

**SPECIAL CALL CITY COUNCIL MINUTES  
TUESDAY, FEBRUARY 25, 2014 10:00 A.M.  
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

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

**1. CALL TO ORDER**

Mayor Winger called the meeting to order and the Clerk performed the roll call.

**2. PLEDGE OF ALLEGIANCE**

Mayor Winger led Council and the public in the Pledge of Allegiance to the flag.

**3. ITEMS FOR DISCUSSION:**

**Quasi-Judicial Hearing**

**A) Impasse Proceedings – City of Vero Beach and Teamsters Local Union No 769 Blue Collar**

Mayor Winger stated that he would follow the instructions for holding an Impasse Resolution Hearing (please see attached). He asked if there had been any ex parte communications.

Ms. Graves disclosed that she spoke to the City Attorney about some missing signatures (ta's) from Mr. Steve Myers in regards to Articles 15, 17, and 18.

Mrs. Tammy Vock, City Clerk, testified that she spoke to Mrs. Lynne George, Human Resources Director, about this and she (Mrs. George) said that she would talk to Mr. Jason Odom, the City's Management Representative for their negotiations. Mr. Jason Odom, the City's Management Representative disclosed that all of the Articles have been signed off, except for Article 20, Wages.

Mr. Odom gave Council a little background of where they are today and how they got here. He said that negotiations with both the Blue Collar Union and Clerical-Technical Union started back in June 2013. He explained that the Blue Collar Union already had an existing contract, as well as the Clerical-Technical (CT) Union at the time. He said over the course of numerous negotiation sessions they were able to reach tentative agreements on all Articles except for one, which is the wage Article (Article 20). He briefly went over the different Articles that have been agreed on. He felt that they have reached a milestone in reaching an agreement except for an agreement on wages.

Mr. Odom covered the City's last proposal offered to the Teamster's Blue Collar Union. He said 2009 was the last time there has been a general wage increase and the step plan has also been frozen since that time. He said on behalf of the City Management side, they one-hundred percent totally agree that these employees are entitled to a wage increase. The last City proposal was a 2.5% general wage increase, which meant retroactive to October 1, 2013 (turned down by the Union). He asked Council to look in the back of the binder that they have been provided under salary scenarios, which cover what cost would be involved if they went from a 2.5% increase all the way to a 5% increase. They have provided the cost going from March 1, 2013 forward and then also what the costs would be making the increase retroactive back to October 1, 2013. If they look at the salary increase retroactive to October 1, 2013, the cost would be \$107,239 and for the non-bargaining unit employees it would be \$38,734. If Council chose to start the raise increase on March 1<sup>st</sup> to the end of the year they would be looking at \$64,756 and \$23,390 for non-bargaining employees. The City Management's position is they believe that a 2.5% retroactive or a 3% moving forward would be an appropriate wage increase for the Teamsters Blue Collar Unit. In Article 20.03 – Wage differential – It is the City's position not to change this. Article 20.04 is for Call Out Pay and the City's position is to leave it status-quo.

Mr. Steve Myers, Business Agent with Teamsters Local Union 779, explained that they are at the legislative process of the impasse, which means they have been unable to work things out. He disclosed that at the time Teamsters Local 769 filed for impasse the City's wage proposal was zero. He said after they filed for impasse, the City asked that they meet one more time and at the December 8, 2013 meeting the City provided a modified proposal that included a 2.5% increase. He said that what the City's proposal failed to do with respect to the Blue Collar Unit was address any inequities that currently exist with the longevity step pay. He said since 2008/2009 the City employees have not received a step increase according to the contract. He explained what this means is that employees who have been employed with the City and eight years have passed, it would make them three or four steps behind on their step plan and other employees who have the same type of longevity are already at that level. He said these inequities need to be fixed and the City's proposal failed to do this. He realizes that there is a cost associated with this increase (around \$53,000 for bargaining employees annually). He referred to the duration of agreement, which has been signed off on (Article 30). In the duration of the agreement, the parties have agreed to a two-year contract. The Teamsters have a proposal, which includes wage increases for the next two years. The 5% increase, as well as making sure that each employee receives their longevity step pay is a part of their proposal.

Mr. Myers brought up another proposal that the Teamsters have with respect to Water and Wastewater Plant Operators. He said some of the employees are now being dual certified and cross-trained as both Water Plant Operators and Wastewater Plant Operators. He felt that additional pay should be given to these employees. The employees are required to take a test and pass it. The City has not addressed the proposal with respect to a counter proposal.

Mr. Myers brought up the shift differential and said that the Union is prepared at this time to withdrawal their proposals on Articles 20.04 (c) and 20.05. He said if Council adopts the Union's position they would be granting a 5% increase for fiscal year 2013-2014, along with making sure the employees are on the appropriate longevity steps for 2013-2014. In addition, they would be granting a 5% increase for Union employees for fiscal year 2014-2015, along with making sure the employees are on the appropriate longevity step. Council would also be granting a \$2.00 per hour incentive pay for employees that become dual certified as either a Water Plant Operator or a Wastewater Plant Operator.

Mrs. Turner noted that with a 5% salary increase, including longevity step increases for this year and next year that the City would be looking at a 12% increase.

Mr. Myers thought it was closer to 11%.

Mr. Odom made it clear when Mr. Myers referred to the increase for the Water Plant Operator and Wastewater Plant Operator who hold a dual certification he is referring to Article 20.03. The cost of the longevity increase would amount to \$43,000 from the General Fund and \$69,000 from the Enterprise Fund, which would total right around \$112,000. He also made it clear that the Union's proposal is for this fiscal year and the next fiscal year (two years) and the City's proposal is for this fiscal year and then to reopen negotiations and address them for the next fiscal year.

Ms. Graves asked if she understood correctly that the Union was pulling Articles 20.04 and 20.05. Mr. Myers told her that was correct and that their proposal was that these Articles remain status quo.

Mrs. Turner brought up the request for the salary increase for the Water Plant Operators to \$2.00. She said that increase would apply to all of the hours worked including overtime. She said on a monthly basis this would be \$320.00 additional pay. She suggested they consider doing a lump sum pay per pay period, which is how they handle the lifeguards who hold dual certifications.

Mr. Myers explained that there was no negotiation on this increase from the other side, which is why they are still at \$2.00 an hour. He said if both sides were to negotiate back and forth then they probably would not be at \$2.00 right now.

Mayor Winger asked if public comment was allowed in this process.

Mr. Wayne Coment, City Attorney, answered no. He explained because this was a quasi-judicial hearing, that input was only allowed from the parties before them.

Mayor Winger noted that it was time for their deliberation and vote. He read in their handout the *Standard of Review*: Pursuant to Section 447.403, Florida Statutes, after hearing the matter the City Council "...shall take such action as it deems to be in the public interest, including the

interest of the public employees involved, to resolve all disputed impasse issues..." He commented that he would prefer that they take a one year position and then reopen negotiations for the next year.

Mr. Fletcher agreed with the Mayor's recommendation.

Mr. Kramer realized that the Union has agreed to the defined contribution. He asked if there would be a savings that the City will get from that plan.

Mr. Odom did not know what the cost would be to switch over.

Mr. O'Connor suggested having the Finance Director address this. He said as a concept going from the defined benefit to a defined contribution reduces risks in the future, more than it reduces cost in the present.

Ms. Cindy Lawson, Finance Director, was sworn in. She explained switching from the defined benefit to the defined contribution there are two components to their contributions for the defined benefit plan. The smaller of the two pieces of that is about \$3.5 million dollars Citywide, which is their normal contribution. She said the much larger portion of what they are contributing right now is payment towards the underfunded liability. She said the idea behind switching from a defined benefit to a defined contribution is that portion of the payment, as they begin to resolve the gap, becomes much smaller. However, at this point in time as their liability continues to grow, unless their investments keep pace, the large gap remains there for the foreseeable future. In shifting the risk they will stop the growth of this gap and that is where the real savings will come in.

Mrs. Turner asked Ms. Lawson if currently their Plan requires a 2.5% contribution. Ms. Lawson said that was correct. Mrs. Turner continued by saying in this proposed defined contribution plan they would be going to a 7% contribution from the City. Ms. Lawson told her that was correct. Mrs. Turner asked where they came up with the 7% City contribution. Ms. Lawson stated through the process of negotiations and they were also provided with comparison information by the Florida League of Cities.

Mr. O'Connor added that based on the cities that they looked at and what they have been told by their actuary they needed to get close to 12%. He feels for future employees they will get there and for existing employees with the 2% gap they still have the right to make those contributions if they choose to do so. Also, there will be benefits from the frozen plan moving forward.

Mayor Winger felt that the retirement benefits have been well thought out and negotiated.

Mr. Kramer agreed with reviewing the wage increase for year 2014-2015 to see what the economy is going to do. He said before he makes a long term type of decision on this he would like to know from Mr. Nolte's office what their property tax revenue is going to be for 2014-

2015. He was told that this information should be provided to them by the Property Appraiser's office by the end of June.

Mr. Odom clarified that the only thing that Council will be voting on today is two things. He said number one would be what is the amount of the percentage for a salary increase, whether it is retroactive or going forward and number two whether they are going to give a wage increase for employees who are dual-certified.

Mayor Winger made it clear that in dealing with the first issue (salary increase) the consensus of Council is it is going to be going forward and not retroactive.

Mr. Myers wanted to make sure that the Union still has on the table and fully believes that there should be some type of fixing the inequities in the longevity step plan. He said that is still part of their proposal.

Mr. O'Connor stated that staff would recommend a 3% increase if Council chooses to go with moving forward instead of retroactive.

Ms. Graves asked Mr. O'Connor about the longevity plan.

Mr. O'Connor had some problems with having a longevity plan. He said especially when you look at a longevity plan that has been out of use for so long it would need to be studied instead of trying to catch everyone up a step. There is also some cost to it that both sides are debating. He said if they decide to get back into the step program then they need to take a look at what they have and try to modernize it. Personally, he is not in favor of a step program. He said an employee who is providing the service for a job and if they are qualified to do the job and the work whether the employee has been here three years or fifteen years should be paid the same wage. He said if Council wishes to look at the step program they can take that under consideration when they discuss wage considerations for next year.

Ms. Graves felt that they needed to look at how they hold onto qualified employees. She said if there are no upward incentives then how do they retain employees.

Mr. O'Connor told her that is the base pay issue.

Mrs. Turner added that doing Performance Appraisals provides opportunities. The appraisals are shared if an employee should apply outside of their own department.

Mrs. Turner made a motion that Council accepts the management recommendation for 2.50% general rate wage increase effective March 2014.

Mr. O'Connor clarified that the Management's position is to recommend 3% if they are starting it on March 1<sup>st</sup> and 2.50% if it is going to be retroactive back to October 2013.

The motion died for lack of a second.

Mr. Fletcher made a motion to go with a 3% wage increase as of March going forward. He said that renegotiations for next year need to take place. Mr. Kramer seconded the motion.

Mrs. Turner stated that they would be looking at a total budget impact of \$170,000, which includes the PBA.

Mr. Myers wanted to have Council give instructions as to what the parties will do for the second year per the agreement with respect to this section of the contract.

Mr. Kramer explained that they want to leave it open to see what transpires.

Mr. O'Connor told Council if they wished the City would address the step process with the Teamsters. Mayor Winger agreed that was a good idea.

Mr. Myers felt that it wasn't only for the longevity step process, but for clarity moving forward. He said if the contract was ratified by the parties then there needs to be language given that dictates what will happen for fiscal year 2014-2015 with respect to wages. He said if there is no clarity then the City could take the position that the wages are open for 2014-2015.

Mr. Odom referred to Article 20.02(b), where it states that the parties agree to meet to negotiate general wage and/or longevity increases, if any, for FY 2014/2015 no later than June 30, 2014.

Mr. Fletcher amended his motion to include that clause (Section 20.02(b)).

Mrs. Vock reread the motion and called the roll and the motion passed 4-1 with Mr. Fletcher voting yes, Ms. Graves yes, Mrs. Turner no, Mr. Kramer yes, and Mayor Winger yes.

Mr. O'Connor's position on the dual certified Waste Plant Operators/Water Plant Operators is that there should be a wage adjustment, but \$2.00 an hour is excessive. He said that the employee has to dedicate the time and ability to pass these exams, but the City provides the pay and pays for the courses being taken, as well as providing mileage reimbursement.

Mayor Winger suggested \$1.00.

Mrs. Turner suggested looking at it as being a premium per pay period and not an hourly basis because that is applied to overtime, vacation, etc.

Mr. Kramer asked Mr. O'Connor if he just said that the employees do not incur any additional expenses to be cross-trained in these licensing issues.

Mr. O'Connor stated that the City pays for the time the employees are trained, the facilities and the courses, so they are fully compensated to be cross-trained.

Ms. Graves agreed with the \$1.00 increase to reward the employees for their dedicated service.

Mr. Fletcher supported the City Manager's position and did not think that an increase was necessary. The employees are receiving additional training, giving them more options to market their abilities.

Mrs. Turner added that being dual-certified in these positions is very common.

Mr. Kramer commented that it was interesting that the reason these employees are being asked to be dual qualified is because staff in that department has been reduced. He agrees that it makes these employee's jobs more difficult and the City has received benefits from doing this (cost savings for additional employees). He did not have a problem increasing their pay for the added strains of the job.

Mr. Odom told Council that he would tell them what the current paid incentive for lifeguards and EMTs is. The EMT incentive is \$52.00 per pay period, fountain/beach is \$84.00 per pay period. He said if they averaged this out per hour they would be looking at about \$1.00 an hour.

Mayor Winger made a motion to resolve this and give \$1.00 more per hour for being dually certified. Ms. Graves seconded the motion. The Clerk polled the Council on the motion and it passed 3-2 with Mr. Fletcher voting no, Ms. Graves yes, Mrs. Turner no, Mr. Kramer yes, and Mayor Winger yes.

Mr. Odom stated that this resolves the Blue Collar issue. Council moved on to the Clerical/Technical impasse proceedings.

### **Quasi-Judicial Hearing**

#### **B) Impasse Proceedings – City of Vero Beach and Teamsters Local Union No. 769 Clerical/Technical**

Mr. Odom explained that the Clerical/Technical Unit is a separate Unit from the Blue Collar Unit, but represented by the same Teamster Representative. He said that the Articles at impasse requiring determination and resolution by City Council are as to Article 20.01 (wage & incentive plan) and Article 20.02 (general wage increase). The City's recommendation for the wage increase is the same as the Blue Collar Union, which is 2.5% retroactive back to October 2013 or 3% beginning in March going forward. He said that the City has not proposed any changes for shift differential, there were no changes to call out pay, and no changes to standby pay. The City is status quo except for general wage increase (no changes to longevity pay or step pay). There is one additional issue in the Clerical/Technical Union that is not in the Blue Collar Union and that is employees who are employed in various positions such as call takers,

communication officers, and customer service representatives, which those positions existed prior to this Union becoming certified. The prior City Manager considered those positions to be part of a step plan, so when the step plan was frozen those employees may have moved up in their positions, such as from call taker 1 to call taker 2, but they did not receive the increased pay for becoming call taker 2. This is part of the Union's proposal and the cost to implement this to the General Fund would be \$9,422.40 and the cost to the Electric Utility is \$33,423, so they are looking at approximately \$44,000 in order to implement this increase and put these employees up to the pay scale that they are currently holding. The City's position before coming before Council today was to leave this as status quo and address this in bargaining. He just wanted Council to have the benefit as to what the cost was in doing this.

Mayor Winger asked if there were any hourly employees who are not covered by the Union.

Mr. O'Connor acknowledged that there are and that is an item he plans to bring up today once they have completed the discussion on the two Bargaining Unions. He said that he would like to see adjustments made for these employees also and it has been figured into this cost.

Mr. Myers stated that the Unions position with respect to the Clerical/Technical Union is the same as what they proposed for the Blue Collar Union, which would be a 5% increase and the longevity step increase. He said the issue of making sure that the employees are properly classified is a real issue for the Union. He said that Mr. Odom mentioned that it would be brought up in bargaining. He said that they were in bargaining meetings for the last seven months and it was never addressed. He said that it needs to be addressed because there are employees who are communication officers who are being paid as call takers, etc. He felt that the employees need to be paid for the work that they are performing. In the Unions proposal it also incorporates a shift differential increase for the Clerical and Technical Unit. What is in place now is the Blue Collar employees who receive the second shift differential pay at \$1.00 an hour and the Clerical/Technical Union only receives 50 cents an hour. He said that third shift differential for the Blue Collar employees is \$1.25 an hour and for the Clerical/Technical Union employees it is \$1.00 an hour. They are looking for some clarity for the employees performing the same work.

Mr. Odom stated that he did not have the impact of what it would cost the City if they implemented the shift differential pay. The City's position was to leave this status quo. Also, their position was not to adjust the step plan because this plan has been frozen since 2009.

Mayor Winger said that the first issue they must address is the pay increase.

Mr. Fletcher made a motion to approve giving an increase in salary of 3% paying forward (March – October 2014) and reopening negotiations in June for the 2014-2015 year. Mr. Kramer seconded the motion and it passed 4-1 with Mr. Fletcher voting yes, Ms. Graves yes, Mrs. Turner no, Mr. Kramer yes, and Mayor Winger yes.

The next item discussed was the dispatch/call service individuals.

Mrs. Turner recommended that a review of the step plan take place.

Mr. Fletcher made a motion to leave this as status quo. Mrs. Turner seconded the motion.

Ms. Graves questioned if they put this off to bargaining should Council look at the shift differential for the Blue Collar and Clerical Unions.

Mr. Odom explained to Council that item is still part of the wage Article and based on the first motion they will be reopening the wage Article in June 2014.

Mr. Kramer asked that the motion to be amended to revisit the issue in June. Mr. Fletcher accepted the amendment. Mr. Odom explained that the motion would be to leave the dispatch pay/customer service pay in status quo until the wage Article is reopened in June.

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

The next item Council discussed was the shift differential.

Mrs. Turner commented that they are operating in a vacuum with no idea what the impact of the cost is going to be on the shift differential.

Mr. Fletcher stated that he had the same problem, but feels that if someone is doing a job that they deserve the pay.

Mr. Kramer agreed that if someone was doing the same job at a different rate it was not fair. He would like to see this equaled out.

Ms. Graves thought the shift differential was for the different times that employees come in and not that they are currently in a position where they are not being paid for that particular position.

Mr. Odom explained that what was addressed in the last motion was the pay issue with respect to a very limited number of people. He said that the shift differential would be Union-wide.

Mr. Myers explained that there are very few employees in the Clerical Union that do shift work. He said primarily it is the dispatchers.

Mr. Odom believed that Mr. Myers' position is that the Clerical/Technical Union would match those in the Blue Collar Unit. Mr. Myers said that was correct.

Mrs. Turner stated that in the document that Council has been given on the Clerical/Technical Union it still includes the \$1.25 for weekend and this was withdrawn earlier from the Blue Collar Union.

Mr. O'Connor explained that the City's position is to hold status quo on this. He agrees philosophically that if someone is working in a position that they should be paid for that position. The Union's position is they would like to keep this standard between both Unions.

Mr. Odom clarified that shift differential would be say an employee working the 7 to 3 shift versus the midnight to 7:00 a.m. shift. He asked them to refer to their book on the Union's proposal. He said that the Union's proposal for the Clerical/Technical shift differential adjustments would be the same as they are in the Blue Collar Unit. He explained that a couple of the wages for the Clerical/Technical will go up, but one will go down.

Ms. Graves asked if they should be looking at the City's position because they held it status quo. She said that the Union's proposal for the Blue Collar was withdrawn. If she understands it correctly they are looking to amend the Technical/Clerical to the current Blue Collar Union status.

Mr. Odom referred to Section 20.02 Shift differential A) Employees who work second shift (evening) the Blue Collar Unit is paid \$1.00 per hour added to base hourly pay rate for all hours worked. The Clerical/Technical Unit second shift is currently 50 cents. So they would be moving the Clerical/Technical Unit from 50 cents to \$1.00. Employees who work third shift (midnight) shall be paid a shift differential of \$1.25 per hour for the Blue Collar Unit. The Clerical/Technical Union is \$1.00 so that would be moved from \$1.00 to \$1.25. All employees working weekends will be paid a differential of 85 cents per hour added to base hourly pay rate for all hours worked; except that the weekend shift differential will not apply to employees already eligible for second and third shift differential. The Clerical/Technical Unit is a \$1.00 meaning that Council would be voting to lower this to 85 cents.

Mr. Myers agreed that is what the Unions modified proposal was.

Mr. O'Connor did not have a problem with this increase. He thought that the number would be relatively small.

Mr. Fletcher made a motion to revise the current rates to those just mentioned by Mr. Odom. This would be increasing the Clerical/Technical Union for the second shift from 50 cents to \$1.00; for the third shift it would be bringing the Clerical/Technical Union up to \$1.25 from \$1.00 and reducing the weekends from \$1.00 to 85 cents. Mr. Kramer seconded the motion. The motion passed 5-0 with Mr. Fletcher voting yes, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer yes, and Mayor Winger yes.

Mr. Myers explained that what the Union has to do now is to take back all of the tentative agreements that they have and the impasse issues that Council voted on today and both Unions

have to vote on those. If both Unions ratify the agreement then it will become the Collective Bargaining Unit Agreement and the contract for two years. He said if the agreement is not ratified by the Bargaining Unit then what Council voted on today still makes it into the contract and the tentative agreements fall by the wayside.

Mrs. Turner asked Mr. Odom about the revised insurance clause. She knows that they were trying to eliminate the high plan and now they have a base plan and a middle plan. She said the City is paying the same percentage for the base plan and the middle plans. She thought that they were trying to get to one plan.

Mr. Odom explained that they were looking at eliminating the high plan, which will go away in October 2014.

Mr. O'Connor stated that the City plans to provide these same raises for the employees who are not represented by the Union. This would not affect an employee making \$70,000 or more.

**C) Legal Notice regarding proposed Local Bills**

Mr. Coment provided Council with a draft legal notice entitled "Notice with Respect to Local Legislation" that Council asked him to prepare so that they could review it at today's Special Call meeting. He consulted both their legal counsel in Tallahassee and the lobbyist for Florida League of Cities to make sure that they have the correct wording.

Ms. Graves made a motion to approve as written and that it be filed. Mayor Winger seconded the motion.

Mayor Winger would draft a letter that he will be sending to the appropriate Legislatures and bring it to the Council at Tuesday's meeting for their review before it is sent out.

Ms. Graves felt that the more they delay this process they are hurting their chances.

Mr. Coment expressed that the deadline for the Representative to file these Bills is March 4<sup>th</sup>. He asked Council when they wanted the notice published.

Mrs. Turner commented that Council agreed that they did not have a Council vote or approval of this legislation going forward. She was still struggling with the language, which states *The City of Vero Beach further disavows any knowledge of, or involvement, in any "NOTICE OF INTENT TO SEEK LEGISLATION"....* She attended the Delegation meeting held in December and there was discussion on some of the local Bills being introduced and the meeting was advertised for the public to attend. She agreed that Council did not have the opportunity to see or read this Bill before hand, but having that language in there is not the complete truth.

Mayor Winger referred to pages 3 and 4 out of the Legislatures Rules Hand Book that states that a public hearing has to be held before anything like this is advertised. He suggested letting the advertisement go as it is and the issue is that the City never consented to this.

Mayor Winger will work with the City Attorney in drafting a letter to be mailed out.

The Clerk polled the Council on the motion and it passed 4-1 with Mr. Fletcher voting yes, Ms. Graves yes, Mrs. Turner voting no, Mr. Kramer yes, and Mayor Winger yes.

#### **4. RESOLUTIONS**

- A) A Resolution of the City Council of the City of Vero Beach, Florida, Implementing Changes to the Organization and Membership of the Utilities Commission of the City of Vero Beach for Consistency with the Code of the City of Vero Beach as amended by Ordinance Number 2014-04; Terminating the Term of Office of Current Commission Members; Except for the Town of Indian River Shores Representative; Providing for Appointment of Commission Members and their Respective Terms of Office; Providing for Conflict and Severability; Providing for an Effective Date.**

Mayor Winger read the Resolution by title only.

Mr. Coment explained that what this Resolution does is disbands the former Utilities Commission allowing for the new Utilities Commission to be formed.

Mrs. Turner asked that letters be sent to members serving on the last Utilities Commission thanking them for their services.

Mrs. Vock went over the time frame of scheduling the first Utilities Commission meeting.

Mr. Kramer made a motion to approve the Resolution. Mr. Winger seconded the motion and it passed 3-2 with Mr. Fletcher voting no, Ms. Graves yes, Mrs. Turner no, Mr. Kramer yes and Mayor Winger yes.

#### **4. PUBLIC COMMENT**

Mayor Winger disclosed that for the last three weeks he has taken part in the weekly conference call meetings with FPL and has actually met with representatives from FPL in person twice. The reason for this was, as much as possible, to move the "train" forward. He is dedicated to getting a resolution done this year. He said that yesterday the City Manager, Transactional Attorney and himself, with the concurrence of FPL visited their offices in Juno Beach. They met with six of their people, the most senior being Mr. Sam Forrest, who is the Vice President. Before they met with FPL, they met with their Transactional Attorney, who accompanied them to the meeting. Their Transactional Attorney has in his possession a letter from FPL to FMPA, which he believes will be sent tomorrow by the Chairman, or the Chief

Operating Officer of FPL. They had a chance to read the letter, and a chance to talk about it with FPL. The letter merely reaffirms the \$52 million number and very little more than that. He didn't see anything in the letter that was really debatable. The meeting yesterday probably took an hour or more. He has invited Mrs. Amy Brunjes, FPL, to come forth at the next City Council meeting and present to this City Council what the specific offer is so that they can fully understand it. He told Mrs. Brunjes as a result of that he would be asking the City Council's permission to forward this matter respectively to the Finance and Utilities Commission for their best judgment on what is being talked about. They do not have any number for the portion of the rates that the public would be asked to pay. FPL was prepared to have those. The Council may be informed this week or Monday, but this will be presented to the City Council next Tuesday at their meeting. In other words, what will the rate reduction (reduction in rate savings) be and over what period of time? They do not know that. So the "train" is moving forward. He was a little disappointed at how it is moving forward, but it is moving forward. He said they, as a Council, have been committed to see that happens. He personally believes that this issue should be resolved this year. The City has been through enough of this, and have quite a bit of the year left, one way or another. He has talked to the City Attorney and the City Manager, and has had several conversations concerning this over the last three weeks or possibly longer. It is the City Attorney's recommendation and belief that the public have a referendum and the public be the final decider. Of course, that would be based on a definitive contract. He doesn't know that he would class it as a new contract or a revision. He said that is all he knows at this point in time. One other thing did come up, and one of the things that he and the City Manager said to FPL at their meeting on Monday was to visit FMPA as soon as possible because there are contingencies and details, and as they say the devil is in the details. FPL agreed that was necessary and asked that the Mayor, City Manager, and Attorney if they would be willing to talk to FMPA, if FMPA wanted to talk to them. Their position was anything that they could do to facilitate a conversation in the interest of the public they would be willing to do. However, he would not do it if Council objects. He disclosed that is all he has to say and that he has no notes to make it a part of the public record.

Mr. Fletcher asked the City Manager and City Attorney if they think that there will be any changes to the sales agreement between the City and FPL because of this.

Mr. O'Connor reported under the terms and conditions they are discussing now there will be substantial changes to the sales agreement. He requested that if Council has objections to the Mayor attending this meeting to voice them now. He said that when the presentation is made on March 4<sup>th</sup> the Council needs to be prepared with a recommendation to FPL to either go forward under the concept and start talking to FMPA or don't do it. He has no problem asking their Transactional Attorney to be present when this meeting takes place with FMPA.

Mr. Fletcher agreed that the Mayor should attend the meeting.

Mrs. Turner offered her support to do whatever she can to continue the dialogue and would support the Mayor being involved.

Mr. Kramer asked if FPL has agreed that if the deal cannot be closed by January 1, 2015, that they are done. Mr. O'Connor said FPL has not agreed to that. Mr. Kramer said so if this fails they are still looking at November 2016. Mr. O'Connor explained that if they choose to have another referendum then it will be under a new contract with terms and conditions and that clause can be put in the new contract if Council wishes to do so. Mr. Kramer said what he is hearing is that they are all agreeing that they want to see this transaction finished by the end of the year and he wants to see something in the contract that states the deal is done if closing does not occur by January 2015.

Mr. Fletcher did not want to see a drop dead date in the contract. He realizes that they all have target dates in mind.

Mr. Kramer explained the problem is that FPL is no longer the lowest electric provider in the State.

Mr. Fletcher stated that FPL provides electric at a much lower cost than what the City is receiving now.

Mr. Kramer said that there are other options, but maybe Council doesn't want to look at those other options.

Ms. Graves felt that it was hard to have a position when right now there are just theories being batted around. She felt that until there were actual numbers showing what can happen and what the impact is they really can't take a position.

Mr. O'Connor agreed that Council needed to have the numbers before they make a recommendation. He said the concept that will be presented on March 4<sup>th</sup> by FPL is something that staff does not have objections to.

Mr. Peter Gorry, Chairman of the Finance Commission, talked about the last Council meeting where both the Finance Commission and the Utilities Commission were asked to review Mr. Kramer's proposal. He recommended that once the new Utilities Commission has been constituted that both Commissions meet at a joint meeting. He has talked to both staff and Mr. Dunlop in terms of scheduling the meeting. He would propose that he talks to the new Utilities Commission Chairman and they could work on getting information to their members about the items to be discussed and recommendations could be made by those Commissions at the joint meeting.

Mayor Winger asked the Clerk when this meeting could be held. Mrs. Vock said it could probably be held within the next two weeks.

Mr. Herb Whittall agreed that it was a good idea for the Mayor to attend these various meetings. He said any information that they could get would be helpful.

**5. ADJOURNMENT**

Mr. Kramer made a motion to adjourn today's meeting at 11:33 a.m. The motion was seconded and it passed unanimously.

/tv