Mayor Block-aye, Mayor LaCascia-aye, Councilor Blethen-aye, Councilor Adorno-aye, Councilor Kimsey-nay

4-ayes
1-nay

The motion carried.

Resolution 2011-01, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POLK CITY, FLORIDA, AUTHORIZING STAFF AND DESIGNATED CONSULTANTS TO DRAFT NECESSARY DOCUMENTS AND PERFORM NECESSARY WORK IN ORDER TO MAKE PREPARATIONS FOR THE ISSUANCE BY THE CITY OF NOT TO EXCEED \$8,900,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER SYSTEM REVENUE BONDS FOR THE PURPOSE OF REFINANCING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY, AND FINANCING COSTS OF LAND ACQUISITION, CAPITAL IMPROVEMENTS AND FINANCING AND PROFESSIONAL SERVICES COSTS ASSOCIATED WITH THE ISSUANCE OF SUCH BONDS; DECLARING THE OFFICIAL INTENT OF THE CITY FOR PURPOSES OF SECTION 103 AND SECTIONS 141 TO 150 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND APPLICABLE TREASURY REGULATIONS TO REIMBURSE FROM THE PROCEEDS OF SUCH BONDS OR OTHER OBLIGATIONS TO BE ISSUED BY THE CITY, ALL OR A PORTION OF ANY CASH EXPENDITURES TO BE MADE IN CONNECTION WITH THE AFORESAID PROJECTS; PROVIDING CERTAIN DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

Attorney Cloud read Resolution 2011-01 in short title; he advised this is authorization to prepare the necessary paperwork for the bond and doesn't require payment of any fees upfront. It authorizes staff and consultants to put the paperwork together. Mayor LaCascia advised it is not to exceed 8.9 million dollars. Councilor Kimsey asked if this authorizes the funds; Attorney Cloud advised this is only authorization to prepare the paperwork to present in order for a decision to be made. Councilor Blethen asked if this cost anything; he was

advised no and Mr. Hartman advised it is contingent upon the closing of the Bonds. Review of Table 8 in Mr. Hartman's presentation was then discussed – this is based on no growth and no increases across the board. Some discussion took place regarding the three options as it pertains to utility rates. Vice Mayor Block advised if there is any growth that savings could go toward lowering rates or toward the principal. More discussion took place regarding rates through 2015, and what the options were.

Mayor LaCascia asked for a motion on Resolution 2011-01.

Vice Mayor Block made a motion to approve Resolution 2011-01; the motion was seconded by Councilor Adorno.

Under further discussion, Councilor Blethen commented that based on the information the City can pay off on debts owed to the County and all of the water and sewer in dispute will become Polk City's water and sewer system; it will be complete and no one else can come in a say we owe them money. Pam Lawson, Finance Director, then went over what the City's current debt is; this bond will add an additional 1.9 million dollars (reserves are needed). The question was called for.

Roll Call: Councilor Adorno-aye, Mayor LaCascia-aye, Vice Mayor Block-aye, Councilor Kimsey-nay, Councilor Blethen-aye

4-ayes

1-nay

The motion carried.

Proposal for Professional Hydrogeologic Services – Groundwater

Gerry Hartman advised the monitoring wells had not been maintained since the County owned them; he notified Florida Department of Environmental Protection (FDEP) they were in the process of getting cleaned up by the City of Polk City.

Vice Mayor Block made a motion to approve the proposal for Professional Hydrogeologic Services in the amount of \$15,755; the motion was seconded by Mayor LaCascia.

Under discussion, Vice Mayor Block advised the City received three different proposals (three different wells), and it is not required to go to bid; this is really a good deal. Mayor LaCascia asked if the cost would be paid out of the sewer fund; Pam Lawson advised it would be. Gerry Hartman advised this can be capitalized, and should the bond move forward this money will be back into the sewer fund. Councilor Adorno asked if this was requirement; she was advised it is a requirement (compliance) and maintenance. Attorney Cloud advised when Gerry Hartman called FDEP, they thought the County was still operating the system and they were not happy.

Roll Call: Councilor Blethen-aye, Mayor LaCascia-aye, Councilor Adorno-aye, Councilor Kimsey-aye, Vice Mayor Block-aye

5-eyes
0-nays

The motion carried.

Consulting Services / Engagement Letter—GAI Consultants for Engineering

The City doesn't currently have a City Engineer; this would give the City an Engineer with insurance to assist the City every once in a while. Vice Mayor Block advised the Engineer that has been used is being phased out. Mayor LaCascia asked about the piggy-back with Winter Haven; Gerry advised the City is allowed to piggy back the Winter Haven contract. Councilor Kimsey asked if it would cost anything if there were no bonds. At this time Mayor LaCascia advised a motion and a second was required for further discussion.

Councilor Adorno made a motion to approve the Consulting Services/Engagement Letter with GAI Consultants for Engineering; the motion was seconded by Vice Mayor Block.

Under discussion, Councilor Kimsey asked about hourly rates, and was referred to the GAI Engagement Document. Councilor Blethen asked how much were Engineering fees for the previous year; Vice Mayor Block advised around \$36,000. Vice Mayor Block called for the question.

Roll Call: Councilor Kimsey-nay, Councilor Blethen-aye, Vice Mayor Block-aye, Mayor LaCascia-aye, Councilor Adorno-aye

4-eyes
1-nay

The motion carried.

CITY MANAGER ITEMS

- Acting City Manager Block advised a rancher wanted to use the Wastewater Treatment Plant property has a grazing pasture for his cattle. The lease will be \$1 year; the City will save money by not having to mow, and insurance will be provided by the user. Council had no problems with this.
- ACM Block asked Council to review the Utility Newsletter and get back to her with any comments.
- Spring Cleanup will be April 9th
- The Library will be hosting a Dr. Seuss After School Birthday Party in March
- Woodard and Curran are now doing utility billing and collecting on site; they are on the City Clerk side of the building
- Recycling bins are being distributed; if there are any issues, please let us know

- There is an employee currently taking classes and rather than grades they get a pass or fail; there are no current provisions for pass/fail, and she would like to reimburse the employee 60% for an equivalent of a “C”; they have passed the class. The money is in the budget, and it would be around \$2,900. It was the consensus of Council to reimburse the employee.

CITY CLERK ITEMS

City Clerk Jackson advised there would be a workshop on March 7, 2011, at 7:00 p.m. to discuss the City Manager Résumés.

CITY ATTORNEY ITEMS

The Attorney had nothing to report.

MAYOR ITEMS

Mayor LaCascia had nothing to report.

VICE MAYOR ITEMS

Vice Mayor Block had nothing to report.

COUNCIL MEMBER ITEMS

Councilor Adorno – Councilor Adorno asked about the 3rd Annual City-wide Yard Sale; Acting City Manager Block advised it will be held April 30th, and it will be in the newsletter and posted on the website. Councilor Adorno then made an inquiry about the Founders Day Celebration; Acting City Manager Block advised that has gone by the way-side. Councilor Adorno asked if something could be planned; it was suggested to see if we can get volunteers.

Councilor Blethen – had nothing to report

Councilor Kimsey – Councilor Kimsey asked Mr. Bobby Wilson to come forward; he advised Mr. Wilson is involved in the Little League. Mr. Wilson advised the City normally gives money to help with equipment – at one the City used to be a sponsor. Acting City Manager Block asked Mr. Wilson to please give her a call.

PUBLIC COMMENTS/REQUEST

Laura Lambert, 552 Meandering Way, asked about the total cost of the loan and interest over a 30-year period. Acting City Manager Block advised that would be included in the study being done. Mr. Gerry Hartman responded it is projected to be an 8.3 million dollar loan. When asked what the service life of the Cardinal Hill Plant was, Mr. Hartman advised the service life is 37 years from today – some discussion followed regarding the wastewater plants and what the average life is, which is extended when preventive maintenance and repairs are done. Ms. Lambert then asked about the value of the Cardinal Hill property; Mayor LaCascia advised in the plan it is listed the price would be around \$801,500. After some discussion of the appraisal, Attorney Cloud advised when the contract is presented, it would be public. At this time Councilor Kimsey mentioned the utility rates – he doesn't know why anyone would come to this

City knowing what the rates are, or what the taxes are. Ms. Lambert briefly touched on drilling of wells.

Mr. Borsjé then asked about the signatures Vice Mayor Block presented in November 2009 regarding no sewers (before she was in office); Vice Mayor Block advised those are two different subjects. Gerry Hartman advised this program does not create an assessment, nor does it include replacing septic tanks with sewer; Vice Mayor Block advised the City is not expanding and putting sewer lines in sub-divisions where they do not currently exist.

Mr. Peter Huke, 449 Nolane Lane, commented the existing debt with the County is at 11 percent over a 10-year period; it doesn't think it is a good idea to turn the 10 year loan into a 30 year loan. Mayor LaCascia advised the City is trying to get rid of the 11 percent interest rate. Mr. Huke is in favor of a referendum.

Mr. Al Schneider, 775 Teaberry Trail, asked if all of the lots in the City are developed; he was advised no they were not, and Mr. Schneider then wanted to know why Councilor Kimsey thinks there is nowhere to build.

Beverly Brown asked for clarification of the customer base should Mt. Olive revert back to Polk County; she was advised half of the water customers would go back to the County, as well as 80 percent of the sewer customers.

Councilor Kimsey made a motion to adjourn and the motion was seconded by Councilor Blethen; it was unanimously carried to adjourn the meeting.

Patricia R. Jackson, City Clerk

Joe LaCascia, Mayor