

**SPECIAL CALL CITY COUNCIL MINUTES
TUESDAY, AUGUST 7, 2012 9:00 A.M.
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

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

1. CALL TO ORDER

A. Roll Call

Mayor Turner called the meeting to order and the Clerk performed the roll call.

B. Pledge of Allegiance

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

2. PUBLIC COMMENT

Mrs. Alice Johnson, spoke on behalf of the Indian River Taxpayer's Association, presented Council with some statistics showing the total compensation, hourly cost of health benefits and hourly cost of pension benefits comparing Vero Beach with the average State and local employees and the average for private sector (please see attached). She explained that the City of Vero Beach numbers are from the 2012-2013 budget and the other wage statistics come from a Scripps Howard editorial on June 9, 2012. She provided Council with some suggestions on how to reduce the pension and health care costs. She felt that this City should take a leadership role and lead the State in doing the right thing in reducing pension and health care costs. She noted that two years ago this City was in a mess and thanks to the new City Manager and Finance Director they are going down the right road.

Mayor Turner commented that if they converted to a defined contribution plan, they would have to fund the defined contribution plan initially. She asked Mr. O'Connor if he had any idea what that initial funding might be.

Mr. Jim O'Connor, City Manager, explained that it is between three and four million dollars a year and would be for approximately the fourteen point one.one years that was brought out by the Actuary, plus any contribution that they would make to the defined contribution plan, plus they would lose the three percent contribution from employees going to that defined plan. He noted that they have made adjustments to the general employees pension plan by bringing the three percent down to 1.6%.

Ms. Cindy Lawson, Finance Director, added that when they talked about this with their Actuary that even if they freeze the defined benefit plan and then did a three percent City contribution

towards a defined contribution plan they would end up with almost the same annual expenditure that they have now. However what they would achieve is the risk shifting that they are after, but moving forward the amount of money being paid would not necessarily go down dramatically. They would begin shifting that risk onto the employees and coming up with a defined contribution plan that the employees would be in charge of dealing with themselves.

Mayor Turner felt that shifting the risk in itself may be a great value for them to look at.

Mr. O'Connor said that their risk is about a fourteen year window.

Mrs. Carroll asked if this concept has been discussed as they move forward with the different Unions.

Mr. O'Connor commented that they have not discussed it with the Teamsters Union, but in the PBA discussions they have talked about additional contributions from the employees. He said that the Unions have been fairly receptive and understand that the City is in a financial bind. In the particular case of the employees' contribution to the pension plan they looked at the State wide average and they are looking at 7%, which would get them over the hump. Also if they remove the holidays out of the overtime equation it will get them to the number that they are trying to get to for the next three budget years. He felt that they were getting closer to resolving these issues.

Mrs. Carroll expressed that there has been concern in the community because the former City Manager retired from the Police Department and contracts negotiated may have been very amendable to the Police Union. She appreciated that they are holding stricter guidelines to what they negotiate and taking into consideration the residents of the City who are funding employees' benefits.

Mr. O'Connor felt by them having the goal of what their challenge is, by giving them these two options it will get them to the same financial goal without having to demote Police Officers and the Unions have indicated that there is a willingness to negotiate in good faith.

Mr. Mark Mucher stated that he went on the website and found out there was no agenda and or backup at all for this meeting. Staff explained to him where the backup material for this meeting was located on the website.

Mr. Al Boettjer, Coastal Florida Police Benevolent Association, stated that he was glad to hear Mr. O'Connor say that they are willing to work with the City on this issue. He said that they were hoping that Council was not planning on making a decision today concerning demotions. He said that when they went back to the table there were two areas, pension contribution and holiday pay, which they anticipated discussing. However, the City has hired an excellent attorney who reviewed the contract and determined that it would be in the City's best interest that he rewrite the entire contract. So when they sat down at the table rather than dealing with the two issues that they anticipated discussing, they are now dealing with an entire new

contract. He said that they need some time to review the contract. They have scheduled their next negotiation meeting for this Friday and Wednesday, August 15th where they plan on meeting all day on both of those days. They also want to be upfront that they have some concerns about what the actual dollar value is that they are trying to address so that they can deal with it from a factual basis. They know that Chief Curry has adjusted his budget and they have eliminated the Deputy Chief's position. They want to know what exactly they are looking at as a dollar value so they can discuss factually to get the City where it needs to be. He said that they still have not resolved the health insurance issue and to date the City has not contracted with an insurance carrier.

Mr. O'Connor stated that they have the numbers for the insurance coverage and their numbers reflect the best insurance quote that they have received.

Mr. Boettjer asked Council to table making any motions concerning the Police Department until they can get somewhere with their contract.

Mr. O'Connor addressed this matter. He said that he has to put two proposals together that meet his budget goals and it would be for a three year period as opposed to a one year period. He said that these items would offset the demotions. He said that the two proposals can be done outside of the contract and it would meet their budget goals. If those proposals are not approved then the only thing that management has in their resources is the demotion option.

Mr. Fletcher expressed that this was not the format to be discussing these things.

Mrs. Carroll added that she strongly felt it was highly inappropriate for the Union negotiator to come to their budget meeting letting them know what their demands are.

Mayor Turner stated that this is an open forum and Mr. Boettjer is welcome to come and speak. She said that there will not be any specific motions taken on the demotions. They will continue to let the process work itself out.

Mr. O'Connor felt that it was accurate to say that their budget just reflects budget numbers and not the action to obtain those numbers.

Mr. Walt Geiger, spoke on behalf of the Taxpayers Association, said that overtime should be eliminated all together. He talked to the County Administrator who told him that the County has an insurance policy that only offers one choice and the employees can take it or leave it. He hopes that is the direction the City is moving in. He said in regards to the Police Department retirement, he stills thinks the multiplier of 3 needs to be changed in the future. Also, the City offers way too much annual leave for their employees. He said that the County has cut back the amount of time they used to offer and now their personnel rules allow for a maximum of 15 vacation days a year.

3. ITEMS FOR DISCUSSION:

A. Review of Proposed FY 12-13 Budget and Five Year Capital Program

Mr. O'Connor referred to the memo that he provided to Council for today's meeting (on file in the City Clerk's office). He recalled that Council adopted a tentative millage at the rolled-back millage rate of 2.1009. Since that time, further changes to the General Fund revenues and expenditures have been incorporated, which would allow the General Fund budget to be balanced at last year's adopted millage rate of 2.0336. The proposed budget package includes two alternative versions of the General Fund revenue budget. The first version, with the millage at the rolled-back rate previously adopted, would provide an unappropriated surplus of \$181,053. The second version, with the millage set at last year's millage rate, would provide an unappropriated surplus of \$46,387. He would recommend going to the roll-back rate.

Ms. Lawson commented that after the week of budget hearings they went back and made changes to the budget. There were enough changes made to the General Fund that they were able to balance the General Fund budget with an approach to revenues (roll-back rate that they previously adopted). If they do that they have the unappropriated surplus of \$181,053, or they can reduce the millage rate to last year's millage rate of 2.0336 and they would still have their General Fund balanced but with a small unappropriated surplus of \$46,387.

Mayor Turner stated so they are maintaining the current tax rate without making any further reductions in the budget.

Ms. Lawson said that they are maintaining the current tax rate, but they are only able to do that by making further reductions. She said that in the General Fund they cut two additional positions, they changed the fuel estimates based on the most recent predicted fuel prices for the coming year, made reductions in estimated overtime costs in the Electric and Water & Sewer funds, revised the Marina revenue estimates, decreased costs for janitorial services based on a current bid for reduced scope, revised/updated descriptions for the Five Year Capital projects, and updated FY 11-12 year end projects. She mentioned that they took a cut in the General Fund in regards to the workers compensation insurance. She said for the past two years for whatever reason, there was no workers compensation expenditure in the General Fund. She said that the workmen's compensation fund went down \$124,000 City-wide. She mentioned that they have also have put in the budget an estimated City-wide savings of \$280,000 for general insurance coverage.

Mrs. Carroll asked about the lower administrative charges allocated to the different departments.

Ms. Lawson said that the charges will be lowered because they have eliminated two full time positions.

Mr. O'Connor added that these two full time employees will not report to work on October 1st and there are no positions for them to fill in any other department within the City. Also by reducing a total of 25 employees their health care costs will go down.

Mayor Turner commented that in the future they could have added the changes made at the budget hearings instead of having to produce a whole new budget book. She suggested just highlighting the changes made.

Ms. Lawson stated that she did go back and look at estimated earnings. She said if you look at Fund 311 where they had interest earnings of around \$35,000 a year, she looked at their average earnings for the past year and revised the earned earnings downward. At the same time they received updated estimates from the State Revenue sharing for the one cent sales tax and those went up so they still stayed balanced.

Ms. Lawson continued by saying that there is still four months left between this fiscal year and accruals. She said that they did start moving towards what they think the year end is going to look like for 11/12. In the General Fund they will see that the use of fund balance is going down from what was projected at their last budget amendment.

Mayor Turner asked Ms. Lawson how much are the total budget amendment that they recently passed. Ms. Lawson said that the total budget amendment passed in terms of its impact on the General Fund was to use \$317,000 of unappropriated surplus. She said what they are showing with this latest version of the budget package is only having to use \$275,000.

Mrs. Carroll asked in regards to the two options on the table today, what is the average the City should keep as surplus in the budget.

Mr. O'Connor explained that one to two percent is a standard and that is what he would recommend because of unknown things that might come up during the year. He would still recommend going to roll-back. He said an unappropriated surplus of \$46,387 on a twenty million dollar budget is relatively small.

Mayor Turner still struggled that they haven't managed to meet any of their budgets for the last few years.

Mrs. Carroll commented that they spent five days in budget hearings and they only have between eight and ten changes to the budget. She said that they all brought many questions to the budget hearings and when they had the Department Heads come forward with explanations on their budget. She is concerned that their discussions of those items and the explanations or excuses given to them simply meant that since an excuse was given the item is off of the table. She said personally there were many concerns that she had with different line items in the budget, and the most significant was the overtime. She brought forward at the budget hearings that 10% of the budget is overtime for the employees. She asked Mr. O'Connor if there have been any cuts made for overtime going forward to next year.

Mr. O'Connor answered yes that they have restructured the working times for meter readers.

Mrs. Carroll expressed that metering was only one tiny department within the City.

Mr. O'Connor continued by saying that they have also looked at the General Fund and in the General Fund the biggest amount of overtime is in the Police Department. He said that the Police Chief meets with his officers twice a month to go over their overtime, but they have very little control over it.

Mrs. Carroll said that from a small business owners standpoint if her employees continued to work overtime she would restructure their work schedules in order to alleviate that. She felt that there was no reason to make cuts in employees when they now have the remaining employees making more money by working overtime.

Mr. O'Connor explained that they could not restructure detective time (as an example) in order to meet the rolling of crime. Another issue is if they have a callout concerning a utility matter at 2:00 a.m. in the morning they have to respond. Those types of overtime they are managing.

Ms. Lawson mentioned that over the last couple of years the Police Department has done their best at eliminating any overtime that is discretionary. She said that they are stuck with holiday overtime, unless some negotiations can be made with the PBA.

Mrs. Carroll didn't want to just pick on the Police Department. She said that there are many departments that have overtime in their budget. At the budget hearings she asked Mr. O'Connor if he could reduce the overtime by 25% and his answer was no.

Mr. O'Connor said that realistically it cannot be done. He said that those things as he mentioned earlier (turning someone's power on, detective work) are things that you have to do if they are after hours.

Mayor Turner hoped that during the PBA Union negotiations that the cost can be reduced.

Mr. O'Connor said that if they take holidays out of the calculation then that will be a big number.

Mrs. Carroll noticed in the City Council's budget that there wasn't an amount put in for Councilmembers to take City insurance, whether they choose to or not. Ms. Lawson will look into that.

Mr. O'Connor commented that all employees must take the City insurance.

Mrs. Lynne George, Interim Human Resource's Director, explained that an employee can opt out from taking the City's insurance, but the employee will not get paid for not taking it. She said currently there are five employees who do not take the City's insurance.

Ms. Lawson noted that she budgets what each employee has chosen as far as health care for each department.

Mayor Turner referred to the budget book under Finance and Administration, under major goals and challenges, she wanted to see if they could add "management of reserves and investment policy."

Ms. Lawson asked Mayor Turner if what she was wanting was for them to update the City's investment policy, which has not been done for some years. Mayor Turner replied yes.

Mayor Turner asked Mr. O'Connor in looking at the electric and the costs that were used at the FMPA meeting last week they were giving them some project costs for Stanton I, Stanton II, and St. Lucie and she was wondering what numbers were actually used in their power costs to prepare this budget.

Mr. O'Connor explained that they use the power costs that have come from their most recent supplier. They anticipate an update of that in August or September. He said that OUC gives them the final number.

Ms. Lawson added that she hopes they will give them an update of what they think is really going to happen before their first public hearing in September.

Mayor Turner went over the figures that she received from FMPA for St. Lucie, Stanton I and Stanton II.

Mayor Turner referred to page 71 of the budget book, which was for Customer Service. She said that it is showing a 7.9% reduction in operating salaries.

Ms. Lawson explained that this occurred with the restructuring of this department when Mr. John Lee retired. They did away with some of the mid-level supervisors.

Mayor Turner referred to page 73 of the budget book and questioned why the operation salaries were going up.

Ms. Lawson explained that this was just a shift in the way they did the budget this year, which also shows maintenance salaries going down.

Mr. Rob Bolton, Water and Sewer Director, answered additional questions that Mayor Turner had.

Mrs. Carroll asked Mr. Bolton how was the situation going with some of the pest control companies, among other companies, using their reuse water. She asked if some type of fee is being charged to those individuals.

Mr. Bolton said that the process is working well and the revenue that is coming in is around \$2,000 a year, which is shown under miscellaneous revenues.

Mr. O'Connor again brought up the Police Department and said that they do have the dollar amount that they are searching for and hopefully they will be able to come to an agreement. He said as of October 1st they will have to decide which direction they will be moving in.

Mr. Mucher heard Ms. Lawson mention a couple of times that fuel and oil cost were being reduced. He recalled that July was the highest month ever for increases in gas and oil and August shows that the trend is going to continue. He wondered if it was a realistic assumption to lower the cost for gas and fuel for the coming year.

Ms. Lawson explained that they base their fuel costs on a next year basis that comes from a Federal Department of Energy website with projected gallon prices for next year. She said that in the General Fund it makes about a \$20,000 difference.

Mr. Monte Falls, Public Works Director, added that in the past they have had reasonable success using this website and it has been pretty close to the cost of fuel and oil for the last couple of years.

Mr. Winger stated that he was in favor going with the 2.04 millage rate. He said that it is time to keep the pressure on. He said in 2013 if there is a sale of the electric system they might have to look at services and taxes.

Mayor Turner added that in reviewing the budget, middle management still continues to be an issue. Some departments have a position for the sole purpose of covering vacation and sick time, instead of cross training within their departments.

Mrs. Carroll agreed with the comments made by Mayor Turner. She said that so many of the department staffing charts showed that individuals report to one individual who reports to another individual. She mentioned that the Recreation Department has done very well in cross training. She reiterated that they spent a week going over the budget books and heard various justifications of why the budget changed and not very many changes have been made to the budget.

Ms. Lawson pointed out that one of the things that they also had in their package for today's meeting were revised changes in the organizational charts.

Mr. Fletcher agreed with going with a millage rate of 2.04. He said if they sell the Power Plant next year then they would "cross that bridge."

Mr. Kramer agreed that a millage rate of 2.04 is something that he also would like to see. He said if you leave money around then it is going to get spent. He said that they have a great staff. Council told them what they wanted to see and they brought it to them. He does not believe in micro-managing and thanked the Directors for their hard work. He also thought that the format they used this year worked out well. He applauded Mayor Turner for that.

Mr. Winger made a motion that they go with the 2.04 rate. A motion was not necessary. The consensus of Council was to go with the millage rate of 2.04.

Mr. O'Connor recognized how hard the Department Directors have worked on this budget.

Mr. Fletcher thanked both the City Manager and Finance Director in presenting Council with a well done budget process this year.

Mrs. Carroll agreed with going with the 2.04 rate. She wanted it on record that she would hope that each Department Head realizes the constraints that this City and Council have to make going forward with considering their numbers going down in terms of property taxes. She made it clear that whereas the budget is a maximum that they can use, Council would hope that each Department would come under budget as they move forward this year. She said that the goal is to come in under budget; the goal is not to exceed it.

B. Charter Officer's Review

At this time, Council took a five-minute break and the meeting reconvened at 10:25 a.m.

Mr. O'Connor noted that he has been with the City for over a year now and at times there have been challenges, but at the same time he is working with a good group to meet those challenges.

Mrs. Carroll suggested that they utilize the objectives that they have received from both the employee and the Council and then go through the Evaluation Forms that were prepared by Mr. Fletcher.

Mayor Turner suggested that they start with the City Manager's original objectives of July 3, 2012 and then review Mr. O'Connor's proposed objectives for 2012-2013. The first objective was to execute policy of Council to conclude the sale of the Vero Beach Electric Utility to FPL for the benefit of the City and ratepayers. Direct, monitor, and control activities and costs of the GAI consultant and provide monthly updates to Council.

Mr. Winger asked Mr. O'Connor when will they have to pay GAI again. Mr. O'Connor did not anticipate having to pay GAI. Mr. Winger thought that Mr. O'Connor was on schedule with this first objective.

Mrs. Carroll asked Mr. O'Connor if he could give them an FPL update at their next Council meeting.

Mr. O'Connor reported that Mr. John Igoe, their Transactional Attorney, will be giving an update at the next Council meeting.

Mr. Fletcher complimented Mr. O'Connor in doing a good job for coming in cold.

Mrs. Carroll recalled that Council looked at Mr. O'Connor's background in utilities before hiring him, which they all agreed was something that they needed and she believes they made a good decision in choosing him.

Mr. Fletcher noted that he has separate Evaluation Forms for each Charter Officer and he would send those forms electronically to the City Clerk.

Mayor Turner read objective #2 – "Engage in discussion with Indian River County on possible options to optimize the regional delivery of water and sewer services." She expressed that this would be an objective for next year.

Mr. Winger asked if they received anything back from the County yet concerning the discussion of this item.

Mr. O'Connor reported that he has met with the County twice on this topic. They passed around some good ideas and will be meeting again.

Mrs. Carroll requested an update to be given on their South Beach customers at the next Council meeting.

Mr. O'Connor will be prepared to do that.

Mayor Turner was concerned that the Resolution establishing certain water and sewer utility rates and charges within the Indian River Shores Service area was not taken before the Utilities Commission and Finance Commission. She hoped that in the future this would be done.

Mayor Turner read #3 objective, which is "Review all aspects of City Government to streamline, improve efficiency, and reduce costs to eliminate electrical and water and sewer transfers." She said that this is an on-going goal.

Mr. Fletcher referred to #3 objective given to them by the City Manager, which reads "Develop a budget that does not require ad valorem tax any greater than the roll-back rate." He said that when the sale of the electric goes through that Mr. O'Connor might want to rethink this objective.

Mr. O'Connor explained that in short term annual goals the way they are trying to structure any agreement with the electric is that they will have a window for transition, so he would prefer that they not have a tax increase just because something is going to happen in five years.

Mayor Turner read #5 "Support all staff requests with financial analysis" and said that she has seen a dramatic improvement since Mr. O'Connor was hired in receiving financial information.

Mrs. Carroll recalled that when some of the Councilmembers (including herself) first came on Council they begged for financial information and could not get it. She said that times have changed and the Council appreciates it.

Mayor Turner read objective #6 – "Implement annual employee performance appraisals. "

Mrs. Carroll wondered if any employees have been let go because of receiving poor performance appraisals.

Mr. O'Connor said that appraisals have been done on the anniversary of the employees. They are now refining that process where they can get down to specific goals and objectives. He said that the first year gave them the baseline and allowed the Department Directors to give him direction on how to work with the various appraisal forms.

Mrs. Carroll understands that there are a small handful of employees that will be eliminated without going through attrition. She asked if letting these employees go had anything to do with a poor performance appraisal.

Mr. O'Connor explained that they have to have the performance appraisals approved by the Union. He gave an example of how this works. He said that they have the right to "bump" so the two employees that he has talked about laying off those positions go away October 1st and at least one of those employees has the right to bump a person from the organization and take a lower paying position (the last in is the first out).

Mr. O'Connor continued by saying that you have to build a performance appraisal where an employee is in violation of a City policy then they can be terminated.

Mrs. Carroll wanted to make this clear. She said that an employee who has a poor performance appraisal would stay as an employee, regardless of his poor employee appraisal, and that employee could actually "bump" another employee. Mr. O'Connor said that it is correct, unless it is a performance appraisal that says that the employee should be terminated.

Mr. Winger wondered if in the new contract being negotiated for 2013, could they say that the employee has to have a satisfactory rating on their most recent job performance in order to bump or go to a better job.

Mr. O'Connor stated that performance evaluations can be included in Union negotiations.

Mr. Winger wondered if they should direct the City Manager to make some sort of provision in the contract during negotiations.

Mr. Fletcher wanted to make sure that an employee was not kicked out because of one bad appraisal. It needs to be a minimum of three or four.

Mrs. Carroll commented that would be three or four years down the road.

Mr. Fletcher understood, but said that you have to start somewhere.

Mrs. Carroll told Mr. O'Connor that the request of this Council was that they institute performance evaluations and now she is hearing it is something that can be utilized. It would take a couple of years before that information could actually be utilized.

Mr. O'Connor explained that under the forms that the City uses if there is something that an employee is falling down on they can say they want to do a reevaluation in 30 days to see if the employee has addressed the concerns that were pointed out in the evaluation. He said that you can build your case if an employee is performing poorly, but there are other cases where you have an outstanding employee who runs into some altercation on the job. Now you have a once great employee and you are trying to fire him or her.

Mayor Turner referred to #7 that states "Manage the City personnel policy to eliminate substantiated lawsuits." She said that they would pass on this one and discuss it with the City Attorney who has presented them with a very thorough review of pending cases.

Mayor Turner read #8 "Revisit the 2005 Vision Plan. Establish an implementation schedule."

Mr. O'Connor stated that they are attempting to do that. He said that the Planning Department has been working with the Planning and Zoning Board in trying to address the Vision Plan. He said that the Osceola and Original Town neighborhoods would be coming up next in their discussions. He said right now they are trying to finish up the Oceanside Business area (overlay district).

Mayor Turner realizes that this continues to be a challenge, otherwise former Councils' would have taken this on.

Mrs. Carroll added that it only took seven (7) years for a Council to ask the City Manager to take this on.

Mr. O'Connor reported that they have deferred any formal action on the overlay district until November because of the conversation that took place at the last Planning and Zoning Board meeting.

Mr. Fletcher voiced his concern over the Bert-harris act and the taking of property under the Vision Plan.

Mr. O'Connor commented that zoning by nature has a challenge to it. He felt that the way the Planning and Zoning Board is handling this, the issue is being addressed the best way they can under the Vision Plan.

Mr. Fletcher was giving a warning that when this comes before Council he will have some strong opinions.

Mrs. Carroll wanted to understand why this was being put off until November and not going forward.

Mr. O'Connor explained that there have been a series of meetings on this and different people show up at the different meetings. They first started with the stakeholders, but not necessarily investors on Ocean Drive. Then there was a meeting with stakeholders and some business and property owners. Then there was a meeting held where there was a mix. At the latest meeting when the Ordinance was being heard under a public hearing a whole new set of people came to the meeting. There was one lady who stood up and said that she did not know anything about this overlay district. She inherited her property and had some concerns. The Planning and Zoning Board agreed to table the public hearing on the Ordinance until their first meeting in November, but will hold two workshops between now and then for everyone to attend.

Mrs. Carroll commented that all of these meetings were properly noticed and advertised. She said that they will never have every interested party in one room at a time. She asked if they needed to continue expending public funds having workshops when they have been held extensively before 2005 and now they have had four more workshops. She questioned why they were putting this off for another three months.

Mr. O'Connor said that if they are going to call it a "Vision" then they need to go through these painful workshops and meetings. He said ultimately the conclusion will be made by the Council. He feels that the Planning and Zoning Board is doing the right thing.

Mrs. Carroll referred to #8 where it reads "Establish an implementation schedule." She wants to see the establishment of an implementation schedule that includes exactly what the plan is. She wants it to include the steps that the City is going to take prior to November.

Mr. Winger disagreed with Mrs. Carroll. He said that in 2005/2006 the Vision Plan and the Master Plan was done. Now they are going through the process somewhat backwards. They started out with staff and the Planning and Zoning Board bringing their vision of what they thought was the required update of the Vision Plan and Master Plan. He said in bringing that forward he did not think the community was entirely aware this was going on. He felt that what was important was to take the time to do this, because what they are talking about is what this area will look like in the future. They should have the patience to let the community

weigh in on these issues. He wanted to see this done right because it is the future of Vero Beach.

Mayor Turner thanked the Planning Department and the Planning and Zoning Board for going through this process. She felt that they needed to continue with the workshops and then have staff bring a final Ordinance to them.

Mr. Fletcher commented that he was getting impatient.

Mayor Turner read #9, which is "Prepare a study of healthcare and pension options to reduce City expenses prior to Union negotiations." She appreciated that Mr. O'Connor came forward with an option to reduce their health care and hopefully through Union negotiations they can put forward this idea to have one basic health care plan. With pension options they need to look at increasing contributions, etc.

Mrs. Carroll appreciated that he made it clear to his Union counterparts that the City is currently under a new paradigm and that the individual that they have chosen as their attorney to go forward to represent the City in negotiations has the backing of the City Council and his authorization to move forward under this new paradigm. A new document will be crafted to take the City into what will be post electrical system dependence.

Mr. Winger referred to the Union contracts and brought up the pension plan and thought that maybe they needed to bring in an expert.

Mr. O'Connor explained that as far as the Police contract goes there are three different options. He said the number one item is they are asking the Police to contribute more to their pension plan, freeze all the pension plans, or change the terms of the pension plan.

Council briefly discussed bringing in a Human Resource's professional concerning the pension plan and asked that the Mayor bring it back up at a future Council meeting.

Mr. O'Connor gave Council a consideration document for his objectives (please see attached). He started with #1 – "Work with FPL to ensure that smooth transition for the sale of the City's electric system. Continue to direct, monitor and control the transfer of information between the parties involved in the transition."

Mr. Winger felt that item number one needed some hedge wording, that it is still possible this won't happen.

Mr. Kramer felt that perhaps this wording needed to be defined after September.

Mrs. Carroll stated that as far as she knows this Council has not changed their original directive that the goal of the City was to explore the sale of the City's electrical system and not to explore the potential sale.

Mr. O'Connor said that the charge that he took from Council was to bring a contract forward for their consideration.

Mrs. Carroll felt that the wording the City Manager is using is fine.

Mr. Kramer felt that the wording is past tense and they already agree that the sale is going to go through. He wants to see the contract brought forward so that they can evaluate it. He said this is a directive and it needs to be clear.

Mayor Turner went to #2 on this list "Engage in discussion with Indian River County on possible options to optimize the regional delivery of water and sewer services." She said that Mr. O'Connor has reported that he continues to meet with the County. Item #3 "Develop a budget that does not require ad valorem tax any greater than the roll-back rate." This item was discussed earlier. Item #4 – "Improve the employee performance appraisal ensuring goal setting is part of the process." Mayor Turner suggested having Human Resources do a little training so the employees understand what goal setting is. Mr. Fletcher wanted to see the word changed to "measureable goals." Mrs. Carroll added that goal setting for the employees should mirror what they just set in the budget as the goal setting for the departments.

Mayor Turner read #5. "Implement the 2005 Vision Plan and address the neighborhood plans for Original Town and Osceola Park neighborhoods by completion of amendments to the Comprehensive Plan." She knows that Mr. O'Connor has already initiated some of these meetings with the neighborhoods.

Mrs. Carroll read the minutes of the last meeting that took place with the residents of Original Town and Osceola Park. Her concern is that the speakers are a very small group of individuals who have been very active with a definitive set of what they feel the neighborhoods should look like. However, after reading the minutes she does not see the representation of the majority of the owners of the multi-families, duplexes, and people renting those properties. She does not see the owners as being vocal in these decisions. She questioned how could they have a document crafted without getting feedback from the rest of the individuals within the neighborhood. She said that they are not seeing these people come forward and giving their ideas of their vision.

Mr. O'Connor said that the Osceola neighborhood was well represented. He thought that Original Town only had four people at the last meeting. He said that the City sent notices out about the meeting to the property owners and businesses. Also, the group that they have not heard from is the Churches. They are some of the largest property owners in those neighborhoods and it seems they don't hear from them unless there is a crises.

Mrs. Carroll commented that one of the concerns in the document that she read was that there were a large number of rental and multi-family buildings that had no representation at the

meeting. She asked if they were mainly local owners of the property or are they for the most part out of town owners.

Mr. O'Connor thought that it was absentee ownership and that a great majority of the properties are investment owned.

Mrs. Carroll wondered if a survey type document might be amendable to getting their feedback as opposed to the physical requirement of coming to a meeting. Mr. O'Connor was not sure that they would return the survey.

Mr. Tim McGarry, Planning and Development Director, added that they are going to try to involve these absentee owners as much as possible. He said that until you bring something up with some regulatory policy that affects someone they don't show up. It has always been his concern that you get a lot of activists in a neighborhood and a majority of the property owners don't support what they do. He said that they will find this out as they move along. He expressed that it is hard to get these people to come to meetings, but they will make more of an effort to make sure that they contact the property owners. He reiterated that a lot of them are absentee. At the last meeting held between the neighborhoods they did have representation from one of the churches, but they did not say anything. He said that when they bring different policies forward they will be done at public hearings.

Mayor Turner moved on to item #6 – "Conclude the Union negotiations addressing issues such as pension cost, overtime, sick and vacation times, dependent health insurance and holidays."

Mrs. Carroll asked Mr. O'Connor when he says conclude, what is the general time frame for the general employees contract. Mr. O'Connor said that it should be signed off on before October 1, 2013. He also noted that the PBA contract should have been signed off on October 1, 2011.

Mr. Winger wanted to see some improvement in moving forward with pension costs. He would come up with some different wording for #6.

Mayor Turner referred to #7 and knew that Mr. O'Connor has received their message. Item #8 "Streamline the City organization by department consolidation and the reduction of the middle management layer of decision-making." She emphasized that cross training was a huge issue that needs to be addressed Mrs. Carroll asked that "cross training" be included at the end of the sentence for item #8.

Mr. Fletcher mentioned that in his previous job when they were doing employee evaluations they included that one of the goals of the employee is to train someone to take their place when they leave.

Mayor Turner went on to #9, which is to continue to implement the processes such as the monthly financial statements and quarterly reviews that have been developed over the last year. She said that there has been great coordination between staff and the Finance

Commission in bringing them up to speed. With #10 to continue to develop more public/private revenue partnerships and support. She said that Mr. O'Connor is out in the business community and it has been great. The last objective #11 was to continue to implement changes in the Water/Sewer Department that expedites the optimization of the utility. Mr. O'Connor said that he had some more steps to make with this objective.

Mr. Winger asked if they were going to look at the rate structure that GAI came up with.

Mr. O'Connor said that they could look at the rate structure. He went over the Ordinance that will be coming before Council at their next meeting adopting the rate structure for Indian River Shores. He briefly went over the rate structure that the County uses. He said that the City's impact fee is a little higher than the County's impact fee, but the way they collect it and impose it the number comes out the same.

Mrs. Carroll thanked Mr. O'Connor for working with the Chamber of Commerce and being a part of their leadership program. She was happy that he is a part of the business community and increasing their exposure to the business community. She added #12 and said that what she wanted to see as another objective was to continue working with the Chamber of Commerce to create different types of economic development programs and to bring businesses into all five business zones (Downtown, Royal Palm Pointe, Oceanside Business, Miracle Mile, and US 1 Corridor).

Mr. O'Connor said that he would work with the three core groups which include the Chamber of Commerce, Mainstreet, and Oceanside Business Association.

Mrs. Carroll continued by saying that one thing she was looking for in a City manager was to have someone who was out and about and representing the City and she feels that Mr. O'Connor has gone above and beyond her expectations.

Mr. Kramer added that for #12 they should include in the objective to work with individuals who want to bring in some good projects.

Mr. Winger said as far as recreation goes, he knows they are looking at some of the fees and he wondered what the schedule is for bringing these fees to Council.

Mr. O'Connor explained that they are having discussions with the Little League baseball organization and hopefully within the next sixty (60) days they will have something. He said that they have come to an agreement with the Veterans. One of the issues with Little League baseball is that a couple of fields being charged for are not in the City, but belong to the School Board. He said that they probably would be sending a letter to the School Board about that. He brought up selling the Recreation Administration building to the Boys and Girls Club and wanted to make sure that Council received his memo about the reverter clause in the original agreement. It says that the property if not needed by the City would revert back to the County.

The City Attorney has determined that the clause does not apply. A letter was sent to the County Administrator to see if he wants to exercise the reversion clause.

Mrs. Carroll reported that the Senior Resource Association did obtain some grant money and they are moving forward with the new location for the bus terminal.

Mr. O'Connor commented that he has talked to Karen Diegel at the Senior Resources about keeping security for the Public Works compound near this location and she said that they would make sure that is done.

Mayor Turner thanked Mr. O'Connor for his services, for his good communication skills and for responding to things in a timely manner.

Mr. O'Connor expressed that it has been a challenging year, but they are making progress.

Mr. Fletcher will send the Evaluation Form to the Clerk and then Council can fill them out electronically if they wished to.

City Clerk Review.

Mrs. Carroll asked for an update on the new law that was passed regarding legal advertising.

Mrs. Vock stated that the new law is scheduled to take place in July 2013. She is watching this carefully to see if it will save the City money.

Mrs. Carroll asked what it costs to run ads in the newspaper.

Mrs. Vock explained that it varies year to year. She said that this year they have been spending a tremendous amount on advertising because each time an Ordinance having to do with the Comprehensive Land Use Plan comes up it has to be advertised twice before it can be adopted. So this year is higher than usual. She usually budgets \$6,000 a year for advertising.

Mayor Turner started going over the City Clerk's suggested performance objectives. She said that Mrs. Vock assures all meetings are properly noticed and that all meeting minutes, contracts, ordinances, and public documents are on file required by law and that she attests to proper approval of such documents.

Mr. Fletcher asked what it means to attest a document.

Mrs. Vock explained that she attests the Mayor's signature and then uses the City stamp.

Mrs. Vock commented that they have decreased the time that it takes to get their public records request answered. She said sometimes the hardest thing about obtaining the records

are if they are in a different department and she has to rely on the department to pull out the records for her.

Mrs. Carroll asked if the number of public records has increased.

Mrs. Vock stated that it depends on what issues are going on. The records request vary from day to day.

Mrs. Carroll asked if they have their Public Records Policy on the website. Mrs. Vock said that it is not there because she plans to bring it before Council in the near future to adopt some updates to it. She agreed that it should be on the website.

Mrs. Vock will continue to manage her budget and lower costs where she can. She expressed that the color copier that they have now is very expensive and when the lease is up in three years she would not be renewing the lease.

Mrs. Carroll asked if the Board and Commission members receive their packets by email or by regular mail. Mrs. Vock went over her concerns with the Sunshine Law and emailing the members their agenda packets. She will continue to work with other City Clerks to see how they are handling this.

Mrs. Vock expressed how much money the City will be saving next year by having their Council agenda backup material on I-Pads. She figures that they will be saving around \$2,000 a year, which doesn't include the time spent to produce all of the documents. She then went over some of the things that she hopes to accomplish this year. She will continue to work with the Human Resource Department in updating the Personnel Policy.

Mrs. Vock mentioned that the Records Clerk is also helping out in the City Manager's office when the City Manager's secretary has to be out of the office.

Mrs. Carroll appreciated that they were not only cross training in their own office, but in a different department.

Mr. Fletcher asked Mrs. Vock if she is allocating the costs in her budget when they fill in for different departments.

Mrs. Vock said that she was not.

Mr. Fletcher said that it was her call, but if it gets to be to at a certain level she might want to consider charging other departments.

Mrs. Turner wondered if they really needed to have the old minutes on the internet. She said they now have from 1985 to the present time out there.

Mrs. Vock explained it makes it easier if someone is looking for something that happened years ago.

Mrs. Carroll felt it was busy work to her and Mrs. Vock's employees have more constructive work to do.

Mayor Turner didn't see the need to go back any further than 1985.

Mrs. Vock will be working on having Candidates for City Council be able to file their Treasury Reports on line if they wish to do so. She will check with other Clerks, as well as the Supervisor of Elections, to find out how they do it.

Mayor Turner appreciated the job Mrs. Vock does.

Mr. Winger thanked the Clerk's office for all of their help.

Mayor Turner added that the Clerk's office is always very pleasant and professional.

Mrs. Carroll recognized Mrs. Vock's significant volunteer hours that she gives to the community.

City Attorney

Mr. Wayne Comment, City Attorney, went over his suggested performance objectives as given to him. He talked about managing the cost and work scopes of Counsel retained by the City. He did a breakdown of how much time he and his assistant allocate to the different departments.

Mr. Fletcher told Mr. Coment that he needs to do his research on the Bert-harris act, and be prepared for his questions when the matter comes up.

Mrs. Carroll wanted to add to the role of the City Attorney that it is to protect the City, City Council, and staff to the best of his abilities. She brought up the cure meeting that happened last year and she would look to him (Mr. Coment) if they see something taking place against State rules and for him to speak up.

Mayor Turner thought it was wonderful to get this much information on the Attorney's office (referring to the backup material provided for this meeting) and see the projects that they are currently working on.

Mrs. Carroll appreciated seeing the document for Ordinances/Matters Under Preparation for Study. She would like to see it on a six month quarterly basis. She brought up the pill mill situation and how successful they were in keeping this out of their State. She thanked the Attorney's office for all of their hard work on that issue.

4. ADJOURNMENT

Today's meeting adjourned at 12:11 p.m.

/tv