

CITY OF VERO BEACH, FLORIDA
JUNE 1, 2010 – 9:30 A.M.
REGULAR CITY COUNCIL MINUTES
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA

1. CALL TO ORDER

A. Roll Call

Mayor Kevin Sawnick, present; Vice Mayor Sabin Abell, excused absence; Councilmember Tom White, present; Councilmember Brian Heady, present and Councilmember Ken Daige, present **Also Present:** James Gabbard, City Manager; Charles Vitunac, City Attorney and Tammy Vock, City Clerk

B. Invocation

The invocation was given by Pastor Jerry Shepherd of Twentieth Avenue Church of God.

C. Pledge of Allegiance

The audience and the Council joined in the Pledge of Allegiance to the flag.

2. PRELIMINARY MATTERS

A. Agenda Additions, Deletions, and Adoption

Mr. White commented that at their last meeting they were told by the City Attorney that anything that has to do with the lawsuit filed by Mr. Heady must go through the Attorney that the City has hired to represent them. He asked Mr. Vitunac if that was correct.

Mr. Vitunac answered yes. He said that Mr. Brennan (hired attorney) advises against discussing matters that concern the lawsuit.

Mr. White reiterated what is allowed under Old Business, New Business and Councilmember's Matters. He said that under Old Business there are ten items that have no backup material available. He made a motion that items 9A-3), 4, 6, 7, 8, and 9B-1) be removed the agenda. Mr. Daige seconded the motion.

Mr. Daige asked that items 9A-1, 2, 9, 10, and 9B-2) be removed from the agenda. He first asked that under 9B-2) Water and Sewer Presentation if Mr. Heady could discuss this when they are discussing item 4-A), which has to do with the water and sewer rates.

Mayor Sawnick noted that they really did not know what Mr. Heady wanted to discuss (referring to item 9B-2).

Mr. Daige then asked that item 9B-2) also be pulled from the agenda.

Mr. Charles Vitunac, City Attorney, asked Mr. Daige if it was his intention to leave 9A-5). Mr. Daige thanked the City Attorney for pointing this out and added 9A-5) to the items to be removed from the agenda.

Mayor Sawnick read out loud the items that were being pulled off of the agenda.

The motion made by Mr. White and seconded by Mr. Daige passed 3-1 with Mr. Heady voting no.

Mr. Daige made a motion that items 9A-1, 2, 5, 9, 10 and 9B-2) be pulled off of the agenda. Mayor Sawnick seconded the motion and it passed 3-1 with Mr. Heady voting no.

Mayor Sawnick made a motion to adopt the agenda as amended. Mr. White seconded the motion and it passed 3-1 with Mr. Heady voting no.

B. Proclamations

1) Proclamation to be presented to John M. Lynn for his 40 years of service to the City of Vero Beach

Mayor Sawnick presented Mr. John Lynn with a plaque thanking him for his 40 years of service to the City of Vero Beach.

C. Public Comment

1) Ms. Nancy Wood, Ms. Toni DeBiase, and Ms. Florence Licata to speak about the Vero Beach Airport

Ms. Florence Licata commented that their government spends millions of dollars on homeland security when someone wants to fly but then flight training students can fly without any clearance. They are acting like this is 1950 and they need to wake up. She said that Vero Beach is the second largest Airport in the Country. They have 57 flight operations per hour. She said that these students are terrorizing their City. She also had some concerns about these students being able to fly and not required to carry insurance. She then brought up that the Airport Director wants to spend money to build an Industrial Park at the Airport, which would be in direct competition with the people. She then asked does the community even want an Airport. She said that is a good question. She noted that in 2009 something at the Airport changed and there were a lot more flights taking place, which continues today. She met with the Airport officials and asked what has changed and was told nothing. She said that in short their questions were met with hostility. She felt that all of these jets that are flying in this community are impacting their environment. She said that since taxpayers pay Mr. Menger's salary, is he the best person for the job. She felt that the Airport has turned her neighborhood into a war like zone. The impact that it has on their community is devastating. They would like to see

not only a vision plan for the Airport spelled out, but also told what the benefits of having the Airport are. She suggested having a referendum item on the ballot in the November election to ask the people of this community if they really want an Airport. She said lets lay the cards out on the table and let the people decide.

Mr. Heady asked the Mayor if he could ask Ms. Licata a couple of questions.

Mayor Sawnick asked the Council if they had a problem with this.

Mr. Daige preferred that all the people speaking from the public get through with their comments before Council starts asking questions.

Mr. Heady told the Mayor that the speaker identified some issues that he thinks are meaningful to her presentation. If they wait until everyone is finished and rehash all of her issues, that in the interest of time, which seems to be of an interest to this Council, that it would be more meaningful and less time consuming if they were allowed to ask the questions at this point.

Mayor Sawnick asked for a show of hands on who from the public would like to speak at today's meeting. There were nine hands that went up.

Ms. Nancy Wood asked to speak and said that this issue (Airport) has been addressed before the Council for the last 15 years and it would be nice to clear it up.

Mr. Daige suggested that anyone speaking on the Airport issue come up and make their presentation and then Council can ask questions. He said if it is the wishes of the people speaking to handle it this way then Council wants to honor their wishes.

Mr. Heady told the Mayor that he still would request to be able to ask questions right after someone speaks. The questions that he has for Ms. Licata might clear up some issues for the rest of the speakers. It seems to him that if the Council is going to proceed in a meaningful way that they should be able to ask questions about the presentation.

Mr. Daige asked the City Attorney if they needed to vote on the matter or could they just move on with the Mayor's recommendation.

Mr. Vitunac explained that the Mayor has made a recommendation and it would have to be challenged and overturned by a majority vote.

Ms. Wood said that she was ready for open dialogue with the Council.

Mr. Heady challenged the Mayor's ruling. The appeal died for lack of a second.

Ms. Tony DeBiase went over with Council a flight schedule that she logged the day after Christmas. She noted that the times were so close together because there were five planes flying overhead. She expressed that she is physically and emotionally destroyed.

She showed a slide of Mr. Bennett's bird bath, which is covered with oil that came from airplanes flying overhead. She then brought up that the Airport also wants to cut trees on private property. The trees are the only buffer that keeps the toxin from hurting them. She felt that cutting the trees was all about money. There are no regulations any more. It all goes to the businesses on how much money they can make. She said that it was outrageous these aircraft goes over a populated community and where does she go for help.

Mr. Heady had some questions for this presenter and he asked the Mayor if he could ask her some questions or does he have to wait.

Mayor Sawnick told him not at this moment.

Ms. Nancy Wood commented that back in 1994 she started coming to the Council meetings to talk about Airport noise and safety. She has served on many Committees and spent a lot of time on this. She said that unfortunately they are still where they were before. She has a solution to solve the problem, which she will be presenting to Council. She explained that FAA owns the air space, but they (City Council) are responsible and liable for Vero Beach. She brought up the newest proposal to spend \$1.6 million for 88 acres for an Industrial Park, which is in direct competition with the tax payers who would have to foot the bill and ultimately find themselves in competition with their own tax dollars. She mentioned that at times the Tower is closed when these flight trainings are taking place. She felt that all the complaints that have been mentioned this morning are valid. A Part 150 Noise Study was completed by the Airport, though it falls short of a Part 161 Study, which would expand the City's ability to explore reasonable strategies for impact mitigation. She would like to know the process and the City's interest to invest in a Part 161 Study given the potential growth in flight operations and their impact on this community (written speech attached to these minutes).

Mayor Sawnick commented that this issue has been going on for some time and there are a lot of things that need to be fixed. He asked that they proceed with public comments.

Ms. Wood felt that in following with proper protocol they would like to see a line item on the Council agenda so that they could continue with this conversation.

Mr. Daige reminded Council that once the presentations have been completed by these speakers that Council could ask questions.

Mayor Sawnick noted that there were roughly about 10 more people requesting to speak and maybe some of those people who are on their lunch break will not be able to. He suggested limiting Council questions to ten minutes.

Mr. Heady objected to the ten minute time limit. He said that if Council has questions then they should be able to ask them. Their job is to be responsive to the people and make sure that the facts are out and on the table. If they have questions then they should be allowed to ask them.

Mr. Heady began his questions with Ms. Licata. He said that Ms. Licata's house is in glide path and asked her what year did she buy her house. Ms. Licata answered 1997. She mentioned that 60% of the students training at Flight Safety are not from this country. He asked if she had any backup to provide on this. Ms. Licata said that she could probably provide that information. Mr. Heady asked her where did she obtain the 60% number from. Ms. Licata said that it was quoted in the Press Journal. Mr. Heady asked her did she follow up or check with Flight Safety to make sure that this information was accurate. Ms. Licata answered no. Mr. Heady said that his next question was for the Airport Director. He said that Ms. Licata talked about "stall" and he asked him if a stall procedure is done at an altitude where a plane can still recover. Mr. Eric Menger, Airport Director, answered yes. Mr. Heady made it clear that the stall was about lift and not about turning the engine off. Mr. Heady then asked when the crash at Riverside occurred. He was told about 25 years ago. Mr. Heady told Ms. Licata that she said that Mr. Menger's salary was tax payer funded. He asked Mr. Menger if his salary was paid out of Airport funds. Mr. Menger said that he is paid out of the Airport funds that are Airport revenues. Ms. Licata asked if Mr. Menger was a City employee. Mr. Heady said that is why he asked the question to see where his salary was coming from. Ms. Wood added that the Airport has its own fund that is different from the other entities of the City and that is why they are able to do so many things. Mr. Heady understood that. He just wanted to clear up in his own mind where Mr. Menger's salary was coming from. Ms. Licata said that it ultimately comes from tax payer's money. Mr. Heady did not dispute that. He agreed that it was all tax payers' money. Mr. Heady asked about the \$5,200 study. Ms. Licata said that was mentioned at a Council meeting when Mr. Menger showed a three phase proposal. Mr. Menger made it clear that the \$5,200 came from Airport revenue. Ms. Licata reiterated that it is still tax payer's money. Mr. Heady agreed that it was all tax payers' money, but as a Councilmember one of the things that he has to be cautious of is a lot of tax money is categorical and can be only spent in certain areas. As a Councilmember he needs to know where this money is coming from because if it has an impact on the ad valorem tax, he acts one way and if it is coming in from a source that is going to come in anyway then he will act another way. Ms. Licata stated that her point is that they need to display all of the information about the Airport at public disposal so that people in this community can see what revenue is generated, how it is generated, how does it impact their community, how does it benefit their community and whether or not they really want it.

Mr. Heady said that his next questions were for Ms. DeBiase. He asked Ms. DeBiase when she purchased her home. Ms. DeBiase answered in 2000. Mr. Heady asked her to explain her comments about toxic waste being dumped. Ms. DeBiase said it is the fuel coming from the planes. Ms. Licata added that it was not disclosed to her that there was an Airport when she purchased her home in 1997 and the Airport that was there in 1997 is in no way like the Airport that is there now. Mr. Heady asked Mr. Menger if there are any airplanes dropping fuel over the City of Vero Beach. Mr. Menger answered no. Mr. White interjected and said that this is turning into a debate. Mr. Heady corrected him and said that it is not a debate, these are questions.

At this time Mayor Sawnick asked if anyone else from the Council had questions. He was told they had no questions. He gave Mr. Heady a few more minutes for questions and said they would continue on with public comments.

Mr. Heady referred to the oil in the bird bath and said that it is not from dumping toxic waste, it is from exhaust. Mr. Menger thought that was correct. Mr. Heady then asked Mr. Menger if there were any procedures with cutting engines off on a landing. Mr. Menger answered no. Ms. Licata expressed to Mr. Heady that they don't understand all the technology because they are not aviators. They only know that when a plane is coming overhead and the engine sounds like it stops, they hope that it will start again. Ms. DeBiase made it clear that they never mentioned noise one time. She also said it has been proven that there is an increase in cancer for people that live near an Airport.

Mayor Sawnick felt at this time that they needed to move on. Mr. Heady said that he still had some questions for the last speaker. Mayor Sawnick told him that they needed to move on because there are other people wishing to be heard. Mr. Heady said that he hasn't gone ten minutes yet. Mayor Sawnick said that it has been ten minutes. Mayor Sawnick told Ms. Wood that he would get back with her on this matter. Mr. Heady still had questions and he challenged the Mayor's ruling. He has some questions for Ms. Wood that will take two more minutes and it seems ridiculous that the Mayor once again interferes with Councilmembers trying to find answers to legitimate questions. He told the Mayor that he challenges his ruling. There was no second, therefore the appeal died.

Mayor Sawnick said they would continue with public comments.

Mr. Daige noted that Mr. Heady had two more minutes to ask his questions.

Mr. White suggested holding a Town Hall meeting to discuss this matter.

Ms. Wood commented that has already been done and do they want to do it again.

Mr. White explained that it would be a way to hear from the rest of the public. They could start looking into a Part 161 Study and the Airport Director would be better prepared.

Ms. Wood asked Council if they would have the availability of the resources that Mr. Menger has. She asked could they put together Power Point presentations and hold meetings in the Chambers. Mr. White told her yes. She said so what they are saying is that they can use the resources that the City has and Mr. Menger will leave his doors open to answer their questions and be polite and forth coming.

Mr. Heady noted that Ms. Wood feels that the solution would be to have a Part 161 Study done. He asked her if she knew what that would cost. Ms. Wood was guessing probably around \$350,000. Mr. Heady also mentioned that Ms. Wood said that there was an answering machine hooked up to handle noise complaints, but it only allowed ten calls. Ms. Wood said that was correct. She said that Mr. Menger was responsible for checking

the messages and clearing the machine. A question was asked about what time the Tower closes at night. Mr. Menger stated that the Tower closes at 9:00 p.m. every night. Mr. Heady asked if after the Tower closes is most of Flight Safety's training done before 9:00 p.m. Mr. Menger said that most of it is completed. He said that night training is required in order for someone to get their Pilot's License. Mr. Heady asked Ms. Wood to provide him with documents of complaints from the 1970's. Ms. Wood said that she would. Mr. Heady asked how Flight Safety is an economic benefit to the community. Mr. Menger explained that there was a study done in 2010 showing that Flight Safety is bringing in over \$300 million per year and will be creating approximately 4,000 jobs. Mr. Heady commented that there was an allocation that Flight Safety was training a percentage of students from Al Qaida. Mr. Menger explained that all students are cleared through Homeland Security. However, this is not under his jurisdiction.

Mr. White recalled that some years back Flight Safety invited the Council to tour their facilities and showed them the chip that each student has, which covers their background, finger prints, and all the things necessary for security. He said that Flight Safety has their own security that they do on the pilots.

Mr. Daige expressed the concerns that he has regarding safety. He said that if there is a safety problem then it needs to be fixed. He agreed with having a Special Call meeting or Town Hall meeting to discuss this item further. They would handle the meeting like they handle some of their visioning plan meetings.

Mayor Sawnick noted that there were more speakers wishing to be heard and wondered if they should enforce the three minute speaking rule. Mr. Heady had a problem with doing that and Mr. Daige did also. Mr. Daige said that he was not in favor of it because they did not do it in the beginning of the meeting.

Mayor Sawnick asked the public to try to keep their comments to three minutes.

Mr. Heady had a problem with restricting anyone from speaking. Mr. Wood stood up and said that only residents who live here all year long should be allowed to speak. Mr. Heady said it doesn't matter whether they live here all year long or not.

Mr. Daige added it would be okay if three minutes had been enforced at the beginning.

Ms. Lee Skinner, John's Island and Rosewood Road, Sebastian River, requested to speak. She was here today to share with the Council that they were not alone. She said that the County Commission also has a problem. This is a problem that is all over the southern Florida area. She said that FAA has not been available at all for the last three years. She said that Flight Safety and some of the other training schools started coming into the Sebastian Airport about three years ago and her home was never invaded like that before. When she talked to the Sebastian City Council she didn't get anywhere. They are calling this their "economic engine." She talked to the Mayor of Sebastian who asked her what do you want me to do, have the planes fly over my home. She said at her home it sounds like a Pearl Harbor movie. She could give them some statics of how many planes fly

over her house for a certain time period (similar to what Ms. DeBiase gave) She felt that this is a dialogue that needs to take place possibly over the four counties on the Treasure Coast. She suggested working with the four Treasure Coast counties in putting a training facility that would not be flying over children, elderly people, and families.

Mr. Robert Losey commented that his son in law is an Air Traffic Controller in Jacksonville and has a pilot's license, but Air Traffic Controllers are not required to have one. He has been in this community for 15 years and it is a wonderful town. He has a problem with bicyclist riding down A-1-A and that many of them are defiant. He mentioned that the "old money" runs this town. He also had some concerns with Florida not requiring people to wear helmets when riding motorcycles.

Mrs. Linda Hillman (read a prepared speech that is attached to the minutes) complimented the City workers on the sidewalk project that they are doing on Royal Palm Pointe and Royal Palm Boulevard. She then referred to an article that was in the Press Journal on Saturday. She said that the article was entitled "Neighborhoods may get speed limit cut." She thought finally, because it has been over two years since she started working with the City Council and other City departments to get this done. She was disappointed because the article talked about the beachside neighborhoods. Since Sept 9, 2009 it has been one of their neighborhoods goals to reduce the cut through traffic and also reduce the speed limit to 25 mph. They have not approached Council lately because they knew how many other issues that they have been dealing with. However, they have waited long enough. She pleaded with Council to get the signs made, get them up and have the Police Department enforce the speed limit. This is something that has been approved and should have been done within a month of being approved. Mrs. Hillman moved on to the issue of the Go-Line Bus Hub in Original Town. She knows that the property the buses are picking up and dropping off is County property. But, she also knows that it is within the City limits. This should not be put in the lap of the neighborhood to remove. She said that the neighborhood has no privacy. They have people walking through the neighborhood to catch the buses, or to walk to wherever they are going. There are also port-o-lets near the bus stop. She has received calls from neighbors about the trash lying around. They do not need, nor do they want a bus terminal in their neighborhood. She pleaded with the Council to help them in removing this bus terminal. It has taken them a long time for the people in this neighborhood to fight for what they have and this does not make any of them happy. She then commented that she has sat in this audience for three years and is embarrassed for the sitting Council when they have to listen to the words liars, cheats and thieves. She thinks that it is disgusting. The citizens and tax payers of Vero Beach are being cheated out of their rights to bring forth other issues to this Council which may not include "electric issues." This Councilman (referring to Mr. Heady) is grandstanding everything and everyone by consistently bringing up the same things at every meeting. She then read the definition of grandstanding. She has done her homework and has found several cities that have speaking limits, not only for the audience, but for City Councilmembers where five minutes is the limit. The Mayor has the right to do the ruling on how long the City Council is allowed to speak. She then asked the City Attorney does the State of Florida or the City of Vero Beach have a law or procedure that allows the recall of an elected

Councilmember. She said if so, what is the procedure and who would she contact to start the procedure. She wishes to petition a recall on Councilmember Brian Heady. She said that she would call the Mayor.

Mayor Sawnick said to not call him.

Mr. Vitunac explained that recalls are handled by State law. He suggested calling the Supervisor of Elections for further information and hiring her own attorney to handle this. Mr. Joseph Guffanti was happy that he did call Vero Beach is home town. He said that the answers to the problems mentioned by Ms. Woods should have been addressed a long time ago and will be addressed in November.

Mr. Ken Bennett commented that he has been in Vero Beach for 30 years and there are some days that these planes fly over his house and there is a problem. He mentioned the last plane crashes that have occurred. He thought that flight training should take place West of I-95 and that the planes should be required to have insurance. He commented that the citizens of this community may look at putting this on the ballot as a referendum item to find out if the community wants an Airport.

Ms. Dorothy Napp supported Mrs. Hillman's comments about changes in their neighborhood since the busses started coming through. She said there is more trash in their neighborhood than she has ever seen. She doesn't know whose job it is to pick up the trash, but it is not being done. She even saw a man trying to break into cars that were in the parking lot near the bus terminal.

Mr. Daige brought up the Go-Line buses and said that what he is hearing today is the neighbors don't like what is going on in their neighborhood. He said that Council will find out why this area is not being patrolled. They (the neighbors) don't have to fight the County, we (the City) will take care of it. He promised the residents of the neighborhood that they would have an answer by the next meeting. There will be more patrolling in the area done and the port-o-lets would be taken care of. He knows that the City Manager is on board to do everything he can to get this resolved. He also said that they will work on getting the speed limit dropped. These are things that can be taken care of immediately. He asked the City Manager if that was correct. Mr. Gabbard answered yes.

Mr. White asked if the bus stop was on County or City property.

Mr. Gabbard explained that it is on the East side of the parking lot where the old County Administration building used to be. He was advised about ten days ago that the port-o-lets were there and he was told that it was a temporary solution to the problem. He mentioned that there was a proposal to have a bus terminal out West where the Supervisor of Election's office is located. He feels that they should move the whole transfer station out West. However, he doesn't know what the County's thoughts are on that. He said that the crime and trash issues will be addressed and he will call each City Councilmember personally and tell them what they are doing.

Mr. Daige told the audience who were concerned with this matter that the situation you have there will be taken care of now.

Mr. Bob Walsh mentioned that they ended up with a 68 page contract from OUC that was not even voted on. When Mr. Heady asked to see the original contract it was discovered that it had been in Boston for the last two years and when it was returned no one could prove that it was the original contract. It disturbs him that former City Manager John Little and former Mayor David Gregg were not allowed to help with the negotiations between the City and FP&L. He said that someone has their own agenda.

Mrs. Pilar Turner, Vice President of the Taxpayer's Association, made the following requests on behalf of the Board and members of the Taxpayer's Association, (prepared statement attached to the minutes): 1) That the City Council support Mayor Sawnick's initiative to hire an efficiency expert to conduct an honest assessment of City Departments where money can be saved to avoid the transfer of funds from the utilities to the General Fund, 2) City Council respond to Mayor Sawnick's request that each of them present five suggestions for reducing the budget at the next Council meeting 3) City Council vote to phase in zero-based budgeting for all departments; 4) City Council be proactive in encouraging the out-sourcing of some City services to reduce costs to taxpayers 5) That the City's health insurance premiums and retirement benefits be adjusted to be in line with the private sector 6) City Council adopt an across the board salary freeze until the City becomes more financially stable 7) City Council make it their priority to reduce the City electric rates and consider all options in order to achieve this 8) City Council allow the Finance Commission to review the City's annual budget and make recommendations 9) City Council develop a plan to allow public input during the budget hearing process; 10) City Council adopt a pro-taxpayer position and less of the pro-employee and pro-status quo attitude when dealing with public funds and 11) The City Council be proactive in achieving transparency in all aspects of City finances.

Mr. Stuart Kennedy commended staff and the departments involved in the successful Memorial Day service that was held yesterday at Memorial Island. He referred to item 4-A) on the agenda and was not clear as to why they no longer were having these rate increases. Mayor Sawnick told him that this item is on the agenda and the Water and Sewer Director will be explaining it. He then asked the Council if they were comfortable that they have been provided with enough revenue over the next couple of years to cover the increase proposed by the consultants. He wondered why the improvements were ever approved in the first place if they are no longer required. He also wondered if this has anything to do with the on-going discussions with the County and Indian River Shores. He then said that he is sad by the way that this Council seems to be operating. He doesn't think that they are all singing off the same hymn sheet. All of them are elected by the people and he wished that they would get their act together and look after the interest of the public and have the public's interest in mind. If they have arguments on how things should be done, he asked that they be discussed outside of the Council Chambers. He said that it doesn't look good when it is done publically. If people are asking questions and not getting the answers then the thought that comes to mind is why the answers aren't forthcoming.

Mr. White wanted to let Mr. Kennedy know that back when the rate increases were approved by the consultants, the Council voted 4-1 to approve the rates and he voted against it. He said after working with staff they were able to reduce the rate increase by half and then after looking over the budget and doing away with some capital items they were able to cut the budget so that there would not be a rate increase on October 1st. He said that is the reason they need to stop this Resolution because it would automatically kick into place if they did not repeal it. He said that they have been working diligently to get the rates decreased.

Mr. M.J. Wicker was at today's meeting hoping to hear something about the golf course. He said that he has not heard anything from Mr. Gabbard. He talked to Mr. Joe Baird, County Administrator, who believed that they were talking about a very small piece of pie. Mr. Wicker said that he sees a great opportunity with this golf course. He said that it would be nice to have someone get started on a proposal for the golf course and put it back to the way that it was. He would also want people to be able to play on the golf course at a reasonable rate. He said time is of the essence because it would be nice to have it open before the season starts.

Mr. Gabbard stated that the last conversation he had with the County was on Wednesday. He said there are other entities that they have to work with on this piece of property. They want to make sure that everyone involved knows what the contract entails before they sign it. He said that the County has arranged a meeting with MILB to work out some sort of agreement. He cannot make this thing move any faster than it is moving.

Mr. White felt that Mr. Wicker needs to be talking to Mr. Gabbard about this.

Mr. Wicker stated that Mr. Gabbard told him that the property would be leased for one dollar a month. He said right now it is costing the City money to keep the property maintained and having it off of the tax rolls. He doesn't believe that this is as complicated as Mr. Gabbard makes it out to be.

Mr. Gabbard told Mr. Wicker that there are other people interested in the golf course other than him. The City Council has to consider what the proposals are and then decide what to do with the land, if anything at all.

Mr. Daige recalled that he has requested a Special Call meeting on the golf course where they can have all of the facts in front of them. He also went back to when Mr. Kennedy was speaking and wanted it made clear that he was against any rate increases. He keeps asking staff to get rates down for both the water and sewer and the electric.

Mrs. Barbara Drndak, Chairman of the Airport Commission, commented that she was sorry that the Airport issue was coming up again. She said that they can reeducate the public to know what happens in terms of revenue diversion. She said that none of the money by Federal law, can go into the general fund. The health of the Airport is important to the City. If the Airport can't pay for itself then it does go back to the City to

take care of it. She would be happy to participate in a Special Call meeting to go in depth about this and is available to help.

Council took a five-minute break at 11:34 a.m.

Mr. White excused himself from the meeting at 11:34 a.m.

After the meeting was called back to order, Mr. Daige requested that they take a lunch break and reconvene the meeting once Mr. White returns.

Mrs. Vock noted that Mr. White had a speaking engagement with the Rotary Club. The City Attorney said all three remaining Councilmembers would have to be in agreement to pass anything.

Mayor Sawnick said that he has a Mayor's meeting at 2:00 p.m. and would like to continue with the meeting. He made it clear that to pass anything it would take a 3-0 vote.

D. Adoption of Consent Agenda

1. Regular City Council Minutes – May 18, 2010

Mr. Heady had some corrections that he wanted made to the May 18, 2010 minutes. He asked that this item be pulled off of the agenda and put back on their next agenda for approval. In the meantime he would get with the Clerk on what changes that he would like to see made to the minutes.

3. PUBLIC HEARINGS

- A) An Ordinance of the City of Vero Beach, Florida, instituting a one hundred eighty (180) day moratorium on the issuance of development orders to establish "Pain Clinics" or "Pain Management Clinics" within the City of Vero Beach to allow time for the City staff to further review regulatory options and formulate and adopt regulations for these Clinics; providing for severability; and providing for an effective date.**

Mayor Sawnick read the Ordinance by title only.

Mr. Vitunac explained that this Ordinance, if adopted, would provide for a six month moratorium and would not allow any permits to be issued by the City for any new pain clinics. It is his recommendation that Council passes this Ordinance and then by October 1st the State will have adopted the new law concerning pain clinics.

Mayor Sawnick opened and closed the public hearing at 11:49 a.m., with no one wishing to be heard.

Mr. Heady had some questions before they opened and closed the public hearing, but was ignored by the Mayor. He continued by referring to the Doctor that attended their last meeting concerning the pain clinics. He asked Mr. Vitunac if he received any input from the Doctor concerning this Ordinance.

Mr. Vitunac explained that he corresponded with the Doctor via email. The Doctor had some recommendations for a comprehensive regulatory scheme for pain clinics at the City level. He explained to him that what they have is a simple moratorium that needs to be passed in order to stop any new pain clinics from coming into the area. The Doctor's issue is whether you would want local regulations, in addition to the State regulations, that will go into effect on October 1st. Mr. Vitunac's recommendation is that they don't need it. He said that by the time this moratorium expires the State regulations will be in effect, which will cover them.

Mayor Sawnick commented that this Ordinance helps them now and the State Ordinance goes into effect before the moratorium ends.

Mr. Heady stated any pain clinics that have pulled a permit that continues to expand their operation is not restricted by this moratorium except to the extent that is outlined in the moratorium. Mr. Vitunac said that is correct. Mr. Heady continued and said that if they had included what the Doctor asked for in this moratorium that would further restrict anyone from expansion that currently has a license. Mr. Vitunac did not agree. He said if this Ordinance passes, the City will not issue any more permits for any pain clinics and that includes expansions. What it does not do is take present medical offices that are existing and shut them down. However, they will be shut down if they violate the State law. The new State law allows the State Inspector to inspect pain clinic records without needing a subpoena. Mr. Heady noted that Mr. Daige raised some issues at the last meeting and he asked for a temporary 30 day provision, which Council approved. That 30 day provision was to put everything on hold until this 180 day moratorium passed. Once this Ordinance passes the organization which Mr. Daige was concerned about, will be limited not by a 30 day hold rather by the provisions of this Ordinance. Mr. Vitunac stated that in effect they have the 30 day hold and this moratorium is in effect at the same time.

Mayor Sawnick made a motion to adopt the Ordinance. Mr. Daige seconded the motion.

Mr. Daige commented that it was his understanding that this moratorium that they put into place will have no effect on the existing pain management clinic that is under operation now because they have been given the okay to proceed. He referred to the paperwork provided by the Planning Director after their last meeting. He said that this information was not told to them at the first meeting when pain clinics were brought up. He said that what he would like to do and will be bringing this back to Council, is with change of use/code compliance certificates, he wants Council to look at them first. This way if something like this comes up again, Council will see it will be the approving body and not the Planning Director. He is not happy with the way this has played out so he wants to eliminate any future problems.

Mayor Sawnick agreed with Mr. Daige's suggestions.

Mr. Heady stated that the document provided to them by the Planning Director demonstrates some of these things that were issued after their City Council meeting, which was pretty clear from the Council at that point that they did not want to see this happen. A couple of concerns he has is when they discussed this there was something already in the works and staff had an obligation to tell them at that meeting. Then after they had that meeting, the direction at that point from the Council to staff was that they wanted a moratorium Ordinance to stop this from happening within the City. Then a license was issued after that meeting which is a major concern to him. He asked Mr. Vitunac with the Ordinance they have before them could they incorporate in the Ordinance any restrictions and State regulations that the State is now considering. Mr. Vitunac felt that would require a new Ordinance. He said that this gives them a six month moratorium and protects them until October and gives them time to come back with a local Ordinance if they decide one is needed, which would be from June until October.

Mr. Heady referred to the pain clinic that was allowed to come into the City and said that since this clinic hasn't actually opened their doors for business, aren't they covered by any Ordinance that Council approves today.

Mr. Vitunac explained that is when vested rights issues and private property rights come into play. He said at a certain point when someone has gone through the process they have the right to continue it.

Mr. Heady asked if there was anything in this Ordinance that restricts private property rights. Mr. Vitunac answered no. Mr. Heady said if they include in this Ordinance the future State regulations, is that an infringement on their property rights. Mr. Vitunac explained that was not noticed in this Ordinance when it was published for a public hearing, so they could not amend the moratorium Ordinance to adopt an entire scheme of regulations adopted by the State that is about sixty pages long.

Mayor Sawnick made it clear that if they don't pass this Ordinance then the 30 day moratorium will end and pain clinics will be allowed after the 30 day period has passed. He said that Council needed to pass this Ordinance now so that the emergency moratorium does not end. If they wish to pass something that the State has done, which will take effect in October, they can come back and do that.

Mr. Heady said that he did not finish with his questions. He referred to Mr. Vitunac's answer to his question before the Mayor interrupted and that was that the Ordinance could not be changed at this point. He said that the intent of the Ordinance is pretty clear and just incorporating the future State regulations does not change the intent of this Ordinance so he could not understand why that would be a major change.

Mayor Sawnick said that he has not seen the regulations that the State intends to impose.

Mr. Vitunac explained that the published notice does not say that they were considering adopting the State law concerning the pain clinics. He said if Council wishes to do this then they can start it at their next meeting and it could be done quickly.

Mr. Wayne Coment, Assistant City Attorney, added that the moratorium Ordinance is a land use moratorium. He said that the State regulations is a business regulation. He said that these are two different types of things.

Mr. Daige commented that to apply for the business tax you have to have either a County license or a State license. He asked Mr. Coment in the paperwork provided to them by Mr. McGarry it asks for a driver's license number, federal ID number or social security number. He asked why this individual was allowed not to fill those in.

Mr. Hank Flores, Current Planning Manager, explained that he only approved the change of use from professional office to business. He said as far as the business tax it was handled by Mr. McGarry. He said that if the social security number was on the application then it would have been covered. He would need to check with staff on this.

Mr. Daige could not understand why the federal id # and driver's license number was not made available.

Mr. Gabbard also did not know, but said that he would find out.

Mr. Daige then asked since it is not there, will they require it to be in the paper work.

Mr. Gabbard said that it is required and maybe the information was deleted because of it being personal information.

Mr. Heady said that if there is a redaction then shouldn't the document show a redaction. He said Council should know whether a document has been redacted or not. He said if it is a requirement for the permit and these items have not been filled out then the permit is not valid.

Mr. Gabbard will look into this and report back to Council and give them something in writing.

Mr. Vitunac added that an applicant has to give the essential information required by law. He does not know why this information is not filled out, but they will look into this.

Mr. Daige was in favor of moving the Ordinance through. He said that it was important for the safety of their community to approve it as it stands now. The questions that he has he will follow up with the City Manager and the City Attorney to get his answers and report back to the Council.

Mayor Sawnick called the question to adopt the Ordinance and made it clear that in order for the Ordinance to pass that there must be a 3-0 vote. Mr. Heady objected. Mayor Sawnick asked the Clerk to call the roll.

The Clerk polled the Council on the motion to adopt the Ordinance and it passed 3-0 with Mr. Daige voting yes, Mr. Heady yes, and Mayor Sawnick yes.

4. RESOLUTIONS FOR ADOPTION WITHOUT PUBLIC HEARING

A) A Resolution of the City of Vero Beach, Florida, repealing the rate increases for fiscal year 2010, 2011, 2012, and 2013 Water and Sewer as described in Attachment "A" and "B" of Resolution 2009-31; providing for an effective date.

Mayor Sawnick read the Resolution by title only.

Mr. Rob Bolton, Water and Sewer Director, reported that this Resolution was to repeal the future increases that were originally adopted. Since the adoption of the Resolution, they have been working to try and lower the water and sewer rates. The problem is that the increases approved sometime back were still on the books. He became aware of this about three weeks ago and asked Mr. Vitunac to look at repealing this. He noted that the reason they were able to repeal the Resolution was because they have worked through and restructured their capital improvements program. They have delayed some of their projects, which he went over, because of timing issues. He said they also have decreased their expenditures for operating by cutting back on personnel.

Mayor Sawnick appreciated their hard work and thanked them for reducing costs. He said that if anything comes up then they would bring it back to Council and if agreed they could adjust the rates as they go. This is for the time being and if something comes up that needs to be changed then they can bring it back to Council. One thing they don't want to see in 2013-2014 is that they have to raise their rates, because these rates were not imposed. He explained that they need to look forward five and ten years down the road so that if they do have to have an increase they can do it gradually and not in one big hit.

Mr. Bolton said that he was trying to work on the budget so that they are saving up funds, stabilizing their rates and predicting their capital improvements over the next four or five years so they would not have the rollercoaster type of effect as far as rate increases.

Mr. Daige made a motion to pass the Resolution repealing the rate increases for fiscal year 2010, 2011, 2012, and 2013 Water and Sewer as described in Attachments A and B of Resolution 2009-39. Mayor Sawnick seconded the motion.

Mr. Daige said that he has been working with the City Manager who has been working with staff and they have done a good job in getting these rates reduced. He said that he told the City Manager that the rates need to continue to come down. He said that he is

also working on the electric side. He said that staff and Council have been working hard on reducing costs and they are going to continue to reduce costs.

Mr. Heady asked are the capital improvements that are delayed to 2013-2014 necessary for the system.

Mr. Bolton answered yes. He said it appears that some of the lime softening costs were getting to a breakeven point. The lime softening has more maintenance requirements. So it would be a good time to look at doing a shift in the equipment and put in another RO Train. As employees leave and retire they won't need to fill those positions, which would lower their staff levels even more.

Mr. Heady asked in looking out over a five year term, do you think the decrease is stable that they could operate with the decrease in personnel.

Mr. Bolton answered yes. He said that in April he cut out a lot of vacant positions and there are some retirement positions this year that they would not fill.

Mr. Heady said that they decreased operating personnel that was a cost to the City. Those were the ones that he was concerned about.

Mr. Bolton said that they restructured some of the Plant ratings and doing some SCADA improvements. As they do some of the improvements, they should be able to reduce staff.

Mr. Heady said there was a typical 90-day cash requirement for a loan or bond issue and the usual is 45 days. He asked what they have today.

Mr. Bolton said that he would need to ask the Finance Director. He said that it has been fluctuating because they have been paying for the capital improvements for the loan prior to getting reimbursed. Therefore, until they complete the projects for the SRF Fund, it fluctuates.

Mr. Heady asked it fluctuates from what to what.

Mr. Bolton said it could be zero and it could be \$500,000 one month.

Mr. Heady said recently they had on hand cash requirements to where they had nothing left. He said there was a speaker who mentioned the cost of the rate consultant and he had some cost reporting at \$65,000 and one was \$200,000. He asked what the cost of that rate study was.

Mr. Bolton answered about \$40,000 for the water and sewer side. He thought that the total for both the water and sewer and the electric was about \$80,000.

Mr. Heady asked when a consultant does a study like this, do they break out the components. He asked is there something that he could go back and look at to see what the water and sewer component was as opposed to the electric component.

Mr. Bolton answered yes. He said that there were three work orders. One was for the Water and Sewer Rate Study, one was for the Deep Injection Well and he was not sure what the third work order was for.

Mr. Heady said in the component portion of the revenue repealing the increases will it decrease the projected income. He asked Mr. Bolton what percentage is County, what percentage is City and what percentage is Indian River Shores in the Water and Sewer customer receipts.

Mr. Bolton asked what does that have to do with this Resolution.

Mr. Heady asked are you reducing rate increases.

Mr. Bolton answered yes. He was not sure of Mr. Heady's question.

Mr. Heady explained that he wanted to know what the component parts of the City, Indian River Shores and Indian River County were.

Mr. Bolton thought that it was around 38% outside City usage.

Mr. Heady asked do the accounts correspond to the income and do they represent a larger portion of the income because they are bigger users.

Mr. Bolton answered no.

Mr. Heady said they were are starting at the County and Indian River Shores leaving the City as early as 2016.

Mr. Bolton said that no one has told him that.

Mr. Heady asked in the current agreements between Indian River Shores and the County, isn't there an exit provision.

Mr. Bolton answered yes.

Mr. Heady asked what year is the exit provision.

Mr. Bolton answered 2017.

Mr. Heady asked if he was to vote to repeal the rate increases that it would clearly be a politically popular thing for him to do. He said that his question with regards to delay on the capital improvements, the answer is that they are necessary improvements. If he

approved repealing the increases, but these are necessary requirements, what he is going to do is offload the payment for those by 38% and increase the City's taxpayers' burden after 2017.

Mr. Bolton answered no, because they were working off of cash. They were not borrowing any money. He said that they were going to build cash and have a balanced budget in 2013. They were going to build the improvements with cash.

Mr. Heady said that they would have 38% less cash.

Mr. Bolton said in the year 2016 – 2017 if they were to exit.

Mr. Heady commented that if they decrease that income, but the expenditures were going to be necessary in the future, then he was going to really transfer the burden to pay for those improvements from the income the City would have received from outside City residents to City residents later on.

Mr. Bolton answered no. He explained that the improvements would be done in 2013 and 2014, which would be done through the current rates.

Mayor Sawnick said the capital improvements would be done before anyone exits the agreement.

Mr. Daige said playing it forward it is going to work. He said that they would not be doing this if it was not going to work and was going to impact the City's ratepayers down the road. He said that they need to do something now for their ratepayers. He said that they can do this and it will not hurt the system. He said that they need to do this reduction. He asked that Council please pass this Resolution.

Mr. Heady commented that the 2013-2014 improvements would be paid for in that year.

Mr. Bolton said that he did not state all in one year. He explained that they would be building up cash over the next few years to pay for the improvements. In other words, they would be creating a sinking fund for those improvements.

Mr. Heady asked do you anticipate loans on the improvements.

Mr. Bolton said that they would be using cash to pay for the projects.

Mr. Heady asked, total cash with no loans at all.

Mr. Bolton answered yes.

Mr. Heady asked how the 90-day cash requirement came into play as a consideration.

Mr. Bolton answered because they were looking at borrowing money for this year and next year to cover these capital projects and those projects have been delayed.

Mr. Heady asked what is the total debt for the water and sewer department right now for the City taxpayers.

Mr. Bolton thought that there was a Bond Issue in the amount of \$14 million dollars. He said that they also have the SRF loan.

Mr. Heady asked what is the yearly debt service.

Mr. Bolton thought that there was about \$1.46 million dollar on the \$14 million dollar loan and it was about \$560,000 next year on the SRF loan.

Mr. Heady asked what is the total yearly loss in income with the rate decrease.

Mr. Bolton said that they were not decreasing anything.

Mr. Heady said the Resolution before them was to repeal the rate increases. He asked what is the dollar amount, per year, that those increases would yield to the City.

Mr. Bolton said next year's increases that were proposed was seven and one half percent on the water side and nine and one half percent on the sewer side.

Mr. Heady asked how many years are left on the \$14 million dollar debt.

Mr. Bolton answered that the debt would go to the year 2022.

Mr. Heady asked how many years are left on the \$10.5 million dollar debt.

Mr. Bolton answered until year 2030.

Mayor Sawnick felt that Mr. Bolton was doing a good job in answering these questions without having the information in front of him. He was sorry that they didn't have these questions before hand.

Mr. Heady said there was a study that showed that the City needed these increases, but there was not a comprehensive report that shows that they don't need these increases.

Mr. Bolton reported that he spoke with the consultant and they ran through some of their numbers, which showed that next year would have reduced the nine and one half percent to seven percent. He said that this still had the assumption that they were working with the cash requirements of 90 days and they did not have the decrease in salaries. He said that it also has assumptions that last year they had a zero percent increase in salaries, but they actually had a five percent decrease in costs because they were working off of furlough days.

Mr. Heady said that no employee, other than furlough days, took a decrease in their salary. The reduction in salaries was a reduction because of a decrease in personnel.

Mr. Bolton said there is a five percent decrease in salary because of the furlough days.

Mr. Heady asked what is the five percent in dollars.

Mr. Bolton did not have that information.

The Clerk polled the Council on the motion and it failed 2-1 with Mr. Daige voting yes, Mr. Heady no and Mayor Sawnick yes.
Mayor Sawnick asked Mr. Vitunac if this Resolution could be brought back before the Council at a future meeting.

Mr. Vitunac said this Resolution could be brought back before the Council at their next meeting when there is a full Council present.

5. FIRST READINGS BY TITLE FOR ORDINANCES AND RESOLUTIONS THAT REQUIRE A FUTURE PUBLIC HEARING

None

6. CITY CLERK'S MATTERS

None

7. CITY MANAGER'S MATTERS

A) Award of RFP No. 170-10/PJW – Unit 5 Heat Recovery Steam Generator Superheater Retrofit

Mr. Jim Stevens, Power Resources Director, recommended that this project be awarded to Vogt Power International (VPI) for the design, removal, and installation of superheater modules required to meet compliance with American Society of Mechanical Engineers. The project requires an eight month lead time in order to fabricate the superheater modules.

Mayor Sawnick made a motion to approve the Award of RFP No. 170/10/PJW, for Unit 5 Heat Recovery Steam Generator to Vogt Power International. Mr. Daige seconded the motion.

Mr. Daige referred to the proposal schedule and asked for the line cost for 1,2,3,4,5,6 and where it states 15% what does this cover and what does that mean. He also asked that in the future that the City Manager makes sure that staff puts page numbers on the backup material that they receive.

Mr. Stevens explained that at the end of project they need to conduct a steamblow to make sure that all of the contaminants are out of the steam system. So they contracted VPI to do the monitoring of the system because he does not have anyone on his staff that is competent enough to do that. It was an estimate based on previous steamblows that they did.

Mr. Daige asked to complete the entire project, which includes doing some inside work, taking the roof apart, etc., are those costs separate or included in this bid.

Mr. Stevens stated that they are separate costs and they have estimated \$100,000 for the roof work.

Mr. Daige asked if there was any other work that needed to be completed to get this unit up and running. Mr. Stevens answered no. Mr. Daige said then they would be under \$150,000 to do the additional work. Mr. Stevens told him that was correct. Mr. Daige then referred to the firm who was going to do the main work and asked how much bond they posted.

Mr. Stevens said that 125% of the job was posted.

Mr. John O'Brien, Purchasing Manager, explained that standard bonding is 125% and the other issue that they were looking at was when liquidated damages would start. He said that once the project is completed the firm will do the steam blow and that was going to be unrelated to liquidated damages.

Mr. Daige said by approving this item today that the bond is part of the deal.

Mr. O'Brien answered yes. He explained that when the contract is signed, then the necessary insurance will be provided.

Mr. Daige wanted it in the record that according to the testimony of the Purchasing Manager this does include the bond and the monies for the bond.

Mr. O'Brien explained that since they do not know the exact number on the bond in this case the cost of the bond will be given to them and they will reimburse that.

Mr. Daige requested that in the future that this information be provided in their backup material.

Mr. Daige asked how many firms bid on this project.

Mr. Stevens stated that there were two firms and the bid was given to the lowest bidder.

Mr. Daige asked Mr. Stevens if he talked to other generator cities where these people have worked.

Mr. Stevens answered yes. He said that they checked their references.

Mr. Heady asked Mr. Stevens if generally speaking, is Unit 5 an efficient Unit. Mr. Stevens answered yes. He said that it is the Unit that they run most of the time. Mr. Heady asked what is the cost per kWh to produce electric for Unit #5. He asked is it more or less than what they pay for bulk power. Mr. Stevens answered that it is more. Mr. Heady then asked if there was any savings that this \$2 million dollars provides that would be a return on investment or is this just a necessary requirement to keep the equipment running efficiently. Mr. Stevens said that it was a necessary requirement to keep the equipment running efficiently. Mr. Heady then said that the \$2 million dollars doesn't buy them any savings in any way. Mr. Stevens said that it would make the Unit more reliable. He explained that right now they have thermal issues and a lot of the tubes are warped. Mr. Heady asked if they closed Unit 5 down and bought bulk power then the costs in terms of bulk power would be less than operating Unit 5.

Mr. John Lee Acting Electric Utilities Director, commented that the term bulk power is not a term that people like. The power is the total cost for all the power that they bring in to the system. They have a contract with OUC and Unit 2 and Unit 5 are a part of the contract.

Mr. Heady asked if there was a penalty if they don't run Unit 2 and Unit 5. Mr. Lee could not answer that question. He explained that when this system is called to run they run and the City makes money. If they don't run and had to purchase the power then they would have to do a market analysis to see how much more money they would paying. Mr. Heady asked if they could buy power to meet their own load cheaper than they could run Unit 5. Mr. Lee said they could not. Mr. Heady mentioned that they also buy power under the OUC contract and he asked if the cost of that power from OUC is greater than the cost of running Unit 2 and Unit 5. Mr. Lee explained that part of the contract it includes running Unit 2 and Unit 5. There was a brief discussion regarding penalties.

Mr. Daige mentioned that he attended the Utilities Commission meeting when this item was discussed and agreed that it is time to replace this equipment. He said that there are safety issues.

Mayor Sawnick added that if they don't pass this and a hurricane comes, it would be drastic especially if there were not able to run the Units. He was told that is true.

Mr. Stevens commented that Unit 5 and Unit 2 are their most run units. He said these units are run just about every day of the week and they are very dependable units. He said that they did the mechanical and thermal stress studies and the recommendation is to change.

Mr. Heady commented that the Mayor says if a hurricane came through they would not be able to turn this on. He asked aren't they running this Unit right now. He was informed that this information was not accurate.

Mr. Heady noted that there is a meeting scheduled with FP&L and he doesn't know if they want the combined cycles Unit 2 and Unit 5 or not, he guesses that no one else really knows the answer to that question because they haven't discussed this with FP&L. Mayor Sawnick interjected that they would be discussing the meeting with FP&L later on in today's meeting. He referred to the item that they are discussing now and said that whatever happens they have to take care of their City. He told Mr. Heady that his point is well taken and he knows where he is heading with the statement that he just made. Mayor Sawnick said that there has been enough discussion on this item.

The motion died 2-1 with Mr. Heady voting no. Mr. Heady said that he is opposed because the Mayor will not allow further discussion and for him to get answers to his questions.

Mr. Daige understood that this work needed to be done. He requested that there be a Special Call meeting held for the two items that did not pass this morning because a majority of the Council was not present for the meeting.

Mr. Gabbard did not see any problems with waiting until the regularly scheduled meeting.

Mr. Stevens added that if they don't make these repairs in the time frame allotted there are penalties if the Unit is not available.

Mr. Heady asked Mr. Lee if there was any backup for his discussion. Mr. Lee said no, he only saw the information himself for the first time this morning. Mr. Lee said he could lower the rates by 2% in response to Mr. Heady's question.

B) Electric Utility Discussion

Mr. John Lee, Acting Electric Utilities Director, went over some new data basic comparisons for utilities in the State of Florida (on file in the City Clerk's office).

Mr. Daige was not in agreement with Mr. Lee that they cannot go any lower with their utility bills. He expressed that people are struggling to pay their bills and their benchmark is to be close to what customers for FP&L are paying. He knows it will be hard to reach that, but they need to get the utility bills lower. They are all going to have to work together to get the bills lowered.

Mr. Gabbard expressed that they are doing everything that they can. They are very concerned about their customers and do a lot of things that the bigger utilities won't even consider doing in order to help their customers. They recognize that they have to continue to work to cut costs. He will start looking at the different department's budgets tomorrow and will continue to work at dropping these rates.

Mr. Daige reiterated that what he is looking for is more of a reduction and they have to work hard to do that.

Mr. Lee continued with his presentation. He understands Mr. Daige's concerns, but his job is to give Council the facts and there are some tough decisions that have to be made if they want to reach some of their goals.

Mr. Gabbard commented that he was notified a couple of weeks ago that FP&L wished to meet with them. They said that they would come to the City of Vero Beach, but preferred to meet at their headquarters. They said that the meeting would take about two hours and that it was an information session to share some of their thoughts. He said that no negotiations will take place. He was told that FP&L still had not made a decision as to whether or not they were interested in purchasing the system. The meeting will be held this Thursday morning at 9:00 a.m.

Mr. Daige went over the people that will be attending the meeting. He would prefer that they be the only ones at the table at this meeting.

Mr. Gabbard said that is how they planned it. He understands that there was some discussion last week about a County Commissioner wishing to attend the meeting. However they (Mayor, City Manager, City Attorney, Finance Director, and Acting Electric Utilities Director) plan on going as a group from the City.

Mr. Daige would appreciate that the City Manager keep it that way.

Mr. Gabbard said that is the plan.

Mr. Daige expressed that he wanted him to stick with the plan and if it changes he asked that they not go. He understands their plan and who is going and reiterated let's keep it that way.

Mr. Heady commented that the perception in the community is that a couple of other people would be sitting in on the meeting. They are Bill Kenyon and Peter O'Bryan. He thought that they received assurances that they would be allowed to observe.

Mayor Sawnick told him that was not the case.

Mr. Gabbard added that he has had no conversation with anyone regarding that.

Mr. Heady asked if what he was hearing was that there is no knowledge that the people indicated have been invited.

Mr. Gabbard said that he has had no communication with either elected official.

8. CITY ATTORNEY'S MATTERS

None

9. CITY COUNCIL MATTERS

A. Old Business

- 1. Another Reconsideration of Date for Presentation by Dr. Faherty and Glenn Heran – Requested by Councilmember Heady**
- 2. Still Waiting for Written Answers from City Manager – Requested by Councilmember Heady**
- 3. OUC Contract – Requested by Councilmember Heady**
- 4. 50MM Penalty – Requested by Councilmember Heady**
- 5. November Elections – Requested by Councilmember Heady**
- 6. Debate on Sale of Electric – Requested by Councilmember Heady**
- 7. 8/12/08 to be Played and Discussion to Follow – Requested by Councilmember Heady**
- 8. Ending A Federal Lawsuit – Requested by Councilmember Heady**
- 9. Honest Services Fraud – Requested by Councilmember Heady**
- 10. Golf Course – Requested by Councilmember Heady**

These items were pulled off of the agenda. The motion passed 3-1 with Mr. Heady voting no.

B. New Business

- 1. How to Settle a Lawsuit – Requested by Councilmember Heady**
- 2. Water and Sewer Presentation – Requested by Councilmember Heady**

These items were pulled off of the agenda.

3. Hurricane Preparedness – Requested by Councilmember Daige

Mr. Gabbard reported that staff is preparing to have their first annual meeting on June 8th. They will go over their hurricane plans and there is only one new Department Head Director that has joined the City since the 2004 hurricanes so there are capable veterans that understand the issues. He noted that there are three notebooks that outline their disaster plan (available in the Clerk's office).

Mrs. Vock noted that on their web site www.covb.org and on Channel 13 the hurricane video is running periodically. She said that anyone wanting to purchase a copy of the DVD can do so in her office.

Mr. Daige referred to the reports that they are being provided regarding the oil spill. He wanted to know if where it talks about municipal information, that page could be put on their website and on Channel 13. This way in the future people will be able to view these reports on these two different sites. He said there are a number of links that they can go

to. He asked the City Manager to provide a link on their website to the Florida League of Cities Government Task Force (Governor's Gulf Oil Spill Recovery Task Force). This task force was established so that all parties involved receive fair compensation for damages that they may receive as a result of the spill. He said that they need to be prepared and to give their citizens all the information that they need in the event that this area is affected.

Mr. Heady wanted to make sure that he was going through this agenda properly. He asked Mr. Daige if this was something that he just added to the agenda. Mr. Daige referred to his memo, which was the only backup provided on the hurricane preparedness. However, he did add discussion about the oil spill which Mr. Heady said that he did not have a problem with.

10. INDIVIDUAL COUNCILMEMBERS' MATTERS

A. Mayor Kevin Sawnick's Matters

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

Mayor Sawnick attended the Charter High School graduation ceremony, he attended both Amtrak public meetings, the Boardwalk dedication at Pelican Island, the Mayor's beach clean up that was held at Waldo's and reported that the next Coffee with the Council will be held on June 13th at Mulligan's.

Mayor Sawnick added that they are looking into the GoLine bus situation to make sure that this issue is addressed.

B. Vice Mayor Sabin Abell's Matters

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

C. Councilmember Tom White's Matters

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

D. Councilmember Brian Heady's Matters

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

A) FPL and Public Business in the Public Eye

Mr. Heady felt that it would serve the public well if two people (Chair of the County Commission, Peter O'Bryan and Mayor of Indian River Shores, Bill Kenyon) were allowed to attend the meeting being held with FP&L as observers, but not take part in the discussion.

B) Liars, Cheats and Thieves

Mr. Heady stated that he has stood at the podium many times saying that liars, cheats, and thieves should not be in charge of governing agencies and he believes that to be true. That means when you act in your official capacity you should not lie about anything and you should not cheat or steal from the public.

C) Bad Information = Bad Decisions

Mr. Heady commented that if they are going to make decisions on anything one thing that they need is good information. He said that when the Mayor continuously cuts off information from being supplied to the public then the only thing that can possibly do is result in bad decisions. It is unfortunate that they have a Mayor who wants to silence the public and silence the Councilmembers, but it is clear that the rest of the Council seems to want to go along with that. He would hope that changes in this calendar year.

D) Correspondence

E. Councilmember Ken Daige's Matters

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

Mr. Daige read his Committee Report (please see attached).

10. ADJOURNMENT

Mayor Sawnick made a motion to adjourn the meeting at 1:36 p.m. Mr. Daige seconded the motion and it passed unanimously.

/tv