

**CITY OF VERO BEACH, FLORIDA  
FEBRUARY 16, 2010 6:00 P.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, present; 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 Buddy Tipton of Central Assembly 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**

The City Clerk added under City Manager's Matters, item 7-C) Briefing from John Lee, Acting Electric Utilities Director, on two electric matters.

Mr. Abell asked if they should consider a time limit for tonight's meeting.

Mayor Sawnick said that they would discuss it later in the meeting if they needed to.

Mr. Daige added under City Clerk's Matters, item 6-C) a letter that he would like read into the record (Question from Audience re OUC Contract). He also asked that the Council take a break at least every two hours.

Mr. Heady asked that an item be added on to the agenda, which is the City Manager/City Attorney resignation and/or termination.

Mr. White called for a point of order. He had some concerns with putting this on the agenda at the last minute without any discussion or backup material. If Mr. Heady wants to put it on their next agenda then he would not have a problem with it.

Mayor Sawnick told Mr. Heady that he can talk about anything under his matters, but also agreed that it would be nice to have some backup material. He told Mr. Heady to feel free to bring that item up under his matters.

Mr. White made a motion to adopt the agenda as amended. Mr. Daige seconded the motion and it passed unanimously.

## **B. Proclamations**

**1. Motorcycle Safety Awareness Month – March 2010**

**2. Black History Month – February 2010**

Mayor Sawnick read a presented both proclamations.

## **C. Public Comment**

Mr. Heady stated that at the last Council meeting, without notice to the Council the Mayor changed the way public input was handled. The Mayor gaveled down both citizens and Councilmembers who tried to respond. He asked the Mayor to return to the old method in which citizens were allowed to speak and they were allowed to say whatever they wanted. He also asked that the Council be allowed to respond to the citizens.

Mayor Sawnick stated that if Council wants to overrule the policy that he has set they can do that. He feels that under Public Comments that Council should not interrupt. He said that they should hold their remarks until the end of Public Comments.

Mr. Heady made it clear that he was not asking to interrupt a speaker. He was asking to respond to a speaker. If the Mayor is not going to allow that then he challenge his ruling and ask for a vote of the Council.

Mayor Sawnick stated that his ruling is to have a productive meeting. If Council feels that their comments can be brief then he would not have a problem. However, when it becomes the Council talking more than the public then he has some concerns. He is doing what he thinks is best to run a proper meeting and he wants to hear from the public. He said personally if he has any concerns then he will address them at the end of the Public Comments. He said that Council is welcome to ask him for permission to speak during Public Comments.

**1. Mrs. Helene Caseltine, Economic Development Director, to give a status report on Enterprise Zone activities**

Mrs. Helene Caseltine, Economic Development Director, was at tonight's meeting along with Mr. Rick Lane, who is the Chairman of the Economic Development Council.

Mr. Rick Lane, Chairman of the Economic Development Council, reported that the enterprise zone had a good year last year despite the economy. He said that there were a number of companies and private residents who benefited from the enterprise zone. He said that there were approximately 42 requests processed. He noted that they have two new members serving on the Economic Development Council and there is one vacancy on the Council. He said that in the last four years since the Economic Development Council was established there have been 204 jobs provided in the City.

Mr. Heady referred to the backup material that was provided and noted that one of their action items stated reducing or making more flexible a regulatory burden. He asked Mr. Lane if he would provide a list of these things to City Council. He said that there was also a request in the backup material for the City to redefine mixed use. He asked Mr. Lane to get some documentation identifying what changes that he would like made. Also, in the backup material one of their objectives was to publicize and make awareness opportunities known in the Enterprise Zone. He said if they have something that they would like to put on Channel 13, they could get approval from Council to do that and the Clerk will make sure that it airs on Channel 13.

Mr. Lane said that he would provide the information requested by Mr. Heady and that he would like to see more involvement from the Council.

## **2. Mr. David Gregg and Mr. John Little to speak about a Vero Beach Electric Utility Proposal**

Mr. John Little went over his background. He was the City Manager and Director of Utilities for the City of Vero Beach from 1973 to 1991 and is presently a customer of FP&L. He spent five years in the Navy and then went to the University of Florida and graduated in Electrical Engineering. He spent 18 years of his career life with FP&L. He then was offered a job in Vero Beach in 1973, which were the best 18 years of his life. He has watched every City Council meeting since he retired from the City. He said that it pains him to see the community split like it is. He said that he and Mr. Gregg were here tonight to make an offer to Council that he thinks will help quiet things down.

Mr. David Gregg went over his background. In 1975 he was appointed by the Council to serve as Mayor and at that same meeting the City Clerk, City Manager and City Attorney resigned. At their next City Council meeting he asked for permission to hire an executive search firm to find a new City Manager. He said that John Little is a result of the search, which he thinks is the best thing that ever happened to the City of Vero Beach. When Mr. Little first arrived he knew that the one problem that Vero Beach had was the electric system. At that time he talked to Mr. Little about the alternatives that they had and then told Council what they thought should be done. They (Mr. Gregg and Mr. Little) were given permission to go to FP&L and negotiate a contract at market value. So they negotiated with FP&L and ironed out the basic structure of what they needed. The contract was signed, sealed, and delivered in March 1977. There was a problem because it required the approval of the Federal Energy Regulatory Commission (FERC). He said FERC had to sign off on it and they wouldn't until one paragraph was added to the

agreement. He said that FP&L refused to put that clause in the contract so the contract fell through and was never completed.

Mr. Gregg commented that the City Council entered into a contract with FMPA and then they had to get out of it. Now, Council has negotiated a contract with OUC, which is where they are today. They are at a rate of 33% higher than FP&L. He reiterated that the public on City utilities is paying 33% more than FP&L customers. He said they (Mr. Gregg and Mr. Little) are willing to negotiate with FP&L, as the City representatives, the parameters of a contract with the City & FP&L to sell their utilities to FP&L. They would do this at no charge and feel that they could bring something back to Council within three months. He felt that this is something that would be in the public's interest and costs the City nothing. He expressed that there were no guarantees. He requested that this item be placed on their Council agenda to either vote it up or down on whether Council wants them to pursue it or not.

Mayor Sawnick thought that their proposal might be a little premature. He said that they should probably wait until after the March Utilities Commission meeting where different utility providers have been invited to come and speak.

Mr. Gregg asked Council again to put them on their next Council agenda.

Mr. Little again commented that he watches all of their Council meetings. At one Council meeting it was said that in order to sell the Power Plant that it had to be put out to auction. He said that was not true. He also heard that in order to sell it, it would need to go out to bid. That also is not true. He said that they didn't go out to bid before and they don't need to do it now. He said FP&L owns most of the transmission lines along the East Coast so they are not wasting their time in discussing this with FP&L. However, they are making a mistake to have their Utilities Commission negotiate a contract with a power provider. The reason that they (Mr. Little and Mr. Gregg) are agreeing to do this is because they have done it before. What they would do is take a draft contract to the Utilities Commission for their review and then to City Council for final approval. He said that there are some things that they need from Council. One of the things is that they all agree that FP&L would have to agree that their rates charged would be the same rate that they charge all their general customers and not a special rate to the City of Vero Beach. As far as he is concerned, if they don't agree to that then the deal would be over. Also, he feels that FP&L would have to agree to hire all of the City electric employees.

Mayor Sawnick thanked both Mr. Gregg and Mr. Little for their comments.

Mr. Heady referred to Mr. Gregg's comment that he made about St. Lucie selling their power at the original price. He asked if that had something to do with their base load they needed to sell their power. He said that they were going to sell Vero Beach power from the nuclear plant at original cost. Mr. Gregg stopped Mr. Heady and rephrased what he had said earlier in the meeting. He said that FERC stated the only way that they would approve the contract was if FP&L would sell from the Nuclear Power Plant the

equivalent energy of the City of Vero Beach, which was approximately 117 megawatts at their original cost to the municipal group.

Mr. Little added that one problem the municipal electric system was having in those days was that Vero Beach was an island and they had no connection with the outside world. He said that FP&L would not sell St. Lucie ownership rights to anyone.

Mr. Heady wanted to see this proposal added to their next agenda. He said that it can be put on the agenda any place, and under his matters would be fine. He made a motion that the City Council consider Mr. Gregg and Mr. Little's proposal with the understanding that there is no exclusivity, that they can run parallel roads. He thought that their proposal was a good one and he would like to entertain it. Again he reiterated, that he wanted it to be understood that there is no exclusivity with their proposal.

Mayor Sawnick thanked both gentleman and said that they would be in touch.

Mr. Gregg wanted it made clear that at their next meeting they would like to have the proposal voted up or down because they can't have this go on forever.

Dr. Pat Lyon commented that he was glad to see his opponents (referring to Mr. Gregg and Mr. Little) in the last attempt to sell the Vero Beach utility system. He was the City Manager for the City of Vero Beach in 1958. When the issue came up to sell the utilities he was opposed to it. He became an intervener for the FERC against selling the system. One of the major reasons he did that was because it seemed to him that what FP&L was offering for the system could not begin to match what was going to be paid into the General Fund by the utility system over the years. He said that now depending on what they might receive as an offer from FP&L or any bidder he would probably feel the same way.

Mr. Tom Nason went over his resume and stated that he was hired by John Little in 1973 as the Finance Director. He said that it took him six months to come up with the price that they negotiated with FP&L and that was approximately \$46 million dollars. It gave the City enough money to meet all of the outstanding electric system bonds at that time. He said that these bonds were solely the City of Vero Beach and this was part of the agreement. He said selling the utilities this time would be far more complex then it would have been in the 1970's. He said not only do they have their own bonds, but they have bonds that are tied up with FMPA. He explained that with bonds, when you issue them, the City looks at them and all the outstanding debt service and then looks at the payments for each of the bonds and try to make those payments level. He explained that FMPA could not issue those bonds, but they issued them under the authority of all of the municipalities that came and made up that group. They have a right to do that because they have a fixed percentage interest in St. Lucie I, St. Lucie II, and Stanton. With these bonds the only way he could see them doing anything is with some sort of repurchase offer. He didn't think FMPA would do that, but it is a possibility. He said that when they are in this type of situation, with these different classes of bonds, that this is a significant problem. He is not saying it is impossible, but he expressed that these bonds

do not belong to the City; they belong and are controlled by FMPA. There is approximately 60 million dollars outstanding in bonds and in addition to that the other bonds that they have are outstanding. He did feel that they could work with OUC if they tried to sell the utilities. He noted that there is a function in all contracts called "compliance." He has heard enough about the \$50 million dollar penalty clause. He said that is a low number and the other way this could have been done is by "stranded assets." He said that they probably already have stranded assets incurred by OUC. It is important that they look at these things when considering selling the utilities. He said it will take at least six months to come up with the price of what the utilities is worth if this is done correctly and they want to make sure that you get what the system is worth.

Mr. Daige thanked Mr. Gregg, Mr. Little, Mr. Lyon, and Mr. Nason for all of their comments on this matter.

Mayor Sawnick asked Council to hold their comments until the end of Public Comments so that everyone has a chance to speak.

Mr. Charlie Wilson introduced Ms. Elizabeth Brooker. He said that Ms. Brooker is the attorney that will be handling the ballot referendum, providing that they are not able to find any other alternatives and the people themselves are going to have to do this on their own.

Ms. Elizabeth Brooker, Attorney, 2145 14<sup>th</sup> Avenue, stated that she has been retained to assist in trying to work together with the City to see what can be done regarding a Charter amendment.

Mr. Wilson continued by saying that the City Clerk and the City Attorney are responsible according to the Supervisor of Elections, for the operation of a referendum voter initiative. He understands that they need to have the petition language and they need to have the legal description written. Ms. Brooker will work with the City Clerk and the City Attorney to make sure that it meets all the necessary requirements. He wanted to give some information about the referendum. He said it is too bad that the referendum may be needed, but it is due to a lack of confidence in the officials of Vero Beach. It is unfortunate that they have come to this point, but it is the will of the people and they are the ultimate deciders. He said another way to do this is the City Council could put on a referendum that is non-binding. The referendum that they (the public) plan to put on the ballot is a binding referendum. He said for those Councilmembers who want to defend the City's position, this referendum would give them that opportunity. He said right now there are four reasons why the City of Vero Beach has high electric rates. They are Tom White, Sabe Abell, James Gabbard and Charlie Vitunac. He said that the public itself was going to have to solve this problem.

Mrs. Loretto Murphy, 27 Seagull Place, mentioned that yesterday she called the utility company after getting a reminder notice after she had paid her bill in person two to three weeks earlier. She was wondering what was wrong with the City's bookkeeping. She asked the ladies at the cashier office about this and they told her that they only accept

money at the window and are not allowed to tell someone if there is a late charge. She did not understand that. She added all her bills from 2009, which amounted to \$7,975.15 for power (total bill) and now for just two months the total amount that she has paid for her utility bills (including garbage and water and sewer) for 2010 is \$1,268.25. She said something is very wrong.

Mr. Robert Walsh, Indian Creek Blvd, stated that what the Mayor did at the last meeting was not right. He said that the Mayor silenced another Councilmember. He explained that the Chair's duty is to preserve order not to severance rights of a member to be heard. He said that it is too bad that they do not know what they can or cannot do considering democracy.

Mr. Joseph Guffanti asked the Mayor if they still had on the books a rule that there is a three minute time limit.

Mayor Sawnick answered yes.

Mr. Guffanti said that he came to tonight's meeting to talk about the Police Department drawing blood from people suspected of driving while intoxicated. Mayor Sawnick told him that issue has not been voted on. Mr. Guffanti continued by saying that he finds it preposterous that this method would be used. He has two main objections to this procedure being used. He said the first one is what are they going to do when someone alleges they became infected with AIDS or some other illness and the second thing is how are they going to test a person who refuses to give blood or someone does and it shows that there is no alcohol content in their body. What do you do then apologize to them. His point is that you cannot force someone to give their blood because you suspect they may be drinking.

Mr. J. Rock Tonkel, commented that it was determined at their last meeting there was no reaffirmation of a vote taken at a prior Council meeting on the contract with OUC. He remembers the City Attorney asking for one and that Councilmember Heady said he was not going to vote on a revised contract with only having been given ten minutes to review it. He felt that the City Attorney reversed his opinion because there is no legal contract with OUC. He agreed with allowing Mr. Little and Mr. Gregg to negotiate with FP&L without having concerns of the \$50 million dollar penalty. He still wanted to know why the City Attorney reversed his decision. He said that 22,000 ratepayers have and continue to support the transfer. He suggested to Council that they embrace some of the ideas as mentioned by Mr. Warren Winchester in his column that appeared in the newspaper a couple of weeks ago.

Mr. Jack Sturgis, 995 33<sup>rd</sup> Avenue, brought up the sign Ordinance and asked who keeps making these changes to the sign Ordinance and where are these rules coming from. He felt that they needed to be less restrictive.

Mayor Sawnick asked Mr. Sturgis to show staff what he is talking about and they can answer his questions.

Mr. James Gabbard, City Manager, added that the reason for changing the sign Ordinance is because they were acting on a lot of complaints that they have received about signs. They are trying to have a balance of where people who want to advertise their events are allowed and also have a method in cases where more than the required number of signs the requester is granted permission. He asked Mr. Sturgis to meet with him on this matter.

Mr. Jason Calusen (spelling may not be correct), 1406 35<sup>th</sup> Avenue, commented that what he sees as he travels through different communities is clean cities and what he sees in Vero Beach is a lot of foreclosures and economic conditions affecting the City. He said a good economy is when money is flowing. He said that if they continue to put regulations on business owners then they are stifling the economy. He said that this is a disturbing trend that he sees in Vero Beach.

Mr. John Little spoke about the OUC contract. He knows the founders of that organization personally and said that when you are dealing with them that you are dealing with reputable people. However, he has a few problems with the contract itself. He has not read the contract and most of this has been given to him second hand. The penalty clause of cash money is a figment of someone's imagination. The proper way to do that is to put in place of the penalty clause, a clause that discusses stranded costs. He said that you can define stranded costs as those costs directly incurred by either party according to contract, not including administrative costs. The other thing he had heard is that there is four percent built in escalation in the contract for the next seven years. He asked Mr. Gabbard if that is true.

Mr. Gabbard told him that was close.

Mr. Little said what that says to him is that seven years from now, four percent compounded is well over 30% and that you are going to be paying more than you pay now. He felt that clause needed to come out of the contract.

Mr. Tom Nason requested to speak again. He said one of the things that you hear is an eight-million dollar transfer to the General Fund. He explained that is made up of two things. It is made up of a rate return on equity for the electric system and the balance of that is the amount that they put in the General Fund for administrative charges to work the electric system. These costs are allocated out. Every year their Auditors test these allocations to make sure that they are correct.

#### **D. Adoption of Consent Agenda**

- 1. Regular City Council Minutes – February 2, 2010**
- 2. SR A1A Median Construction and Landscape Improvements – Change Order No. 1**
- 3. Monthly Capital Projects Status Reports**
- 4. City Marina South Complex Office Space Lease**
- 5. Advanced Institute for Elected Municipal Official**

Mr. White made a motion to adopt the consent agenda. Mr. Abell seconded the motion.

Mr. Daige pulled item 2D-4) off of the consent agenda.

Mayor Sawnick called for the vote. He said that there has been a motion made that has been seconded. At the same time, Mr. Heady informed the Mayor that he had some items that he wanted to pull from the consent agenda.

Mr. Heady pulled items 2D-2), 2D-3), and 2D- 5) off of the consent agenda.

Mayor Sawnick told Mr. Heady that they were already in the middle of voting. He asked for all those in favor of the motion. Mr. Heady was trying to get the Mayor's attention. Mayor Sawnick said that the motion passed 4-0.

Mr. Heady expressed to the Mayor that under discussion he wanted to pull items 2D-2), 2D-3), and 2D-5) off of the consent agenda. He told the Mayor that he was allowed some discussion.

Mayor Sawnick told Mr. Heady that he was and when he said any further discussion that no one said anything and he continued with the vote.

Mr. Heady told the Mayor that he thought when he said further discussion, he started to say the items that he wanted pulled from the consent agenda and he still wants them pulled.

Mr. Vitunac told the Mayor that since their Code allows any one Councilmember to pull an item without a second, he would recommend that those items that Mr. Heady requested be pulled.

Mayor Sawnick said okay and asked if there will need to be a re-vote taken.

Mr. White amended his motion to adopt the consent agenda consisting of item 2D-1). Mr. Abell amended his second and the motion passed 4-0.

At 7:43 p.m., Council took a ten-minute break.

### **3. PUBLIC HEARINGS**

#### **A) Historic Designation of a Single Family Property located at 2425 15<sup>th</sup> Avenue**

Mayor Sawnick announced that this was a Quasi-Judicial hearing and he would be following the proceedings that they need to follow for a Quasi-Judicial hearing. He read the title of the case that they would be discussing. He disclosed that he spoke to the applicant, Mr. Chris Runge, when he was interviewing him for a position on the Tree and

Beautification Commission. At that time, Mr. Runge informed him that this case would be coming before Council. Mayor Sawnick mentioned that he is familiar with the property because at one time he lived next door to it.

The Clerk swore enmasse all witnesses testifying at tonight's meeting.

Mayor Sawnick explained that the City Clerk would have custody of all exhibits presented tonight and she will keep them for 30 days or until the time for appeal has expired.

Mr. Tim McGarry, Planning and Development Director, reported that this property is located at 2425 15<sup>th</sup> Avenue, in Original Town and if approved by Council tonight would be their first piece of property approved under the historic designation. He then showed on the doc cam what the house looks like from the street. The Historic Preservation Commission has reviewed the request to designate the property as historic and made a finding that the property is consistent with the historic designation criteria of Section 76.21 of the Code and unanimously recommended approval. Staff recommends that the City Council find that the property meets the designation criteria of Section 76.21(a)(3) of the Code and adopts the attached Resolution approving the request to designate 2425 15<sup>th</sup> Avenue as a historic site for inclusion in the City of Vero Beach Register of Historic Places.

Mr. Chris Runge, who had been sworn in, presented Exhibit A, which is a letter from the Indian River Historical Society who are supporting that his request be approved.

Mayor Sawnick opened and closed the public hearing at 8:01 p.m., with no one wishing to be heard.

Mr. Daige made a motion to approve the historic designation of a single family property located at 2425 15<sup>th</sup> Avenue, Vero Beach, Florida, as a historic site pursuant to Section 72.21 of the Vero Beach Code. Mr. White seconded the motion and it passed 5-0 with Mr. Daige voting yes, Mr. Heady yes, Mr. White yes, Mr. Abell yes, and Mayor Sawnick yes.

#### **4. RESOLUTIONS FOR ADOPTION WITHOUT PUBLIC HEARING**

None

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

- A) An Ordinance of the City of Vero Beach, Florida, amending Chapter 30 of the Code of the City of Vero Beach regarding Elections; specifying the eligibility and qualification requirements for Election to the Office of City Councilmember; providing the Time and Manner for Qualifying for Election; specifying the Qualifying Fee and Qualifying Papers required;**

**providing for the form of Ballot; providing Procedures when a Candidate is found ineligible, withdraws, is removed, or dies before Election; providing Procedures for an Uncontested or Vacant Office after qualifying ends; providing Procedures for Deemed Vacancies in the Office of Councilmember in certain cases; providing for Election Precincts and Voting by Precinct; providing for Enforcement and Severability; and providing for an Effective date.**

Mayor Sawnick read the Ordinance by title only.

Mrs. Peggy Lyon, Assistant City Attorney, stated that she has worked very hard with Mrs. Vock in preparing this Ordinance. The Ordinance includes the eligibility and qualifying requirements and provides a list of forms necessary to the City election process. One of the forms included is a "Notice of Candidacy and Affidavit of Candidate" that will serve to protect the public interest and the integrity of City elections. She recommended that Council approve the Ordinance on first reading and set the public hearing for March 2<sup>nd</sup>.

Mr. White asked what if a candidate is arrested or found to be a convicted felon prior to qualifying.

Mrs. Lyon said that the Clerk would automatically disqualify the candidate.

Mr. Abell asked if you must be a qualified elector for a year. Mrs. Lyon said that someone must be qualified elector and resident for a year.

Mr. Heady referred to Section 30-3 where it discusses paying a qualifying fee. He has a real concern in a free society it seems to him that anyone that wants to bear the burden of this kind of a job should not have to pay for it. He does not think that there should be a qualifying fee to qualify to put in the hours and work that Councilmembers put in. The second thing that he sees in the Ordinance is that to qualify you have to be at least 18 years old at the last day of the qualifying period and be a registered elector. He said there is no way that someone whose birthday is on the last day of qualifying would be a qualified elector. Mrs. Lyon agreed with that and said that she would change the wording to say at least 18 years old by the end of the qualifying period.

Mrs. Lyon referred to the qualifying fee and explained to Mr. Heady that there were two fees. There is the \$50.00 qualifying fee that the City charges and there is the State Election Assessment fee that is equal to one-percent of the annual salary of what a Councilmember is paid. She said that the State fee is a statutory requirement.

Mr. Heady expressed that he does not pay a qualifying fee because he feels that it is an undue burden and believes that it is an undue burden to charge someone to do this job. He told Mrs. Lyon that the change for the wording of the 18 year old elector also needs to be changed in the Candidacy form.

Mr. Heady then brought up Section 30-6 where it states that a person shall not be qualified as a candidate for election if the City Clerk finds that certain qualifications have not been met. He did not want to put the City Clerk in a position as being the gate keeper. Council agreed that the wording should be changed to read "A person shall not be qualified as a candidate for election if the City Clerk, with the approval of the City Canvassing Board, finds that certain qualifications that are listed in the paragraph have not been met.

Mayor Sawnick made a motion to approve the Ordinance on first reading with the revisions made and set the public hearing for March 2, 2010. Mr. White seconded the motion and it passed 5-0 with Mr. Daige voting yes, Mr. Heady yes, Mr. White yes, Mr. Abell and Mayor Sawnick yes.

## **6. CITY CLERK'S MATTERS**

### **A) Appointments to Commission/Boards**

#### **Code Enforcement Board**

Ms. Liz Sherman sits on the Code Enforcement Board as a full member. She respectively requests to become an alternate member on the Board and asks that Council move the alternate member who is Donald McCall up to her position as a full member.

Mr. White made a motion to move Mr. McCall up to a full member and that Ms. Sherman will now be the alternate member on the Code Enforcement Board. Mr. Abell seconded the motion and it passed unanimously.

#### **Finance Commission**

There is an alternate position open on the Finance Commission. Applications on file include Ms. Laura Torres, Mr. Peter Gorry, Mr. Rhett Wilson and Mr. Richard Winger.

Mayor Sawnick disclosed that Ms. Torres was his girlfriend and if it comes to a vote he will abstain from voting on her appointment to the Finance Commission.

Mr. Daige nominated Ms. Laura Torres.

Mr. Abell nominated Mr. Richard Winger.

The nominations were closed.

Mr. White made a motion to appoint Mr. Winger to the Finance Commission. Mr. Abell seconded the motion and it passed 4-1 with Mr. Daige voting no.

#### **Fire Pension Board**

There is an opening for a member on the Fire Pension Board. The one application on file is from Mr. Thomas Hurley.

Mr. Abell made a motion to appoint Mr. Thomas Hurley to the Fire Pension Board. Mr. Daige seconded the motion and it passed unanimously.

### **Planning and Zoning Board**

There is an alternate position open on the Planning and Zoning Board. Also, Mrs. Connie Pease's term is up for reappointment. If she is not reappointed then there would be two alternate positions open on the Board. The memo that lists the applications on file that be obtained in the City Clerk's office.

Mr. White nominated Mr. Craig Fletcher for 1<sup>st</sup> alternate and Mr. Peter Jones for second alternate.

Mayor Sawnick nominated Mr. Brian Curley for one of the alternate positions.

Mr. Daige nominated Mr. Dennis Webb for one of the alternate positions.

The nominations were closed.

Mayor Sawnick made a motion to appoint Mr. Peter Jones for alternate #1 and Mr. Craig Fletcher for alternate #2. Mr. Abell seconded the motion and the motion passed 4-1 with Mr. Heady voting no.

### **Tree and Beautification Commission**

There is an alternate position open on the Tree and Beautification Commission. There are two applications on file and they are from Mr. Chris Runge and Ms. Susan Viviano.

Mayor White nominated Mr. Chris Runge for the alternate member on the Tree and Beautification Commission. The nominations were closed.

Mayor Sawnick made a motion to appoint Mr. Runge to the Tree and Beautification Commission. Mr. White seconded the motion and it passed unanimously.

### **Historic Preservation Commission**

There is an alternate position open on the Historic Preservation Commission. There is one application on file and it is from Ms. Susan Viviano.

Mayor Sawnick made a motion to appoint Ms. Susan Viviano as the alternate member on the Tree and Beautification Commission. Mr. Abell seconded the motion and it passed unanimously.

**B) Meeting with the School Board**

Mrs. Vock reported that she received a phone call from Ms. Judy Stang, who works for the Indian River County School Board and who informed her that the School Board is interested in meeting with all of the municipalities to discuss some ideas of where they are today and where they plan on going. She said that it would be an open meeting, but very informal and not televised. The dates given for the meeting would be either on June 10, 2010 or September 30, 2010.

Council had no problems with meeting with the School Board. They said they would decide on what date to meet with them when it got closer.

Mr. Heady voiced his concern that he would like the meeting to be televised.

**C) Letter – Question from Audience re OUC Contract**

Mrs. Vock read into the record a letter sent by Mr. Daige to Mr. David Gregg concerning a question that he asked about the OUC Contract (please see attached).

**7. CITY MANAGER'S MATTERS**

**A) Unit 5 Combustion Turbine Parts**

Mr. Jim Stevens, Director of Power Resources, reported that Unit 5 combustion turbine was forced out of service do to combustion issues that occurred on September 21, 2009. A GE Power Services field engineer and a crew of GE mechanics were mobilized to assist them in the repair of Unit 5 combustion turbine. Do to the severity of the damage they performed a combustion inspection. The combustion inspection was scheduled for the FY 2011 budget year and was estimated at \$1,200,000.00. The cost of GE support for the forced outage with combustion inspection was \$190,000.00 with parts not included in the repair. The parts that were removed from inventory reflect a cost of \$257,610.07. The parts were not replaced in inventory upon completion of the repair. The emergency repair was completed in October of 2009. It is the request of staff that they remove the estimated \$1,200,000.00 from the FY 2011 budget year for the no longer needed combustion inspection and request authorization to replace the inventoried parts at a cost not to exceed \$300,000.00.

Mr. Abell made a motion to approve the request. Mr. White seconded the motion and it passed unanimously.

**B) Vision Implementation Plan Program Update**

Mr. McGarry commented that he is moving forward with the Storm Water Management Ordinance, which he will be taking to the Planning and Zoning Board in the near future.

Mayor Sawnick mentioned that he spoke to Mrs. Linda Hillman, President of the Original Town Neighborhood Association, and told her that they (City Council) would be having a workshop with the people involved in downtown as well as the two downtown neighborhoods. He anticipated having that workshop sometime in March.

**C) Briefing by John Lee, Acting Utilities Director, to discuss two electric matters**

Mr. Heady asked Mr. Lee if the ladies that work in the Utilities Department are restricted from telling a customer about their bill.

Mr. Lee explained that the cashiers just handle payments. They do not know a lot about someone's bill. If a customer has a question, then they should talk to a customer representative in Customer Service. He said that he would look at the usage that Mrs. Murphy has used.

Mr. Lee continued by saying that the most asked questions today from his utility customers are why their bill has not gone down and what is bulk power cost. He went over the Electric Rate Comparison, Explanation of the Bulk Power Cost Explanation and Weather Data from January (please see attached).

Mayor Sawnick suggested changing the bill so it can be easier to read.

Mr. Lee recalled that a couple of years ago, Tallahassee went to a very detailed billing system and their customers said that they didn't like it. He said one problem that you have is the more services you offer could lead to having a two to three page bill. He also mentioned that it was another expense to change the way that their bill looks. He felt that this was something that should be discussed at budget time.

Mr. Daige liked the idea of having the electric bill by itself (not included with the water and sewer and garbage bill). He said separate the water and sewer bill, and the garbage bill and put them on another bill, but to save postage send out all the bills in the same envelope.

Mr. Lee commented that the problem that they would start having is that people will now have two bills so they will be paying with two different checks and it will also double the printing cost. He would rather almost go with having a detailed billing system then doing it that way.

Mr. Daige reiterated that he would like to see the bills separate.

Mr. Lee said that he would look into it.

Mr. Heady asked Mr. Lee to put the first slide that he showed back on the doc cam. He said that if you look at the 2009/2010 comparison of the charges to customers it went up by 74 cents. He said if you look at the energy charge per kWh it went down. He said if

they lower the energy charge it is going to change the ratio between the energy and bulk power.

Mr. White commented that the City is going to have to do something with their rates. Council needs to revisit their rates so they can become more compatible with other electric companies. They also need to be more proactive.

Mr. Daige agreed with Mr. White's comments. He said that as City Councilmembers they are getting beat up over the electric rates. The ratepayers know that the buck stops here and they want some relief. He felt that now was the time to either reduce the rates or do something else. We need to show that we are actually doing something. He put this challenge out to the City Manager.

Mayor Sawnick reminded everyone that soon they will be getting an update on how many electric providers are interested in taking over their utilities. He said that this would take place at the March Utilities Commission meeting.

Mr. Lee reported that he mailed out seven letters and has had two responses. He received one from FP&L who asked for additional information, which was sent to them and also he has heard from Tampa Electric who said that they may or may not come to the meeting.

Mr. Abell commented that it is important that everyone understands that they probably won't see the full effect of the rate reductions in their utility bills until their March or April bill. He urged everyone to be patient and see what the bill will be when they are not bombarded by this unusual cold weather.

Mr. Heady agreed with Mr. White that they needed to do something with the rates. He said that there have been some comments about transferring money to the General Fund and that needs to be looked at. He does not dispute that there was cold weather; however the real problem that they face is for a very long time they have told their customers that the rates are going to be equal to or lower than FP&L rates. He has heard this repeated by Councilmembers and City staff many times. Now it is February and their rates are not equal to or lower than FP&L rates, in fact they are 35% more. He said that he waited until January and when the rates didn't come down and Mr. Heran's predictions seemed to come true one of the things that he wanted to do was go back and look at the rates that they agreed to in 2007. The way that he can do that is look at the contract that was on the table in 2007 and as of last Friday the City Attorney told him that he would have the document returned to the City by their consultant. At the County Commission meeting this morning the City Manager stated that he (Mr. Heady) has that contract and has had it. He said that he has not seen the contract that Council reviewed on April 7<sup>th</sup>. He has seen a lot of different versions of the contract, but not that one. He has seen a document that consisted of approximately 400 different emails noting different changes to the document and Council was never told of those changes. He said that this was still an issue with him and will remain an issue with him until he sees the document that was on the table on April 7<sup>th</sup>. As of right now, he is having a tough time believing anything that is being told

to him by the City Manager or the City Attorney. He brought up the \$50 million dollar penalty clause that is in the contract and said to date no one has been able to tell him who put this clause in the contract.

Mayor Sawnick told Mr. Heady that right now they are talking about the power cost adjustment and rebates. He asked Mr. Heady to continue what he was discussing under his matters.

Mr. Lee refreshed everyone's memory on why they are going to be able to give a rebate to their utility customers. He said when they were in the contract with FMPA they had a lot of gas contracts and they made some settlements and one of those settlements was to return to the All Requirements Project a sum of money. The City is entitled to a sum of this money based on their participation with the All Requirements Project. The question now is how the money is returned to their customers. He said that there are a couple of ways to do this. They could have a one time reduction on the bulk power cost by \$15.00 per 1,000 kWh and give this back in April. Or they could spread it out between April and October so that through the whole summer everyone's bills would go down slightly. He said if the customers are given a one time \$15.00 reduction then the customer may tend to see that as something they want to see every month. If the money was spread out from April through October it would stay level. His preference would be to spread it out.

Mayor Sawnick requested seeing both examples in a spread sheet.

Mr. Daige asked Mr. Lee when he plans to have this occur. Mr. Lee said that he could probably have it in place by April 1<sup>st</sup>. Mr. Daige asked him if that was the best that he could do. Mr. Lee said that he could probably have it done by March 1<sup>st</sup>. Mr. Daige told him that he wanted it done by March 1<sup>st</sup>.

Mr. Heady wanted to have a one time reduction done as soon as Mr. Lee can get it done.

Mr. Lee said there is a good chance that they will be able do a reduction in April anyway. So they could have one reduction done in March and then another one in April.

Mr. Heady asked Mr. Lee if what he was hearing from him was that it was easier for him to make the calculations and do this over a six month period of time. Mr. Lee gave him an approximate dollar amount that it would cost staff to do it. The cost was not very much. Mr. Heady then said do it in March for one time.

Mr. Daige made a motion that the consensus of Council is to start on March 1<sup>st</sup> and do the phasing in as described by Mr. John Lee. Mr. Abell seconded the motion.

Mr. Heady amended the motion to only one time. The amendment died for lack of a second.

The motion passed 5-0.

**D) Item Pulled off of the Consent Agenda**  
**2D-2) SR A1A Median Construction and Landscape Improvements –**  
**Change Order No. 1**

Mr. Heady referred to the backup material where it says that there is no cost to the City for this change. He said that the change is for an increase of \$67,155.37 and the statement reads that there is no cost to the City taxpayers, which means it is coming from somewhere else. To say no cost to taxpayers is not accurate.

Mayor Sawnick made a motion to approve the change order of SR A1A Median Construction and Landscape Improvements. Mr. Abell seconded the motion and it passed unanimously.

Mayor White suggested that in the future that they put in the backup material that the money is not coming out of the budget.

**E) Item Pulled off of the consent agenda**  
**2D-3) Monthly Capital Projects Status Reports**

Mr. Heady explained that the reason that he pulled this item off of the consent agenda was because the numbering on the agenda was not correct. The Clerk said that she would make the necessary corrections.

Mr. Sawnick made a motion to approve the Monthly Capital Projects Status Reports. Mr. Abell seconded the motion and it passed unanimously.

**F) Item Pulled off of the consent agenda**  
**2D-4) City Marina South Complex Office Space Lease**

Mr. Daige asked if the reason that one individual was selected over the other individual was because of the credit score.

Mr. Tim Grabenbauer, Marina Director, answered no. He said both of the parties that applied to lease this office space are very capable and he needed some criteria to separate the two and that was one thing that he was looking at.

Mr. Daige explained that his point was if these different parties came in to lease the property were they told to win the lease that it would be based on their credit score.

Mr. Grabenbauer explained that he asked the interested parties to give him a proposal based on what would be the best interest for City residents.

Mr. Daige asked if the person that lost out on the lease was explained the criteria that was used.

Mr. Grabenbauer answered yes.

Mr. Daige felt that in the future if someone is going to win the lease it should be up front on how they are going to base their winnings such as credit scores if that is the criteria that is used. He then asked Mr. Grabenbauer to describe which building that this is. Mr. Grabenbauer briefly went over the location of the building where the office space will be leased.

Mr. Heady asked if they really needed all the backup material that they received for this item (around 100 pages of backup material).

Mr. Grabenbauer told him that will not happen again.

Mr. Daige made a motion that he supports voting for this request this time, however he directed the City Manager that when doing leases on City owned property that they come up with the criteria and make it part of the package. Mayor Sawnick seconded the motion.

Mr. Abell made an amendment to the motion that credit scores be a part of the program for the future.

Mr. Daige accepted the amendment to the motion. Mayor Sawnick seconded the amendment and the motion passed 5-0.

**G) Item Pulled off of the consent agenda  
2D-5) Advanced Institute for Elected Municipal Officials**

Mr. Heady wanted the public to know that he would be attending the Advanced Institute for Elected Municipal Officials to be held in Tampa, Florida.

Mayor Sawnick made a motion to approve the request. Mr. Abell seconded the motion and it passed unanimously.

**8. CITY ATTORNEY'S MATTERS**

None

**9. CITY COUNCIL MATTERS**

**A. Old Business**

**B. New Business**

**10. INDIVIDUAL COUNCILMEMBERS' MATTERS**

**A. Mayor Kevin Sawnick's Matters**

**1. Correspondence**

## **2. Committee Reports**

Mayor Sawnick expressed how happy he was that they proclaimed Black History Month.

Mayor Sawnick reported that on February 11, 2010, he attended the County Mayor's meeting that was held in Fellsmere. He also attended a Coffee with the Council and the second Mayor's beach cleanup. He will be attending the Indian River County Economic Summit where he will talk about their tax abatement program. He mentioned that after watching the County Commission meeting this morning, he is scheduling a meeting next week with all County Commissioners to discuss issues that they may have.

## **3. Comments**

### **B. Vice Mayor Sabin Abell's Matters**

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

Mr. Abell noted that at the last meeting all City Council items were deferred until this meeting because of their long Council meeting. His Committee reports from the last Council meeting up to now included a Finance Commission meeting that he attended and said that the attendance for that meeting was very low. He continued by saying that he attended the National League Crises Leadership Meeting for Local Officials, the Legislative Delegation meeting, interviewed candidates for City Commission/Board, and an MPO meeting. He also brought up the OUC contract and felt that it was a good faith contract.

## **3. Comments**

### **C. Councilmember Tom White's Matters**

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

Mr. White reported that he attended a Treasure Coast League of Cities meeting, he interviewed potential applicants for their different Commission/Boards, he flipped pancakes for the Treasure Coast Pilot Club, and he attended a Beach and Shore Preservation Commission meeting.

## **3. Comments**

### **D. Councilmember Brian Heady's Matters**

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

Mr. Heady commented that Mr. Abell said that all Councilmember's matters from the last meeting were not heard and postponed until the next Council meeting (which is tonight).

If they go back and look at the agenda from their last Council meeting, they will see that he (Mr. Heady) is the only Councilmember who had items listed on the agenda. He said one of the most important things that he had on the agenda was the OUC contract. He said that there were consultants sitting at the table, who were sworn under oath to tell the truth. Mayor Sawnick limited Council on what they could speak on concerning the OUC contract under the Attorney's Matters, which didn't bother him too much because he knew that he would be able to speak to it under his matters. He said of course that did not happen and the consultants are not here and item C) OUC Contract listed under his items tonight is pretty meaningless.

Mr. Heady brought up earlier that the Mayor said that he was upset and he didn't want to go into details. He said that if it is about something that he (Mr. Heady) said at the County Commission meeting this morning, then this would be the time to discuss those concerns.

**A) Trip report/request**

Mr. Heady reported that he recently attended a Florida League of Cities meeting in Gainesville, Florida. One of the topics that they kept discussing was openness and making sure that public records are kept and kept available for the public to see.

**B) Internet connection for meetings**

Mr. Heady mentioned that the last time they looked at this it was a costly item. He said that the City Clerk has been in contact with some people about doing this work. He requested from Council to be able to put in a not to exceed dollar figure and if they can get it done for something under this not to exceed number then they should put a live feed of these meetings on the internet so that those who don't have Comcast will be able to view their meetings over the internet.

Mr. Heady made a motion to proceed and give the City Clerk the authorization to have this done as long as it does not exceed \$2,500. Mayor Sawnick seconded the motion.

Mr. Daise liked this idea but wanted to see some figures. He said that they could come back at their next meeting and vote on it.

Mayor Sawnick said that the motion was to go forward and continue looking at other options.

Mr. Heady said that he would bring something back for their next meeting.

The motion passed 4-1 with Mr. White voting no.

**C) OUC Contract**

Mr. Heady stated that the last time he spoke with the City Attorney (Friday afternoon) he was told by the City Attorney that the actual document that was on the desk on April 7, 2008 was in the possession of the consultant who resided in Boston. He expressed that the document should not be in the possession of the consultant, it should be in the possession of the City Clerk who is the custodian of records.

Mr. Vitunac clarified that is not what he said to Mr. Heady. He said what he told Mr. Heady was that if the document was not here he would call the consultant and ask that she gets it here. He called the consultant, Sue Hersey, who told him that she did not have the document that when she was at their meeting two weeks ago she gave the document to the City Clerk. He asked Mrs. Hersey if she was sure about that and she said of course she was sure because Mrs. Vock had to make her a copy and her hand written notes did not appear on the copy that she received back from Mrs. Vock. She asked Mrs. Vock to handwrite her own notes on her copy so that she would have an accurate version of it. He then called Mrs. Vock and asked her if she actually has the document that was on the table. Mrs. Vock answered yes that she had it and has shown it to Mr. Heady.

Mr. Vitunac stated that for the life of him he did not know what Mr. Heady was playing. He has been shown the document and he questions their honesty.

Mr. Heady stated just to be sure what Mr. Vitunac is telling him is that the document that he now has a copy of, that has the consultants hand writing on the face of it and it says April 7, 2008, that is the document that was on the table on April 7, 2008, that the Councilmembers looked at and voted on.

Mr. Vitunac said yes as he (Mr. Heady) has been told for the last two weeks.

#### **D) Tallahassee/League of Cities**

Mr. Heady mentioned that at the end of March Legislative Action Day will take place in Tallahassee. He asked what the plans for Councilmembers are concerning this trip.

Mr. Gabbard explained that they rent a van and all go up to Tallahassee together. They stay at the Hampton Inn, which gives them very good room rates. They get up early the next morning and meet for breakfast at the Capitol and a number of speakers talk about what is going on in the session. After breakfast they have prearranged meetings with their Legislatures and Delegation leaders. Then they go back to the room, have some dinner and on the next morning they meet with whomever they were not able to meet with the day before and then they come back to Vero Beach.

#### **E) Brainstorming Session Report**

Mr. Heady reported that both the Utilities Commission and the Finance Commission recently met to hold brainstorming meetings.

#### **F) Presentation to be given by David Gregg**

This item was heard earlier in the meeting.

**G) Malfeasance, Misfeasance, Nonfeasance**

Mr. Heady explained the definitions of malfeasance, misfeasance and nonfeasance. He said that these are three words that people get confused. He said that there is an easy way to remember what they are. He said if you look at the first three letters that it will pretty much tell you the meaning of the words. He said that malfeasance means doing something illegal. He said misfeasance means a mistake and nonfeasance is that you didn't do anything at all. He was sure that the City Attorney has some thoughts on this.

**H) Changes in Matters by the Public**

Mr. Heady said that there was no reason to discuss this because Mayor Sawnick switched back to the way that he was first conducting their meetings and that is not limiting the public and Councilmembers from speaking.

**I) Mayor's Responsibilities Limitations**

Mayor Heady expressed that Councilmembers have a right to speak. He said apparently the Mayor did not think so at their last meeting, but this is something that they can work through.

**J) OUC Attorney's Report**

Mr. Heady commented that at the last meeting the Mayor limited what Councilmembers could discuss during that portion of the meeting. He said that basically they were limited to discussing the changes that were identified by the City Attorney. He reiterated again that at that meeting he was not allowed to discuss the items listed under his matters.

**E. Councilmember Ken Daige's Matters**

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

Mr. Daige brought up a brochure that he received concerning Harbor Branch Bio-Tech at a lecture given by Dr. Amy Wright. He said that there are grants out there for these things and money is available. He then went over his Committee report. He said that he was selected to serve as a new City Councilmember, he went to the 14<sup>th</sup> Avenue Gallery Opening, he attended the Pelican Audubon Film and Lecture on Treasure Hammock Ranch, he attended the Indian River County Commission meeting, the Vero Beach Utilities Commission meeting, the Vero Beach City Council meeting, the Vero Beach Finance Commission meeting, a Charity Event at McKee showcasing Suzanne Philips Photography, Legislation Delegation Day, a Vero Isles Town Hall meeting, he met with the Airport Director about aerial and ground Part 77 surveys, he attended the Consultant Competitive Act meeting, he met with the City Manager about parking and landscape

issues downtown, he interviewed Board/Commission Applicants, he attended the Vero Beach City Council meeting, he attended a Kickoff charity event for Road Rally for Sunup, he went to the Treasure Coast Council of Local Governments meeting, he attended a Wine and Chocolate Pairing downtown at Faith, Hope & Chocolate, he attended the Royal Palm Court Neighborhood Crime-Watch, a pre-Valentine Chocolate and tea tasting downtown at Tea & Chi and Faith, Hope and Chocolate, the Vero Beach Recreation Commission meeting, the Vero Beach Utility Commission meeting, the Taxpayer's Association lunch, Vero Beach downtown Dine & Design, he met with staff to get an update on the wrecker services and red light cameras, he attended Aviation Day and a segment of the Indian River County Commission meeting where Mr. Heady spoke and the Economic Development Council meeting.

\*Please note Mr. Daige's Committee Report is attached to the minutes.

### **3. Comments**

#### **11. ADJOURNMENT**

Mr. White made a motion to adjourn tonight's meeting at 10:03 p.m. Mr. Abell seconded the motion and it passed unanimously.

/tv

# City of Vero Beach

1053 - 20th PLACE - P.O. BOX 1389  
VERO BEACH, FLORIDA 32961-1389  
Telephone: (561) 978-4700 Fax: (561) 978-4790

OFFICE OF THE  
CITY COUNCIL

February 11, 2010

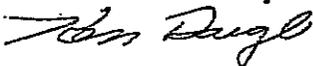
David Gregg  
1825 Mooringline Drive  
Vero Beach, FL 32963

Dear Mr. Gregg:

At the last City Council meeting you asked a question of Council regarding the OUC contract and its relationship to the charge for using FP&L's transmission lines. Because I feel that your question deserves an answer I have asked the City Attorney to respond in writing. His memorandum is attached.

I hope this satisfies your concern.

Sincerely,

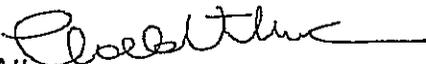


Ken Daige  
Councilmember



Office of the City Attorney

# MEMO

**To:** Mayor and Council   
**From:** Charles Vitunac, City Attorney  
**Subj:** Question from Audience re OUC Contract  
**Date:** February 10, 2010

Under Matters by the Public at the last City Council meeting a resident of the Moorings (David Gregg) asked whether the Council knew that by using OUC the City would have to pay FP&L some 3.4 million dollars a year for use of the FP&L power lines to get our electricity here. The implication of this question was that, if the City had chosen FP&L as its electricity partner rather than OUC, there would have been no cost for this service since FP&L owns the power lines which must be used. That implication is incorrect and Councilmember Daige has asked me to let the public know that by virtue of this memorandum.

Because of the anti-trust provisions of Federal law it was settled years ago by court action that FP&L had to charge all users of its power transmission system the same price for the same service. To put this order into effect FP&L had to, in effect, create two divisions of its company, one for the *production* of electricity, and the other for its *transmission*. The transmission side of FP&L was required to treat the production side of FP&L as if it were an independent company. Thus, the same formula to determine what cost would be charged to transmit OUC's power to Vero Beach would be used to determine what cost would be charged to transmit FP&L's power to Vero Beach.

In short, for the same service there would be the same charge, regardless of whether the production company is OUC or FP&L.

# Electric Rate Comparison

<u>Electric Rate 2009</u>	
Customer Charge	\$7.21
Energy Charge per kWh	0.0761
Fuel Cost Adjustment per kWh	0.0755
Average cost per kWh	0.0159

<u>Electric Rate 2010</u>	
Customer Charge	\$7.95
Energy Charge per kWh	
0 - 1,000 kWh	0.0440
Above 1,000 kWh	0.0690
Bulk Power Cost per kWh	0.0740
Average cost per kWh	
1,000 kWh	0.0126
2,000 kWh	0.0134

# Bulk Power Cost Explanation

Previously, the term “Power Cost or Fuel Cost Adjustment“ was printed on electric bills. The new term “Bulk Power Cost” includes all of the costs associated with the generation and transmission of electric power.

The Bulk Power Cost now includes:

- The cost of the power that the City receives from the St. Lucie Generating Plant – A nuclear plant, owned by Florida Power and Light
- The cost of the power that the City receives from the Stanton 1 and Stanton 2 Generating Plants – Two coal plants, owned by Orlando Utilities Commission.
- The cost of the fuel, either natural gas or oil, that is used to generate electric power at the City of Vero Beach Power Plant – The City has five generating units, located at the Power Plant next to the 17<sup>th</sup> Street Bridge.
- The cost of the power that the City receives over and above the sources shown above. – Supplemental power is provided by Orlando Utilities Commission based on the new contract that became effective on January 1, 2010.

The new term of Bulk Power Cost will normally represents about 60% of the total cost for the generation, transmission, distribution, metering and billing of the electric service that each customer receives. While this change may be a bit confusing at first, it is the most accurate way to display the real cost of providing electric service to our customers.

# Weather Data

January 2010

Date	<u>TEMPERATURE</u>			Rainfall
	Low	High	Dept	
1	47	68	- 5	0.15
2	39	59	- 14	0.00
3	34	53	- 19	0.00
4	33	58	-17	0.00
5	31	52	- 21	0.00
6	28	55	-21	0.00
7	29	60	- 19	0.00
8	32	73	- 11	0.00
9	32	50	- 22	0.28
10	31	49	- 23	0.00
11	32	59	- 17	0.00
12	31	61	- 17	0.00
13	33	53	- 15	0.00
14	45	70	- 5	0.00
15	49	76	- 1	0.00
16	66	76	+ 9	0.00
17	60	83	+ 9	0.07
18	51	72	- 1	0.00
19	44	70	- 6	0.00
20	45	73	- 4	0.00
21	55	84	+ 7	0.01
22	63	80	+ 9	0.25
23	54	75	+ 1	0.00
24	70	80	+ 12	0.00
25	47	76	- 1	0.18
26	44	71	- 5	0.00
27	39	67	- 10	0.00
28	44	72	- 5	0.00
29	49	75	- 1	0.00
30	59	83	+ 8	0.00
31	57	70	+ 1	0.00
	Low	High		0.94
	28	84		
	Average	Average		
	44	68		

# Weather Data

February 2010

Date	<u>TEMPERATURE</u>		Dept	Rainfall
	Low	High		
1	64	69	+ 3	0.29
2	61	78	+ 7	0.00
3	56	65	- 3	0.00
4	50	77	+ 1	0.00
5	66	79	+ 9	0.29
6	48	74	- 2	0.00
7	42	60	- 12	0.00
8	40	66	- 10	0.00
9	47	78	- 1	0.15
10	43	66	- 9	0.00
11	37	59	- 16	0.00
12	45	71	- 6	0.98
13	36	53	- 20	0.00
14	36	56	- 18	0.00
15	37	73	- 9	0.00
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				

Low High  
Average Average

1.71

Dept: means departure from the normal average temperature

Meetings, Seminars and Events Attended:

1-13-10 Harbor Branch Bio-Tech Lecture by Dr. Amy Wright

1-14-10 Vero Beach Councilmember Application Selection

1-15-10 14<sup>th</sup> Avenue Gallery Opening

1-18-10 Pelican Audubon: Film and lecture on  
Treasure Hammock Ranch

1-19-10 -Indian River County Commission Meeting  
-Vero Beach Utilities Commission Meeting  
-Vero Beach City Council Meeting

1-20-10 Vero Beach Finance Commission Meeting

1-21-10 Charity Event at McKee:  
showcasing Suzanne Philips Photography

1-26-10 Legislation Delegation Day at City Hall  
Vero Isles Town Hall Meeting-reuse water main

1-27-10 Met with Airport Director about Aerial and Ground  
Part 77 Surveys

1-28-10 -Consultants Competitive Negotiation Act Meeting  
Consultant selection process for various  
water issues  
-Met with City Manager about landscape  
and parking issues Downtown

1-29-10 Interviewed board and commission applicants

Submitted by Councilmember Ken Daige  
2-2-10

Meetings, Seminars and Events Attended:

- 2-2-10 -City Council Meeting  
-Kick-off Charity -VRRM- Road Rally for Sun-up
- 2-3-10 Treasure Coast Council of Local Governments  
in Fort Pierce.
- 2-4-10 -Wine and Chocolate Pairing Downtown at  
Faith, Hope & Chocolate  
-Royal Palm Court Neighborhood Crime-Watch.  
Officer Morrison attended
- 2-8-10 Pre-Valentine Chocolate & Tea Tasting Downtown  
at Tea & Chi and Faith, Hope and Chocolate
- 2-9-10 -Vero Beach Utilities Commission Meeting  
-Vero Beach Recreation Commission Meeting
- 2-10-10 -Tax Payers Association: Mayor Sawnick Spoke  
-Vero Beach Downtown Dine & Design: well attended
- 2-12-10 Met with City Manager Gabbard,  
City Attorney Vitunac and Police Chief Dappen  
for an update on wrecker services and  
red-light cameras. There is an audio recording  
and minutes on file.
- 2-13-10 Aviation Day
- 2-16-10 -Attended segment of Indian River County  
Commission meeting where Mr. Heady spoke  
-Economic Development Council

Submitted by Councilmember Ken Daige

2-16-10