

**SPECIAL CALL CITY COUNCIL MINUTES
TUESDAY, FEBRUARY 25, 2020 8:30 A.M.
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

PRESENT: Tony Young, Mayor; Laura Moss, Vice Mayor; Robbie Brackett, Councilmember; Joe Graves, Councilmember and Rey Neville, Councilmember **Also Present:** Monte Falls, City Manager; John Turner, City Attorney and Tammy Bursick, City Clerk

1. CALL TO ORDER

A) Pledge of Allegiance

Mayor Young called the meeting to order and Mr. Neville led the Council and audience in the Pledge of Allegiance.

B) Roll Call

The City Clerk performed the roll call.

2. ITEMS FOR DISCUSSION:

Mayor Young commented that this morning the City Council will have the opportunity to ask questions and spend some time on the items that are on the agenda where in a business City Council meeting they may not have the time to do that. He said that today they have an opportunity to look at these items and address them. The intent is to provide staff an opportunity to have some insight on their thinking and not so much to take action. This is just an opportunity to discuss these things. He hopes to have the meeting completed by 11:30 a.m. He doesn't want to spend more than an hour per item and maybe move faster than that. He said that they have a Steering Committee meeting scheduled for this afternoon and he wanted to provide a break in between the meetings. He then went over the items that they would be discussing this morning.

Mr. Graves asked if public comment would be allowed after each item. Mayor Young told him that is the intent.

A) Parking – Capital Improvements

Vice Mayor Moss suggested holding another meeting in the evening to discuss parking. She was happy to hear what the people attending today's meeting had to say, but would also like to give a chance to some of the restaurant owners, hotel owners, etc., who could not be at this morning's meeting because of their schedule. There have been some concerns expressed from the public about where these 79 spaces are going to go and will they be interfering in the community.

Mr. Monte Falls, City Manager, explained that the parking spaces are on the side streets in the beach business district. He said they are located on numerous streets.

Vice Mayor Moss asked about the area west of Cardinal Drive.

Mr. Matt Mitts, Public Works Director, showed on the map where the spaces will be located.

Mr. Falls added that there will be 29 spaces north of Beachland and the remainder of parking spaces are south of Beachland.

Vice Mayor Moss had some concerns with the spaces west on Cardinal Drive because Cardinal Drive is in the business district.

Mr. Mitts explained that 47 parking spaces are west of Cardinal Drive and if the parking spaces didn't go on Cardinal Drive, then there would only be 39 parking spaces.

Mayor Young had some concerns on how this was going to be funded.

Mr. Falls explained that he would be bringing the proposal to Council at their March 17th City Council meeting with the cost of the project that has been given to them by their consultant.

Mr. Graves recalled that the Council voted to move forward with the project and then discuss how they were going to fund it.

Mr. Neville understood that part of the design would not consist of a big street of pavement.

Mr. Falls explained that there will be permanent spaces that look like parking spaces. He will bring photos to show them what the parking spaces will look like.

Mr. Neville brought up Azalea Lane and asked if there would be angle parking there. He said they could certainly do something there before having asphalt to curb to sidewalk.

Mr. Falls said that they would be introducing parking spaces to a narrow right-of-way so there will not be much room for landscaping.

Mr. Neville was thinking about the actual surface itself.

Mr. Falls went over what the Code requires and that is that the spaces be paved.

Mayor Young asked for ideas on how to fund the project.

Mr. Falls explained that the cost for construction would be in the \$400,000 range, then the cost for the engineering and design would be around \$120,000, so they are looking at a cost of \$520,000 for the parking spaces.

Mayor Young commented that when looking at ways to fund this, they must also keep in mind wanting to reduce expenses as they move forward because of the sale of the Electric Utility and the downfall. This will need to be a shared expense between the City and the barrier island. Likewise if it was in the historic district they would have to pay.

Mr. Falls explained what the City has done in the past when they have an assessment project that benefits certain property owners. The City pays one-third of the cost and the property owners pay two-third of the costs. He said that is what has been done with paving projects.

Mayor Young said that they need to look at this proportional based upon what businesses have allocated for parking.

Mr. Falls commented that they could look at the assessment formula in different ways. He said they would need to look at the Code when the district was put in place. He reiterated that the City has not allocated money for this particular project and it is not in the budget.

Mayor Young felt there was some urgency in getting this project started.

Mr. Falls said that they could go full steam ahead and he was very optimistic that they could start the work in this budget year. He went over what has to be done first. He said if they put the project in next year's budget it doesn't preclude them from starting the design work.

Mr. Graves briefly went over the people utilizing the parking. He said that one-third of the people using the parking are customers impacting the businesses.

Mr. Falls said that the people receiving the benefits assist in paying for the work. That is what they have done in the past. The City's taxpayers pay a portion and the other is people receiving the services.

Mr. Graves felt that the cost and business owners on the beach need to be considered. If they don't support them they will have t-shirt shops on Ocean Drive. He said that the business owners are frustrated. He said that they needed to capture these spaces because no one seems to want to proceed with the alternative.

Mr. Brackett liked the idea of getting the design work ready for the July budget workshops. They all want to support the businesses there. The City takes their tax money and uses it appropriately. He felt that 50% might be a reasonable amount to pay and asked staff to look at that. He said the City Manager brought up the idea of deficit parking, which he liked.

Mr. Neville commented that those property owners who have plenty of parking spaces are not willing to share them. He shared his story again that he owned property in this area

and over the last five (5) years of owning that property, no one ever approached him about shared parking.

Vice Mayor Moss agreed with Mr. Brackett that the City pays at least 50%. Her concern was the sense of community streets west of Cardinal Drive. A lot of times people don't want to walk that far. She has parked quite a few blocks away and walked back, but a lot of people won't do that. They need to be realistic about this and who do they think is going to walk that far.

Mr. Brackett commented that there is excessive or access to parking in two (2) or three (3) areas. He said that both Northern Trust and Ocean Grill have excessive or access to parking spaces. There is not like a ton of businesses that have this additional parking.

Mayor Young asked what is the cost for the design.

Mr. Falls said that he would bring to Council a proposal that will be ready for them to sign and the consultant can get to work. He said another consideration that they might want to consider is having a moratorium as far as impacting of availability for parking spaces. He said that they currently have a property owner that has access parking on his site and made application to expand his building and take up to 10 spaces in doing that. He asked from City Council direction for staff to take a look at the Code and revise parking and make it stricter and bring back something to the City Council for action. He asked Council if they wanted to put a moratorium in place until that is done so they don't have other businesses take existing parking spaces.

Vice Mayor Moss answered yes.

Mr. Falls said that staff will look into this and he will bring this item back at their March 17th City Council meeting.

Mrs. Nancy Cook was very happy to hear encouraging words that they are doing something to secure the value of the commercial and residential area. She asked if anyone knew what proportion of City finances has been dedicated to the beach areas for over the last five (5) to 10 years. She said part of their consideration should be how long have the beach property owners suffered from the lack of parking spaces.

Mr. Brian Heady commented that he has a handicap sticker and has never used it. He has found spaces close enough to where he wants to go. He is 73 years old and doesn't mind walking and he thanked God for good health. He said there was an interesting comment made by Vice Mayor Moss and former Mayor Howle that they have never had a problem finding a parking space. He said that businesses don't have parking problems, it is a customer problem. He commented that now even Kmart has closed down. Americans are changing the way that they shop. He recalled that the City gave back all the money to the businesses that paid into the shared parking assessment because they didn't need it for parking. Now they are talking about taxing the taxpayers of the City to pay for these spaces. The consultants hired have been paid a lot of money to do this study and the end

result of the study is most parking spaces are privately owned and they have value. Parking spaces have value and people charge for them. He said they are seeing that with some of the businesses located downtown.

Mr. Ken Daige recalled that the parking issues have come to Council over the years and no one wants to pay for it and that is the biggest issue. He is hoping that Council will do something and move forward. If they look at the records there has been a lot of money spent on consultants and studies and these studies sit on the shelf. He commented that sometimes people from the mainland come before Council looking for money and are told no. He told Council that they have to do what they have to do. If they pull some money from the General Fund to pay for this, that money needs to be put back. He was curious about the ad valorem taxes collected for the commercial districts. This is an infrastructure need and he understands that the tourist tax can cover that. He said if it doesn't, then the Council needs to hire an attorney to handle the case and appeal the County's decision. This is an opportunity for them to make their case.

Mr. Dave Windfield commented that he has never seen anyone park on Camelia Lane and walk to Ocean Drive other than once a year when they have the Christmas Parade. He thinks it is a waste of money if they do this. No one is going to park on Camelia Lane and walk to Ocean Drive. He said that no one wants to park and then have to walk. If they want more parking on Ocean Drive, then make it one-way going south and you can put parallel parking on the east side.

Ms. Cindy Lawson, Finance Director, stated that when they talk about taxes, not all taxes are created equally. She said that ad valorem taxes are used for the general operation fund. She said that capital projects, such as this one are put in the general capital fund. They can use the one-cent sales tax for capital improvements. The one-cent sales tax is created by law and cannot be spent on anything else except for infrastructure. Her proposal to them is whatever portion the City pays comes out of construction money and to not take this money out of the Ad Valorem Fund.

Mr. Falls commented that with the beach beautification process the City went in and made some side streets one-way and improved the parking along Ocean Drive in the 1980's. That was done with one-cent sales tax money. The only project done by assessment was at Royal Palm Pointe where they did some work there. The City has done some things to encourage development over there. He will bring this information back to Council.

Vice Mayor Moss questioned how much would it cost if they were to have Ocean Drive go one-way. Mr. Falls did not know what it would cost to do that. He said by doing that some of the property owners would struggle with getting access to their property. Vice Mayor Moss asked him to look at how many spaces they could get if they were to make it one-way.

Mr. Brain Heady brought up the sale of the Dodgertown property. He said that there needs to be good numbers on what this is going to cost and those numbers need to be given to the public. He expressed they need to have good facts and be truthful.

Ms. Lawson clarified on how the Dodger property was paid off and that they did clearly lose money.

B) Commercial Airservice in Vero Beach & Airport Vision Plan

Mayor Young commented that the City of Vero Beach has an exceptional airfield. With the transition to commercial airlines and impact going across the threshold that they hit about a year ago the grants proportions changed to 80/50. This matter has been deferred for three (3) years. However, the City Council will need to make a decision on how they want to continue with services at the Airport. The next Airport Commission meeting is scheduled for April 9th so he wanted to get thoughts from the City Council as they continue moving forward to avoid another situation in absorbing the cost of maintaining infrastructure at the Airport.

Mr. Falls explained that the City has four (4) Departments that have an Enterprise Fund. They are the Airport, Marina, Water and Sewer Department and Solid Waste. Generally the Enterprise Funds make a contribution of 6% into the General Fund. The Airport cannot do that. All the money that the Airport generates stays at the Airport. It is imperative that the revenue at the Airport always exceeds the expenditures. It is a critical component of the Airport to be self-sustaining.

Vice Mayor Moss referred to the Airport Master Plan in which one of the goals has been reached and that was to have a commercial airline at the Airport. Then another goal was for commercial development at the Airport. She said there has been progress made for commercial development compared to 2016. Now, they are considering having an advertising agency to help lease some of the commercial space.

Mr. Eric Menger, Airport Director, stated that on the aeronautical side they have made some significant process. There have been three (3) new hangars and Taxiway Eco is built and a proposal to build an additional three (3) hangars along Taxiway Eco, all of which will bring in additional rental income to the Airport. Also, there has been other development on the Airport with Corporate Air on the west side, which will bring in additional revenue to the Airport. He reiterated on the aeronautical side there has been pretty significant growth. He said on the non-aeronautical side little has happened, and it has been much slower. That is why they need to have an advertising agency to assist them with trying to develop mainly the non-aeronautical side. He said when land is relatively inexpensive and mortgage rates are low, in the vicinity of the Airport sometimes it is difficult to lease to businesses when they can buy land elsewhere. So what you have to try to market is location, location, location. He is working with the City Attorney's office in trying to soften their lease terms to allow the business owners to be able to see their way clear to investing in a leased property and build on it even though they know at the end of the lease period the property will revert back to the City.

Mr. Brackett asked what is the vacancy rate of their existing land that already has buildings on it.

Mr. Menger did not know that number. He said that there are a lot of hangars that are sub-leased. He said that the T-hangars are always full. Then on Aviation Boulevard, two (2) out of the four (4) buildings are vacant. He mentioned that some of the buildings are really old and need a lot of repair.

Mr. Graves asked if the new three (3) T-hangars Certificate of Occupancy (CO) have been issued yet.

Mr. Menger said not as of today.

Mr. Graves understood that there was a problem in getting a CO issued for those three (3) hangars.

Mr. Menger said they are dealing with the County Building Department.

Mr. Graves understood that the Engineer who is Carter & Associates said they are not even close to issuing a CO for those hangars. He asked Mr. Menger if that was right.

Mr. Menger did not know how close they were. He said this is JP Aviation that they are referring to.

Mr. Graves asked him if JP Aviation were the ones that this Council gave permission for a grant in order to build the new hangars.

Mr. Menger said not exactly. He said this Council voted to convert the hangar grant to the apron project. They were working with three (3) Airport tenants trying to develop that site with three (3) hangars.

Mr. Graves said that is a good point because one (1) of the tenants that JP Aviation is potentially talking to is a company that wants to bring junk airplanes and store them outside on the Airport land.

Mr. Menger did not know about junk airplanes, but said that they do aircraft repair.

Mr. Graves showed some photographs that were taken in Ft. Pierce where this tenant is currently located at. It is his understanding that they don't have any rules or regulations in the leases that would prevent that from happening.

Mr. Menger explained that this lease has not been signed yet.

Mr. Graves wanted to talk about this before it happens.

Mr. Menger said what they have is generic language that all local, State and Federal laws have to be followed.

Mr. Graves commented that there are other airports that put that language into their leases to prevent this from happening. He said this company that JP Aviation wants to bring here has been kicked out of Okeechobee and now Fort Pierce and now they want to come here.

Mr. Menger did not know if that was true. He will look into it.

Mr. Graves continued by saying that Elite Airways wants to use part of the new three (3) hangars to do overhaul on buses at their Airport. He asked Mr. Menger if that was correct.

Mr. Menger explained that it is for larger aircraft.

Mr. Graves asked Mr. Menger if he has brought this to Council's attention that he is considering allowing these potential subleases.

Mr. Menger answered yes.

Mr. Graves said that he has not heard anything about overhauling air buses or storing junk aircraft at the Airport.

Mr. Menger stated that right now he was talking to three (3) different parties trying to develop a plan to go forward on this.

Mr. Graves commented that what the Council voted for was funds that were being given to the City to fund hangars.

Mr. Falls said that the funds that they transferred to the construction of the apron and then the hangar construction would allow additional hangars.

Mr. Menger said that these things have not been brought to Council yet because they are still in concept stages.

Mr. Graves asked as an Airport Director does he think that storing junk aircraft on their Airport is a good idea.

Mr. Menger answered no. He does not believe that is where they are trying to go. As a matter of fact he knows who the three (3) tenants are. They are Elite Airways, Corporate Air and JP Aviation.

Mr. Graves understood that it would be a sublease from one (1) of those people. It is a company that brings in aircraft and then disassembles it.

Mr. Menger said that is what he has been told.

Mr. Graves did not know the aviation term, but said it was like a junkyard for airplanes. He said you take airplanes that are no longer air worthy and disassemble them for parts.

Mr. Menger stated that he would look into who JP Aviation is going to sublease to.

Mr. Graves understood that there was a meeting held to discuss it.

Mr. Menger said that there was a meeting, but all they have talked about so far is a concept of those three (3) hangars and where they are going to fit. He said they have not gotten to the lease agreements yet.

Mr. Graves said after talking with JP Aviation does Mr. Menger understand that this is what they want to do.

Mr. Menger explained that JP Aviation wants to sublease to a tenant and he was not sure who that tenant will be.

Mr. Graves said then the question is does he think that it fits with their current Airport to lease to a company that comes in and brings airplanes that are not air worthy and disassembles them in plain sight.

Mr. Menger stated that he didn't want to see junk aircraft around the Airport.

Vice Mayor Moss said she didn't think that they wanted to sublease either.

Mayor Young commented that there were some concerns as to how that is going to be executed and they want to make sure that they don't go down a direction that will compromise what Mr. Menger has done so far at the Airport.

Vice Mayor Moss said that the sublease could be structured so they don't lose control.

Mr. Graves wanted to know by having these airbuses, what does it mean for the Airport. They are going to have airbuses parked at the Airport. He asked what is the vision on this.

Mr. Menger explained that the ramp proposed won't hold anything larger than a 737. He thinks Mr. Graves is thinking about 747 airplanes.

Mr. Graves asked Mr. Menger if he has talked to Elite Airways about what they are planning on doing.

Mr. Menger answered yes. He said that Elite Airways wants to have a 35,000 foot hangar. They will mainly do their own maintenance for an aircraft that has about 100 seats.

Mr. Graves asked how many aircrafts will 35,000 feet store.

Mr. Menger said they could probably get two (2) or three (3) aircrafts in that hangar.

Mr. Graves said they would have to make room for a machine shop and a place to do maintenance.

Mr. Menger said that is correct. It would be a stand-alone building adjacent to the hangar.

Mr. Brackett asked if they could also find out when the time comes what type of maintenance are they talking about.

Mr. Menger said he was hoping to have a conceptual lease agreement done by the April 9th Airport Commission meeting, which will be the first public review of this concept should it come together. He said there are still plenty of things to work out.

Mayor Young was concerned that no one wants to fly into an Airport that has junk aviation on the side of the runway. He said that Council needs to understand what the revenues are so that they are making the right decisions in regards to where they go on commercial flights. If they are not going to have the revenue to pay for the bus associated to commercial air, what other alternatives do they have. He said one (1) of the alternatives was to lease property at the Airport. The question is what portion of the Airport comes from non-aviation revenue.

Mr. Menger said about 60% of revenue at the Airport comes from non-aviation.

Mayor Young said the other question is currently with aviation operations, is there the opportunity to cover the deficit as a result of providing for commercial air.

Mr. Menger answered yes. He said it might come from increased fees and other ways of creating revenue.

Mayor Young asked what fees are available for the City to implement that would help.

Mr. Menger said with the new license agreement that Council approved with Elite Airways there was a significant increase in fees, which amounts to about \$46,000 a year. Also, the fuel flowage fees that they collect because of Elite Airways, which is about \$28,000 that will more than cover their current operating costs of about \$70,000. He said that the bigger issue is the grants that hopefully will be changed in the Legislature. The loss of 80/20 is the big issue and what they are trying to focus on.

Mr. Young asked if they could contain the capital structure that they have or are they relying upon them to expand.

Mr. Menger stated that they will always have a significant dependency on grants. He said whether it be Federal or State. He said when moving with commercial service they went from \$150,000 a year (FAA entitlement grants) to a million dollars a year. What staff is doing because of this potential impact of the State grants is pursuing with their Federal grant funding because they are at 90% funding. The FAA has two (2) pots of money. They are entitlement funding and discretionary funding. He said up to this point the entitlement funding of up to \$150,000 a year for a GA Airport has been relatively insignificant. They are pursuing grant funding over the entire five-year capital funding to go after more Federal

projects and fewer State projects. However, the State projects are important because of the flexibility allowed by the State program versus the Federal program. If they can get the law changed to allow the 80/20 percentage while they impose a smaller Airport they will have the million dollar entitlements from FAA plus the 80/20 from the State until they reach a level where the State will still continue with the FAA funds, but they would have to drop down to 50/50. That level is where the Legislature will have to determine the break level. He was appointed as Chairman of an Ad Hoc Committee by the Florida Airport Council, which is a group of Airport Managers. He is pursuing language using this Ad Hoc Committee that would benefit from this change in law. The important point is coming up with language so the large Airports that might see this as a competitive advantage for the small airports won't lobby against the law. He thinks that he is getting close to coming up with this language. If they will allow staff time, he will be able to probably have pretty good success on this. He said Plan B would be if the law is not changeable and it doesn't make it, they will pursue a permanent administrative fix. If that is not doable they will be back to where they are now three (3) years from now, which he hopes does not happen.

Vice Mayor Moss asked how many other cities will benefit from this language change.

Mr. Menger said at least six (6) cities because they are currently designated by the FAA as primary airports and that is what their Airport is designated. He said above that you will be called a small, medium, or large Airport, based on enplanements. The FAA recognizes that the small airports continue to need assistance and they only drop from 90% to 75% when they take away the assistance.

Mayor Young commented in looking at the predicament that they were in, they were looking at 200,000 enplanements to break even if they went to \$4.50 facility charge. It would offset the loss in the State grant funding when they went to 50/50. He said there are other things they can do on the revenue side like raising the fees. They want to try not to impact their current tenants. If they are going to have commercial service they will do things to continue to increase the fees to the airlines to at least cover their costs.

Mayor Young asked realistically with the configuration of the airfield, what is a figure of enplanements that Mr. Menger thinks could sustain the airfield without radically changing how they do business here in Vero Beach.

Mr. Menger explained that enplanements do not necessarily translate into operations. If they had 200,000 enplanements, which is way more than they have now, it would mean approximately a 2% increase in their number of operations, similar to what Piper's impact is as far as the number of flights taking off and landing. The impact to the community would probably be on the Terminal Building, Aviation Drive and Aviation Boulevard, but there are already infrastructure concerns coming down the pike to meet the additional traffic. The impact to the community would be about \$36 million a year and would help keep the Airport self-sufficient, which is their primary goal. He said that 200,000 enplanements would mean about 2,800 flights, which would be about 5,600 operations per year. He said right now at Elite's peak they are flying eight (8) times a week. That would be five (5) to 10 times a day, which is now five (5) to 10 flights a week.

Mr. Brackett asked if these enplanements that they talk about are an administrative rule or a law.

Mr. Menger explained that it is an FAA administrative rule. The State takes that and puts it into a law and once determined by the FAA that the airport, is a commercial airport the State can't give them any more than 50% grants as soon as they reach 10,000 enplanements. That is Chapter 322, Florida Statute law, and what they are working on is getting changed.

Mr. Brackett commented that is where they need to continue going. He did not think that this community wants flights going out of the Airport at a rate of 10 flights a day. He said they are not in the position where the Airport is located to be that size of an airport. He said right now they are dealing with about 108 airports in general aviation and the closest airports to them with regards to enplanements is Melbourne and Gainesville. He said so there is a big gap there and they need to focus on what this community wants, which goes back to a quality of life. He does not think that incorporates 50 plus flights going out a week. He encouraged Mr. Menger to pick a number that is reasonable, that does not affect the FDOT budget because this is the only way to sustain an airport.

Mr. Falls commented that they currently do not charge Passenger Facility Charges (PFC) and they can charge up to \$4.50 per ticket. He asked Mr. Menger when does it make economic sense to do that.

Mr. Menger said that he sent an email to FAA and asked them if they wanted to institute PFC's on a particular project, what would it cost to do that. They estimated that it would cost about \$40,000 to put a package together to submit for a program. They would probably collect about \$40,000. It doesn't look like at this point it is beneficial to them at this enplanement level.

Mr. Falls asked if this was a one (1) time cost and is there an annual cost after that. He said this would bring in about \$45,000. He said that as they talked about earlier the commercial service should pay for itself and there are operational expenses to have a commercial service here. They are barely over the \$70,000 mark to break even and that does not take into account the capital expense the Airport has encumbered to get Elite Airways here, which is in the range of one-half million dollars. They have to make a decision if they want commercial service and that it needs to pay for itself and to do that they need to determine how many enplanements they want to get to make all these numbers work. They already have \$500,000 worth of sunk costs and if the Airport grows too much they will need more terminal improvements. He wanted the Council to have their eyes open when they have this discussion.

Mr. Menger said that the Airport Commission could discuss the PFC on April 9th when they meet.

Mr. Brackett asked about the cost for this program and if it is a one (1) time charge.

Mr. Menger thought it was per project. He did not ask that specific question, but for every capital project approved there will be a cost that goes through the PFC application process.

Mr. Falls explained what they wanted to know is what it would cost to implement and then annually to maintain it.

Mr. Menger said that there wouldn't be an operational cost, but there would be a capital cost included in the project in which the PFC's are approved.

Mr. Falls explained that the PFC is a fee that the airline charges per ticket and remits to the Airport and then the way that the Airport uses it has to be done on capital construction. He asked Mr. Menger if the \$40,000 one (1) time fee would be to implement the program.

Mr. Menger said he would double check to make sure.

Mr. Falls said if that is the case and unless they are going to grow into a number of enplanements it makes sense to charge the PFC.

Mr. Graves said that he heard from Mr. Falls that the current zoning at the Airport does not allow for rehabilitation of aircraft. Mr. Menger said he would check on that. Mr. Falls explained that the Planning and Development Director was up in his office listening to the discussion and said that the ALI district only allows for aircraft service. Mr. Graves asked Mr. Menger if he was aware of that. Mr. Menger said that he was not.

Mr. Graves asked Mr. Menger when did he first become aware of Statute 332 and that they were going to run into this problem when they invited Elite Airways to become a commercial airline.

Mr. Menger said it was in 2017.

Mr. Graves asked Mr. Menger if he brought it to the attention of Council.

Mr. Menger said that he brought it to the attention of the Airport Commission.

Mr. Graves asked what was the date that Elite Airways started service in Vero Beach. Mr. Menger said December 2015. Mr. Graves said that he has reviewed a public record that indicates Mr. Menger knew about this sooner than 2017.

Mr. Falls said he would have to go back and look.

Mr. Graves stated it is contemplated when the memo was sent to the City Council that voted to have Elite Airways and made this capital expenditure, was this listed as a con and did the Council understand that this was something on the horizon.

Mr. Menger said he did not recall. He said at the time they were going by what the Airport Master Plan projected and were following what the public already said to do. In fact there

is a plan and it is indicated in the Airport Master Plan to build a northwest corner of the Airport, which is a huge terminal building. This is in the Airport Master Plan and approved by previous Councils' and FAA (Florida Aviation Administration). He said this was staff's direction.

Mr. Graves stated that he has seen that memo and it was shown to him by Mr. Falls.

Mr. Falls explained that it is the memo when Elite Airways first came to the Airport, which was in 2016.

Mr. Graves said so when the previous Council voted to spend half a million dollars on improvements and invited Elite Airways to come to their Airport it was not disclosed to Council by their Airport Director that this was in the horizon and coming down the pike.

Mr. Falls said that is what he believes the memo said.

Vice Mayor Moss stated that for the community that no one that is on the Council currently was on the Council at that time.

Mr. Graves explained that these issues that he has raised are for a reason. He really thinks that they need to look at having an Airport Authority. He said there are a lot of moving parts at the Airport and it is all being funneled in by one (1) person at this point. He has some concerns with the people the Airport staff are talking to about coming in and subleasing property. He has concerns about what happened when the previous Council voted and the money that was expended to upgrade the Airport not knowing that this was on the horizon. He felt that was an issue that should have been brought to the attention of Council by the Airport Director. He agrees if they are going to have commercial service then it needs to support itself. He doesn't think the citizens, at least the ones that he has talked to, are going to support a lot of air traffic coming into the Airport. He brought this matter up today because this issue came about when he first got on Council and they needed to react. He said that they did get lucky because they received some time from the Florida Department of Transportation (FDOT). He does not feel that this is an issue that needs to be kicked down the road and they as a Council need to make a decision as to what they are going to do and whether or not commercial service is viable in an Airport on the shoulders of 18,000 taxpayers.

Mr. Neville asked Mr. Graves if he was suggesting that the County Commission voluntarily put money into the Airport.

Mr. Graves said through the media he has heard that the County Commission said that they are not going to help.

Vice Mayor Moss commented that the County Commission might change.

Mayor Young said that the concern that Mr. Graves has is very valid and they need to understand what viable alternatives they have moving forward so they can entertain the

right remedy. The remedies are that they find out what the level of operations is that would permit them to have an acceptable amount of traffic that they can sustain as an 18,000 resident City or they can't go there because the costs that they foresee are not sustainable by 18,000 people and the only other option would be to have an Airport Authority, unless there is sufficient public support that the cost be shared beyond the City and with the County. He felt there was some legitimacy to that.

Vice Mayor Moss felt that they were all aware that there are a number of matters, such as the Leisure Square pool that comes to mind, that have come before the Council where some kind of interlocal agreement or authority or joint action would be warranted.

Mayor Young said that the action item that has come out of this meeting is what do they want to see happen at the Airport Commission meeting scheduled for April 9th.

Mr. Neville felt that the Airport Commission should mull over exactly what their vision would be for the amount of enplanements that the community could live with. They should consider it carefully and then bring that recommendation to the City Council. It needs to be debated at that level, which would be helpful.

Mr. Graves commented that he attended the last Airport Commission meeting and it is a big issue having the sustainability at the Airport. He said that needs to be their number one priority. He didn't want to see any arbitrary number of enplanements, however they are not probably going to do that. Council relies heavily on their Commission because they are the experts in the aviation field. Council needs to ask them to take a look at these matters and come back with a recommendation.

Mr. Neville said that they will need to provide some input to their State Legislation that will define this new category that they are hoping to become. That will be a fixed definite number.

Mayor Young commented that he is always striving to have a bridge between the City and the County. He said this is one (1) instance where there definitely is a bridge because it is in both of their interests.

Mr. Graves did not want to see future Councils having to address this.

Vice Mayor Moss asked if the Airport Commission will address the facility fee.

Mr. Falls said that Mr. Menger will get the information on how a passenger facility charge can be implemented and is it a project by project basis and just get them some more information on how it works.

Vice Mayor Moss said at least they are not alone in this. There are six (6) other cities that have the same problem. She thanked Mr. Menger on what he is doing.

Mr. Graves stated that he would like to get some information from the City Attorney with regards to junk aircraft. He knows that there are other airfields that have passed rules or put it in leases regarding this. He said that Melbourne has expressed an interest in helping the City if they need to. He wanted to know what is their ability to regulate and prevent junk aircraft from occurring at the Airport.

Mr. Brackett commented that what they are leasing at the Airport is land on these hangars and they are not leasing the hangars. Then there is subleasing that happens in some cases and in some cases the owner of the hanger uses it for their own purposes. He assumed there were controls in place in the lease.

Mr. Falls said that approval for subleases have to come to the City Council.

Mr. Menger explained that the City Attorney prepares all consent to subleases.

Mr. Graves asked if they were receiving payment on those three (3) hangars that don't have a CO yet.

Mr. Menger answered yes, not on the hangars, but on the land.

Mr. Graves asked if the City has any regulations in approving the contractors that do work at the Airport.

Mr. Falls said that he would have to ask the City Attorney if they have entered into a lease agreement with a potential tenant and they are building a hangar facility and they can't deliver and get a CO from the County to put it in operation, what happens.

Mr. Menger stated that he has asked the Engineer on that project, to issue a certification letter to him upon receiving the CO and send a set of as-builts. This won't happen until all the issues have been repaired and that should have been done by now. He said that it is a concrete issue.

Mayor Young commented that on the aviation maintenance project, if the guidelines are stipulated sufficiently that is a very lucrative beneficial business for their area and something they shouldn't push away. He agreed that they don't want to see junk on the sides of the runway; however if the contract can be stipulated appropriately, the labor force that supports that is one that they would want to have in their community.

Mr. Falls said first of all, it would have to meet the zoning code.

Mr. Graves said that is not bringing jobs to their community, but bringing people in because it is highly skilled labor.

Mayor Young felt that there would be engineers brought in to support that operation. They would be looking for a permanent crew if they were going to have that type of business.

Mr. Bracket said it is not so much the industry as it is the particular company, which does not have the greatest reputation.

Mr. Graves commented that they need to see what it looks like and what the plans are. He was not saying that he was totally opposed to it, but he did not want junk planes lining up on their runway.

Mayor Young did not think anyone would want a business coming in that is not to the standard that they expect.

Mr. Menger stated that the Airport has a set of minimum standards that he feels are due for an update. He thinks the best thing to resolve Council's concerns is to ensure that he comes to the Council with an update of the minimum standards. They need to make sure in the lease agreement that when the tenant signs a tenant agreement there is an attachment to the lease that is the minimum standards which were approved by Council. They need to tighten this up somewhat.

Mayor Young asked Mr. Menger to address that with the Airport Commission.

Vice Mayor Moss commented that they are all in agreement with Mr. Graves that they don't want anything like that at their Airport.

Mr. Neville told Mr. Menger that they have had some really serious complaints about noise at the Airport. He understands that Mr. Menger has spoken to these people that have these concerns. He is hoping through some efforts with Mr. Menger and the FAA that perhaps they can help mitigate some of those noise levels.

Mr. Menger said there is nothing that he would rather solve as an Airport Manager and that is noise concerns in the community. He said that the City does not have any control over the air space so what they try to do is work with their tenants. There was a meeting recently held with the Managers from both of the Flight Schools and they have been very willing to assist anyway they can without compromising safety. He will continue to follow down that path.

Vice Mayor Moss asked if something changed to create an increase in noise.

Mr. Menger said because the economy is doing so well flight training is booming because there is a big demand for new pilots. However, he has not seen a huge increase in noise complaints.

Mayor Young said that last Friday he had the opportunity along with the Airport Director and the City Manager to meet with the two (2) Flight Schools and thinks that there are some efforts that will be made to look at this.

Mr. Menger said it is on the Airport Commission agenda to discuss this topic.

Mr. Graves asked the Finance Director if she had the numbers on the economic impact of the Flight Schools.

Mr. Menger said the rent from Flight Safety is \$25,000 a month and they employ 180 employees and over 400 students.

Mr. Graves felt that the noise issue is a legitimate issue because they have people that live in the community that are being adversely effected by flight noise. He does not know how to resolve it, but it should be looked at.

Mayor Young asked that the Airport Commission consider the alternatives for this issue.

Mr. Don Loucks, Consultant with Corporate Air, read a prepared speech (attached to the original minutes).

Mr. Graves said to Mr. Loucks that he mentioned that there was a meeting that Mr. Pearsall attended and he was interested in investing the 35 square foot hangar. He asked if these are the hangars that they have been talking about.

Mr. Loucks answered yes they are on the north ramp for the \$5 million FDOT grant that needs to be matched by \$1 million.

Mr. Graves asked if the Airport Director was in that meeting.

Mr. Loucks said that he was in deed.

Mr. Graves asked if they specifically mentioned 319 and 320 airbuses.

Mr. Loucks said that they did.

Mr. Ken Daige mentioned how many employees are employed at the Airport. He said where is the data that says they live within this County. Those people that live here spend money here. He knows that all the leases come before the Council for approval. He hoped that all the subleases also came to them for approval. He said going forward they should take a look at the standard Airport lease now and see what it says about the subleases coming back to them. Make sure that all the paperwork for the tenants at the Airport is in order.

Mr. Graves wondered if there was a way to control subleases.

Vice Mayor Moss recalled that they talked about this last summer when a situation came up with the Dog Park and them subleasing some of their property. She said Council said at that time that they need to be really careful about subleases and maybe eliminate them all together or make sure that every sublease comes before the Council.

At this time, Council took a 10-minute break at 10:35 a.m. and the meeting reconvened at 10:45 a.m.

Mr. John Turner, City Attorney, informed Council that the City Manager has the discretion to approve subleases that are a year or less and if they are over a year they must come to the City Council for approval.

C) Stormwater – Capital Improvements

Mayor Young explained that the discussion on Stormwater is if it would be appropriate to budget some money for the Lagoon and a stormwater study.

Vice Mayor Moss passed out copies of a document (attached to the original minutes) showing the stormwater capital projects from 2010 to 2016 where there was a dollar amount budgeted for stormwater projects, but the money was never spent. She said that since 2016 everything that has been budgeted for stormwater projects has been spent. She said they were able to move forward with the Lateral E project.

Mr. Falls explained the Lateral E project has been in their work program several times. The first time they went to do the project it was delayed because of Old Vero Man and the money that they received from grants was transferred to another project at Humiston Park. The money has been put back in for the project and they are still trying to find out what the best thing to do would be. He noted that the City did increase their street sweeping, which has helped. It has moved the sediment from roadways before it gets into the drainage system. It is easier than trying to take it out of the drainage system when it is already there.

Vice Mayor Moss recalled that they did discuss the street sweeper at last year's budget and allocated money for it.

Mr. Mitts said in regards to the street sweeper they have been using existing staff to do it and have added another day to the week for street sweeping. He said that this did increase his overtime budget, but he wanted to make sure that they were going to be successful with this project before they added another full time employee. He said the additional day that they added is Saturday and they actually pick up more on Saturday than on a normal day during the week.

Mr. Neville asked if they have thought about closing some of the canals.

Mr. Falls answered yes and said that it eliminates some maintenance. The City of Vero Beach is 12 miles and the drainage basin is a part of the Indian River Farms Drainage District. The canals drain from the south side of the County out to the Lagoon. Some of their land lies on the barrier island so it lies outside of the district. He said that 10% of the discharge is from the County.

Vice Mayor Moss asked Mr. Falls to address the use of chemicals.

Mr. Falls explained that the City is in the process of conducting a test pilot for a new product called "WOW." They want to determine the effectiveness of the product versus what they have been using. He said so far after six (6) weeks of using it the weeds have not emerged. If this product continues to be successful he will bring it, to Council at budget time. They are trying to do everything that they can to keep the chemicals out of the Lagoon.

Vice Mayor Moss commented that at last year's budget \$20,000 was allocated for rain gardens and also native and Florida friendly plants. She thanked the City Manager and staff for implementing the program.

Mr. Graves asked if this was an unfunded project. Mr. Falls told him that it was.

Mr. Graves was looking at the stormwater projects done in 2017 and wondered if the water and sewer utilities warrant discussion and what are the advantages.

Mr. Falls explained that the funding mechanism to raise funds is solely dedicated to stormwater. There has been discussion about having a stormwater utility like what Sebastian has. If they wanted to raise a million dollars a year it would cost the taxpayers approximately \$5.00 extra on their taxes per month.

Ms. Lawson explained that the stormwater utility was at one time in the budget, but was taken out by a previous Council. She said it would not cover all of their needs, but it would have helped.

Mr. Graves felt that being proactive and showing that maintenance is being done is more cost effective then doing nothing.

Vice Mayor Moss gave the history of what happened in Sebastian with their stormwater utility. They started out imposing the taxpayers with \$5.00 a month and then a year ago doubled that amount because they were transferring money to the General Fund and had fallen behind on their infrastructure. She was not for or against a stormwater utility. But they have to get the amount charged right. The other thing mentioned years ago was that if it is a part of the General Fund it is determined by the assessed value of your house as opposed to a flat tax. She said struggling families would really be hit. There was an issue with pervious and impervious surfaces and places with larger parking lots like churches would be paying more.

Mr. Graves commented that he read through the minutes when this was discussed. He would like them to be proactive and raise funds in regards to what they are dumping into the Lagoon. There are certain other things that could be done other than just street sweeping. He asked if they had an Ordinance in place to not allow blowing of grass into the street. Mr. Falls answered yes. Mr. Graves commented that he sees that being done every day. Mr. Falls explained that the City tries to be proactive with people that do that. They have had some success with some of the people that they have talked to. Unfortunately, with that kind of business there is a lot of turnover.

Vice Mayor Moss hoped that people would be encouraged to plant native plants. She said that people don't need to have lawns or maybe just a little lawn if they have a dog so he can roll around in the grass. She said that people cannot always look to the government to solve their problems. Sometimes they have to solve problems themselves. She said that the Sunrise Rotary Club is offering an incentive program for people wanting to put in raingardens (see attached flyer). She said that people might want to consider doing that. She agreed with being proactive.

Mr. Falls recalled that the stormwater study that was done offered incentives to reduce assessments based on what incentives that someone has already done.

Mr. Brackett commented that the stormwater utility is a tax and they have to look at it as a tax.

Mr. Neville referred to a list of the cities in their general area that already have a stormwater utility. He named a few. He said that clearly surrounding communities are considering this to be a serious problem.

Mr. Falls commented that the City of Vero Beach is unique in that most of the parking lots were constructed many years ago (late 1980's) and connected to the City's utility system. With the new regulations that are now in effect new projects provide retention areas but most cities had already been built by then. He said they have been proactive. They put in pipe treatment. Every new project built has water quality and improvements. They need to keep up with the aging infrastructure and then continue looking at grants for stormwater quality when they we can.

Ms. Lawson explained that they could compete for the one-cent sales tax to help pay for these projects.

Mr. Graves said that no one likes taxes, but they can't ignore infrastructure needs.

Mrs. Judy Orcutt provided Council with the analysis of a bill moving through the regulation (attached to the original minutes). She was in favor of a stormwater utility.

Ms. Gene Atchwell (spelling may not be correct), of the Indian River Neighborhood Association, asked if they needed a dedicated source of funding for stomwarter infrastructure and maintenance. She asked with dedicated funding can they apply for matching grants. They cannot afford to delay stormwater any longer. She asked Council not to kick this can down the road again.

Mr. Ken Daige encouraged Council to move forward on this. He said they could sell the public on this by spreading the costs throughout the whole community. He said there is some infrastructure out there that needs to be repaired.

Mr. Falls said that he would report back to the City Council on where they are at with different stormwater projects and where they are with the stormwater utilities. He said that the funding for stormwater utilities cannot be used for anything but stormwater. He reiterated that it could not be used for sewers.

D) Wastewater Plant Move

Mayor Young mentioned that the Steering Committee would be meeting this afternoon and they as a Council need to make a determination on what they want to do in regards to the Wastewater Treatment Plant. He said retaining the utility is essential to providing citizens latitude to control their destiny. From his perspective it is a local rule decision.

Vice Mayor Moss asked if there was any new information on this.

Mr. Falls recalled that the City Council made a decision to move the Wastewater Treatment Plant off of the Lagoon and design a new Plant up near the Airport and leave the door open regarding the County. He said that staff needs a firm decision on this and once they start putting things in motion, it will take approximately five (5) years to get this done. He said that last week Mr. Bolton gave the County a draft report, which consisted of a cost to take their raw sewage and pipe two (2) plants. He said that the County does not have the capacity at any one of their Plants to treat the water that the City generates. He said that there are 20 miles of piping that has to be constructed, which has a price tag of \$300 per foot. Once the comments from the County come back he will let the Council know.

Mr. Graves said then it would be just as expensive to pipe to the County then to maintain their own facility.

Mr. Rob Bolton, Water and Sewer Director, said that it would be cheaper to have their own utility.

Mr. Graves was in favor of moving the Wastewater Treatment Plant off of the Lagoon and having the City maintain it.

Mr. Falls added that they would build a state of the art facility, which will last for the future.

Mayor Young asked in talking to the County do they have the capacity to address their increased demands and can the City assist the County in providing that.

Mr. Bolton explained that the County is not interested in securing any capacity at the City's facility.

Mayor Young asked with the anticipated growth in the County, do they have the capacity to meet their needs.

Mr. Falls said that is a question for them.

Mr. Bolton commented that when this is done they will be able to reduce their staffing, but the cost will be offsetted because more electricity will be used and they will have to pay for the electricity. The new technology to obtain the water coming out from the Plant will end up having cleaner water. He has looked at the numbers and submitted them to the County and is now waiting for their response. He said there have been many meetings held between the City and the County and he has compiled all of the discussions into a report and put them in the review to make sure that all of the discussions are documented.

Mr. Brackett commented that he thought the County wanted all of the City's utilities.

Mr. Bolton said that was not the conversation that was proposed. He said it was not a merger. The County wanted to incorporate a certain area and the City would still maintain the facility and provide services to Indian River Shores.

Mr. Neville was impressed with the quality and skills that the Water Department staff has. He said that they are first rate folks and do an incredible job for the City.

Mr. Falls told Council that once he hears back from the County he will let the Council know.

Mr. Bolton added that he is hoping to get something back next week to be able to get this matter on the March 17th agenda.

3. PUBLIC COMMENT (3-minute time limit)

Public comments were held throughout the meeting.

4. ADJOURNMENT

Today's meeting adjourned at 11:32 p.m.

/tb