

**MINUTES  
THE TOWN OF INDIAN RIVER SHORES  
6001 North Highway A1A, Indian River Shores, FL 32963**

**REGULAR TOWN COUNCIL and PENSION BOARD MEETING  
Thursday, March 26, 2009  
3:30 p.m.**

**PRESENT:** E. William Kenyon, Mayor  
William H. Ahrens, Vice Mayor  
Frances F. Atchison, Councilmember  
Michael B. Ochsner, Councilman  
Gerard A. Weick, Councilman

**STAFF PRESENT:** Robert J. Bradshaw, Town Manager  
Laura Aldrich, Town Clerk  
Chester Clem, Town Attorney  
Judith Lewis, Town Treasurer  
Bill Schauman, Director, Public Safety Department  
Richard Jefferson, Building Official

**OTHERS PRESENT:** Penny Chandler, Indian River Chamber of Commerce  
Paul Shamoun, Florida League of Cities Pension Plan Administrator  
3 Residents

1. **Call to Order.** Mayor Kenyon called the meeting to order at 3:30 p.m. The Pledge of Allegiance was recited and the invocation given, followed by the roll call as reflected above.
  - a. Pledge of Allegiance
  - b. Invocation – Councilman Ochsner
  - c. Roll Call – Town Clerk
  
2. **Consent Agenda.**
  - a. Acceptance of January 13, 2009 Chapter 175/185 Meeting Minutes
  - b. Approval of February 26, 2009 Regular Town Council Meeting Minutes
  - c. Approval of March 11, 2009 Town Council Reorganizational Meeting MinutesMayor Kenyon asked for a motion on the consent agenda, which was made by Councilmember Atchison and seconded by Vice Mayor Ahrens. With no discussion, the Council **voted unanimously to approve the items as presented on the consent agenda.**
  
3. **Mayor's Items.**
  - a. Life Sciences Accord – Indian River County Chamber of Commerce (Penny Chandler)

Mrs. Penny Chandler gave the background of the Life Sciences Accord, which was begun following a marketing analysis in 2005. As the research and development industry were already fairly established in our region, the marketing professional recommended trying to attract the life science industries, bio-science industry, and high tech industry. The Treasure Coast had been weakly branded towards pirates and treasure, thus was changed at that time to the Florida's Research Coast. The three coastal counties, Indian River, St. Lucie and Martin, now use Research Coast Economic Development Coalition for the purposes of marketing. Out of this effort is a regional approach to economic development, and communities are asked to join with the counties in establishing an accord to receive businesses in the life-science research and technology area.

*Please Note: The Town of Indian River Shores does not routinely keep verbatim minutes. Any party interested in such an appeal relating to any decision made by the council with respect to any matter considered at this meeting is responsible to record the meeting and include the testimony and evidence upon which the appeal is to be based.*

Martin County has adopted this Accord, which includes the communities, the hospital and Florida Atlantic University. St. Lucie County will probably follow Indian River County in its adoption. There are 15 signatories, so each entity will have an original document, Mrs. Chandler concluded.

The Town Clerk read the Accord at the Mayor's request. A **motion** by Councilmember Atchison supported by Councilman Weick **to approve participation in the Life Sciences Accord received unanimous approval.**

b. Proclamation - Motorcycle Safety Awareness Month August 2009

Mayor Kenyon asked Mrs. Aldrich to read the Proclamation, which she said was requested by the American Bikers Aiming Towards Education, known by the acronym ABATE. She then read the proclamation declaring August to be Motorcycle Safety Awareness Month in the Town of Indian River Shores.

A **motion to approve the Proclamation declaring August to be Motorcycle Awareness Month in the Town of Indian River Shores** was made by Councilmember Atchison, seconded by Councilman Weick. The **motion passed unanimously.** Councilman Weick asked if we could make the public aware of this by posting it on the Town website, and the Town Clerk agreed.

4. **Planning, Zoning and Variance Board**

Mr. Jack Mitchell reported that there was neither a meeting nor any issues before them.

5. **Town Attorney**

a. Ordinance 496, 2<sup>nd</sup> Reading: Adopting State Flood Damage Prevention

Mr. Clem said that this ordinance is a result of action taken by the State of Florida requiring municipalities to upgrade their floodplain and development plan, and was initiated by Mr. Jefferson, the Town Building Official. Since there were quite a few changes, we are repealing Chapter 165 of the Land Development Code and substituting the new language. Mr. Clem read the Ordinance by title as follows:

**ORDINANCE NO. 496**

**AN ORDINANCE OF THE TOWN OF INDIAN RIVER SHORES, FLORIDA PROVIDING FOR REPEAL OF CHAPTER 165.01 – 165.06 OF THE LAND DEVELOPMENT CODE CONCERNING FLOODPLAIN MANAGEMENT AND DAMAGE PREVENTION; PROVIDING FOR SUBSTITUTION OF THE PROVISIONS STATED IN 165.01 - 165.07 HEREWITH; PROVIDING FOR VARIANCE PROCEDURES, HISTORIC STRUCTURES, AND STRUCTURES IN REGULATORY FLOODWAY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

Mayor Kenyon asked for a **motion**, made by Councilmember Atchison and seconded by Vice Mayor Ahrens, **to approve the second reading of Ordinance 496 regarding floodplain management**, which passed with **unanimous approval.**

b. Ordinance 497, 1<sup>st</sup> Reading: Adopting Florida Building Codes

Mr. Clem stated that this ordinance was also initiated by the Building Department. When the Town adopted the Florida Building Code, it did not include the adoption of revisions to that Code as they occur. This adopts the entire code and its administration, which will keep the Town current. He read the title as follows:

**ORDINANCE NO. 497**

**AN ORDINANCE ADOPTING THE FLORIDA BUILDING CODE AS IT PRESENTLY EXISTS AND AS IT MAY BE AMENDED IN THE FUTURE TO GOVERN BUILDING IN THE TOWN OF INDIAN RIVER SHORES; SETTING FORTH STANDARDS ACCORDING TO STATE REQUIREMENTS; POWERS AND DUTIES OF THE BUILDING OFFICIAL; REPEALING SECTION 150.010; REPEALING ANY PROVISIONS OF THE TOWN ORDINANCES THAT ARE IN CONFLICT WITH THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE.**

Mayor Kenyon received a **motion to approve the second reading of Ordinance 497 adopting the Florida Building Code** from Vice Mayor Ahrens, supported by Councilman Weick. The **motion passed unanimously.**

6. **Adjourn for Pension Board Meeting**

At 3:45 p.m. the regular Town Council Meeting was temporarily adjourned.

**Pension Board Meeting  
March 26, 2009**

- 1) Call to Order. The Pension Board Meeting was called to order at 3:45 p.m.
- 2) Presentation of Actuarial Valuation Report (Paul Shamoun, Plan Administrator)

Mr. Shamoun said that there is one Trust Fund with two separate Actuarial Reports, because the State requires one for just the Fire & Police employees, and we also have one for General Employees. Both are based on October 1, 2008 figures. The contribution for the General Employees went from \$12,094 to \$23,839 from 07/08 to 09/10, caused by a) adding one new employee to the plan, and b) a change in the assumption of the interest rate from 8% earning over the long term to 7.75%. This should help prevent large swings in the Town's contribution. Last plan year, the fund lost 12.2%, rather than earning the expected 8%. The 20% difference in what was expected is what has resulted in the higher contribution from the Town, as the employee's contribution is fixed.

For the Fire and Police Officers Plan, the contribution increased from about \$465,000 to \$575,000 for 09/10 plan year starting in October. About 75% of the increase is the change from 8% to 7.75% assumption. One employee moved to retired status, and the payroll went down slightly. It does not include the salary of those who are of retirement age. The present value of future benefits increased from \$7.5 million to \$8.8 million, and assets as of September 30 were \$3.9 million. It is expected that the employee contributions will be \$733,000 over their entire working career, which yields the present value of future normal costs, or how much will be earned in the future before everyone retires, of \$4.2 million. The present value of future payroll, or everyone in the plan throughout their whole career, should earn \$8.1 million. The calculation is 51% of payroll, or \$568,000 required contribution for next year. The loss of one employee to retired status, the reduction in interest rate from 8 to 7.75%, and the negative 12% earnings versus the 8% assumption make up the difference. He asked for questions.

- 3) Receipt of Questions or Comments from the Defined Benefit Pension Board

Councilman Ochsner said that the 51% rate is so high, and asked how this compares with other plans. Mr. Shamoun said there are many in this situation, and the Town's plan is really only three years old. It does not have the total funds to become a solvent plan yet, so the liabilities span the working lifetime of plan members. A 22-year funding method rather than a 30-year was used in the calculations because it is the average working lifetime that brings the funded status up a little quicker. Benefit increases were given by the Town Council a few years ago that brought the benefits up to the required State minimum level in order to receive the States 175/185 fund. The current average age of plan participants is 44.8, and the average earned service is 12.5 years as of last year. If the market stays stable, there will probably be a 14-15% loss for this FY.

Mayor Kenyon asked how the Town's pension funded ratio compares to other municipalities, and Mr. Shamoun said that some plans which started 12 years ago with 0% funding are probably 70% funded. The Florida Retirement System had touted that they were overfunded for many years, and has continued to cut or keep contributions artificially low. If you strip away the actuarial funding methods and smoothing, they are about 78% funded now. Even the most well-funded plan in the country lost 27% last

year. Mr. Shamoun said when things go bad, the FLC Pension Fund will shine because of their high quality nature of bonds. The FMPTF Bond Manager is in the 2<sup>nd</sup> percentile of all bond managers in the country, and made over 9% last year with all AAA rated securities. Councilman Weick asked if they were long-term bonds, and Mr. Shamoun said that they were about 5.7 years and are mortgage-backed securities with no sub-prime or variable rates.

- 4) Public Questions or Comments (None)
- 5) Adjourn Pension Board Meeting

Mayor Kenyon adjourned the Pension Board Meeting at 4:04 p.m.

7. **Reconvene Town Council Meeting**. The Mayor reconvened the Town Council meeting at 4:05 p.m.

8. **Town Manager**

a. Advisory Committee Appointments

- 1) Reappointment for expiring terms. Mr. Bradshaw asked the Council to consider the following:
  - Planning, Zoning and Variance Board: Jack Mitchell and Jackie Johnson
  - Code Enforcement Board: John Klein, Bill Beardslee, Rubin Skyler (Alternate), Hal Glassman (Alternate)
  - Finance Committee: Larry Pesin

A **motion was made** by Vice Mayor Ahrens, supported by Councilman Weick, **to approve the aforementioned reappointments**. The motion **passed 4-1**, with Councilmember Atchison casting the dissenting vote.

- 2) Appoint for Open Positions

- Finance Committee - Councilman Mike Ochsner
- Chapter 175/185 Pension Board – Paul Rancatore

Mr. Bradshaw said that the recommendations of the above names are for the Finance Committee and Chapter 175/185 Pension Board. A **motion** was made by Mayor Kenyon, supported by Vice Mayor Ahrens, **to approve Councilman Ochsner for the Finance Committee and Paul Rancatore for the Chapter 175/185 Pension Board**. There was discussion from Councilman Ochsner regarding interviewing the candidate. Mr. Bradshaw said that the candidate had been interviewed at length by Chief Schauman, who has been on the Board since its inception and he is comfortable with the recommendation. Councilman Ochsner asked Chief Schauman about his perception, and he agreed with Mr. Bradshaw, concurring that there is limited financial responsibility as it only relates to the 175/185 pension funds. These monies are managed by Paul Shamoun, Chief added, and Mr. Bradshaw said that the main duty is to approve the actual allocation of the dollars upon retirement. Mayor Kenyon said that perhaps the Council should interview the candidates before they vote on them. Tabling the motion and having Mr. Rancatore come to the next Council meeting were briefly discussed, resulting in an **amended motion to approve Councilman Ochsner as representative on the Finance Committee** by Mayor Kenyon supported by Vice Mayor Ahrens. The **amended motion passed**.

9. **Call to Council – Committee Reports**

**Beach and Shores**. Councilman Ochsner reported that at the March 16<sup>th</sup> meeting, Sector 3 restoration was discussed. Permits are in process, and are expected by the end of August with bids the end of September and construction in November or December. However, this \$17.5 million project was number 48 on a list that is not likely to include funding of the top 25. The committee recommended exploring local funds, of which the County may have \$7 - \$8 million, and an additional 1% tourist tax was mentioned. The Committee also voted 8-2 to spend \$50,000 to evaluate upland sand for beach or dune restoration. He concluded by announcing that Golden Sands Beach Park is now open, and Wabasso Beach Park should be open by April 30.

Chamber of Commerce. Councilmember Atchison said that she attended the Chamber of Commerce grand reopening this morning, and is working on a task force that is brainstorming ways to market Indian River County to companies doing research in life-sciences (part of the Accord entered into earlier in the meeting). Councilman Weick reported that he had also attended the ceremony and thought it was very informative.

Metropolitan Planning Organization (MPO). Councilmember Atchison reported that she had attended an MPO workshop on the 2035 Transportation Plan. Five groups attempted to use County maps to connect roads, put in new towns, and whatever else is foreseeable through the year 2035. Councilman Weick said (later in the meeting) that he had also attended what he called a fairly productive workshop, which was part of a State requirement to meet a 2010 deadline.

Treasure Coast Regional League of Cities (TCRLC). Councilmember Atchison said that at the March 18<sup>th</sup> meeting, they voted to give up to \$500 for refreshments if an educational opportunity on civics is presented in the community. Also, businesses will be invited to join the TCRLC as non-voting members.

Treasure Coast Regional Planning Council. Vice Mayor Ahrens said he attended this meeting, of which the prime concern of the TCRPC is that their funding from the State has been cut in half. The Director, Michael Busha, is requesting that a letter be sent to our legislators encouraging State support for this organization, which Vice Mayor Ahrens stated he thought the Town should do. The excellent staff of planners does a very good job for the region and the State, he added.

Land Acquisition Advisory Committee (LAAC). Councilmember Weick attended this yesterday, reporting that so far the County has spent \$72 million and has purchased about 12,000 acres. They voted on a freeze on any land acquisition deals, and to save the \$600,000 in remaining funds. There are 14 parcels on the wish list, all of which require more than the available funds. Three parcels on the list are on the barrier island: \$12 million for an 8.69 acre lot (by the 7-11 and the Tracking Station) ranked 9<sup>th</sup> on the list; another by Island Club ranked 2<sup>nd</sup> on the list, and a third is a costly \$23 million by Jungle Trail near Orchid Island.

Florida League of Cities Legislative Action Day. Mayor Kenyon reported that he and the Town Manager were in Tallahassee for this on March 23-25. They met with the State legislators Ralph Poppell, Ken Pruitt, Debbie Mayfield and Mike Haridopolis to let them know that the Town is aware of and interested in what they are doing. Listening to the other city officials about their financial concerns with their pension and municipal funds affirmed that the Town is in comparatively very good shape. He stated that the first year for term limits (2010) for State legislators, with Senator Pruitt terming-out next year. The Mayor also voiced appreciation for the travel arrangements made by the Town Clerk and Town Manager. Vice Mayor Ahrens asked if there was any discussion on state income tax, and neither had heard anything mentioned.

Treasure Coast Council of Local Governments (TCCLG). No report.

Utility Commission Meetings. No Report.

Parks and Recreation. No report.

Economic Development Council (EDC). No report.

10. **Call to Audience.** None.

11. **Adjournment**

Mayor Kenyon adjourned the meeting at 4:27 p.m.

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/s

Laura Aldrich, CMC, Town Clerk

*(Approved by the Town Council at the 4-23-09 Meeting)*