

**CITY OF VERO BEACH, FLORIDA
OCTOBER 2, 2012 9:30 A.M.
REGULAR CITY COUNCIL MINUTES
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

1. CALL TO ORDER

A. Roll Call

Mayor Pilar Turner, present; Vice Mayor Craig Fletcher, present; Councilmember Jay Kramer, present; Councilmember Tracy Carroll, present and Councilmember Richard Winger, present **Also Present:** James O'Connor, City Manager; Wayne Coment, City Attorney and Tammy Vock, City Clerk

B. Invocation

Father Tri Pham of St. Helen's Catholic Church gave the invocation.

C. Pledge of Allegiance

Mayor Turner led the Council and the audience in the Pledge of Allegiance to the flag.

2. PRELIMINARY MATTERS

A. Agenda Additions, Deletions, and Adoption

Mrs. Carroll asked that item 2B-4) be added under Proclamations "Youth Sailing Foundation."

Mrs. Tammy Vock, City Clerk, requested that item 2C-2) be pulled from the agenda at the request of the applicant and that item 5-B) be heard as item 5-D) and item 5-D) be heard as item 5-B).

Mr. Kramer made a motion to adopt the agenda as amended. Mrs. Carroll seconded the motion and it passed unanimously.

B. Proclamations

- 1. Pink Tie Friends Month – October 2012**
- 2. Mental Illness Awareness Week – October 7-13, 2012**
- 3. National Domestic Violence Awareness Month – October 2012**

Mayor Turner read and presented the proclamations.

4. Youth Sailing Foundation

Mrs. Carroll read the proclamation and presented Mr. Charlie Pope with a flag. Representative Debbie Mayfield was also present for the ceremony.

C. Public Comment

1. Alma Lee Loy, Chairman of the Veterans Memorial Island Sanctuary Advisory Committee, will update Council on some things the Committee is working on at Veterans Memorial Island.

Ms. Alma Lee Loy, Chairman of the Veterans Memorial Island Sanctuary Advisory Committee was at today's meeting, along with Mr. Anthony "Tony" Young, Vice Chairman of the Veterans Memorial Island Sanctuary Advisory Committee. She explained that Mr. Young is very involved with the Genealogy Society. She said back in 2011, a program was initiated by the Indian River County Genealogy Society to provide the history of Indian River County residents who lost their lives during active service for the United States. Each of these individuals are recognized on the Island with a cenotaph. She asked Mr. Young to tell Council about this exciting project.

Mr. Young thanked Ms. Loy for her introduction. He then read a prepared speech (please see attached).

2. Debra Atwell, Chairman of the Historic Preservation Commission, will give an update on the Historical Preservation Committee and the status of the Certified Local Government (CLG) Designation.

This item will be heard at the next City Council meeting.

3. Kathleen Prouty, Main Street Executive Director, to discuss the "Arts District."

Ms. Kathleen Prouty, Main Street Executive Director and Ms. Barbara Hoffman, Chairman of the Cultural Council of Indian River County, were at today's meeting to discuss the proposed Arts District. They would like to ask the City to designate a portion of Downtown Vero Beach as an Arts District. She said that over the last 90 years Vero Beach began building its first business arts district downtown. She said in the past recent years Main Street, along with the Cultural Council, have been working to develop downtown into an arts district. She said that Downtown Vero Beach is now home to over one hundred artists. They request that the downtown corridor from 20th Avenue East to the railroad tracks and from 23rd Street South to 17th Street be known as the "Arts District," of Vero Beach, Florida.

Ms. Barbara Hoffman, Chairman of the Cultural Council of Indian River County, explained that art districts are dedicated to stimulating the economic and cultural life of an area through development and promotion of the district. She said that cities across the Country are using art districts as a redevelopment tool. For civic leaders facing limited resources arts and cultural initiatives have become an appealing development strategy.

She said some cities are developing more than one of these districts at the same time. Another reason that these art districts are so popular is because they have the potential to deliver many types of benefits for both the public and the private sector. She said that art districts develop over long periods of time with individuals contributing to a districts character and success.

Mr. Wayne Coment, City Attorney, told Council that staff needs some direction on what they would like to do. He said that if they support this proposal then he would need the exact location where they would like to see this arts district. He wondered if it would be more appropriate to do a Proclamation rather than a Resolution. He thought if it doesn't have any legal basis then a Proclamation would be sufficient.

Mrs. Carroll stated that she would be happy to sit down with the different art groups to look at the demarcations of the area and what ways they think the public needs to know about the arts area. Then she will bring something specific back to Council.

Mr. Kramer stated that they are already doing that.

Ms. Prouty explained that they have discussed where the signs are going to be placed, but an important issue is that they do need a legal designation of the arts district so that they can ask for grant money.

Mr. Coment stated that he would need to work with the Planning and Development Director in designating a particular area for grant type purposes.

Mrs. Carroll suggested setting up some sort of workshop so that all the parties involved can sit down and find out what exactly is needed.

Mayor Turner told Ms. Prouty that the Council supports the concept and will work with Main Street in moving forward. She thanked Mrs. Carroll for working on this project.

Mrs. Honey Minuse, 27 Starfish Drive, stated that she recently attended the Rank and File Police Union Negotiation meetings. She said that no matter what agreements are reached that the City can still negate them. She mentioned in the Florida Statutes that financial urgency is addressed and Miami has declared a state of financial urgency and she hopes that the City of Vero Beach will never have to do that. With the sale of the electric utilities there will be an annual shortfall of millions of dollars and they will need to deal with that shortfall. She thanked Mr. Winger for bringing forward the matter of pensions (item 9A-1). The problem lies that their biggest asset, which is the Electric Utility Plant, if sold that there needs to be a plan for after it is sold. Mr. Kramer has suggested a partial sale and FPL has said that they are agreeable to that and that sale could be near to completion by now. She said that proceeds from that sale would put the City on stable footing. Then the discussions with FPL could continue and they would be able to brace the policy to develop the future of their City. She said that the City Council has the responsibility to be fiscally prudent. No one wants to be "sold down the river all the way to Miami."

Mrs. Caroline Ginn, 5151 North A1A, gave a handout to Council (attached to the original minutes). The first handout showed the City of Vero Beach revenues by source for all funds as of July 31, 2012. Then there was the appraisal received from GAI Consultants, in which they stated the final opinion of value as of September 30, 2011 would be \$184,900,000. The next sheet provided was a summary from the Federal Energy Regulatory Commission estimating replacement cost less depreciation. The last document she discussed was the "Final Term Sheet" provided to Council from their Transactional Attorney concerning the purchase offer. She was not aware this existed until after the last Council meeting. The entitlements include that the all requirements project has been left off and she would like to see it in there so that they (City of Vero Beach) will have nothing else to do with FMPA. It is costing the City \$54 million dollars to get out of their contracts. She wants to know what happens after the term of three (3) years. The purchase offer is for \$179.6 million dollars, which is okay, but what they are really getting is \$115 million dollars in cash. She had some questions on why they were paying for the transmission upgrades and the substation relocation. She felt that the money from the Plant decommissioning should be set aside and used if there are contaminated areas. She expressed that this is not a good deal for the City of Vero Beach.

Mr. Charlie Wilson, North A1A, suggested again that these frequent questions that keep coming up be put in writing. Some of the questions that came up this morning are questions that have already been answered. He heard that Mrs. Minuse said that Mrs. Amy Brunjes, FPL Representative, stated that a partial sale was okay. He said that he has never heard that before. Mrs. Brunjes was in the audience and he said if anyone wants to know if she said that then they can ask her. He then asked Mrs. Brunjes if she has ever said that a partial sale was appropriate for FPL. She said that the answer "no" came up many times during negotiations. Mr. Wilson continued by saying that he read in one of the blogs that a casino is being considered when the Plant is removed. He said that this item should probably be addressed in the frequently asked questions. He noted that Mrs. Ginn asked why they should be doing repairs. He gave an example if you have a house and you go to sell it and after the inspections are done that things come up that have to be repaired. It is the same situation. The only alternative they have if this does not go through is having no deal and what are they going to do if they have coal powered plants under attack all the time. What are they going to do if they have a continued pension deficit forever that is larger than the City can handle. He brought up the City of Ft. Pierce who is in deep trouble. They have no way out of their obligations and their commitments to this organization. In the newspaper today in Ft. Pierce they are talking about having \$500 electric bills. He was happy that the Police negotiations were working out. Mr. Wilson continued by saying the reason he came to today's meeting was because some former employees approached him and they were talking about something that he cannot believe is true and he wants to hear that it is not true. He brought up a personnel system called "touch and go." From what he understands from these former employees is that "touch and go" is a policy that the City has that if an employee comes in for fifteen minutes they are considered to be at work all day. He said one of the employees that he talked to said that as long as he logged on to his computer for fifteen minutes that he was able to count that as a day. He said so that is where the employees are getting all this

vacation time, because no one ever has to take vacation time. He thought that this pertained to exempt employees.

Mr. James O'Connor, City Manager, stated that this is not a policy of the City. He said that there is no one that he is aware of that clocks in for fifteen minutes and then leaves. He said that the Department Directors are exempt employees and do not receive overtime. There is not a 'touch and go' policy in the City of Vero Beach.

Mr. Wilson asked Mr. O'Connor if that was a written policy or is it actually what happens.

Mr. O'Connor explained that there is not a written policy that states that an employee can come in for fifteen minutes and get paid for eight hours and it is not allowed under the Personnel Policy. He continued by saying that in the last four years there have been over one hundred jobs cut in the City and if he (Mr. Wilson) can find someone that can come in for fifteen minutes and perform their job and leave he would be amazed. He said that right now the workload for the employees is heavy. The employees they have today are doing more work than they have ever had. He brought up this "past employee" and said that past employees sometimes are not happy. He told Mr. Wilson that if someone can point out a person that comes in for fifteen minutes and then leaves, he will take corrective action because it is a violation of the Personnel Policy.

Mr. Wilson wanted to make sure that people could not do that. He said that he will bring those people to a Council meeting.

Mr. O'Connor said that would be great. He would like to have the names of those people.

Mr. Wilson reiterated that he wanted to make sure that this was not a policy.

Mr. O'Connor reiterated that "touch and go" is not a policy of the City.

Mrs. Sue Dinneno, 5125 Tradewinds Road, commented that through these tough economic times they need to have their Police Department and the services that they provide. She said that there has to be other ways to achieve the necessary savings then having to demote Police Officers. She mentioned some other ways they could save some money.

Police Chief David Curry announced that National Night Out scheduled for tonight from 5:30 p.m. to 7:30 p.m. may be cancelled due to the weather. Also, the Police Department participated in the national drug take back project this weekend and collected over one hundred and thirty pounds of unwanted/unused pills that people brought to them.

At this time, Council took a ten-minute break and reconvened at 10:45 a.m.

Mr. Brian Heady noticed some employees sitting in the back of the room. He said that if you were to ask them about Councilman Heady they will tell you that he can be a royal pain and he can ask them some difficult questions and usually when he asks the questions he does it publically. The employees should be held responsible for things. However, he has never seen the employees portrayed as they have been portrayed recently in the public eye. Unfortunately, it seems to be politically correct that the employees are the enemy. The public perception of the public employees is that they are all over paid and they all have huge pensions and he thinks the public perception is wrong. He stated that public employees are not the enemy and anyone who thinks that what they need to do is to continue to cut government back should join him on his next trip to Haiti and he will show them what a Country looks like when they lack government employees. The problem stems from Elected Officials who were willing to give away the “key to the public treasury.”

D. Adoption of Consent Agenda

- 1. Regular City Council Minutes – September 18, 2012**
- 2. Special Call City Council Minutes – September 18, 2012**
- 3. Utility Easement #2012-EG-0116 – Ingress/Egress & Pedestrian Access Easement #2012-EG-0117 – First Presbyterian Church – 520 Royal Palm Boulevard**

Mr. Fletcher made a motion to adopt the consent agenda. Mrs. Carroll seconded the motion and it passed unanimously.

3. PUBLIC HEARINGS

- A) Public Hearing on Approval of Preliminary Plat for Old Oak Subdivision (#SD12-000001) – Requested by Old Oak Lane, LLC.**

Because this was a quasi-judicial hearing, the City Clerk swore in anyone testifying on this matter enmasse.

Mr. Tim McGarry, Planning and Development Director, was sworn in. He stated that the Planning and Development Department recommends approval of the preliminary plat based on staff’s findings that prior to the approval of the Final Plat, the development shall provide the Homeowners Association (HOA) documents stipulating who will be the ultimate responsible authority for the required long-term repair and maintenance of the drainage swales and road. These documents will also provide information regarding the budgeting of the long term maintenance and repair of the stormwater systems. The development will also provide language on the Final Plat and in the HOA documents, which formally binds present and future property owners to a fair share financial contribution for the construction of a sidewalk along Club Drive, should the City pursue such a project in the future. He also said that all the drainage will be going on to Club Drive.

Mrs. Carroll asked if there will be berms on the backside between the golf course and the subdivision.

Mr. McGarry answered yes. He continued saying that based on the comments that the Planning Department has received that it does meet the criteria for preliminary plat approval of Section 70.14 and 70.15 of the City Code. The Planning and Zoning Board, as well as the Planning Department, recommend approval based on the two conditions that he just mentioned.

Mayor Turner opened the public hearing at 10:52 a.m.

Mr. Joseph Shulke, from Shulke, Bittle & Stoddard, Engineer for the project, was sworn in. He said that he was at today's meeting if Council had any questions.

Mr. Fletcher asked him how they were going to deal with not having a retention pond. Mr. Shulke pointed out that there is a swale on the side and the rear of the property.

Mrs. Carroll questioned the maintenance of the road. Mr. McGarry explained that would be the HOA's responsibility and there will be a recorded deed stipulating that.

Mrs. Carroll wondered if the tree canopy was being considered in the layout of the property and the preserving of the old Oak Trees on the property.

Mr. Shulke informed her that they would not be losing any Oak Trees at all and just one Pine tree has to be removed.

Mrs. Carroll asked if a neighborhood meeting was going to take place on this issue. She was informed that already happened.

Mayor Turner closed the public hearing at 10:57 a.m., with no one else wishing to be heard.

Mayor Turner made a motion to approve the preliminary plat for the Old Oak subdivision subject to the two conditions (outlined in the departmental correspondence dated September 24, 2012). Mrs. Carroll seconded the motion and it passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

B) A Resolution of the City Council of the City of Vero Beach, Florida, determining that certain City-Owned real property identified as "City Park" in Block 1 of Block Manor Subdivision is no longer needed by the City and may be sold subject to an access easement; Providing for Conflict and Severability; and Providing for an Effective Date. – Requested by the Public Work's Department

The City Clerk read the Resolution by title only.

Mr. O'Connor reported that this item went before the Recreation Commission and they agreed with declaring the property surplus.

Mayor Turner opened and closed the public hearing at 10:58 a.m., with no one wishing to be heard.

Mr. Fletcher made a motion to approve the Resolution. Mayor Turner seconded the motion and it passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

C) An Ordinance of the City of Vero Beach, Florida, amending the Code of the City of Vero Beach, Section 71.14, "Rights-of-Way Required to be Improved;" Relating to Limitations on Improvements to Tree Canopy Streets and determination of Safety Hazards from Trees and Plants on such Streets; Providing for an Effective Date. – Requested by the City Attorney

The City Clerk read the Ordinance by title only.

Mr. Coment reported that the Code currently provides for the urban forester to make determinations regarding whether pruning or removal of trees on canopy streets are a safety concern and should be pruned or removed. Since there is no longer an urban forester and the Public Work's Department has trained employees in the applicable regulations it is being proposed that the City Manager be designated with the authority to make these determinations and that he has the ability to delegate such responsibility. In addition, there were a couple minor changes proposed for clarification of the language in the relevant section.

Mayor Turner opened and closed the public hearing at 10:59 a.m., with no one wishing to be heard.

Mr. Kramer made a motion to approve the Ordinance. Mr. Fletcher seconded the motion.

Mr. Fletcher wondered if the roads listed in the Ordinance were because they were not paved. He thought that there were some other places that have canopy trees that could be listed, such as Victory Boulevard.

Mr. Coment explained that the roads listed are the roads that the public does not want any improvements made to. He said that some of the streets mentioned by Mr. Fletcher have already been improved, such as Victory Boulevard.

Mr. Monte Falls, Public Work's Director, added that the Ordinance was put into effect because of unimproved streets on the barrier island that the public wanted to keep in their natural state. He said that his Department takes pride in keeping the trees trimmed and in McAnsh Park they identified trees that needed to be removed and have done that and planted replacement trees.

Mr. Fletcher had some concerns with the City Manager being designated the urban forester. He asked who the arborist is now.

Mr. O'Connor explained that if he is given the authority that he will hire an arborist if one is needed, otherwise he will rely on the expertise that they have in their Public Work's Department.

Mr. Fletcher reiterated that he had some reservations with the City Manager being an arborist.

Mr. Coment explained that this is more for determining whether trees are a safety concern and not how to trim trees. He went over why this came about (clearance for trucks).

Mrs. Carroll asked in regards to the construction of Old Oak Lane, will the Public Work's Department be working with those property owners in determining the correct maintenance of those trees if it does go to a shell road.

Mr. Falls explained that they are only involved in public rights-of-way. If it is a private street there are tree protection requirements in the Code.

Mr. Kramer asked if they wanted to amend the motion to include those other streets.

Mr. Coment explained that what the section in the Code talks about is that you cannot improve the roads because they are already improved. If they wanted to address other roads then they would need to add a whole new section.

The motion passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

D) An Ordinance of the City of Vero Beach, Florida, abandoning that portion of the North one-half of Gayfeather Lane lying East of the West 45 feet of Lot 15, Block 2, Walter Kitching's Subdivision; Providing for Reversion under certain circumstances; Retaining an Easement; Providing for Conflict and Severability; Providing for an Effective Date. – Requested by the Public Work's Department

The City Clerk read the Ordinance by title only.

Mr. O'Connor reported that the City would still retain public access to the beach, but shift the maintenance to the property owners. They (the property owners) have submitted plans on how to keep the access in its beautiful state.

Mayor Turner opened and closed the public hearing at 11:06 a.m., with no one wishing to be heard.

Mr. Fletcher made a motion to approve the Ordinance. Mr. Kramer seconded the motion and it passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

4. RESOLUTIONS FOR ADOPTION WITHOUT PUBLIC HEARING

- A) A Resolution of the City Council of the City of Vero Beach, Florida, amending Subsection 8.04, “Accrual,” in Section 8, “Annual Leave,” of the City of Vero Beach Personnel Rules; Providing for an Effective Date. – Requested by the City Attorney**

The City Clerk read the Resolution by title only.

Mr. Coment reported that the Resolution amends the City personnel rules to clarify that the Mayor can approve annual leave carryover for Charter Officers.

Mayor Turner made a motion to approve the Resolution. Mr. Kramer seconded the motion and it passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

5. FIRST READINGS BY TITLE FOR ORDINANCES AND RESOLUTIONS THAT REQUIRE A FUTURE PUBLIC HEARING

- A) An Ordinance of the City of Vero Beach, Florida, Amending the City of Vero Beach Land Development Regulations, Chapter 38, Article I, Relating to the Regulation and Use of Signs; Providing for Conflict and Severability; Providing for Effective Dates. – Requested by the Planning and Development Department**

The City Clerk read the Ordinance by title only.

Mr. McGarry reported that this Ordinance reflects the direction provided by the Council to make all the temporary commercial and noncommercial signs in residential districts consistent in size, number, and placement. Additionally, staff is proposing other changes to the regulations to address issues that have come up subsequent to adoption of the amendments to the sign regulations in March, as well as minor editorial changes to improve the text. A definition for fence sign has been added. The definition of flag pole has been expanded to include flags that are attached to a building and to eliminate conflicting language. The definition of public right-of-way has been further expanded to include more direction on sign placement and the definition of sign area has been revised to include language that only one side of “double faced” and “V” shape signs count towards the calculation of sign area. Mr. McGarry explained that the regulations governing real estate, open house, construction, household sale, election and free expression signs in residential districts have been changed to a maximum of three (3) square feet in area and three (3) feet in height. This was done at the request of City

Council. The placement of election and free expression signs has been revised to permit a sign on each street frontage. Small flags displayed on vehicles for sale or rent has been included as a permitted sign not requiring a permit. The maximum size and height of off-premises open house signs has been revised to be consistent with the regulations for other temporary signs in residential districts.

Mrs. Carroll asked Mr. McGarry to elaborate on fence signs. She noticed that some schools are putting signs on their fences.

Mr. McGarry explained that the current Ordinance has no definition for signs placed against a fence or wall. Therefore, such fence signs are technically prohibited, even though numerous election and real estate signs have been installed on fences or walls. He said as far as sponsorship signs go, a permit is required and they are allowed for 45 days. However, that was not included in this Ordinance.

Mr. McGarry stated that the Planning and Zoning Board unanimously approved this Ordinance at their September 6, 2012 meeting.

Mrs. Carroll made it clear that this Ordinance alleviates the concerns that some businesses were treated differently than others.

Mr. McGarry said yes, that this Ordinance makes everyone equal and it was the direction that Council asked him to go in.

Mayor Turner made a motion to approve holding the public hearing on October 16, 2012. Mr. Winger seconded the motion and it passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

*Please note that item 5-D) was heard before items 5-C) and 5-B).

B) A Resolution of the City Council of the City of Vero Beach, Florida, Adopting a Revised Fee Schedule for Development Review Applications and Related Services; and Providing for an Effective Date. – Requested by the Planning and Development Department

The City Clerk read the Resolution by title only.

Mr. McGarry reported that this Resolution establishes a new fee schedule for the Department's development review applications and related services. The fee schedule incorporates comprehensive revisions proposed to the Department's development review process. He said overall they are looking at a three percent reduction in revenue coming in. He said that the Planning and Zoning Board has approved the proposed fee schedule.

Mrs. Carroll wondered if a different fee was charged for bigger homes as opposed to smaller homes. Mr. McGarry said that the fees are the same. He said that the County has

a different fee schedule for larger versus smaller homes, but he has not seen a need to charge a different fee in the City.

Mr. Winger asked Mr. McGarry what the Planning Department's total budget is for the year.

Mr. McGarry stated that it is around \$660,000 and for this particular function it is around \$180,000 and he will recover about \$70,000 of those costs. Mr. Winger noted that Mr. McGarry is trying to keep the rates pretty much the same as they are now or even reduce them by three percent. He said that as far as the public is concerned there is a \$50,000 gap and they are asking the taxpayers to subsidize the cost of permits.

Mr. Fletcher felt that Mr. Winger had some valid concerns. He felt that they needed to have their rates support the effort. He knows that this is not an Enterprise Fund, but it needs to work like one.

Mr. McGarry noted that he looked at the "labor" rates that his staff puts into talking and helping people who come in requesting permits. He said the way that the pension is done now they are making up for the unfunded liability and since a lot of that was accrued in the past it is hard to pass that on. He would be willing to look at the rates a little more to see if they can come in line. He said that the costs charged have to be justifiable.

Mrs. Carroll asked Mr. McGarry what was his staffing ten years ago as compared to today. Mr. McGarry said that there were ten employees ten years ago and now he is down to seven employees. He also noted that there have been some pay cuts for some of his staff.

Mrs. Carroll questioned if there have been more permits coming in over the last six months.

Mr. McGarry said that they are starting to get more.

Mr. Fletcher felt that Mr. McGarry's staff was doing well, but he did not think it was the taxpayer's job to subsidize development.

Mr. McGarry stated that he would review the fee schedule to make sure that it is fair.

Mr. Winger made a motion to table this Resolution until October 16th giving Mr. McGarry time to review the fee schedule.

Mr. O'Connor suggested moving the Resolution forward and having a public hearing on October 16th and staff would have those numbers available for Council.

Mr. Winger said that was fine. He made a motion to move forward, but looking at the sufficiency of the rates to cover the direct costs. Mr. Fletcher seconded the motion.

Mr. Fletcher referred to Exhibit A where the fee schedule is outlined. He was looking at the price for a future land use map – zoning map combo (10 acres or more) and asked if the price of \$3,860 for that map was correct.

Mr. McGarry expressed how expensive it is to print a map and the process that they have to go through.

Mrs. Carroll commented on how much time the Planning and Zoning Board has put into coming up with this. She said that when they restructured the Planning and Zoning Board that the Council charged the Board with taking a look at the development codes and bringing information to them that they needed to know and what was good for the community and they have done that. She thanked the Board members for their public service. She then cautioned the Council on the concept of raising fees and that is the concept of economic development in their community. They stand at the low point of economic development right now and this Council has significant determinations that they would like to go forward in bringing appropriate businesses to this community with the Enterprise Zone, as well as throughout the City limits. She said that they may not want to increase fees for their business development. They have a substantial amount of properties within their City limits that are standing empty right now.

The Clerk polled the Council and the motion passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

C) An Ordinance of the City of Vero Beach, Florida, repealing Ordinance No. 2009-05, Establishing the City of Vero Beach Planning and Development Department's Fee Schedule for Development Review Applications and Related Services; Providing for an Effective Date. – Requested by the Planning and Development Department

The City Clerk read the Ordinance by title only.

Mr. McGarry explained that this was a housekeeping item. The repeal of Ordinance No. 2009-05 is necessary to allow the Council to approve the Resolution proposing a new fee schedule.

Mayor Turner made a motion to set the public hearing on this Ordinance for October 16, 2012. Mr. Winger seconded the motion and it passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

D) An Ordinance of the City of Vero Beach, Florida, Amending Chapter 64, Article I, Development Review of the City of Vero Beach Land Development Regulations; Providing for Comprehensive Revisions to Development Review and Approval Process and Criteria; Providing for Conflict and Severability; Providing for an Effective Date. – Requested by the Planning and Development Department

The City Clerk read the Ordinance by title only.

Mr. McGarry reported that last year, at the direction of the Planning and Zoning Board, staff initiated a review of the regulations governing the City's development review process as provided for in Chapter 64 of the Land Development Regulations. The primary concern of both the Board and staff was that the current system was too cumbersome and lengthy for many projects resulting in higher costs and delays for applicants. In the first step staff prepared a paper entitled "Conceptual Framework for Proposed Threshold changes in the Development Review Process" and the final draft is provided in the backup material as Attachment #1. This should treat every applicant in a fair and equitable manner without placing any unnecessary burdens on applicants, but still protecting the public interest by ensuring compliance with the City's Comprehensive Plan and Land Development Regulations. Other revisions include the specific target time have lines for the processing, completeness and compliance review, and actions for each application review level have been clarified and the text made more internally consistent. The three levels of review (Code Compliance Certification, Minor Site Plan, and Major Site Plan) have been revised to lower the level of review requirements for many applications, thereby reducing the time and costs to applicants and the City. The list of proposed development actions subject to each level of review has been thoroughly vetted and made more detailed and specific where needed. The mandatory pre-application meeting with the Planning Director or his designee has been changed to require such a meeting prior to the submittal of any application for major site plan approval or approval of a major amendment to a major site plan. The threshold requirements for projects requiring a "neighborhood workshop" prior to submittal of an application for a major site plan or major amendment to a major site plan have been raised in Section 64.08 (b) to eliminate the need for such meetings for proposed projects that would have little or no impact on nearby neighborhoods. The distance requirements for notification of property owners has been reduced from 500 feet to 300 feet consistent with a similar reduction in notification requirements for all major site plans and major site plan amendments. The General Review Standards for site plans have been revised to take into consideration impacts on sensitive environmental, historical, and archaeological features that are not covered in the current Land Development Regulations. The Performance Standards for site plans have been revised to eliminate criteria that are better suited from both a legal and planning standpoint for evaluating conditional uses rather than uses permitted by right in a zoning district. The Planning and Zoning Board approved the Ordinance at their meeting on September 6, 2012.

Mayor Turner thanked Mr. McGarry and the Planning and Zoning Board for streamlining the Code. She knows the effort that it took to make the Code more efficient.

Mr. McGarry expressed that the big change in the Ordinance that may cause some turmoil was going from 500 feet to 300 feet to notify property owners for site plan and site plan amendments. He said that staff will go either way, that was a position for Council to make.

Mr. Fletcher was adamant that the 500 feet remain in the Ordinance.

Mr. Winger agreed with Mr. Fletcher that property owners within a 500 foot radius should still receive notification of the meeting.

Mr. McGarry noted that the notice that goes out to the property owners is paid by the developer. This was a modification made by the Planning and Zoning Board and his department.

Mrs. Carroll had some concerns about going against these two organizations who know more about this than she does.

Mr. Fletcher attended the Planning and Zoning Board meetings when this was discussed and said that it was a huge topic and not voted on unanimously at every meeting that it was discussed. He said that it is a deal breaker with him. The Planning and Zoning Board has given up a lot of control and given it to the Planning Director and the City Manager. He said that they need to protect the public and make sure they know what is going on in their neighborhood.

Mr. Winger was also concerned about that and said if they did not change the 300 feet back to the 500 feet then it would be a deal breaker for him also.

Mr. McGarry expressed that if an applicant meets the Code then they meet it. He is a certified Planner and there are ethics that he has to follow. He said that there have been issues in the past when some Boards are given too much authority. He said that the City Council is the policy makers.

Mr. Fletcher commented that the member that he appointed to the Planning and Zoning Board knows the Code just as well as staff does. He again reiterated that Council was giving a lot of authority to the Planning Director and the City Manager. He said that notification of what is taking place protects the public.

Mr. Winger made a motion to move the Ordinance to the second hearing on October 16, 2012 and that the 300 foot notification to property owners be put back in the Ordinance as 500 feet notification to property owners is required. Mr. Kramer seconded the motion. The motion passed 4-1 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll no, Mr. Fletcher yes, and Mayor Turner yes.

6. CITY CLERK'S MATTERS

A) Mr. Richard Beneduce, Beneduce Realty, Inc., requests a reduction of a lien imposed by the Code Enforcement Board.

Mr. Richard Beneduce, Beneduce Realty, thanked Council for allowing him to be at this meeting to talk to them about a reduction of a lien that was imposed by the Code Enforcement Board. He represents the seller of this property that has a lien of almost \$7,000 on it. They have gone through a long process to finally get an acceptance offer

from the Bank. The Bank has only allowed a \$6,000 payment, however there is a second lien holder who has a \$3,800 lien. They negotiated with them and were able to reduce the lien to \$3,000. So there is \$3,000 left, but there is a \$631 utility bill with the City of Vero Beach that needs to be paid. He said that they would like to pay that bill and reduce this lien to \$2,329.00.

Mr. Fletcher told Mr. Beneduce that he knew the lien was on the property before he purchased it. Mr. Beneduce said that he is not purchasing the property, he is the realtor trying to help the seller. Mr. Fletcher reiterated that he knew this property had liens and it is not their job as City Council to make his business profitable. Mr. Beneduce understood that, but explained that the bank will not allow a third party to pay the lien.

Mr. Fletcher told him that it is between him and the bank and has nothing to do with the City Council.

Mr. Beneduce agreed, but felt that it would be nice to have someone purchase this home that is going to maintain it.

Mrs. Carroll asked what the City's expenditures were in this case.

Mr. Coment explained that there were civil penalties and recording fees. He said that it was strictly civil penalties for the time the property was not in compliance with the Code.

Mrs. Carroll asked if the owner was properly noticed that they were not in compliance. Mr. Coment told her that they were.

Mr. Beneduce expressed that this was their opportunity to get this piece of property sold. Otherwise it will go through the foreclosure process and be foreclosed on. The owner of the property does not have any money and cannot afford to pay these liens. He said that this is the fifth contract on this piece of property. The bank has rejected all of the other contracts. They currently have a cash buyer for the property and hope to close on the property in twenty days if they can get the City Council to approve this today.

Mr. Coment asked who the owner of the property is now.

Mr. Beneduce said that it is the same property owner and that this would be a short sale.

Mr. Coment mentioned that the violation period was for about four months (backup material available in the City Clerk's office).

Mrs. Carroll was confused on how a violation of four months could equal \$6,000. Mr. Coment explained that a \$50.00 a day fine was imposed.

Mayor Turner commented that seeing that the actual violation was only for four months, with the objective of getting a new owner for this property that will take care of it and not

to continue to have a blight in that neighborhood, she made a motion that they accept a reduction to \$2329.00 for this property.

Mr. Kramer thought that there would be a way that they could make some agreements with the bank instead of having to come before Council.

Mr. Beneduce stated that he has negotiated with the bank and they will only allow \$6,000 for all of the lien holders. He has been trying to get the maximum amount that they can for the City.

Mr. Fletcher seconded the motion. He wanted to see this property on the tax rolls and have the blithe gone.

The motion passed 4-1 with Mrs. Carroll voting no.

B) Commission/Board Reappointments

CODE ENFORCEMENT BOARD

Mr. Donald McCall's term on the Code Enforcement Board expires on October 15, 2012 and he would like to be reappointed.

Mr. Fletcher made a motion to reappoint Mr. McCall to the Code Enforcement Board. Mayor Turner seconded the motion and it passed unanimously.

MARINE COMMISSION

Mr. Steve Martin and Mr. Daniel Thomas's terms on the Marine Commission expire on October 15, 2012. Both members would like to be reappointed.

Mr. Kramer made a motion to reappoint both Mr. Martin and Mr. Thomas to the Marine Commission. Mayor Turner seconded the motion and it passed 4-1 with Mr. Fletcher voting no.

PLANNING AND ZONING BOARD

There is an alternate position open on the Planning and Zoning Board and they have received only one application. Council instructed the Clerk to re-advertise to see if they could receive some more applications for this Board.

Mrs. Carroll mentioned that three members of this Council recently attended a meeting last Friday on citizen involvement. She said that one of the concepts that she got out of the meeting was that when they look for members of the community to serve on their Boards that on their application it just lists all of their commission and boards and asks people to rank which Board or Commission they would like to serve on. She said sometimes it is difficult from someone's application to determine where they would be

the best fit. She suggested having a short paragraph included on the application on why they feel they are appropriate for their first choice, second choice and third choice. She would work with the City Clerk in modifying the application.

7. CITY MANAGER'S MATTERS

A) Settlement Agreements – J.P. Morgan, Chase & Co.

Mr. Craig Dunlop, President of Dunlap & Associates, Inc., was at today's meeting to discuss some settlement agreements they have with J.P. Morgan, Chase & Company. He gave some history of the case. He said that back in 2003, the City of Vero Beach issued \$57,650,000 of Variable Rate Electric Refunding Revenue Bonds, and \$14,450,000 Variable Rate Water and Sewer System Refunding Revenue Bonds. These issues refunded debt issued in 1993. The City went through a formal competitive RFP process to select investment banks, and J.P. Morgan was selected. In 2008, the City issued traditional fixed rate debt for the bonds. The Electric Refunding Revenue Bonds were issued through a "Public Offering" and the Water and Sewer Refunding Revenue Notes were issued as a "Bank Loan." These are still outstanding. Upon the issuance of this debt in June 2008, for both the Electric System and Water and Sewer System, the "interest rate swaps" with J.P. Morgan were terminated at the option of the City. During this period from 2003 through 2008 the City did not assign, sell, or transfer its rights to the "Covered Securities" prior to the termination of the transactions. In 2011 J.P. Morgan entered into a "Settlement Agreement" with various State Attorney Generals, including the Attorney General of Florida. The "Settlement Agreement" describes the details of an investigation conducted by certain Attorney Generals that began in 2008. The investigation concerns alleged violations of State and Federal antitrust and other placement of Municipal Bond Derivatives. As this relates to the City, J.P. Morgan was selected through a competitive RFP process and all of the financial obligations due from J.P. Morgan to the City were fulfilled through June 10, 2008, the date of termination on the interest rate swaps. The prorate settlement payments of \$59,994.90 for the Electric System Municipal Derivative transaction and \$18,306.96 for the Water and Sewer System Municipal Derivative transaction represents a penalty imposed on J.P. Morgan by the State Attorney General for the cited violations. He would recommend that the City Council accept these settlement amounts being offered and not pursue independent legal action against J.P. Morgan in that the legal costs to do so would more than likely exceed the settlement amounts being offered. He said that the forms to collect the settlement amounts must be submitted by October 5, 2012.

Mr. Coment explained to Council that the only other options that the City would have is to do nothing or pursue the claim and probably spend more in attorney fees than what they would get. He would also recommend that they accept the settlement amounts being offered.

Mrs. Carroll asked where in the budget will this money go.

Mr. O'Connor said that it will go to the Enterprise Funds.

Mr. Winger made a motion to accept the settlement agreement. Mr. Kramer seconded the motion.

Mrs. Carroll commented that she has had some questions from the community in terms of these bonds and who holds these bonds. She asked who is responsible for these electrical bonds. She asked is it the City as an entity or is it the utility and all of the people that pay into the utility.

Mr. Dunlop stated that the bonds for the electrical revenue would be for all of the people who pay for the City's electricity.

Mrs. Carroll asked if for some reason there was a default on the bond then who would have to repay the bond.

Mr. Dunlop explained that the City would be on the hook as an incorporated entity. He said that there are rate covenants in the legal documents that state that the City has to maintain certain coverage. He said that means their net revenues have to exceed their annual debt service payments by 1.25 coverage. He said if in fact the net revenues of the electric system or water and sewer system ever fall below those minimum requirements then the City would be required to raise rates to bring coverage levels back to the required minimums.

The motion passed unanimously.

B) Discussion of the FPL Letter of Intent

Mr. O'Connor reported that their last Letter of Intent (LOI) expired on September 30th and he recommended that the LOI be extended in order to carry through and make sure that they can get to the sales agreement with FPL.

Mr. Fletcher asked Mr. O'Connor what was the time frame that he wanted to extend the LOI to.

Mr. O'Connor answered six months.

Mr. Winger noted that when he met with Mr. O'Connor that he gave him a breakdown on when things may happen. He asked Mr. O'Connor if he would go over that.

Mr. O'Connor explained that this is a speculation on his part in trying to set some goals and objectives as they go through this process. On October 16th he hopes to have to Council the final contracts with OUC. Following that they will be doing the due diligence on the sales agreement. He anticipates by the first quarter of next year they would have a purchase agreement for Council is consideration (encompassing the total contract of how they would sell the electric system). He thought that Council should use the Utilities Commission, as well as the Finance Commission, to review the power and

sales agreement. They need to make sure that they have identified all of the transfers in this project. They have been working on identifying easements and all those other things that are part of the contract. They also have been identifying their assets, which includes the inventory of their human resources (employees). This is a very complex process. The attorneys for both sides have been working on transitioning from a public pension plan to a private pension plan. If they are successful with a power and sales agreement then there will be another eight or nine months of transition and that is why with the agreements that they have seen to this point they would not expect closing to occur before January 1, 2014.

Mr. Winger asked Mr. O'Connor if he expects a draft of the OUC contracts in the next few days.

Mr. O'Connor hoped to have the contracts before noon tomorrow and have them available for the scheduled Utilities Commission meeting on October 9th. He explained that the agreement for the transfer of their power supply to OUC would not take place until the actual closing.

Mr. Winger commented that approving the agreement with OUC on October 16th that this City Council will not have to make the final decision. Mr. O'Connor said that is correct.

Mr. O'Connor mentioned that a question was asked on what happens after three years with the OUC contract. He said from their standpoint nothing. He brought up FMIPA and said that they have seen most of the documents, but they have not taken a position and the only time that they can take a position is when the City has the final agreement with OUC. He said until Council signs the closing agreement then the sale does not happen. They have made firm commitments that they want to get to that point.

Mr. Winger asked Mr. Coment that when there is a purchase and sales agreement and it has been signed by the City, at that point will there be some binding in the City.

Mr. Coment said that it would depend on what the final sales agreement says.

Mr. Winger wondered how the 107 employees eligible to be transferred will happen.

Mr. O'Connor explained that the terms and conditions of the sales agreement will give them some determination of what the numbers will actually be in their pension. The Transactional Attorneys have used Mr. Rocky Joyner to give them some determination to how this transfer will take place. The agreement that they have reached with FPL in the concept of moving forward is that if an employee retires prior to the closing, that employee is not entitled to the two year commitment of employment. Then that pension payout would fall back on the City's pension plan. Also, they will not be able to force someone to retire or force them to go with FPL. That decision will be entirely up to the employee. He said that the terms and negotiations that they need to approach is how do they protect the City.

Mr. Winger felt that the easiest way to do it would be if many of the employees took the transfer. He said then FPL would take the pension obligation and they would not need to transfer any of the pensions that they have accrued for these employees.

Mr. O'Connor expressed that was part of the negotiations. They have tried to explain the City's position that they need to have the money in the bank and those negotiations have been talked about and he thinks that FPL is aware of what it will take and how to get there. There still are some issues to be worked out, such as the substation and whether or not it stays on the site or is moved to another piece of ground that the City owns. This will be a policy decision that will be ultimately made by the Council.

Mrs. Carroll reminded Council that in the winter of 2010 the City Council voted to ask FPL to move forward with negotiations. In the summer of 2011 the City Council hired a City Manager and asked him to go forward with negotiations.

Mrs. Carroll made a motion to approve the Fourth Amendment to the Letter of Intent. Mayor Turner seconded the motion.

Mr. Kramer asked when they were getting out of the All Requirements Project.

Mr. O'Connor stated that he has sent notice and made a request that OUC waive the waiting period for the transfer of those all requirements.

Mr. Coment clarified that they were provided with a Fourth Amendment to the LOI and if the Council is to approve it, the expiration date in the LOI states "September 30, 2012" and should state "entered into as of September 30, 2012" so there is no gap.

Mr. Kramer would like to see in the LOI something about going ahead and dismantling the Power Plant now rather than waiting several years from now. He doesn't see having to spend all this money maintaining a Power Plant that they don't need. He suggested doing that now and then having FPL reimburse them for doing the work.

Mrs. Carroll recalled that they have been told numerous times that transmission upgrades are necessary. She said that you can't do the transmission upgrades at the same time you are tearing down the Power Plant. She said that the upgrades have to be in place first before the Power Plant is taken off-line.

Mayor Turner added that they needed an agreement first.

Mr. Kramer pointed out that this agreement states that you have to keep the Power Plant in place. He said the point is that they are spending an awful lot of money on the Power Plant that they don't need to.

Mayor Turner explained that they are still committed in the OUC contract to have that Power Plant operating and available on a twenty-four hour notice. She said until they exit the contract they are obligated to do that.

Mr. Kramer commented that they could have done a partial sale and been done with this last year.

Mrs. Amy Brunjes, FPL Representative, wanted to clarify some comments made regarding a partial sale. She said that Mr. Kramer wanted it on the record that FPL said no to a partial sale. She reminded Council that after invitations were sent out to multiple utilities to entertain the possibility of a purchase that FPL was the only utility to respond to the invitation to consider a purchase of the electric system in its entirety. She wanted it clear that FPL has never said, nor has she ever said, that they were agreeable to a partial sale. However, what they have said when this question has come up is if for some reason that their negotiations are not successful then they would be open to discussing other options or no options at the will of the Council. She appreciated them approving the LOI and said that it is a legal document that commits each party involved in the negotiations and protects all parties. She said that since negotiations are still going on it is important to continue to protect those interests.

State Representative Debbie Mayfield, 1820 Ocean Way, stated that she is a ratepayer in the City. She said that this has been an issue with her since 2007. She came to their meeting today to speak about the LOI and encourage Council to continue with the LOI. It sounds to her that most of the Council is in agreement to continue with the LOI. She said that there have been a lot of rate payers, taxpayers, and FPL money spent to get them to this point. She would hate to see them do anything to jeopardize the amount of the money that has already been spent. She mentioned that 60% of the people living outside the City are rate payers. This includes the County Administration, the School District, and the Hospital District. So when you look at this it really is a County issue. She thought that closing this deal may save the County over a half a million dollars a year, which will be a savings to taxpayers that live in Indian River County. The Hospital District could save somewhere around four hundred thousand dollars a year. She told Council as they are going through this process, that they need to look at the best interest for everyone in the community. She commends them for moving forward. She thought that FPL was probably the only IOU that could have worked with OUC in order to come up with an agreement that seems to be acceptable by all the parties.

Mr. Winger mentioned that this was sent out to seven utilities in the State of Florida and not sent out to some of the bigger players in the Country. They do not know whether some of these other companies would have been interested or not. He did not think it was correct to say there may not have been any other interested parties, because they do not know that.

Representative Mayfield reported that she talked to some of the different companies and they indicated it did not make financial sense for them to do this.

Mrs. Carroll asked how could a firm out of State or out of the United States potentially even come into the State and how would that be looked at by the Public Service Commission (PSC). She thought that the question was answered by Representative Mayfield.

Mr. Kramer pointed out that he is not arguing whether FPL is the best deal or not, he is arguing how to structure the sale. He said that when he mentions a partial sale then people like Representative Mayfield could have been on FPL electric last year. He is trying to find a way to get the electric rates down without having to raise taxes and a partial sale would achieve that.

Mr. Winger called the question.

Mayor Turner repeated the motion, which was to extend the LOI as of September 30, 2012 to March 31, 2013. The motion passed 4-1 with Mr. Kramer voting no.

8. CITY ATTORNEY'S MATTERS

None

9. CITY COUNCIL MATTERS

A. Old Business

- 1. A discussion and vote to direct the City Manager to employee suitable outside professionals to evaluate possible restructuring of the General Fund Pension Plan to include moving to a defined contribution plan and utilizing part of the proceeds of the Electric Sale to fund or partially fund the current defined benefit plan as appropriate. – Requested by Councilmember Richard Winger**

Mr. Winger stated that all he was suggesting with having this item on the agenda was to empower the City Manager to look into utilizing some of the proceeds from the utility sale and find out the best way to get to a defined contribution plan. He explained that with the defined benefit plan that they have now they owe close to forty million dollars. He said that the only way they can continue to pay a pension, which is necessary for them to remain solvent, is they have to make up payments for the next fourteen years, in addition to making current contributions. This amount is close to four million dollars for a twenty-million dollar budget. He suggested that the first step in restructuring the City is to employ someone from the outside to figure out what can be done. He realizes that they don't know how much they will be getting from FPL in reference to pensions. Also, they don't know how many people will go to FPL and how many will stay on the City's pension plan. Again, all he was suggesting was to empower the City Manager to take whatever steps are necessary and to come back to Council before they have to vote on the final sales and purchasing agreement. He would like to see what a new pension plan will look like and if it would be predicated on freezing the system they have now of a defined benefit using the money to get there. He said that every year this matter gets worse. He made this proposal as one to be voted on and made it in form of a motion.

Mayor Turner agreed that this certainly is the way that they need to go. The gap is continuing to grow. She said converting their pension system to a system that they can pay as they go is prudent financial management. She seconded Mr. Winger's motion.

Mrs. Carroll asked if they need to add in the language that they are looking at this only as utilization of part of the proceeds of the electrical sale or do they want to direct the City Manager to look at the possibility of changing over to the new procedure regardless of the sale, which means they want to move forward with this and look at a contingency of using sale funds or moving the City employees over to this type of benefit program.

Mr. O'Connor commented that they need to get closer in identifying what their employee base is actually going to be and waiting for the sales proceed may be a little late because hopefully they will have implemented the plan prior to that time. He liked this concept. He did note that they have been funding the unfunded liability and they are closing the gap, but it is still not within ten years. He said that before they go to a sales agreement that they will need to know what the numbers are.

Mr. Fletcher agreed that this needed to be done independent of the sale.

The motion passed 5-0.

B. New Business

2. Appointment to Treasure Coast Council of Local Governments – Requested by Councilmember Tracy Carroll

Mrs. Carroll referred to the letter that they received from Mr. Richard Gillmor, Chairman of the Treasure Coast Council of Local Governments, requesting that a replacement representative be appointed to the Treasure Coast Council of Local Governments. She volunteered to serve on this Committee and said that she had the time to make that commitment.

Mr. Fletcher made a motion to allow Mrs. Carroll to be on that Committee (Treasure Coast Council of Local Governments). Mr. Kramer seconded the motion and it passed unanimously.

3. Status of Police Negotiations – Requested by Councilmember Jay Kramer

Mr. Kramer commented that he has sat in on some of the PBA Negotiation meetings and he knows that the Police are voting on the negotiated contract at the end of the week so he needs to be careful with what he says. He wanted to remind the public that the number they were looking for from the Police Department was \$190,000 and that was what he projected for savings in the budget that was passed before negotiations began. He wanted to get a confirmation from the Council again, as they did in the budget proceedings, that if the Police Department met that number that these demotions would not be done.

Mr. O'Connor added that it is important to note that is for one year. He said that the agreement they have going forward does meet their financial requirements and hopefully over the three years that the City is accepting some risks because under this proposal if the pension plan grows greater than the 2 1/2 % obviously there will be a financial exposure there. He said if the vote is rejected from the Police Officers then the original plan will be implemented.

Mr. Kramer understood that the \$190,000 has been met.

Mr. O'Connor said that it has not been met without the passage of the contract that the Police Officers are voting on this Friday. It will be met if the agreement passes and then he will not go forward with the demotions.

Mr. Kramer then asked if the contract is not met, will the demotions occur.

Mr. O'Connor answered yes, that there will be a reduction of three Lieutenants.

Mr. Kramer said that he was not in favor of doing that. He has seen that there are a lot of options being offered. He reiterated that he would not be in favor of the demotions and asked Council to set up some sort of guidelines to not do the demotions.

Mr. Fletcher asked Mr. Coment if they were allowed to have a shade meeting for discussions such as this one.

Mr. Coment explained that a shade meeting could be held and notification of the meeting is not required.

Mr. Fletcher felt that would be more appropriate in discussing this matter.

Mayor Turner cautioned the City Council in getting any more involved in discussing this because it will come to them for a vote.

Mrs. Carroll expressed that she has given their City Manager her confidence to run this ship and she stands behind him to run this ship.

Mr. Winger said he also does. He noted that the City Manager runs the City.

Council agreed to hold a shade meeting once this Council meeting adjourns.

10. INDIVIDUAL COUNCILMEMBERS' MATTERS

A. Mayor Pilar Turner's Matters

- 1. Correspondence**
- 2. Committee Reports**
- 3. Comments**

Mayor Turner reported that absentee ballots were going out today with 11 amendments. She said that the Florida League of Cities is opposed to Amendment #4 and strongly urges everyone to vote no.

Mayor Turner brought up the chili cook off and asked the Council if they wanted to participate again this year. It will be held on November 10th. Mrs. Carroll mentioned that they have participated for two years in a row and have done well. She would be glad to participate, but needs some help. Mr. Winger said that he would attempt to help. Mayor Turner would let the Firefighters know that the City will have a team again this year.

Mayor Turner thanked everyone who participated in the Day of Caring. She also thanked the Veterans Council and the Public Work's Department for such a wonderful POW/MIA ceremony.

Mayor Turner reported that she attended the opening of the Sebastian Senior Recreation facility. She also reminded the public to attend the Friday night Art Stroll.

B. Vice Mayor Craig Fletcher's Matters

- 1. Correspondence**
- 2. Committee Reports**
- 3. Comments**

Mr. Fletcher reported that he attended the MPO meeting and they submitted their prioritization for construction of streets, which he provided a copy to the Council. He said if Council has any problems with the prioritization list to bring it up at the next City Council meeting and he would take their concerns back to the MPO. He attended the Treasure Coast Regional Planning Council meeting where they made an amendment to their major plan to allow the Youth Sailing Club facilities. He said that the next step would be to go to the State for approval.

C. Councilmember Tracy Carroll's Matters

- 1. Correspondence**
- 2. Committee Reports**
- 3. Comments**

Mrs. Carroll reported that she also attended the MPO meeting.

D. Councilmember Jay Kramer's Matters

- 1. Correspondence**
- 2. Committee Reports**
- 3. Comments**

Mr. Kramer reported what a success the last Downtown Friday was. He thanked Southern Eagles Distributing for providing trash bags for people to use to pick up trash. The receptacles for the trash bags are located at South Beach.

E. Councilmember Richard Winger's Matters

- 1. Correspondence**
- 2. Committee Reports**
- 3. Comments**

Mr. Winger reported that he attended a Beach and Shores meeting, and the Florida League of Cities Energy and Environment Policy Commission meeting.

Mr. O'Connor reported that National night out (as brought up earlier in the meeting by Chief Curry) was canceled tonight because of the bad weather.

11. ADJOURNMENT

Today's meeting adjourned at 12:50 p.m.

A shade meeting was held directly after the meeting in the City Manager's office and those in attendance were the City Council, the City Manager and Mr. Jason Odom, the City's outside attorney hired to handle union negotiations.

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