

MAYOR
THOMAS F. SLATER

VICE MAYOR
ROBERT F. AUWAERTER

COUNCIL:
JESSE L. "SAM" CARROLL, JR.
BRIAN T. FOLEY
DEBORAH H. PENISTON



TOWN MANAGER
JOE GRIFFIN

TOWN CLERK
LAURA ALDRICH

TOWN ATTORNEY:
CHESTER CLEM

MINUTES

Regular Town Council Meeting
Thursday, June 25, 2020, 9:00 a.m.

TOWN OF INDIAN RIVER SHORES

6001 N. STATE ROAD A1A INDIAN RIVER SHORES, FL 32963

1. Call to Order

- a. Invocation
- b. Pledge of Allegiance
- c. Roll Call

The meeting was called to order at 9:00 a.m. with the invocation being given by Councilman Carroll, followed by the Pledge of Allegiance recited by all and the roll call by the Town Clerk. Those present were as follows: Mayor **Slater** (by Zoom), Vice Mayor **Auwaerter**, Councilman **Carroll**, Councilmember **Peniston** and Councilman **Foley**. Also present were STAFF: Town Manager **Griffin**, Town Clerk **Aldrich**, Town Attorney **Clem**, Town Treasurer **Christmas**, HR/Finance Manager **Wiltzius**, Assistant to the Town Clerk **Pallo**, Public Safety Director **Rosell**, and Building Official **Martinez**. RESIDENTS present were PZ&V Board Chair Patty **Gundy** (Pebble Bay), Paul **Cavalli** (Baytree), Finance Committee Member Peter **Tedesko** (Sea Forest), and Kim **Anderson** (John's Island), GUESTS present were Celine **Hyer** and Greg **Osthues** of Arcadis; Mike **Korpar**, John's Island Properties; Denise **Boehning**, CoastalWide; and Melanie **Stegall**, Brown & Brown (PRIA). REPORTERS present were Janet **Begley**, Press Journal.

2. Agenda Reordering, Deletions, or Emergency Additions

Vice Mayor Auwaerter stated that Town Manager Griffin has requested that Item 7.b., Employee Health Dental & Life Insurance, be moved to follow the Town Water Service Presentation (Item 3.a.). There were no other requested changes. Councilman Foley made a **motion to approve the amended agenda**, which was seconded by Councilman Carroll and **passed unanimously**.

3. Presentations/Proclamations

- a. Presentation: Town Water Service (Celine Hyer, Arcadis)

Town Manager Griffin stated the Town entered into an agreement with Arcadis last Fall. Their presentation was delayed for several months due to Coronavirus. Celine Hyer of Arcadis said they performed an evaluation of the condition of the existing assets in the Town for water, sewer and reuse water systems. This included the sewer lift stations, the reuse pumping station, and an assessment of the pipelines. A visual assessment of the above-ground assets using industry standard lifespans for the pipelines, and an analysis of the conditions and renewal needs for those assets over the next 20 years was done, and compared with what the City of Vero Beach (COVB) has planned in terms of dollars for those assets.

Greg Osthues of Arcadis addressed infrastructure funding as a huge nationwide challenge, since during a recession capital spending for infrastructure renewal for utilities is severely decreased.

The **infrastructure that serves Indian River Shores** breaks down into four (4) categories: *force mains*, or the pressurized mains that convey wastewater from the pumping stations; *gravity mains*, which convey wastewater from homes into the pumping stations; *reuse mains*, which hold the reuse water used for irrigation; and *drinking water mains*. The total length of those pipelines in Indian River Shores is 519,400 feet, or 19% of the pipeline infrastructure of the Vero Beach's water utility. The materials used in constructing the mains is very important as each material has a different expected useful life of 60 -100 years, depending on both the material it was constructed of and what in which category a pipeline serves.

They looked at which pipelines have **performed well or poorly historically**. Right now, approximately 17% of the pipelines within the Town of Indian River Shores are classified as potentially poor-performing. This is no reflection of anyone's bad judgement or practices, but rather that the materials were thought to

have been acceptable for the service they were used in when the pipelines were installed. We have learned over time that some of these materials were not acceptable. For example, the asbestos cement pipelines that were widely used in this country from the 1930s to the 1980s are not a very durable pipe material nor are they particularly good for water, and are therefore judged as poor-performing. The same goes for ductile iron pipe in wastewater service, used extensively across the country for decades, but now is known as not particularly durable material for wastewater services. He said that the Town's poor performance standard for 17% of the pipelines is actually not a bad outcome, as they have seen places with a far worse percentage.

Mr. Osthues explained that they use the replacement window as the basis for the evaluation, and analyzed how likely the pipelines are to fail over time. The replacement window is the time from when the first pipelines are *likely to start failing* through when the last pipeline fails, which is likely to be after the **projected lifespan**. They can estimate which lines should be replaced immediately, with an investment profile from under \$900,000 to \$4.1 million per year. It ramps up quickly for the Town over the next 15 years.

Since a majority, 20,000 feet, of the asbestos cement water mains are in John's Island, **Arcadis provided an immediate recommendation** for it to be tested via a low cost acoustic test in order to gain a much more accurate timeline of how well they are performing and what their effective life would be. Vice Mayor Auwaerter asked the cost for acoustic testing, which was estimated by Mr. Osthues to be \$5-\$10/foot and is typically done through access from one hydrant or a valve to another hydrant or valve, and an acoustic sound wave is applied. The pipe tries to expand in response to that pressure wave, which is measured to see how long it takes for the sound to travel down the pipeline, which is a function of the pipe's stiffness and the speed of sound in the water. This test does not involve a lot of excavation or putting the pipeline out of service. As a comparison, Mrs. Hyer stated using Closed Circuit TV (CCTV) is around \$3 per foot to test a pipe, so while acoustic testing is a little more expensive, there is more sophisticated modeling used to process the signals. Still, there are other technologies that cost hundreds of dollars per foot.

Mayor Slater asked Mr. Osthues if the life estimate of the pipes was based on estimate they believed when the pipes were installed, or on what we now know to be true. Mr. Osthues stated they are basing it on current knowledge of pipeline performance, not on the design estimates when the pipes were installed.

Mrs. Hyer said they were able to **visually assess the above-ground lift stations**, which included the reuse pumping station and storage tank directly behind the Public Safety Department. The average age of the assets in that facility was 53 years old. In the subdivisions they were able to inspect 25 of the 35 duplex wastewater lift stations that transport the sewage from the neighborhoods to the treatment plant by way of the force mains. They inspected 179 different asset groups including electrical equipment, grounds, wet wells (where sewage is coming in) and pumps inside of wet wells, and all the piping and valves that connect everything together. The good news is that the majority of the assets are in good to fair condition. About 12% of the assets were in poor condition from a visual perspective, looking for corrosion, leakage, and structural/electrical damage. The assets they saw that were in **the poorest condition were the piping and valves**. Typically, they were located inside of a vault where metal corrosion is very heavy due to sewer gas build up. Vice Mayor Auwaerter asked if problems with the above-ground piping should cause concern that there may be worse problems with the underground piping that was not inspected visually. Mrs. Hyer did not believe it was representative of the underground piping, explaining that the conditions are different for above-ground versus underground piping, as the piping in the vaults is not in contact with the soil or water table that sometimes causes corrosion or decay.

Mayor Slater asked if it was normal to have a preventative maintenance program to keep piping up to date. Mrs. Hyer said that they conducted an assessment for Indian River County Utilities about 1 ½ years ago, and they saw was very similar conditions. There are maintenance programs for changing out the piping and valves, but in general, a lot of their clients are in reactive mode. They do have competent staff who can go out and make these fixes, they just do not have enough of them to do so proactively so they are doing it as something fails.

Mayor Slater asked if this was also the norm outside of Indian River County, and Mrs. Hyer said she believes Florida is in a unique situation because Florida is so flat that there are a lot of lift stations as compared to other states where there is more gravity. Pressures on rates over the last five years are causing most utilities a balance struggle with the amount of maintenance staff they have and the amount of work that can be done. Lift stations are unique in having a lot of redundancy built-in, so a failed valves is not going to take the station down or contribute to any overflows; they all have two pumps, and none of the lift stations appeared to be running at full capacity so this type of reactive maintenance is acceptable for now.

Mayor Slater asked if someone gets a signal when a pump goes down and the backup pump turns on. Mrs. Hyer said there is a light and an alarm on every lift station with the City's Water Department number to call. Some larger lift stations have a telemetry system that would automatically notify somebody at the City through radio communications that something is wrong.

Mrs. Hyer said that a **detailed asset report** was **completed for each of the stations** they inspected. They alerted the COVB of two urgent or health and safety-related assets that received a low score: 1) the reuse pump station roof appears to be leaking, and 2) one of the wet wells underneath the road at Lift Station 64 in Bermuda Bay appeared to have some sort of structural issue. Vice Mayor Auwaerter asked what the COVB's response was to these reported issues, and Mrs. Hyer answered that they did not respond to Arcadis directly, and Town Manager Griffin stated he was told by the COVB that the roof issue is "on the list."

Arcadis **recommended that a more detailed inspection of the 1973 reuse storage tank** be completed to understand the remaining life of the tank, as there was some evidence of cracks. It is also a very expensive asset to replace at over \$750,000.

In putting together the **capital needs for the lift stations**, they combined knowledge of what the useful lives of the different asset groups should be with what they saw in the field to estimate the remaining life for each of the assets. For some of the assets there is not a replacement strategy. The COVB accompanied them in the field, and advised that they do not replace the submersible pumps, but rebuild them every seven (7) years, which is very common. Also, they replace different components inside the control panel, rather than replacing it entirely, which amounts to one-third (1/3) of it every five (5) years. Assessing the renewal needs based on the conditions they saw and the remaining life, they determined that about **\$3 million** will be needed over the next 20 years. The amount needed grows over time, so looking out to 2035, the cost is more significant than in the next 5-10 years.

Mrs. Hyer said they looked at the **COVB 5-Year Capital Improvement Plan (CIP)** which runs through 2023 and picked the project types that seemed to match up with their suggested replacements and rehabilitations. The Town pipelines are about 20% of the COVB water utility assets, and the lift stations are somewhere around 25%. One of the challenges is the COVB does not have a separate CIP just for assets in the Town.

Vice Mayor Auwaerter said that **our Franchise Agreement with COVB** under Section 14 states "Capital Improvement Plan – Vero Beach shall annually provide the draft of its detailed five (5) year capital improvement plan specific to the water, wastewater and reuse water utility systems within the Service Area, to the Indian River Shores Town Manager and Town Planner for review and comment." The service area refers to Indian River Shores, and they have never done that.

Mrs. Hyer continued that for the **lift station pump replacements**, the COVB budget shows \$175,000 over five (5) years. Assuming Indian River Shores has access to 26% of the money to match 26% of the assets and comparing that amount against the projected needs, Arcadis estimated a \$943,000 potential shortfall over five (5) years.

She said that in terms of percent of **investments they were putting into their system** from a capital perspective, not including operating budget, the COVB was slightly below the median using the American Waterworks Association's benchmark of dollars being allocated for renewal and replacement vs. overall asset value. On the **lift station** side, it appears the COVB does a lot of work in-house, replacing all the valves, piping and panels, which falls under their operating budget and would not be part of their capital budget. Comparing the investment levels by the COVB and assuming it is proportional to the Town's percentage of assets, it is about \$17,000 per year compared to over \$120,000 a year that is needed for 2020-2024. The stations they saw were in average condition for their age, with no extreme concern about their condition as their renewal program appears to be adequate, there is redundancy, and they are not at full capacity. They can be reactive, and it will not affect the level of service received by the residents right now.

Again, assuming that a proportional amount of money would be available based on the percent of assets for the **pipelines**, the pipeline replacement would most likely be contracted out and not performed in-house. The COVB has about \$100,000 per year available in the budget, and in 2020-2024, Arcadis estimates a little less than \$200,000 will be needed. It does go up as the pipes start to age; a lot of the pipes were installed during the same timeframes.

Mr. Osthues explained that the final part of their project was to **analyze the cost of connecting to Indian River County's water utility system**. For the wastewater, all the water currently flows to the south where it is gathered and sent across the river to the City's wastewater treatment plant. The concept they developed was to *have the Town build an intercepting master pump station, cross the bridge, and then go north to the*

County's central regional wastewater treatment facility. Arcadis did not have any conversations with the County as to whether the capacity exists at that plant to take the Town's flow, but that is the closest connection point. The estimated cost to build that infrastructure is **\$7-10 million**.

Councilman Foley asked what the alternative is if the County does not have the wastewater capacity, and Mr. Osthues said if they need to create the capacity, it would be preferable at the central regional facility for cost effectiveness. Vice Mayor Auwaerter added he has toured those plants, and the other one is way out west of I-95. Mrs. Hyer said the central regional facility was built with property set aside for expansion.

Mr. Osthues said the water service is more complicated because the **water transmission main** crosses under the Indian River to Fred Tuerk Drive, and then the City's main that takes the water south. This does not revert to the Town when the franchise agreement expires, because the main services the entire south barrier island. The second issue is that water systems require loops for redundancy and water quality, so there are actually two connection points that would be required – one to the north and one to the south. The northern connection point would join a County water supply north of Indian River Shores. The Town would need to *build a parallel water main* down from Fred Tuerk Drive south. It would probably be less expensive to build the new main without any service connections and swap that one with the City so the Town can take over the existing main, which already has all the service connections on it. This line would connect to the County's south plant. The cost for this would be just under **\$8 million**. Vice Mayor Auwaerter asked if the newly resurfaced A1A would be impacted, and Mr. Osthues said that a large portion could likely be completed with a directional drill without disturbing the surface.

Regarding the **reuse water**, there is reuse available from the County to the north. The main pipeline size may have to be increased. Arcadis did not know the pressure availabilities from the County or whether a reuse tank would be required here. The existing reuse tank and pump station do not revert to the Town. They estimate the cost for connecting with the County for reuse water to be about **\$5.5 million**, so the total cost for the project is estimated at \$23 million to build the infrastructure.

Mrs. Hyer said **in conclusion**, the funding in the COVB CIP seems to be below median, and probably is not going to be adequate in the long-term as the assets continue to age unless they start to ramp-up funding. Pump stations are in average condition; they have a reactive maintenance and renewal program that seems to be okay right now with no service-level impacts. The pipeline investment is low. The asbestos cement and galvanized mains on the water side and the ductile iron mains on the gravity and force main side probably need to be replaced sooner, because those materials just don't perform very well in areas with high water tables and high chloride content due to corrosion and fairly fast degradation of materials. Arcadis struggled a bit in that they really did not have a lot of data from the COVB as they did not have any data on previously repaired breaks, which would have given more insight into the condition of the pipelines. The COVB also did not provide specific installation dates for the pipelines; Arcadis had to go back and look at the Plat maps for the subdivisions and make assumptions. They did the best they could with the data they had, but the confidence level is not 100%.

Over the next **20 years, the Town needs an estimated \$10 million for water-related renewal and replacement**. A very rough conceptual cost estimate of **connecting to the County's water utility is around \$23 million**. For some of the next steps, hopefully the City will address the immediate needs such as the health and safety issues with the wet well and the reuse electrical building. An additional inspection of the reuse storage tank should be conducted, as it appears to be almost at the end of its normal life, but without draining it and performing a more detailed inspection they are not 100% sure. The Town should consider opening an Infrastructure fund to be prepared for the \$10 million over time for replacement and renewal if the City does not ramp-up their capital spending. As a reminder, the way the franchise agreement is set up, *Town Council would have to decide whether or not to renew the agreement by October 1, 2023*, although the agreement does not expire until October 1, 2027. This is adequate time for the Town to construct the necessary infrastructure should they decide to connect to the County.

Vice Mayor Auwaerter provided information on the City of Vero Beach's budget, with a series of administrative functions included in the General Fund also having allocations to all of their Business Enterprise Funds, including the Water & Sewer Fund. He said that as former Chairman and current Vice-Chairman of the Vero Beach Utilities Commission, he can state that the City uses the Business Enterprise Funds as a "giant slush fund" to keep taxes down in the General Fund. For example, they allocated 40% of the City Clerk's function to the Water & Sewer Fund. If you look at the outright profit transfer, they have yanked \$10,645,000 out of the Water & Sewer Fund since the beginning of FY 2010 in October 1, 2009. What

tends to fly under the radar screen is the General Fund Administrative Charge Back – they pull money out of the Water & Sewer Fund and put it back in the General Fund budget. This amount was \$7,893,000. So, over the course of a decade, they have yanked \$18.5 million out of Water & Sewer Fund. He said the COVB is going to claim that they do not have the money for water and sewer expenditures, and it is because they have not been running this Water & Sewer Fund correctly. The Water & Sewer Fund at the County is run at cost, they do not transfer any money back to the General Fund.

Mayor Slater said the numbers are very interesting, and asked without taking the rates into account, what is the City's long-term capability for being able to service the Town? He knows that the City received very low marks from the State regarding the water utility, and particularly low marks regarding wastewater and drinking water. Mayor Slater asked Vice Mayor Auwaerter if he senses that the City is trying to do anything to improve their position. Vice Mayor Auwaerter said he believes they fixed those specific problems. The COVB Water & Sewer Director basically told Vice Mayor Auwaerter in a public meeting that the issues were "housekeeping items," but the Department of Environmental Protection (DEP) stated the potable water source was "in pitiful condition." Mayor Slater asked whether the COVB would be a good option for the Town in the long-term, and Vice Mayor Auwaerter stated he is not sure. Mayor Slater expressed concern, believing that while the County has newer and better facilities, it would be quite expensive to transition to the County's system. Vice Mayor Auwaerter said he believes Mayor Slater's concerns are legitimate, and believes it is the attitude of the City historically to use these Enterprise Funds to keep property taxes down and that mindset is going to come back to bite them.

Councilman Foley totally agreed with Mayor Slater, adding the crux of the analysis is the long-term viability of staying with COVB and the alternative of moving to the County for water service. The Town's agreement with the COVB revolves around service standards, and his understanding is that it is a very low threshold for them to meet to say they are complying with the agreement. He does not have confidence that having that low standard met is in the best interest of the people of the Town. He would like the Town's analysis henceforth to focus on the viability of COVB vs. the County and the challenges of making the change.

Councilmember Peniston noted the \$23 million cost if the Town were to switch to the County, and what might make it interesting is the possibility of upgrading, solving issues and improving service at the same time while doing the change, which would defray some of the cost. She would like to know if this is a possibility. Councilman Foley stated he could not agree more, and that is part of the analysis he is contemplating. We are going to have continuing costs over the years of roughly \$7-10 million that are going to be sunk into the system anyway. He agreed they need to narrow the focus to viability of the City, the cost of transferring over to the County and the long-term benefits of doing that, and how to finance it. Councilmember Peniston said interest rates are so low right now, maybe this is not a bad time to consider taking on a project like this when you can borrow at a very low cost. Councilman Foley said there are also bond alternatives, and Vice Mayor Auwaerter added there are revenue bonds.

Mayor Slater added there are a couple of other issues that need to be considered. If the Town decides not to renew, will COVB do their part in keeping up the infrastructure within the Town until the agreement expires in 2027? Secondly, he said there is always a possibility that the Town spends a lot of money to connect to the County and then the City is forced to do so as well. These are questions to which there are no immediate answers. He asked whether the COVB Council has already voted to build their proposed new wastewater treatment facility out by the airport, and Vice Mayor Auwaerter said it is his understanding that they are going to start the planning process. At a Utilities Commission meeting he asked what impact on rates the construction of the new facility would have, and they could not answer. Who would go into a \$50 million project as a business without knowing what you are going to have to charge your customers in order to pay for it and get a rate of return? They also believe that they will receive funding from grants, but with what is going on with the pandemic and all the demands for money, they may need to think about funding it entirely themselves.

Councilmember Peniston asked where the drive to build a new wastewater treatment facility is coming from, and Vice Mayor Auwaerter responded that they want to get the sewer plant off the Lagoon due to pollution concerns. Councilmember Peniston asked why they would not consider just getting rid of the existing plant and then connecting with the County. Vice Mayor Auwaerter said the County plant that the City would have to hook up to is on the far west side of the County and the cost would be around \$80 million per IRC Utilities Director Vincent Burke. Vice Mayor Auwaerter's concern is that the \$50 million number for the new wastewater treatment facility has not been properly vetted.

The Vice Mayor agreed with Councilman Foley's description of the next steps, and also expressed concern about getting into the water utility business at least temporarily. At the same time, he agrees with Mayor Slater and is concerned with the way the City looks at these things. Vice Mayor Auwaerter also suggested that we require the City, as soon as possible, to provide us with a detailed 5-Year CIP as per Section 14 of the Franchise Agreement. Councilman Foley said he believes we have done that, and Town Manager Griffin confirmed. Vice Mayor Auwaerter asked if we have received a response, and Mr. Griffin said we have not. Vice Mayor Auwaerter asked if we submitted the request via certified mail, and Mr. Griffin stated it was sent via email. Vice Mayor Auwaerter suggested sending a formal demand.

Councilmember Peniston asked what the next steps are. **Town Manager Griffin said** they should follow the steps that Arcadis provided. He would like to do something about the **pump station roof** as soon as possible. He contacted the contractor who replaced the roofs at Town Hall about a year ago for a quote, and he believes it will be below the limit that requires Council approval. He would like to get on it right away and then **send the bill to the COVB Utility**; with Council's approval he will move in that direction. There is a pretty severe leak in that building and he does not want water intrusion in the electronics in the pump house.

He said that COVB has been put on notice regarding the **issues with the wet well**. He sent them the preliminary report from Arcadis back in January and **will send them the final report** after the meeting. As part of the budget package that has been forwarded to the Finance Committee for a hearing next week, himself and Town Treasurer Christmas have put together the start of an infrastructure fund, which is only \$300,000 for the next fiscal year. That will come before Council at the July meeting.

As Mrs. Hyer discussed, the next big date to consider is September 30, 2023. In consideration of that, he will also **forward the Arcadis report to Vincent Burke at the County and start a dialogue with them**, reporting back to Council as necessary. Councilman Foley made **a motion to ratify and approve the Town Manager's actions as outlined**, which was seconded by Councilmember Peniston and **passed 5-0**.

4. **Consent Agenda** 10:13 AM

Vice Mayor Auwaerter said he had to pull both items from the Consent Agenda, but it will be extremely brief.

a. Approval of Regular Town Council Meeting Minutes dated May 28, 2020

Vice Mayor Auwaerter said he missed something that needed to be fixed on Page 8 under Mayor & Council Items, Public Safety Pension Performance, in the very large first paragraph it said "he looks to Vanguard Real Estate Trust Value Index" and in the next sentence it says "fiscal year to date they have gained 23.6%". This sentence should read "fiscal year to date they have lost 23.6%." He made **a motion to approve the minutes with one correction**, which was seconded by Councilman Foley and **passed unanimously**.

b. Acceptance of Planning, Zoning & Variance Board Meeting Minutes dated March 10, 2020

Vice Mayor Auwaerter explained he has to recuse himself on this Item and read the following from his completed Form 8B – Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers: "Item 4.b. on the Agenda: Town Council is being asked to accept the minutes of the Planning, Zoning and Variance Board meeting dated March 10, 2020. During that meeting on Agenda Item #2, the Board approved Ocean Colony POA's request for removal of a tree of special concern without mitigation. Mitigation would require expenditures by the POA. This Councilman is one of 30 members of the Ocean Colony POA. Since the ruling saved the POA money by not requiring mitigation, it could be argued that my vote of approving the minutes might inure to my special gain."

Councilman Foley said with the Vice Mayor's recusal he **moves for approval of Consent Agenda Item 4.b.**, which was seconded by Councilman Carroll and **passed 4-0**.

5. **Town Attorney** 10:16

a. Ordinance 548, Flood Plain Management

Town Attorney Clem deferred to Mr. Griffin to discuss this item, which Mr. Griffin noted as the first reading of Ordinance 548. This ordinance will bring us into compliance with NFIP and Florida Building Code regulations. Denise Boehning of Coastalwide, LLC, our floodplain managers, said the last ordinance on this subject, Ordinance 509, had to be revised because the higher standards that the Town had at that time was to build all new construction and substantial improvements/substantial damage to BFE (Base Flood Elevation) plus one (foot). That has now been adopted in the 2017 Florida Building Code, therefore it is redundant in the 509. In addition to that, the FDEM (Florida Department of Emergency Management) has required certain wording to be adopted into the ordinance. This ordinance also states the Town maintains higher standards for substantial improvements, which have cumulative costs over a five (5) year period, that

had to be addressed in the ordinance. Next year, the new flood maps will include a LiMWA (limit of moderate wave action), and adopting the higher standard that all A zones will be treated like B zones will increase our points. This change will only affect one or two properties in the Town, both of which are empty lots.

Councilman Foley asked Mrs. Boehning if DEM has confirmed that the ordinance complies with their standards, and she said yes. They also made sure that Town Attorney Clem reviewed the ordinance to ensure it was satisfactory to him, with wording as per FDEM requirement.

Mr. Clem then read the Ordinance 548 by title as follows for first reading:

AN ORDINANCE BY THE TOWN OF INDIAN RIVER SHORES, FLORIDA REPEALING AND REPLACING THE LAND DEVELOPMENT CODE TITLE XVI, CHAPTER 165 FLOODPLAIN MANAGEMENT AND DAMAGE PREVENTION; TO ADOPT TECHNICAL AMENDMENTS TO THE FLORIDA BUILDING CODE AS NEW SECTION 150.011; TO REPEAL TITLE XV, CHAPTER 150, ARTICLE VIII FLOOD HAZARDS; PROVIDING FOR APPLICABILITY AND SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Councilman Foley made a motion to approve the first reading of Ordinance 548, which was seconded by Councilman Carroll. A roll call vote from the Council was taken and the motion passed 5-0.

b. Resolution 20-03, Second Amendment to FY 19-20 Budget (Town Treasurer) 10:21

Town Treasurer Christmas said that upon monthly reviews they noticed changes that needed to be made to the budget. Among the most significant is the loss of \$70,000 in interest revenues due to interest rates being slashed to basically nothing. There are additional expenditures offset by savings that she wanted to disclose. There is one last adjustment for funds to cover a long-term worker's compensation claim, and funds are also needed to cover additional time for previously discussed police investigations and for additional sick time taken in the Public Safety Department that has experienced a higher than 6.6% rate as budgeted. There are savings from health insurance, as the employees have not used all their HRAs, there are less family enrollments than anticipated, and some employees have enrolled in their spouse's insurance instead of ours.

Vice Mayor Auwaerter asked about the HRAs rolling into the next year, to which Town Treasurer Christmas explained the unused portion does roll to the next year, but the remainder gets refreshed back to the full amount. It was budgeted it at the whole amount as there was not any history to gauge by.

The final additional expense was for the Town Engineer. Last year we budgeted \$25,000 for the Comp Plan but it was not actually started until this fiscal year. Finally, there is \$200,000 that will get added back into the Road & Bridge fund for DEM/DEP grant revenues that will be recognized.

Councilman Carroll requested to hear from Chief Rosell or Town Manager Griffin regarding the investigations and the sick leave, which seems atrociously high. Mr. Griffin said that the Chief has kept him up to date on the investigations, and the Council members were informed of the investigations at the end of the last Council meeting. Another level of investigation is required and is ongoing. The Town manager expressed extreme disappointment regarding the absentee rate, which is almost double what we planned for in the budget. One employee was out due to surgery and has understandably taken an enormous amount of sick leave during recuperation. Mr. Griffin also mentioned the new format that Public Safety is using for their monthly reports, commenting that he preferred the old format as you can make month-to-month and year-over-year comparisons.

Chief Rosell said the new format is the result of their new system, and asked that everyone please let him know if you would like for something to be added the form. He asked Council to look at the top 4 "offenders" regarding sick leave. As he stated last meeting, Officer 4 resigned and then started burning his sick leave. They did check on him, as they do all officers on sick days, and he was always home, so there was nothing that Chief Rosell could do to keep him from taking that sick leave. Councilmember Peniston asked if it was a one-time deal, and Chief Rosell confirmed that the employee is now gone. The next individual had a broken bone and was out of work. The last two individuals had surgery, one major that required 240 hours of sick leave and the other less serious that required 144 hours of sick leave. The three individuals who are still employed with the Public Safety Department all came back to work before expected. Councilmember Peniston and Chief Rosell agreed that these high percentage rates were kind of anomaly.

Chief Rosell asked Vice Mayor Auwaerter if he did not like the new form, and the Vice Mayor replied he liked the old form better as it was much more informative with year-over-year information, which is appropriate for Council's oversight function.

Councilman Carroll asked if the officer that resigned has been replaced, and Chief Rosell confirmed that he has. Councilman Carroll asked how many applications Chief Rosell has on file and he answered they currently have four (4). They do not advertise but go by word of mouth. Advertising is another accreditation

standard that they would never be able to meet because they do not have the turnover like City of Vero or the Sheriff's Office. He only keeps applications on file that meet their criteria. The new officer is female and was a part-timer with the Department for two years prior. She has proven herself to be extremely loyal, she was offered the job, and everyone is very happy about it. Vice Mayor Auwaerter agreed that is the best way to hire someone.

Councilman Foley made a **motion to approve Resolution 20-03**, which was seconded by Councilman Carroll and **passed unanimously** after a roll call vote of the Council was taken.

6. Mayor or Council Items

a. Discussion of 6-18-20 Police-Fire Pension Board Meeting (Councilman Carroll) 10:35

Councilman Carroll said he attended the June 18th Zoom meeting of the Pension Board. Agenda Item 3 under Section 4 – New Business was entitled “Letter to Town Council.” The Board’s attorney, Bonni Jensen, kicked-off the discussion of the proposed Board’s letter by stating Council’s means of communicating with the Pension Board is inefficient. She said it would be better if Council attended the Board’s meetings and “put in their public comments.” Chairman Crosby suggested Council could phone-in and listen to the Board’s meetings. Bonni Jensen reiterated her view that the best way for Council to get their questions answered would be to attend the Board meetings. Rick Villars, a Public Safety Officer member of the Board, suggested that Council should appoint a liaison to attend Board meetings and report back to Council, which Councilman Carroll likened to how Council has representatives for outside committees such as Beach & Shores.

After a broad back-and-forth discussion about how Council and the Board could best communicate, and in response to Public Safety Officer Villar’s suggestion, Councilman Carroll agreed to ask the Town Manager to add this question to the agenda for this meeting. In the audio recording of the Pension Board’s June 18th meeting, Councilman Carroll initially acknowledged Bonni Jensen’s point about the Board’s difficulty to respond in writing to letters from Council. Upon reflection, he believes he was too quick to concede her point, as Council’s May 28th letter to the Board resulted in the Board’s prompt response dated June 18th. Although Council’s letter preceded the Board’s June 18th meeting by only 21 days, to his credit, Chairman Crosby appropriately drew upon the Board’s financial, administrative and legal advisors to craft a response. He commended Chairman Crosby for leading that effort, proving it could be done. Which now leaves the question of why the Board never responded to Council’s August 2019 letter in which Council registered its concern that the Board had increased the assumed rate of return from 6.25% to 6.75%? The Board’s next meeting after Council sent that letter was October 29th, two months later. There was plenty of time to pull the Board’s financial, administrative and legal advisors together to craft a written response. In the August until late October interim a letter from the Board acknowledging receipt of Council’s letter and noting that the Board would take up the issue at their October meeting would have been sufficient.

Councilman Carroll conclude that he supports the status quo of one or more members of Council elect to attend Pension Board meetings as long as said Council members abide by the Sunshine Law. Also, said Council members may comment on a Pension Board meeting at subsequent Council meetings in the normal course of conducting Council business. He opined that if Council has a question about a Pension Board decision, the best way to communicate that question is still by letter as Council did in August of 2019 and more recently in May of 2020. As previously noted, the Pension Board does have the capability to respond in a reasonable period.

Shifting to the letter that was included in the Agenda packet, Chairman Crosby proposed this letter and the Board approved sending it by a vote of 4-1. What was not included in the packet is a proposed addition to that letter by Chairman Crosby in the form of an email he sent to Michelle Rodriguez, the plan administrator, expressing his appreciation to her for putting the letter together, and asking that she consider adding the phrase to the letter “The Pension Board is an independent Board and we intend to have no further interference from the Town Council into our duties as a Pension Board.” Councilman Carroll provided this email to the Council, and stated that the addition was voted upon and approved by a vote of 3-2. Councilman Carroll did not believe that the formal letter has been received, so what was before them was a draft of the June 18th letter addressed to Council without the addendum.

Vice Mayor Auwaerter asked if Councilman Carroll thought they should have a Council representative to attend Pension Board meetings, and Councilman Carroll said he brought it to Council for discussion. Vice

Mayor Auwaerter expressed his frustration by this Board, and his doubt of the two Public Safety Officer members of the Board understanding his intent to have the fund to perform better so that all of the officers can contribute less money to it, with the additional benefit of the taxpayers paying less. What Chairman Crosby calls interference, Councilman Auwaerter calls democracy.

Councilmember Peniston said it was clearly confrontational. Councilman Foley said he believes the legal counsel for the Pension Board proposed two terrible ideas. One is indicating that there is some sort of broad exception for more than one Council member showing up at a Pension Board hearing and exchanging ideas in public. That is very, very problematic. Similarly, delegating a Council member to go their meetings and speak on the behalf of the Council is also more than problematic, it is clearly wrong. There is a big difference between the Beach & Shores Committee, where the issues are unlikely to come before the Council. What is really a Council discussion cannot be delegated to one person. Councilman Foley added that while he shares the sentiments that have been expressed by his fellow Council members and their frustration with the Pension Board 100%, he is unsure what the end game is. It appears that three of the five members of the Pension Board are not going to listen to Council. If Council really believes that there is something in the neighborhood of a breach of fiduciary duty or any duty that is not being met, he thinks they ought to consider learning what their options are, because he does not think sending letters or going to their meetings is going to change the minds of those three people. He would like to have a more comprehensive idea and thinks they should consider whether to get legal counsel on what they can actually do, since the Pension fund is one of their biggest responsibilities.

Vice Mayor Auwaerter opined this may be just different opinions on the right investment style, adding he does not believe they have a case of violation of fiduciary duty. His point in bringing it up was the fact that they had not met in such a long time in a period of extreme market turmoil. He disagrees with the way they run the fund, but that does not mean that he is right and they are wrong.

Mayor Slater said the last comment by Chairman Crosby shocked him. First, the Sunshine Law limits what Council can do in an in-person situation. Second, writing a letter is something that each Council member can have a hand in doing, which enables them to state the focus of the Council more clearly. Third, this is the Council's biggest financial obligation and we need to be in the middle of this, in his opinion. Finally, as an aside, he is sure the vote as to whether to include Chairman Crosby's addendum was 3-2 with Villars, Crosby & Solin voting in favor, which Councilman Carroll confirmed. Mayor Slater asked whether Mr. Solin's term expires in November, and Town Clerk Aldrich confirmed that all three resident members' terms expire in November. Mayor Slater said he believes the other two resident representatives are good representatives, it is just that the vote is 3-2 all the time. They need to replace Mr. Solin with someone with more financial wherewithal and background as the intermediary person. He suggests that Council tries to come up with another name or two of residents to serve on this Board.

Councilman Carroll stated that he has done that. Mayor Slater asked if there were any takers, and Councilman Carroll answered that there was someone who definitely would accept the position if voted on. Vice Mayor Auwaerter asked what happens in the event of a 2-2 vote for the fifth member. Councilman Foley said he is not sure, usually if there is a 2-2 vote and they cannot agree there is a mini-arbitration method or a third party decision. But that is a mess. Councilman Carroll said he does not believe that members of the Pension Board may communicate with each other prior to their fall meeting, which is close to the expiration of the terms, but Council can communicate their thoughts to the Pension Board.

Councilman Foley concluded that he agrees with Councilman Carroll that Council should stick with the current process of having their collective thoughts in a letter. He said it is laughable to call that interference; they are simply discharging their responsibility in the proper way and they have every right to express their opinions and their beliefs about that. Mayor Slater agreed. Councilman Foley thanked Councilman Carroll for his work on this issue.

7. Discussion with Possible or Probable Action

a. CDBG Grant Application – Public Safety Facility Improvements (Town Manager) 10:53 AM

Town Manager Griffin said he recently became aware of a Community Development Block Grant (CDBG) from the Federal government for hardening Public Safety facilities. Our internal plan for the remodel of the

Public Safety building was to put \$50,000 in next year's budget for design services to get that project going and to then do the remodel the following year. This grant would allow us to jumpstart things and would reduce the amount of money budgeted for the remodel for the year 2022. The cost of this is \$7,500, so we would have to spend some money to try and get some money. There is grant management built into that cost as well as a 20% contingency built into the application.

He provided a list of replacement needs that have been identified, totaling up to \$519,000. The \$7,500 amount is below Mr. Griffin's limit, but he wanted to ensure that Council was aware, and he would appreciate approval to move forward. Vice Mayor Auwaerter said it is a great idea, and Councilmember Peniston said it seems very reasonable. Councilman Foley made **a motion to approve submittal of a CDBG Application for Public Safety Facility Improvements**, which was seconded by Councilman Carroll and **passed 5-0**.

b. Employee Health, Dental & Life Insurance (Town Manager) 10:07

Mr. Griffin explained that the employee health, dental, vision and life insurance policies expire on July 30th of every year and renew on August 1st. Initial instructions to Brown & Brown were to modify the plan to change the start date to October 1st to match our fiscal year, but Brown & Brown found that the marketplace rates were 17% higher to change the date. We reconsidered that, and United Healthcare came back at 10% with the August 1st renewal. That is what he recommends.

Melanie Stegall of Brown & Brown admitted that there was a bit of sticker shock when United Healthcare originally came back with a 17% increase. She went back to them and asked for options to reduce the increase. In the months leading up to the renewal process, there were three significant diagnoses that have popped up in the claims that also impacted the rates, as they are ongoing. United Healthcare did come back to say they would agree to only a 10% increase if we stopped researching the market; otherwise, they would revert back to the 17% increase. Considering the claims and the fact that the Town just made the switch to United Healthcare last year, they **recommend renewal with United Healthcare with the 10% increase**. The trend right now is around 12-13% increase, and it is very likely that with these new diagnoses, other companies would come back higher than 10%.

The **dental and life insurance** are at flat renewals with **no increase**. Back in February, through negotiation with the Union, those employees' life insurance was increased to \$100,000. We did get a quote from The Standard, who is the Town's current life insurance carrier, to increase *all* employees' life insurance to \$100,000. Currently, it is about \$14,000 per year with the Union increase. With everyone increased, the quote in February was about \$22,600. Mrs. Stegall has requested that the carrier hold the rates, but she has not yet received confirmation. Vice Mayor Auwaerter wished to confirm that the incremental cost would be about \$9,000, and Mrs. Stegall affirmed.

Vice Mayor Auwaerter stated he asked Mr. Griffin to look into this. He thinks this Council was generous during the Public Safety Negotiations to increase the life insurance for its members up to \$100,000 from \$15,000. He thinks it is the right thing to do with a low incremental cost, and he would recommend that we provide it to every active employee. Mayor Slater agreed. Town Manager Griffin stated he would like **approval of United Healthcare as the employee health insurance provider, of Benefits Workshop as the HRA administrator, of the dental and group life coverage remaining with the current carriers and authorization for the Town Manager to execute the appropriate documents**. Councilman Foley made that **motion**, which was seconded by Councilman Carroll and **passed unanimously**.

Mr. Griffin apologized and said he neglected to mention the **increase to \$100,000 for all employees' life insurance** needs a motion of approval and a vote by the Council. Councilman Carroll made the **motion for approval**, which was seconded by Councilman Foley and **passed unanimously**.

c. Variance Request – 926 Beachcomber Lane, Minimum Lot Size & Front-Facing Garage (Building Official) 10:56

Mr. Griffin said this was a non-conforming lot that came before the Planning, Zoning & Variance Board (PZVB) and was approved. PZVB Chairwoman Patty Gundy said that Building Official Luis Martinez attended their meeting for the first time and is already making a difference. For this particular request, the PZVB voted unanimously to approve. This lot is really tiny at 10,350 square feet. The owners found a house that fits without modifying the side setbacks, and are only requesting a rear setback variance as well as a variance for a front facing garage, which most of the houses on Beachcomber Lane have. Councilman Foley made **a motion to approve the variance for 926 Beachcomber Lane**, which was seconded by Councilmember Peniston and **passed 5-0**.

d. Application for PZV Board Alternate from Paul Cavalli (Town Clerk) 11:00

Town Clerk Aldrich explained that Mr. Cavalli submitted an application for the Planning, Zoning & Variance Board, which was forwarded to the PZVB. Mrs. Aldrich received positive responses from the Board and is presenting Mr. Cavalli as a candidate to the Board for approval. Vice Mayor Auwaerter stated he also looked at Mr. Cavalli's application and agrees that he has a wealth of experience. He thanked him for stepping up to the plate and stated we needed more people like him in Town. Councilman Foley agreed. Councilman Foley made **a motion to approve Mr. Cavalli's appointment to the PZVB as an alternate**, which was seconded by Councilmember Peniston and **passed unanimously**.

e. Florida League of Cities Request for (Electronic) Voting Delegate for 8-14-20 Business Meeting (Town Clerk)

Mrs. Aldrich explained that this is a routine matter as the Town annually selects a Council member to attend on their behalf. Councilman Foley stated that he is here all summer and is happy to do it. Vice Mayor Auwaerter thanked him for stepping up. Councilman Carroll **made a motion to appoint Councilman Foley as the Town's voting delegate for the Florida League of Cities 8-14-20 Business Meeting**, which was seconded by Councilmember Peniston and **passed unanimously**.

f. Disaster Debris Management (Town Manager) 11:02

Mr. Griffin said that with the advent of hurricane season on June 1st, staff developed and published a Disaster Debris Management Plan, which Chief Rosell will incorporate as a supplement to Public Safety's Hurricane & Severe Weather Preparedness Response. We will proceed now on two attempting to get approval from DEP on the selected Disaster Debris Management Site, which is just north of the electrical substation on Fred Tuerk Drive. This process involves an application to DEP, including surveys of the site which includes a video produced by a drone fly-over. Second, we need a contract with a debris hauler so that we can apply to FEMA for reimbursement for any necessary debris clearing after a storm. To that end, an RFP was published for a debris management hauler. We received eight responses, formed a committee and ranked the responses. Since two of the responses were extremely close, Mr. Griffin suggested it would be a good idea to offer a contract to both of those companies so as to have a backup in case of emergency. He asked Council to approve a bid award to the top two responses to the bid: Grubb's Emergency Services and Tim Rose Contracting. If approved, he will contact those firms immediately to begin contract negotiations, and asked for authorization to execute the appropriate documents.

Vice Mayor Auwaerter asked what the contract stipulates regarding response time following a hurricane, and Mr. Griffin answered usually within 24 hours, which was in the RFP. He will ensure that is conveyed appropriately. Vice Mayor Auwaerter said he knows they have had some very preliminary discussions about clearing the proposed Disaster Debris Management Site once approved by the DEP, and Mr. Griffin mentioned there were some innovative ways to have it cleared without costing the Town. Mr. Griffin said he is waiting on the survey to be in place. He does have a proposal to clear the entire three acres, although he does not think they will need the whole area and did not like the price. He wants to continue contractor negotiations, and to bring that issue back before Council at the July meeting. Councilman Carroll made **a motion to offer a debris management hauler contract to Grubb's Emergency Services and Tim Rose Contracting**, which was seconded by Councilmember Peniston and **passed 5-0**.

8. **Staff Updates** 11:08

a. Building Department Report 11:10

Building Official Martinez explained that he is still reviewing inspection numbers versus plan reviews and trying to get confidence in using the reports.

b. Town Treasurer Report

No questions were presented for the Treasurer.

c. Public Safety Department Report 11:08

Chief Rosell explained the budget increased due to two reasons. First, since COVID-19 started, burglary rates have been increasing on the other side of the bridge and on the island, so they added a couple per diems on shift at night when a lot of the burglaries were occurring, with particular focus on the unprotected communities towards the south end of Town. This will continue at least until the pandemic is over. He stated there are also currently three ongoing investigations of exploitation of the elderly cases, which have been requiring extra hours.

Vice Mayor Auwaerter asked whether Chief Rosell gets good information from the COVB Police Department regarding the burglaries that are occurring south of the Town limits, he answered that they do,

and in turn provide good information to both the COVB and the County. Vice Mayor Auwaerter asked whether he has seen an uptick in activity along Jungle Trail, and Chief Rosell responded yes.

d. Town Clerk Reports

Town Clerk Aldrich stated she would be happy to answer any questions regarding the report provided.

e. Town Manager Report *11:11*

Mr. Griffin said everything appears to be working well when he visited **Old Winter Beach Road** after the rainstorms of the last couple weeks. Mrs. Christmas announced that the DEM grant was closed-out and we received the \$130,000 from DEM. We will be working on closing out the DEP grant next.

Mr. Griffin has a meeting this afternoon with MBV and the architect regarding the **Town Hall Remodel**. He did send out the final plan from the architect via email and he will be happy to get a blown-up version on paper if any Council member wishes.

The **A1A resurfacing project with widening of bike lanes** started June 22. They are putting signs up, and we have had some complaints about the size of the signs on some of our residential streets. Mr. Griffin has a meeting on Monday with representatives from FDOT and the contractor, which Vice Mayor Auwaerter will also attend., which will be followed by a report sent to Council after the meeting. Vice Mayor Auwaerter asked if we know what the posts with white flags on the east side of the road signify, and Mr. Griffin stated he believes that is the lateral limit of the project but will confirm on Monday.

Regarding the **COVB water issues**, Mr. Vocelle has agreed to give Council an update at the July meeting.

He had a meeting onsite at the **cemetery** with Wheatie Gibb and Tim Velde of Tropical Property Management. The survey has been completed. The work to be done by Tropical Property Management has not started yet but will hopefully begin in the next couple of weeks. One of the issues he discussed with Mrs. Gibb was the possibility of expanding parking at the cemetery. Coincidentally, he ran into a resident who lives across the street from the cemetery who was complaining about people parking in her driveway while visiting the cemetery. We are going to work on expanding the parking possibilities outside of the hedge area, as well as better access into the cemetery.

Mr. Griffin was put on notice by the County about **CARES Act money** that may be available to the County as well as to the municipalities. We will be working on that, and it obviously has to be for COVID-19 related expenses as approved by DEM.

9. **Council/Committee Reports or Non-Action Items** *11:17*

(MPO, EDC, TCCLG, TCRPC, IRC PSC Citizen's Oversight Committee, CoVB Utilities Commission)

a. Committee & Informational Updates or Comments *11:17 AM*

TCCLG. Councilman Foley said the Treasure Coast Council of Local Governments was cancelled.

TCRLC. The Treasure Coast Regional Planning Council did hold a Zoom meeting, and he has the minutes and agenda if anyone is interested, Councilman Foley continued. The potential for some coordination among the counties if there is an increase or continued spike in COVID-19 cases was discussed.

Board of County Commissioners. Vice Mayor Auwaerter stated he attended the County Commission meeting on Tuesday as a citizen, and it was reiterated that County Administrator Jason Brown does have the authority to impose mandatory mask regulations if necessary, as they will not have another meeting until July 7th.

COVB Utilities Commission. The Vice Mayor said this meeting was cancelled.

Mayor Slater said he missed being in Town and seeing everyone.

10. **Call to Audience** *11:19*

PZVB Chairwoman Patty Gundy updated the Council on the status of the Comprehensive Plan. They met for two workshops as the Local Planning Authority (LPA), and spent a lot of time going painstakingly through the document to ensure that all the formatting is the same, etc. The last meeting was on June 4th, and Mrs. Gundy will perform a final review prior to bringing it in front of the entire PZVB, hopefully in July, for approval.

11. **Adjournment** *11:20*

Respectfully submitted,

/s _____

Laura Aldrich, MMC
Town Clerk

*Approved by the Town Council at the July 23, 2020
Regular Town Council Meeting.*