CITY OF VERO BEACH, FLORIDA
APRIL 5, 2016 9:30 A.M.
REGULAR CITY COUNCIL MINUTES
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA

The invocation was given by Pastor Chris Drinnon of Grace Baptist Church followed by the Pledge of Allegiance to the flag.

1. CALL TO ORDER

A. Roll Call

Mayor Jay Kramer, present; Vice Mayor Randy Old, present; Councilmember Pilar Turner, present; Councilmember Richard Winger, present and Councilmember Harry Howle, present **Also Present:** James O'Connor, City Manager; Wayne Coment, City Attorney and Tammy Vock, City Clerk

2. PRELIMINARY MATTERS

A. Agenda Additions, Deletions, and Adoption

Mrs. Tammy Vock, City Clerk, requested that item 3D-5) be moved up and heard as item 2C-1).

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

B. Proclamations and recognitions by Council.

1. National Telecommunicators Week – April 10 – 16, 2016

Mr. Howle read and presented the Proclamation.

2. Equal Pay Day – April 12, 2016

Mrs. Turner read and presented the Proclamation.

3. Relay for Life Day – April 15, 2016

Mayor Kramer read and presented the Proclamation.

C. Staff/Consultant special reports and information items.

1. Mrs. Laura Moss, Chairwoman of the Utilities Commission, to present their Annual Report.

Mrs. Laura Moss, Chairwoman of the Utilities Commission, went over the Utilities Commission annual report (attached to the original minutes).

Mrs. Moss asked who takes care of graffiti at Jaycee Park.

Mr. Jim O'Connor, City Manager, stated that if there is graffiti in one of their Parks that the City would handle cleaning it up. He said that he would look into this.

D. Presentation items by the public.

1. Mr. Dana Little, from the Treasure Coast Regional Planning Council (TCRPC), to give a presentation on the work that the TCRPC does. – Sponsored by City Council

Mr. Dana Little, Treasure Coast Regional Planning Council (TCRPC), gave a Power Point presentation (attached to the original minutes).

Mr. Howle asked Mr. Little with the projects that the TCRPC does, do they bring in local people to help do the work.

Mr. Little explained that the TCRPC usually works with the same consultants over the years, but always welcome local talent.

Mr. Howle asked how does the TCRPC determine how much of the costs of a project goes to TCRPC.

Mr. Little explained that it depends on the type of project. He said a scale is used to gauge how much of their time goes into the project and the hours needed from employees of the TCRPC. There is an estimate of what the TCRPC costs will be and the costs of the consultant team.

Mr. Old asked how long does this process take.

Mr. Little said in order to establish the vision that everyone wants to see it could take a couple of months. He said it usually takes six to eight months in order to get the vision adopted and implemented and then there will be extra time needed if a voter referendum is required.

Mr. Old asked Mr. Little if TCRPC does surveys.

Mr. Little recommended doing on-line surveys, which allow people to take their time when doing the survey. He said that these surveys do establish a lot of data.

Mr. Old wondered if they have a referendum, would it make sense to do the survey first so that they know what people are looking for.

Mr. Little felt that any information they could get would be good. He cautioned them with the difference of having a poll and a survey done. He told Council that they have plenty of time to create a vision for these three (3) pieces of property.

Mr. O'Connor recommended not starting the real planning process until after the buildings on the property are taken down. He felt that people will have a different vision of the site once these buildings have come down.

Mr. Winger commented that most of Council recently met the City Manager at the Power Plant property and all agree that this is a beautiful piece of property. He said once the buildings have been taken down there will be a lot of space available on this magnificent piece of property. He said when people start seeing what the public owns they will see how beautiful it is.

2. Dr. Dennis Hanisak, Professor at Florida Atlantic University Harbor Branch, to discuss the Water Quality Network. – Sponsored by Councilmember Richard Winger

Mr. Denis Hanisak, Professor at Florida Atlantic University Harbor Branch, gave a Power Point presentation on the Water Quality Network (attached to the original minutes).

3. Mr. Victor Demattia, Youth Sailing Foundation Facilities Committee, asking Council for an exception to Code 62.48(f)(2) to grant permission to them to have a temporary office trailer to accommodate their needs until permanent housing can be provided. – Sponsored by Mayor Jay Kramer

Mr. Victor Demattia, Youth Sailing Foundation Fundraising Committee, explained to Council that the Youth Sailing Foundation has run out of office space after being at their present location for almost four (4) years. They are operating at a 50% lease capacity in square footage. He showed pictures of where their boat storage is located and where the larger boats are stored and where maintenance is done on them. They have a fab shop that occupies two (2) bays. That is where they build their boats and do major rehab on the boats. Their class room is located in a 20 x 30 room, which also serves as their boardroom, kitchen, etc. Their executive office is located in an electric room where they have a desk, computer, filing cabinet and area for some papers. This has worked for the last four (4) years, but now they need something bigger. In this room it is a metal frame building so cell phones don't work in there and the cost to bring in a land line would be over $2,500. The floor space is 4 ft x 6 ft. Starting in September they will have three (3) contracted employees hired who will need a place to do their work. Their solution would be to have two (2) to three (3) years of temporary space. They could get a construction office for a reasonable price. The only problem is that the City Code will not allow this. He met with the Planning and Development Director who advised him to go before Council and ask that the Code be changed to allow this accessory structure on this land and that their lease be revised. He showed what the new structure would look like. He

said the structure would not be visible from the street and it would solve their problem until a permanent structure could be built.

Mayor Kramer stated that as he understands it an Ordinance will need to come back to Council in order to allow this structure to be at this location.

Mr. Winger had no problem with having an Ordinance come before the Council in order to allow a trailer on this piece of property.

It was the consensus of Council that they had no objections to having an Ordinance come before them for consideration to make these changes.

Mr. Demattia brought up the lease for Youth Sailing Foundation. He thought that this was a good time to execute a new lease. He received a copy of the Indian River Rowing Team's lease and Youth Sailing Foundation would be happy to enter into a lease similar to theirs. He asked Council that the lease be for 50 years, which is the same as the Riverside Theater and Museum of Arts. He said that Youth Sailing Foundation is an asset that benefits the whole community. He said right now they have over 100 students a week in the water just from Vero Beach High School. In five (5) years they anticipate three (3) times that number of students and that is why they need to have a longer term lease. He said that elementary and high school students sail for free and this can happen because of the donor money that they receive. However, it is hard to get donor money by only having a five (5) year lease. There will need to be a major expansion of the facility to support the anticipated growth. He then showed a rendering of their new proposed building, which they have 80% of the permitting completed.

Mr. Old felt that locking this lease in for 50 years is premature.

Mr. Winger referred to the Scope of Work that the City Manager has provided to them for the three (3) area properties. He said that they first need to do the visioning process of what is going to occur on this land. They will be deciding over the next six (6) to ten years what to do with the property where the Sewer Plant is located. He suggested waiting another five (5) years before amending the Youth Sailing lease so that they can see what they will be doing with this whole area.

Mr. Old agreed with having trailers brought in to help with the space that they need at this time, but that the organization not spend money on building a permanent structure. He said there is no question that Youth Sailing has done a lot for this community and will continue to, but he didn't want to tie their hands for the next 50 years.

Mr. Winger told Mr. Demattia that in the future he will probably get Council's support in doing this, but now is not the right time.

Mr. Howle asked when the debt service will be paid off on the Water Plant. Mr. O'Connor answered in August or September 2021.

Mr. O'Connor commented that he did not think that they should be entering into a long term lease agreement at this time. He had no problem with five (5) or six (6) years and having the temporary building at this location. He felt that a 25 or 50 year lease is too extensive until they know what the future uses will be on these other surrounding sites.

Mr. Demattia commented that this would curtail their expansion. He said they hoped to have classrooms provided for their students and be prepared in case a hurricane comes to this area.

Mr. Winger told Mr. Demattia to wait until they have the visioning process completed.

Mr. Demattia went over the area that they propose to use and said they are not taking up a lot of real estate space there.

Mr. Winger explained that no one was arguing that. They are just not in a position to commit to anything long term right now. He had no problems with giving six (6) more years on the lease.

Mr. Old suggested that maybe there were some other places to have a classroom. He said the City wants to support Youth Sailing, but cannot tie the hands of future Councils' to limit the use of these properties.

Mr. Demattia commented that Youth Sailing has 110 volunteers who are doing various things and there are 80 boats on campus.

Mrs. Turner suggested to Mr. Demattia that he meet with Mr. O'Connor in coming up with some other options and alternatives to see if they can find a workable way to move forward.

Mr. Howle commented that the reason these properties are so important is because it is all the open space they have left and they have to be careful on what they do with these properties moving forward. It would be irresponsible of them to tie the hands of a future City Council with a 50-year lease when they don't know what they are going to do with these sites.

Council encouraged Mr. Demattia to talk to Mr. O'Connor about coming up with some alternatives.

Mr. Demattia asked if Youth Sailing could possibly get a 12 to 15 year lease.

Mr. Howle explained that Council will take this matter into consideration, but a decision will not be made today.

Mr. O'Connor commented that all their leases state that the assets of any organization on their property will revert back to the City at the end of the lease.

Mr. Tim McGarry, Planning and Development Director, reported that the proposed Code change will need to go before the Planning and Zoning Board and then will come to the City Council.

Council took a five (5) minute break and the meeting resumed at 11:57 a.m.

4. Mrs. Phyllis Frey to speak on "The Affirmatively Furthering Fair Housing Rule." – Sponsored by Councilmember Pilar Turner

Mrs. Phyllis Frey was at today's meeting to discuss the fair housing rule and how it would affect this community. She read a prepared statement (please see attached).

5. Mrs. Laura Moss, Chairwoman of the Utilities Commission, to present their Annual Report. – Sponsored by City Council

This item was heard earlier in the meeting.

6. Mr. Derek Muller, President of Baseball Operations, to discuss Indian River Sports Complex Proposal of a Game Field – Sponsored by Mayor Jay Kramer

Mr. Derek Muller, President of Indian River Sports Complex, explained that they currently have a lease with the City for Michael Field. He is proposing adjacent to the game field there are sand lots that are used as practice fields, but they would like to turn one of them into another game field. They took their request to the Recreation Commission who unanimously approved it. Currently there are 32 baseball teams and they play two (2) games each night on Michael Field and Thompson Field. That leaves 24 teams sharing the sand lots for practice time. So, Council can see that their numbers are increasing and they need more space, which is a useful game field. They also would like to request to have their lease extended. He explained with a five (5) year lease they are having problems getting donors to contribute with that short of a lease. He said that they were a finalist in the Impact 100 to receive grant money, but one of the reasons they were turned down was because of the short lease term. He said there are a lot of people in the community who want to contribute to this operation, but have concerns with the length of the lease.

Mr. O'Connor reported that the Recreation Commission approved the proposal of a game field and asked the City Council to consider giving them a 20-year lease term.

Mr. Winger commented that what he is reading says there are two (2) sand lots left, but he is only seeing one (1). Mr. Muller explained that they do still have two (2) sand lots. He said in the future they will need to build another field if their program continues to grow. He asked Council to approve revising the lease that they currently have in place. He recommended having a 20-year lease put in place that would allow his organization to get more donors to contribute to the program.

Mr. O'Connor stated that the term is conditioned on the claw backs that the City has in the lease. He could not envision the City doing anything with the field and they do own the assets.

Mrs. Turner commented that the City has a huge tie with baseball and she mentioned the Dodgers. She said they have always supported baseball in this community. She agreed with allowing these changes made to this facility as long as the necessary approvals were given by the Planning and Zoning Board. She also suggested that Mr. Muller work with the City Manager in bringing back a new 20-year lease.

Mr. Wayne Coment, City Attorney, stated that staff will come up with a new lease and terminate the old lease.

7. Announcement of the Vero Beach Wine & Film Festival – Sponsored by Councilmember Pilar Turner

There was no one at today's meeting representing the Vero Beach Wine and Film Festival.

Council took a lunch break and the meeting resumed at 1:30 p.m.

3. CONSENT AGENDA

1. **Regular City Council Minutes – March 15, 2016**
2. **Vero Beach Chamber of Commerce requesting permission to serve alcohol at the 2016 Pirate Fest.**
3. **Bid Number 280-15/JO – Resurface Leisure Square Pool – Final Pay**
4. **Reiss Engineering, Inc., Work Order No. 1615-C-2 Change Order – Reverse Osmosis Water Treatment Facility Expansion (ROWTF)**
5. **First Amendment to Fort Pierce-Vero Beach Tie-Line Agreement**

Mrs. Turner pulled items 3-4) and 3-5) off of the consent agenda.

Mr. Winger pulled item 3- 2) off of the consent agenda.

Mr. Old made a motion to adopt consent agenda items 3-1), and 3-3). Mr. Winger seconded the motion and it passed unanimously.

Mr. Winger pulled item 3-2) Vero Beach Chamber of Commerce requesting permission to serve alcohol at the 2016 Pirate Fest off of the consent agenda. He asked if they were asking permission to serve alcohol at both Riverside Park and Royal Palm Pointe.

Mr. Bob McCabe, Vice President of the Vero Beach Chamber of Commerce, explained that the application was filled out over a year ago. He said that their request is to be able

to sell alcohol at both Royal Palm Pointe and Riverside Park. They anticipate having 20,000 people attend the event this year.

Mr. Winger made a motion to approve the Vero Beach Chamber of Commerce request to serve alcohol at both Riverside Park and Royal Palm Pointe. Mr. Howle seconded the motion and it passed unanimously.

Mrs. Turner pulled item 3-4) Reiss Engineering, Change Order for the Reverse Osmosis Water Treatment Facility Expansion, because she found the backup material for this item very weak. She didn't see a schedule included. She wanted to know why they were adding this, what is the total cost, and stated the analysis presented is for the whole project and does not address the additional need for construction services.

Mr. O'Connor explained that Council awarded the bid in the bid process and it was explained that this element could not be in the original request for proposals until they saw the scope and the size of what the contract was going to be. He said this comes from the designer of the project who they felt was most qualified to oversee the construction. It was left out of the original bid even though there was money budgeted for that process to have the construction manager hired. He said they are ready to start the project now because they have already awarded the bids.

Mrs. Turner asked how many construction service hours does this $125,000 represent.

Mr. O'Connor said that the scope of the construction services was included in their backup material.

Mrs. Turner explained she was looking for the man hours needed. Mr. O'Connor said that they just were given the total cost and not the total man hours for the project.

Mrs. Turner stated in the future she would like to see the S.W.O.T. analysis addressed specifically as to what Council is being asked to approve.

Mr. O'Connor explained what they were approving today is the scope of services as amended (he referred to the last page of the backup material).

Mrs. Turner made a motion to approve Work Order No. 1615-C-2 Change Order for the Reverse Osmosis Water Treatment Facility Expansion. Mr. Howle seconded the motion and it passed unanimously.

Mrs. Turner pulled item 3-5) First Amendment to Fort Pierce – Vero Beach Tie-Line Agreement off of the consent agenda to have further information on what is being asked for.

Mr. O'Connor explained this is the 158 tie-line and it is the piece of line that has been in place for years. He said there has never been a description of whose maintenance

responsibility the tie-line is so this is to clarify that. The City has been doing this work, but did not have it in contractual form.

Mrs. Turner asked why this came up now.

Mr. O'Connor said because their 138 line started to cost them money and also this brings them in compliance with Federal regulations for the 138 tie line. He has been talking to FPL about their 138 system to see if there is something they can do to work with them on the 138 system.

Mr. Howle made a motion to approve the amendment to the Fort Pierce-Vero Beach Tie-Line Agreement. Mr. Old seconded the motion and it passed unanimously.

4. PUBLIC HEARINGS

None

5. RESOLUTIONS

A) A Resolution of the City Council of the City of Vero Beach, Florida, related to Ordinance No. 520 adopted by the Town of Indian River Shores, Florida, attempting to regulate Electric Utilities providing service within the Town; initiating Governmental Conflict Resolution procedures with the Town of Indian River Shores regarding said Ordinance pursuant to the Governmental Conflict Resolution Act, Chapter 164, Florida Statutes, Providing for an Effective Date. – Requested by Attorney's Schef Wright and John Frost

Mrs. Vock read the Resolution by title only.

Mr. Schef Wright, Attorney for the City, reported that the Town of Indian River Shores (IRS) adopted an Ordinance last September in which they expressed intent to regulate the rates and service of the City of Vero Beach in Indian River Shores. Mr. Wright said they (City of Vero Beach) do not believe that much, if any, of it is lawful. They think it was preempted by provisions of the Florida Public Service Commission (PSC) regulatory statute and is also inconsistent with both the Federal United States Supreme Court and the State of Florida law as it relates to some of the items. He said that he did not know what form a conflict would take, but down the road if they were to attempt to regulate the City's rates something would happen that would have some form of legal proceedings. His firm feels that the reasonable, prudent, efficient thing to do is to initiate the conflict Resolution process pursuant to Chapter 164 at this time. He noted that this has to be done by Resolution, which has to be sent to the Chief Administrative Officer of the municipal government entity in which they have a conflict. That is what this Resolution will do.

Mayor Kramer asked does this speed up the process to getting to a resolution to other issues.

Mr. Wright said it would expedite the process related to any dispute regarding the implementation of this Resolution. It does not address the other issues the City has pending with IRS.

Mr. Old questioned would the outcome of this be a legal reaction in terms of a suit. He asked is this just to sit down and resolve this.

Mr. Wright said this is just to sit down. He said that he can see a conflict coming, but did not know the form it would take. He said that they were trying to head it off in its entirety and if not possibly reduce the scope of it. If not they would have at least gone through the process of Chapter 164, which expedites the resolution of the conflict otherwise.

Mr. Old said they currently have a franchise agreement in place that expires in November and what they are saying is when it expires that they talk about it so they don't have a conflict.

Mr. Wright said not exactly. He explained that their (IRS) Ordinance provides by its terms that IRS would assert regulatory jurisdiction over the City's rates and service effective the day after the franchise expires.

Mrs. Turner apologized to the City Council in that she just gave them information today noting that they have not had a chance to review it (information on file in the City Clerk's office). She explained that she has had an ill family member and apologized that she was not more timely in getting the data to them. The first item was a summary of the January 27, 2016 meeting that Mr. Wright and Mr. Harrington had with IRS. She said this data came from the IRS website noting that there was nothing on the City's website and the City Council did not receive any summary whatsoever on this meeting, which was to discuss the price for IRS's portion of Vero Electric. The next document she provided Council was presented as Vero Beach's substantiation for their sixty-four and a half million dollar price tag. She said this was the first time that she has seen this and she obtained it from IRS because it was never provided to the City Council, the Finance Commission, or the Utilities Commission for review. She questioned who is establishing this. She asked is the City Council not directing what they want to do with the City's assets. If they took this sheet and did a cursorily look at it they would see that when they sell part of the City's utility they would have a natural reduction in fixed cost and invariable costs associated with that portion of the utility. This analysis adds those costs to the price of IRS. This is a savings to the City of Vero Beach and those costs amount to close to $30 million dollars. The last document she provided was a summary of Winter Park when they were in arbitration with Florida Power and Light (FPL) to purchase back their utility. She said that she provided this information because she wanted Council to see what kinds of things can happen in arbitration. She said the key thing is there are stranded costs, which were determined on a 10 year basis as opposed to the City in that they are contending 30 years. She said the City has spent one year in mediation meetings. She attended those mediation meetings with IRS and found them

confrontational, she found the City stonewalling it, and the City taking a "take it or leave it" attitude. Next comes litigation. There have been several lawsuits filed and the City has made requests for a mirage of documents. She said all this has done was create more acrimony in this community. They have accomplished nothing. The lawyers are continuing to rack up fees while Vero Beach ratepayers and IRS's residents pay. She said it is time to stop this insanity. They need to take back control of this issue and restore some harmony. She said they are getting closer every day to a possible judgment on one of these lawsuits and if the City of Vero Beach loses a Court mandated selloff it would certainly leave the City in a weaker position in negotiating verses a voluntary sale. She said now is the time to work a deal. She offered to the City Council a no cost, no risk option. She said before they commit to anymore government mediation and more legal fees, that they try common sense.

Mrs. Turner made a motion to set up a meeting with the Mayors and City Managers of Vero Beach, IRS, along with FPL to discuss and negotiate a view to finding terms of agreement for a sale of Vero Electric's portion service of IRS to FPL and to report back to the respective Councils for action. Mr. Howle seconded the motion.

Mayor Kramer said the confrontations have pretty much been IRS beating up on the City of Vero Beach. He did not think the City has attacked IRS. The City has been very congenial to them. The numbers that Mrs. Turner pointed out the City was asked to bring forward, which they did and were punished profusely for bringing forth those numbers. He said they asked Mr. Wright to do that.

Mrs. Turner said yes, but the City Council has not reviewed these numbers. There has never been a City discussion.

Mayor Kramer said it is still in review. The City is waiting for numbers from the Florida Municipal Power Agency (FMPA).

Mr. Wright said in the less formal status, they met with representatives of IRS on January 27th and agreed that the City would take another look on a different methodological basis (a 30-year revenue requirement analysis). He said that he expects to see an updated long term power supply cost estimate projection from FMPA within the next few days. Those numbers need to go into this analysis. The numbers that are in there are dated and they will change. That is where that part of it stands. In terms of where they are, IRS has filed a petition to modify the PSC's Territorial Order and the City filed a motion to dismiss. Naturally as the City's Attorneys, they believe that their motion to dismiss is well founded and well taken. They have until Thursday of this week to respond and they will see what the PSC does after that.

Mr. Howle said meanwhile, if there is a judgment that undermines the City's negotiating abilities, as opposed to having all the players sit down at the table and possibly come up with a solution, he didn't see what was wrong with that.

Mayor Kramer said that he didn't have a problem sitting down with all the players, which he has been doing. However, to flat out say that they need to sell at whatever cost and say that the City is in a weak position is not true.

Mr. Howle said that he was not saying the City was in a weak position.

Mr. John Frost, Attorney for the City, said the City is at least one-year away from any Court ruling on the litigation issue because it is currently in the discovery stages. The City is waiting on information from IRS. He felt that Mayor Kramer was correct in that the City is the defendant in all of these lawsuits. The City did not file any lawsuits. He said the City has been successful in most of IRS's complaints.

Mrs. Turner said they know IRS is not going to lose their resolve. She said they have said over and over that they are going to continue to fight. She said this is our community. They are all part of Indian River County. She asked why can't they, as business people, sit down and try to come up with a solution in a creative way where it is a win/win for everyone. That is what she is asking.

Mayor Kramer said that they are. He said that he has been speaking with Mr. Brian Barefoot, Mayor of Indian River Shores.

Mr. Wright did not think the City was in a weak position. He said that he is all for transparency and for talking. If there is something to be done that is great. That is how the world is supposed to work. If they want to meet tomorrow that is fine too. But, until they have the updated numbers, which is to go into calculating what we (the City's analytical team) have been charged to do, which is to come up with a number for all customers and that is what it would take to keep everyone whole. But, they don't have the last bit of information, which he expects to receive later this week. He noted that he has been diligent, but it takes a while to put it together. He explained that these are 20-year projections that they are putting together and they want to make sure that they are thoroughly vetted before they give them to the City.

Mr. Winger said at the end of this past month IRS would have spent $880,000 dollars, which proves they have a lot of resolve and the City has spent about $290,000 dollars. He said they (IRS) are willing to spend unlimited amounts of taxpayer money.

Mrs. Turner said as money spent, if they include the other items in dealing with IRS, it comes to about $550,000 spent by the City's ratepayers.

Mr. Winger did not agree.

Mr. Wright calculated $294,000 dollars spent by the City on the two (2) matters involving IRS. He said there will be a significant amount added to that for the work they did in March on moving to dismiss IRS's latest petition to the PSC.

Mrs. Turner said they are not getting any closer to resolving the issue and are continuing to expend money on attorneys. She said there is a motion on the floor. She called the question.

Mr. Old said it is his understanding that the number has to be small enough so FPL can actually take it on. He said it is something that is much smaller than what the City has to get in order to satisfy their ratepayers. He said it would never get close to the number to satisfy FPL.

Mrs. Turner said all she is asking is that they get all three (3) parties in a room to resolve this. This is a no cost, no risk option.

Mayor Kramer said that is what this Resolution does. He said they would get all the parties in the room. He understood that they were two (2) separate issues, but they could join them together and adjourn one (1) and then go into the other.

Mr. Frost said they are two (2) separate issues. He explained that this is really going to affect what happens on November 7th. He said all this Resolution does is get the parties together to discuss this part of it. This is a separate issue and the City needs to act now.

Mr. Winger said if the $64 million dollars was correct, which Mr. Wright stated it would be modified, the consequences for the next 20-years would be they would have to raise the rates by about 3%.

Mr. Ken Daige said one of the main duties of the City Council is to the residents of the City. The City Council is in charge of all of their utility dealings. He asked that whatever they do that they look out for the residents of the City. The City Council is responsible to the City of Vero Beach and their residents. His point is that they need to look out for the ratepayers of the City and the ratepayers outside the City. He asked that the City Council listen to their experts and look at the long term. The City Council took an oath to watch out for their citizens. He said there is a lot of political pressure, but they have to think of their oath first. If it means meeting together in a room somewhere, fine. But, they need to make sure they have their attorneys and consultants there. They have to remember that IRS is going to do everything possible for their citizens and the City Council needs to do what is good for the citizens of Vero Beach. He said FPL is beholden to their shareholders and their customers. He asked that Council do the same for their residents and ratepayers. He asked that they not put the burden on the City's ratepayers.

Mrs. Laura Moss, Chairwoman of the Utilities Commission, said the Utilities Commission did not receive any information on this. She said the meeting took place on January 27th and she requested at a City Council meeting that it be transparent. She was sorry that last year this wasn't vetted at a joint Utilities/Finance Commission meeting.

Mr. O'Connor said the proposal and breakdown of the cost for IRS is located on the City's website under Utilities and it is dated December 16, 2015. He believed that all the

documents the City has received from Mr. Wright were sent out. He said Mr. Wright did present information on the breakdown on how he came up with the numbers to both the Finance Commission and the Utilities Commission.

Mrs. Moss explained that she was talking about the meeting that took place in Tallahassee on January 27th, so it would not have been available in December. She said it was a shame this wasn't vetted last year when FPL first made the offer. She felt that it should have come before a joint Commission meeting and said it might not be too late. She felt that a joint meeting of the Finance Commission/Utilities Commission could provide a forum. She asked regarding this Resolution, what is the cost and what fund does it come from. She questioned if it should be vetted before the Utilities Commission and the Finance Commission.

Mr. O'Connor explained that it depends on how long the resolution meetings go.

Mr. Coment explained that this is a process required by law.

Mr. Old said they are trying to prevent hostilities in the future.

Mrs. Moss felt that the behind closed doors scenario was not a good scenario (referring to the meeting that took place in Tallahassee). She suggested that this be vetted by the Utilities Commission and Finance Commission at a joint meeting. She said the bills are adding up and it is less than ideal.

Mr. Old said it was not behind closed doors at all. What they are doing is trying to sit down and talk to each other about what each one thinks their numbers are. Then they would conclude on it and report to the City.

Mrs. Moss explained that what she was referring to was that it was her understanding the meeting held on January 27th was a two (2) hour meeting and the City ended up with a one (1) page report.

Mr. Wright explained that the meeting held in Tallahassee was really at the request of IRS. He said that IRS asked that they explain to them the basis of the $64 million dollars. He noted that the City's expert was there and IRS's expert was there. Regarding the upcoming process relative to IRS's Ordinance and the Resolution before them today, he could not tell them how much it would cost because he did not know how many meetings there would be. He said that those meetings, certainly the conflict assessment meeting, would be public. He said the mediation meetings would probably be in the public as well.

Mayor Kramer asked Mr. Wright, would he say that the majority of the legal costs that were billed to the City of Vero Beach were in response to the IRS action.

Mr. Wright said every cent with respect to IRS and every cent with respect to Indian River County. It has all been billed in response to actions initiated by both of them. He

said the City did file their own petition for Declaratory Statement with the PSC on the County matter and to be blunt, the reason they did that was to pose the right question to the PSC. The question was does the expiration of the franchise agreement between Indian River County and the City of Vero Beach have any effect on whether the City continues to serve or does Vero Beach have the continuing right and obligation to serve. The other big chunk of cost incurred was evaluating and negotiating at great length the Power Purchase Agreement with the Orlando Utilities Commission (OUC).

Mr. Frost said all of his time has been handling what IRS has done and responding to that. He said as a trial lawyer, under the rules in Florida any mediation is to be confidential and the City has waived that confidentiality in holding these mediations in the public, which is their choice. He said that he has never had a client waive the confidentiality portion of the mediation process and the reason is because people can be open and discuss things they would not discuss if it could be used later on in Court.

Mr. Charlie Wilson thanked Mrs. Turner for bringing this up. He said the reason IRS had to sue the City of Vero Beach was because they were being charged unconscionable rates.

Mr. Winger objected.

Mr. Wilson said the City received a fair price and rejected it.

Mr. Winger said that also is not true.

Mr. Wilson said the fact is that you prevented the sale.

Mr. Howle asked that Council extend Mr. Wilson the courtesy to let him finish his thoughts.

Mr. Wilson said they told Council what would happen if the sale was not accepted and the Council did not accept it. He said IRS has the right to defend their citizens from additional costs that they would not have if they were on FPL.

Mr. Winger said FPL was cited in the Wall Street Journal yesterday for $4 billion dollars in hedging. He said his point is that nothing entitles anyone to have the lowest price.

Mr. Wilson explained that what he was saying was that the City Council is saying how bad IRS is and how bad they are treating the City of Vero Beach, but that is at least partially in response to the City of Vero Beach treating IRS badly by charging them more.

Mr. Winger said his position is that any solution that keeps the people of Vero Beach whole and does not increase their rate is great. When they had their first mediation meeting with IRS, they were talking about $3 million dollars to $10 million dollars. His

point is that the City is underwater with FMPA. He said that he would never vote for something that would penalize the people of Vero Beach to reward other people.

Mr. Wilson said what is being set up here is that there are a group of people in Riomar who has so much influence on this City Council that it is more important for them not to pay taxes than for everyone else to pay higher electric rates. The reason the City is underwater with FMPA is because they are still in FMPA. If they had gotten out of FMPA when they had the chance they would not be underwater with FMPA. He said the solution to this is that elections have consequences.

Mr. Peter Gorry, Chairman of the Finance Commission, said in terms of the entire process that they have worked on in terms of the OUC contract, the handling of these various Court cases, and the mediation. When he has an issue, he calls Mr. Wright or the City Manager and discusses at length the issues and he gets a response, which he reports to the Finance Commission. He said that he has kept track of this and understands what the issues are. He said the second thing is the issue of rates. There are six (6) investor owned companies in the State of Florida with three (3) of them having rates at $132 dollars plus. The reason was because they go to the PSC and the PSC sets rates based on return on equity. He said the City has a return of six (6) percent of revenues, not equity. He said if the City was rated by the PSC and the same standards were applied, the rates would go up. He said in the court case of Roseland versus OUC some years ago, Roseland claimed that OUC was charging rates that were confiscatory and the Court found that they were not unreasonable and the challenger was charged Court costs. He said one concept that could be used is that since IRS and Indian River County has challenged the City and the City is incurring costs, the City could put a surcharge on the customers who are coming from those entities that are incurring the costs.

Mayor Kramer asked Mrs. Turner to restate her motion.

Mrs. Turner shared an old gypsy curse that her father told her about, which was *may your days be filled with lawyers*, which she felt was kind of where the City was as far as being cursed at the moment.

Mrs. Turner repeated her motion, which is to set up a meeting with the Mayors and City Managers of Vero Beach and IRS, along with FPL to negotiate terms and agreement for the sale of Vero Electric's IRS's service to FPL and report back to the respective Councils for action.

Mayor Kramer said his position is that he is not going to negotiate with someone who is suing them. He did not have a problem meeting with them, he did not have a problem getting the numbers, and he did not have a problem starting some type of negotiation. But, he was not going to commit to anything.

Mr. Old felt they should at least finish with the process of getting the numbers correct so they know exactly where they are. He felt it was premature to meet with them at this time, but he was not against meeting with them.

Mr. Winger said the City hired Mr. Wright and Mr. Frost to defend them and if necessary to negotiate. He said to negotiate in public is crazy.

The City Clerk called the roll on the motion and it failed 3-2 with Mr. Howle voting yes, Mr. Winger no, Mrs. Turner yes, Mr. Old no, and Mayor Kramer no.

Mayor Kramer made a motion that they continue talking with IRS about possibilities and the numbers so they can get clarifications and possibilities in the future.

Mr. Winger said they need to pass this Resolution.

Mayor Kramer said that he did not have a problem continuing on with talking with IRS and he would like to do so.

Mrs. Turner said the important thing about talking with IRS is bringing in FPL who is a critical party to this whole deal. She said IRS does not want to run an electric utility. They want their whole community serviced by FPL. She felt it was imperative to bring all the parties together so they can come up with the most creative solution for everyone.

Mr. Winger seconded the motion and it passed 3-2.

Mrs. Turner made a motion that they set up a meeting with the Mayors and City Managers of the City of Vero Beach and IRS, along with FPL to discuss a resolution of IRS/Vero Beach litigation and report back to respective Councils for action.

Mr. Howle asked in public or in private.

Mrs. Turner answered in private.

Mr. Howle seconded the motion.

Mayor Kramer asked what is the difference between that and what they just did.

Mrs. Turner explained that she was requesting a specific meeting to be set up with specific parties and to have the results presented back to Council.

Mr. Winger did think that made sense.

Mrs. Turner said it might be successful. She said they have been going along with the attorneys and mediation for two (2) years and have gotten nowhere. She said let's try to get an open forum with some creative new ideas. This is a no cost, no risk option.

Mayor Kramer said that he did not have a problem with that. He had a problem with throwing the City of Vero Beach and the County residents under the bus.

Mrs. Turner said no one is suggesting that. All she is asking is that they open the door for discussion.

Mayor Kramer made a motion to pass the Resolution. Mr. Winger seconded the motion and it passed 3-2 with Mr. Howle voting no, Mr. Winger yes, Mrs. Turner no, Mr. Old yes, and Mayor Kramer yes.

6. PUB**LIC NOTICE ITEMS FOR FUTURE PUBLIC HEARING**

None

7. CITY CLERK'S MATTERS

A) Lien Reduction Request – 2245 27th Avenue

Mr. David Currey, Chief of Police, reported that this property was cited on January 23, 2014 for public nuisance violation for weeds, grass or undergrowth at a height of more than 12 inches and garbage and debris throughout the property. Violations of this nature do have a deleterious effect on neighborhood property values and may lead to having an adversely impact on residents' health and welfare (rats/rodents). Then on January 5, 2015 the property was cited for public nuisance violations for open windows and doors and otherwise unsecured, unoccupied or abandoned structures or buildings were found to exist. This presents a real and imminent threat to community public health and safety. The applicant's argument for lien reduction is that the violations were not incurred by him and as the new property owner his intent is to remove the existing structure and maintain the property until developed. A significant consideration in reducing the lien amount is the public interest served by having the existing structure demolished and both properties maintained. The applicant is a local resident who owns and maintains approximately 85 properties in the City and the County. Taking this into account, staff recommends the amount of liens be reduced from $26,996.37 to $8,110.08. This amount includes all work, recording, and administration fees incurred by the City of Vero Beach.

Mr. Howle asked if reducing the amount of the fine will resolve the situation.

Chief Curry explained that this is the amount that is required of the private owner. He said the building is an eye-sore and the City would like to see it demolished and the property improved. He said there is some asbestos on the property as well. Mr. Kevin Hawkins (new property owner) purchased the property for $16,200 and with paying off the fine he would have paid approximately $27,000 for this piece of property. He felt that this was fair. He said Mr. Hawkins has been working with the City in cleaning up this piece of property.

Mr. Winger commented that once the building is torn down and the two (2) lots are combined this will be a nice piece of property in a nice neighborhood. He agreed that at this point it is in a deplorable state.

Mr. Howle had no problem with allowing the reduction as long as the lien is paid.

Mr. O'Connor suggested that a time limit of 30-days be placed in getting this lien paid and if it hasn't been paid within that time frame then he would bring the matter back to the City Council.

Mr. Coment explained that with whatever amount of fine that the City Council approves, there will not be a release of lien done on the property until the fine has been paid.

Mr. Kevin Hawkins, Property Owner, agreed with Chief Curry that this was a fair settlement. He said the property is in worse shape than he thought it was in. He said the cost to take the building down is going to be three (3) times the amount that he anticipated.

Mrs. Turner commented that when Mr. Hawkins purchased this piece of property he knew that there was a lien on it. She wondered what he thought that the lien would be.

Mr. Hawkins went over his experiences that he has had with Indian River County and handling liens. He expressed that this building will need to come down. He said he has no problem paying the fine within the outlined time frame.

Mr. Howle explained that it was important that the City recoups their cost on the time and materials that they have put into this case. He said maybe they could enter into a situation where the lien stands giving Mr. Hawkins more time to do his remediation.

Mr. Coment explained that the reduction in lien that Chief Curry has brought forward is the time spent by staff in getting this case corrected. He said that there are some interest charges that were figured into this amount that Council could consider waiving. He said this property has already been noticed by the Building Department for demolition, but that changed when this property was purchased by Mr. Hawkins. The Building Official has given another official notice for 60 days that either the property be remedied or torn down within in that time frame.

Mr. Old asked how much was the interest that was added to the fine amount. Mr. Coment said that the interest was $1,047.56. He said if they minus that from the reduction of the fine they would be looking at $6,633.35.

Mr. Howle made a motion to reduce the cost of the nuisance abatement liens to $6,633.35 and the payment will coincide with the abatement day (60 days being given) and this would eliminate all other City liens. Mrs. Turner seconded the motion and it passed unanimously.

Mr. Hawkins said that he had a similar issue with another piece of property that he owns. He was told that matter could not be settled at today's meeting.

At this time, Mr. Wright asked Council if they need him or Mr. Frost for anything else. Council had no objection to the attorneys leaving the meeting.

B) Appointment to the Tree and Beautification Commission

Mrs. Vock reported that there is one full member and two alternate positions open on the Tree and Beautification Commission. Council has received an application from Mrs. Barbara Leigh, who would like to serve as a full member.

Mayor Kramer made a motion to appoint Mrs. Leigh to the Tree and Beautification Commission as a full member. Mrs. Turner seconded the motion and it passed unanimously.

Mrs. Vock briefly went over the openings on their different Commission/Boards.

Mrs. Turner asked that in the future that they limit the number of people giving presentations to four (4) per meeting.

8. CITY MANAGER'S MATTERS

A) RFP 370-15/JO – Real Estate Broker Services – Sale of Old Dodgertown Nine (9) Hole Golf Course

Mr. O'Connor reported that a Request for Proposal (RFP) for Real Estate Broker Services for the sale of the Old Dodgertown Nine (9) Hole Golf Course was sent out and there were five (5) firms that responded. The Evaluation Committee consisting of himself, Mr. Falls and Mr. McGarry met to discuss the responses to the RFP and agreed to interview the top three (3) firms that responded. The Evaluation Committee unanimously selected Collier International. He said Collier International has 500 offices internationally, but Mr. Ken Krasnow, Executive Managing Director & Market Leader for South Florida, lives in Vero Beach and has put together a team based out of the Palm Beach Garden's office to market the property. The commission fee being charged is 4% if Collier is able to sell the property and it will be 5% if another real estate firm sells the property. They are asking for a one (1) year contract, which he would recommend. The City will leave the marketing price up to Collier and how they present their marketing strategies.

Mrs. Turner made a motion to approve the negotiation of a contract with Collier International. A final contract will be presented to City Council for final approval. Mr. Howle seconded the motion and it passed unanimously.

Mr. Winger mentioned that Diane at the Power Plant has done a good job of reviewing the OUC bills when the City receives them. He said she was able to find a mistake in one of the bills where the City was being overcharged in which OUC will be taking care of. He was happy to see that the bills have been lower since they renegotiated the OUC contract.

Mr. Winger mentioned the letter that they received from Mr. Joe Baird, County Administrator, asking permission to move the Go-line hub for the weekend of the Air Show. He said he had no problem with that as long as the neighbors have been notified.

Mr. O'Connor noted that he has approved this request with the assurance that Go-line would resume their normal bus route at the Airport on Monday (day after the Air Show). He did not think there would be much disruption to the neighbors. He said for just one Saturday he could not foresee too many interruptions. The volunteers working the Air Show will be parking in this area as well.

Mr. Winger recalled that he received the Scope of Work for the three (3) different parcels near the Power Plant on March 29th. He asked what their next step is.

Mr. O'Connor explained proceeding with the Scope of Work that they need to get the Power Plant site cleared first then they will go through an RFP on the Scope of Work. He did not feel an economic study was necessary since they are looking at five or six years before anything will happen. He felt most people's vision of the Power Plant property will be different once the buildings have been taken down.

Mr. Old disagreed with not doing an economic study. He said that money comes into play. Mr. O'Connor explained that when he mentioned the word "economic" he was using it in the planning sense.

Mr. Winger brought up the bill they received for $136,000 for the railroad crossing at 26th Street.

Mr. O'Connor said that last year they received a bill for $100,000. They contacted the railroad to protest the bill and were told it is for safety purposes and being done by another company other than All Aboard Florida.

Mr. Howle asked for an update on the fuel removal.

Mr. O'Connor said the fuel removal was happening within the noted time frame. There have been 31 trucks that have left the site with 37 trucks initially being on the site. They are hoping by the end of the week to have the tanks emptied. The company has already deposited $44,000 to the City. The last phase will be to clean the lines and remove the pipes. It could take a total of 100 days before the project is completely finished.

9. CITY ATTORNEY'S MATTERS

A) Agreement of Purchase and Sale – Diesel Power Plant Property

Mr. Coment reported that this agreement is for the purchase and sale of the City's old Diesel Power Plant property. He said the agreement was negotiated with the buyer, American Icon Brewery Real Estate Investments, as directed by Council. The agreement was negotiated based on the buyer's proposal submitted to the City's RFP process, and

with the assistance of Attorney Sandra Rennick of Gould Cooksey Fennell. Ms. Rennick will also be handling the closing of the sale for the City. Pursuant to the buyer's proposal, the purchase price of $650,000 based on the property appraisals is reduced to $500,000 in cash with the buyer in return taking the property "As-Is" and assuming responsibility for future monitoring or remediation of any remaining or future environmental contaminants on the property.

Mr. Old asked where they were with the lawsuit.

Mr. Coment explained their attorney was working with the bank to terminate the mortgage. He said the litigation matter will "cloud" the title to the extent of the new buyer getting a clear title of the property. The agreement allows for a year up to closing to allow for this. In the meantime Mr. Rechter will move forward with getting any site plan changes needed on the site.

Mr. Old made a motion to approve the purchase and sale of the old Diesel Power Plant property. Mr. Howle seconded the motion and it passed unanimously.

Mrs. Turner brought up the problems that Mr. Conrado, owner of McDonalds is having. She knew that Mr. Conrado has talked to all of the Councilmembers about his problems.

Mr. Coment explained that the City's Ordinance that they have in place is very similar to what the County has in place. He said in a recent U.S. Supreme Court case it set out some guidelines to look at these things. He said it is a free speech issue and they are on a slippery slope regulating free speech on public right-of-ways. He is looking to see if he can formulate something that would help Mr. Conrado.

10. PUBLIC COMMENT

Mrs. Sue Dinneno stated that Ms. Nanette Haynes, from the Public Work's Department, needs more money in her budget. She recalled that last Sunday she was at Humiston Park for their last Art in the Park for the season and was sitting near a tree. As she was sitting on the base of the tree this thing fell out of the Palm Tree and it was full of carpenter ants. She called Mr. Slezak on Monday and told him about this and said that Ms. Haynes needed to go over and look at the tree. She said it is a lawsuit waiting to happen. She asked Council to look at giving Ms. Haynes some more money in her budget to look at having these trees cleaned out. She would hate to have seen one of these limbs fall on a child.

Mrs. Linda Hillman thanked staff for the explanation on the bus hub and that it would be only in her neighborhood temporarily. She said at their (City Councils') lunch break she went home and downloaded some pictures showing people fishing at South Beach (pictures on file in the Clerk's office). She said that she talked to Mr. O'Connor about this problem. She said at South Beach there are a lot of people fishing where there are children playing and swimming. She showed a picture of the sign that states "No Fishing

in this Area is Allowed." She took the picture at 10:15 a.m. this morning and there were already 32 people fishing on the beach.

Mr. O'Connor commented that after he talked to Mrs. Hillman about this he went to the beach and noticed that there were a lot of people fishing in this area and most of the people fishing were coming from the nearby condos. He said if there is fishing taking place in the area they are not allowed to fish the lifeguards will ask the fishermen to move.

Mrs. Hillman showed a hook that was left on the beach by someone fishing. She also mentioned the fishermen she witnessed pulling sharks out of the water. She said this year was the largest amount of people she has seen fishing on the beach. She felt they needed to start controlling this and thinking about their tourists and their safety.

Mr. Brian Heady noted that several years ago he was running for City Council and there was a question about sharks and fishing and clearly the group in this audience would vote for someone opposed to shark fishing. He said it was the sharks in City Hall that he feels are more damageable to the public then the sharks in the ocean. He said that Mr. Winger should not be interrupting a person when they are talking at the podium. The constant interruptions by Councilmembers when they don't like something that someone is saying is not what they are suppose to be doing. The public comment portion of the meeting has been moved to the very end of the agenda. Then on the last page of the agenda is a whole list of instructions for the public. He said let the public talk and there is nothing wrong with asking the speaker questions. He recalled in January he asked Mr. Howle some questions about the utilities and was told by the Mayor that Mr. Howle should not be pressured to answer those questions as he has only served on the Council for a few months. He said if there are Councilmembers who have served on the Council for a long time and can answer those questions that the questions still have not been answered. He thanked Mrs. Turner for trying to relieve some burden on the average residents in this community. He noted that there were not a lot of people who have the time to sit through a whole meeting and wait to speak. He didn't know how Mayor Kramer could handle the County Commission if he can't handle the City Council. Mayor Kramer stated that the County has public comment at the end of their agendas and no one gives them any grief. Mr. Heady said that he would like to have public comment moved back to the beginning of the meeting.

Mr. Ken Daige brought up the OUC billing error mentioned earlier by Mr. Winger and wondered if some of that money would be going back to the ratepayers. He requested an answer in the near future.

Mr. O'Connor hoped that there would be a rate change done in either May or June.

Mr. Winger noted that the return they receive for selling the old Diesel Power Plant belongs to the Electric Plant. He asked what will the money be used for.

Mr. O'Connor stated it is revenue so it will be used to reduce rates.

11. CITY COUNCIL MATTERS

A. Old Business

None

B. New Business

1. Review of Evaluation Forms for the Charter Officers – Requested by Vice Mayor Randy Old

Mr. Old presented Council with a job description, as well as a set of goals for all of the Charter Officers. He asked Council to review the descriptions that he has come up. Once their changes have been given to the Clerk, he will come up with the final version for them to use in the future. He said during the annual evaluation each Councilmember can fill out the evaluation form for each of the three (3) Charter Officers and submit them to the City Clerk or each Councilmember could sit down personally with each of the Charter Officers and review their evaluation forms with them. He expressed that this was just his work and a format that he came up with and not necessarily the same one that another Councilmember would want to use.

Mrs. Turner asked Mrs. Vock to make them a paper copy of the evaluation forms.

Mr. Winger commented that he made some suggested changes (copies given to the City Council). He asked the Clerk to send him the documents in Word, which made it easier for him to make the changes. He also encouraged Council to take some time to look through the evaluation forms and make their comments. He said there are a lot of things they will be dealing with in the future. The City Clerk has made good progress in approving access to their television station. He felt that Council should commit before the budget season to accomplish this.

2. Transfer Debt on the Marina to General Fund – Requested by Councilmember Richard Winger

Mr. Winger commented that he first saw the Marina in 1974 and it has not changed a whole lot. He said the City recently got accosted in the 32963 newspaper on the Marina being a second class facility. He does not think it is the Marina Director's fault, but the fault of the City Council. He said in the last two (2) or three (3) years they had to deal with Leisure Square being in poor shape, not having new police vehicles, among other things and deferred maintenance on areas that were in need. He said what they have done across the City is deferred maintenance and not what their responsibility is. He has a proposal, but does not know if it is the right proposal. He put on the doc cam the budget, which shows last year they spent $14,908 for capital expenditures and this year they have $30,000 budgeted. He said the revenue for the Marina is $1,524,923 and salary/benefits is $1,055,366. He said the debt was required on this piece of property when they

acquired that other portion of land. He said one thing they could do is take the debt from this facility and move it to the General Fund then they would have money to reinvest in this facility. It would have no consequence today because the debt is paid through October 1st. He said this is a problem they are going to have to deal with.

Mr. Old commented that he had some of the same feelings. He thought that some of the things included in the article from 32963 were an exaggeration. However, he does agree that there are things that have been neglected because the City has concentrated on fixing other things. He was not sure moving the debt would be the right way to go. He would like to see what the ramifications would be if they did move the debt service. He said they are going to need to cut something, unless they raise taxes. He said there seems to be a lot more demands now and they don't have the money to cover those demands. He said they need to look at what they can do.

Mr. Winger did not know if they could partition the property and leave the middle building as part of the Marina. Another thing they could do is ask for between now and budget time a plan for over the next three to five years what it would take in the way of specific action or funding to do something about this.

Mr. Old commented that the Marina is kind of looked at as a luxury and not something that is really hurting a large number of residents so it has gotten a low priority. He said on the other side of the coin it is a valuable piece of asset and they should be treating it correctly. They need to determine what capital improvements they need to be making and then come up with a solution.

Mrs. Turner commented that surely they would like to see their assets taken care of. The article was an embarrassment to the City. She commented that not all the issues brought up were money issues. She mentioned there is decaying materials, rusted out bicycles, and debris around the area. This to her is maintenance issues and not capital improvement. She asked the Finance Director to address moving debt out of the Enterprise Fund. She said this debt is for the land that is part of the Marina. She said that debt is associated with that asset and should stay with that Enterprise Fund. She didn't disagree that they may need some more capital money for the Marina, but it could be accomplished by reducing the transfer or by possibly making a contribution to the General Fund. She said relocating this debt is contrary to good accounting practices and she would object.

Mr. Winger asked for a consensus that when they are discussing the budget that the City Manager will come forward with a plan to address this asset.

Mr. Old felt that they needed to look at each one of their Enterprise Funds and make sure that they are being taken care of. He said the Airport is required to do it by FAA. He said they (Council) could look at what they would like to do and then pick and choose what they can do.

Mayor Kramer agreed that this matter needed to be addressed at budget time.

Mr. O'Connor said they would work on coming up with some capital projects for next year and look at how to fund them.

Ms. Cindy Lawson, Finance Director, stated as far as moving the debt the pledge on the debt is actually the Marina's revenue if they are efficient and no ad valorem revenues. She said the reason this was not a problem for several years was because when they first purchased that building there was a FIND grant that paid their debt service. When that grant money went away immediately there was an additional $300,000 burden on the Marina. She said there is a burden on the Marina that goes on for a very long time that is large and something that the Council has the ability to address in a number of different ways. The Marina's depreciation expenditures annually, which are usually a pretty good measure on how much they are using up their assets every year, is about $60,000 a year. She did not know how the Marina, with its limited staff, could generate any more revenue than what they are generating now. She said there were some substantial staff cuts at the Marina when the FIND grant went away. She said Mr. Tim Grabenbauer, Marina Director, made an attempt to balance his budget by reducing staff.

Mr. Winger expressed that at one time there was a plan at the Marina to build a boardwalk and install more docks.

Ms. Lawson stated knowing that there are these concerns at the Marina and there needs to be a solution they should talk about it at budget time.

Mr. Peter Gorry, Chairman of the Finance Commission, asked if the Marina was really an Enterprise Fund. Mr. O'Connor answered yes. Mr. Gorry did not think that the Marina was sustaining itself as you couldn't invest in it and have it carry its own weight in capital improvements. He then brought up the Cemetery Fund.

Ms. Lawson clarified that the cemetery is not a Enterprise Fund, but a Permanent Fund. She said Recreation is no longer an Enterprise Fund, but was a completely different situation than the Marina Enterprise Fund. They are only talking about a $60,000 investment in their Marina and they are looking at being out about $50,000 annually to break even.

Mr. Winger said if you look at the salaries/benefits they went down $66,000, but what has it done to service.

3. Discussion of Indian River Shores Litigation Options – Requested by Councilmember Pilar Turner

This item was heard earlier in the meeting.

12. INDIVIDUAL COUNCILMEMBERS' MATTERS

A. Mayor Jay Kramer's Matters

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

Mayor Winger helped Senior Services in delivering Meals on Wheels, he attended the Christ Church Ground Breaking and the Eagle Scout event.

B. Vice Mayor Randy Old's Matters

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

Mr. Old reported that he talked to a seventh grade class at Storm Grove Elementary about his position as a Councilmember.

C. Councilmember Pilar Turner's Matters

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

Mrs. Turner also helped deliver meals for Senior Resources. She reminded the public that this weekend is the Hibiscus Festival and on April 15th there will be the Jackie Robinson Baseball Game held at Dodgertown.

D. Councilmember Richard Winger's Matters

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

No comments made.

E. Councilmember Harry Howle's Matters

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

No comments made.

13. ADJOURNMENT

Today's meeting adjourned at 4:13 p.m.