

BUDGET WORKSHOP – JULY 16 – 17, 2020

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

GENERAL FUND

Mr. Monte Falls, City Manager, thanked the Finance Director and her staff for all of their hard work in putting this budget together. He said also thanked his nine (9) Department Heads who worked so hard in putting their budgets together and also to the City Council for giving him the direction for the budget early on. He said that the budget was prepared based on the direction given with the same level of service as last year. They recommend that they maintain the same millage rate as last year.

Ms. Cindy Lawson, Finance Director, went over the memo that she provided to Council (attached to the original minutes). She said that the proposed budget is balanced at the current millage rate of 2.500, but additional consideration will need to be given to funding any shortfalls in State revenue sharing once those impacts are quantified. She said that the proposed General Fund budget is balanced at last year's dollar amounts for the various State revenue sharing line items, to include Local Option Gas Taxes, Communications Services Tax, Municipal Revenue Sharing and Local Government Half Cent Sales Tax. This is because municipal governments rely on State revenue sharing estimates provided by the State's Office of Economic and Demographic Research, which is a research arm of the Florida Legislature responsible for all official revenue estimates. They are still waiting for those revenue estimates to be provided. She explained in order to balance the General Fund budget once these impacts are quantified, they could look at cutting expenditures or increase other revenues. Also, a third option might be to use some money in their reserve fund, which has approximately \$2.5 million designated as a budget stabilization reserve, which is intended as a buffer for unexpected budgetary impacts to ensure budget stability and provide service continuity. She said appropriating this reserve as needed to stabilize the City's budget for the coming fiscal year in the wake of the COVID-19 revenue downturn is an appropriate use of this reserve.

Mayor Young asked Ms. Lawson what was her strategy for this budget workshop.

Ms. Lawson said that the Council would need to set the tentative millage rate and she recommended adopting last year's millage rate, which is 2.5000.

Vice Mayor Moss asked what last year's State revenue sharing was.

Ms. Lawson referred to page 8 of the budget book, which was highlighted in yellow it shows exactly where they were last year.

Mr. Falls explained that the proposed budget represents an increase of eight (8) positions City-wide for FY 20-21, with total full time City staffing increasing to 326 full time positions. The City has begun negotiations with its unions for the FY 20-21 labor contract renewals. The Teamsters Union has requested a 5% increase, the IUPA has requested a 3% increase and the PBA request has not been made yet. In consideration of these requests, the proposed budget provides for a 3% salary increase for all employees City-wide. He asked Council that whatever raise they propose for the City employees that it be given to all employees equally. The budget also includes an increase of 3.9% in health insurance costs based on the renewal quote from the Florida League of Cities Insurance Trust. He provided Council with an organizational chart for each Department.

Ms. Lawson explained that the Water and Sewer budget has an increase of six (6) full time employees primarily in response to the additional requirements of SB 712 in the areas of wastewater collection and transmission along with the septic to sewer program. This budget also provides sufficient funding to begin engineering and design work for the relocation of the Wastewater Treatment Plant. The Five Year Capital Improvement program includes the plant construction, as well as other potential capital projects and expenditures associated with SB 712 compliance. As a result, there is a decrease in operating reserves to support increased staffing and capital project transfers, but current Water & Sewer cash reserves are sufficient to absorb this decrease. The Marina Five Year Capital Improvement Program reflects the implementation of priority master plan projects supported by projected grant funding based on the low grant estimate in the Master Plan. This leaves approximately \$9.5 million in City matching funds across the coming five years to be funded by either interfund loans or transfers to the Marina. Providing this total amount as interfund loans could result in an unsustainable debt service burden for the Marina once all projects are complete. Council will look at implementing a stormwater utility, which she has provided background information on and they will talk about how Council would like to move forward on that.

Mr. Bracket asked if the additional six (6) new employees are bring mandated by the State.

Mr. Falls explained there is an increase of eight (8) positions City-wide. One (1) of those positions is in the General Fund and one (1) is in the Marina. The remaining six (6) positions have been added to the Water & Sewer Utility budget in anticipation of the requirements of Senate Bill 712 (SB 712), also known as the "Clean Waterways Act."

General Fund

General Fund Revenues and Reserves

Ms. Lawson briefly went through the revenue provided on page 8 and 9 of the budget book. She also handed out a copy of the Recreation Department Cost Center that they will look at later. She said that ad valorem taxes really don't make a huge difference for individual resources.

On page 10, it was a rollout of all the departments and their projected budgets.

Mr. Neville noticed that there was an increase in workman's compensation this year. Ms. Lawson said that they hoped it would be lower than projected, but they don't have a quote for that yet. This is an upper level estimate.

Mayor Young commented that he thought the organizational charts were very helpful. He said since the downturn in 2008 the manning levels for the City has been dramatically paired down.

Mr. Falls agreed. He said that a third of the City workforce was eliminated over a 4-year period and they did it without terminating anyone. He said it was through attrition.

Mayor Young complimented the management team that works for the City.

City Council

Vice Mayor Moss mentioned that it has been some time since a Charter Review has been done. She asked the City Attorney to look at that. She understands that a Charter Review should be done every 10 years. They could look at raising the City Council salaries at that time. She said she loves her job, but it is a lot of work. By raising the salary they might attract more people wanting to serve on the City Council. She said it was not a part time job. It is a very demanding job. Considering how long ago that number (current salary) was established and does that number still hold true. What should that number represent? What kind of people do they want to draw to this position? She said this is not being self-serving.

The City Council, City Clerk and City Manager budgets passed.

They all agreed that the money budgeted for carpet should remain in the budget this year. CARES money could not be used for new carpet as it does not have anything to do with COVID-19.

City Attorney

Mr. John Turner, City Attorney, commented that since January there has only been two (2) people in his office. That includes himself and his paralegal. He has posted the job opening for a legal assistant, but the applications that he has received back do not include the government experience that is needed for the job. He feels that the salary for the job is too low. The job is posted at \$77,000 and he requested that this be raised to \$90,000 in order for him to attract more qualified candidates. He said everything else in his budget is pretty flat this year.

Mr. Brackett wanted to understand that the second attorney has been budgeted for, all Mr. Turner is asking for is an increase in the salary.

Mr. Turner said that was correct. He wants to see what the additional increase in salary will attract.

Vice Mayor Moss said that she trusted Mr. Turner's judgement. She wants him to have what he needs. She told him that the Council appreciates his enthusiasm for tackling new projects like the Tourist Tax.

Mr. Graves asked Mr. Turner what he was looking for in a second attorney.

Mr. Turner said five (5) years of experience in local government law and hopefully some litigation. He said in a small office training is very important. He said if you don't have staff available to train it takes away obligation to clients.

Mr. Graves asked what the salary is for an entry level government attorney.

Mr. Turner said that it is \$55,000 to \$70,000 and that is what has been posted. He hasn't had any luck in finding anyone at that salary so he is requesting permission from the Council to raise the salary to \$90,000 to \$95,000 and he hopes that he can find someone with some good qualifications. He said that Vero Beach is an attractive place for people to want to come to, but it is hard to find good experienced lawyers.

Mayor Young brought up that at one (1) time there were three (3) attorneys in the office and now there is only one (1) attorney. He said so Mr. Turner is having to do all the work. He said it is imperative that they have the needed staff in the City Attorney's office in order to do the job.

Mr. Turner said it would double their efforts and enthusiasm with having a new attorney on board.

Human Resources

Mrs. Gabrielle McManus, Human Resource's Director, said that they came in with a pretty flat budget this year. She said that health insurance rates came in very well and the Florida League of Cities (FLOC) have been extremely helpful to them. They are now having a personal coach assigned to the City and that person will be coming to meet with employees in helping them with nutrition and to do some seminars. One of Ms. McManus's goals is to ramp up their wellness program. She said that she has been spending most of her time these days on COVID matters.

Ms. Lawson added that keeping their health insurance low is a huge impact to the budget and a big benefit. This is the third year in a row that it has been under a 5% increase.

FINANCE

Ms. Lawson reported that the original plan after selling the Electric Utility to Florida Power and Light (FPL) was to close the drive thru in the utilities department. However, they have decided to keep it open. Now with COVID many of the necessary payments are being paid thru the drive thru because people cannot get into the City Hall building.

Information Systems

This department is split into two (2) divisions, which includes technology and system operations. When Mr. Robert Davilla retired in February they looked at not replacing him. However, that has not worked, which is why there is a new position put into the budget.

Mr. Paul Mills, Information Systems Director, explained what the capital item for network equipment included.

There were no changes to Purchasing/Warehouse. This will be the last year that they will see the Warehouse listed in the budget.

Planning & Development

Mr. Jason Jeffries, Planning and Development Director, reported that 60% of their workload is reviewing and permits done through his office. He said beyond that they review annexation requests, map amendments, etc. They will be looking at policy amendments for neighborhood protection. Also, they will be looking at some conservation land that should be designated comprehensive land use in their Comprehensive Plan. They continue updating the land development code. In terms of the budget the line items in the budget have pretty much remained the same. They have budgeted \$10,000 for professional service. He said that occasionally they have a need for projects to come up during the year if someone is challenging something like what they are doing on Azalea Lane and this money would be spent on professional consultants if needed. He briefly went over some of the changes that he will be looking at in the next year concerning the retail and office industry.

Vie Mayor Moss thanked Mr. Jeffries for his assistance in updating things and making sure that things are consistent.

Police

Mr. David Currey, Police Chief, reported that there was a decrease in operating and capital in comparison with his budget last year. They are under 10% of the budget in operating cost, which is not unusual.

Mr. Graves asked if the implementation of body cams is budgeted in here.

Mr. Currey answered no. They are however updating their in car cameras. They will make sure that their equipment for the in car cameras is compatible with body cams if they are to move in that direction in the future.

Mr. Brackett asked if there was grant money for body cams.

Mr. Currey said that he has not seen any so far.

Mr. Graves just wanted the public to be aware that they have a plan moving forward. He commented that they have had only one (1) unlawful use force complaint made for the entire year.

Mr. Graves referred to the overtime salaries and asked why that number was so high. He understands needing to go to court that an officer's time has to be paid.

Chief Currey explained that the Police Department does provide overtime for officers to help with some agencies such as churches, Riverside Theater, etc. These agencies are charged \$42.00 an hour with their overtime rate, but they still do not break even. Also, there are circumstances where they have to have more police called out for patrol such as having them on the beaches for July Fourth. They choose not to raise their fee of \$42.00 an hour because they need to stay competitive with the Sheriff's Department.

Mr. Graves suggested that they work on recouping those numbers for events coming into the City of Vero Beach.

Vice Mayor Moss commented that some of this relates to the relationship of the community, which is in place. She told Chief Currey that it was wonderful that he attended as many events that he could. She thanked him for reaching out to the community. This gives clarity of what the role of the Police Department is.

Mr. Falls mentioned he had hoped by now to have reviewed the special events coordinated through the City and what they are costing the City. He said that once this has been completed he will discuss it with Council.

Mr. Graves said that they are so lucky to have the Police Department that they have in Vero Beach that is led by someone like Chief Currey. He wanted to support him in any way that he could.

Ms. Lawson suggested that they review the Police Department's capital expense while Chief Currey was still there.

Chief Currey explained that they have the pistol range in their capital expense. They are looking at upgrading the range. He invited the Council to let him give them a tour of the range and show them what needs to be repaired. With the radio replacement they are in the last year of phasing that program in.

Mr. Brackett commented that they seem to be satisfied with the capital items this year. He asked Chief Currey if there was anything that he was not satisfied with or something that Council missed.

Chief Currey said that he was satisfied. He said his employees come first and he wants as much as he can get for his employees because they deserve it. He said that body cams are what they want to move forward in purchasing in the future.

Ms. Lawson commented that they will be looking at ways to use the CARES act money wherever they can to enhance their technology.

Mr. Graves wanted to make sure the Police Officers are paid well and equip to handle what they need.

Vice Mayor commented that the Police Officers are really the key components to the community every day on multiple levels. She agreed with Mr. Graves that they need to be given whatever they need to continue to accomplish that.

Chief Currey reported on the lady that jumped off of the bridge last week. He said that the call came in at 9:05 a.m. and they had her out of the water by 9:15 a.m. It helped prolong her life, but unfortunately she did end up passing away.

Chief Currey reported that the Police Department is now working with the City Attorney's office in handling forfeiture procedures, which is saving them money because they do not have to pay the Sheriff's Department in getting that done.

Council took a ten-minute break and the meeting reconvened at 11:06 a.m.

Public Works

Mr. Matt Mitts, Public Works Director, said that he was here to answer any questions that Council might have.

Mr. Brackett noted that the health insurance is way down in this group.

Ms. Lawson explained that the health insurance is now being allocated in each department.

Mr. Mitts discussed the street sweeper and said that they have not included a new street sweeper be allocated in this year's budget. He said they are coming in flat as far as staffing goes. An additional street sweeper (not employee) is included in the unfunded capital expense.

GIS

Mr. Mitts commented that the GIS department serves the Public Works department as well as the whole City.

Grounds Maintenance

Mr. Mitts reported that they have switched to a different herbicide to replace the other herbicide that they used. He said it is at an increase in cost, but it was recommended by the City of Sebastain, and it is working.

Administration

Mr. Mitts reported that Mr. Don Dexter will be retiring next year, which will be a great loss for the City. He would like to hire someone while Mr. Dexter is still working and have him train this person, so there may be an overlap of two (2) employees in that position for a month or so.

Vice Mayor asked about the status of Virgin Train.

Mr. Mitts reported that there has been discussion. They are reviewing the plans that they have proposed. He said Virgin Train is to start construction in this area in 2022. He is coordinating with them on what they have proposed and they are going back and forth. He has reviewed the plans and made some comments about safety and they have responded to some of them. They (Virgin Trains) really won't get serious about it until they are ready to start construction.

Vice Mayor Moss told Mr. Mitts to let Council know if they can help him regarding the safety issues.

Mr. Falls said that when they receive the final plans and need help they will request it.

Fleet Management

Mr. Mitts reported that Fleet Management takes care of every City vehicle.

Facilities Management

Mr. Mitts reported that Facilities Management takes care of all the City buildings and facilities.

Mr. Brackett commended Mr. Mitts and his department on what a great job that they do. He said that the maintenance people and garbage collection people are what the public sees. They are so nice and friendly and do an excellent job.

Five year capital project

In the Five Year Capital Plan is was a mixture of fleet and streets.

Mr. Brackett was in agreement of considering in the future of hiring another street sweeper. He said it looks impressive on the work that the street sweeper that they have now does and it is so important for the Lagoon.

Mr. Mitts reported that in the Five Year Capital Plan that the replacement of the roof at City Hall has been included.

Ms. Lawson commented that for the bridge replacement they will borrow some money to pay for it instead of paying for it by cash. She said this would be the way to go when they are talking about something that will be in existence for many years.

Mr. Brackett asked why they don't do the whole bridge now.

Ms. Lawson said because of the engineering work that still has to be done.

At this time, Council took a lunch break and the meeting reconvened at 1:15 p.m.

Recreation

Mr. Jim O'Connell, Recreation Director, commented that his budget is the same as last years with the exception of personnel cost. They are in the process of moving money around from one cost center to another and some adjustments have been made to the different cost centers.

Ms. Lawson commented that since Mr. O'Connell came on board they made a decision concerning the point of sales systems and they will be implementing that system at Leisure Square.

Mr. Brackett asked about overtime hours.

Mr. O'Connell commented that normally this would be the busiest time of the year for the Recreation Department, with summer camps, etc. However, because of the COVID virus that is not so for this year.

Mr. Brackett commented that sometimes when overtime hours start skyrocketing it is cheaper to hire another employee. He knows that they are not there yet in the Recreation Department.

Vice Mayor Moss asked how many memberships they have at Leisure Square.

Mr. O'Connell said there are approximately 250 members.

Community Center

No changes.

Recreation Parks, Playgrounds & Rental Facilities

Vice Mayor Moss questioned if any of these facilities were able to be used now in regards to the COVID virus.

Mr. O'Connell reported that Leisure Square is open and guidelines are in place. This is the second week of summer camp. There are only half the number of children participating this year, which was done by design. The tennis center is open to normal operation. None of the other facilities are being used as rentals and no permits are being issued. The playgrounds are still closed, but Parks are open.

Mr. Falls added that they are limiting crowds to 50 or less providing that the events are held outside. They have given permission to the Farmers Market to resume having their event on Ocean Drive.

Mr. Neville mentioned that the exercise equipment in Charles Park along the walking path is in bad condition.

Mr. O'Connell was not aware of that. Although, he agreed that there is some equipment that needs attention. He does not know how much money would be needed to replace it.

Ms. Lawson noted that it was in the Five Year Capital Plan for 2022-2023.

Mr Neville asked if that date could be moved up. He did not think that the equipment is useable as it stands now.

Ms. Lawson said she would take a look at this and bring it back tomorrow.

Mr. Brackett recalled that at last year's budget hearings it did not go to well. He remembers the issue about Leisure Square being brought up and he is so happy that in the beginning of the year that Leisure Square was bringing in additional money. He complimented staff for working out all of these details to get to where they are today.

Vice Mayor Moss asked if there would be extended hours for the lifeguards this summer.

Mr. O'Connell reported that is currently being done. It started on Memorial Day and will go through to Labor Day.

Mr. Neville referred to the replacement of a paddleboard for \$1,200 and thought that they could get it done cheaper than that.

Mr. O'Connell said he would look into that. He had no idea what it would cost to refurbish the paddle board.

Mr. Brackett felt that it was important to point out that \$725,000 of Recreation's budget is for lifeguards. He knows that the Council realizes that the lifeguards do save lives and how important they are and when it happens that these people should be honored.

Mr. Rock Tonkel, Recreation Commission member, asked what the deficit is across the entire Recreation Department.

Ms. Lawson said it was around \$1.8 million.

Mr. Tonkel asked if that has been consistent in prior years.

Ms. Lawson answered yes that it has been fairly consistent over time. She said with the lifeguards, there is no revenue connected with them, which is the way it has always been.

Mayor Young commented that there has been extensive and continuous analysis of the Recreation Department because they have always wanted to be good stewards of taxpayer's money. He said that recreation is not a revenue generator, but focusing on different things has made it more efficient.

Vice Mayor Moss commented that the Recreation Commission continuously reviews the rates for the different facilities on a regular basis, which is very helpful.

Mayor Young agreed that creative ideas are always welcome to help make things operate better.

Mr. Tonkel asked if allocation with the pension plan is consistent with all the people in the City of Vero Beach.

Ms. Lawson said that it is.

Mr. Tonkel asked about the status of bed tax money.

Mr. Turner explained that they are leading up with efforts to have a bed tax applicable to Vero Beach at least equal to what is contributed. They will be approaching and asking the County that they refund the money that has been contributed to use of certain projects.

Ms. Lawson added that bed tax money is restrictive on what it can be spent on.

Mr. Turner agreed that it is very detailed in the Florida Statutes as to what the monies can be used for.

Mr. Ken Daige asked if things pertaining to the lifeguards is broken out can the tourist tax dollars be used for some of that funding.

Ms. Lawson said it can be used for beach Park facilities. She did not know about lifeguard salaries.

Mr. Turner said that he has not been given an opinion on that yet.

Vice Mayor Moss thought the money could more likely be used for a lifeguard stand or the boardwalk.

Mr. Daige said that needing a new paddle board may qualify for the bed tax money.

Capital Improvements

Mr. O'Connell commented that the Community Center roof did not pass a recent inspection. It was redone eight (8) years ago and there has been some minor leaks, which building maintenance has been able to handle.

Non Departmental

Mr. Neville asked about bank charges.

Ms. Lawson said those are fees charged by Wells Fargo who is the City's bank.

Mr. Neville commented that maybe another bank would want to have their business without charging fees.

Cemetery

The irrigation system at the Cemetery was discussed. The Water & Sewer Department has said if there is an emergency that there will be a line run adjacent to the cemetery, however staff would have to do some extensive valve work so they are looking at that to see if there are any other alternatives.

Mr. Falls commented that they took a look at four (4) years average of cemetery sales and they have had some good months. They will be looking at tweaking the rates some to see if they can have some better sales.

Historic Economic Development Zone Fund

Vice Mayor Moss asked if some of their funding will be used for additional lighting.

Mr. Jason Jeffries, Planning and Development Director, stated yes that is the first project that they are working on (downtown lighting). They will be carrying the money over from this year to next year because the lighting won't be finished this year. Once they get the design work done it will tell them how many lights that they need.

Mr. Neville said that he wanted to see a crosswalk on A1A.

Mr. Falls reported on what the Metropolitan Planning Organization (MPO) has planned. He said that currently a sidewalk is being constructed on North A1A and another one on A1A is planned for over the next couple of years. If they want to advance it the City could take steps to do that, but it would be at their own expense.

Mr. Neville expressed what a dangerous situation it currently is.

Mr. Falls said they could ask the Florida Department of Transportation (FDOT) what they are allowed to do and how much it would cost.

Mr. Neville was suggesting something less than what FDOT is doing North of A1A. He asked Mr. Falls to please pursue this. It would be very much appreciated.

Thursday, July 16, 2020 9:00 a.m.

Enterprise Funds:

Water & Sewer Fund

Mr. Rob Bolton, Water & Sewer Director, passed out some documents concerning the Clean Waterways Act. He briefly explained the memo that he provided. He went over the difference of revenue when there is a lot of rain for a year and when there is a dry year. With a dry year a lot more water is sold.

Mr. Graves asked for the overtime expense to be explained, which Mr. Bolton did.

Mr. Falls wanted to make sure that Council was ready for staff to get started on the moving of the Water Treatment Plant from 17th Street over to the Airport.

Mayor Young said that it was imperative that they begin the project.

Mr. Graves said that they have compared the cost between the City and the County and this is the way to go.

Vice Mayor Moss said that it is a million dollar commitment to moving the Waste Water Treatment Plant off the Lagoon and get a new one up and running.

Mr. Brackett asked if the contract would come back to this Council. Mr. Falls said that it would.

Vice Mayor Moss said that she is thrilled that they have arrived at this point and hopes that the new Plant gets finished before Mr. Bolton retires, which he said would be in the next 10 years.

Mr. Neville asked Mr. Bolton what he was going to do with the tank that has crack in it.

Mr. Bolton explained that they are building a \$2 million tank and if the liner issue pops again they can take it off-line.

Mr. Brackett commended Mr. Bolton for the work that he has done. He expressed that this Council is committed to do the new treatment facility.

Mr. Richard Winger congratulated Mr. Bolton and the City Council for moving ahead with the new treatment plant. He asked Bolton if he plans to repaint the Plant located on 17th Street.

Mr. Bolton answered yes that they are doing it using in-house people.

Mr. Winger commented that staff needs to think about a way to get the people who have not switched over to the STEP system to do so.

Mr. Bolton expressed that there have been 420 homes that have connected through the original incentive program that they have. He hoped that the incentive program would spark interest, which it did. But it sparked interest at the end of the incentive program instead of at the beginning of the program.

Mr. Brackett said that Council was charging staff in coming up with some ideas where the conversion rate can be speeded up.

Mrs. Judy Orcutt commented that it was her understanding that if has been determined that septic systems are contributing to at least 20% of the pollutants going into the Lagoon.

Mr. Bolton brought up Senate Bill 712 and said that he was not sure how it would shakeout, but the rules may be that they require mandatory hookup connections.

Mr. Falls asked how many septic tanks out there are not on sewer.

Mr. Bolton said that there are 30,000 homes and 10% of the people that are not on sewer live in the City.

At this time Council took a five (5) minute break and the meeting reconvened at 10:22 a.m.

Airport

Mr. Todd Scher, Interim Airport Director, went over his budget.

Mr. Graves explained that the City needed to support Piper who is their largest customer in the City and they need to continue expanding businesses at the Airport.

Mayor Young said that they should continue to work with the Chamber of Commerce to help promote the Airport.

Ms. Lawson briefly went over the grant money still being provided by FDOT and the work that they need to do to make some legislative changes.

Mr. Falls stated that they will start meeting with their Representatives about changing the Legislation. He said that the City of Gainesville is pursuing it also and there are two (2) lobbyists in Tallahassee to help with this.

Mr. Ken Daige asked Mr. Scher if he was going to bring back some paperwork on the proposed marketing team being hired to help the Airport that was brought up a few meetings ago. If so then they need to include people educated in finance as well as some bankers. He said in Vero Beach there are not many affordable places to live and it might be helpful to add that to the pile. He said that when he says finance people he means mortgage people. They can give financial options of where people can live.

Marina Fund

Mr. Shawn Collins, Marina Director, commented that the Marina has some challenges because of its age, but the City will be getting a nice Marina, which it deserves.

Mr. Falls said that a new employee has been put into the Marina budget to serve the customers that they have.

Ms. Lawson talked about the 5 year capital improvement plan. She said they would be offsetting the cost of those projects with the grants that the consultant has provided as a part of the plan. They will be short of about \$9 million dollars in accomplishing the project in the next five (5) years. She said if the City were to loan the Marina this money they would be looking at a debt service. She doesn't want them to return to the same situation that they had at the Marina before. The way they will proceed this time is project by project. The first project will be the dry storage and they will know how much grant money they will get and what kind of revenue that they will get. She said if they look at the whole five (5) years the net revenue will grow. Every individual project will come before Council on an individual based situation. She said that \$21 million has been allocated for these projects. She said they need to decide what the priority project are for the Marina.

Mr. Collins said it would be the dry storage.

Mr. Graves asked how much projected revenue would it generate.

Mr. Collins answered an additional \$200,000 in annual revenue, based on current rates.

Mr. Graves asked if everything that was a potential safety hazard has been addressed at the Marina.

Mr. Collins answered yes.

Mr. Graves asked Ms. Lawson would they be able to handle the debt service to get the dry storage built.

Ms. Lawson answered yes. She said on its own merits it will generate enough revenue to help cover the cost of the project.

Vice Mayor Moss felt that this was making a commitment to maximum development of the Marina. She is against it. They will be doubling the number of boat slips and adding a lot more parking spaces. She said here they are worried about the STEP system and now they are about to create a huge problem at the Marina. That is an environmental sensitive area. They have never had sufficient comments from the public on this because of the Coronavirus. They are about to totally change the Marina and they should have a packed house of people giving their public comments on how they feel about this. She also expressed there are environmental groups concerned about this. She said for once they can prevent a problem before it happens. She doesn't want to come back to Council years down the road saying that she told them so.

Mr. Graves asked what would be the cost if they just pursued the permitting of the dry dock.

Mr. Falls said that he did not have this broken out.

Mr. Graves suggested pursuing permitting of the dry dock and save half-a-million dollars instead of getting this permitting done all at once.

Mr. Collins explained that could be considered, but they need to look at the age of the Marina itself. There will be additional permitting fees if they had to start over every year instead of getting them all at once. He said they would wind up spending twice the amount of money by doing it that way.

Mr. Falls said that they have not asked the consultant what it would cost for permitting just for the dry storage. He said that they can ask the consultant that question.

Mr. Graves said that maybe they could fund more money next year for the permitting once they know what the budget is going to look like.

Mr. Brackett reminded everyone that this is an Enterprise Fund.

Ms. Lawson reminded Council that they approved the grant funding application and \$350,000 of this project is predicated that they receive the grant funding.

Mr. Graves asked about the revenue projection on the Marina for this year.

Mr. Collins said that they are pretty much on par.

Mayor Young thanked staff for doing an admirable job in bringing in increased revenues. This is not a decision to do max development at the Marina.

Vice Mayor Moss explained that her point was in spending \$648,000 this year for the Marina is equivalent to moving the Water Treatment Plant. She said Council is making that decision today and not making the decision to do it in phases.

Mr. Brackett expressed that they need to move forward in replacing their existing docks that are in poor condition. They have to go forward and do this. They made a decision to do this when they made the decision to hire Mr. Collins as their Marina Director.

Mayor Young added that they discussed the Marina and at one point were going to spin it off. He said doing the project in phases will be decided by future City Councils.'

Vice Mayor Moss heard earlier from the Marina Director that the Marina is safe. She asked about the dry dock storage.

Mr. Falls said that the City has applied for a FIND grant to help with the costs.

Vice Mayor Moss said that she didn't care how much money they give the City this would destroy the Lagoon.

Mr. Neville commented that they vote on the projects one by one. He said by approving the plan does not mean that they are going to execute every phase. He said once they get the design work and permitting done then they can select the projects that they want to do.

Vice Mayor Moss expressed that the amount of money they are talking about is huge. A commitment is being made and it is not a good plan.

Mr Falls said that they would get the questions being asked by Council answered by their consultants. He said if they don't go with this project, staff will need to rescind the FIND grant application, but they take their orders from the Council.

Ms. Lawson said that they have time to get the answers because they are not adopting the budget today.

Mr. Brackett commented that this has been discussed time and time again. The reason they hired Mr. Collins was to implement this plan. He understands that Vice Mayor Moss voted against it, but now is the time to approve the funding for the project.

Vice Mayor Moss did not think this was the proper time for it.

Mrs. Jean Catchpole agreed with doing the project in phases because the public will have an opportunity to comment on the phases as they move forward. They all have concerns that having more boats out in the water that there will be more pollution and they have to be careful on how they treat their Lagoon. She said as they do these phases to please consider the environmental impact of what they are going to be doing.

Mr. Ken Daige commented that he knows a decision was made a few months ago to move forward with the master plan. He asked what the shelf life for the permits is. He was told it is five (5) to 10 years. He

said going forward there are some concerns. He said the more boats that are allowed the more pollution there will be. He asked Council that if they decide to move forward to let the public weigh in on it. There is a very active dog park there, active rowing club, so they need to ask themselves going forward how much more do they want to go on that property. He is in favor of repairing what needs to be done, but not with a huge expansion in that area.

Mrs. Judy Orcutt presented the Clean Waterways Act opinion. She said it sounded like the first phase will be for the new building, then she heard dredging, but did not hear anything about the mooring fields.

Mr. Collins explained that there will be more permitting process in getting to the submerged land. As they go through the seagrass survey area they will determine if the seagrass in that area will allow them to get permits. They need to keep moving ahead to get the surveys done to see what is there. He said more boats does not mean more pollution.

Mrs. Orcutt said so the permitting process is advocating to include the perimeter. Mr. Collins answered yes. The State will decide how far they can go out.

Mrs. Orcutt reported that the Clean Waterways Coalition is doing water testing and one test is being done near the Dog Park where the nutrient amount is sky rocketing and extremely high. She thinks it is probably due to all the rain that they have had.

Mr. Dick Winger agreed with the comments made by Vice Mayor Moss. He said that there is an elementary school in this area, the Yacht Club, the Marina, the ballfield, the Dog Park, etc. It is a very full area. He was in favor of Phase 1 and the new building. He does not believe it is in their best interest to have a big Marina, but they need to have a good Marina. They don't need a whole bunch of more people in that area.

Mr. Falls commented that staff has taken their direction from the City Council. They brought to City Council a project phased out that is in the 5-year plan. The moorings are not in their capital plan, but it is in there. They have taken public comments. He said that when each of the three (3) phases are ready to take place staff will bring them to the City Council for approval. Mr. Collins only controls the boats that come in and out of the Marina. They cannot as the Marina control every boat on the river as far as pollution goes. They are trying to get the permitting done by doing an initial design. They could end up with a Marina when it is done having the same amount of boat slips that they have now. They are trying to react to what direction has been given to them. The Marina has to be on the water and they have to make sure they are building a project that fits into what the community wants, as well as the City Council. He expressed that it will take some time to get this project done.

Vice Mayor Moss commented that it is no one's fault that they have not been able to take public comments. At the Marine Commission meeting when this was discussed there was not anyone there to comment. They are looking at making a major decision and not allowed to have a packed house full of people to give their comments. She was against this project from the start and felt that this was a huge amount of money being spent on this project. It is almost what they are contributing to the Waste Water

Treatment Plant. She didn't feel that this was the will of the people, but understands it is the will of the Council.

Mr. Graves commented that this was a decision that was already made before he got on the Council. He knows that it will take some time to fund these projects. He asked to do the permitting in phases. He likes the master plan. He questioned having jurisdiction over the submerged lands.

Mrs. Ellison commented that she is involved with Vero Beach Rowing and no one there knows the magnitude of this project. She said they might want to slow down. She knows how difficult permitting is and working with the CORP of Engineering. She doesn't understand the magnitude of this decision being made. She said this year the Rowing Club has been helping Youth Sailing because of the virus and inviting them to use their facility and there are challenges now with all the boats there. She doesn't know whether or not the Rowing Club Board has discussed this project, but she will find at. She said the City cannot incur debt at this time. It would be wise for them to take their time. If they continue to pursue the grant for this project and then decide not to use it are they committing themselves.

Mr. Ken Daige asked if it was possible to get a solid answer if they move forward on this situation. He was looking for a more accurate answer on how long these permits are good for.

Mr. Brackett explained that even though they may approve the money in the budget, they don't always spend the money.

Ms. Lawson said that Council would also have to approve the grant money.

Mr. Brackett continued by saying all they are doing is approving a budget item. The permitting process will have to come back.

Solid Waste

Mr. Matt Mitts, Public Works Director, commented that they (Solid Waste) offer a wonderful service to the City of Vero Beach. It is a difficult job, especially in the summer. They are proposing a flat budget. In the future they will be looking at the rates that they charge and making an increase if needed. The last update in fees was seven (7) years ago. They are proposing increasing residential fees to 73 cents and increasing the commercial rate to 4.90 per cubic yard. When looking at increasing their rates they always compare their rates with their competition.

Mr. Falls said they would also be looking at an annual CPI adjustment to the rates so they don't have a huge increase every seven (7) years. He wanted to look at this and then bring it back before Council.

Ms. Lawson noted that the rate increase would come back to Council as a Resolution for them to vote on.

Council took a lunch break and the meeting reconvened at 1:15 p.m.

Discussion Regarding Creation of Stormwater Utility

Mr. Falls explained the total estimated cost is \$110,950 to complete the required data analysis, adopt stormwater rates and implement the utility using the non-ad valorem assessment collections method. This includes \$93,950 for stormwater assessment study completion and non-ad valorem assessment adoption and \$17,000 for mailing of assessment notices.

The question was asked if they would be funding defray cost for a street sweeper.

Ms. Lawson answered yes. She said if it is for stormwater uses.

Mayor Young asked for a time table of when this would start. He said that they don't want to go down that road until they are comfortable.

Ms. Lawson explained there will be a schedule before it is adopted. She said revenue collection would start in the taxes that go out in September 2021.

Vice Mayor Moss said that the cost from when Council first looked at this has gone up by \$100,000 and she doesn't understand why. Before she got on the Council, \$50,000 was allocated for the study and then the Utilities Commission was asked to make a recommendation that another \$50,000 be approved to complete the study. The Utilities Commission recommended that they finish it and then once they finished it then the consultant needed another \$40,000 and she certainly had a problem with that. She wonders how much more time will pass before the price goes up again.

Ms. Lawson explained that the price that will be charged is based on development of the property per the property tax rolls. She said what was never included in the study was the cost of implementing the billing mechanism to collect the money, which is about \$70,000. The original study examined the City as a whole and explored alternatives and recommendations, but didn't go all the way to creating a rate schedule. At the time they were looking at doing it through utility billing. In comparison with what was committed to the Waste Water Treatment Plant and it appears in the budget as \$650,000 and with regards to the Marina looking at this in the same context the \$100,000 is not that big of an amount. She didn't expect COVID to be here as long term as it has and it is hard to say what COVID is going to be over.

Mr. Neville pointed out that the second half of the study accumulation of the data base used to rate each of the properties on a date certain. Once they get all that information how will they keep it current waiting for the implementation of the rate of the stormwater utility. And what if they don't want to do it the following year?

Ms. Lawson explained that it will be done through a non ad valorem assessment at whatever State property is in January 1st. In terms of keeping the data current they could enter into agreement with the property appraiser to keep it updated. There will be changes year after year as they adopt the assessment roll. The same consultant would maintain that data base. This would be an on-going relationship with this consultant or someone else. She does not have the staff or expertise to do it in-house.

Mr. Graves noted for the public that this information is included in their backup material as Attachment D under the 5 year capital improvement program.

Ms. Lawson reported that the stormwater projects are located on pages 3 and 4 in the Five Year Capital Plan. The funding for stormwater comes from their one cent sales tax. Infrastructure costs in government need to be taken care of first. Their cost are only going to rise as they continue looking at how to fund this. With stormwater based on usage someone would pay for whatever they are putting into the system. She said as far as mitigation credits go that is something that Council would decide on.

Vice Mayor Moss asked how businesses would mitigate it.

Mr. Falls explained that if you have an existing business and you don't have any runoff then you will have a fee to pay.

Mr. Graves asked if staff had a position on this.

Mr. Falls said there are projects that have been identified that there is not enough revenue to get them done so you need to continue looking at how to fund them and this utility would help defray the costs.

Mr. Graves felt it was unfair to enforce an ad valorem tax, but he would agree with going with a stormwater utility because it is based on what someone is putting into the system.

Vice Mayor Moss didn't feel that churches should have to pay because pennies do not come from heaven. She said the bottom line is they are asking for more money from their residents then the question is are you going to want to raise taxes a year from now.

Mr. Brackett agreed that the timing is rough right now. He said putting fees on businesses is a tough decision to make. Right now they are voting to put it in the budget and it would have to come back for approval. He had some concerns as to when the mandates would be handed down by the State.

Mr. Mitts said that the State has said it is going to happen, but dates have not been presented to the City.

Mr. Brackett said if he read this right they currently spend about \$800,000 in the capital fund for stormwater and with this it will not make up the money still needed in the budget. Before he was on City Council there were two (2) pieces of property sold and they were dedicated for the Lagoon, he asked if that money was spent.

Ms. Lawson explained that the money is in these balances going forward. Part of the reason their unfunded list of projects went down substantially was because of these property sales.

Mr. Brackett asked when budgeting an item, does staff have a recommendation on what comes out of the budget.

Ms. Lawson explained that they have to look at the budget once they get the results from the State on how much they will be giving the City.

Mr. Graves commented that this is an infrastructure need and it needs to be taken care of. He understands what Vice Mayor Moss is saying as far as churches go and wondered if that could be something that could be considered. He said mitigating stormwater is where they should be headed.

Vice Mayor Moss asked if another street sweeper is included in the budget.

Mr. Falls said that it was at \$250,000. Vice Mayor Moss said that this is something that they could do now if they did not fund the Marina project.

Mr. Falls explained that the \$250,000 is the cost for the sweeper then they would need to hire an employee to use the street sweeper.

Mr. Falls said with stormwater management there are two (2) things to discuss, which water quality are when it is not raining and water quantity when it is raining.

Mayor Young stated that what is undeniable is that the City is facing a funding hurdle ahead and this is one (1) mechanism that can address it and they also face the increase requirements for environmental standards. They have to be sensitive on how they implement this program. He said it is not when you are going to pay for it, it is how you are going to pay for it. Having this utility makes them eligible for certain grants. That is another funding mechanism that we would get to take advantage of. He was in favor of moving forward and putting this in the budget.

Vice Mayor Moss said that she wanted to hear from the four (4) Councilmembers that they were going to implement this a year from now otherwise they will be wasting another \$100,000. She reiterated that instead of spending \$600,000 for the Marina to use some of that money for this study and use \$250,000 for a street sweeper, which is something that they could do now.

Ms. Lawson explained that they will invite the consultant to the Council meeting when they are going to talk to about approving their contract. She said putting the money in the budget is the first step.

Mr. Graves commented that they already have \$100,000 invested in this project. He said seeing that there are a lot of studies if they don't start this process they will be in the same boat next year.

Mr. Neville commented that if they continue to defer maintenance on stormwater it will continue to increase. They need to find another funding source that is fair and this is as fair as they can find. He was in favor of the data to implement this.

Mr. Bracket agreed that there are a lot of unanswered questions about this and he would like to have the answers to those questions.

Ms. Lawson agreed that they shouldn't spend more money than they are committed to going forward. If they want to have a presentation with the consultant before authorizing the study, which will be in October that is fine. She said they can put the money in the budget now and then hear from the consultant.

Mrs. Jean Catchpole, Representative from the Indian River Neighborhood Association, said the two (2) things that are important is they need to raise money from somewhere and they have to have money do projects that are necessary. This is the first step to go through and she applauded them for taking it.

Mrs. Judy Orcutt, CWC, said that she was holding a document from 2017 and there have not been any big stormwater projects. As far as churches go the consultant should be asked how that works. There will be a webinar done concerning the B-map that she would like Council to participate in. She asked them to email her and say that is a good idea. She will get with the City Clerk to find a good week to hold the webinar.

Mr. Richard Winger stated that as far as the cost goes there is no cost until September 2021 and they have ability to put it off further than that. It will take a year to set up this mechanism. If there was a workshop held on this they could bring in a lot of people that have a lot of information on this. He said if the workshop was planned far enough in advance they could get a lot of people in the Chambers to talk about it. There are recourses available to them.

Mr. Rory Ellison, Junior at Charter High School, read a prepared speech. He is discouraged about the pollution that he sees in the water.

Mr. Ken Daige said it sounds like Council is going to move forward in putting this in their budget. There will be other monies needed associated with doing the study. He lives in the City and he is not retired and he still has to work. There are a lot of people that will have a hard time paying for this. There are a lot of government land and the City will have to pay the assessment also. When you pass this he thinks what will need to happen is to put a sunset clause in there and list out the projects that this City has not been able to do that are important projects. Talking about revenue stream the Council decided to sale the Post Office, which was a revenue stream. Now the people are the revenue source. There are a lot of non-profits here in town. If they are going to require the regular people to pay then everyone should have to pay.

Budget Wrap Up

Ms. Lawson recalled that they wanted staff to look at the overtime being spent to see if it justified hiring a full time person or not. She will look at that and bring the numbers back. They want to add more speed signs, which cost \$5,000 a piece. She said that Mr. Falls would look at implementing the crosswalk on A1A, which would go into Fund 304. They will continue working on the Airport legislative solution and the Airport will incorporate that into their goals and challenges. There was discussion on the Marina follow up design phase 1 cost and grant funding. Put the stormwater in the budget and show it being paid back from the stormwater utility. She will follow up with Council as soon as she gets the numbers from the State.

Mr. Graves asked how much the Airport has budgeted for marketing.

Ms. Lawson said that their advertising budget has been increased to \$60,000. It will come to the City Council in August to enter into an agreement with the consultant.

Mr. Graves said that he would like to see a comparison of that cost as to having a business developer at the Airport look at the property available at the Airport and also working with the Chamber of Commerce on this.

Vice Mayor Moss asked to check on what more they can do in purchasing a street sweeper.

Ms. Lawson said that an extra \$250,000 is not in Fund 204.

Vice Mayor Moss suggested looking at some overtime hours in the budget for the street sweeper to be used more than it is now.

Mr. Falls said that they could look at running the sweeper on the weekends.

Vice Mayor Moss wanted him to look at something that they could do right away.

Mr. Falls expressed that no one else in the County has a street sweeping program.

Vice Mayor Moss wanted staff to address this right now. She didn't know what they will need to take out.

Mr. Falls reiterated that a new street sweeper will be \$250,000 plus the cost of adding another person, which is an additional expense that hasn't been anticipated.

Mr. Graves asked Mr. Turner if a Business Development Director salary could be taken out of the bed tax. Mr. Turner said probably not.

Mr. Dick Winger wanted to revisit the Marina and in marketing trying to find a need in the market place to fill the profit. What concerns him with the Marina is that they are spending \$16 million over time. What they are missing is a business plan. He said they need to look at phase 1, 2, 3 and see how they will get this \$16 million back. They are accelerating expenses to about \$600,000 a year. Basically this City has had about a \$2 million gap and they will need to face that at some time.

Mr. Bob Jones thinks the decision to frame a maximum Marina plan creates a lot of energy. They have a crumbling Marina that needs to be renovated and modernized. Kicking the can down the road for another year on a study that will enable to do that is the wrong thing to do. If they had come up with a minimal plan rather than a maximum plan it would be cheaper. What he does not want them to do is address the critical path in getting the Marina renovated by kicking the can down the road. They need to position themselves so they can fix the Marina and enlarge it to what the process entails. He asked Council not to defer with moving forward with upgrading the Marina.

Mr. Ken Daige commented that when stormwater first came to the City Council they were told by the consultant that an Appeals Board would have to be set up and there may be some problems. On April 20, 2020, he sent a note to Council, which he read (on file in the City Clerk's office).

Mayor Young asked Ms. Lawson to add to her list to see if the Councilmembers could each get a laptop.

Retiree Benefits Review

Ms. Lawson explained that with the general employee pension plan those people retiring after 1998 get an automatic 1% COLA increase and the people retiring prior to that date get nothing. She asked Council to decide if they would like to give the retirees before 1998 the same thing that the retirees after 1998 will be getting.

Mr. Graves made a motion to go with what social security allocates, which this year is 1.6% equal to the social security cost of living adjustment. He said this could be the adopted policy. Mr. Brackett seconded the motion and it passed 5-0.

Millage Rate

Mr. Brackett made a motion to keep 2.5000 as the millage rate. Mr. Graves seconded the motion and it passed unanimously.

The budget hearings adjourned at 3:00 p.m.

/tb