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

SPECIAL CALL TOWN COUNCIL MEETING
1st Reading Ordinance 501, CST Increase
Monday, August 9, 2010
11:30 a.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:	**Richard Jefferson, Interim Town Manager**
	Laura Aldrich, Town Clerk
	Chester Clem, Town Attorney
OTHERS PRESENT:	**Jack Mitchell, Resident**

1. **Call to Order**. Mayor Kenyon called the meeting to order at 11:32 a.m. The items below were performed, with the roll call as reflected above.
   a. Pledge of Allegiance
   b. Invocation – Councilman Ochsner
   c. Roll Call

2. **Ordinance 501: First Reading**

Mayor Kenyon turned the floor over to the Town Attorney, who stated that our Treasurer and Finance Committee reviewed this last month, and discovered that we were receiving 2.8% tax and Fellsmere and Sebastian were getting 5.28%. The intent is to be on equivalent basis with other municipalities and increase our income, taking pressure off the ad valorem tax. Mr. Clem said he researched Florida Statute Chapter 202 that allows the Town to collect 5.1%, and another statute permits an additional 0.12, which is 5.22%.

This meeting was called because the adoption has to be by ordinance to change this rate, which has to be submitted to the Department of Revenue on or before September 1. The second reading can be on August 26 at our regular meeting, and the first reading has to occur before publication, then ten days later we could have second reading. Any changes will be reflected before publication, which is by title only.

Mr. Clem then read the Ordinance by title as follows:

Ordinance 501

AN ORDINANCE OF THE TOWN OF INDIAN RIVER SHORES, FLORIDA RELATING TO THE COMMUNICATIONS SERVICES TAX OF CHAPTER 202, FLORIDA STATUTES; PROVIDING FOR THE LEVY OF 5.1 PERCENT TAX PLUS AN ADD-ON PERMITTED IN FLORIDA STATUTE 337.401; PROVIDING FOR NOTIFICATION; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

He said it is very simple, in Section 1 we adopt the 5.1% and then in Section 2 adopt the additional 0.12%, then this is submitted to the Department of Revenue. A **motion was made to approve the first reading of Ordinance 501** by Councilmember Atchison, supported by Councilman Weick. Councilman Ochsner asked what rates the City of Vero Beach and the County enforced, which were

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handed out at the last meeting. Mr. Clem said it was 5.12% in Vero Beach and Orchid at 2.1% and our Town 2.8%. The Council voted, and the **motion passed 4-1**, with Councilman Ochsner dissenting.

3. **Public Comment.**

The Mayor asked for public comment, and Mr. Jack Mitchell, 220 Sandpiper Point, asked to what this tax would be applied. It was explained as an addition to the cell phone, telephone bill, cable bill, and internet access. For the county, for instance, the revenue according to the Department of Revenue shows a tax base of $73,488,008 would be taxed at 1.84% with $1,352 in revenue. This amounts to probably less than five dollars on combined communications bills per household. The Mayor and Councilmember Atchison added that these are funds that the Town has never collected that they should have been all along, and now are trying to catch up.

4. **Adjournment**

Mayor Kenyon adjourned the meeting at 11:43 a.m.

__/s_____
Laura Aldrich, CMC, Town Clerk

(Approved by the Town Council at the 8-26-10 Meeting)