

**CITY OF VERO BEACH, FLORIDA
AUGUST 16, 2012 9:30 A.M.
REGULAR CITY COUNCIL MINUTES
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

1. CALL TO ORDER

A. Roll Call

Mayor Pilar Turner, present; Vice Mayor Craig Fletcher, present; Councilmember Jay Kramer, present; Councilmember Tracy Carroll, present and Councilmember Richard Winger, present **Also Present:** James O'Connor, City Manager; Wayne Coment, City Attorney and Tammy Vock, City Clerk

B. Invocation

Pastor Tom Harris of First Presbyterian Church gave the invocation.

C. Pledge of Allegiance

Mayor Turner led the Council and the audience in the Pledge of Allegiance to the flag.

2. PRELIMINARY MATTERS

A. Agenda Additions, Deletions, and Adoption

The City Clerk removed item 2C-1) off of the agenda at the request of Mrs. Cora Sjogren-Welch. She added item 6-A) under City Clerk's Matters "Beachside Family Fun Fest Day."

Mr. Fletcher made a motion to adopt the agenda as amended. Mrs. Carroll seconded the motion and it passed unanimously.

B. Proclamations

- 1. National Recovery Month – September 2012**
- 2. Certificate of Completion to be awarded to Councilmember Winger for completion of 2012 Institute for Elected Municipal Officials**

Mayor Turner read and presented both the Proclamation and Certificate.

C. Public Comment

- 1. Mrs. Cora Sjogren-Welch, Florida Society Colonial Dames, to ask Council for permission to proceed with placing a marker at the site of the original House of Refuge at Jaycee Park.**

This item was removed from the agenda at the request of Mrs. Cora Sjogren-Welch.

2. Transactional Attorney will give an update on FPL

Mr. John Igoe, Transactional Attorney, presented Council with a final term sheet. He said that it was his great pleasure to present the status report on where they are in their negotiations for the proposed sale of the electric utility system to FPL. He recalled that many months ago, Mr. Winger had commented about the exit costs dealing with the City's obligations with the supply agreements with FMPA and OUC, and that it would be the toughest hurdle. He said that he can safely say that they have found a way to clear that hurdle. They could not have done it without the cooperation of all of the parties. They have had good meetings and discussions with FMPA, OUC, and FPL. He said that FMPA has acted in good faith, reaching out to all of its members to ask for interest in taking on some of Vero Beach's power supply obligations. He noted that three towns responded with interest, but it was for very small amounts. He expressed that FMPA has been very cooperative and done everything that he has asked them to do. He said that OUC told them in the very beginning that they were very happy with the existing contract and the arrangement, but they listened and acted in good faith. He said that without OUC's cooperation, he would not be standing in front of them today telling Council that they can make this deal happen. OUC has agreed to take on the City's obligations under the FMPA's entitlements in exchange for payments. They have also agreed to terminate the power supply agreement between the City and OUC. Mr. Igoe noted that FPL has also stepped up by agreeing to increase the purchase price by \$15 million dollars in cash and agreeing to purchase power from OUC for the first three (3) years after the closing with respect to the FMPA entitlements. The consultant they retained (PA Consulting) has proved invaluable input in helping them work through the estimates of the cost of taking on these obligations as assumptions from the City with respect to FMPA and OUC. PA Consulting will be issuing a final report in the near future. He explained that the final term sheet before them is a nonbinding final term sheet between OUC, the City, and FPL. He said that this is the foundation for the next step, which will be to negotiate a Memorandum of Understanding (MOU) in more detail. That MOU will be submitted to City Council for their approval. Also, FPL and OUC will submit the final MOU to their governing authorities for approval. He went through the term sheet (please see attached).

Mrs. Carroll told Mr. Igoe that she was very pleased with the fact that this document does have the OUC logo on it (they are now part of the parties).

Mr. Jim O'Connor, City Manager, informed Council that without OUC's cooperation they could not have done what FMPA wanted them to do.

Mr. Igoe stated that they are looking at a closing date of January 1, 2014. They hope that the purchase agreement with FPL will be signed this year, but they will need time for regulatory approvals. The agreements based on payments will be for a closing date of January 1, 2014.

Mr. Igoe went through the wholesale power supply agreement settlement, which includes a voluntary termination of wholesale power supply agreement dated April 21, 2008 between the City of Vero Beach (COVB) and Orlando Utilities Company (OUC), \$20 million dollar payment to OUC by COVB at closing of purchase by FPL of COVB's electric utility system (closing) and permanent assignment to OUC of all COVB owned Florida Gas Transmission (FGT) gas transport rights. He said that FPL retails a reliability call option of gas transport for the COVB Power Plant until the earlier of four years after closing or decommissioning of such Power Plant and COVB releases any rights to re-assignment of such FGT gas transport rights.

Mr. Igoe went over the FMPA entitlements. He said that the permanent assignment to OUC of all COVB owned FMPA entitlements (St. Lucie, Stanton 1 and Stanton 2 projects) at closing; \$34 million dollar payment to OUC by COVB at closing; FPL will enter into a power purchase agreement (PPA) with OUC for each of the Stanton 1 & Stanton 2 projects. The cost based pricing is equal to all monthly fixed and energy costs on a pass through basis and the term will be for three (3) years from closing (expected January 1, 2014 – December 31, 2016).

Mr. Igoe then went through the purchase offer. He said that the purchase offer is approximately \$179.6 million dollars, consisting of cash consideration of \$115 million dollars, an estimated assumption of pension liability for \$14.4 million dollars; estimated cost of transmission upgrades at \$7.7 million dollars; estimated cost of substation relocation of \$7.8 million dollars; estimated cost of Plant decommissioning at \$4.7 million dollars and the estimated cost of three (3)-year entitlement PPAs with OUC at \$30 million dollars with the closing to not be earlier than January 1, 2014.

Mr. Kramer asked about the contingent liabilities of closing these down (FMPA entitlements) at the end of the term.

Mr. Igoe explained that they are contingent liabilities with respect to the bond obligations.

Mayor Turner pointed out that Stanton 1 and Stanton 2 are coal plants and the fuel costs of coal is very high so this is a great thing for them to be taking on, what they consider noncompetitive power.

Mr. Kramer asked if FPL would take over the assets associated with the pension for the electric system.

Mr. Igoe answered yes, for the people that they hire.

Mr. O'Connor stressed that the details of the pension transfer will have to be negotiated issues. He said that today's presentation was to show Council how they can go to FMPA in the next step. Mr. Igoe agreed with Mr. O'Connor and said that the details do need to be worked out, which includes bargaining with the Unions and employees.

Mrs. Carroll referred to the cost of the substation relocation and what is the additional cost is it for the site of the property for the relocation of the substation.

Mr. O'Connor said that they are looking at the old Post Office site for the substation to be relocated to.

Mrs. Carroll continued by saying that the property is owned by the City so FPL would be purchasing the piece of property from the City and there would be money coming back into the City.

Mr. O'Connor agreed that the purchase price could be part of the discussions. He said that is another one of the details that they are working on.

Mr. Winger commented that particular piece of property is in a good commercial location. He pointed out that there is a location that they might be able to buy just west on 17th Street on the north side, which would have a net gain for the City. This piece of property should be close enough for the substation to be transferred to.

Mr. O'Connor explained that the location needs to be within a block and a half to make construction of the substation feasible and financially viable. He has talked with two developers about what FPL needs for the substation.

Mayor Turner asked if the FMPA Board will have to vote to approve the assignment to OUC.

Mr. Igoe answered yes and said that there also may have to be a requirement from the bond holders also.

Mr. Igoe spoke about the Consultants information that they have. He said that the GAI valuation was an attempt to evaluate the system as a whole. What they did not look at and what he asked PA Consulting to look at was the costs of having someone pick up the City's obligations from now through maturity under these power supply contracts. It is a cost because of the price that they were set at, the uncertainty of fuel costs going forward and whether demand was going to increase or not. He said that PA Consulting looked at this and estimated the negative costs of both the power supply agreement with OUC obligations and FMPA entitlement obligations between \$41 – \$77 million dollars. The cost to the City under this agreement is the \$20 million dollars plus, \$34 million dollars, which totals to \$54 million dollars. He said one of the reasons they were able to keep that as low as they could was because FPL stepped up to the plate. The next step is to negotiate the MOU based on these terms and he will be coming back to Council asking for their approval.

Mr. O'Connor stated that the time frame they are looking at is bringing the MOU to Council on September 4th and let them review it, and then the MOU would go to the Utilities Commission on September 11th and back to Council on September 18th.

Mr. Igoe explained that there will be approximately \$46 million dollars from the use of proceeds to pay off the bonds on the Power Plant. He said with the additional cash consideration from FPL that there will be cash going to the City at the closing.

Mr. Winger stated that he would be very uncomfortable approving MOU on September 4th without a great deal of homework. He congratulated Mr. Igoe and told him he did better than he thought he would; also FPL, OUC and FMFA did better than he thought that they would. He said what concerns him is that he wants to know what the City will look like over the next five to fifteen years. He stated what they are talking about is a reduction in receipts to the City that is material. This is something that the Finance Commission should look at and what data he has he would be glad to turn it over to them. He felt strongly that this needed to be vetted by an outsider. He said that any MOU has to have in it some provision that the City Council will have adequately vetted what the City is going to look like. He agreed that the taxpayers of the City will have a reduction in their power bill, but what will their taxes should be. He recently voted to keep taxes low, but in the future if they want to have this City the way it is they will have to consider increasing taxes. He would be very uncomfortable with this Council signing anything before this work has been done.

Mrs. Carroll told Mr. Winger that Mr. Igoe was hired for a specific task and that was to bring forward these types of terms and a contract. She said that she realizes that Mr. Winger is doing his homework, but she did not think that he was tasking Mr. Igoe in moving forward. She said that Mr. Igoe was hired for a specific task and she thinks that he has performed the task wonderfully.

Mr. Winger agreed with Mrs. Carroll, but said what he is doing is charging this City Council, staff and the Finance Commission to do what is necessary to ensure that they take a look to see what the City will look like and if they didn't do that they could be guilty of misfeasance.

Mr. Kramer commented that the problem is that he is seeing a time line generated and he doesn't see in this time line that they are going to receive a good vetting as to what their City is going to look like.

Mayor Turner agreed that was something that they needed to task their City Manager with. She then thanked Mr. Igoe, FPL, and OUC for accomplishing this incredible task in bringing this forward. She was happy to have some positive news that this can be done.

Mr. Igoe stated that he did speak with Mr. Winger and agrees that the City needs to understand the financial consequences of what the City is going to look like once they sell the Power Plant. He was sure that the City Manager could put those numbers together.

Mr. O'Connor said that he would be able to provide what the financial analysis will be at the end of the day. He said that FPL has agreed that they will provide some information on the power savings within the City of Vero Beach.

Mr. Kramer asked Mr. O'Connor to be included in the discussions when he gets to the point of comparing their rates.

Dr. Stephen Faherty congratulated the City Council, staff and FPL for getting to this particular point. He said that he has heard all of the numbers and the one that he did not hear was the current cash assets of the City utility, which is an additional \$20 million dollars that the City would receive.

Mr. O'Connor told him that is correct.

Mr. Peter Gorry, Chairman of the Finance Commission, congratulated everyone for the progress that has been made. He said that the Finance Commission would like the opportunity to examine the data. He wanted to address some of the comments made by Mr. Winger. He said that when you look at the City payroll it is a \$40 million dollar payroll, with \$10 million dollars for the electric utility. He said that a lot of initiatives dealing with the Unions and staff (lowering pension cost, lowering hospitalization costs, lowering overtime costs) etc., are being looked at which could relate to the savings on a \$30 million dollar cost line. They have also talked about going forward and looking at City assets that are under utilized. He said whether it be property or land that could be turned into a tax base for what they have in the City these things will be looked at.

Mrs. Carroll thanked Mr. Gorry for his comments and told him that the Finance Commission has done a very good job over the last year.

D. Adoption of Consent Agenda

- 1. Regular City Council Minutes – July 17, 2012**
- 2. Vero Isles Canal Dredging – City of Vero Beach Public Works Project No. 2006-30**
- 3. Business Associate Agreement – Willis of Florida**
- 4. Downtown Friday Street Festivals – Request to Serve Alcohol**
- 5. Monthly Capital Projects Status Reports**
- 6. Award of Bid 190-12/CSS – Professional Janitorial Services**

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

3. PUBLIC HEARINGS

- A) An Ordinance of the City of Vero Beach, Florida, amending the Text of the Land Use Element of the Vero Beach Comprehensive Plan by revising Table 1.8, appropriate uses of the Government/Institutional/Public Land Use**

Classification; Providing for Conflict and Severability; Providing for an Effective Date. (final public hearing)

The City Clerk read the Ordinance by title only.

Mr. Tim McGarry, Planning and Development Director, reported that passage of this Ordinance will allow for recreational uses (Youth Sailing). He said that they did not receive any comments back from the State and that this change will not be effective until after 31 days (end of September).

Mayor Turner opened and closed the public hearing at 10:12 a.m., with no one wishing to be heard.

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

B) An Ordinance of the City of Vero Beach, Florida, amending the Text of the Land Development Regulations of the Vero Beach Code to Add Recreational Uses within the M, Industrial Zoning District; Providing for Conflict and Severability; Providing for an Effective Date. (final public hearing)

The City Clerk read the Ordinance by title only.

Mr. McGarry explained that this is the companion Ordinance to the Ordinance that was just adopted.

Mayor Turner opened and closed the public hearing at 10:12 a.m., with no one wishing to be heard.

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

C) A Resolution of the City Council of the City of Vero Beach, Florida, approving the transmittal to the State of Florida Department of Economic Opportunity proposed City of Vero Beach Comprehensive Plan Text Amendment to the Land Use Element; Providing for Conflict and Severability; Providing for an Effective Date. (final public hearing)

The City Clerk read the Resolution by title only.

Mr. McGarry reported that this Resolution is for the transmittal to the State for the Comprehensive Plan as discussed at their last meeting.

Mayor Turner opened and closed the public hearing at 10:14 a.m., with no one wishing to be heard.

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

D) An Ordinance of the City of Vero Beach, Florida, abandoning that portion of Paloma Drive and Anita Avenue lying adjacent to Lots 9 through 12, Block 24, Plat No. 7 of Royal Park Subdivision and retaining a Utility Easement. (final public hearing)

The City Clerk read the Ordinance by title only.

Mr. O'Connor reported that this request has been made by the property owner to close the street and that the utility easement be retained.

Mr. Kramer wondered if the property owner realized that by doing this that his property would be reassessed. It was noted that the Ordinance is officially recorded, which may be picked up by the Property Appraiser.

Mr. Monte Falls, Public Works Director, explained that this property is located in the Vero Beach Country Club area and the property owners have always treated this road as part of their backyard, they just wanted to make legal use of it.

Mayor Turner opened and closed the public hearing at 10:16 a.m., with no one wishing to be heard.

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

E) An Ordinance of the City of Vero Beach, Florida, amending Section 22-181, "Standard Technical Codes," of the City of Vero Beach Code to adopt the latest edition of the Florida Building Code, excluding Chapter 1, "Administration," for which is substituted the latest edition of Chapter 1 of the Building Officials Association of Florida Model Administrative Code; Providing for Conflict and Severability; Providing for an Effective Date. (final public hearing)

The City Clerk read the Ordinance by title only.

Mr. McGarry explained that this is a housekeeping measure and by passing this Ordinance it will bring them up to date.

Mrs. Carroll noted that the building code was modified in March and they are just bringing this forward in August. She asked if there were any concerns with property (between the months of March and April). Mr. McGarry answered no.

Mayor Turner opened and closed the public hearing at 10:19 a.m., with no one wishing to be heard.

Mr. Fletcher made a motion to approve the Ordinance. Mrs. Carroll seconded the motion.

Mr. Kramer noted that the County has already adopted an Ordinance so this will make them uniform with the County.

Mr. McGarry added that the State also has already adopted it. He explained that the only option that local government has is to make the changes to Chapter 1, otherwise everything else is governed by the State.

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

F) An Ordinance of the City of Vero Beach, Florida, amending Sections 26-2 and 26-3 of Chapter 26, Cemetery, of the Code of the City of Vero Beach, Florida, relating to Eligibility for Purchase of Cemetery Lots and Columbarium Burial Rights at a discounted price; Providing for an Effective Date. (final public hearing)

The Clerk read the Ordinance by title only.

Mr. Wayne Coment, City Attorney, noted that he added the change to the Ordinance as requested by the Council at their last meeting.

Mayor Turner wondered if instead of the six (6) month residency required that it should be a one year residency. Council agreed with that change. This section of the Ordinance will now read *“City resident means those natural persons who reside within the corporate limits of the city and have done so for at least one (1) year immediately preceding purchase of the cemetery lot, burial space, or columbarium burial rights and which residence within the city contributes their actual and bonafide legal abode and permanent and principal home. For purposes of a decedent, such one (1) year period shall be measured from the date of death.”*

Mayor Turner opened and closed the public hearing at 10:22 a.m., with no one wishing to be heard.

Mr. Fletcher made a motion to approve the Ordinance as amended (one year residency instead of six months). Mayor Turner seconded the motion and it passed 5-0 with Mr.

Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

G) A Resolution of the City Council of the City of Vero Beach, Florida, repealing Resolutions 2009-08 and 2009-15; Establishing Prices and Fees for Crestlawn Cemetery; Establishing Hours of Operation; and Providing for an Effective Date. (final public hearing)

The City Clerk read the Resolution by title only.

Mayor Turner opened and closed the public hearing at 10:22 a.m., with no one wishing to be heard.

Mayor Turner asked how the rates were established.

Mr. Falls explained that a couple of years ago they surveyed other cemeteries and the rates that they were using, which helped them come up with the rates that they are using today.

Mrs. Carroll recalled that the columbarium opened last year and she wondered how sales were going.

Mr. Falls said a little slower than he thought that they would be.

Mrs. Carroll wondered if it was because the price to purchase a columbarium was too high.

Mr. Falls informed her that they are charging the same price that surrounding cemeteries charge.

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

4. RESOLUTIONS FOR ADOPTION WITHOUT PUBLIC HEARING

A) A Resolution authorizing the Mayor of the City of Vero Beach to accept a Grant offer from the Federal Aviation Administration to fund an Airport Improvement Project entitled “Rehabilitate Runway 4-22 (Design) and Wildlife Hazard Assessment.

The City Clerk read the Resolution by title only.

Mr. Eric Menger, Airport Director, explained that yesterday he received the grant money for these projects and he will be forwarding the paperwork to the proper places. There are two projects being covered in this project and they are: 1) Rehabilitate Runway 4/22

and 2) The development of a Wildlife Hazard Assessment. He recommended that Council approve the acceptance of the FAA grant.

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

- B) A Resolution of the City Council of the City of Vero Beach, Florida, releasing from all City Easements the south 240 feet of the 10 foot wide alley lying west of Lots 3 through 7 and lying east of Lots 8 through 12, Block 41, Map of the Town of Indian River, A/K/A “Original Town Subdivision.”**

The City Clerk read the Resolution by title only.

Mr. O’Connor reported that releasing of these City easements is basically just administrative cleanup.

Mr. Kramer made a motion to approve the Resolution. Mayor Turner seconded the motion.

Mrs. Carroll referred to the map and pointed out what seemed to be a block not shown in the utility easement. She asked why they would keep this ten-foot block.

Mr. Falls explained that there is a sewer man hole located there.

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

5. FIRST READINGS BY TITLE FOR ORDINANCES AND RESOLUTIONS THAT REQUIRE A FUTURE PUBLIC HEARING

- A) An Ordinance of the City of Vero Beach, Florida, abandoning all that part of the 20 foot wide alley lying between Lots 1 and 6 in Block 1, Bethel By the Sea Subdivision, and that part of the abandoned portion of Conn Way lying between the northerly prolongation of the west line of Lot 1, and the northerly prolongation of the east line of Lot 6, in said Block 1, Bethel by the Sea Subdivision; retaining a utility easement; and Providing for an Effective Date.**

The City Clerk read the Ordinance by title only.

Mr. O’Connor stated that they have received a request from the property owner to abandon this portion of the street.

Mayor Turner made a motion to approve the Ordinance on first reading and set the public hearing for September 4, 2012. Mr. Kramer seconded the motion and it passed 5-0 with

Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

B) A Resolution of the City of Vero Beach, Florida, Repealing Resolution 2009-04; Adopting a Revised Building Permit Fee Schedule; and Providing for an Effective Date.

The City Clerk read the Resolution by title only.

Mr. McGarry recommended to Council that they adopt the revised building permit fee schedule that has been approved by the County Commission. It was noted that the Building Official provides services for both the City and the County.

Mayor Turner made a motion to approve the Resolution on first reading and set the public hearing for September 4, 2012. Mr. Kramer seconded the motion and it passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

C) An Ordinance of the City of Vero Beach, Florida, amending Article IV of Chapter 70 of the Code of the City of Vero Beach related to Municipal Public Service Tax; Providing for an Exemption Equal to 50 percent of the Municipal Tax on Electrical Energy used in the Indian River County-Vero Beach Enterprise Zone by qualified businesses; Providing for Eligibility; Providing for Conflict and Severability; and Providing for an Effective Date.

The City Clerk read the Ordinance by title only.

Mr. McGarry reported that this Ordinance will provide exemption to qualified businesses from 50 percent of the municipal tax on electric energy used in the Indian River County-Vero Beach Enterprise Zone. He said at the recommendation of Mrs. Carroll, the City's non-voting liaison to the Enterprise Zone Development Agency, the City Council several months ago directed staff to prepare an Ordinance to provide a 50 percent exemption on City utility taxes for electric usage for qualified businesses in the Enterprise Zone. The enactment of this Ordinance would provide another development incentive to attract new businesses and investment in the Enterprise Zone. The exemption on the utility tax is for a period of five years. The revenues from the collected utility tax go to the City's General Fund. To be qualified for the exemption, the business must submit an application, certified by the Enterprise Zone Development Agency, within six (6) months after the business: *first occupies a new structure to which electrical service has not been previously provided or furnished; * newly occupies an existing remodeled, renovated, or rehabilitated structure to which electric service has not been provided or furnished in the three (3) preceding billing periods; or * occupies a new, remodeled, rebuilt, renovated, or rehabilitated structure for which an enterprise zoning building materials refund has been granted. A business is only eligible for the exemption if it meets one or more of the above criteria on or after the effective date of the enabling Ordinance and prior to the expiration of the Florida Enterprise Zone Act (December 31, 2015). Mr. McGarry said

that although the direct benefits for most businesses would not be significant, together with other tax exemptions and credits available to businesses within the Enterprise Zone, such an exemption would be a beneficial addition to these other incentives.

Mrs. Carroll explained that the Enterprise Zone was created by act of the State legislature following the hurricanes to improve an area within our County that was needy in terms of jobs, etc. This area identified includes the Airport and many of the areas in Gifford. She said that State legislature allows them to use various tools to increase businesses moving to that area and hopefully hire individuals who live in that area to work at these businesses. This item has been declared by the State legislature that a municipality or a County could give rebates on the utility tax. She mentioned that she had a meeting yesterday with some City staff and other members of the community to discuss other ways that they could get more businesses to come into the Airport and Enterprise Zone. There have been a lot of discussion on how do they maximize the usage of their Airport property and the Enterprise Zone.

Mrs. Helene Casteltine, Economic Development Director of Indian River County Chamber of Commerce, added that the Enterprise Zone program in Indian River County and the City of Vero Beach was designated in October 2005 and it is a program that they use to entice companies to locate to this specific area. This area has a lot of poverty and the high unemployment rate as compared to the rest of the City and the County. She said that there are a number of programs under the Enterprise Zone umbrella that they do utilize sales tax refunds, tax credits, etc. She went over the criteria that must be met in order for someone to qualify for this program. She said that it is not for everyone, but it is another tool to use in trying to attract and grow businesses in this area. It is something to add to their tool box to encourage business growth in this area.

Mr. Coment clarified that because the City can only charge the municipal service tax within the City limits that this would only be a benefit if the business is located within the Enterprise Zone, within the City of Vero Beach.

Mrs. Casteltine added that in Florida, manufactures have a separate program that can benefit them as it relates to the sales tax charged on electricity for production. She said that Piper Aircraft utilizes this program.

Mr. Kramer made a motion to approve the Ordinance on first reading and set the public hearing for September 4, 2012. Mr. Winger seconded the motion.

Mrs. Carroll thanked Mrs. Casteltine for being at their meeting and giving this update. She said it is important that the community realizes that the City of Vero Beach is open for business and they appreciate everything that the Chamber of Commerce does for the City.

Mr. O'Connor added that he is working with the Airport Director on measures to try to get occupancy of the 30% buildings unoccupied at the Airport. They are trying to develop a plan in order for that to occur.

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

D) A Resolution of the City Council of the City of Vero Beach, Florida, establishing certain Water and Sewer Utility Rates and Charges within the Indian River Shores Service area; Providing for an Effective Date.

The City Clerk read the Resolution by title only.

Mr. O'Connor reported that this Resolution is pursuant to the agreement that they have with Indian River Shores that they would adopt the rates of Indian River County. He said that there are some exceptions in what they are doing such as the meter reads and replacements there is a \$25.00 charge per visit by the County. In the City they don't charge for the first time they have to go out to a residence, but they charge \$50.00 after two visits. He said that the numbers balance out to the same amount. He said that they adopted the County's price per 1,000 gallons.

Mrs. Carroll asked Mr. O'Connor to give an example of a meter read and a charge going out to a customer.

Mr. O'Connor gave an example of someone needing their meter replaced. If a customer would call in and say that he doesn't agree with the reading for this month's bill and someone has to go out and review the meter, the County would charge a \$25.00 fee, but the City does not charge for the first time they have to go out, but charges \$50.00 for the second time.

Mayor Turner referred to the contract that they have with Indian River Shores and wanted to make sure that it does not preclude the City from using their rates for those ancillary types of services.

Mr. O'Connor said that is correct. He said that they would go with the County's rates, but he finds them a little higher. He said with the impact fees they will have the County's Impact fees on the ERU's if the customer wants to do that.

Mrs. Carroll did not see in the Resolution an exact comparison of what the City of Vero Beach resident would be paying comparable to what an Indian River Shores residence is paying. She asked is there any instances where an Indian River Shores resident will now be paying less than a City resident. Mr. O'Connor did not believe so, but said some of this is going to be based on consumption. He referred to the GAI Study and said that the total difference in compensation for a one year period on three million dollars worth of billing is nine thousand dollars. He said that there is a possibility that you could find one person paying less, but more than likely it is going to be equal.

Mayor Turner agreed that they do need to look at the impact for different users.

Mrs. Carroll noted that she has had some concerns from City residents that there may be people in Indian River Shores getting better rates than them.

Mr. O'Connor said that he has no objection to adopting the County rates if that is the Council's wish.

Mayor Turner made a motion to set the public hearing for September 4, 2012. Mrs. Carroll seconded the motion and it passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

E) A Resolution of the City Council of the City of Vero Beach, Florida, Establishing Rates for Reclaimed Water; Providing for an Effective Date.

The City Clerk read the Resolution by title only.

Mr. O'Connor reported that this Resolution is establishing the universal rate of .67 per thousand gallons. They included the rates that are in the rate structure of the County. The County has increases proposed, but they may or may not impose the new rates.

Mrs. Carroll thought that it was interesting that these rates were going up by a percentage each year and they were establishing these new rates now.

Mr. O'Connor explained that they took the rate structure from the County, which are automatic increases unless the County Commission decides otherwise. He explained that if the County decides not to increase the rates then the City would also not increase the rates. He would put verbiage in the Resolution that alludes to that.

Mrs. Carroll asked what the differential was with their current rates and what they are now committing to.

Mr. O'Connor explained that there are two different rates. They have the pressurized and non-pressurized and this is lower than either one of those.

Mrs. Carroll wanted to understand that anyone in the City that is currently using reclaimed water will now see a decrease; she asked if they have established what this decrease would be.

Mr. O'Connor answered yes. He said that it is in their proposed budget.

Mr. Kramer made a motion to approve the Resolution on first reading and set the public hearing for September 4, 2012. Mayor Turner seconded the motion and it passed 5-0 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Carroll yes, Mr. Fletcher yes, and Mayor Turner yes.

Council took a five-minute break at 11:00 a.m.

6. CITY CLERK'S MATTERS

1. Beachside Family Fund Fest

Mrs. Vock reported that on September 8, 2012 Mulligan's Restaurant will be having a "Beachside Family Fun Fest Day." There will be different bands playing throughout the day, as well as a family area consisting of a bounce house, face painting, etc. There will be about 25 food and art vendors participating that day. Mulligan's would like to be able to sell alcohol outside at the event and would request permission from the Council in order to do that. Mrs. Angie Schepers was at today's meeting to answer any questions that Council might have.

Mrs. Schepers told Council that she has talked to all of the surrounding neighbors of Mulligan's about the event and they are all in favor of having it. She said that the necessary insurance has been taken care of, as well as off duty Police Officers hired and the City has approved the street closure.

Mr. O'Connor added that this has gone through all the necessary departments for approval and he said that it sounds like a great activity.

Mayor Turner thanked Mulligan's for all the help that they give to the City.

Mrs. Carroll appreciated their service to the community with having their Thursday event nights in the summer where they give part of the proceeds made back to a charity.

Mr. Kramer made a motion to approve the request to sell alcohol at the event. Mrs. Carroll seconded the motion and it passed unanimously.

Mr. Kramer asked Mrs. Schepers what kind of entertainment did they plan on having at the event.

Mrs. Schepers said that they are looking at having the Blues Brothers play.

7. CITY MANAGER'S MATTERS

A) Award of Contract to Timothy Rose Contracting, Inc., Parking/Access Improvements – Building 78 (Bid No. 260-12/CSS); FDOT Project No. FP 429255-1-94-01

Mr. Menger recommended approval to Timothy Rose Contracting for parking/access improvements to Building 78. He said that Timothy Rose Contracting, Inc. was the successful low bidder for the project. He showed on the map what they plan on doing. He recommended Council Award the Bid to Timothy Rose Contracting, Inc., in the amount of \$158,999.

Mayor Turner could not find in the backup material the duration of the project.

Mr. Menger told her that it was a 120-day project.

Mr. Winger asked who would be using this parking lot area.

Mr. Menger said that it would be the tenant and by doing this improvement that now it would be up to code.

Mr. Fletcher made a motion to authorize the City Manager to carry this contract through. Mrs. Carroll seconded the motion and it passed unanimously.

B) Recommendation of Award – Bid No. 180-12/JV – 43rd Avenue Storm Water Pump Station – Water and Sewer Project No. WS12001

Mr. O'Connor reported that this project is comprised of installing a stormwater pump station, force main and aluminum pipe from the Main Canal to the pump station. Stormwater will be pumped via the City's force main network to the Wastewater Treatment Plant to supplement the City's reuse system. This pump station will also support an additional pump that is currently installed in a stilling well that is used by the Vero Beach Sports Village to supplement an existing irrigation/stormwater pond. He recommended that the award be given to Timothy Rose Contracting, Inc., in the amount of \$162,995 and approve the transfer as outlined in the backup material.

Mayor Turner did not see the duration of this project. She asked what it was and that in the future that the duration for projects be included in the backup material.

Mr. Rob Bolton, Water and Sewer Director, stated that they are expecting the project to take between 60 to 90 days.

Mayor Turner stressed that they did not want to have an open ended contract.

Mrs. Carroll appreciated seeing this job come forward.

Mayor Turner made a motion to award the bid to Timothy Rose Contracting, Inc. in the amount of \$152,995 and approve the transfer as outlined in the backup material. Mr. Kramer seconded the motion and it passed unanimously.

C) Update on Water and Wastewater Service for County Residents

Mr. O'Connor provided Council with a comparison of alternative rate structures in the locations of inside the City, mainland County residents and South Beach. The information was taken from information contained in the GAI Study. He said that there is a possibility that someone may receive a cheaper bill than a City resident, but there is also the possibility that someone may receive a higher bill than a City resident.

Mayor Turner felt that this information needed to be provided to the public.

Mr. O'Connor briefly explained the ERCs as outlined in the structure.

D) Health Insurance

Mr. O'Connor reported that staff has received quotes on the subject of fully-insured health coverage for Fiscal Year 2012/13. They went through the quotes from the Florida League of Cities/Florida Municipal Insurance Trust (FMIT), as well as quotes from their agent of record, Willis of Florida, from Florida Blue and Cigna. The City is currently self-insured on their health insurance. By going from self-insured to fully-insured, there is a residual run out dollar amount, estimated to be \$700,000. This is for claims that will not be settled prior to September 30, 2012. The City currently has a contract with Florida Blue, which expires September 30, 2014, to administer their self-insured coverage. Florida Blue would still be administering the run out, and the administrative fee for that is estimated to be \$128,000. There is also a \$100,000 early cancellation clause in their self-insured Florida Blue administration contract. If the City enters into a fully-insured contract with Florida Blue for Fiscal Year 2012/13, Florida Blue will do the run-out at no charge, which is a savings of \$128,000 and they will waive the \$100,000 early cancellation. He would recommend proceeding with Florida Blue as their health insurance carrier through their agent of record, Willis of Florida, for Fiscal year 2012/13. The savings will be around \$500,000 for this year.

Mrs. Carroll recalled that Council has been told in the past that 65% of the employees took the highest level plan.

Mr. O'Connor explained that the high plan will now be similar to what the middle plan is today.

Mrs. Carroll asked Mr. O'Connor if he would have to go before the Union for approval to do this.

Mr. O'Connor explained that would not be necessary because they are not changing the number of plans.

Mayor Turner wanted to see what the savings would be if they went with just one plan.

Mr. O'Connor said from his discussions he has determined that it would be very minimal.

Mr. Winger asked if these numbers were reflected in the budget. Mr. O'Connor answered yes.

Mayor Turner was happy that they found this cost saving measure.

Mrs. Carroll asked how much do they anticipate saving.

Mr. O'Connor answered a little more than \$500,000.

Mr. Kramer made a motion to approve the request. Mrs. Carroll seconded the motion and it passed unanimously.

Mayor Turner mentioned that Senior Resources has received the grant money for the new bus terminal location. She asked Mr. O'Connor for an update on this.

Mr. O'Connor stated that he talked to Ms. Karen Diegel, of Senior Resources, about this and she told him that this would not go into effect until the next fiscal year. He told her that the City's two biggest concerns were to make sure that there was access to the Public Works facility and that a security gate was installed. Ms. Diegel assured him that those items were covered in the grant money.

Mayor Turner wanted to keep the public informed on this as they move forward.

Mr. Winger commented on the art work that is being donated to the City. He asked if they needed to do anything on that.

Mr. O'Connor explained that the painting will be presented to the City at the September 4th City Council meeting and at that time Council will need to give permission for the painting to be located in the City Hall lobby. The City is hiring someone to pick up the painting and bring it to City Hall.

8. CITY ATTORNEY'S MATTERS

None

9. CITY COUNCIL MATTERS

A. Old Business

B. New Business

10. INDIVIDUAL COUNCILMEMBERS' MATTERS

A. Mayor Pilar Turner's Matters

1. Correspondence

2. Committee Reports

3. Comments

Mayor Turner reported that she attended a lot of ribbon cuttings and awarded the Mayor's Cup at an Annual Golf Tournament. She attended the breakfast honoring their Junior Camp volunteers and congratulated the Recreation Department for their successful aerial antics performance.

Mayor Turner reported that the FLOC will be holding a citizens engagement seminar in Vero Beach on September 28th at the Community Center.

Mayor Turner reported on the FMEA/FMPA conference that she attended. She would be attending the FLOC conference next week and invited the other Councilmembers attending to the annual Treasure Coast League of Cities breakfast held at the Conference on Saturday morning.

B. Vice Mayor Craig Fletcher's Matters

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

Mr. Fletcher reported on the Tunnel to Towers Run that will take place on September 8th at 7:30 a.m. at Riverside Park. The money raised goes to build houses for amputees that were involved in our wars.

C. Councilmember Tracy Carroll's Matters

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

Mrs. Carroll noted that the Tourism Council is funded by the bed taxes collected. She said that the Tourist Development Council (TDC) (which she is a member) decides where these bed taxes will be utilized. She said that last year the TDC voted 8-1 to use a small portion of the surplus funds not designated for tourist funding to go towards two (2) small projects, which were the Heritage Center and the Historic Museum. The County Commission reversed this decision and denied funding to these two entities, but would agree to it if there was not a hurricane. She wanted to keep the City up to date that the County utilizes funds as the feel fit.

Mrs. Carroll reminded the public that on August 24th Downtown Friday will be held and the theme is to dress in your favorite football jersey.

D. Councilmember Jay Kramer's Matters

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

Mr. Kramer reported that he attended an Economic Development Council meeting, he has been working with some local businesses on the opportunities in using regional fiber optic, and he did some work on the Business Improvement District.

E. Councilmember Richard Winger's Matters

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

3. Comments

11. ADJOURNMENT

Mr. Winger made a motion to adjourn today's meeting at 11:37 a.m. Mr. Fletcher seconded the motion and it passed unanimously.

/tv