

**CITY OF VERO BEACH, FLORIDA
MAY 6, 2014 9:30 A.M.
REGULAR CITY COUNCIL MINUTES
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

The invocation was given by Pastor Michael Johnson of the Friendship Gathering Church 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

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

B. Proclamations

1. National Service Recognition Day

Mayor Winger read and presented the Proclamation.

2. National Police Week – May 11-17, 2014

Mr. Kramer read and presented the Proclamation.

3. Update from Attorney Schef Wright

Mr. Schef Wright, Attorney, gave a brief bio of his experience. He said since being hired by the City, he has met with representatives of Florida Power and Light (FPL), Florida Municipal Power Agency (FMPA), Orlando Utility Corporation (OUC), and the City's Transactional Attorneys, Mr. John Igoe and Mr. Richard Miller. He said there is an awful lot of documentation relating to this transaction and he is in the process of reviewing it. He said it was his goal to push this deal forward and get it done as quickly as possible. It is a challenging undertaking, but that is his job and he will do it as efficiently as possible. He reiterated there was a lot to do to accomplish the deal. They need to get the approvals of 19 other cities and towns that are project participants in one or another of the four contracts. They also need approvals from the Bond Counsels,

Bond Trustees, Bond Insurers, and the Consulting Engineers for each project. They need approvals from every entity to amend the City's contracts with FMPA to allow this to move forward. He said they would be working on contract amendments to allow the assignment and sale to FPL to address the OUC Bond covenant issues, which was brought to light by a letter that was sent last week from Mr. Chris Browder, General Counsel for OUC, to Mr. Fred Bryant of FMPA. He said there are some issues embedded in the City's contracts with FMPA that OUC would be assuming that would create potential bond issues for OUC. He said they are waiting on a response from FMPA's Bond Counsel, which they expect in about two to three weeks. He said they would like to have a meeting with FMPA, OUC, and Vero Beach as soon as possible once they receive the response. He said they also have to address the contingent liabilities obligations of the City under the contracts. FMPA's bond holders want every possible protection they can get. He said his next steps are to start working on a package of contract amendments, which if approved, would accomplish what they want to accomplish to go before the various City Commissions. There are no guarantees there would be support or that there would be no opposition. He reported that they are also waiting on stranded cost calculations from FMPA, which they should receive by the end of the month.

Mr. Kramer pressed upon Mr. Wright to document his actions and his work. He asked that he leave a good history of what he is doing.

Mr. James O'Connor, City Manager, said Mr. Wright condensed the issue into three items that are going to be the City's challenge going forward, which are identifying the stranded costs, the contingent liability, and the OUC/FMPA issue on the transfer agreements. He said Mr. Wright has talked to FMPA and Mr. Bryant agreed to help put this package together, which would give the City something to move forward with to the Board of Directors, as well as to the independent cities.

Mayor Winger reported that the letter from OUC that was referred to was dated April 30th.

4. Update to be given by Mrs. Amy Brunjes, Florida Power and Light (FPL)

Mrs. Amy Brunjes, FPL Representative, said that she was present for today's meeting to deliver a brief message to the City. She said it has been four years since the negotiations started and there have been a lot of twists and turns. She said FPL has been working diligently to complete the transaction. The process has not been without great challenges. She said the City's contractual obligations to FMPA remain to be the greatest hurdle to completing this sale. She said FPL has worked tirelessly with the City to find a solution that is a win/win for all parties. They have expended countless resources and countless man hours. She said several proposals have been put forward to FMPA that would not disadvantage FMPA members or their bond holders. Not only has FMPA not approved these proposals, they will not meet with FPL, which is extremely disappointing to FPL. At this point, FPL has done everything they can to help the City exit their contracts with FMPA to move this deal forward. If the City is successful in doing that, they still have a

willing buyer. She said FPL still firmly believes that this sale can be completed. She said the City is in the driver's seat to get this done. It is going to be up to the leadership of the City to persuade FMPA to allow the City to exit their contracts with them.

Mayor Winger commented that the City is committed and will be calling on Mrs. Brunjes. He said the City signed a contract with FPL and under that contract the City is obligated to give their best efforts to close the deal.

Mrs. Turner thanked FPL for hanging in there for the past four years, which has not been easy. She thanked them for their dedication of time and resources in supporting the City's efforts to extricate themselves from these contracts.

Mr. John Igoe, Transactional Attorney, stated that it has been a challenging and difficult road. He said that he did not understand how the \$52 million dollar offer fell apart. He said that he was mystified by FMPA's rejection of the offer because the conditions were something they discussed all along. He said they are going to need the support of FMPA management with whatever package they can put together to present to the members. There has to be some agreement on the contingent consideration that the City has been offering. He said that OUC's Attorney, Mr. Browder, mentioned a few months ago that there were some issues that he was concerned about with respect to OUC's existence as a wholesale provider of power and their own bonds and he didn't know the details until they received the recent letter. After Mr. McMahon (OUC's Bond Counsel) responds they will have an idea if there is a path in trying to find a resolution on the concerns that OUC has and still satisfy FMPA's need to have OUC assume the obligations of the City under the Power Purchase contracts. He said it remains a challenge and they have held meetings on the phone with Mr. Wright, Mr. O'Connor and Mr. Coment. He said they would work in cooperation with Mr. Wright and they were happy to have him on board.

Mrs. Turner said there have been discussions on what has been done in the past few months. She felt that the public might not be aware of the many contracts and legal issues they have gone through. She asked Mr. Igoe to give the public an overview of the many things they have accomplished.

Mr. Igoe reported they were going down a path and agreed that they should do one step at a time. The original contract provides for the private purchase of the power by FPL and they all had stumbling blocks. He said they thought they could get this done without a private purchase and not have to deal with an IRS letter ruling. At some point it looked like the best strategy was going to be for FPL to work with FMPA. That took many months of going back and forth. They thought they were going to get there with paying money to FMPA for the obligations of the power purchase contracts. Unfortunately, the negotiations fell apart. He said they are back to hoping that OUC takes it all on. If this works it will save money. He said it has been a challenging and frustrating transaction. He understood FMPA's concern about the bond holders and they have to find some way to satisfy everyone and accommodate the City's desire to pay. He said that he hasn't given up and hoped that they can find a way to get this done.

Mrs. Turner recalled the only success in transferring power with FMPA was with the City of Homestead after the hurricanes. She said the first thing Homestead did was meet with Kissimmee and they worked out a deal. That is the process that the City of Vero Beach did. They first met with FPL and worked out a purchase arrangement, which had to be done before meeting with FMPA. She said the City had to have that to take to FMPA.

Mr. Igoe said that is correct and that was the strategy discussed with Mr. O'Connor and the City Council. He said they needed to have a deal in place so they could then work on getting third party approvals. He said that he was in touch with FMPA about the proposed assignment agreements. He said at the time of the negotiations they wanted to make sure that FPL and OUC were okay with the agreements and then they would talk to FMPA. He wished they had done it differently, but that is not what happened. He said the contracts were signed without the full input of FMPA because they ran out of time, but with the knowledge that they would go back to FMPA. He said that Mr. Wright is going to go to FMPA and try to get their help in crafting amendments in the assignments so they would be acceptable to FMPA.

Mayor Winger commented that a lot of valuable work has already been done.

Mr. Igoe agreed with Mayor Winger that a lot of work has been done in advance and there still is more work to be done.

Mayor Winger was in no way critical with the work that has been done.

C. Public Comment

Mr. Jay Hart commented that last Friday a forum was held at the Heritage Center regarding the High Speed Rail/All Aboard Florida. He is aware that the High Speed Rail Commission (HSRC) is set to sunset in June and hoped that the City Council would extend the work of the Commission. He felt that they have done a great job in bringing forward information regarding the impacts of the High Speed Rail and informing the surrounding communities about some of the impacts.

Mr. Charlie Wilson, 2134 18th Avenue, stated what they just heard was the sound of the City losing a valuable ally. He said that he didn't blame them (FPL) for stepping away from this abyss. He referred to the comment of "motivated" and "in good faith." He said FMPA is neither motivated or in good faith. There is some question about whether the majority of this Council is motivated and in good faith. He reported that the County has two items on their agenda and they are motivated and working in good faith for their constituents in that they are now taking the matter out of the hands of the City Council and going in their own direction. He wished the City luck in proceeding with FMPA. He told them not to hold their breath because FMPA is not motivated and are not operating in good faith. He reported that the County is working on alternatives. One is with the Public Service Commission (PSC) concerning changes in the territorial agreements, the PSC-Dr. Faherty and Mr. Heran complaint, and antitrust issues having to do with the City's monopoly. He said there are three issues that they need to be aware of. The first

is the deteriorating asset of Vero Electric. He said the City's assets have deteriorated since 2009 when he served on the City Council. He said they found in the OUC contract a \$20 million dollar penalty that was hidden. He suggested that the City quit getting into these contracts. He said that FMPA would always talk about their rights under the contracts, but they don't say much about their responsibilities under the contracts. He said FMPA also has a privilege, which is to operate as a monopoly. He reported that the County and Indian River Shores are working on antitrust provisions. As he understood it, the latest FMPA dodge had to do with the life of the Plant. That the City's contingent liabilities are for the life of every Plant that they have a partial interest in. He asked what is the life of the St. Lucie Nuclear Plant. He asked does the City really believe that a City Council from 1983 could subject the residents of this City to a contract for 100 years, 500 years, etc. The fact is that negotiations have failed because they didn't have motivated parties working in good faith. He said they are not going to get FMPA to agree to anything so they need an alternative. One alternative would be litigation to determine if the contract is legal. He felt that FMPA needed motivation. Examples for motivation are regulation by the PSC and territorial agreements. He said the City's population is exactly the same today as it was in 1983, but the number of customers has gone up. Another example is competition. He said that he read a report from the PSC regarding testing competition. He felt this would be a really good place to test competition. He said it is not the transmission and distribution that is sold, but the ability to buy from different suppliers. Last is organization. He said the public could organize themselves and make it illegal for the City to be in the electric business. He said the City Council could do this. He asked why the City Council doesn't put a Referendum on the ballot saying it is illegal to be in the electric business. He asked the City Council, if they are motivated parties and working in good faith. He said that he was motivated enough to go to litigation, regulation, etc. He said the City could negotiate while doing this, but while negotiating it is time they took this into their own hands. He asked the City Council, are you willing to vote for litigation. Are they willing to join the County and Indian River Shores in moving forward to litigation. He said that is the only way they are going to get a "motivated" FMPA.

Ms. Lamar Dejakemo, 5051 4th Place, asked the City Council to reconsider the sunseting of the HSRC since their work has just begun. She then read a prepared speech.

Mr. Glen Heran, 1964 Grey Falcon Circle S.W., asked do they as a community have an autonomous right to sell their electric utility. He said the answer is yes and the community spoke loud and clear in the last Referendum to sell to FPL. He said the next question is, does the FMPA have the right to tell the City that they can't sell. He asked, after 31 years of FMPA having built cash investments and generation assets in that organization, does the City have the right to leave. He said the answer is yes. If they don't have that right then they are not an autonomous community with the right to sell the utility. They don't own the utility if that is the case. He said they need to be motivated and unified as a City Council if they are to extricate from FMPA.

Mr. Steven George, 746 19th Place, commented that he was trying to understand a lot in this community. He asked, what is the relationship between FMPA and City of Vero Beach.

Mayor Winger explained the City Council normally takes input and doesn't answer questions. However, he asked Mr. O'Connor to answer Mr. George's question.

Mr. O'Connor said it is a combination of two relationships. He explained that FMPA is a provider of electric generation and a corporate contractual agreement where the City owns pieces of Plants that FMPA has part ownership. He said it could be visualized as a co-op.

Mr. George said that he could visualize the relationship as sort of a co-op.

Mayor Winger added that each city that is a member of FMPA is a Director of FMPA.

Mr. George recalled that he saw a request by Mrs. Turner for public records requesting calculations of certain numbers from FMPA. He asked to understand the internals of FMPA proceedings and negotiations, does it require a public records request. He asked are they not part of this entity where they could understand what is going on internally.

Mr. O'Connor explained that in the State of Florida, when a City Councilmember asks for information they would do it under the Public Records Law. He said that Mrs. Turner made that request under the Public Records Law, which must be made in public.

Mr. George said then this is not a situation where certain information was being withheld.

Mr. O'Connor explained that FMPA didn't necessarily answer Mrs. Turner's questions. They took it as proprietary by a vendor that supplied information to FMPA. Therefore, there is a question as to the proprietorship of that vendor, which is the ownership of the documentation of how they made the calculations. He told Mr. George that if he has other questions that he would go through them with him. Also, that Mr. Tom Richards, City Utilities Director, would be happy to give him a tour of the Power Plant.

Mr. Joseph Guffanti, 441 Holly Road, expressed that FMPA is nothing more than a money laundering operation. He said there was an article in 32963 a few weeks ago regarding a new attorney that FMPA asked the City to hire. He consulted with some attorneys and they said it was beyond bizarre. He said FMPA cannot get along with their Transactional Attorney so they decided not to communicate with them. He said the Transactional Attorneys' are the City's Attorneys and the public might believe that FPL are the bad guys. He said the City is trying to negotiate a sale with FPL and there is no reason for the City to get into a fight with them. The bad guys are FMPA and OUC. The situation is that Indian River Shores has hired an attorney and he hoped that they would file suit. He said then there would be depositions and a lot of people in Vero Beach, FMPA, and OUC are going to be in trouble. He told the City Council not too long ago that he consulted with an attorney and the attorney told him there will be lawsuits. He

said the big obstacles that should of been determined years ago by the Transactional Attorney's was the obligations the City has with OUC and FMPA.

Mr. Shawn Frost, 6700 77th Street, stated that he operates the Green Control, which operates within the City of Vero Beach. He thanked the City Council for their proactive stance in forming the HSRC. He hoped they would continue to support them. He said that he supports smart spending and felt that this was one of those rare cases where they have the potential to save millions of dollars in fees that they may receive a check for down the road for barricades.

Mr. Daniel Mattison, 6435 Patrice Lane, commented that he received his electric bill the other day and decided to do some research on it. His electric bill was for 1,205 kWh and his bill was for \$173.30. If he had FPL utilities the bill would have been \$127.39. He would have saved about \$44.00. He said his family is very frugal with their electricity. They have LED lights, they keep their air-conditioning on the high side, etc. He said there are people in this community who have children or who are elderly and can't afford updated energy appliances. He said as Councilmembers, they cannot ignore these people. He went to the FMEA website and found that Lakeland has their own generation. They don't purchase power from FMPA. He said that Vero Beach will never be able to compete with Lakeland. Vero Beach will never be competitive. He said this is a battle and he urged Councilmembers not to give up. He said FPL rates are what this City deserves.

Ms. Ellen Gower, 7435 Cypress Bend Manor, read a prepared statement regarding All Aboard Florida (please see attached).

D. Adoption of Consent Agenda

- 1. Regular City Council Minutes – April 15, 2014**
- 2. Final Payment for Power Plant Fuel Tank Removal and Cleaning**
- 3. Utility Easement #2014-EG-0146 – Cumberland Farms – 4490 US Hwy #1**

Ms. Graves pulled item 2D-2) off of the consent agenda. She asked Mr. O'Connor to give an update on the Power Plant fuel tank removal and cleaning.

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

Mr. O'Connor referred to item 2D-2) and explained this was a project that was brought on by an inspection requirement to inspect their tanks at the Power Plant. The City did an RFP and decided to empty one of the fuel tanks and sell the fuel that was not necessary because they have not recently used oil. When they did this they bundled it in with the cleaning of the tanks and City had a net proceeds of around \$850,000 after the cost of the inspections were performed. The inspections showed that there was no contamination or issues. The money generated will stay in the Electric Utilities budget.

Ms. Graves made a motion to approve the final payment. Mr. Kramer seconded the motion and it passed unanimously.

3. PUBLIC HEARINGS

A) ORDINANCES

B) RESOLUTIONS

- 1. A Resolution of the City Council of the City of Vero Beach, Florida, requesting any and all involved Governmental Units and Public Agencies to require All Aboard Florida and Florida East Coast Industries to pay all costs associated with the All Aboard Florida Project and its impact on Local Communities, and that any Governmental Financial Assistance to be provided to the All Aboard Florida project, if any, be only by secured loans at no less than market interest rates; requesting an extended review/comment period for the All Aboard Florida project draft Environmental Impact Statement; Requesting that All Aboard Florida hold Public Hearings on the Draft Environmental Impact Statement in Indian River County, Florida; Providing for an Effective Date. – Requested by the City Council**

Mayor Winger read the Resolution by title only.

Mrs. Turner recalled at the last meeting changes were made to this Resolution and the Resolution has been brought back with those changes: Request for 180 day review of EIS and an EIS public hearing in Vero Beach; as well as a new Whereas clause addressing tracks to proximity of the Historic Vero Beach Downtown District.

Mayor Winger opened the public hearing at 11:03 a.m.

Mr. Ken Daige, Chairman of the High Speed Rail Commission, expressed that Congressman Posey will be visiting this area and he will make sure that he hand delivers a copy of this Resolution to him. He urged Council to pass the Resolution.

Mayor Winger closed the public hearing at 11:05 a.m., with no one else wishing to be heard.

Mr. Fletcher made a motion to adopt the Resolution. Ms. Graves seconded the motion.

Mr. Kramer felt that Indian River County needed to have a set of rules in place if something like this should ever happen again. He gave an example if a lot of industries start coming to Indian River County they will need to address what is acceptable and not acceptable.

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

2. A Resolution of the City Council of the City of Vero Beach, Florida, identifying and clarifying certain real property as City Parks and redefining the Boundaries of such City Parks; Providing for an Effective Date. – Requested by the City Council

Mayor Winger read the Resolution by title only.

Ms. Graves reported that Council has a desire to amend the Charter to provide protection to additional City properties and redefine certain Park boundaries to provide better clarity. This Resolution clarifies and re-defines the Parks. An Ordinance and Referendum will need to be approved in order to amend the Charter.

Mayor Winger opened the public hearing at 11:10 a.m.

Mr. Ken Daige hoped that Council would move forward and adopt this Resolution.

Mayor Winger closed the public hearing at 11:11 a.m., with no one else wishing to be heard.

Mr. Kramer made a motion to adopt 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.

3. A Resolution of the City Council of the City of Vero Beach, Florida, abandoning all City of Vero Beach interests in that certain Utility Easement retained by Ordinance No. 88-40 recorded on September 27, 1988 in Official Record Book 810 at Page 1807 of the Public Records of Indian River County. – Requested by the Public Work's Department

Mayor Winger read the Resolution by title only.

Mr. O'Connor reported that the City has no use for this utility easement and would recommend that it be abandoned.

Mayor Winger opened and closed the public hearing at 11:12 a.m., with no one wishing to be heard.

Mr. Fletcher made a motion to adopt 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.

4. A Resolution Authorizing the City of Vero Beach, Florida, to enter into a Supplemental Joint Participation Agreement with the State of Florida,

**Department of Transportation, to Construct, Mark, Light West GA Apron,
Phase III (FDOT #422489-1-94-01). – Requested by the Airport Director**

*Please note this Resolution was heard as item 3B-1) on today's agenda.

Mayor Winger read the Resolution by title only.

Mr. Eric Menger, Airport Director, reported that this project is Phase 3 of a three phase pavement construction project to complete the aircraft parking area along Taxiway C near the main runway at the Airport. He recommended approval of the Resolution and acceptance of the Supplemental Joint Participation Agreement.

Mayor Winger opened and closed the public hearing at 10:55 a.m., with no one wishing to be heard.

Mr. Fletcher 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.

Mr. Menger reminded everyone to attend the Air Show this weekend.

**4. 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 Section 6-4 of the Code of the City of Vero Beach to allow the Sale, Service, and Consumption of Alcoholic Beverages until 2:00 A.M.; Providing for Conflict and Severability; Providing for Codification; and Providing for an Effective Date. – Requested by Local Businesses**

Mayor Winger read the Ordinance by title only.

Mr. O'Connor reported that he received a letter and petition signed by about 20 different businesses in the City requesting that the sale and consumption of alcohol be extended from 1:00 a.m. to 2:00 a.m. He said the counties to the north and south of them allow their establishments to serve alcohol until 2:00 a.m. He said the Police Department and the Planning Department have signed off on this change.

Mr. O'Connor commented that by allowing the establishments to stay open an hour later it may bring in additional revenue.

Mayor Winger opened and closed the public hearing at 11:14 a.m., with no one wishing to be heard.

Mrs. Turner commented that in their backup material it indicates that there will be an increase in revenue for these businesses and additional tax benefits to the City. She asked if there were any numbers to support these facts.

Mr. O'Connor answered no. He said it is assumed if the businesses stay open an additional hour there would be additional revenues generated and sales tax would be collected.

Mrs. Turner wanted to have those numbers provided to Council.

Ms. Graves made a motion to set the public hearing to hear this Ordinance on May 20, 2014. Mr. Kramer seconded the motion and it passed 4-1 with Mr. Fletcher voting no, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer yes, and Mayor Winger yes.

5. CITY CLERK'S MATTERS

A) Commission Appointments

Mrs. Vock explained that the City was notified by the Florida Department of State that they highly recommend that an architect be a member on the Historic Preservation Commission. She said that Mr. Jeffrey Ray, who presently sits on the Architectural Review Commission and is an architect, has agreed to resign from that Commission and sit on the Historic Preservation Commission. She said if that is done Mrs. Vicky Gould who sits on the Historic Preservation Commission as a full member will need to be moved down to the Alternate #1 position.

Mrs. Turner made a motion to appoint Mr. Jeffrey Ray to the Historic Preservation Commission and move Mrs. Vicky Gould to the Alternate #1 position. Mayor Winger seconded the motion and it passed unanimously.

Mrs. Vock reported that there is an Alternate member position open on the Tree and Beautification Commission. The City has received an application from Mr. Maurice Terrebonne who is interested in serving on the Commission.

Mr. Kramer made a motion to appoint Mr. Maurice Terrebonne to the Tree and Beautification Commission as an Alternate member. Ms. Graves seconded the motion and it passed unanimously.

Council received a request from the St. Lucie County Board of Commissioners to support sending a letter for the State's 7th Veterans' Nursing Home. Mrs. Vock was instructed to contact the Veterans Council and get their input before the letter is sent.

Mrs. Turner brought up the letter that Council received from the Deaf and Hard of Hearing Services of the Treasure Coast letting them know that they are aware that their City Council meetings are not closed captioned and would advocate having this done.

Mrs. Vock reported that the cost to do this could be somewhere around \$7,000. She was instructed to get prices for the equipment in order to do this and let Council know and further discussion would take place during budget hearings.

6. CITY MANAGER'S MATTERS

A. FY14-15 Budget Goals and Objectives

Mr. O'Connor was asking that Council give him some direction on the budget. If Council has specific budget goals to please let him know. He mentioned that goals and objectives have been set by Council in the past, but they have gotten themselves in some situations where they have neglected needed capital improvements. He used Leisure Square as an example where there are some major capital improvements that need to be done on that facility. He said the structures themselves are now being impacted. If Council agrees he will bring a budget to them addressing the items that need to be addressed, which would include both expenditures and revenue. He will outline in the budget the priority items that need to be considered.

Mayor Winger felt strongly that Council should leave it to the City Manager to bring them a budget. He said during the week of July 7th Council will go over the budget. However, he wanted the electric side of the budget to be done in more detail this year.

Mr. Fletcher agreed with letting the City Manager put the budget together and they will go through it at the budget hearings.

Mrs. Turner felt that Mr. O'Connor was looking for some input from Council. She would like him (Mr. O'Connor) to work at holding the current millage rate. She wanted to pursue some of the Recreation Department capital needs. She wanted to see the completion of the Water and Wastewater Treatment Plant cross training and the optimization plan. She requested a long term financial plan for both the Cemetery and the Marina. She also wanted to see them try to incorporate some additional Police training in the budget. She felt that is needed because of the personnel changes that have occurred at the Police Department.

Mr. O'Connor commented that he cannot spend more money and not have more revenue. He reminded Council that one of the things that the City has set as a goal is to become less reliant on the utilities, which gives them only one other avenue for money streams and that is ad valorem taxes. He plans to bring Council the best budget that he can and felt that Mrs. Turner brought up some good points about where their priorities should be. He commented that the City is having a good year at the Marina and the Cemetery is right on track, but they need to continue monitoring it.

Mayor Winger asked when Council will receive their budget books. He was told a week before the budget hearings.

Mr. Kramer likes the way that the County has their budget hearings and that is they meet for one day and get it completed.

Mr. O'Connor felt that the schedule that they have been using for their budget hearings seems to be working. He wished that they could complete the budget hearings in one day.

Ms. Graves instructed Mr. O'Connor to work on the budget and bring it to Council at the budget hearings in July.

Mr. Kramer suggested having a workshop before the budget hearings so that Mr. O'Connor knows the policy instead of meeting in July and Council "rips the budget to shreds."

Mr. O'Connor said that is what he is asking for now. He said when they begin the workshops in July it will be his proposed budget.

Mr. Fletcher told Council if they have concerns then they need to meet with Mr. O'Connor before the budget hearings take place.

Mr. O'Connor expressed that his goal this year is to figure out what they want to maintain and retain at this level and how they go forward from there.

Mr. Kramer asked Mr. O'Connor to get something to Council sooner than later.

Ms. Graves suggested that Mr. O'Connor provides them with his goals so that Council can see where he is headed.

Mr. O'Connor explained the reason they were spending multiple days in the budget workshops is to cut those things that Council feels should be cut.

Mr. Kramer said that the problem he has is the compression of time. He said it is difficult to discuss all those items in five (5) days, but not have the opportunity to step out and discuss things with staff. He felt that they needed some time between the arguments.

Mr. Fletcher preferred to keep things the way they are.

Mayor Winger also agreed with not changing the way they do the budget hearings. He noted the City Council reporting budgeting process is much better than it was four (4) years ago.

Mayor Fletcher asked that Council receive their budget books by July 1st.

Mr. O'Connor reported that staff would be making a presentation to the Finance Commission pertaining to the electric utility rates and staff has determined that they can

recommend to the Finance Commission a 4.2% rate decrease and much of this is because of their power purchase agreement has been below what they anticipated.

Mayor Winger commented that yesterday, Mr. Rocky Joyner made an excellent presentation on their pension plan to the General Employee Pension Plan Committee. He talked about the City having a Defined Contribution Plan in place, instead of a Defined Benefit Plan. He felt confident that the City was on the right path for long term in order to keep from building up deficit. The City's investment returns have also been good.

Mr. O'Connor added the City has hired an attorney who will be representing them as they move through this transition assuming that Council agrees to the Union negotiated contracts. The General Employees Pension Plan Committee is designing and preparing for the changes that will need to be made in making this transition.

Mr. Fletcher asked Mr. O'Connor if he had an update on Unit 5.

Mr. O'Connor said that hopefully by the end of May, Unit 5 will be back up. The City's Utility Director anticipates the cost for the equipment and installation would be under \$200,000 and that it is the contractor's obligation.

7. CITY ATTORNEY'S MATTERS

A) Discussion of High Speed Rail Commission (Commission to sunset on June 9, 2014)

Mr. Coment explained that the HSRC would sunset on June 9th unless Council decides they want to extend their time.

Mr. Fletcher asked what the HSRC's product is. He said the Council formed the Commission, but never gave them details on presenting an end report.

Mrs. Turner stated that the Resolution that formed the HSRC does require that they submit a report at the end of six months.

Mr. Coment recalled that the HSRC has submitted one (1) report to Council.

Mrs. Turner commented that if the HSRC continues to meet then they need to have a goal plan. She feels that the Commission has been a terrific forum for the public to bring forward a lot of issues, but the Commission needs to have some clear objectives. She expressed that the County is moving forward and they have hired a consultant to review the EIS, Resolutions have been prepared, the City has identified historic properties, so she was not sure what they will task this Commission with. She reiterated that the Commission needs a clear objective.

Mr. Ken Daige passed out a memo outlining the activity and progress of the HSRC. He read the memo (see attached).

Mr. Kramer asked Mr. Daige how much more time did he think that the Commission needs.

Mr. Daige felt that another six (6) months would be helpful. He felt this would be enough time to get all their information together.

Mr. Kramer made a motion to give an extension of an additional six months to the HSRC.

Ms. Graves expressed that she wants to make sure that the HSRC is working in line with the County. She also wants them to be careful as this issue expands that they are very cognizant of possible Sunshine Law violations at these meetings.

Ms. Graves seconded the motion.

Mr. Fletcher said he would look forward to seeing a good report from the HSRC at the June Council meeting.

Mr. Stephen George asked if there was an estimated cost to the City or to the County as to what these new gates will be to make this project move forward.

Mayor Winger explained that without having the EIS in place, they cannot answer that question.

Mr. George then asked if the cost will come from the Federal Government. He was told the City doesn't have an answer to that question either.

Mr. Daige brought up the issue of the sealed corridor and hoped Council had read the information from one of the Engineers who did a study and right now the Engineer is not going along with All Aboard Florida's findings on the sealed corridor. Mr. Daige has talked to County Commissioner Bob Solari and County Commissioner Peter O'Bryan and they are aware of the City's concerns and he agrees they need to work closely with the County.

The motion passed unanimously to extend the sunset date for the HSRC to December 1, 2014.

8. CITY COUNCIL MATTERS

A. Old Business

B. New Business

1. New Boat Launch Facility – Requested by Councilmember Amelia Graves

Mr. Paul Dritenbas, Florida Inland Navigation District Commissioner, presented Council with a concept for a new boat launching facility to be located on the mainland. The proposed area would be on the City's Water Treatment property. He has had meetings with both Mr. Bolton and Mr. Falls to brainstorm the possibility. He presented a Power Point presentation showing the current Water Plant and how this could occur (please see attached). Mr. Dritenbas expressed that the Florida Department of Transportation (FDOT) has no objection to the Sailing Foundation storing sailboats where they are storing them now so they (FDOT) probably would not have any objections to the ramp. He said that this would be located just north of Fairlane Harbor. If the Power Plant is decommissioned and the Sewer Plant is consolidated with the County there are 33.5 acres where a lot could be done. He mentioned that there are two (2) ways to fund this project.

Mayor Winger commented that the Sailing Foundation is concerned with the traffic in front of the tin shed, which is located at the area where they rent from the City. He felt in order to make this work word they cannot have traffic where the children are located.

Mr. Dritenbas agreed that a lot of engineering work will need to be done and safety and security would be the most important components.

Mayor Winger asked if the Oslo site would be an alternative.

Mr. Dritenbas explained that site is completely different. He said at this time FIND is looking at improving that site for the Lagoon and as it stands now he was not in favor of what has been submitted by the County.

Mrs. Turner wondered if there was a substantial need for a boat ramp like this one. She suggested a maritime master plan be done.

Mayor Winger commented that some believe that it is not dependent on having something between the City and the County to move the Water Plant from the present area. He agreed with Mrs. Turner that having a maritime master plan done would make sense.

Mr. Dritenbas explained the maritime master plan would be a Countywide study and could be funded by FIND. He thanked Council for their time.

Mr. Fletcher was in favor of doing this. He said once the Power Plant has been dismantled it would be a good location to have a boat ramp.

Ms. Graves was also in favor of having a boat ramp for public use and is something lacking on the mainland.

Mr. Kramer was not opposed to looking at this, but said that there would need to be some issues worked out.

Mr. Fletcher agreed there would need to be some long term planning done.

Mr. O'Connor commented that employees from both the electric and the water departments can work with Mr. Dritenbas on this. He expressed there would be homeland security issues.

Mrs. Turner reiterated that they would still need to establish that there is a need for these ramps.

Mr. Dritenbas expressed that this is an opportunity that could happen in the next 20 years and it should not be overlooked.

9. INDIVIDUAL COUNCILMEMBERS' MATTERS

A. Mayor Richard Winger's Matters

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

B. Vice Mayor Jay Kramer's Matters

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

Mr. Kramer reported that he took a tour of Camp Haven. He attended Compassion Vero Beach, National Day of Prayer, the Grand Opening of the new Cigar and Wine Bar, the All Aboard Florida meeting organized by the Chamber of Commerce and the Blessing of the Animals held at the Humane Society.

C. Councilmember Pilar Turner's Matters

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

Mrs. Turner reported that she attended Taste of Vero on Oceanside Drive and the Tree and Beautification Commission event held at Beachland Elementary. She explained that children are given a 6" seedling and after a year they report back on how much the seedling has grown. She also attended the Relay for Life event, the Humane Society Blessing of the Animals and she hoped to see everyone at the Air Show.

D. Councilmember Amelia Graves' Matters

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

Ms. Graves attended the Arbor Day Tree planting at Charles Park.

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

Mr. Fletcher reported that he attended the Treasure Coast Regional Planning Council meeting and former Mayor Warren Winchester's funeral services.

10. ADJOURNMENT

Today's meeting adjourned at 12:18 p.m.

/tv