

**SPECIAL CALL CITY COUNCIL MINUTES  
WEDNESDAY, SEPTEMBER 3, 2014 5:10 P.M.  
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

**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 Craig Fletcher, present  
**Also Present:** James O'Connor, City Manager; Wayne Coment, City Attorney and Tammy Vock, City Clerk

**2. PUBLIC HEARINGS**

**A) An Ordinance of the City of Vero Beach, Florida, Providing the Levy of Ad Valorem Taxes for the Fiscal Year 2014-2015 at a Millage Rate of 2.0336 which equates to \$2.0336 per \$1,000 of Assessed Property Value.**

Mrs. Tammy Vock, City Clerk, read the Ordinance by title only.

Ms. Cindy Lawson, Finance Director, briefly went over the requirements to adopt the tentative and final millage/budget trim hearings with the Council (please see attached).

Mr. Kramer said they did end up with a little extra money. He asked will they have the opportunity to put some hours back in the budget for the lifeguards.

Ms. Lawson said the budget in front of Council has an unappropriated surplus in the General Fund of \$73,000 dollars, which is available. She explained that since Council is formally adopting a tentative budget and a final budget at their next hearing, if they want to amend the budget as presented they would need to make that motion under the adoption of the budget.

Mr. Kramer asked do they make the motion today or wait until the second public hearing.

Ms. Lawson explained that they could do it either way.

Mr. Kramer said this hearing will set the millage in concrete.

Ms. Lawson said they would be setting a tentative millage rate today and the final millage rate would be set at the public hearing on September 16, 2014.

Mr. James O'Connor, City Manager, clarified that they did not reduce lifeguard hours for this year.

At this time, Mayor Winger asked for public comment.

Ms. Lori Easterwood, 1845 8<sup>th</sup> Avenue S.W., said this budget would probably be geared more towards pre-recession hours, which historically has been 9:00 a.m. to 5:00 p.m. She said those hours have been cut back and she would like them to go back to fully recovered hours at the beach.

Mayor Winger explained that they currently are discussing the millage rate.

Mrs. Turner made a motion to hold the second public hearing on September 16, 2014. Mayor Winger seconded the motion.

Mrs. Vock read into the record Section I and Section II of the proposed Ordinance.

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

**B) An Ordinance of the City of Vero Beach, Florida, Adopting the Annual Budget of the City for the Fiscal Year beginning October 1, 2014 and Ending September 30, 2015; appropriating funds for the Operating Expenses, Supplies, and Personnel, and otherwise appropriating funds for the Efficient and Effective Operation of the Government of the City of Vero Beach and its Departments; Such appropriations being from anticipated revenue; providing a means to amend the Annual Budget to carry forward the funding of Purchase Orders, Work Orders, and Grants outstanding as of September 30, 2014; Providing a means to amend the Annual Budget to reflect Grants received after September 30, 2014; and authorizing the Transfer of Funds Appropriated so long as the total combined appropriations shall not be increased thereby; Providing an Effective Date.**

Mrs. Vock read the Ordinance by title only.

Mrs. Turner asked when they moved the freezing of the defined benefit plan from October to January, what was the overall impact to the budget.

Ms. Lawson said as a result of the move, the total pension contribution for the next year is \$5.28 million dollars. However, \$4.2 million dollars of that is the unfunded actual accrued liability and \$189,000 dollars is one quarter of defined benefit contribution.

Mr. Kramer asked Ms. Lawson, economically over time, does she see that proportion changing with the defined benefit.

Ms. Lawson said the large portion of the contribution they currently have with the defined benefit plan is the contribution towards the unfunded liability. She said the actual normal annual contribution is relatively small compared to filling the gap. The way they are currently set up is amortize to fill the gap totally within another ten years. Each year that number improves depending on their investment performance.

Mr. Kramer asked in moving forward and they get more employees in the defined benefit plan, would that change and help the City.

Ms. Lawson said what would help is rather than the contribution annually being subject to an actuarial evaluation and subject to performance of investments, it would be a flat percentage of salaries and they would know what that number would be every year.

Mr. O'Connor said at the end of ten years they should be at a set number and the City's exposure would be very limited at that point.

Mrs. Turner said currently they are looking at \$73,000 dollars of unallocated surplus. She said having sat through several budget reviews, it seems like that is a particularly low number.

Ms. Lawson said up to a couple years ago typically the City adopted budgets of almost equally balanced. Their real cushion is their Fund balance. She said within the annual budget itself, they are preparing a budget that is forecasting out until September 30, 2015. She felt that the last couple of years they have done an extremely good job of living within their bottom line as adopted. She said that having any surplus at all is above and beyond the requirement for a balanced budget.

Mrs. Turner said that she would like to see the time extended for the lifeguards, but wanted to make sure they weren't posing any financial risks by doing it.

Mr. O'Connor said there are two real issues Council needs to be aware of. One is that they don't want to have reoccurring costs associated with that small Fund balance going forward and the second is they are in negotiations with their Unions and they need to have some flexibility as they move forward.

Mr. Fletcher said reoccurring costs coming out of this is a strong point. This is not where it should be done.

Mrs. Turner referred to a letter from the Florida East Coast Railroad dated July 7, 2014, which requires the City to rehabilitate the crossings at a cost of about \$231,000 dollars (on file in the City Clerk's office). She said this is to be included in their budget and asked was it included in their Capital Plan.

Ms. Lawson said it has been added to the version of the Capital Plan that is in front of Council.

Mr. O'Connor said historically speaking the City has received these types of notices from the Florida East Coast Railroad, which are sometimes extended to 18 or 24 months later. What they are really doing is putting the City on notice. He said that he spoke with All Aboard Florida (AAF) and he was told that they are looking into this and if there is a safety hazard of an immediate situation they would proceed with it.

Mr. Fletcher felt they should send a letter to the Florida East Coast Railroad bringing this point up.

Mrs. Turner agreed.

Mrs. Turner asked have they received any response from the County regarding the Dodgertown property.

Mr. O'Connor answered yes. He said the County Commission voted 5-0 to remove their requested requirements, but there were conditions in which Mr. Monte Falls, Public Work's and Engineering Director, and Mr. Chris Mora, Director of the County Public Work's Department, are going to meet this week to discuss them. He said an example is the County feels there are some right-of-way issues, which he did not feel there were any real issues.

Mrs. Turner said the County is utilizing this opportunity to go back into negotiating other issues.

Mr. O'Conner hoped it would be as simple as some easements and right-of-way transfers.

Ms. Lori Easterwood, 1845 8<sup>th</sup> Avenue S.W., said that she is on the Board of Directors for the Vero Beach Chamber of Commerce and on the Economic Development Committee. She said they are in support of the Vero Beach Lifeguards.

Mr. Douglas Macmee, Vero Beach Lifeguard Association Board Member, said they want to restore the funding for hours at Humiston Beach from 9:00 a.m. to 5:00 p.m. He felt this was important and is a valuable resource for this community. He said they have a large number of visitors and restoring beach patrol is in high need.

Mayor Winger asked what is the cost to do this.

Mr. O'Connor said it is about \$10,000 per hour per year, which would amount to \$30,000 dollars.

Mayor Winger said that he is in favor of this.

Ms. Graves said they have heard from the community on multiple occasions that they want the lifeguard hours increased.

Mr. Fletcher asked where would the money come from.

Mr. O'Connor said it would be his recommendation that they take it from the \$72,000 dollars. When they do this, he would recommend that they don't name the beach, but to allow him and the Recreation Director to work on it.

Mr. Kramer said that he was in favor of it.

Mayor Winger questioned if Council would need to vote on this.

Ms. Lawson said when they adopt the budget it would be as amended. She suggested that they specify adding \$30,000 dollars to the Recreation Department's salaries for additional lifeguard hours.

Mayor Winger made a motion to accept the budget as written with the change that \$30,000 dollars be added to the lifeguard budget to be spent at the discretion of the City Manager and Recreation Director. Mr. Kramer seconded the motion and it passed 3-2 with Mr. Fletcher voting no, Mrs. Graves yes, Mrs. Turner no, Mr. Kramer yes and Mayor Winger yes.

#### **4. ADJOURNMENT**

Today's meeting adjourned at 5:33 p.m.

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