

**CITY OF VERO BEACH, FLORIDA
TUESDAY, JANUARY 21, 2014 – 6:00 P.M.
REGULAR CITY COUNCIL MINUTES
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

The invocation was given by Minister Tracy Moore of Vero Beach Church of Christ followed by the Pledge of Allegiance to the flag.

1. CALL TO ORDER

A. Roll Call

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

2. PRELIMINARY MATTERS

A. Agenda Additions, Deletions, and Adoption

Ms. Graves asked that item 3-D) be moved up on the agenda and heard before item 3-A).

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

B. Proclamations

None

C. Public Comment

1) Mr. Charlie Wilson to speak on the new Vero Beach Chamber of Commerce.

Mr. Charlie Wilson gave a Power Point presentation (attached to the original minutes).

2) Mrs. Penny Chandler to speak on behalf of the Indian River County Chamber of Commerce.

Mrs. Penny Chandler gave a Power Point presentation (attached to the original minutes).

3) Mr. Dylan Reingold, County Attorney, to talk about the Indian River County – City of Vero Beach Water, Wastewater and Reclaimed Water Franchise Agreement

Mr. Dylan Reingold, Indian River County Attorney, commented that he knew that at the January 7th City Council meeting, Council discussed the Indian River County reclaimed water franchise proposal agreement and were not in agreement with the draft that was presented to them. He knows that there were a lot of disagreements with the agreement and the direction given to the City Manager was to work with the County staff to negotiate some different terms and some different aspects of the agreement. He said over the last year and a half, the City and County staff have had on again off again conversations about this agreement. At the end of that period, staff came to an impasse and the Board of County Commissioners said that they wanted to try to break that log-jam and presented four (4) points and he was instructed to come before the City Council and talk about these four (4) points. The County Commission felt that if the City and County could come to an agreement on these four (4) basic points, then they would be able to move on. The four (4) basic points are as follows: 1) They would like to see County rates; and 2) They would like to see the 10% surcharge removed. He said from the discussion that took place at the last Council meeting, those two (2) issues have essentially been resolved. He moved on to the next two (2) items. He said in staff discussion, the City said that they wanted a six (6) percent equalization fee and the County said that they wanted a six (6) percent franchise fee. The Board of County Commissioners would like the ratepayers to look at their bill and have it be essentially the same as anyone else that is paying in the unincorporated areas of Indian River County. A compromise is proposed to have the equalization charge, charged by the City to be three (3) percent and the franchise fee charged by Indian River County to be three (3) percent. This way the City and County would both receive an equal share and it will total six (6) percent. He said that the County staff was not happy with that compromise and he realizes that the City staff is also not happy. That is why the Board of Commissioners felt that it was time to discuss this matter with the City Council so that they could move away from this impasse. The final point the Indian River Board County Commissioners came up with was that they wanted to make sure that they had a remedy and protection in place for their ratepayers. They asked that the agreement contain a provision that in the event the City could no longer provide those rates and the services at those rates to their customers and citizens that the County would have the right and ability to operate the system. He said based upon these four (4) points, the County Commission asked him to appear before the City Council and discuss them. He came to their meeting tonight to discuss those four (4) points and get an understanding from this Council as to where they stood on these four (4) issues. He has read the memo provided by the City Manager regarding this matter (on file in the City Clerk's office), and felt that the different issues that have been raised by both parties can be negotiated.

Mayor Winger asked Mr. O'Connor if there was any reason why they don't implement the Indian River Shores rate structure and eliminate the 10%. He was under the misconception that the County Commission would have to agree to make this reduction, but he has been told that is not the case.

Mr. O'Connor stated that he made the recommendation in his memo that those rates be implemented. Plus these would be the rates that they impose on Indian River Shores and also the rates that are imposed by the County to the City of Sebastian. He would be glad

to introduce this Resolution for Council consideration. The other issue that the County Attorney points out in the agreement that the City has no ownership of assets is something he does not believe. He said that the City does have ownership of the assets.

Mrs. Turner commented that the document presented to them by the County is unbelievably one-sided. She said that everything in the document points out that it is in the sole discretion of Indian River County. She said the way it is written, it is not a thirty- year franchise agreement, it is a ten-year franchise agreement. The requirement for them to provide any and all reuse water is not practical. She would oppose changing those rates because she felt that was part of their bargaining position.

Mr. O'Connor stated that if they impose the rates as they did in Indian River Shores and as the County does for the City of Sebastian, the County reserves the right to impose a six (6) percent franchise fee. The other point is having the franchise agreement with any types of terms with rate structures he feels is impractical. But the franchise agreement is good until 2017 and all of these other elements can be discussed, but ultimately (March 2017), it will be up to the County as to whether or not they want impact fees. It is not really a document that they are basing their entire existence on in the unincorporated areas. He feels comfortable with imposing the rates that he suggested without any issues.

Mr. Fletcher felt that this document is unreasonable and will trust Mr. O'Connor's decision as to what should be done.

Ms. Graves commented that there is a consensus on the Council regarding this issue. The County has received the information that they needed to hear and hopefully staff from both sides can go back to the drawing board and do some more renegotiating of the agreement.

Mr. Kramer had no problem with giving the South Beach ratepayers the County rates.

Mayor Winger reiterated that he was in favor of having a Resolution to change the rates. He agreed with Mrs. Turner that this agreement is very one-sided and the reality is the City built the utilities when no one else would build them. They have an on-going business that provides revenue to the City and the City owns the assets. He said the County would have no way of getting to these particular areas without going under the Lagoon, which would be a huge cost.

Mrs. Turner asked Mr. O'Connor if their Cayenta system was working, so the City is able to bill the ratepayers properly.

Mr. O'Connor answered yes. He said that what they would do is exactly what they did with Indian River Shores. He said that there are some "tweaks" that would have to be made, such as the County has some charges to their customers after they have to go on-site to check a meter. The City does not charge for the first time they have to go out, but they charge double if there is a second call. He felt that this could be implemented within 90 to 120 days.

Mayor Winger made a motion to draft a Resolution to move forward with the County rates and restructure the rates to eliminate the 10% surcharge. Mr. Kramer seconded the motion and it passed unanimously.

4) Mr. Scott Stradley, Utilities Commission Chairman, to discuss proposed Ordinance restructuring the Utilities Commission

Mr. Scott Stradley, Chairman of the Utilities Commission, reported that the Utilities Commission met on January 14th and only discussed one item and that was the restructuring of the Utilities Commission. He felt that, as the Commission is currently structured, there is a fair balance between the City and County customer base, and the proposed Ordinance reduces County representation. He said that the Commission has accomplished a great deal under the current structure and has plans to do a great deal more in 2014. He said this system is not “broken,” and asked Council are you sure you need to “fix it.”

Mayor Winger thanked Mr. Stradley and the Utilities Commission for their services.

Mr. George Lamborn, South Beach Property Owner’s Association President, stated that he reviewed what the Vice Mayor proposed (change the structure of the Utilities Commission) and he was insulted. He would like the City to write a letter to modify the situation so that he can address the 2,600 people that he represents. He sent a letter to Council dated January 17, 2014 addressing his concerns (attached to the original minutes).

Mr. Brian Heady commented that he liked to see the competition between the Vero Beach Chamber of Commerce and the Indian River County Chamber of Commerce. One of the things that would help the South Beach property owners is to move the electric issue along and just do the deal. He said that the City Council appointed him to the High Speed Rail Commission and good decisions cannot be made without good facts. He said at their first meeting, he found it pretty hard to get to the facts. He noted that he takes the Sunshine Law very seriously and before their first meeting, he met with a member of the Committee and that was a topic of discussion at their first meeting. At the High Speed Rail Commission meeting, there was a question about one member and whether or not he was a member of the Commission. Mayor Winger felt that this was water over the dam and they needed to move forward. Mr. Heady said maybe it is. Mayor Winger said he (Mr. Rusty Roberts) was never a member of the Commission. Mr. Heady showed the ballots where Mayor Winger voted for Mr. Roberts to be a member of the Commission. Mayor Winger said that the ballot was given to him by the City Clerk and it was an error to have him on the ballot and that he was never a member on the Commission. Mr. Heady showed the ballots and noted the Council members who voted for Mr. Roberts. Mayor Winger asked Mr. Heady what was his point. Mr. Heady asked who made the decision that their vote no longer counted.

Mr. Coment stated that the minutes do not reflect that Mr. Roberts was ever elected to the Commission.

Mayor Winger continued by saying at the first High Speed Rail Commission meeting, Mr. Roberts was not sworn in or recognized as a member on the Commission. It was agreed and stated by the City Clerk and the City Attorney that Mr. Roberts was not a member of the Commission. He reiterated that Mr. Roberts is not a member of the High Speed Rail Commission and is employed with All Aboard Railway.

Mr. Heady explained that the problem that he has with this is that City Council voted in favor of something and then somebody changed that. He was told that Mr. Stradley was only an alternate and could not serve as Chairman. Mayor Winger asked Mr. Heady if he wanted Mr. Roberts on the Commission. He (Mayor Winger) did not understand where Mr. Heady was going with this. Mr. Heady wanted to know how come the City Council made a decision to put someone on the Commission and who changed the decision.

Mr. O'Connor noted that Mr. Roberts was not qualified to be on the Commission because he is not a resident of Indian River County.

Mr. Heady stated that the point is not whether he wants Mr. Roberts on the Commission or not. He said that there are several things that are costing their community millions and millions of dollars and instead of the City Council making decisions, they have the Transactional Attorney or the City Attorney or the City Manager making decisions. Mayor Winger told Mr. Heady that he has now used 18 minutes of their time and he was through. Mr. Heady asked Mayor Winger what he meant when he said that he was through. At this point, Mayor Winger turned off the presenter's microphone. Mr. Heady told Council that they were dangerously close to putting the City in a position where they will have to defend themselves and this kind of nonsense will get them back into Federal Court.

Mr. Dan Stump applauded all of the work that the Indian River Chamber of Commerce has done over the last 18 years. He was puzzled as to why Mrs. Chandler chose to speak at tonight's meeting. He realizes that the Indian River Chamber of Commerce is successful and he would encourage them to continue being successful. He said there are approximately 2,000 businesses that are not a member of the Chamber of Commerce. The Vero Beach Chamber of Commerce thought that they could improve the business community by trying to get these businesses involved with the new Vero Beach Chamber of Commerce. He reiterated they do not want to compete with the Indian River Chamber of Commerce. He looked forward to working with anyone wanting to improve the business life in Vero Beach.

Mr. David Farrow, Board member for the Vero Beach Lifeguard Association (VBLA), was at tonight's meeting to talk about the annual report (Council members received a copy of the report). He read VBLA's mission statement. He mentioned the attendance was down on the beaches by 22% and the reason could be the weather, surf conditions,

negative press about beach cleanup or the recent shark attack. He said that VBLA is here to help.

Dr. Tim Macamee (spelling may not be correct), Board member for VBLA, recognized that shark attacks can occur and having qualified lifeguards is very important. The community needs to support beach safety for the visitors to this area.

Mr. Scot Caviness went over his concerns with communications and the different steps that have to be taken to get emergency calls to the lifeguards. He said that VBLA welcomes the community to be involved in their organization. He said that the organization is not only for lifeguards.

Mrs. Turner asked the City Manager to request that the Police Chief look into finding a better route in getting the emergency calls to the lifeguards. The City Police Officer attending tonight's meeting did not think that there was an issue. Mr. O'Connor added that some of the lifeguards received new radios this year.

Mr. David Farrow briefly went over the number of recent lifeguard rescues that have occurred.

D. Adoption of Consent Agenda

- 1. Regular City Council Minutes – January 7, 2014**
- 2. Ranger Construction Industries, Inc. Change Order #1; Rehabilitate Runway 4/22 (FAA AIP-38; FDOT #425744-1-94-01)**
- 3. Monthly Capital Projects' Status Report**
- 4. Request from Waddell & Williams Insurance Group to Renew Existing Lease at the City Marina for an Additional Five Years**

Mr. Winger pulled items 2D-2) and item 2D-4) off of the consent agenda.

Mr. Kramer made a motion to approve items 2D-1) and 2D-3). Mrs. Turner seconded the motion and it passed unanimously.

Mr. Winger noted that he pulled item 2D-2) off of the consent agenda because of its similarity to item to 4-A). He had some questions why two different items were needed.

Mr. Eric Menger, Airport Director, explained that item 2D-2) is a Change Order, and item 4-A) is a request that the State help with funding for the project.

Mr. Winger made a motion to approve Change Order #1 to Ranger Construction Industries. Mr. Fletcher seconded the motion and it passed unanimously.

Mr. Winger expressed that with item 2D-4), he could not find in the lease agreement the amount of rent that is being paid by Waddell & Williams to lease one of their buildings at the Marina. He was not sure what they were approving.

Mr. Tim Grabenbauer, Marina Director, explained that Waddell & Williams Insurance Group pays the City approximately \$45,000 a year to lease the building and they pay for their own utilities. He said that this lease was for a five-year term, commencing on February 1, 2009, with a five-year renewal option. Since the initial term of this lease will expire on January 31, 2014, Mr. Waddell, President, would like the City to consider approval of their five-year renewal option, with a new termination date of January 31, 2019.

Mr. Kramer made a motion to approve the commercial lease agreement between the City and WCN, Inc. for property located at the Vero Beach City Marina, for an additional five years (February 1, 2014 – January 31, 2019) under the same terms and conditions. Mr. Winger seconded the motion and it passed unanimously.

At 7:38 p.m., Council took a ten-minute break and the meeting reconvened at 7:50 p.m.

3. PUBLIC HEARINGS

Quasi-Judicial Hearing

- A) An Ordinance of the City of Vero Beach, Florida, amending the Comprehensive Plan Future Land Use Map by Changing the Land Use Designation of Annexed Land from Indian River County Designation C/I, Commercial/Industrial to City of Vero Beach Designation C, Commercial for the Property located at 703-725 17th Street, including a portion of Lot 5, Block 2 of the Plat of the Dr. Richard E. Bullington's Subdivision, Containing 2.50 acres, more or less; Providing for an Effective Date. – Requested by the Planning and Development Director**

Mayor Winger read both items 3-A) and 3-B) together and said that they would be heard together, but voted on separately.

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

Quasi-Judicial Hearing

- B) An Ordinance of the City of Vero Beach, Florida, amending the Official Zoning Map by changing the Zoning District Designation of Annexed Land from Indian River County designation CG, General Commercial to City of Vero Beach designation C-1, Highway Oriented Commercial for the property located at 703-725 17th Street, including a portion of Lot 5, Block 2 of the Plat of the Dr. Richard E. Bullington's Subdivision, containing 2.50 acres, more or less; Providing for an Effective Date. – Requested by the Planning and Development Director**

Mayor Winger read both items 3-A) and 3-B) together and said that they would be heard together, but voted on separately. There was no ex parte communications by any of the Councilmembers.

Mr. Tim McGarry, Planning and Development Director, was sworn in. He said that all of the backup material that he provided would be part of the exhibits for this case, along with the two new maps that he provided to Council tonight. By passing these Ordinances, it would annex this piece of property located at 703-725 17th Street into the City.

Mayor Winger opened and closed the public hearing for both Ordinances at 8:19 p.m., with no one wishing to be heard.

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

C) An Ordinance of the City of Vero Beach, Florida, amending Section 70.14(C), Chapter 70, "Subdivisions," of the Code of the City of Vero Beach; Exempting the re-subdivision of existing platted lots in Single-Family Residential Zoning Districts from the average minimum width and area requirements of Section 70.14(C); Providing for Conflict and Severability; Providing for an Effective Date. – Requested by the Planning and Development Director

Mayor Winger read the Ordinance by title only.

Mr. McGarry reported that this Ordinance amends Section 70.14 (c) by eliminating re-subdivision of existing platted or recorded lots in single family residential zoning districts from complying with the minimum lot width and lot area requirements of that Section and will take care of a problem that the City created themselves.

Mayor Winger opened and closed the public hearing at 8:22 p.m., with no one wishing to be heard.

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

D) An Ordinance of the City of Vero Beach, Florida amending Sections 2-102, 2-105, and 2-106 in Article III, "Commissions and Boards," of Chapter 2, "Administration," of the Code of the City of Vero Beach, relating to City Commissions and Boards; Providing for transition and severability; Providing for an Effective Date. – Requested by the City Council

*Please note that this item was heard before item 3-A) at tonight's meeting.

Mayor Winger read the Ordinance by title only.

Mr. Coment presented the Council with a Ordinance reconstituting the Utilities Commission. He said that this proposed Ordinance does require that the members appointed by each Councilmember be City residents. He said there were no restrictions as to whether alternate members are City or County residents.

Mayor Winger commented that he would like to see this Commission have a majority of City residents on it, but the representatives chosen by Council don't have to be City residents. His reason for this is because he would like his representative on the Commission to be Mrs. Jane Burton, who is a County resident. He also realizes that the City has customers outside of the City limits and while the City owns the utility, he does not see any harm in changing the wording of the Ordinance as long as the majority of members reside in the City.

Mrs. Turner asked Mr. Kramer how he could justify the makeup of five City residents on this Board when the makeup of electric utility customers is 71% residing outside of the City and 40% of the customers for the water utilities residing outside of the City. She asked what happened to representative government.

Mr. Kramer explained that when you look at big utility companies that are privately owned, ratepayers don't sit on any of those Boards. He said that, if Mrs. Turner wants to make this Commission one that does not recommend any business decisions, then go ahead and put whoever they want on the Commission. He said you have a business and they're letting the ratepayers make the decisions on how to run the business. He said that he knows that Council is all heated up about the one issue. But if you step aside and apply it to other issues, then you will see that the current makeup doesn't work. He said that when you have a business, you don't let the ratepayers make the decisions.

Mrs. Turner explained that is how most Utility Authority Board's operate. They are represented by their ratepayers.

Mr. Kramer did not have a problem with having a Utility Authority. He said that with a Utility Authority, all of the ratepayers own the system.

Mayor Winger said he would not have a problem with voting for a Utility Authority either.

Ms. Graves commented that they need to make sure that everyone sitting on the proposed Utilities Commission is a ratepayer.

Mr. Coment explained the way the Ordinance reads now is that the members have to live within the City of Vero Beach service area.

Ms. Graves thought it was important that the members serving on the Commission are being represented as users of the system.

Mrs. Turner felt that the Commission will be unbalanced. She said that part of the ratepayers have the ability to vote for City Council members and the majority of the ratepayers for the electric utilities cannot vote in a City election. She expressed trying to give the ratepayers in the unincorporated areas some voice.

Mr. Fletcher felt that the current composition and methodology of the Utilities Commission that is in place is appropriate. They currently have some talented people sitting on this Commission and they should leave it the way it is.

Mr. Scott Stradley agreed that Mrs. Burton was one of the most valuable members on the Commission. The way he presently runs the Utilities Commission meetings is to encourage all alternates to participate in the meetings and it would be a tragedy if she was gone. He would like to see the Ordinance modified so that she can remain a member. He had some concerns about asking the County to appoint someone to the Commission and having fair representation. He hoped that Council could find some compromises to take care of their concerns. He did not think any decisions made by the present Utilities Commission came up where they didn't look at the best interest of the utilities. He requested that Council allow the present Utilities Commission to continue to serve and make recommendations to Council.

Ms. Graves asked Mrs. Turner if she would be okay with the Ordinance if they were allowed to put members on the Commission that don't reside in the City or is she not in favor of doing this at all.

Mrs. Turner wanted to see a more equitable system and that they have more balance from members representing their customers. She felt that if individual Council members appoint members to the Commission, who gets to appoint City resident or must a Council member appoint a County resident? She said it is a problem. She thought that this system was not going to work in order to get a balance.

Mr. Ken Daige has a vested interest in the City of Vero Beach and asked the City Council to make sure that the members that they put on this Commission have the best interest of their utilities. He said the utilities belong to the City, and the residents of this City expect the City Council to put the best people on the Commission who are looking out for City issues. He wants to have people on the Commission who are not after selling the City out. He said however Council decides to structure the Commission, he requests that they put the best people on there to do the best job for the City residents.

Mr. J. Rock Tonkel, Utilities Commission member, commented that he was aware of only one situation where there was not agreement with the decisions made by the Utilities Commission. He said that they are not at odds and haven't been.

Mr. Kramer recalled that the first meeting that Mrs. Turner had when she was Mayor, five minutes before the meeting, she laid down pieces of paper in front of Council and then said that she wanted a new Utilities Commission and it passed by a 3-2 vote. He said that this is the problem when you have an abuse of power. He was then asked to give a presentation to the Utilities Commission, which he did and discovered that the Commission was not interested in listening to him at all. He said that the way to go is finding middle ground here where everyone gets representation. This way this matter won't have to keep coming up.

Ms. Graves felt that the way to find that middle ground is if they are able to appoint someone from anywhere within the City area and they would be able to have both City and County residents on the Commission.

Mr. Coment told Council that they could remove the restriction about appointing City residents and there is nothing that says that they have to allow the County Commission to appoint someone. They could say that the number of members on the Commission would be seven (7) from either the City or the County and the two (2) alternate members would be appointed by the Council as a whole. By doing this it would take away the County and Indian River Shores from actually appointing someone. He is trying to allow each Councilmember to have their individual appointments and appoint two alternate members at large.

Mr. Fletcher could buy into that. He did not want to see their representatives be restricted to City residents.

Mayor Winger felt that they still needed to have a representative from Indian River Shores on the Commission.

Mrs. Turner said then they would have one permanent member voted at large, as well as the two alternate members.

Mr. Coment requested that Council allow him to make these changes and bring back a new Ordinance for first reading. The Ordinance would reflect that they are increasing the number of members on the Commission to seven (7) members. There would be five (5) members appointed individually by each Councilmember, the seventh person would be voted at large by the whole Council and the alternate members would be voted at large and Indian River Shores would stay the way it is.

Mayor Winger asked Mr. Kramer if he could live with this composition.

Mr. Kramer said that he is learning that politics is not an issue of fairness, it is an issue of power. He would like to see the majority of members on the Commission be City residents.

Mrs. Turner felt that administratively there would be some issues. There will be an imbalance of trying to meet a majority of City residents.

Mayor Winger made a motion to approve seven (7) representatives on the Commission, with one (1) representative being from Indian River Shores and one (1) member at large appointed by the Council. Each Councilmember will select one person and the majority of members have to end up being from the City (four out of seven members). Mr. Kramer seconded the motion. The Clerk polled the Council and the motion passed 3-2 with Mr. Fletcher voting no, Ms. Graves yes, Mrs. Turner no, Mr. Kramer yes, and Mayor Winger yes.

Mr. Coment will modify the Ordinance and bring it back for first reading.

4. RESOLUTIONS

- A) A Resolution authorizing the City of Vero Beach, Florida, to enter into a Supplemental Joint Participating Agreement with the State of Florida, Department of Transportation to Rehabilitate Taxiway A/E (FDOT #425749-1-94-01). – Requested by the Airport Director**

Mayor Winger read the Resolution by title only.

Mr. Menger reported that this Resolution enables them to upgrade the entire Runway 4/22 lighting system with LED lights with additional grant funds from Florida Department of Transportation (FDOT). The total cost for replacing the entire lighting system is \$107,000 at an 80/20 split. He said that FDOT will fund an additional \$85,600 and Airport funds will fund an additional \$21,400. He would recommend approval and acceptance of the Supplemental Joint Participation Agreement.

Mayor Winger opened and closed the public hearing at 8:24 p.m., with no one wishing to be heard.

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

- B) A Resolution of the City Council of the City of Vero Beach, Florida, requesting that the State of Florida fund the cost of improvements for Quiet Zones at Municipal Railroad crossings located along the All Aboard Florida project route; providing for an effective date. – Requested by the City Attorney**

Mayor Winger read the Resolution by title only.

Mr. Coment reported that this Resolution was requested by the High Speed Rail Commission requesting that the State of Florida provide funding to cover the cost of the enhanced improvements necessary to meet the requirements for designation of the railroad crossings within the City as “quiet zones.”

Mr. Ken Daige, Chairman of the High Speed Rail Commission, explained that the High Speed Rail Commission passed a motion 4-1 to ask the City Council to pass this Resolution. He said that they are operating within a very tight window of time. He noted that there are eight (8) railroad crossings in the City of Vero Beach.

Mr. Scott Stradley, High Speed Rail Commission member, commented that one of the things that took place in their discussions was that the City pays a lot of money in gas taxes and the City was not asking for any money that they have not already contributed. He said that there will be a train running through Vero Beach every thirty minutes, at 75-110 mph and these crossings are not even a quarter mile apart. This is a big issue that the City is facing and it is their right to ask for help from the State.

Mr. Coment stated that there was a correction in the Resolution that needs to be made and that is that “expected hourly high-speed passenger trains,” should be “expected *twice* hourly.”

Mrs. Turner made a motion to approve the Resolution with the amendment that the word “twice” be inserted. Mayor Winger seconded the motion and it passed 5-0 with Mr. Fletcher voting yes, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer yes, and Mayor Winger yes.

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 amending the Official Zoning Map by changing the Zoning District designation of C-1M, Marina District, to P-2, Park District, for City-owned property bounded by East Indian River Drive on the East, the Indian River Lagoon on the West, State Route 60 on the South, and the Northern line of Government Lot 2 on the North, containing 17.35 acres, more or less; providing for an Effective Date. – Requested by the City Council**

Mayor Winger read the Ordinance by title only.

Mr. McGarry reported that the passage of this Ordinance will ensure that the zoning is consistent with the future land use designation of Park. This allows all types of passive and recreational uses, including civic, cultural, and educational uses.

Mrs. Turner mentioned after referring to the Code that the current Marina zone does include Recreation and Park areas. She said that there was nothing in the current zoning that would preclude a dog park from this area.

Mr. McGarry stated that was never a problem because when you have a future land use designation, it supersedes anything below that and when you have the uses that are in both, then those are the ones that go forward. He said therefore recreation uses would be

okay, but commercial buildings, such as the Waddell Insurance Company, would not be a legal use in that kind of situation.

Mayor Winger opened and closed the public hearing at 8:33 p.m., with no one wishing to be heard.

Mr. Kramer made a motion to approve the Ordinance and move it to a public hearing to be heard on February 4, 2014 and February 18, 2014. Ms. Graves seconded the motion and it passed 5-0 with Mr. Fletcher voting yes, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer yes, and Mayor Winger yes.

6. CITY CLERK'S MATTERS

None

7. CITY MANAGER'S MATTERS

A) Commercial Land Lease between City of Vero Beach and Oculina Bank Corporation

Mr. Menger showed on the doc cam the concept of what the proposed building will look like. He said that this is a lease agreement between the City and Oculina Bank. The tenant would like to develop on the corner lot of Airport property that was formerly leased by a restaurant (Felix's Place), by building a bank branch building on the property. There was one correction made to the lease, which Council received an amended copy of. The tenant has asked that the existing restaurant building be demolished by the City leaving the site ready for construction. The lease will be for 30 years with one 10-year option with no reversion of the leasehold improvements until the full 40 year period due to substantial development. The land rental amount for the entire initial lease term will be paid in full upon execution of the lease and upon the tenant obtaining all government approvals for construction of the improvements. Total cost for the demolition will be borne by the City (Airport). The estimated cost will be between \$60,000-\$80,000 due to the need for asbestos mitigation. Mr. Menger felt that having a private entity develop a well-established bank branch will improve this corner property at Airport Drive and Aviation Boulevard and may encourage other development in the core area of the Airport. Also, even though the cash flow for this site will be reduced to zero for 30 years, the advanced rental payment could be used to develop other revenue producing property at the Airport, or the money could be invested in a manner that benefits the Airport.

Mayor Winger felt that when this item comes back to Council, they should be told where the money will go (one time rental payment).

Mr. O'Connor explained that the final vote on this lease will be tonight. However, they can further discuss where the money will go at budget time.

Mayor Winger made a motion to approve the lease, subject to bringing back a plan for the capital. Mrs. Turner seconded the motion.

Mr. Kramer asked by receiving a one-time lump sum for the lease, would this subject the City to any liability for prepaying for 30 years.

Mr. Coment explained that the sales tax on the rental would still need to be collected.

Mayor Winger questioned what the status of the Go-Line buses is.

Mr. O'Connor reported that the permanent site that the City and the County agreed to should be completed in 2015.

Mr. O'Connor made it clear that the City is the landlord and agent for this piece of property.

The motion passed unanimously.

B) Updated Fiscal Year 13-14 Electric Utility Rate Sufficiency

Ms. Cindy Lawson, Finance Director, was recommending that the Bulk Power Cost Charge be decreased from \$76.50 per 1,000 kWh to \$75.00 per 1,000 kWh for FY 13-14 effective January 1, 2014. This represents a decrease of 1.1% on a typical 1,000 kWh residential bill. This revised rate is still projected to provide a recovery of the FY 12-13 deficit. She said that the Finance Commission voted unanimously to endorse this decrease in the electric bill.

Mrs. Turner thanked Ms. Lawson for her analysis. She felt it was great for the Council to review these things on a quarterly basis, but the adjustment is a 1.1% change in the rate and wondered do they as Council on a policy basis want to every three months be making 1% tweaks. She felt that any reduction was a sign of good will for their customers, but wondered if they should set a meaningful threshold.

Mr. Kramer felt doing this quarterly was a great idea because it goes both ways. He said this way if they are out of the money, then they are not waiting to the last minute where they have to make drastic changes.

Mrs. Lawson recalled at one point they did change to quarterly and then they went to a year and made annual adjustments. She would recommend looking at this again after the second quarter. She feels that the number they are targeting right now is a good margin.

Mrs. Turner expressed that in her analysis of the revenues over the years, they have taken a 17% hit reduction in their revenues, which was obviously part of conservation, people are being more careful with their electric consumption and mild weather. They have also been successful in reducing their operating expenses by 14%.

Ms. Graves asked Ms. Lawson, that even with this rollback, will they still have a good amount of days of unrestricted cash on hand.

Ms. Lawson reported that right now they are around 67 days. She would like to have it around 90 days and hopefully by the end of the year they will be there.

Mr. Scott Stradley commented that Ms. Lawson used to come to the Utilities Commission and give the quarterly report. A few months ago, the Utilities Commission recommended unanimously increasing the utility rates in order to restore the fund balance to the sufficient working capital. He said unfortunately the matter that they are discussing tonight did not come before the Utilities Commission, so he did not know the details. He hoped in the future that these items will be sent both to the Finance Commission and Utilities Commission for their recommendations. He pointed out that the makeup of the Utilities Commission to raise the rates was voted on because it was best for the utilities and additional cash reserves were needed.

Mr. Daige thanked Council for implementing this cost reduction. He said any cost reductions that Council can do in the future would be appreciated.

Mr. Winger made a motion to accept the recommendation of staff and decrease the utility rates by 1.1%. Mr. Kramer seconded the motion and it passed unanimously.

Ms. Lawson asked Council which Commissions did they want her take these matters to. She was told to take them before both the Finance and Utilities Commission.

Mayor Winger reported that the sale of the electric is not going to be heard at FMPA's next Board meeting because FPL still has not responded back to them. He was disappointed about this.

Mr. O'Connor reported that the Resolution to allow dogs on leashes in City Parks went to the Recreation Commission and he will be bringing it back to Council with a recommendation on which Parks it should be allowed in.

8. CITY ATTORNEY'S MATTERS

None

9. CITY COUNCIL MATTERS

A. Old Business

B. New Business

10. INDIVIDUAL COUNCILMEMBERS' MATTERS

A. Mayor Richard Winger's Matters

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

Mayor Winger expressed that Vero Beach was named as having some of the "Best Florida Beaches."

B. Vice Mayor Jay Kramer's Matters

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

Mr. Kramer reported that he attended Downtown Mainstreet's monthly meeting, an Enterprise Zone meeting, and the Bark in the Park event.

C. Councilmember Pilar Turner's Matters

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

Mrs. Turner commented that they recently received an audit statement from FMPA and after going through the data, she found some things that were very interesting.

Mrs. Turner reminded the public that January 24th is Art by the Sea, Pancake Day is January 25th and she encouraged the public to attend the Emerson Center on January 30th to hear their guest speaker.

D. Councilmember Amelia Grave's Matters

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

Ms. Graves reported that she attended a Treasure Coast Regional League of Cities meeting and reminded everyone to attend Downtown Friday on January 30th.

E. Councilmember Craig Fletcher's Matters

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

None

11. ADJOURNMENT

Tonight's meeting adjourned at 9:02 p.m.

/tv