

**SPECIAL CALL CITY COUNCIL MINUTES
TUESDAY, SEPTEMBER 17, 2013 5:10 P.M.
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

1. CALL TO ORDER

A) Roll Call

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

2. PUBLIC HEARINGS

A) An Ordinance of the City of Vero Beach, Florida, Providing the Levy of Ad Valorem Taxes for the Fiscal Year 2013-2014 at a Millage Rate of 2.0336 which equates to \$2.0336 per \$1,000 of Assessed Property Value.

Mayor Fletcher read the Ordinance by title only.

Ms. Cindy Lawson, Finance Director, reviewed the requirements of adoption of the Ordinances with the Council noting that this is the final public hearing. She said the tentative budget proposed for adoption is funded at the prior year millage rate of 2.0336, which is .96% more than the rolled-back rate of 2.0142. The reason for that is because the City is still in the process of finalizing negotiations with the Unions. In front of Council is a budget with an unappropriated surplus of \$227,000. She noted that Council has to adopt the millage rate before they adopt the budget. She explained that they must take comments and allow the general public to speak and ask questions before they adopt either Ordinance. Also, before adopting the millage Ordinance, the taxing authority must publicly announce the name of the taxing authority, the rolled-back rate, the percent of increase over the rolled-back rate, and the final adopted millage rate.

Mr. James O'Connor, City Manager, said there was a discussion on the \$227,000 of unappropriated surplus and it is important they know that one big issue is the transition from the defined benefit plan to the defined contribution plan. There is going to be a cost exposure in that first year and therefore they will need a little flexibility.

Mayor Fletcher closed the public hearing at 5:13 p.m., with no one wishing to be heard.

Mr. Kramer made a motion to approve the millage rate. Mr. Winger seconded the motion.

Mr. Kramer said it was his understanding that they were going to make a \$700,000 debt service payment this year.

Ms. Lawson explained that they actually have an annual debt service payment requirement for that amount until the year 2016.

Mrs. Carroll said that she has an item on tonight's agenda regarding the ramifications to the City of Vero Beach with the implementation of the All Aboard Florida. She said that there would be cost borne to the City for upgrades to the crossing mechanisms. She asked does the City have contingent funding available for that and do they know what the time frame is for the City to be required to fund those upgrades.

Mr. O'Connor answered no. He said it is important to note that they hope to start construction in 2014, which would probably begin in Orlando and there is 35 miles of track they have to do in order to get to the Orlando airport. The City has not positioned themselves with those costs because they don't know what the cost will be. Some costs would be optional costs, such as a quiet zone. Some of the estimates on getting a quiet zone across State Road 60 is somewhere in the neighborhood of \$600,000. There are other things, such as landscaping that would be self imposed.

Mrs. Carroll said it seemed to her that this would not have any ramifications to this year's budget.

Mr. O'Connor said that is correct.

Mrs. Tammy Vock, City Clerk, read Section I and Section II of the Ordinance into the record.

On a roll call vote the motion passed 4-1 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Turner no, Mrs. Carroll yes, and Mayor Fletcher yes.

B) An Ordinance of the City of Vero Beach, Florida, Adopting the Annual Budget of the City for the Fiscal Year beginning October 1, 2013 and ending September 30, 2014; Appropriating Funds for the Operating Expenses, Supplies, and Personnel, and otherwise appropriating funds for the Efficient and Effective Operation of the Government of the City of Vero Beach and its Departments; such appropriations being from anticipated revenue; Providing a means to amend the annual budget to carry forward the funding of Purchase Orders, Work Orders, and Grants outstanding as of September 30, 2013; Providing a means to amend the Annual Budget to reflect grants received after September 30, 2013; and authorizing the Transfer of Funds appropriated so long as the total combined appropriations shall not be increased thereby; Providing an Effective Date.

Mayor Fletcher read the Ordinance by title only.

Ms. Lawson reported that the budget before them was changed based on Council's direction to restore the Crime Scene Investigator position to the Police Department and that there was no

increase to their overall budget. She said they replaced one Captain's position with an entry level officer's position and used those savings to put back the Crime Scene Investigator position and distributed some of the rest to operating costs associated with that additional Patrol Officer.

Mrs. Turner clarified that the City currently has 399 employees and they were approving a budget for 403 employees for next year.

Ms. Lawson explained that they had some turnovers in the last month and some of the positions they are authorizing for next year are currently empty and are in the process of being filled.

Mayor Fletcher opened the public hearing at 5:19 p.m.

Ms. Amelia Graves, 1836 21st Avenue, said in 2012-2013 the Lieutenants and Captains agreed to a temporary reduction of 4.62% of their salary and that is being given back in this budget. But, the rank and file officers who gave up their step level raises are not. She asked why they are not being treated the same as the upper management officers.

Mr. O'Connor explained that the 4.62% was actually a reduction in the base salary and it was not just at the Police Department, but throughout the organization of employees earning \$70,000 and above. There is no reduction in the base pay of any Police Officer other than what is being restored in this budget.

Ms. Graves asked were they required to increase some of their own personal increases towards insurance and retirement in this budget.

Mr. O'Connor said if they choose to stay with the high plan there will be a cost increase to the employee.

Ms. Graves said then they are not going to get their step raises back in this budget year.

Mr. O'Connor said that is correct.

Ms. Graves said with losing their records clerk at the Police Department, the officers are now required to enter in their own records. She said, for example, they are being staffed at \$30.00 an hour to do a job that someone would be doing for \$12.00 an hour and more efficiently. She asked does that seem like a good allocation of resources.

Mr. O'Connor said it is a choice of how many people they want employed with the City. There was a fundamental discussion throughout this budget process. The charge to staff was to reduce the number of positions within the total organization. He said it is a fundamental question that they could add to the payroll another \$40,000 to cover that process or they could take the time of the road officer and make that work.

Mr. Mark Mucher, 617 Indian Lilac Road, said it was stated that if someone takes the higher plan it costs the City more. He did not understand that. He asked why doesn't the City contribute a fixed amount and if someone takes a higher plan, they pay the difference.

Mr. O'Connor said they are in the process of doing that and it is part of their negotiations. He said the City's goal is not to have a high plan.

Mrs. Carroll said if an employee is married and chose to have their spouse on the plan the City would pay more. If an employee had family the City would pay an even greater amount for that employee and their family verses a single employee.

Mr. O'Connor said that is correct.

Mr. Mucher asked has the City benchmarked these plans. He asked is it only city government that pays more for higher plans and more for dependant coverage.

Mr. O'Connor said every city that he has seen and spoke with pays a portion of the cost for the spouse and family. He said that the City is trying to drive the City's cost down per employee and he felt they have done that.

Mr. Mucher asked is the City changing insurance companies.

Mr. O'Connor answered yes. He said Blue Cross/Blue Shield has served the City for about 30 years and their bid had an increase of somewhere between 17% and 18%. He said that United Health Care's bid had an increase of 12%.

Mrs. Carroll questioned the coverage of physicians.

Mr. O'Connor said there are a few physicians that are not in the plan, but the fact is that 90% of employee physicians are covered under this plan.

Mrs. Carroll said it would be interesting to find out if larger corporations, such as Piper Aircraft are offering a greater percentage of funding for family and spouse coverage.

Mayor Fletcher closed the public hearing at 5:26 p.m., with no one else wishing to be heard.

Mr. Winger made a motion to adopt the Ordinance as presented. Mrs. Carroll seconded the motion.

Mr. Kramer said the City is going though Union negotiations, which is part of the reasoning for holding back this \$227,000.

Mr. O'Connor said that is a portion of the reason. They need to have unrestricted funds for things like dune restoration, if it is needed. He said that \$227,000 is a lot of money, but percentage wise it is relatively small

Mr. Kramer asked Mr. O'Connor, when are you thinking the conclusion of the negotiations would occur.

Mr. O'Connor said there is another meeting scheduled for Friday and he would like to conclude the negotiations then, but he did not think that was going to occur.

Mr. Kramer asked would he have a good answer after one more quarter. He said it was his idea that they could have another budget amendment.

Ms. Lawson explained that the City Council can amend the budget as many times and for whatever reason they want throughout the year.

Mrs. Carroll said Mr. O'Connor mentioned at their last City Council meeting that impasse had been requested and that may delay the finalization of these Union contracts.

Mr. O'Connor said that is with the Police Benevolent Association (PBA), which is the wage opener. They have not reached impasse with the Teamsters and they hope that they don't. They are down to the issues of pension, health insurance, and wage.

On a roll call vote the motion passed 4-1 with Mr. Winger voting yes, Mr. Kramer yes, Mrs. Turner no, Mrs. Carroll yes and Mayor Fletcher yes.

3. ADJOURNMENT

Today's meeting adjourned at 5:29 p.m.

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