



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

REGULAR TOWN COUNCIL MEETING

Thursday, April 25, 2013

9:00 a.m.

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

STAFF PRESENT: Richard Jefferson, Town Manager Laura Aldrich, Town Clerk
Chester Clem, Town Attorney Robert Stabe, Public Safety Director
Mike Jacobs, PSD Lieutenant Charlene Hall, PSD Admin.
Shawn Hoyt, PSD Sergeant
Darlene Wiltzius & Heather Christmas, Finance Department
Elizabeth Mahon & Lyndsay Bryant, Building Department

OTHERS PRESENT: Jim Moller, JIPOA Jerry Burr, JI Security
Bill Beardslee, Jackie Johnson & Barbara Bunney, PZV Board
Retirees Barbara Readdy, Alice Hayslip, Virginia Gilbert, Lou Puchala
Mike Ochsner, Chairman, & John Porta, Finance Committee Member
Residents including Frannie Atchison, David McKenna, Barbara Holmen-McKenna, and David Becker
Janet Begley (Press Journal) & Meg Laughlin (VB 32963)

1. **Call to Order**

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

Mayor Barefoot called the meeting to order at 9:00 a.m. with the Pledge of Allegiance and Invocation, followed by the roll call by the Town Clerk as reflected above.

2. **Proclamations / Presentations**

- a. Presentation of Appreciation Certificate to Larry Pesin, Finance Committee
Mayor Barefoot turned this portion to Councilman Cadden, who was Mayor at the time these residents served. He thanked Larry Pesin for serving on the Finance Committee for 8 years and presented him with a framed certificate amidst applause.
- b. Presentation of Appreciation Certificate to Jackie Johnson, PZV Board
Mrs. Jackie Johnson was awarded a framed certificate with gratitude for serving on the PZV Board for 15.5 years by Councilman Cadden. Mr. Beardslee said Jackie was one of the most valued members who always offered an opinion, often against the grain which caused them to think about their actions.

3. **Consent Agenda**

- a. Acceptance of Planning Zoning & Variance Minutes dated March 11, 2013
- b. Approval of Special Call Town Council Meeting Minutes dated March 15, 2013
- c. Approval of Health Insurance Workshop Meeting Minutes dated March 18, 2013
- d. Approval of Regular Town Council Meeting Minutes dated March 21, 2013

Councilman Haverland, supported by Councilman Cadden, **made a motion to approve the Consent Agenda items as presented, which passed 4-0.** There was no discussion.

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.

4. **Discussion with Possible Action**

a. General Employee Pension

Councilman Slater explained that he is new on the Council and is just getting acquainted with all of the issues involved. He made a **motion to rescind the prior motion of Council to terminate the General Employee's Defined Benefit Pension Plan to allow time for more discussion and understanding**, which was supported by Vice Mayor Weick. **The motion passed unanimously 5-0.**

Councilman Haverland said he originally proposed the termination of the pension plan, and also proposed that they do it more fairly in a lump sum based on a more reasonable rate of return. Having seen that the results of the more reasonable rate do not generate a sufficient lump sum, he made a **motion that the pension plan be closed and leave the retirees who are receiving benefits in the plan, and the current employees in the plan would have their benefits transferred to the 401k (sic) Defined Contribution Plan.** This prevents any future employees from joining the General Employee Defined Benefit Pension Plan. Councilman Cadden said this is exactly what he was going to say, and thanked him before **seconding that motion.** Mayor Barefoot recapped that the two current employees have both indicated a willingness to transfer their funds, and Councilman Slater reiterated that the current retirees' payments would stay the same during their lifetime. Vice Mayor Weick apologized for any misinformation that was distributed, and causing any anxiety. It was never the Council's intention to cause any harm, as the Town treasures our employees and thanks them for their service. The intention was to close the plan to the future employees. **The motion passed 5-0.**

Councilman Cadden said one more action related to this must take place, since the pension fund was created by an ordinance, it must be changed with one. He presented a draft Ordinance 511 that would close the plan. This ordinance takes two readings, and he asked the Council if they would consider the first reading today. It was drafted by the Fund Manager, Paul Shamoun at the Florida League of Cities, and Attorney Clem has reviewed it. Mayor Barefoot noted item G-7 and G-8 are the important items. Councilman Haverland discussed the reference to general employees in item B. with Mr. Clem, who said this was redrafted from January 2013. He read the entire ordinance, including the title as follows.

ORDINANCE NO. 511

AN ORDINANCE OF THE TOWN OF INDIAN RIVER SHORES, INDIAN RIVER COUNTY, FLORIDA AMENDING THE TOWN OF INDIAN RIVER SHORES' GENERAL EMPLOYEES' DEFINED BENEFIT PLAN; PROVIDING FOR CONTINUITY; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

A **motion to approve the first reading of Ordinance 511** was made by Vice Mayor Weick with a second by Councilman Haverland, **which passed 5-0.** Councilman Haverland said he wanted the **Pension Board to meet next month** to amend the assumed rate of return to 6% and discuss the fund distribution, and possibly the fund manager, as well. It was agreed to be set as a **separate Board meeting immediately following the Regular Council meeting.**

Mrs. Virginia Gilbert spoke on behalf of the three retirees, thanking them for that motion and saying they all appreciate it. However, this has been very stressful for all of them, and they do not want to go through this again. The retirees asked the Council to consider an amendment to Article 19 that grandfather them into the plan, or a contract, or both that allows them not to have their benefit altered or terminated at any point in time by an ordinance revision.

Mr. Clem said he has given this a lot of thought, and by passing this ordinance they have done as much as they can. He assured the three retirees that by taking this action, they are vested to maximum ability of this Council, and said they can take a great deal of comfort going forward. Anything could be addressed in the future, although he does not anticipate this. Mayor Barefoot asked Mr. Clem to research this, and Mr. Clem agreed, adding a strong record of intent has been now been created.

Vice Mayor Weick asked if we could pass a motion to grandfather them in. Mr. Clem explained that there is prohibition of one council binding another council to something in the future. He said with the strong record, there is direction for future councils as to why the action was taken. Mayor Barefoot echoed Vice Mayor Weick comments about the misinformation.

Barbara Holmen McKenna, former mayor, said she is very proud of this Town, and if this Council could change the system that these three retired on, another council could do the same. Mr. Clem agreed to take another look with the Mayor's approval.

b. Town Contribution to Retiree Health Insurance

Councilman Cadden said this has been heavily discussed, and made a **motion to establish an incentive fund for the Town Manager of not more than \$180,000 to offer retirees as a buy-out to leave the medical insurance program offered by the Town**, which should allow lower rates for current employees. He added to the motion to **continue to offer up to 51% contribution for those who are not able to get health insurance**. Vice Mayor Weick seconded the motion. Councilman Haverland asked if this amount is to buy-out up to nine employees and if there is a formula in mind to calculate the buy-out that would be applied equally to each individual. Town Manager Jefferson said it a buy-out at today's rate times the number of years of service until they reach 65. Councilman Haverland questioned the amount per year used in the calculation, which Mr. Jefferson said he used \$3243 if they were at 51%. Vice Mayor Weick clarified the maximum payment would be applied equally using their current percentage rate times the annual amount currently received by each of the retirees that is paid by the Town times the number of years left until 65, so everyone is treated in the same fashion. Mayor Barefoot asked if there was any more input, and hearing none, the **motion passed 5-0**.

c. Current Employee Health Insurance Plan

Vice Mayor Weick said since there is the potential for lower rates potentially, he recommends that the Council extend the current health insurance policy up to two months and then make a decision. Councilman Haverland asked when the new census would be done, and Town Manager Jefferson said within a month or two, as we should know who is leaving and who is staying. Danielle said she would have a firm quote within a month. It was also noted that there would be a 16% rate increase in effect at the time of the extension. Vice Mayor Weick said until July 1 would be better. Town Manager Jefferson intends to discuss the offer with all affected retirees within the next week. Vice Mayor Weick made a **motion to continue the current health insurance plan at least until July 1**, with a second by Councilman Cadden. The motion **passed unanimously**.

d. Appointment of Robert Stabe as Acting Town Manager

Mayor Barefoot **made a motion to appoint Robert Stabe as the Acting Town Manager with a total compensation of \$120,000 for the dual roles of Acting Town Manager and Public Safety Director**. The Vice Mayor seconded the motion. Councilman Haverland discussed the employment agreement, receiving clarification from several that it was standard for every city to have a contract with the manager to protect both parties. Councilman Haverland asked about the proportion of split between the salaries, Mr. Jefferson said it was split for the budgeting purposes. Councilman Haverland said he senses a larger percentage of the time is devoted to the other jobs (PSD and Building Department). Mayor Barefoot said he asked the same, and they decided it should be split the same, 50% each in current budget. Councilman Haverland said financial consequences of Building Department funds must be paid from those fees as opposed to this all being from the General Fund.

Councilman Haverland also asked about the written evaluation being performed prior to September 30, saying the current format is terrible, and suggested setting objectives to evaluate the manager. Mayor Barefoot offered to draft specific goals and objectives within the next couple of weeks with Mr. Stabe, and circulate it through Laura by the next meeting so they can have an agreement on the measurements and standards. That was agreeable to the Council. There being no further discussion, the **motion passed 5-0**. Mayor Barefoot said they look forward to working with him, and taking away the Acting portion of the title.

e. Island Club Annexation Proposal (Councilman Haverland)

Councilman Haverland said he spoke with new Homeowner Association president of Island Club, and they expressed no interest in going forward with the discussions at this time.

f. Signature Authorities (Councilman Slater)

Councilman Slater said after the last meeting, he spoke with Darlene and Heather about the resolution from May 2010 that has the Town Manager or the Treasurer with single signature authority of up to \$5,000 in the ordinary course of business for the Town. Heather sent a note afterward stating that there were only 38 checks that were more than \$5,000, which requires council plus one signature. This seems to be the right operating level, as most checks are under \$5,000 as it is today.

Also, he continued, CD's could involve major amounts of money and signature authorities are not mentioned when it comes to reinvesting these when they come due. He said the Council should set some parameters on authority, with dual signature responsibility with a council member if moving certain amounts of funds. Vice Mayor Weick agreed, and Councilman Haverland mentioned since he has been on Council,

the Finance Committee has often been involved in the decision. The Vice Mayor said most of the transfers of funds are initiated by Council with recommendations by the Treasurer, agreeing with the second signature requirement. Councilman Slater said the Council should agree, and there should be a signature authority for this. Mayor Barefoot said this is a good protection measure, not only for the taxpayer, but for the employee so there are no wrongful accusations. Councilman Haverland had no problem with this, and recommended up to \$10,000 level for the Treasure and Town Manager. Councilman Slater suggested a motion to amend Resolution 10-1 that all movement of funds over \$5,000 require Council involvement.

Mrs. Wiltzius and Ms. Christmas both addressed the internal normal operating procedures to pay the bills that incur regular movement of approximately \$50,000 in funds every month for payroll and pension payments within Bank of America accounts, and didn't think that those types of transfers should be included. Councilman Slater agreed, saying they did not want to impinge normal operations, but if large sums were being transferred to different places, the Council should be notified in advance and one of their signatures should be required. Mayor Barefoot suggested that the Finance Department, Councilman Slater and the Town Manager decide how to implement this and bring it back before the Council. The Town Clerk offered to draft an amended resolution to address dual signatures, and Councilman Cadden said also to include large CD's must go before the Council, with anything more than \$10,000 requiring Council involvement. Mayor Barefoot said to just make sure it works in a daily operation and protects the Town and its resources.

g. Town Manager's Direct Staff Hiring, Compensation Procedures (Haverland)

Councilman Haverland said the Council has reasonable controls within the organization, and questioned the Charter's authority given to the Town Manager as being too broad with no Council input. He supposed an executive committee would be involved in the hiring process.

Mr. Jefferson said there was a committee consisting of himself, the Mayor, Mr. Beardslee, and Chief Stabe that was involved in the process of hiring the Building Official, including the interviews and setting the salary. There was nothing hidden.

Councilman Haverland said there is nothing required in our procedures the way they are written today, and asked to be made aware. He recognized that this is not how Mr. Jefferson hired the Building Official, but it could have been done without controls, which concerned him. Mayor Barefoot said the Town Manager operates within constraints of a budget, and asked what process he envisions for a new hire in a key Town position. Councilman Haverland said the Mayor or a Councilman should be involved so there is a check and balance. The Town Clerk said this has been a matter of courtesy throughout the years. Councilman Slater said maybe a step in the job description that the Mayor or Vice Mayor be consulted, and the Town Manger has to have freedom to operate. Mayor Barefoot asked if it's included in the Town Manager's job description, and Mr. Jefferson said it would be a charter change. Mr. Clem said this would only apply to three or four department head positions. Mayor Barefoot noted it is one thing to involve the Chairman of key committees or a member of Council, and another thing to require it. Mayor Barefoot said there was a time constraint, and it's common sense to follow procedures, Councilman Cadden added.

Mr. Clem said it should be a procedure. Councilman Haverland asked if it should be in the Employee Handbook. Councilman Ochsner said they are waiting for a revised draft, and agreed it may be the place to have this added.

h. Committee Resignations & Appointees – Finance, Pension Board (Town Manager)

Mr. Jefferson said there was a request for the Council to **accept the resignation of Mr. John Klein from the Finance Committee and Mr. Bill Ahrens from the Defined Benefit Police/Fire Pension Board**, which **motion** was made by Vice Mayor Weick and seconded by Councilman Haverland.

There are four applications for the Council to consider for the Pension Board appointment, and Mayor Barefoot, Councilman Haverland and Councilman Slater all had personal knowledge of three of the applicants. Councilman Haverland said they are all highly qualified, noting Mr. Sedam is with a firm that jointly manages investments over \$4 billion and is still somewhat involved in the pension business, making a **motion to appoint Jerry Sedam to the Police/Fire Pension Board**, which was seconded by Mayor Barefoot. Councilman Slater noted that he is the strongest candidate, and the **motion passed 5-0**.

A **motion to reappoint Mike Ochsner to Finance Committee** was made by Councilman Slater, seconded by Vice Mayor Weick. Discussion about applicants for this committee ensued, with Councilman Cadden stating he knows of one individual. The Town Clerk noted there are two open positions for alternate, and she has no more applications on hand. She is putting the ad in the paper again. They confirmed that Mr. Ochsner was willing to serve before receiving the vote to **pass the motion 5-0**.

i. FIT Sign (Bill Beardslee)

Bill Beardslee said Florida Institute of Technology (FIT, or Florida Tech) has a Marine Lab on 46th Place, which is County property, and they have no frontage access on A1A. The sign was originally proposed to be placed on the East side, which is not Town property, but belongs to CVS. Chapter 164 of our Land Development Code gives guidance for signs in a commercial area of 20 SF. Unfortunately, the CVS sign is 22 SF, and the 7-11 sign is 40 SF. The PZV Board sent them to get permission from CVS and reduce the size of their requested sign. Most of the signs in our community are on sign posts, and we measure the actual sign area. This is a monument sign, so the 48 square feet includes what would be air on most of our signs. When they returned a couple of months later, they had the same size sign and asked to move it to the other side of the street. Since there are water utility connections, an electric junction box, and setbacks are required in that area, it was not able to be placed there. In April they came to the Board again with a request to have the sign back on the CVS side with their approval, which absolves the Town of any liability. The Public Safety Department reviewed the location of the sign and concurred.

The PZV Board therefore **recommends two variances:**

- 1) **Allow the sign to be placed on CVS property, not on FIT's property as required in our Code.**
- 2) **Allow a sign slightly larger than what is normally approved, which is 30 square feet, but from the top of the monument base, it is only 22 SF.**

A **motion was made to approve both variances** by Councilman Haverland with a second by Councilman Slater, which **passed 5-0**.

Councilman Cadden asked who is responsible for the stop sign being bent, and Chief Stabe said it is the County's, and he would contact them.

5. **Town Attorney**

Nothing to report.

6. **Town Manager**

a. General Fund Analysis & Town Council Budget

Heather Christmas said there is one change, she noticed the elections were budgeted under the G&A account, therefore will not need a budget adjustment.

b. Departmental Reports (Building, Public Safety, Financial Balance). No comments.

7. **Committee Reports**

a. Planning, Zoning & Variance (meeting 2-11-13 report)

Mr. Beardslee had nothing further.

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

MPO. Councilman Haverland had no report.

TCCLG. Councilman Haverland had nothing to report.

TCRLC. No meeting this month.

EDC. Vice Mayor Weick said the EDC met April 9th and Next Level Security Systems was awarded a jobs grant for \$70,000 to hire five employees for a minimum of one year. They also received an update of the budget, which was considered to be a little low, and was approved.

Beach & Shores. Councilman Cadden was unable to attend, so Vice Mayor Weick attended and reported that \$9 million for beach restoration due to Hurricane Sandy was requested, and it passed the House and is in the Senate. It is for combination of matching funds of \$4.5 million from both the State and County. They heard a presentation by an engineering firm on possible solutions to the erosion problem. A study is being done, which will be concluded in about a year to resolve hot spots problems.

8. **Call to Audience**

No response. Mayor Barefoot turned to Councilman Cadden to recognize outgoing Town Manager Richard Jefferson. Councilman Cadden noted that Town Manager Jefferson did a tremendous service to this Town by reconstructing the Town complex after the hurricanes. There are now beautiful and expanded Public Safety and Town Hall buildings, and the Community Center was renovated. Richard did most of the engineering and served as the project manager. We saved about fifty percent on the construction with NO cost to the taxpayers at all.

Vice Mayor Weick presented a plaque to Mr. Jefferson, who was building inspector from September 1995 through February 2004; Building Official from February 9, 2004 until May 15, 2013, and Town Manager from

May 7, 2010 until May 15, 2013. He said it is his great honor to present this to him, and there was much applause.

Mr. Beardslee said he worked with Richard his entire six years on the PZV, and could not have asked for greater support. He was always willing to answer questions, point me in the right direction, and found time to talk through the issues. Mr. Beardslee said he was honored to be asked to participate in the rewriting of the Land Development Code, and now there are several ideas that have been incorporated in the LDC. It was also an honor to be involved in the interview process to select our new Building Official. He has been a good coach and trainer.

Continuing, Mr. Beardslee said from people he knows who have had work done in this Town, Richard is tough and fair, and contractors say the same thing. He helped Mr. Beardslee through the process of getting a new roof after the hurricanes, including developing specs, selecting a contractor, several inspections, and was like a partner to him as a homeowner. He found out later that he did this with countless people. He thanked him on the eve of his retirement, wishing him the best and thanking him for really making a difference.

Mr. Jefferson expressed thanks and appreciation to everyone.

9. **Adjournment**

Hearing no further comments, the meeting was adjourned at 10:25 a.m.

Respectfully submitted,

/s
Laura Aldrich, Town Clerk

(Approved by the Town Council at the May 23, 2013 meeting)