

**CITY OF VERO BEACH, FLORIDA
JULY 12, 2016 9:00 A.M.
REGULAR CITY COUNCIL MINUTES
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

The invocation was given by Pastor Michael Ashburn of Freedom Center of Vero Beach 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. Turner made a motion to approve the agenda. Mr. Howle seconded the motion and it passed unanimously.

B. Proclamations and recognitions by Council.

1. Certificate to be presented to Miss Ralayah Dawson as Youth of the Year Winner for Indian River County, the State of Florida, and the Southeast Region of the United States

Mayor Kramer read and presented the Certificate.

Mayor Kramer presented Mr. O'Connor with a pin for being employed with the City of Vero Beach for five (5) years.

C. Staff/Consultant special reports and information items.

None

D. Presentation items by the public.

Mrs. Barbara Hoffman, Executive Director of the Cultural Council of Indian River County, to give an update on the Cultural Arts Village. – Sponsored by Councilmember Richard Winger

Mrs. Barbara Hoffman gave an update on the Cultural Arts Village (please see attached prepared speech).

Mr. Winger referred to the small flag that the residents were given with the Cultural Arts Village logo on it. He suggested hanging bigger flags. He said that really brings a community together.

Mrs. Hoffman presented the City Clerk with a petition of 87 signatures gathered at their ice cream social (attached to the original minutes). Mrs. Turner asked what the petition was for. Mrs. Hoffman explained that it was for people supporting the Cultural Arts Village.

Mr. Old commented on what great progress has been made.

Mayor Kramer thanked Mrs. Hoffman and her team for their efforts. He said that it is nice to see private organizations getting together to support this.

Mrs. Hoffman expressed that her leadership team was amazing. She said that this is a community and neighborhood project.

Mr. Travis Beckett, Chives Restaurant, was happy to see the developments in this area. He said that he purchased his property over two (2) years ago and his dreams are coming true because of Mrs. Hoffman's efforts. He was happy to see what was being done for his neighborhood.

3. CONSENT AGENDA

- 1. Regular City Council Minutes – June 21, 2016**
- 2. Fixed Base Operator Lease Agreement between the City of Vero Beach and Treasure Coast Air Services, LLC**
- 3. Agreement for Exchange of Use of Facilities and Equipment by and between the City of Vero Beach, and Saint Edward's School, Incorporated.**

Mr. Old made a motion to adopt the consent agenda. Mr. Winger seconded the motion and it passed unanimously.

4. PUBLIC HEARINGS

- A) An Ordinance of the City of Vero Beach, Florida, Abandoning the south one-half of the 25 foot east-west alley lying directly north of Lot 1, Block 13, Edgewood Addition to Vero Beach, Florida, and west of the west right-of-way of Old Dixie Highway; retaining a portion thereof as a Utility Easement; Providing for Conflict and Severability; Providing for an Effective Date. – Requested by the Public Works Director**

The City Clerk read the Ordinance by title only.

Mr. Jim O'Connor reported that this is the abandonment of right-of-way for the alley lying north of Lot 1, Block 13, Edgewood Addition (Kilted Mermaid). He said the abandonment application was routed to all utility providers, fire prevention and City departments and all the responses were favorable of the request. An easement will be retained for the existing overhead lines.

Mayor Kramer opened and closed the public hearing at 9:20 a.m., with no one wishing to be heard.

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

5. RESOLUTIONS

- A) A Resolution of the City Council of the City of Vero Beach, Florida, Abandoning all City of Vero Beach interests in the Utility and Drainage Easement retained on, in, and under the real property comprising the south 25' of the abandoned 19th Street right-of-way lying adjacent to Lot 1, Block 4 of College Heights Subdivision; Providing for an Effective Date. – Requested by the Public Works Director**

The City Clerk read the Resolution by title only.

Mr. O'Connor reported that passage of this Resolution would allow for an abandonment of all the City's interests in the utility and drainage easement located at the 19th Street right-of-way lying adjacent to Lot 1, Block 4, of College Heights Subdivision. He said the abandonment application was routed to the affected departments and all the responses were favorable of the request.

Mayor Kramer opened and closed the public hearing at 9:21 a.m., with no one wishing to be heard.

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

6. PUBLIC NOTICE ITEMS FOR FUTURE PUBLIC HEARING

None

7. CITY CLERK'S MATTERS

Mr. Winger asked Mrs. Vock to give an update on the live streaming, televising Channel 13 on AT&T, and the website.

Mrs. Tammy Vock, City Clerk, reported that the live streaming is taking place now and is working well. She hopes that by their next meeting (August 16th) that they would be televising their City Council meeting on AT&T, as well as on Comcast. She said as far as the website goes, she has been getting quotes on updating it. She said those prices range from \$5,000 to \$100,000. She is also working on setting up a Committee to help design the updated website.

Mr. Mark Mucher recalled that when Mr. Jim Gabbard was the City Manager he told him to look at the County's website. Mr. Mucher said they have a very good website and the City might want to mirror their website.

8. CITY MANAGER'S MATTERS

A) FMPA Solar Questionnaire

Mr. O'Connor provided information to the Council on the Florida Municipal Power Agency (FMPA) solar initiative. He said one of the things they want to do is a solar questionnaire to go to the City's customer base to ask if the public is interested in solar and renewable energy packages. The City is asked to respond to FMPA by July 15th if they are interested in their customers receiving this questionnaire. He plans to take this to the Utilities Commission if the City Council has an interest in it. He said Mr. Bob Auwaerter, Vice Chairman of the Utilities Commission, has volunteered to be their liaison to help put together that questionnaire and work with FMPA on how they would approach their customer base on this renewable solar energy. There are some disagreements in the pricing issue that FMPA has, but if they are interested in renewables and looking at solar from any concept they should probably consider this. Their placement cost for the energy part of their contracts is only like 32 and 35 dollars a megawatt until the OUC contract expires. Their energy costs in this area really does not lend itself for someone investing in a solar farm at this time. He said it may be something of interest as they go down the road and this questionnaire would indicate to them if they have customers who are interested in renewables. They are not obligated if they go along with this survey, other than just having the survey go out.

Mr. Winger felt it needed to be explained that what they were talking about is the OUC power and the fuel costs that the demand charge remains until the contract that was signed in 2008 expires.

Mr. O'Connor explained that the City pays a capacity charge on an annual rate. He said the only thing that they can actually displace is the energy charge for the megawatts that they actually purchase from Orlando Utilities Commission (OUC). He has talked with OUC to make sure that they can do this if they chose to do it and was told that they can, but OUC still has the right to that capacity charge, which will be a charge to the City.

Mr. Winger commented that under the law if someone comes forward with solar power they have an obligation to look at it.

Mr. O'Connor said that is true, but it is only their displaced costs that they have an obligation to.

Mr. Old asked if they could reduce the peak. Mr. O'Connor explained that the capacity charge is based on what they anticipate for the next year. He said solar and most renewables cannot operate constantly so they might not be on when their peak hits.

Mr. Winger asked Mr. O'Connor to explain why this applies to the OUC contract and not the FMPA contract.

Mr. O'Connor said because FMPA is a take or pay contract. Their base load has to be supplied by FMPA.

Mr. Winger asked if there was any ability if FMPA goes into solar power to move some of it from Stanton I and Stanton II or St. Lucie. Mr. O'Connor said that would be contingent on what FMPA could do. He said right now FMPA is going intensively with gas, which is where Florida Power and Light (FPL) is today. There is a challenge in the coal industry and what is happening with regulations, which is affecting their price.

Mr. Howle stated that he has no objection to this questionnaire. His only reservations would be that any expense to FMPA would be an expense to the City. He said if infrastructure was needed that could be an expense, which might create a whole new FMPA contract that would extend even farther than the one they already have.

Mr. O'Connor explained that any contract with any solar supplier would have to come back to the City Council and be included in a power purchase agreement. He said one of the things they have said up to this point is when they do their next purchase power agreements they want them in increments of time frames to take advantage in getting closer to the market base pricing. He feels that in six (6) years when they go out for a purchase power agreement, solar may be the way to go depending on price. With the questionnaire going out it possibly will show that their customers will say they will pay a premium. He said this gets them to look at alternatives and right now solar seems to be on the front line and is becoming competitive.

Mr. Winger commented that he didn't know if they wanted to be any more tangled with FMPA than they already are. He said the public probably doesn't understand that it is highly unlikely that they will get to a cost of 32 or 34 cents a megawatt and they will have an expectation. He questioned building expectations on something they could not do for six (6) years. It is an entanglement that they would be better off to avoid with FMPA.

Mr. Old felt that they should try to understand the solar business as much as they can. He said the more they know and the more public input that they can get is good. He would support the idea of doing this.

Mr. Mark Mucher commented that it sounds to him that this would be a project of the All Requirements Project. He said what that would be doing is getting them back and possibly active in the All Requirements Project, which they have been trying to get out of. He listened to the lady who spoke to the Utilities Commission from FMPA about their solar power plans and their rates were through the roof and he doesn't know what has changed in the last few months. He didn't think they needed to act now to speculate on this.

Mr. Bob Auwaerter, Vice Chairman of the Utilities Commission, addressed Mr. Mucher's comment about cost. He said that Ms. Michelle Jackson from FMPA gave a presentation and talked about some sky high costs, which did not make any sense to him so he did some research. He determined that the on-going cost projected will be around \$43.00 per megawatts. He said costs are coming down and it is important to take a look at this because the technology is advancing very quickly. He said "battery" technology is really getting better and a lot of investment is being directed towards NAS batteries. He said they are coming down dramatically in price. He said Walmart is interested in doing renewables at all of their stores across the country. He said it is important to know what is going on. It doesn't involve getting entangled with FMPA. He said all they are doing is joining them in terms of doing a survey. There are no obligations at all. He said there were some costs in putting the survey together. He thought it would cost between \$9,000 and \$10,000. His biggest concern is not only on the retail side, but on the commercial side. He said when it comes to electric utility many of the costs are fixed costs spread over their customer base. If entities like Piper, the School Board, or Walmart start to move towards solar then they (the City) will lose a lot of their big customers. He stated that their electric rates didn't look that good right now. He said out of 33 electric utilities in the State of Florida, the City of Vero Beach generally ranks having the 29th or 30th worse rates in the State. Their rates are substantially higher than their benchmark competition of various municipal electric utilities. He recommended to Council that they do the solar survey. He said "knowledge is power."

Mrs. Turner thanked Mr. Auwaerter for his research and said that she respected his opinion in reviewing this. She was concerned about the numbers given to them by Ms. Michelle Jackson, the FMPA representative. Mr. Auwaerter said that he passed along the information that he came up with to the Board of Directors of FMPA. Mrs. Turner continued by saying why would they want to get involved with this group (FMPA) who are so poorly managing these issues. She wondered if it would be better for them to conduct a brief study of their own customers and something that the City could respond to as their utility without raising unrealistic expectations.

Mr. Auwaerter said if they don't like the survey once it's completed they don't have to send it out. He said a group of people from all over the State are getting together to come up with a survey. He is willing to volunteer his time to be on the Task Force to make sure it is set up properly. He does have concerns with Ms. Jackson's presentation. He would question whether or not there was enough expertise locally to come up with their

own survey. He felt they needed to be involved in working on this survey in helping to make it better.

Mr. O'Connor expressed that the City has no obligation in doing this and the cost would be around \$10,000. The issue is to get their customer base familiar with solar. He said if they don't agree with the questionnaire once it is complete then they don't have to send it out. He agreed that if it was not within their pricing mechanism then it was not going to happen.

Mr. Howle asked for some clarification on the \$10,000 expense that was mentioned.

Mr. Auwaerter understood that FMPA is going to take money out of one (1) of their funds to develop the survey. However, to actually have it implanted there would be a charge of \$10,000 to each municipality. The City would be responsible for the dispersion of the survey. He was not sure how it is done, whether it will be a phone survey or sent out with the utility bills, but the City would be responsible for whatever mechanism is used. He said FMPA has expressed that they want something quantifiable for each city.

Mr. Winger could not see spending \$10,000 for something that cannot happen for six (6) years unless the cost goes below 34 cents. He is not in favor of doing this survey in conjunction with FMPA. He felt they could do this themselves. He also questioned where the \$10,000 would come from.

Mr. Auwaerter commented that there is an advantage of being a part of a standardized survey. He said you would get a larger statistical base across the entire State.

Mr. Old expressed that he has solar on his house, which he installed 10 years ago and feels strongly that Florida should have solar. He said this is something that Florida is behind on and this is a very good way to get information on it.

Mayor Kramer did not have a problem with doing the survey. He said it doesn't obligate them to do anything with FMPA. He said they might find a better solar provider other than FMPA in doing this survey.

Mr. O'Connor felt that the survey would help them to see what direction their customers want to go in. He felt they needed to inform the community that renewables were up and coming. He wanted to make sure that it was the consensus of the Council to take this item to the Utilities Commission for their recommendations. He said if the Utilities Commission is in favor of the survey he will bring the matter back to Council at their budget workshop on Thursday when the Electric Fund is being discussed.

Mrs. Laura Moss, Chairwoman of the Utilities Commission, referred to an FMPA document dated June 14, 2016 concerning the survey. She turned to page 3, where it talked about the costs of the survey. She said the top number for the cost of the survey could be between \$10,000 to \$12,000. She said that Vice Chairman Auwaerter is qualified to "take command" of the survey.

Mr. Ken Daige asked if the Utilities Commission has some questions that they would like to see in the survey, are they as a City allowed to include those questions.

Mr. O'Connor explained that Mr. Auwaerter will serve on the Task Force putting the questions together for the survey so he will be aware of what questions the Utilities Commission would like included.

Mr. Auwaerter explained if Council agrees with moving forward on the survey he would start to do research and look at other surveys currently available and would work with the Utilities Commission and the public to get their input.

Mr. Howle commented that there is a section of grass on Mockingbird Drive between Date Palm Road and Beachland Boulevard, which needs to be cut. He asked if there is a reason for this and does it have anything to do with the construction of the school.

Mr. O'Connor stated that there was some high grass in this area, but it has been cut. He said the grass was overgrown because of the construction going on at Beachland Elementary.

9. CITY ATTORNEY'S MATTERS

Mr. Wayne Coment, City Attorney, gave a brief update on the court trial held on the old Diesel Plant. He said the Judge has taken the case under advisement. He said both sides can provide any further arguments or case law within the next 30 days and the Judge has assured them that he will rule 30 days after that.

Mrs. Turner commented on the notice that they received that the Public Service Commission (PSC) deferred their review of the case.

Mr. O'Connor stated that because of conversations taking place the PSC has deferred action until September 13, 2016. He felt that the PSC would prefer not to rule on this if there are discussions between the City and Indian River Shores.

Mrs. Turner noted the meeting with City staff and Indian River Shores staff has been scheduled for July 26th.

Mr. O'Connor added that there also has been a meeting (conference call) set up in August for the City, Indian River County, and FMPA. He said both OUC and Indian River Shores chose not to participate in the meeting.

10. PUBLIC COMMENT

None

11. CITY COUNCIL MATTERS

A. Old Business

B. New Business

1) Florida Auditors General's Audit Findings of the Florida Municipal Power Agency (FMPA) – Requested by Councilmember Harry Howle

Mr. Howle stated that the Resolution that they have before them was originally brought before Council on April 25, 2015. He wanted to give Council the opportunity to review the Resolution and perhaps take the correct vote on it. He asked the Clerk to read the title of the Resolution.

Mr. Coment expressed that if Council wanted to take action on this it would have to be put on a different agenda because it was not advertised to the public as a pending Resolution.

Mr. Howle explained that all this Resolution does is create transparency and gives a better understanding of where they are with FMPA. He said to support this Resolution is to support the voters and ratepayers in the City and the County. He said not to support this Resolution is in effect supporting big government and the FMPA.

Mayor Kramer referred to the Resolution and said that the first clause is dated and FMPA has completely mitigated the Taylor Swaps. He said with these two (2) paragraphs removed from the Resolution he does not have a problem with it. He requested that the revised Resolution be put on the next Council agenda.

Mrs. Turner commented that although FMPA may have mitigated the Taylor Swaps the fact is this organization (FMPA) has standards and rules in which they don't comply with. This is getting back to having transparency.

Mrs. Laura Moss, Chairwoman of the Utilities Commission, referred to the 2016 FMPA Annual Report (on file in the Clerk's office). She had some concerns with this report and the first concern being on page 13, item 23, which is the operation audit. She requested to see the report that was done by the independent firm, Baker Tilly. The remaining 13 audit findings have been addressed by the Executive Committee and the Board of Directors of FMPA. It was not clear in the document as to what exactly was done. She felt they should make a request to what was specifically done with regards to the remaining 13 findings. She said that she finds troubling the next item on page 14, item 24, entitled "Anti-FMPA Legislation." She read an excerpt outlined on this page. She said this was regarding Representative Debbie Mayfield's Bill, HB579. She urged the City Council to take a look at this report. She said that she found it very troubling.

Mr. Peter Gorry, Chairman of the Finance Commission, reported that at Council's request the Finance Commission met yesterday and reviewed the budget. He said the Commission will make a report on what their findings and recommendations are. He said

what they arrived at are the priorities in the budget, which will be presented to the City Council.

Mrs. Barbara Hoffman asked that some of the residents be allowed to come up and make comments about the Cultural Arts Village. She said because of the time change of the meeting these people were not in attendance when the matter was brought up earlier.

Mr. Chris Fonehouse was in support of the Cultural Arts Village. He said he owns commercial property that leads into this area. He feels that this is a beautiful idea and with the efforts of the City hopefully they will be able to continue moving forward with the plan.

Mr. Neal Row commented that he was an employee for TC Palm. He said the area they are talking about is very historical. He hoped Council would support this and be a part of this plan.

Mr. Bob Webster commented that he is a member of the Cultural Arts Village Leadership Team and he moved into this area about eight (8) years ago. He said by providing a compatible use next to the Arts District is a win/win situation for everyone. It provides opportunity for everyone in the range of art. He said not every town has this kind of character and opportunity.

Ms. Marcie Purdy who is a resident of the Edgewood District, as well as an artist and is involved in art therapy, said that she was very excited about the changes in her neighborhood. She encouraged Council to support this project. She owns property in Bradenton where the same concept has been used and she has watched that community grow. She felt that Vero Beach could do a better job than Bradenton has.

Mr. Cliff Henry commented that he moved to Vero Beach about four (4) years ago and what attracted him here is the cultural arts of this City. He said this will be a terrific addition to the City.

Mr. John Ryan commented that they have discovered a dying community (Edgewood Subdivision) and this is a good opportunity to change that and watch that part of the City grow.

12. INDIVIDUAL COUNCILMEMBERS' MATTERS

A. Mayor Jay Kramer's Matters

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

Mayor Kramer commented on how well the Air Show went. He thanked the Veterans Honor Guard for being at the event and getting the weekend started. He said that he judged the hamburgers at the first Burgers & Brews event where the money raised went

towards United Against Poverty. He also attended the Cultural Arts Village ice cream social and observed a lot of nice designs.

B. Vice Mayor Randy Old's Matters

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

Mr. Old complimented the Airport Director on a great Air Show.

C. Councilmember Pilar Turner's Matters

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

Mrs. Turner thanked Mulligan's, the Recreation Department, and the Radio Station for a terrific July 4th celebration.

Mrs. Turner commented that coming from Texas that the events that occurred last week hit her hard. It is hard to see their law enforcement under siege. She encouraged the community to thank their police force and let them know how much they are appreciated.

D. Councilmember Richard Winger's Matters

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

Mr. Winger commented that the July 4th fireworks were great and the Air Show was wonderful.

Mr. Winger reported on the Beach & Shores Preservation Advisory Commission meeting. He said they set a record when it comes to turtle nesting season. He invited anyone to call Kendra at the County if they wanted to go out and see the turtle hatchings. He said they are asking for \$200,000 for Sector 5, which doesn't look that promising and won't be available any time soon. Mr. Winger brought up an interesting concept, which is called the "Reef Mitigation Gardens." He said the idea is to go out to the first rock ridge and take sand off the ridge and utilize the sand on the shore. He said it is an interesting idea and worth looking at. He asked the Clerk to get the information on this from the County and provide copies to the City Council.

E. Councilmember Harry Howle's Matters

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

Mr. Howle continued with some of the comments made earlier by Mrs. Turner. He said they live in a society that lacks respect and discipline. He doesn't understand the mentality of anyone who wouldn't be proud of Police Officers that go out every day and risk their lives. He said Police Officers demand respect. He told the Police Officer attending today's meeting that he appreciated his work. He then reminded everyone of the dates of the upcoming Pirate Fest.

13. ADJOURNMENT

Today's meeting adjourned at 10:29 a.m.

/tv