



MINUTES
THE TOWN OF INDIAN RIVER SHORES
6001 North Highway A1A, Indian River Shores, FL 32963
REGULAR TOWN COUNCIL MEETING
Wednesday, September 25, 2013
3:30 p.m.

PRESENT: Gerard A. Weick, Vice Mayor
Thomas W. Cadden, Councilman
Richard M. Haverland, Councilman
Thomas F. Slater, Councilman

ABSENT: Brian M. Barefoot, Mayor (excused)

STAFF PRESENT: Robert Stabe, Town Manager
Chester Clem, Town Attorney
Cpt. Mike Jacobs, Public Safety
Lt. Mark Shaw, Public Safety
Darlene Wiltzius & Heather Christmas, Finance Department
Liz Mahon, Building Department

Laura Aldrich, Town Clerk
Jose Guanch, Building Official
Mark Shaw, PSD Lieutenant
Ed Miller, PSD Per Diem Officer

OTHERS PRESENT: Residents June Pickett (PZV Applicant); Jerry Solin & John Porta (Finance Committee); Tom Peschio (CEB); Caroline Ervin; Guests Amy Brunjes, FPL; Glenn Heran, VB Electric Issue; VB 32963 Reporter Lisa Zahner

1. Call to Order

- a. Pledge of Allegiance
- b. Invocation (Councilman Slater)
- c. Roll Call

Vice Mayor Weick called the meeting to order at 3:31 p.m. with the Pledge of Allegiance and Invocation performed, followed by the roll call by the Town Clerk as reflected above.

2. Proclamations / Presentations

- a. FPL City of Vero Beach Electric Update (Amy Brunjes, FPL)

Amy Brunjes mentioned their parent company, Next Era Energy, which she cited as the largest investor in the State of Florida, and is recognized by Fortune Magazine as the most ethical and most admired electric company in the world. She continued that since 2009 this has been an ongoing effort to switch from Vero Electric to FPL. The last data from the first quarter is that Vero Beach's electric rates are \$132 per kW compared to FPL's \$95 per kW. As an FPL customer, Indian River County customers will save \$23 million every year, with \$2.5 million of that in savings for residents of Indian River Shores.

She recapped what she shared at the last meeting regarding the status of the sale and purchase offer. They have not filed for the change in territorial boundaries and for approval to charge royalties to the City of Vero Beach's customers with the PSC for approval yet, as they are awaiting the FMPA's (Florida Municipal Power Agency) response to proposed solutions.

When and if everyone approves, it still is not a done deal. The Vero election is critical, as some amendments to the agreement for purchase and sale are needed. Three open seats on the Vero Beach Council are a concern. After amendments are approved, a closing will be set within 3-6 months, and then there will be a transition to receive bills from FPL rather than the City of Vero Beach. The actual closing may be seven or eight months after all of the approvals, late in 2014.

The distribution center in the City of Vero Beach was discussed, with Mrs. Brunjes explaining that the current potential site is on 18th Street, adding it looks like it will go through.

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.

Councilman Haverland asked about the \$16 million in liabilities for the employees, and she said it was for the 96 transferred employees. He discussed the underfunding of medical liability, pension and other post employment benefits, with concern that FPL was underestimating the liability they propose to absorb. She said a lot of those employees belong to the bargaining unit, so there are some unknowns at this time.

Councilman Cadden mentioned the importance of the upcoming election, and even though Town residents can't vote, they can support candidates that are favorable for the sale. The employees could benefit greatly, especially by having a fully funded pension plan.

Vice Mayor Weick mentioned the rebates that FPL offers, and Mrs. Brunjes said that one of the upcoming presentations will illustrate what it looks like to be an FPL customer. She recapped a few additional benefits provided by FPL, such as millions spent to maintain and update equipment for current customers, community partnerships with the United Way and other agencies, and consumer rebates and education to save money on electric usage and bills. Vice Mayor Weick said the EDC has mentioned that the FPL is helping new customers and bringing new businesses. Mrs. Brunjes said they are working very hard to obtain these approvals, and strong leadership on the Council is very much appreciated.

b. **Treasure Coast Refuse Roll-Off Container Exclusivity Clause (Mark Redden, Contractor)**

Mr. Redden, owner of Redden Construction and a resident of Sebastian said he was just made aware that contractors have to use Treasure Coast Refuse for roll-off dumpsters. He understood that the Town has a contract for residential service, and did not see in the Contract where contractors have to use them. Vice Mayor Weick invited Mr. Clem to respond, who explained that the Town has had a longstanding contract for residential and commercial pickup. This is part of the contract, and there is no secret of the rates. Mr. Redden said this has nothing to do with price; he just wants to use his choice of contractors to provide a roll off container. He reiterated that he does not see where it states in this agreement that he has to use a TCR roll off container. Mr. Clem said they are granted an exclusive right all through the contract, it is not specified on each page. Mr. Redden said the Town is forcing everyone to use one provider; there is no freedom of choice.

Councilman Haverland agreed it is like a monopoly, but said there is not pricing abuse. Mr. Clem said the entire County is divided up to be serviced by two specified contractors; it is not unusual. Each Councilman was understanding and sympathetic to Mr. Redden, but commented that the policy has been in place for many years, and we are trying to protect the Town and its neighborhoods. Vice Mayor Weick said we will have the Town Attorney look into this and get back to Mr. Redden.

3. **Consent Agenda**

- a. Acceptance of Planning, Zoning & Variance Minutes dated August 12, 2013
- b. Approval of Regular Town Council Meeting Minutes dated August 22, 2013
- c. Approval of Special Call Meeting 1st Reading Ord. 512 dated September 12, 2013
- d. Approval of 1st Budget Public Hearing Meeting Minutes dated September 12, 2012

Councilman Haverland noted a clarification to page 3 of the Regular Town Council Minutes from August 22, which was agreed to be changed from "Mayor Barefoot clarified that it was a proposal to pay him the \$135,000 salary" to "...it was *his* proposal to pay *Mr. Stabe* ..." A **motion to approve the consent agenda items with the one change noted in the minutes** was made by Councilman Slater supported by Councilman Cadden, **which passed 4-0**.

3. **Discussion with Possible Action**

a. **Committee Related (Town Manager)**

Code Enforcement Board Regular Member – Tom Peschio

Mr. Stabe asked for the Council to approve the appointment of Tom Peschio from alternate to regular member of the Code Enforcement Board. No one had any questions for Mr. Peschio, who was in attendance. A **motion to appoint Tom Peschio as a regular member of the Code Enforcement Board** made by Councilman Cadden with support from Councilman Slater **passed 4-0**.

Code Enforcement Board Alternate – Beverly Ford

Mrs. Ford was unable to attend as she was out of town, and the **motion to appoint Beverly Ford as alternate member of the Code Enforcement Board** was also made by Councilman Cadden with Councilman Slater's second, **passing 4-0.**

PZV Board Alternate – June Pickett

The Town Manager asked for a motion to **approve the appointment of June Pickett to the Planning, Zoning and Variance Board as an alternate**, which motion was made by Councilman Haverland with a second by Councilman Slater that **passed 4-0.**

- b. Finance Committee Member Fritz Blaicher Resignation (Town Manager Stabe)

Mr. Stabe said there was a letter of resignation received from Mr. Fred (Fritz) Blaicher, and a **motion to accept Fred Blaicher's resignation from the Finance Committee** was made by Councilman Haverland with second by Councilman Cadden, which **passed 4-0.**

- c. Appoint Finance Committee Member Jerry Solin to Regular from Alternate Status

With the vacancy created for a regular member, Mr. Stabe asked that the Council consider appointing the very active alternate, Jerry Solin, to regular membership. A **motion was made** by Councilman Haverland with second by Councilman Cadden, which **passed 4-0, approving the appointment of Jerry Solin as regular member of the Finance Committee.**

- d. November Council Meeting Time Change (Councilman Slater)

Councilman Slater asked to change the November meeting time from Friday November 22nd from 9 a.m. to 3:30 p.m., which was agreeable to the Council which **passed a motion with a 4-0 to move the meeting to Friday November 22nd at 3:30 p.m.**

- e. Banking Services Recommendation (Town Manager)

Mr. Stabe said there was a memorandum from Town staff with ratings and a recommendation based on the responses to the RFP for Center State Bank to provide banking services to the Town. Councilman Haverland asked where it was located, and it explained that it is just past Miracle Mile on US 1. It was noted that it scored very high and provides a substantial savings. A **motion** by Councilman Haverland, with a second by Councilman Slater, **to approve the recommendation to contract with Center State Bank to provide banking services to the Town passed 4-0.** Vice Mayor Weick thanked Ms. Christmas for all of her work on that.

4. Town Attorney

- a. Ordinance 512, Defined Benefit Pension Plan, 2nd Reading

Mr. Clem said this Ordinance had its first reading at the last meeting on September 12, and read it for the second time by title as follows.

AN ORDINANCE OF THE TOWN OF INDIAN RIVER SHORES, FLORIDA, AMENDING ORDINANCE 511 AND PREVIOUS RELATED ORDINANCES RELATING TO THE TOWN'S DEFINED BENEFIT PENSION PLAN FOR GENERAL EMPLOYEES; ALLOWING EMPLOYEES WHO WERE ENROLLED IN THE PLAN PRIOR TO ITS CLOSING ON MAY 1, 2013, INCLUDING THE RETIREES ALREADY COLLECTING BENEFITS TO REMAIN IN THE PLAN; PROVIDING FOR THE TOWN MANAGER'S NORMAL RETIREMENT DATE AND BENEFIT; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT; AND PROVIDING AN EFFECTIVE DATE.

A **motion to approve the second and final reading of Ordinance 512** was made by Councilman Cadden with a second by Councilman Slater for discussion. Councilman Haverland expressed concern regarding compensation for the Town Manager, who is scheduled for a \$24,000 increase in the current budget due to changing positions, and thought the other benefits place him out of step with other town managers in terms of responsibilities. He discussed the cost to the Town of adding the Town Manager in this pension plan versus the cost of being in a defined contribution plan is \$85,000, going into detail on earnings assumptions and lifespan assumptions of up to 37 more years. He said this ordinance would essentially be a \$150,000 bonus in today's dollars to Mr. Stabe.

Councilman Slater said he views it differently. The difference in cost between the Defined Benefit estimate and the Defined Contribution was something he was interested in knowing. The risk the Town would have over a long period of time and the rate of return are one concern. Hypothetically, if Mr. Stabe returned to the Public Safety Department, the Town would be obligated to input into his DB Pension Plan which is a larger contribution, and the Town would have to hire a new manager with an additional salary, benefits and a pension. The Town would be facing more expenses if Mr. Stabe moved back to PSD. The comparison of what the real choices are today lead him to believe it is very close to a wash.

Vice Mayor Weick said he also estimated that this proposal costs the Town about \$20,000 more a year. When comparing this salary with other barrier island cities that are socially and economically equivalent, and there are some property managers who have salaries 4-5 times higher than this salary, he did not believe the salary is out of line. Overall, this seems to be the best of all solutions, as we would have at least \$150,000 more in salary and benefits to have another Town Manager. He noted that the Finance Committee agreed with this resolution to the situation.

Councilman Cadden said we could not have a better Town Manager for this Town. When we have a hurricane, he is experienced with ensuring that we have coverage when the Public Safety per diem staff is called to other jobs. The Councilman agreed with Vice Mayor Weick that Mr. Stabe is not overpaid.

Councilman Slater asked Mr. Porta about the Finance Committee's recommendation, which Mr. Porta said that they wanted to find a way to bridge the gap for going from one position to the next that would compensate for the penalty of having to change retirement plans. This was one of the considerations, as well as through salary. The Committee did not review this particular Ordinance. Vice Mayor Weick asked Mr. Solin what they voted on, as he had read the minutes and they seemed ambiguous. Mr. Solin said they were not sure what the legality or mechanism would be, but the Finance Committee voted 5-0 on some resolution that theoretically would be some type of annuity or deferred compensation, with the objective to make Mr. Stabe "whole."

By roll call vote, **the second and final reading of Ordinance 512 passed 3-1**, with Councilman Haverland casting a dissenting vote.

5. **Town Manager**

- a. Departmental Reports (Building, Financial Balance, Public Safety)

There were no questions regarding the usual reports as provided.

- b. Arbitration

The arbitration scheduled for September 24th was postponed until further notice.

6. **Committee Reports**

- a. Planning, Zoning & Variance (September 9, minutes provided, no report)

- b. Council Committee Reports (MPO, EDC, TCCLG, TCRPC, Others)

Beach and Shores. Councilman Cadden said he attended the meeting, and the County is getting ready to spend a lot of money on replenishment projects, and are considering changing the zoning. He noted that John's Island is not in a zone which is entitled to renourishment funds.

MPO. Vice Mayor Weick attended the September 11 meeting, and the discussion included how to improve the Go-Line Bus system. They voted to recommend to County to increase its operating hours from 8 am-6 pm to 6 am-7 pm. in the 2014 budget, which the County Commission also approved.

EDC. Vice Mayor Weick reported that he went to the meeting on September 17, and the main discussion was to maintain the State Enterprise Program, which renews every ten years.

TCRLC. This meeting was attended by Vice Mayor Weick, Town Manager Stabe and Town Clerk Aldrich last Wednesday, who heard a presentation by Ocean Research Conservation Association (ORCA) on the condition of the Lagoon. They are installing Kilroy devices to measure many statistics in the lagoon, such as temperature, flow, rain, and nitrogen. The group will be sending a

representative to Washington DC on October 2 to convince federal legislatures that the lagoon is very important to area economics.

TCCLG had no report.

Councilman Haverland suggested they schedule another Affordable Healthcare (Obama Care) workshop to understand the rates. All were agreeable, and staff was directed to arrange it.

Councilman Haverland also asked to have a meeting of the **General Employee Pension Plan Board**. With discussion it was decided to schedule it possibly on the same day as the healthcare meeting.

Vice Mayor Weick asked Mr. Clem if we are working on the **fertilizer ordinance update**, Mr. Clem said the County adopted a stricter ordinance than ours. He understood that he is to update our ordinance for consideration by next meeting. Councilman Slater asked about our presentation, and Vice Mayor Weick said they looked into it some, and found that the parks and golf courses are exempt in the County ordinance. Mr. Stabe said Mayor Barefoot wanted to be here for the presentations, so they will be scheduled for another meeting.

7. **Call to Audience**

Glenn Heran said at the last meeting, they discussed the need for a **lobbyist**. The County selected Ballard Partners in Tallahassee for \$78,000. The target date of September 20 was moved to September 30 for the FMPA to get back with us to decide whether or not to do business with the City. He will report back next month, which may be to ask for financial participation from the Town.

Patty Gundy, representing **the Pebble Bay Property Owners Association**, asked if they may request the **repair of potholes on their public streets**. Mr. Stabe said they maintain monies in the Road and Bridge fund for that, and asked her to please bring it to his attention if there is something specific.

8. **Adjournment**

Hearing no further comments, the meeting was adjourned at 4:53 p.m.

Respectfully submitted,

/s _____
Laura Aldrich, Town Clerk

(Approved by the Town Council at the 10-24-13 meeting)