

**CITY OF VERO BEACH, FLORIDA
SPECIAL CALL CITY COUNCIL/WORKSHOP MINUTES
MONDAY, AUGUST 21, 2023 9:00 A.M.
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

PRESENT: John Cotugno, Mayor; Linda Moore, Vice Mayor; Tracey Zudans, Councilmember; John Carroll, 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 Cotugno led the Council and the audience in the Pledge of Allegiance to the flag.

B) Roll Call

The City Clerk performed the roll call.

2. ITEMS FOR DISCUSSION:

A) Fiscal Year 23-24 Proposed Budget – Updates Since July 17-18 Workshops

***All backup material is attached to the original minutes**

Mr. Monte Falls, City Manager, gave a summary of where they are to date on the budget, as opposed to where they were on August 8th when they talked about the budget at their last City Council meeting. He said they were able to balance the budget at the current millage rate by staggering when the new Police Officers will be hired and delaying the hiring of the Assistant City Attorney to April 1, 2024. The other items that they talked about including in the budget were the Network Security Tech, Associate Planner, Weather Station and the request to increase the MainStreet contribution to \$50,000. The net expenses to the General Fund if these things were to occur would be \$303,167.

Mrs. Zudans was impressed that the City Manager and the Finance Department sharpened their pencils and were able to include these things at the current millage rate. She said that this is very good for the community and she thanked them for their hard work.

Mr. Carroll stated that he was not a big fan of using public money to fund non-profits. If he personally wants to help a non-profit organization, he writes them a check. He would not be in favor of increasing MainStreet's contribution to \$50,000.

Mrs. Zudans agreed with Mr. Carroll's comments.

Mr. Carroll continued by saying if they went with the not to exceed millage rate of 2.7680 they would be able to set some surplus money aside for pilot projects that they could do over the next year. He was in favor of providing everything thing on page 2 of their document except for non-departmental, which was the request to increase Main Streets contribution that the City gives to \$50,000.

Mrs. Zudans expressed that these things can be done by going with the current millage rate.

Mrs. Moore was in favor of going with the not to exceed millage rate and approving all the new Police Officers to start in October.

Mrs. Zudans had no problem with staggering the positions. She said if something came up and one of the new Police Officers needed to be hired sooner than staff could come to them with that request. She said it was not fair to their citizens to go above the current millage rate.

Mr. Neville asked if they could discuss the other positions being requested and then decide whether to approve them this year or not.

Mayor Cotugno agreed that public safety was key. He said bringing the new police officers in on October 1st would be a good thing, but in reality all of the new police officers would be hired in that timeframe. He wanted to discuss the other positions that are being requested.

Mr. Steve Dionne, Finance Director, explained that the Sr. Financial Analyst would be a person between the Assistant Finance Director and the Sr. Accountant. He said there is a lot of work that needs to be done with the government standard awards that this person would keep track of. This person would monitor their leases through a new system that they are using and help with FEMA if the need arises this year. He said that can take up a lot of time for one person if they have to do all the paperwork and get it to FEMA in a timely manner.

Mrs. Zudans asked if they were to not fund the weather station and the additional request from the MainStreet how would staff make it work at the current millage rate of 2.6964.

Mr. Falls said they would have to cut somewhere else in order to make it work. He said the budget they have brought to them does meet the current millage rate.

Mr. Dionne expressed that it is hard finding additional places to cut. He said it seems like every time they put out an RFP the cost comes in so much higher than they budgeted for.

Mrs. Zudans agreed that things are very tight for their residents right now and it would not be fair to increase their taxes. She has no problem with staggering when the new police officers will be hired. She said any tax increase of over 2.6964 would not be fair to their residents.

Mayor Cotugno commented that the City runs an efficient government. He is astonished with the low number of employees that they have that the government runs as well as it does. He realizes that there are things that don't get done. He mentioned they have engaged help with a non-profit agency to help with the cleaning of their Parks, which is going very well. The Marina is in bad shape because the work that needs to be done there kept getting pushed back and now there are some safety issues that have to be fixed. He said when they compare themselves with other municipalities in the State they still have the lowest millage rate. He doesn't want to defer this matter and hand it over to the next City Council. He agrees with not giving the additional funding to MainStreet, the weather station doesn't make a difference, but he really wants to have the new police officers hired.

Mrs. Zudans asked if other municipalities in the Council are having a millage increase. Staff was not sure.

Mr. Falls briefly explained the Network Security Tech and said they need to have an employee hired to oversee this. He said right now Mr. Mills is doing all the work and can use some help.

Mr. Neville agreed with staying on top of their network security. They would not want to endure the problems that Indian River County encountered where they were shut down for a couple of weeks. He said that this was a risk issue for the City. He said so far they have been lucky to not have had any of these issues occur. As far as the new Associate Planner being hired, that had to do with the quality of service that the City offers.

Mr. Jason Jeffries, Planning Director, explained that there are currently four (4) employees in the Planning Department. He said by having an Associate Planner he would be able to have that person handle the permitting applications, which would free up some time for the other planners in the office to handle other things like planning projects.

Mr. Falls added that a lot of things fall on Mr. Jeffries plate because he doesn't have anyone in the office to handle them. This would allow him to also work on other projects.

Mayor Cotugno complimented the Planning Department on the work that they continue to accomplish.

Mr. Neville recalled back in 2008 when they were going through the recession a third of the employees were let go and never replaced after all these years.

Mr. Falls expressed as time goes on they are starting to get complaints from the public on things that they would like to see upgraded or fixed. This is something that they have to accept.

Mr. Carroll commented that he is very proud of the things that they have accomplished this year and knows that next year will be even better.

Mayor Cotugno agreed and said that they needed to lay out the right foundation for the next Council. The quality of life here is wonderful and they need to continue working on their infrastructure so that it supports the quality of life that the residents are used to.

Mr. Carroll expressed that their millage rate was very low and for whatever reason the Councils' before them never raised it.

Mr. Neville commented that previous Councils' relied on the electric system for revenue and deferred raising taxes. He recalled when they were in the process of selling the electric utilities several people spoke at their meetings saying that they wanted to have lower electric bills and were in favor of paying higher taxes.

Mayor Cotugno wondered if they could include in the qualifications for the Associate Planner that the person would have grant writing skills. He understands that they do contract out their writing of grants.

Mr. Jeffries felt that probably would not be in the job description for an Associate Planner.

Vice Mayor asked if they have someone on staff who looks for grants that are available.

Mr. Dionne explained they do receive notification of the major grants and some of them are not worth applying for.

*At this time Public Comments took place.

B) General Employee Pension Plan Cost of Living Adjustment for FY 23-24 for Current Employees

Mr. Falls referred to the handout provided on the impact of the General Fund Retirement Scenarios on the Fund Balance Reserve. He said that they recently approved funding the In-service Distribution. At the current time staff is not recommending any changes to the Pension Plan. He just brought this forward for Council to look at.

3. PUBLIC COMMENT

Mr. Mike Johansen commented that when you look at the inflation rate and the millage rate unless you raise the millage rate you will be giving up 3% of your services every year. He asked if they really wanted to do that.

Mr. Keith Drewett stated that he supports the not to exceed millage rate of 2.7680. He expressed the need for having a Network Security Tech. If they had a major downtime of two (2) weeks it would cost them approximately \$100,000 and they don't want to have to go through that. He then brought up attrition, which is the reason that Mr. Dionne has been hired. He mentioned that Mr. Turner has not been able to hire a new attorney for his office and has been looking for over a year. He expressed if they do not hire a new I.T. person they might live to regret it.

Mr. Ken Daige expressed that staff is doing an outstanding job. They have worked hard to bring Council a balanced budget. Now, it is time to move forward and get some things done. He said that no one likes tax increases, but this time around they need to increase taxes. There are a lot of things in this area that need to be taken care of. He said police officers for downtown are needed and the people downtown understood that would happen quickly. He said the money is there and it needs to be done. The other new police officer positions need to happen also. He brought up the non-profit agency located downtown and how humble they have been to go out and clean up some of downtown. Now, going forward questions are coming up as to how the downtown area will stay cleaned. He asked if that was budgeted for. He did not know the answer. There is infrastructure and some lighting that needs to be replaced. They need to go to the not to exceed millage rate. It allows them to operate. The Enterprise Fund for the electric utilities has gone away and it has left a gap. There is a demand for City services. It is time for Council to move forward and do what they need to do. He expressed how hot it has been this summer and the outside City workers continue to do their job. He expressed how dedicated they are.

With no further public comments, Mayor Cotugno asked for a motion.

Mr. Carroll made a motion to approve all the listed items on top of page 2, of the memo. They are: three (3) new Police Officers, a Sr. Financial Analyst, a Network Security Tech, an Associate Planner and the Weather Station. What is not included is the non-departmental description that reads request to increase the contributions to MainStreet by \$24,000. He said if they include all of these things that would give them an increase of \$279,167, which is \$9,056 less than the max millage rate that they approved as the millage rate at their previous budget meeting. The motion is to go with the not to

exceed millage rate of 2.7680. Mr. Neville seconded the motion and it passed 4-1 with Mr. Neville voting yes, Mr. Carroll yes, Mrs. Zudans no, Vice Mayor Moore yes, and Mayor Cotugno yes.

Mr. John Turner, stated that he was requesting an attorney-client session on August 22, 2023 at 2:00 p.m. in the City Manager's conference room. He listed the people who will be in attendance and said that the meeting will last approximately 30 minutes. The meeting is being called for the purpose of settlement negotiations relating to litigation expenditures in the case of the Town of Indian River Shores v. City of Vero Beach.

4. ADJOURNMENT

Today's meeting adjourned at 9:51 a.m.

/tb