

CITY OF VERO BEACH, FLORIDA
JUNE 3, 2014 9:30 A.M.
REGULAR CITY COUNCIL MEETING
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA

The invocation was given by Pastor Billy McCloud of Central Assembly of God 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

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

B. Proclamations

None

C. Public Comment

1) Mr. Charlie Wilson to discuss Legal Challenge to FMPA Contracts.

Mr. Charlie Wilson commented that elections have consequences and as a result of the last election the negotiations with Florida Power and Light (FPL) have gone from a done deal to a dead deal. He said much has been done to lower rates and a lot of savings have been achieved and they need to continue doing that, however they will never get FPL rates. The City has been promised since 1976 that they would have the same rates as FPL. He referred to the FMPA contracts and said that there is no end to contracts and they never expire. What they are not considering is that things could get a lot worse. He said for most of the citizens in this community looking at future higher rates and no protection from future financial disasters and being a never ending hostage is not an acceptable option. He brought up option 2, knowing everyone would have preferred a negotiated settlement. He said FPL encouraged motivated sellers acting in good faith. He said there is some question as to whether they have their buyer and seller acting in good faith. He said option 2 would be to explore legal regulatory and political options. He recalled that Mr. Coment has said that contracts are unchallengeable, that they should

accept their slavery and quit complaining. Mr. Coment has said that he has been told that the contracts cannot be challenged. He is standing before a hostile Council in which a majority have been recommended by the Indian River Neighborhood Association (IRNA). Their City Attorney is giving legal opinions that have not been legally researched. He noted that Mayor Winger has indicated that he will oppose one version of a partial sale having to do with Indian River Shores (IRS) and Indian River County's efforts to leave. He said others do not believe that the contracts are challengeable. He said the ruling back in 1983 was about the establishment of FMPA and their issuance of bonds. He said FMPA has said that they never contemplated a sale out of their cartel, which means it is not in the contract. He asked how did a 1983 Supreme Court ruling action upon an issue that was not in the contract then or now. The statement that the citizens have no right to their day in court is simply inaccurate. He wondered who represented the City and got them into no ending contracts. He wondered if the 1983 ruling addressed the number of customers, which has changed since then. Also, did they consider the size and configuration of the territory, PSC oversight, financing requirements, dissolving of the electric utility, misappropriations of funds, anti-trust, 30 year contracts, and 100 other issues. The Supreme Court did not weigh in on any of those issues and all of them are main issues that the City faces. He said the public is continuously being told that all legal minds agree there are no legal options, which is completely wrong. They are taking the word of FMPA and their special interest advice and not seeking confident advice for the City's side. He just met their new attorney, Mr. Schef Wright and he was not sure whose side he is on. He (Mr. Wright) has a history of representing the people who are against trying to get the sale completed. Why is the FMPA being allowed to operate as a monopoly. He pointed out in the 1983 ruling by the Supreme Court under the defendants it lists every city and it says nothing about outside ratepayers. The County and IRS have hired legal representation to investigate their legal options and Vero should do the same. He said either join them or do it independently. He said they need to outline what their legal options are. He asked any Councilmember to put on the June 17th agenda an item to allow discussion and a vote to take place. They need a recorded vote to see which one of their Councilmembers are willing to fight for their citizens and which one of their Councilmembers are resigned to accept the rates and dangerous possibilities for the future of their City for years to come. He said negotiations are dead. He asked Council if they were willing to fight for Vero or do they have to find other Councilmembers who are. He asked if there was anyone willing to challenge the FMPA, which is their right.

2) Mr. Herbert Whittall to discuss the Lagoon and MRC meeting May 15-17 Fertilizer Ordinance Enforcement and Bumper Sticker letter to Governor Scott about Step Septic System.

Mr. Herb Whittall talked about the Lagoon and showed pictures on the doc cam what algae looks like, as well as providing a bag of algae for the Council. He showed how the pollutants put in the Intercoastal reacted and the algae bloom that has occurred. He said this is not a pretty picture. He has talked to Mr. O'Connor and Mr. Falls on how they can get the algae out of the river. The Indian River Neighborhood Association (IRNA) has printed 500 bumper stickers which say "Save our Lagoon No Fertilizer June 1 –

September 30.” He gave Mr. O’Connor a large stack of them and hoped that he would put the stickers on City vehicles. He mentioned that the no fertilizer Ordinance has passed but there is no one policing it. The County has hired someone to help enforce the Ordinance and he hoped that the City could work with the County in having this person come into the City once or twice a month to enforce the Ordinance in the City. He talked to the County about doing this and they said they would talk to the City Attorney to work something out. He also referred to a letter that he will be sending to the Governor asking for his support of the STEP Septic System that Mr. Bolton has been working on. Council will be given a copy of the letter and asked the Clerk to bring it up at their next meeting so they can discuss whether or not they would like to also send a letter to Governor Scott.

Mayor Winger said that he would be happy to work with Mr. O’Connor and Mr. Coment on having the County staff person help out the City. He knew there probably would be some costs, but felt they could work something out.

Mr. Jim O’Connor, City Manager, said that he will contact the County to find out what the costs will be to have this person patrol the City one or two days a month. He will bring this matter back to Council.

Mayor Winger expressed that the most pressing problem that they have in this City is the Lagoon. He said everyone needs to do whatever they can to help with this problem.

3) Mr. Jason Redmon to discuss his interest in Michaels Field.

Mr. Jason Redmon stated that he had a problem with people privatizing baseball fields (referring to Indian River Sports Complex). He was shocked when he found out yesterday that Indian River Sports Complex was on the agenda for Council to consider their lease agreement. He felt that he should have been able to see this information earlier. He asked the Council to postpone their vote on this matter until their June 17th meeting and let people come out and talk about the access of this land. The travel ball teams would like to have a chance to submit a proposal to use Michaels Field and they will assume all the maintenance and take care of the utilities for the field. They also propose adding an all purpose field for football. He said a lot of supporters for his project could not be at today’s meeting because they had to work. He is willing to go before the Recreation Commission next week explaining to them their proposal and then come back to Council on June 17th. He asked Council to give them a chance to educate them on what their plans are. He said if Indian River Sports Complex is given the field then they will be monopolizing most of the fields in this County.

Mr. Coogie Freedman commented that he has been involved with youth sports for many years and has seen a steady decline of ballfields for children to use. It is getting to the point where it is hard to find a piece of grass for some teams to practice on. By having this ballfield it will allow kids to come out and use the facility and have access to it at no cost at all to the City. There are plans in place to make improvements to the area and pay for utilities. He asked Council to postpone discussing the lease agreement with Indian River Sports Complex for two more weeks and allow people to have a choice.

Mayor Winger asked if there was anyone interested in Bob Summers Park.

Mr. O'Connor said they were not. He recalled that the City did not include Bob Summers Park in the dog park lease so that field is open for baseball.

Mr. Mike Erigan, Past President of the American Little League, was at today's meeting supporting Mr. Redmon and Mr. Freedman in their efforts. He recalled that he came before Council about a year ago asking for their help. He would appreciate if Council would hold off making a decision until their next meeting so they can make the best decision for this community. He said lets make sure to give everyone an opportunity.

Mr. Mark Scott stated that his son has played baseball for five (5) years and he appreciates these men taking the time to coach these kids. He has a problem with Little League, which is not Council's concern. He asked Council to postpone their decision for two (2) weeks to let everything surface to see what is best for the 10 year olds.

Mr. Derik Muller, 676 Royal Palm Place, stated that he was friends with the Indian River Sports Complex organization. He likes the people involved with the organization and what they are doing, but he didn't think that they could handle another ballfield. He said they already have four (4) ballfields and he doesn't think that one entity should have control of all of these fields. There are teams practicing in parking lots because there are no patches of grass for them to practice on. Indian River Sports complex had qualified volunteers that have been run off because of poor communication. He understands that the City needs to get this field off of their books, but he would like to have the fields open to everybody. He didn't know why Indian River Sports Complex did not take Bob Summers Field. He asked Council to postpone making a decision until their June 17th meeting.

Mr. Redmon expressed that this was not about us versus them. It is about what is best for the community. He said all he is asking for is two (2) more weeks.

Mr. Joseph Guffanti, 441 Holly Road, said he is not going to say what he wants to say with respect to FCC limits. He said if there is a Councilmember who wants to know how he feels about them they can talk to him in the parking lot. He brought up the electric issue and said that Council is in a tight spot and they should have access to the Courts regardless of a contract. He said eventually it will come down to the Courts deciding because the public is going to speak out. He hopes that Indian River Shores goes before the Courts. As far as the baseball fields go, he cannot believe that Council and staff has allowed it to go this far.

Mr. Ken Daige stated that he liked what he heard today from Mr. Redmon. He asked Council to consider waiting two (2) weeks to hear both sides. He said two (2) different entities doing different things is good for the community.

Mayor Winger noted that Attorney Schef Wright was at tonight's meeting. He asked Mr. O'Connor if he wished to move him up on the agenda.

Mr. O'Connor had no problem with discussing the utility issues under City Manager's matters.

D. Adoption of Consent Agenda

1. Regular City Council Minutes – May 20, 2014

Mrs. Turner made a motion to approve the consent agenda. Ms. Graves seconded the motion and it passed unanimously.

3. PUBLIC HEARINGS

A) A Resolution of the City Council of the City of Vero Beach, Florida, adopting a Revised Schedule Providing Fees and Charges for Use of Recreation Department Facilities and Equipment and for Participation in Recreation Programs; Providing for an Effective Date. – Requested by the Recreation Director

Mayor Winger read the Resolution by title only.

Mr. O'Connor reported that these were the fees that were discussed at budget time. He said some of the fees that they charge were lowered because staff felt they might get some more people to participate in the activities.

Mr. Rob Slezak, Recreation Director, reported that the new fee schedule has been approved by the Recreation Commission.

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

Mrs. Turner made a motion to approve the Resolution. Mr. Fletcher 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.

A) ORDINANCES

None

B) RESOLUTIONS

None

4. FIRST READINGS BY TITLE FOR ORDINANCES AND RESOLUTIONS

THAT REQUIRE A FUTURE PUBLIC HEARING

None

5. CITY CLERK'S MATTERS

A) Reappointments to Commissions/Boards

Mr. Kramer made a motion to reappoint Mr. Peter Bernholz to the Architectural Review Commission, Mr. Peter Robinson to the Board of Building Appeals, Ms. Debra Atwell to the Historic Preservation Commission, Mr. Daniel Downey to the Tree and Beautification Commission and Mr. Joel Herman to the Veterans Memorial Island Sanctuary Committee. Mr. Fletcher seconded the motion and it passed unanimously.

B) Approval of Council to send a letter of support for the Old Vero Ice Age Site to the State Historic Preservation Review Board.

It was the consensus of Council to send a letter to the State Historic Preservation Review Board supporting a grant application for the Old Vero Ice Age Site.

Mrs. Turner brought up the memo that Mrs. Vock sent to Council on the cost of doing closed caption. It was the consensus of Council that it is very costly to implement this. Mrs. Vock said that she would continue to look for other ways to have this done that wouldn't cost the City so much money and would report back to Council.

6. CITY MANAGER'S MATTERS

A) Lease Agreement with Indian River Sports Complex, Incorporated

Mr. O'Connor reported that the lease from Indian River Sports Complex resulted in budget discussions and seeking options to help with the fees in operating the ballfields in Vero Beach. He said Vero Beach wants to have ballfields, but realizes that there are a greater number of County residents using than then City residents. They met with many of the different groups explaining to them the reduction issues of the City of Vero Beach. The outcome is the lease agreement that is before them.

Mrs. Turner asked what the budget impact is when talking about Michaels Field.

Mr. O'Connor explained that it costs approximately \$10,000 a year to the City.

Mr. Fletcher asked if the City will require a hold harmless agreement from Indian River Sports Complex.

Mr. Wayne Coment, City Attorney, answered yes and their insurance policy will need to show that.

Mr. O'Connor added that the City would still have control of the Park. The organization will be responsible for maintaining the Park and paying the utility bills.

Mrs. Turner was confused on how many different leagues there were and how they operate. She asked that this be explained to her.

Mr. Slezak explained that Indian River Sports Complex was the organization that came before Council a year ago and thought that they could take on the Little League program.

Mr. O'Connor asked Mr. Slezak to tell the difference between Little League, Cal Ripken, Babe Ruth, etc.

Mr. Slezak continued by saying there are different organizations with different names and each have their own merits. He said as a person who played at a professional level in both organizations at different ages, he found them to be satisfactory. He said what he found was that each League was beneficial as long as you are playing baseball, which is the key. He played both Little League and Babe Ruth baseball under the age of 12. One of things that he has offered is Bob Summers Park and he has no problem with another group coming in saying they want to handle the maintenance and take care of the utilities for that field. He has asked Mr. Redmon to get with the Indian River Sports Complex because he believes they want to work with them. Also, the County has a number of ballfields and there might be some opportunities there. He looks at it that they have this group (Indian River Sports Complex) coming in who have taken on this whole program.

Mrs. Turner was still a little confused with all of the Leagues. Mr. Slezak said they have Little League, Babe Ruth, and Cal Ripken. Mrs. Turner asked if the three different Leagues are available to children who are in the same age brackets.

Mr. Slezak said they are. He said what happened with the Little League program is they wanted to bring all of the Little League programs together and incorporate Little League. But, the Little League Corporation will not allow that and the Cal Ripken program was able to do it. He recalled that there used to be an American League and a National League and when budgetary issues started coming up the goal of the group was to try to work together and relieve themselves of some costs, but the Little League Corporation would not accept it. So, Cal Ripken has been the program to bring all of the organizations together as one group within the County.

Mayor Winger commented that his grandson has played in all three (3) Leagues and it is complicated. The motivation as the City was to free the City from expenses, which they have the responsibility to do. He would love to see Bob Summers Park used. He did not feel giving a little more time would hurt anything, but was not opposed to what the City Manager has brought before them.

Mrs. Turner agreed with giving some more time and working towards everyone having access to their facilities.

Mr. O'Connor explained that by leaving a field open, such as Bob Summers, the organizations are not able to be in control to schedule the teams who play on the field.

Mr. Kramer said one thing that bothers him is that Council has not heard from the Indian River Sports Complex organization and he would like to hear from both sides. He said it was disheartening that the County Commission was not stepping up to the plate and helping out. He did not think pushing this off for two (2) more weeks would hurt too much.

Ms. Graves felt that there needed be some compromises made between the Leagues. The overall picture is to have someone paying the expenses to operate these ballfields and having children use them. The City is taking a lot of responsibility for County residents and the County is not pitching in. She expressed there will need to be some compromises made between the City, County, Baseball Leagues and the parents whose children play in these Parks.

Mr. Fletcher made a motion to table this item until the next City Council meeting. Mr. Kramer seconded the motion and it passed unanimously.

Mr. O'Connor expressed that the organization that the City negotiates with needs to be structured.

Mr. Mark Mucher commented that he has heard Bob Summers Park mentioned and wondered if anyone is going to use that field. He was told that they were looking at taking the scoreboard and lighting out of that ballfield so that Indian River Sports Complex can use the equipment. They are still waiting to hear back from the County to see if they want the equipment or not. It was noted that the scoreboard has already been removed from the facility.

B) Electric Utility Update

Mr. O'Connor expressed that Council has received a copy of the recent correspondence from OUC regarding the assumption of Stanton I and II Power Sales Agreement (please see attached). He said that Mr. Schef Wright was at today's meeting to bring them up to date on where they are. He said recently there have been three (3) meetings involving the City, FMPA, and FPL trying to work on the different issues.

Mr. Wright reported that he would try to answer two (2) questions without getting to technical, but he will go as "deep in the weeds" as Council wants to go. The questions are where are we and what is next. He has been engaged as an attorney for the City for more than four (4) years in connection with utility matters. His engagement was expanded effective April 15, 2014 to work on this matter. The big issue when he jumped in was what do they do about the contingency liability issue. He came up with what he thought was a good resolution to this and in conversation with FMPA they agreed. The next issue that came up between OUC and FMPA was could OUC accept the assignment and transfer of the contracts and assume the City's obligations. The City received a letter

from OUC on June 2, 2014 stating that they have reached an impasse with FMPA on these discussions and they see no feasible means by which to consummate the proposed assignment and assumption of the Vero Beach Power Sales Agreements. He said where they are now is that they have a pretty clear failure of their ability to satisfy a condition precedent to closing the transaction with FPL. He said it was “not good.”

Mrs. Turner stated in essence OUC threw the City under the bus. She said OUC said they would help the City out of the FMPA contract and will be the City’s partner in working with FPL. So the City moved forward with executing the sales agreement with FPL. Now at the last minute OUC comes back and says that their bond commitments can’t make it. She could not understand why they wouldn’t have known this two (2) years ago.

Mr. O’Connor stated that the City knew that these power supply contracts were a critical part of completing this deal and they saw three outlets in completing it. He said first they went to FMPA to do an RFP for proposals to buy their capacity and found out that people wanted some of the capacity but not all of it. The second thing was to go to FPL and see if there was a way for them to absorb the power even at a discount, but there were IRS issues that impacted that. Then OUC was their outlet and they thought they had an opportunity here and when it got down to the fine print and the discussions of IRS that’s where the problem started.

Mayor Winger asked Mr. Wright under the agreements is OUC under firm ground.

Mr. Wright explained that he has not delved into that too deep yet. He can explain what their letters say and that is when they signed the agreements in 2012 they were under a lot of time constraints to get the agreements signed so they did not recognize there were issues. However, OUC included in the contract that the agreements would only come final if any amendments necessary to reflect the assignment were made to the Purchase Power Agreements (PPA’s). He said it is now 20 months later and they are invoking this provision.

Mr. Coment interjected that particular assignment agreement between the City and OUC does not come effective until closing of the whole transaction. He said that Mr. Wright and Mr. Igoe might want to look at the three way letter of understanding, which got the City to this point and answers the question as to whether or not they are on firm ground.

Mr. Wright continued that there are conditions in their agreement with FPL that say that all of the conditions must be satisfied precedent to the assignment of the PPA’s to OUC.

Mayor Winger asked Mr. Wright what do they do now.

Mr. Wright reported that he has an appointment to meet with FPL this afternoon to discuss the situation and ask them essentially what the City should do next.

Mayor Winger asked Mr. Wright is Mr. Igoe on the same page. Mr. Wright said that he was.

Mr. Kramer objected to the idea that OUC was throwing them under the bus. He said that when he was Mayor he talked to OUC and they were very adamant that they would do what is in the best interest for Vero Beach. He said the agreements were signed hastily and OUC was advised not to sign them and he sees OUC as trying to help the City out and they are getting burned by helping them. He said here we are again blaming OUC for problems that the City should have solved before they went to OUC.

Mayor Winger recalled at the October 12, 2012 meeting when they voted on the PPA's there were objections from two (2) Councilmembers and he was one (1) of them who felt that they had not fully dealt with the bond issue.

Mr. Wright said that he would report back to Council after he meets with FPL.

Mrs. Turner noted that on the April 2nd meeting held with FMPA they said they were going to be sending a letter concerning the stranded costs, etc.

Mr. Wright explained that he has not seen a response back from FMPA on this yet, however he was told on Friday afternoon by FMPA that they should be receiving it later this week.

Mr. Charlie Wilson asked if the irreconcilable differences that Mr. Wright is talking about are all because of FMPA and is there any harm in keeping the contract that they have with FPL alive. He has heard that maybe they should put this out to bid, but there is no other buyer and they were told earlier that there could be a partial sale and have been told that is not possible. So he wondered if there was any drawback to having FPL remain in place while they work on different options. He mentioned that they have had legal advice from their City Attorney who has said that they have no ability or right to go to Court on behalf of their citizens. He asked Mr. Wright in his opinion, does the City of Vero Beach have legal rights for the Courts to weigh in for the administration of these contracts.

Mayor Winger rephrased what Mr. Wilson was asking. He was asking if the impasse was all on the part of FMPA or does it involve others. Would it be advisable to leave the contract on the table and the third question is were the FMPA contracts legally vetted at the time they went to Court for review.

Mr. Wilson said that the Mayor was correct except that the issues today are not the same as the issues back in 1983.

Mr. Wright explained that this matter involves FMPA, as well as others (OUC, Bond Counsels, Bond Trustee, Bond Insurer, etc.).

Mr. Coment noted that this morning he received the legal opinion that was sent by Mr. Browder, which was the backup for his letter to FMPA (letter on file in the Clerk's office).

Mr. Wright continued by saying that there are a host of parties whose consent would have to be obtained in connection with the contemplated transaction. The second question is there is a contract with FPL so what happens. Mr. Wright said that he will be meeting with FPL this afternoon and will report back to see where they go from here. As to the right to challenge after reading the validation documents, the contracts were legally enforceable according to their terms and all appropriate actions had been taken for the different cities entering into the three (3) contracts. He said a direct challenge to the validity of the contracts themselves would be meritless. He said Mr. Wilson was correct that there are other issues out there, but they may or may not have any basis. He does not think the City of Vero Beach has the legal ability to bring such action.

Mayor Winger asked what would be the consequences if there was a breach of some sort.

Mr. Wright believed that the consequences would be damages or whatever relief a Court might have in its jurisdiction to grant.

Mayor Winger pointed out in 2004 and 2005 the City spent \$1.3 million dollars unsuccessfully arbitrating against FMPA. As the losing party the City paid another \$587,000 to reimburse FMPA for its cost to the case.

Mr. Guffanti asked how many sets of bonds are there.

Mr. Coment said there are three (3) power projects.

Mr. Guffanti asked how these bonds are distributed.

Mr. Coment said the City does not know.

Mr. Guffanti asked how these bonds were distributed and are they publically traded. Were they put out on the open market or are there certain groups or organizations that hold these bonds. Mr. Coment did not know. Mr. Guffanti asked if the bonds are callable. Mr. Coment explained to Mr. Guffanti that they were FMPA's bonds and not the City's bonds.

Mayor Winger felt that Mr. Craig Dunlap, the City's Bond Counsel, as well as FMPA's Bond Counsel, could probably answer that question and staff should find out the answer to this question.

Mr. Guffanti explained that he was not asking that the validity of the contracts be weighed in Court. The problem is they are suffering from an agreement. It seems to him that they should be able to get some relief from either the Courts or an Arbitration Panel. He said intuitively you would think if you are in a tight spot you should be able to get out

of it. The public has the right to some relief. He mentioned that an offer was made by FMPA for \$52 million dollars and then FPL agreed to the settlement price and then all of sudden FMPA withdrew the offer. He does not understand what happened there. He asked that these issues be addressed.

Mrs. Turner told Mr. Guffanti that she did put in a public records request to FMPA concerning the \$52 million dollars and she has not received their response yet. The person at FMPA addressing the issue had a death in the family and she was told that they would be responding. She said in accordance with public records response must be given within 30 days.

Mr. Wilson explained the legal question that he asked Mr. Wright was about challenging FMPA, but not suggesting that they challenge the original contracts from 1983. The question is are there other legal remedies available to the City on issues that are not the contracts from 1983. He understands the reason the 1983 contracts can't be appealable is because nobody tried to do so within 30 days, so now they are not appealable. He asked if it was not true that FMPA could make OUC's difficulties go away. The fact is that the Board of Directors for FMPA can overrule any of these issues that are facing the City. He cleared this by saying not the Board of Directors of FMPA, but their staff (not the individual cities) are making these decisions.

Mayor Winger commented at the time the St. Lucie contracts were taken to the Florida Supreme Court.

Mr. Kramer asked Mr. Coment to get them an answer as to whether or not the bonds are callable. He said that FMPA has a responsibility to the other cities in these contracts. He said for us (the City) to ask FMPA to compromise their duties to the other cities for our benefit that is not going to happen. He said that if someone can find away to do this that would benefit all of the cities, then by all means go to all the cities and get their approval. He said if the contracts are going to be changed then they have to be ratified by all the FMPA members.

Mr. Wright answered Mr. Wilson's questions. He said as far as he can tell in stopping short of giving Council a legal written opinion he believes that FMPA and OUC are within the four corners of their agreement. He said that FMPA is not only responsible to its membership, but also responsible under the bond resolution to its bond holders and bond trustee. If they were to act as if they were going to amend the contract the approval of the bond trustee would have to be given.

Mayor Winger talked to Mr. Igoe and asked him the question if he believes that FMPA and OUC are within the four corners of their agreement and his answer was also yes.

Mr. Guffanti stated that if the bonds were callable you could issue another bond and use the proceeds of that bond to satisfy the institutions that are currently holding the bonds. This is how they would resolve the financial situation.

Mr. Mark Mucher heard Mayor Winger say that Mr. Craig Dunlop was FMPA's Bond Counsel as well as the City's.

Mr. O'Connor made it clear that Mr. Dunlap is not the City's Bond Counsel, he is the City's Financial Advisor.

Mr. Mucher commented that Mr. Rick Miller was a Bond Counsel Attorney so maybe they could ask him these questions. He said the arbitration case brought up earlier in the meeting had nothing to do with this case and nothing about getting out of the FMPA contracts.

Mayor Winger agreed with Mr. Mucher. The arbitration case concerned the All Requirements Project.

Mr. Mucher commented that a lot has been said by FMPA, but he never believed they were sincere in helping the City complete the transaction to FPL. He briefly went over the history of the \$52 million dollar offer from FMPA.

Mr. Kramer explained that the \$52 million dollars was for power only and when they struck the deal, FMPA was to be given time to talk to the parties involved about it, but FPL went to the Press before that ever happened saying it was a done deal. As far as he is concerned FPL pushed this into the political arena and did not act in good faith.

In other City Manager Matters, Mrs. Turner noted that they received a memo from Mr. O'Connor concerning the proposed tax value for the year given to them by the Property Appraiser. She said that it was a possible 2.3% increase.

Mr. O'Connor told her that was correct and it was positive for the community. He said that they have seen an increase in boats coming into the Marina for this time of the year. He said the assessed value was a little lower than what he had hoped for.

7. CITY ATTORNEY'S MATTERS

Mrs. Turner asked Mr. Coment to give an update on the vacation rental case.

Mr. Coment explained that he was not tracking this case very closely because he was not counsel for the case. He understands that all the parties have done their responses, but oral arguments have not been scheduled yet.

Mrs. Turner asked Mr. Coment to give them an update at their next meeting.

Mr. Coment commented that the Legislature has not helped solve this problem.

8. CITY COUNCIL MATTERS

A. Old Business

B. New Business

9. INDIVIDUAL COUNCILMEMBERS' MATTERS

A. Mayor Richard Winger's Matters

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

Mayor Winger attended the Memorial Day service at Memorial Island and Downtown Friday Fest.

B. Vice Mayor Jay Kramer's Matters

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

Mr. Kramer reported that he also attended the Memorial Day service on Memorial Island and reminded everyone that the monthly Art Walk was this Friday.

C. Councilmember Pilar Turner's Matters

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

Mrs. Turner referred to a letter from Mr. Vincent Signorello, President and CEO of Florida East Coast Industries. In the letter it states that for the first five (5) years after the date AAF commences revenue service, AAF will not establish or have its trains stop at more stations than the three (3) proposed intercity passenger stations.

Mrs. Turner reminded the public that the fertilizer ban has started and that they should keep in mind that all canals lead to the Lagoon.

Mrs. Turner thanked the Veterans Memorial Island Sanctuary Committee for helping to preserve Memorial Island for the last 50 years. She also reported that at the next FMPA meeting they will be looking at FMPA's budget.

D. Councilmember Amelia Graves' Matters

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

Ms. Graves thanked everyone who participated in the Memorial Day service, especially the Boy Scouts for handing out water at the event.

- E. Councilmember Craig Fletcher's Matters**
 - 1. Correspondence**
 - 2. Committee Reports**
 - 3. Comments**

10. ADJOURNMENT

Today's meeting adjourned at 11:27 p.m.

/tv