

**SPECIAL CALL CITY COUNCIL MINUTES
TUESDAY, SEPTEMBER 22, 2015 5:15 P.M.
(CONTINUANCE OF PUBLIC HEARING RECESSED ON SEPTEMBER 15, 2015)
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

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

1. CALL TO ORDER

A) Roll Call

Mayor Winger led the audience and the Council in the Pledge of Allegiance to the flag and the Clerk performed the roll call.

2. PUBLIC COMMENT

Mr. Brian Heady said that he knows there is one person at the dais who has a good memory. He knows this because he has tested her on more than one occasion. He said that Mrs. Tammy Vock, City Clerk, has a very good memory and she could tell them that when he was on the City Council in 2009 one thing that he said many times was that City employees were not the problem. He said there is one Councilmember who proudly states that they have reduced the City's employment by 30 positions. He said reducing the number of employees in the City and then increasing the budget is not a good plan. He thanked Mrs. Turner for her efforts in holding the line on the budget and on the tax burden on the taxpayers. He said this taxpayer appreciates her efforts. He said there was a report done by the local media that stated that he owed a Councilmember a public apology (referring to a previous City Council meeting). He said that he didn't say anything wrong and he doesn't owe anyone an apology.

Mayor Winger called for a point of order stating that they don't normally address one individual Councilmember. He asked Mr. Heady to continue.

Mr. Heady said that he stands by his words, which what he had said was that important people, particularly during budget meetings where they were going to pass a tax rate, have an obligation to attend the meeting. He said all the Councilmembers have an obligation to attend. He thanked the Mayor for interrupting him.

3. CONTINUANCE OF PUBLIC HEARING RECESSED ON SEPTEMBER 15, 2015

A) An Ordinance of the City of Vero Beach, Florida, Providing the Levy of Ad Valorem Taxes for the Fiscal Year 2015-2016 at a Millage Rate of 2.3800 which equates to \$2.3800 per \$1,000 of Assessed Property Value.

Mayor Winger read the Ordinance by title only.

Mr. Old made a motion to approve the Ordinance as written. Ms. Graves seconded the motion.

Ms. Cindy Lawson, Finance Director, read into the record, Section 1, of the Ordinance, *“The City of Vero Beach, Florida, shall levy a general ad valorem tax of 2.3800 mills against the value of all real and tangible personal property within the City limits subject to taxation on the first day of January, 2015 to finance current operating expenses of the City. The tax shall be assessed and collected in the manner provided by law”* and Section II, *“The Fiscal Year 2015-2016 operating millage rate of 2.3800 levied hereby is greater than the rolled-back millage rate of 1.9124 mills by 24.45%.”*

Mrs. Turner said they were at a moot point with looking at this tax increase since at the last meeting Council approved the Union contract, which gave raises to the employees and is a big part of the City’s budget.

Mayor Winger opened and closed the public hearing at 5:22 p.m., with no one wishing to be heard.

Mr. Kramer said that he was still stuck on the Finance Commission’s recommendation. He would like to allocate more money to the legal side of things as the City has a lot of legal problems going on. If the motion on the floor fails, he would make a motion to go with the Finance Commission’s recommendation.

Mrs. Turner said the motion on the floor is strictly on the millage rate, not the budget. If Mr. Kramer was looking at reallocating funds or moving funds from place to place within the budget that would be under item B).

Mr. Kramer said the millage and the budget go hand in hand.

The Clerk polled the Council and the motion passed 3-2 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner no, Mr. Kramer no, 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, 2015 and Ending September 30, 2016; 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, 2015; Providing a means to amend the Annual Budget to reflect Grants received after September 30, 2015; and authorizing the Transfer of Funds Appropriated so long as the total combined appropriations shall not be increased thereby; Providing an Effective Date.

Mayor Winger read the Ordinance by title only.

Mrs. Turner said this budget expands the size of government. There are no funds for repair and replacement for stormwater or stormwater filtering and there are no funds allocated for Other Post Employment Benefits (OPEB).

Mayor Winger said that is a factual comment. He said they have discussed facing OPEB with the sale of the golf course. He said it does need to be done. He noted that Council could suggest changes to the budget.

A gentleman (John) said it was his understanding that the 3% raises was one of the largest parts of this budget or one of the largest parts of this tax increase.

Ms. Lawson explained that the tax increase is \$1.1 million dollars and the raises are \$346,000 dollars, which represents less than 30%.

Mayor Winger said that is in the General Fund. He asked Ms. Lawson what happens if it was in the Enterprise Fund.

Ms. Lawson said Citywide, it is about \$570,000 dollars, but that is from a larger part of the City's budget. As an example, it would be \$150,000 dollars from the Electric Fund, which has an annual budget of \$90 million dollars. Therefore, when you look at it City-wide it is a much smaller percentage than the 30%.

The gentleman (John) asked if the Electric Fund is part of the power situation where \$66 million dollars was offered for Indian River Shores.

Mayor Winger explained that they touch the same entity, but are different subjects.

The gentleman (John) said they could state this budget or that budget, but ultimately they affect each other.

Mayor Winger said there is the General Fund and there are Enterprise Funds.

The gentleman (John) referred to the offer to purchase Indian River Shores' utilities and the City's back offer. He asked is this the City trying to work with them.

Mr. Jim O'Connor, City Manager, said that is in the evaluation of a partial sale. He said that 10% carries a lot of liability exposure that the City would still have, which is the Purchase Power Agreements (PPA) that the City has, as well as the commitments to St. Lucie, Stanton, and Stanton II. Therefore, the City had to pass along those liability exposures going forward in order to come to the number of \$64.5 million dollars. What the City was doing was coming up with a number to make the City whole for the next 30-years with no exposure to the City's ratepayers.

Mr. Old noted that City residents would be negatively affected if the City sold it for less than \$64 million dollars.

The gentleman (John) said that he was trying to figure out what the City was doing. He referred to the Collective Bargaining Unit in the City and asked is the public permitted to attend their meetings.

Mr. O'Connor said they are advertised public meetings and anyone can attend.

The gentleman (John) asked does the City have a program where City employees have to live in the City.

Mr. O'Connor answered no.

The gentleman (John) said that he would like to see what the percentage of employees live in the City.

Mr. O'Connor said that he would get that information to him. He noted that there are laws that prohibit the obligation of where people reside.

The Mayor closed the public hearing at 5:36 p.m., with no one else wishing to be heard.

Mr. Old made a motion to adopt the budget as presented. Ms. Graves seconded the motion.

Mrs. Turner said this budget does not include any money for stormwater repair, replacement, or for a filtration system. By voting for this budget, what they are saying is that they are going to vote for a stormwater utility, which is going to create another tax and it will be on the utility bills as another charge.

Ms. Graves said that is correct. But, she felt that the voters, by referendum, should decide if there will or will not be a stormwater utility. If they do not want a stormwater utility and the City's debt payments drop off of that debt service in two (2) years, the City will have the money to address both stormwater and OPEB.

The Clerk polled the Council on the motion and it passed 4-1 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner voting no, Mr. Kramer yes, and Mayor Winger yes.

Mr. O'Connor said that he gave the Councilmembers a copy of a letter that he intends to send to the Town Manager of Indian River Shores if Council does not have any objections (letter on file in the City Clerk's office). He explained that they were trying to come to a solution to some of their issues and address them without litigation.

Mr. Old felt that it was an excellent letter and a very good idea.

Mr. Mark Mucher said an out of State blogger commented that the letter meant that the City was offering to have OUC approve the City's rates. Not just one time, but every time there is a rate change it would go to the Public Service Commission (PSC). He did not think that was their intent.

Mr. O'Connor said that is not what is in the letter. He explained that the letter states the City would ask for an opinion of their rates and that they would negotiate with Indian River Shores to go over each item and hopefully they would ask the Judge to request an opinion from the PSC and both sides would agree to what that opinion is.

Mr. Ken Daige asked have they decided that they were going to tax the stormwater.

Ms. Graves said it is currently in the conceptual process.

Mrs. Turner said and yet they feel confident enough to leave no money in this budget to address stormwater.

Mr. O'Connor said staff would be bringing a recommended contract before the City Council for their consideration at their next meeting. He explained that the contract would be for the consultant to evaluate each type of land use, their impact on stormwater, and a proposal on how to implement the stormwater utility.

Mayor Winger said it is a step forward in the process, but not one that commits the City.

Mr. O'Connor said that is correct. He said when the City receives the report back they would have a document to take to referendum if that is what Council would like to do.

Mr. Daige asked Council to consider giving the voters a chance to vote on it. He said no one likes tax increases, but he does understand what they were doing as there has been a lot of things that have been put off for awhile.

Mrs. Turner said the City did have \$500,000 in the budget on average per year and this year they have zero in the budget.

Mayor Winger said the City had \$200,000 dollars last year in which \$100,000 dollars of it was used to fix a collapsed culvert.

Mrs. Turner said a culvert is part of the stormwater system.

Mr. Daige suggested that in moving forward if the reserve funds have adequate monies, that Council consider using some of those funds for stormwater.

Mayor Winger asked Mr. O'Connor if there was a schedule regarding the OUC contract.

Mr. O'Connor said the City received the final version of the OUC contract this afternoon. He reported that a joint Finance/Utilities Commission meeting has been scheduled for Monday, October 5, 2015 for them to give their comments prior to it going before the City Council at their meeting on Tuesday, October 6, 2015.

4. ADJOURNMENT

Today's meeting adjourned at 5:45 p.m.

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