

**CITY OF VERO BEACH, FLORIDA**  
**AUGUST 18, 2015 9:30 A.M.**  
**REGULAR CITY COUNCIL MINUTES**  
**CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

The invocation was given by Pastor Michael Ashburn of the Global Five Church of Vero Beach followed by the Pledge of Allegiance to the flag.

**1. CALL TO ORDER**

**A. Roll Call**

Mayor Richard Winger, present; Vice Mayor Jay Kramer, present; Councilmember Pilar Turner, present; Councilmember Amelia Graves, present and Councilmember Randy Old, 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**

Mayor Winger suggested to Council that they put items 2C-1) and 2C-3) in the same block of time and hear them together. He said they could move Mrs. Frey up and hear her item as the first matter under Public Comments and ask that she keep her comments to 10 minutes. Mrs. Turner made this request in the form of a motion to adopt the amendment to the agenda. Mr. Kramer seconded the motion and it passed unanimously.

**B. Proclamations**

Mayor Winger read the Proclamation that was presented to Mr. Kevin Adorno's family. Mr. Adorno tragically lost his life while visiting Vero Beach last year.

**1. Constitution Week – September 17-23, 2015**

Mrs. Turner read and presented the Proclamation.

**2. Mr. Eric Menger, Veterans Council of Indian River County, to present Council with a check for Veterans Memorial Sanctuary Island**

Mr. Eric Menger, Airport Director and Treasurer of the Veterans Council, presented Council with a \$1,000 check to be used for Veterans Memorial Sanctuary Island.

**C. Public Comment**

**1) Mr. Schef Wright, Attorney, to discuss proposed Orlando Utilities Corporation (OUC) Purchase Power Agreements (PPA) agreements.**

Mayor Winger commented that Mr. Wright will be sharing some information with them that will be very good for the community in lowering power rates. He said in February 2014 there was one small power decrease and then another rate decrease in June 2014 and there will be another decrease in the near future. He said what Mr. Wright is going to propose will be a major help in getting the OUC portion of the power down to "market." He also felt that it was important for everyone to understand that there is a great deal of communication on-going between Mr. Wright, Mr. O'Connor, himself and Florida Power & Light (FPL). He wanted to speak to Indian River Shores (IRS) this morning and said that they must treat all users the same. He said they cannot enter into an agreement that disadvantages one group of ratepayers to another group or charge one area in the County a higher rate than what they charge users in another area of the County. He was sure that the majority of people in IRS understand this and they don't desire special treatment. He didn't know why they (IRS) went forward with a lawsuit, but because there is one everyone needs to move forward and get it resolved. He asked Mr. Wright to come forward first and then they would have Mrs. Brunjes speak. He said Council will need to make some decisions today in order to have a rate decrease by October 1<sup>st</sup> and they will need to get some documentation to the Finance and Utilities Commission members for their recommendations.

Mr. Schef Wright, Attorney, passed about some backup material (attached to the original minutes). He said the big news is OUC has made the City of Vero Beach a good offer, which is better than their last offer of \$7 million dollars, which was made in February. He said the key features are lower demand costs, fuel pricing remains the same, the City would buy peaking energy from OUC that would enable them to shut down the Power Plant, and the terms of their contract would be shortened. He recalled the not so pleasant exchange that took place between OUC and the City from late June to mid-July and said this resolves all issues. He said there would not be a third front of legal proceedings. He said this is a good deal. It saves the City \$177 million dollars nominal the present base case and \$126 million dollars net present value. He stated that OUC has agreed that the City can adjust the capacity payments over time to accomplish whatever rate making goals they want to accomplish in terms of flatter rates as long as their present value of payments under the modified structure is approximately equal to the present value of capacity payments under the rates shown in their term sheet. He explained what he passed out to Council this morning was a term sheet, a summary sheet showing the bulk power costs, and a graph showing the projected average electric cost per 1,000 kWh. He was recommending to Council that they allow himself and Mr. O'Connor to conclude the definitive negotiations of this amended Power Purchase Agreement (PPA) with OUC and he will bring it back to them on September 1<sup>st</sup>. Also, they need authorization to adjust the capacity rates in a manner that will allow them to achieve a relatively better attenuated escalation. He briefly went over the graph that was included in the backup material that they received this morning. He was trying to keep a good difference between where they would be otherwise and where they are now. He said this is subject to vetting by OUC, vetting by their Rate Consultant, and approval by FPL, which he does not see a problem. He mentioned a brand new feature in this agreement, will be that the City would be able to start the base product purchase at lower rates on October 1<sup>st</sup>

whether or not the full transmission capacity is available to deliver the power from OUC to the City. There is a provision that they have been given nine (9) months in order to get it worked out.

Mayor Winger explained what they were talking about was taking the 2008 contract and amending and restating it primarily having to do with rates. He said the amendment is not to change the 2008 contract, but just to amend and restate it. He said this revised amendment would go to the Finance and Utilities Commission for their review on August 31<sup>st</sup> and then come to City Council on September 1<sup>st</sup>. He said there are three choices that the Finance and Utilities Commission should consider. They are 1) continue with the current rates that are out of the market place; 2) go to war with OUC and have another legal problem and put out an RFP or 3) accept the contract that comes back, which he is in favor of. He is looking for authorization from the City Council for Mr. Wright and his team to finish the restated agreement and bring it back to Council.

Mrs. Turner stated that she wouldn't buy a car with the information that she has been given and Mr. Wright is asking them to commit to a billion dollar contract. She asked where the analysis on the 85 mega watt demand is and what is going on with the Power Plant. There have been suggestions to close it, but then they will have to buy their demand peak power from OUC at a price that could wipe out any savings that they could have. They are still stuck with the Power Plant and the employee pension costs to liquidate plus an existing site building and other things to remediate, which amounts to no savings at all. She said lets take a look at their history with OUC. She said Orlando Utilities operates Stanton I and Stanton II as part of the FMPA entitlements and the wholesale power costs they get from them is very high. In 2008 the City exited FMPA's All Requirements Project and entered into a redacted contract that was kept secret from the public for two (2) years. She said they still don't know where the original contract is. Then in 2013 the City was trying to get out of FMPA, and they had a letter from OUC saying that they would purchase their entitlements from FMPA, which they then reneged. In June 2015, after Mr. Wright told Council what a great relationship he has with them he convinced the Council to go out for an RFP and then they received a letter from OUC threatening a lawsuit. She stated that this contract deserves the utmost scrutiny. She objected to the time frame of getting the agreement to their Commissions by August 31<sup>st</sup> and then having it come to Council the next day. It was not enough time to review a billion dollar contract.

Mr. Wright stated that this contract would not be redacted and made public as soon as possible. They are committed to transparency and made a correction that this was not a billion dollar contract. It is a billion dollar power supply plan that includes all purchases from FMPA from now to 2029 and includes the cost of market power from 2004 to 2029.

Mayor Winger figured out that there would be a \$750,000 saving for the ratepayers starting October 1st. He said Mrs. Turner might want to get into a legal fight with OUC, but he personally does not. They have committed to bring rates down, they have a contract with OUC and it cost \$50 million dollars to get out of it. Since he has been on Council for the last four (4) years they have worked very hard to bring rates down, which

have been very small. He said the two (2) City Councils' before were Councils' that seemed to want to keep rates high. He personally felt that this Council needed to do everything that they possibly could to bring rates down.

Mrs. Turner told Mayor Winger that he was putting words in her mouth. She did not say that they should go to litigation with OUC. What she is saying is that they are entering into a major agreement and to do it without full vetting and a full study is foolish. She said it would even be foolish to move forward with negotiations with OUC until they have a clear waiver from FPL. She said all they have done in this electric business is pay attorneys and have not done what the voters told them to do, which was to sale to FPL. She questioned why they didn't enlist the help of the County and IRS to go after FMPA. She said if they could sell their utilities to FPL they would have the lowest rates within the State.

Mayor Winger told Mrs. Turner that he was sure that Mr. Wright and the rest of the team would be happy to spend all the time needed to work out all the details.

Mr. Old explained that they are renegotiating the contract that they are in already. They are reducing the contract by six (6) years, which would be beneficial to the City. They will also be having a decrease in their rates and shutting down the Power Plant. He said OUC will get more business because as the City shuts down the Power Plant, they will have more business. He agreed that they need to thoroughly review the contract until they are sure the contract is something they can agree to sign. He felt they were on the right path and this is the best thing that they can do right now. The idea of going to war with OUC is not the right way to go and staying with their present contract is not the right way to go either.

Mr. Kramer asked if knocking six (6) years off of the OUC contract was a bad thing. He said this would get them six (6) years closer to not having to pay a \$50 million dollar penalty. He questioned if it was a bad thing to get lower power bills. He has sat on Council for five (5) years arguing this matter. He said now they are actually at a point where they can get this resolved and there are some people who are arguing about the revised amendment. He has been saying for a lot of years there is a problem with FMPA and unfortunately they hired some transactional attorneys who did not want to deal with it. They now have an agreement that will lower rates and gets them closer to the FPL deal by reducing the contract term, so he does not see a problem.

Ms. Graves said that this makes a tough situation better. They can keep going and not doing anything, but with going with this agreement they are reducing the length of the term of the contract and reducing the rates. So if they review the agreement to make sure it is accurate she does not see what is bad about improving their current situation.

Mrs. Amy Brunjes, External Affairs Manager for FPL, was at the meeting to talk about FPL's offer to purchase the City's IRS customers. She said FPL believes today as they have always believed the solution for everyone is for FPL to purchase the entire City of Vero Beach Electric System. FPL has considered themselves to be partners with the City

for many years. She said last week FPL presented the City with an offer to purchase their IRS customers. She said the details are outlined in the letter (attached to the original minutes). She asked Council to direct their legal team and Mr. O'Connor to begin a dialogue with them to see if they can make this work. FPL realizes that the City is considering renegotiating a contract with OUC and this offer to purchase the customers in IRS will in no way stand in the way of that. They believe the sale of the IRS customers can work in tandem with any contract that the City enters into it. She said that is another reason for them to have dialogue and discussion to see if that will work. In May, FPL met with the City to discuss the parameters of a potential purchase of IRS customers. After that meeting they put together what they believed based on the data they had, a fair offer that provides benefits to all parties. Based on the data that is available they believe a partial sale of the IRS customers is achievable without negatively impacting the City's remaining utility customers and without the need for approval from FMPA. Since they sent their letter last week in writing, she has heard that some of the Council feel that their offer is too low and not enough to protect the City's remaining ratepayers. She said FPL would like to know how they came to this conclusion. She said if there is a number in mind, then that is a reason to meet and discuss the proposal and find out how far apart they are. FPL would also share how they arrived at their figure based on the information they have. She mentioned the additional \$25,000 a month for two (2) years until all of the transmission upgrades are completed. FPL has done their best to bring the best value to the City as they can based on the information they have. She said FPL is always looking at ways to get to a positive result. She said they really want to hear the City's concerns in a private setting so they can partner with the City as they have been trying to do for years. She requested Council to direct their staff to meet with them to begin some discussions. They understand that the Council feels the offer they have in front of them is not sufficient and there has not been enough communication between the two parties to see if they can work this out.

Mr. Wright stated that he was ready, willing and able to sit down and talk to FPL.

Mr. Jim O'Connor, City Manager, added that he talks to Mrs. Brunjes on a regular basis and would be happy to meet with FPL anytime.

Mayor Winger stated that he would probably be a part of those conversations like he has been in the past. He said from the City's point of view they have been and are always willing to talk about anything as long as it comes out for the benefit of all the ratepayers. He felt they should continue moving forward with the amendment to the OUC contract and in the meantime, talk to FPL with any new ideas there might be in selling all of the utilities to FPL.

Mrs. Brunjes stated that she will set up some dates to meet and get those discussions started. She said FPL has done what they could do to try to get the City out of the FMPA contracts and now want to discuss how selling their IRS customers to FPL would not negatively impact their other customers.

Mr. Kramer asked why IRS couldn't be involved in these discussions.

Mrs. Turner agreed that IRS should be involved in the discussions.

Mr. O'Connor explained the issue they are working out is details between two (2) utilities and the issues can become very technical.

Mrs. Turner stated if they were talking about a purchase of Vero's assets in IRS, why wouldn't they welcome a representative from IRS if they wanted to be in those discussions as well.

Mrs. Brunjes said that FPL would be okay with having IRS as part of the discussions, but understood that it was the wish of the City right now to start the initial discussions between them. She said at some point in the process IRS would need to be brought in.

Mr. O'Connor also agreed that if they get to an agreement, then IRS would need to be brought in. He said if they are going to open it up to IRS, then it should be a public meeting for anyone who wants to participate.

Mrs. Brunjes did not think they would accomplish too much if they opened the discussion to the public.

Mrs. Turner stated for the public that this new OUC contract requires them to buy a minimum (guaranteed) base load. She said this is a new provision that is not in the existing contract. The reason for possibly negotiating a sale of their customers to IRS at this time would obviously modify that base number.

Mayor Winger told Mrs. Turner that was an accurate comment.

**2) Mrs. Phyllis Frey to discuss All Aboard Florida/Transit oriented development.**

**\*Please Note this item was heard before item 2C-1)**

Mrs. Frey read a prepared speech (please see attached).

**3) Mrs. Amy Brunjes, External Affairs Manager for Florida Power and Light (FPL), to discuss FPL's offer to purchase Indian River Shores' Utility Customers**

This item was heard with item 2C-1).

Mr. Mark Mucher commented that he has requested all correspondence on this matter and received nothing. He told Mrs. Turner that he was going to ask the same question that she did and that was is this "take or pay." He has also heard that several Councilmembers think that this number is not a big enough number and also if they do make this sale, then the remaining ratepayers will have to pay more. He said he did not

understand what qualifies any of them to say \$13 million dollars is not enough, especially when they have not sat down and heard an explanation of where that number came from. Again, he asked how the “take or pay” situation was going to work.

Mayor Winger said that he has not seen the data, but he knows the data does exist and it will be shown to FPL.

Mr. Mucher said if it exists then it is public information and he would like to see it.

Dr. Stephen Faherty commented on the offer from FPL. He said they will have to take this to FERC and they already had the first sale approved so he doesn't see a problem with them approving this deal. This is a decision that is under the control of the City. He said IRS constitutes about 8% of the City's customers so there is no need to have to go to FMPA. He suggested with the funds coming from FPL, that they be used proportionally on the outstanding debt for IRS's portion to maintain debt to customer ratio. It is a common practice in the private sector and avoids lawsuits because they have reduced liabilities appropriately. He reminded them that they would be seeing a bill from FMPA next year for \$46 million dollars for getting out of the ARP project. He was not in favor of proceeding with the OUC contract at this time. It sounds like what happened in 2008. They pushed forward to get the contract signed in two (2) weeks without giving the public any information. He wanted to know how much the rates will be reduced. He asked if the \$750,000 reduction is per month or per year. Mayor Winger told him it was per month. He felt having a decision made on September 1<sup>st</sup> was absurd. They need to be comparing what was done in the original contract, the prior proposal, and the new proposal and then analyze all of those figures. He said they can't just focus on the rates. He said they have to also focus on the other particular assets they have. He hears the words “amended and restated” but the fact is it is a new contract. He would not support the new contract because they do not have enough details.

Mr. Jerry Weick, Vice Mayor for the Town of Indian River Shores, stated that he knows that the Council received the letter from Mayor Brian Barefoot regarding FPL's offer to purchase the utility system in IRS. He said there are five (5) key reasons why they should do this. He said #1) it is a real offer, #2) it would protect their other customers, #3) no reason why the City cannot renegotiate agreements with OUC at the same time when making these negotiations with IRS, 4) best opportunity for these municipalities and taxpayers and 5) he believes FPL's offer is a real opportunity for both municipalities to sit down and work this out.

Mr. Bob Auwaerter, IRS representative on the Utilities Commission, reported that prior to his retirement, he worked in the bond markets and was very familiar with municipal finance. He said that currently FPL has put on the table a fair offer to buy the Vero Beach electric assets customer base that sit in IRS. The City has received an analysis and based on this analysis and other factors he believes it is Council's duty to the taxpayers, as well as to their electric customers, to enter into a series of negotiations with FPL. He said another factor that they need to consider is the value FPL's offer is based in part on the present value of any future profits that they warrant from IRS customers. If the City

loses its current lawsuit with IRS, they will no longer have the right to deliver electricity to IRS customers. So then any subsequent offer to buy all or part of Vero Beach electric will be impacted by the loss of part of its customer base. He said so getting this deal done now will take that risk off of the table. He said negotiations with FPL could go on concurrently with the City's current proposal with OUC. It was noted that the contracts will be reviewed with the Utilities Commission and he requested Council to direct Mr. Wright to send the Commission the contract far enough in advance of the meeting so they have sufficient time to do an analysis and for the members to prepare questions. He said lets get to the right deal and not the fastest deal. Mayor Winger told Mr. Auwaerter that when the contract is brought before the Utilities Commission the fundamental question to them will be "yes or no."

Mrs. Turner thanked Mr. Auwaerter for his comments. She said he made a good point that if Council says they are going to wait through litigation with IRS they certainly would get a lesser deal than what may be offered now. They are in a much stronger negotiation position with FPL for the sale of IRS. Also, Mr. Auwaerter's comment about getting the contract in advance reminds her when the 2008 OUC contract was brought to the Utilities Commission, it was delivered to their door by a Police Officer at 10:00 at night and the Commission had to review it at their next meeting, which was the very next morning. Her point was this did not give the Commission much time to review the contract.

Mr. Auwaerter recalled at the Utilities Commission meeting that was held last week, Mr. Wright mentioned that there was a contract, but he gave them no details.

Mr. Lange Sykes stated that he has a deep respect for this community and the All Aboard Florida project is already damaging their real estate values, especially those residing near the railroad tracks. The thing that he likes least about this project is that All Aboard Florida is taking taxpayer's funds and using the money to ruin this communities quality of life. The reason they don't want to move the tracks west is because there is no market for high rise developments out west of town. He said they must continue to fight All Aboard Florida and keep them out of this community. With regards to the offer with FPL it appears to him that the offer is a win/win situation for the City of Vero Beach and for IRS. He said this could end a lawsuit with a neighbor. The City now has an opportunity to negotiate a deal that would offer a relief to ratepayers. Keep in mind that in a little over a year IRS will be able to walk and then the City is shouldering a large opportunity cost for not negotiating a sale with FPL. He encouraged the Council to negotiate a deal and continue looking for solutions for a full sell to FPL. This community deserves decisions made in their best interest and he believes that goal can be accomplished by working together. He asked Council to resist the urge of making this a political fight and do what is best for all concerned parties.

Mayor Winger agreed with Mr. Sykes concerns about All Aboard Florida and working towards getting a complete sale with FPL. He asked Mr. Sykes if because of the FMPA power, the remaining customers of Vero Beach have to pay a premium over the next

number of years and would Mr. Sykes be in favor of that. Mayor Winger said personally he would not be.

Mr. Sykes explained that he feels that a deal should be negotiated and it is important to take care of all their ratepayers.

Mayor Winger explained the position he is taking is that it is important that anything that the City does should be neutral to all of their customers.

Mr. Sykes said he was not agreeing with that. He said they need to work to negotiate a deal that ultimately takes care of the whole community.

Mr. Paul Tanner stated that he took the time to look at a few bios to prepare himself for whatever comments that he was going to be making today. He found it interesting that Mayor Winger earned a Masters Degree in English and he also looked at Mr. Terry Deason's bio and he earned a Masters Degree at Florida State in the practice of accounting. He said when a man like Mr. Deason makes a comment calling the deal something that would merit careful evaluation, by what possible authority does any City Councilmember seek to deride or to diminish a sale to FPL. He said it is ludicrous and shameful, especially as he goes back and looks at some of the campaign videos where some of the members of this Council were elected to get the job done. He was under the assumption that they needed to address Council generally and not get into an exchange back and forth with Council, which is what he is doing. He said the residents of Indian River County do not want government ruling their electric utility and they do want free market solutions provided by FPL.

Mayor Winger stated that his undergraduate degree is in theoretical economics.

Mr. Peter Gorry, Finance Commission Chairman, stated that in terms of customers in IRS, there are 3,500 customers and 200 are businesses and 3,300 are residents. There are a total of 28,000 resident utility customers. He said if the City loses those customers they will have to make up the difference in terms of loss of revenue.

Mr. Harry Howle commented that it seems like they have gone from a complete sale, to a partial sale, to no sale and now to a new contract. He pointed out that there are benefit liabilities that are outstanding and we don't know how we are going to tackle them moving forward. There is an approximate \$3 million dollar shortfall from utility transfers. He said by selling their IRS customers to FPL they could stop with the lawsuit that is costing the City money and Mr. Wright could go home. He said that Mr. Kramer has said in the past that he wants a partial sale so here is his wish. He brought up Professor Milton Freemond who expounds on four rules of spending and felt that where the City is at is taking someone else's money and not finding the best value and giving it to someone else (FMPA). It is possible within 400 days that IRS could walk. That means the \$13 million dollars would be off the table and the possibility of getting help with their liabilities is gone. The cost to fight the lawsuit and pay Mr. Wright's fee would still be there. At that point, the only obligation that FPL would have is buying the

assets at book value, which would be significantly less than \$13 million dollars. He brought up Mr. Terry Deason's resume, which he thought was an outstanding resume and feels selling the IRS utilities to FPL is a good deal so that should be considered when making a decision.

Mrs. Phyllis Frey spoke on the new fair housing rule and read a prepared speech (attached to the original minutes).

Ms. Stefanie Austin presented Council with a copy of an article entitled "Fort Pierce residents say plans for former power plant site don't fit downtown's character" (on file in the City Clerk's office).

Mrs. Reed Egan begged the Council to take time when entering into this new contract with OUC and considering selling their IRS customers to FPL.

Mr. Charlie Wilson stated that he was the one who discovered the discrepancies in the OUC contract, which was a fraud. He asked the Council to investigate it further and they decided not to do so. He said here they are negotiating another multi-million dollar contract and the Mayor has outlined what they say the three options that they have that are available, which all of them are bad. He said the reason they have three bad options is because they killed the only good option. On March 5<sup>th</sup>, Mr. Winger, Ms. Graves and Mr. Kramer, voted to kill the sale to FPL. Mayor Winger told Mr. Wilson that was not true. Mr. Wilson said they have been defending the FMPA so long that they have become the FMPA. He said every argument they are using to not agree to the sale for IRS is exactly the same argument FMPA uses to not make a sale to the City. He said they have become so close to FMPA, that they are FMPA. The reason they have a new lawyer (referring to Mr. Wright) is because FMPA did not like the lawyer that they had before, so through Mr. George Christopher they got a new lawyer that is more acceptable to FMPA. There is a long list of lawyers that the City has had over the years and all of them has stood at this podium and told Council what a good deal a certain contract was. Those of us who want to do something about an electric sale are too late. He heard Mayor Winger ask someone who spoke today if he would support a deal where the City had two different rates. Mr. Wilson recalled at one time the City did have two different rates. He said people living in the County had to pay a higher rate. Mr. Wilson said that Mr. Old has been quoted as saying that his responsibility is to the City of Vero Beach residents. He said that Council also has a responsibility to every single ratepayer. He said that Judge Cox who is going to rule on the lawsuit needs to know that this Council has no responsibility in their minds to outside ratepayers. He mentioned that elections have consequences and if the City residents have higher utility rates it is the electors fault because they elected the City Council.

Mrs. Laura Moss, Utilities Commission member, wondered if it would be appropriate to invite Mrs. Brunjes to the next Utilities Commission meeting so that the members could hear from her directly. The meeting is scheduled for August 31<sup>st</sup> at 9:00 a.m. She commented that a lot of the documents that the Utilities Commission needs to review do tend to generally arrive late.

Mr. Jeff Thomson stated that he was in favor of selling their utilities to FPL, as well as allowing their IRS customers to go with FPL. He did not think that voting for something in 13 days gives enough time for analysis. He said the citizens of this community need time to review the OUC agreement and make sure there is an exit clause in the terms. He commented that a couple of Councilmembers were elected on the platform that they were going to sell the City electric to FPL and that has not happened.

Mr. Daniel Fourmont commented that the City of Vero Beach needs to get out of the electric business. He said all of this talk with no solution is very frustrating. He suggested that they negotiate the deal for FPL to have the customers of IRS and then maybe find a solution to sell the rest of the County utility customers to FPL.

Mr. Kramer asked Mr. Wright with this OUC agreement, was the basis of it from the November 25<sup>th</sup> proposal. Mr. Wright said yes, but the prices are now lower than what was in the November 25<sup>th</sup> proposal. Mr. Kramer asked if this was available to the public. Mr. Wright answered yes and said the term sheet that he discussed today is also available to the public. Mr. Kramer asked if they have received any financial analysis in reference to the FPL deal. He said they are being pressed to accept a partial sale of IRS with no financial analysis. Mr. Wright said that it may exist, but he has not seen a financial analysis of the FPL offer. He is committed to sit down with FPL and talk through their view of the economics of the IRS offer and what the impact would be on their remaining customers.

City Council took a break and the meeting reconvened at 11:20 a.m.

Mayor Winger stated that the question before Council at this time is should they authorize Mr. Wright to take the term sheet and turn it in to a revised full contract to bring back to them.

Mayor Winger made a motion to authorize Mr. Wright to move forward and bring back to City Council an amended and restated contract from 2008 implementing the terms on the deal sheet for first consideration by the Commissions and then the City Council.

Mrs. Turner amended the motion to include that Mr. Wright does not proceed until they have a waiver from FPL.

Mr. Kramer thought that there was already a waiver between FPL and OUC.

Mr. Wright explained the waiver between the City, FPL and OUC just allows these discussions to occur, but does not bind any of the parties to agree that whatever else occurs is okay. In his opinion the only aspect of the asset purchase and sale agreement between the City and FPL that would be violated by entering into the amended restated agreement with OUC is the requirement that they would shut down the Power Plant. The City is obligated to keep the Power Plant running. He does not think there will be a problem getting a sign-off from FPL.

Mrs. Turner asked if that is with the same certainty that he thought OUC would not have any objection to Vero issuing an RFP for power. With that said she certainly felt that they needed to have a waiver in writing from FPL before they proceed any further.

Mr. Wright stated that this is Councils call and he would advise them that they have an opportunity to get new rates effective October 1<sup>st</sup>. He said OUC is drafting the agreement as they speak. If they wait they may miss the October 1<sup>st</sup> date and that is the only concern that he has. He will ask about getting a waiver as to this not conflicting with the asset and sale purchase agreement.

Mrs. Turner asked other than the upcoming election what is the significance of the October 1<sup>st</sup> date.

Mr. Wright explained they would be able to provide lower utility rates to their customers effective October 1<sup>st</sup> as opposed to later.

Mr. Kramer said the only modification he sees in the paperwork they received today is that they were going to level out the demand charges (Attachment A).

Mr. Kramer seconded the motion and it passed 4-1 with Mrs. Turner voting no.

### **3. CONSENT AGENDA**

- 1. Regular City Council Minutes – July 21, 2015**
- 2. Award of Bid 190-15/CSS Annual Supply Contract for Unleaded Gasoline and Diesel Fuel to the Marina**
- 3. AURSI Bid #14-7/22/2015-PWC-Stock 600 Amp Dead Front Switchgear**
- 4. FAA Grant to Rehabilitate Taxiway C (Design Only) (AIP Number 3-12-0083-039-2015)**
- 5. North Beach Substation 15kv Swithgear Replacement**
- 6. Replacement of Sand Filter Influent Gates – Recommendation of Final Acceptance and Payment – Bid No. 120-14, WS Project No. WS14007**
- 7. Postal Annex Site – Temporary License Agreement**

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

### **4. PUBLIC HEARINGS**

**(Legislative)**

- A) An Ordinance of the City of Vero Beach, Florida, relating to Restaurants dealing with or in alcoholic beverages and located within 500 feet of a school**

**facility; Providing for Conflict and Severability; Providing for an Effective Date – Requested by the Planning and Development Director**

Mayor Winger read the Ordinance by title only.

Mr. Tim McGarry, Planning and Redevelopment Director, reported that this Ordinance amends Section 60.16(b)(2) to eliminate the restrictions on the sale and consumption of alcoholic beverages in restaurants located within 500 feet of a school. The Planning and Zoning Board and the Historic Downtown Economic Development Zone Advisory Committee have unanimously recommended that the Ordinance be approved.

Mr. Kramer questioned if hard liquor would be allowed to be served. Mr. McGarry said that it would, but at least 51 percent of the restaurant's gross revenue must come from the sale of food and nonalcoholic beverages.

Mayor Winger opened the public hearing at 11:14 a.m.

Mr. Michael Rechter commented that he purchased a couple properties in the downtown area in hopes of redeveloping them. He owns the Majestic Theater and the KMART shopping plaza. He would like to open a brewery in the downtown area, but without passage of this Ordinance he would not be allowed to serve alcohol during the lunchtime because the Freshman Learning Center is within 500 feet of the property, which would not be good for his business. He believes in the downtown area and wants to be a part of this positive development. He noted that if his business was across the street like where some other restaurants are located he would be allowed to serve alcohol.

Mr. O'Connor commented that he met with Mr. Rechter about three (3) months ago and Mr. Rechter is putting his money where his mouth is.

Mayor Winger closed the public hearing at 11:47 a.m., with no one else wishing to be heard.

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

**(Legislative)**

- B) A Resolution of the City Council of Vero Beach, Florida, Approving the Transmittal to the State of Florida Department of Economic Opportunity of a proposed Ordinance amending the Future Land Use Map of the Vero Beach Comprehensive Plan; Providing for Conflict and Severability; Providing for an Effective date.**

Mayor Winger read the title of the Resolution.

Mayor Winger opened the public hearing at 11:49 a.m.

Mr. Bruce Barkett, Attorney for Collins, Brown & Barkett, reported that by passage of this Resolution it is correcting an error. The zoning will now be consistent with the land use by changing the Future Land Use Map designation of this property from GU (Government/Institutional/Public Use) to RL (Residential Low). He said GU is not appropriate in the land use regulation because this property once had a school on it, so the zoning of the property is not consistent with the Comprehensive Plan.

Mayor Winger closed the public hearing at 11:50 a.m., with no one else wishing to be heard.

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

- C) An Ordinance of the City of Vero Beach, Florida, Requested by Promised Land Anglican Church to amend the Comprehensive Plan Future Land Use Map by changing the Future Land Use designation from Governmental/Institutional/Public Use to Residential Low, for the property located at 665 20<sup>th</sup> Street, containing 15 acres more or less; Providing for an Effective Date. – Requested by the Planning and Development Director**

Mayor Winger read the Ordinance by title only.

Mr. McGarry explained that this Ordinance will go to the State for their review and then come back to Council for a final public hearing.

**(Quasi-Judicial)**

- D) An Ordinance of the City of Vero Beach, Florida, amending the Comprehensive Plan Future Land Use Map by Changing the Future Land Use Designation of Annexed Land from Indian River County designation C/I, Commercial/Industrial to City of Vero Beach designation C, Commercial, for the properties located at 1660 & 1690 US Highway 1, in Dr. Richard E. Bullington's Subdivision, containing 1.32 acres more or less; Providing for an Effective Date.**
- E) An Ordinance of the City of Vero Beach, Florida, amending the Official Zoning Map by changing the Zoning District Designation of annexed land from Indian River County designation CG, General Commercial to City of Vero Beach Designation C-1, Highway Oriented Commercial, for the properties located at 1660 & 1690 US Highway 1, in Dr. Richard E. Bullington's Subdivision, containing 1.32 acres more or less; Providing for an Effective Date. – Requested by the Planning and Development Director**

Mayor Winger read both Ordinances together and they were heard together.

The City Clerk swore in anyone testifying at today's hearing enmasse.

Mr. McGarry reported that these two (2) Ordinances will bring the newly annexed properties under the City's Land Development Regulations by changing the Indian River County's Future Land Use Map and Zoning Map designations to comparable City Future Land Use Map and Zoning Map designations.

Mayor Winger opened and the closed the public hearing at 11:54 a.m., with no one wishing to be heard.

Item 4-D) Mayor Winger made a motion to adopt the Ordinance amending the Comprehensive Land Use Map by Changing the Future Land Use Designation of annexed land from Indian River County designation C/I, Commercial/Industrial to City of Vero Beach designation C, Commercial, for the properties located at 1660 & 1690 US Highway 1, in Dr. Richard E. Bullington's Subdivision, containing 1.32 acres more or less. Ms. Graves seconded the motion and it passed 5-0 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer yes, and Mayor Winger yes.

Item 4-E) Mayor Winger made a motion to adopt the Ordinance amending the Official Zoning Map by changing the Zoning District Designation of annexed land from Indian River County designation CG, General Commercial to City of Vero Beach designation C-1, Highway Oriented Commercial, for the properties located at 1660 & 1690 US Highway 1, in Dr. Richard E. Bullington's Subdivision, containing 1.32 acres more or less. Mr. Kramer seconded the motion and it passed 5-0 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer yes, and Mayor Winger yes.

**(Legislative)**

**F) An Ordinance of the City Council of the City of Vero Beach, Florida, dedicating City-Owned Parcel "Tract A," Poinsettia Park Subdivision, as public right-of-way; Providing for an Effective Date – Requested by the City Attorney**

Mayor Winger read the Ordinance by title only.

Mr. Coment reported that the passage of this Ordinance was the last part of completing all the documents needed for the sale of the Dodgertown golf course.

Mayor Winger opened and closed the public hearing at 11:56 a.m., with no one wishing to be heard.

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

**(Legislative)**

**G) A Resolution of the City Council of the City of Vero Beach, Florida, Establishing a Special Assessment Lien in the amount of \$21,610.00 for a**

**Septic Tank Effluent Pump (STEP) System to serve the real property located at 800 Bahia Mar Road, Vero Beach, Indian River County, Florida; Providing for an Effective Date. – Requested by the City Attorney**

Mayor Winger read the Resolution by title only.

Mr. Coment reported that the passage of this Resolution is to secure payment of the multi-unit property and covers the expense that the City would incur in the STEP system being installed to serve the entire property. This would allow payment over time.

It was noted that the Property Owner was not at today's meeting to speak.

Mr. Rob Bolton, Water & Sewer Director, explained that this Resolution is needed because a property owner is financing the STEP program. He anticipates that someone having multi-family units will finance because of their larger expense. He recalled that they are allowing one credit per property owner so in the case where there are multiple dwellings such as this one where there are 6 (units), there will be six (6) impact fees charged and the property owner will get credit for one (1), so in essence what the property owner is really financing is the impact fees.

Mrs. Turner brought up the interest payment is being waived on the assessment because of the six (6) impact fees.

Mr. Bolton explained in essence they are waiving the interest, but the property owner does not get credit for the utility line in front of their property and is charged \$1,100 versus the cash paying customer who does not get charged (incentive). He said the City is not charging an interest on time of their payment over the 10 years, but they are paying the \$1,100, which is an incentive to someone to pay cash.

Mrs. Turner asked Mr. Bolton why is the effective date December 1<sup>st</sup>.

Mr. Bolton explained they made the effective date December 1<sup>st</sup> because what the City is trying to do instead of having to bill the property owner each year, the property owner will receive their November tax bill where this has been included. The City is hoping to be able to go this route because it makes it easier for the Finance Department to collect the money. If they cannot do it this way, then a bill will have to be rendered every year.

Mrs. Turner stated that she liked the provision that the unpaid balance is due in full in the event that the property is sold.

Mayor Winger opened the public hearing at 12:03 p.m., with no one wishing to be heard.

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

## 5. RESOLUTIONS

- A) **A Resolution of the City Council of the City of Vero Beach, Florida, adopting the 2015 revised Indian River County unified Local Mitigation Strategy; Providing for an Effective Date. – Requested by the Public Work’s Director**

Mayor Winger read the Resolution by title only.

Mr. O’Connor reported that the State of Florida mandated that all county emergency management agencies develop a strategy for participation in FEMA’s Hazard Mitigation Grant Program (HMGP) if funding became available after a disaster was declared by the President. The Local Mitigation Strategy Plan is a countywide effort to be prepared for funding opportunities from FEMA should a disaster strike Indian River County or any of its municipalities. FEMA requires that the plan be reviewed and adopted every five years.

Mayor Winger opened and closed the public hearing at 12:04 p.m., with no one wishing to be heard.

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

- B) **A Resolution of the City Council of the City of Vero Beach, Florida, Providing for the continued administration of first response and law enforcement services by the City of Vero Beach Police Department on certain Vero Beach Regional Airport real property pursuant to requirements by the Federal Aviation Administration; Providing for payments from the Airport Fund into the General Fund for said services; Establishing the method of determining the amount of said payments and providing for adjustments thereto; Providing for an Effective Date – Requested by the Airport Director**

Mayor Winger read the Resolution by title only.

Mr. O’Connor reported that this Resolution, as well as the next two (2) Resolutions on the agenda are intended to document and update City procedures and policies to ensure compliance with federal policy as interpreted by the Federal Aviation Administration (FAA). The Resolutions are a part of the complete package and draft cover letter for the City Manager to use in response to the FAA Land Use Inspection letter dated January 15, 2015. He hopes that this satisfies FAA and meets the City’s needs to comply with federal regulations. He said if the City and FAA cannot come to an agreement, there is the possibility that federal grants could be frozen. He expressed that the City was not in agreement with having to pay royalties on water, but did not want to jeopardize any grants they could receive from FAA.

Mayor Winger opened and closed the public hearing at 12:08 p.m., with no one wishing to be heard.

Mr. Eric Menger, Airport Director, stated that the deadline to comply with FAA is September 18<sup>th</sup> and the City feels that the complete package they will be sending meets all FAA regulations.

Mrs. Turner felt by passing these Resolutions it was a good way to address the concerns of the FAA. She asked Mr. Menger if he was comfortable with the \$90,000 per year for security services at the Airport. She questioned if this was a part of his budget and was he involved in the discussion of these services.

Mr. Menger explained that the \$90,000 is a budget number and it will be reconciled according to the Resolution on page 3, section (2)(i).

Mrs. Turner asked Mr. Menger if they are successful in obtaining an airline service at the Vero Beach Regional Airport, will it impact their security services.

Mr. Menger answered yes. He said what happens is the Transportation Security Administration (TSA) gets involved and they provide staff at Federal cost. He said it will be like the Air Traffic Controllers who are paid by FAA. There will be security and screening provided by the TSA.

Mr. O'Connor added that all of these Resolutions have a history. For example there was police security back when the City had airline services, which is why this was brought up now. He said that every Department Director involved with this has sat down and worked out the processes. The only new thing is where the City has to pay royalties on the water extraction.

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

**C) A Resolution of the City Council of the City of Vero Beach, Florida, Providing for the withdrawal of Water from certain Vero Beach Regional Airport real property by The Vero Beach Water and Sewer Department as part of the City Water Well Field and Water Pumping System; Providing for payments from the Water and Sewer Fund into the Airport Fund for said use; Establishing the amount of the payments and providing for adjustments thereto; Providing for an Effective Date. – Requested by the Airport Director**

Mayor Winger read the Resolution by title only.

Mr. O'Connor stated that this is another Resolution that will be sent to FAA concerning complying with their federal policy, although philosophically they do not agree.

Mayor Winger opened and closed the public hearing at 12:12 p.m., with no one wishing to be heard.

Mrs. Turner asked what was the difference in price between the “Surfical Aquifer” and the “Floridan Aquifer.” Mr. Bolton explained that it has to do with the water quality and the cost to treat the water.

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

**D) A Resolution of the City Council of the City of Vero Beach, Florida, relating to Administration of Groundwater Remediation for certain Vero Beach Regional Airport Real Property and related costs; Providing for an Effective Date. – Requested by the Airport Director**

Mayor Winger read the Resolution by title only.

Mr. O’Connor reported that the City is required by the Florida Department of Environmental Protection (FDEP) to remediate groundwater located under certain Airport property through the use and maintenance of monitoring wells and the Air Stripping Facility.

Mayor Winger opened and closed the public hearing at 12:14 a.m., with no one wishing to be heard.

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

**6. PUBLIC NOTICE ITEMS**

Ms. Graves suggested that the Clerk read the following Resolution/Ordinances and announce the date the public hearings will be held for each one of them.

**Notice of Scheduled Public Hearing September 1, 2015**

**A) A Resolution of the City Council of the City of Vero Beach, Florida, repealing Resolution 2013-40; Establishing Prices and Fees for Crestlawn Cemetery; Establishing Hours of Operation; Providing for Conflict and Severability; and Providing for an Effective Date – Requested by the Public Work’s Director**

Mrs. Vock read the Resolution by title only and announced that the public hearing would be held on September 1, 2015.

**Notice of Scheduled Public Hearing September 1, 2015**

- B) An Ordinance of the City of Vero Beach, Florida, relating to the City’s Septic Tank Effluent Pump (“STEP”) System Program; amending certain subsections in Section 78-83 in Chapter 78 of the Code of the City of Vero Beach related to payment options for Step System charges and fees; Providing for Conflict and Severability; Providing for Codification; and Providing for an Effective Date. – Requested by the City Attorney**

Mrs. Vock read the Ordinance by title only and announced that the Ordinance would be heard on September 1, 2015.

- Notice of Scheduled Public Hearing September 1, 2015**
- C) An Ordinance of the City of Vero Beach, Florida, amending the Land Development Regulations, Part II of the Code of the City of Vero Beach, relating to Medical Marijuana Dispensaries; Providing for Conflict and Severability; Providing for an Effective Date. – Requested by the Planning and Development Director**

Mrs. Vock read the Ordinance by title only and announced that the Ordinance would be heard on September 1, 2015.

- Notice of Scheduled Public Hearing September 1, 2015**
- D) A Resolution of the City Council of the City of Vero Beach, Florida, repealing Resolution 2009-26; Adopting Updated Rates and Fees for the Vero Beach Municipal Marina; Providing for an Effective Date. – Requested by the Marina Director**

Mrs. Vock read the Resolution by title only and announced that the Resolution would be heard on September 1, 2015.

- Notice of Scheduled Public Hearing September 1, 2015**
- E) An Ordinance of the City of Vero Beach, Florida, Amending Section 82-31 in Chapter 82 of the Code of the City of Vero Beach, relating to Vehicles for Hire; Providing for Conflict and Severability; Providing for Codification; and Providing for an Effective Date. – Requested by the Police Chief**

Mrs. Vock read the Ordinance by title only and announced that the Resolution would be heard on September 1, 2015.

- Notice of Scheduled Public Hearing September 1, 2015**
- F) An Ordinance of the City of Vero Beach, Florida, Requested by Robert Rennick to amend Chapter 31, Boats and Waterways and Chapter 63, off-street parking and loading requirements of the land development regulations related to the leasing of dock, dock space, and boat slips to non-tenants in C-1A and C-1B Zoning Districts; Providing for Conflict and Severability; Providing for Codification; Providing for an Effective Date. – Requested by the Planning and Development Director**

Mrs. Vock read the Ordinance by title only and announced that the Ordinance would be heard on September 1, 2015.

## **7. CITY CLERK'S MATTERS**

### **A) Appointment to the Police Pension Board**

Mrs. Vock announced that there was a full position open on the Police Pension Board. She said they have received one application from Mr. Gregory Budde who would like to serve on the Board.

Mr. Kramer made a motion to appoint Mr. Gregory Budde to the Police Pension Board. Mayor Winger seconded the motion and it passed unanimously.

Mrs. Turner brought up the City Council's travel policy. She had no problem with City Council attending functions, but said the reason the policy is in place was because in the past there were significant abuses. She was really concerned with having policies and not implementing them. She said if the policies are not going to be complied with why bother having them. She went over some of the different policies that we have and wanted to have a discussion on the different policies.

Mrs. Vock mentioned that about a year ago she had brought these policies to the City Council to incorporate them into a Resolution, but that was never done. She thought maybe Council needed to look at doing that again.

Ms. Graves asked Mrs. Turner is there an abuse that has occurred that they need to talk about.

Mrs. Turner said no, but there have been travel expenses that have not been approved by the Council.

Mr. Kramer would like to have a report on the travel policy and then Council can make a decision on it.

Mr. Coment did not know if the policy indicated that in advance of attending a conference, Council had to get approval. What he saw was that reimbursement had to be approved by the Council.

Mrs. Turner read from the minutes where this was discussed (on file in the City Clerk's office).

Mr. Old commented that he just attended the Florida League of Cities conference and his hotel bill was paid for by the City. He asked should he have done this some other way.

Mrs. Turner told Mr. Old she did not realize that he had Council approval to go to the conference. She said his request to attend the conference and have the registration fee paid by the City taxpayers should be brought to Council.

Ms. Graves commented that she was not aware that some of the Council were getting mileage reimbursement for different meetings that they attended.

Mrs. Vock stated that she would be glad to bring before Council a request each time a Councilmember wants to travel and have the expenses paid by the City.

Mr. Kramer said that he wanted to see a report of the expenses that have been racked up. Then they can determine if there is a problem.

Mrs. Turner commented that she was not saying that there was a problem. She was just saying that there is a policy in place and either they are going to comply with the policy or they are not.

Mayor Winger told Mrs. Vock that they recently received a fraudulent blog where someone used the Indian River Neighborhood Association's letterhead and called it "The Observer," which he said is completely fraudulent. He asked the Council to instruct Mrs. Vock not to electronically forward these emails to Council. He said if Mrs. Vock wants to give them a hard copy that would be okay. He does not think that they should participate in known fraud.

## **8. CITY MANAGER'S MATTERS**

### **A) FAA Land Use Inspection; Proposed City Response Package**

Mr. O'Connor reported that this package should satisfy FAA and meet the City's need to comply with federal regulations.

### **B) Third Quarter Fiscal Year 14-15 Electric Utility Rate Sufficiency**

Mr. O'Connor stated that based on the analysis, staff is recommending that the Bulk Power Cost Charge (Purchased Power Cost) be decreased from \$69.50 per 1,000 kWh to \$67.65 per 1,000 kWh effective with billing read dates beginning September 1, 2015. This represents a decrease of 1.5% on a typical 1,000 kWh residential bill. He said staff would continue to monitor and compare the actual revenues and expenses to the forecast and provide the Commissions with an updated sufficiency analysis on a quarterly basis.

Ms. Graves asked Mr. O'Connor to address the St. Francis Manor bridge.

Mr. O'Connor explained that the City has no jurisdiction over the bridge. It is an issue between Indian River County and St. Francis Manor. He has received some telephone calls regarding the bridge and has told these people that they needed to call the County.

Ms. Graves commented at the last MPO meeting they discussed All Aboard Florida and “Plan B.” She asked Mr. O’Connor if the City has a “Plan B.”

Mr. O’Connor explained the Police Department has worked out a plan to have two Police Officers to the west, two Police Officers in central Vero Beach and two Police Officers on the beachside. He said that the railroad is saying that there will be two crossings closed and the City has gone on record saying they are opposed to the closing of these crossings.

A brief discussion on quiet zones took place and Mr. O’Connor said he was not sure that they wanted to have quiet zones in the City because of safety concerns.

**9. CITY ATTORNEY’S MATTERS**

None

**10. CITY COUNCIL MATTERS**

**A. Old Business**

**B. New Business**

**1. Selling of Postal Annex Property – Requested by Vice Mayor Jay Kramer**

Mr. Kramer mentioned that this property (Old Postal Annex Site) has been sitting vacant for quite some time now. He has been looking at different assets that they can monetize and this is probably one to sell and get it back on their tax rolls and use that money to pay off some debt. The one caveat he would like to see in doing this is that the Oak Trees remain on the property. He was asking Council’s permission to go ahead and have the City Manager do an RFP for this piece of property.

Mayor Winger asked if they have to spend the money and have the land appraised or can they just put an RFP out.

Mr. O’Connor addressed that this land is part of the FPL contract, but he felt it would be easy to get that clause removed from the FPL contract. He said this spot is where they were talking about moving the substation to. He said now that they have the Phase 1 report, having the substation at this location is probably not the best place for it to be. He said an appraisal is needed on the property. He has had several people calling who were interested in the property, one of those people being Cumberland Farms. When they put the RFP out they could put in there they want to preserve as many of the trees as possible. He said one of the positive things for this location is seeing how successful Miracle Mile has been, which is close in proximity.

Mayor Winger made a motion to proceed with it after getting an appraisal of what it is worth.

Mrs. Turner commented that some time ago they talked about the possibility of moving the Waste Treatment Plant off of the river. At that time they were told that this area might have to be kept for tanks, etc.

Mr. Bolton said there would be no need for them to have to use the property. Anything they would need could be constructed at the Water Treatment Plant.

Mrs. Turner felt that they needed to take into consideration as to where the substation would be relocated. She said the first step would be to declare the land surplus and an appraisal would need to be done.

Mr. Kramer seconded the motion.

Mr. Old felt that they needed an overall plan in place to make sure this was a piece of property that they would not need. He said the City is not in a financial distress where they need to start selling off pieces of property without first doing some planning.

Mrs. Turner agreed with Mr. Old's comments.

Ms. Graves said it would not hurt to see what the property is worth.

Mr. O'Connor commented that there was a price to having an appraisal done. He would not recommend doing one just to find out the value of the property.

Mr. Bolton recalled at one time the City was offered \$3 million dollars for the property. He did not know what the property would be worth at today's market.

Mr. Kramer expressed that there are a lot of financial things that they need to discuss. He said with taxes going up and next year they will be talking about OPEB, by selling this piece of property would it alleviate some of the financial stress and pay some of the debt down.

The motion passed 3-2 with Mr. Old and Mrs. Turner voting no.

## **11. INDIVIDUAL COUNCILMEMBERS' MATTERS**

### **A. Mayor Richard Winger's Matters**

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

Mayor Winger commented that finding a place for the Rowing Club to have their facilities is a worthy cause.

Mr. Winger mentioned that he had a conversation with Mr. O'Connor and Ms. Lawson about bringing forward the General Fund Reserve Policy as part of the September 3<sup>rd</sup> meeting.

Mr. O'Connor explained that Ms. Lawson has been working on the budget, so the Reserve Policy won't be coming to them until after the beginning of next year.

Ms. Lawson added that when the Finance Commission made their recommendations this year regarding the Reserve Policy, she told them she would bring back something regarding the Reserve Policy sometime in the first quarter of the coming fiscal year, so it would be done before they started next year's budget activity.

Mayor Winger brought up the Dodgertown Golf Course and asked if they were ready to sell that piece of property.

Mr. Coment explained that they are just about ready. He said they passed the Ordinance this morning dedicating some right-of-way, so once all the necessary documents have been recorded everything has been done. He said an RFP will go out and an appraisal will be done on the property and they will need to declare it surplus.

Mayor Winger commented that on September 3<sup>rd</sup> they will be voting on the budget. He said that he would never go as high as the not to exceed rate when raising taxes. He felt going from 2.04 to 2.64 was too high, but they will discuss it at the September 3<sup>rd</sup> meeting.

**B. Vice Mayor Jay Kramer's Matters**

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

Mr. Kramer reported that he attended the Korean War Anniversary Ceremony that was held at Memorial Island. He also attended the Junior Staff recognition event that was recently held, the Aerial Antics Circus, the Mayor's Golf Cup event held at Bent Pine and welcomed students back to school that the County Housing Authority sponsored. He also attended the ceremony when the capsule was buried at Jaycee Park.

**C. Councilmember Pilar Turner's Matters**

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

Mrs. Turner brought up the memo that they received from Mr. Glen Brovont, Finance Commission member, regarding their reserves (letter on file in the Clerk's office). She said the Finance Commission recently passed a motion saying that they would use a million dollars from the City's general reserve to help reduce the proposed tax increase. She said the problem with this is even if they are only looking at a \$700,000 tax increase

they are still \$400,000 short of the combined payroll tax increase. She said that is why the Reserve Policy is so critical. She didn't want them to rob their reserves until they have a set policy.

Mrs. Turner reported that there will be a Legislative Delegation meeting on Wednesday, September 23<sup>rd</sup> and she thought that Council needed to start thinking about what issues they may want to bring forward to the State Legislature. She would like to see Council bring up again to support their home rule issue on short term rentals.

Mayor Winger commented that he has talked to staff about getting on the Legislative Delegation agenda for an electric update. He said any other items that Council wants heard should be submitted at this point so that they can be placed at the beginning of the agenda.

Mrs. Turner reported that she attended the Metropolitan Planning Organization (MPO) meeting and they are going through their long range transportation plan. She thanked everyone who attended the Sherriff's department bowling fundraiser where money was raised for United Way. She said that the Elliot Museum in Stuart has an exceptional exhibit on water luminescence, and also that Orca has 12 kilroys to be deployed and will have 13 more by the middle of October.

**D. Councilmember Amelia Graves' Matters**

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

Ms. Graves reported that she attended the fundraising event (race) that the Vero Beach Lifeguard Association conducted. She also reminded everyone that the annual Vero Beach Lifeguard Shore Paddle event will be held on August 28<sup>th</sup>.

Ms. Graves noted that in the Quality of Cities magazine she noticed that other cities are doing a Mayor's city award, which acknowledges students that go above and beyond volunteering numerous hours throughout the year. She asked if this was something that this Council might be interested in doing. Council agreed it was important to recognize the contributions that younger members of this community are making.

**E. Councilmember Randolph Old's Matters**

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

Mr. Old reported that he attended the Florida League of Cities annual conference and felt that it was very beneficial.

The Clerk was asked to fill out the form so that the City can discuss short term rentals at the Indian River County Legislative Delegation. Mayor Winger and Mr. Wright will also be giving an update on the electric issue.

**12. ADJOURNMENT**

Ms. Graves made a motion to adjourn today's meeting at 12:55 p.m. Mr. Kramer seconded the motion and it passed unanimously.

/tv