

**SPECIAL CALL CITY COUNCIL MINUTES
TUESDAY, SEPTEMBER 16, 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 final millage/budget trim hearings with the Council (please see attached).

Mayor Winger opened the public hearing at 5:11 p.m.

Mr. J. Rock Tonkel commented that the City Council continues to rely largely on Enterprise Funds to produce additional revenue as opposed to considering any change in the millage rate. He said philosophically he hopes that Council will continue to look at and evaluate this. He has wondered for some time about the allocation methodology and how all the indirect costs are allocated and on what basis. He has never heard this discussed before the Finance or Utilities Commission and he feels it is something that the public deserves an answer to. They also deserve an answer on whether or not the Electric Fund is paying its appropriate share of overhead and allocated costs from the rest of the City. He told Ms. Lawson that when it is convenient he would like to sit down and discuss this with her. Then he will make a determination if he wants to take this further and bring it back in front of the public.

Mayor Winger explained to Mr. Tonkel that this Ordinance was only to adopt the millage rate and the next Ordinance to be heard relates to the budget.

Mr. Tonkel said he would not come back and make these same statements when the budget Ordinance is discussed.

Ms. Lawson said at that time she would address Mr. Tonkel's concerns.

Mayor Winger closed the public hearing at 5:15 p.m., with no one else wishing to be heard. Mr. Kramer made a motion to adopt the Ordinance. Ms. Graves seconded the motion.

Mrs. Vock read into the record, Section I and Section II that is contained on page 1 of the Ordinance.

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

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.

Ms. Lawson stated that the budget Council has is essentially the same budget they had at the tentative public hearing with one change. At the Special Call meeting held on September 3, 2014 when the first public hearing was heard, she was directed to increase the budget by \$30,000 in the Recreation Fund to fund some additional hours for their lifeguards. She said this change has been made to the budget and there have been no other changes made.

Ms. Lawson addressed Mr. Tonkle's question. She said at the last Utilities Commission meeting there was a little discussion about the GNA allocation where they addressed the SWOT analysis. She said where possible the GNA allocation to other funds is based on something concrete. She gave some examples. She would be happy to provide details about each department and how they allocate their costs and how it meets accounting practices. She is available to review this with anyone who would like to look at it.

Mayor Winger opened and closed the public hearing at 5:19 p.m., with no one wishing to be heard.

Mayor Winger commented that he visited Leisure Square today and knows they have money budgeted over the next five years for some repairs that need to be made. He listed numerous items at Leisure Square that are in bad shape. He said the roof and soffits are in bad shape. The lighting everywhere in the building is obsolete and does not produce the proper amount of

light. The rails behind the main building are rusted and need to be painted. The columns in the breezeway are all rusted out. The pool deck needs to be painted and cleaned. The tile in the main lobby of the main building is not good. All six bathrooms are outdated. Some of the exercise machines are beyond their useful life. The racquetball floor needs resurfacing, etc. At this point he was not trying to change the budget, but would like to have one Councilmember appointed to work on this because it is clear in their next budget they are going to need to address maintenance.

Mrs. Turner recalled that early on in the budget process she encouraged the Recreation Director to bring some of these capital item projects forward. She agrees some of these things they have gotten behind on and need to move forward in repairing. She asked Mr. O'Connor if any of their facility employees would be able to address some of these minor maintenance issues.

Mr. James O'Connor, City Manager, said that Public Works could do an inventory and recommend what modifications could be done.

Ms. Lawson added that the Public Works department did help Mr. Slezak in coming up with some of the estimates to make some of the repairs needed at Leisure Square. She said for the first time, in a long time, at the encouragement of Council they do have in the budget a fairly significant amount of money for recreation facility repairs. She said the real problem that they have is that it is competing for the same scarce money as doing drainage, sidewalks, etc., which is their one cent sales tax money.

Mayor Winger agreed with Mrs. Turner that there were some things that could be done now, such as painting rails, etc.

Mrs. Turner thanked Ms. Lawson and Mr. O'Connor for bringing forward a budget that was within their millage rate as requested by Council. She noted that the City's pension cost has gone up 16% for the coming year. She knows they are making efforts to reduce their unfunded pension liabilities, but there is still a liability cost of approximately six million dollars annually. She said that this is a huge amount especially when they only take in four million dollars for property taxes and they are looking at six million dollars to try to catch up with their pension costs. She said the budget does include an estimated 7½% increase in power costs for the Electric Utility. She said although they are looking at a net decrease of employee positions Citywide, she still strongly objects to increasing personnel in their General Fund and this budget includes two additional positions.

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

3. ADJOURNMENT

Mr. Fletcher made a motion to adjourn tonight's meeting at 5:27 p.m. Mr. Kramer seconded the motion and it passed unanimously.

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