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INDIAN RIVER COUNTY, CITY OF VERO BEACH, INDIAN
RIVER SHORES, SEBASTIAN, FELLSMERE AND ORCHID the
RICHARDSON CENTER, 6155 COLLEGE LANE, VERO
BEACH, FLORIDA**

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June 19, 2008

BOARD OF COUNTY COMMISSIONERS

SPECIAL CALL JOINT MEETING

JUNE 19, 2008

The Board of County Commissioners of Indian River County, Florida, met in a Special Call Joint Meeting with the City of Vero Beach, Indian River Shores, Sebastian, Fellsmere, and Orchid, at the Richardson Center, 6155 College Lane, Vero Beach, Florida, on Thursday, June 19, 2008, to discuss the Interlocal Service Boundary Agreement. **Present for the County** were Chairman Sandra L. Bowden, Vice Chairman Wesley S. Davis, and Commissioners Joseph E. Flescher, Peter D. O'Bryan, and Gary C. Wheeler. Also present were County Administrator Joseph A. Baird, Assistant County Administrator Michael Zito, Assistant County Attorney George Glenn, Community Development Director Robert Keating, and Deputy Clerk Maureen Gelfo.

Present for the City of Vero Beach were Mayor Thomas White, Vice Mayor Sabin Abell, Council Members Ken Daige, Bill Fish, and Debra Fromang. Also present were City Manager Jim Gabbard, City Attorney Charles Vitunac, Planning and Development Director Tim McGarry, City Clerk Tammy K. Vock, and Deputy City Clerk Sherri Philo.

Present for the Town of Indian River Shores were Mayor Thomas Cadden, Vice Mayor E. William Kenyon, and Town Manager Robert Bradshaw. Also present were Council Members William Ahrens, Frances Atchison, and David Becker.

Present for the City of Sebastian were Vice Mayor Sal Neglia, City Manager Al Minner, City Attorney Rich Stringer, and Growth Management Director Rebecca Grohall. Also present were Council Members Al Paternoster and Dale Simchick.

Present for the City of Fellsmere were Mayor Sara J. Savage, City Manager Jason Nunemaker, and City Attorney Warren Dill. Also present were Council Members Cheryl Hampton and Fernando Herrera.

Present for the Town of Orchid were Vice Mayor Suzanne Joyce and Town Attorney Anthony Garganese. Also present were Town Manager Deb Branwell and Town Clerk Terri Wallace.

1. CALL TO ORDER

Mayor Thomas White, City of Vero Beach, called the meeting to order at 10:01 a.m.

2. PLEDGE OF ALLEGIANCE

Mayor White led the Pledge of Allegiance to the Flag.

3. OPENING COMMENTS

Mayor White explained that about a year ago, subsequent to some land annexations transacted by the City of Fellsmere, the County had been considering Charter Government as a growth management strategy for the County and the five municipalities. After learning about the Statute governing Interlocal Agreements, the City of Vero Beach formed a

Task Force, comprised of City and County Attorneys, the County Administrator, and all five (5) of the City Managers, who looked into Interlocal Agreements as an alternative means of growth regulation. Mayor White informed everyone that the Interlocal Service Boundary Agreement (ISBA) [copy on file], is a result of the Task Force's efforts over the past year.

**4. DISCUSSION OF INTERLOCAL SERVICE
BOUNDARY AGREEMENT - CHARLES VITUNAC,
CITY ATTORNEY/CITY OF VERO BEACH**

Vero Beach City Attorney Charles Vitunac, the moderator for today's meeting, had the ISBA Task Force members introduce themselves.

The staff that has been working on the Agreement are: Orchid Town Manager Deb Branwell; Orchid Town Attorney Anthony Garganese; Assistant County Attorney George Glenn; Assistant County Administrator Michael Zito; County Community Development Director Robert Keating; Vero Beach City Attorney Charles Vitunac; Vero Beach City Manager Jim Gabbard; Vero Beach Planning and Development Director Tim McGarry; Sebastian City Manager Al Minner; Sebastian City Attorney Rich Stringer; Sebastian Growth Management Director Rebecca Grohall; Fellsmere City Manager Jason Nunemaker; Fellsmere City Attorney Warren Dill; and Indian River Shores Town Manager, Robert Bradshaw.

Attorney Vitunac showed slides depicting the municipal boundaries of Indian River County as they were in the mid-1990's, and as they exist today. He observed that over time, Fellsmere's boundaries have changed dramatically, and stated that under current law, Fellsmere and the remaining cities could continue with future annexations. He then invited Attorney Rich Stringer to provide a brief history of the Interlocal Agreement.

Sebastian City Attorney Rich Stringer revealed that subsequent to the County's exploration of Charter Government, the Cities became aware that Charter would impact everyone, and began looking at a new Statute, Chapter 171, Part II, which provides for Interlocal Service Boundary Agreements, to govern the rules for growth. The first major step in this process began at the Vero Beach City Hall, wherein it was decided to initiate the Interlocal Agreement process, and to try to establish an alternative to Charter Government. At that time, a Stand Down Agreement was enacted, during which time (over the past year), no annexations would be allowed.

Attorney Vitunac requested Attorney Anthony Garganese to provide an overview of the new Florida Statute, Chapter 171, Part II.

Attorney Garganese, representing Orchid & Indian River Shores, reported that the intent of Chapter 171, Part II (adopted in 2006), was to: (1) Encourage intergovernmental cooperation regarding the efficient delivery of services and to prevent an insufficient tax base to support services; (2) Promote sensible boundaries that reduce costs to local governments, and allow for boundary adjustments by agreement; (3) Reduce intergovernmental conflicts when growth related issues are presented; (4) Avoid duplication of services; and (5) Increase political transparency. Attorney Garganese detailed the negotiation process, which begins when an Initiating Resolution is adopted (such as was done by Fellsmere) and concludes with an Agreement or an impasse. He thereafter conveyed that the maximum term for the Interlocal Agreement was twenty (20) years, with the requirement of periodic review.

County Commission Chairman Bowden asked how many successful Interlocal Agreements had been signed. After learning from Attorney Stringer that one Agreement had reportedly been signed (in Sarasota), and another one was reportedly in process (elsewhere), Commissioner Bowden voiced interest in viewing a signed Interlocal Agreement.

Attorney Vitunac invited Director Keating to comment on the Urban Service Area.

Community Development Director Keating stated that the Urban Service Area, established in the County's Comprehensive Plan in 1990, is an important component of the Interlocal Agreement. Using a PowerPoint presentation (copy on file), he provided an overview of the functions and purpose of the Urban Service Area, stating that the most significant purpose is limiting urban sprawl. He thereafter displayed the boundaries for the Urban Service Area, pointing out that there are approximately 123,000 acres inside the Urban Service Area, and almost 225,000 acres outside the Urban Service Area, about 90,000 of which are in conservation.

Attorney Vitunac asked Tim McGarry to provide an overview of the Interlocal Agreement.

Tim McGarry, Vero Beach Planning Department, explained that a major element of the Agreement is the Interlocal Service Boundary Area Map that depicts the boundaries of each municipality's future annexation areas. He reported that the Interlocal Agreement creates an intergovernmental Committee, the Urban Services Advisory Committee (USAC), consisting of one elected representative from each government, whose purpose is to review most annexations, comprehensive plans, land use changes, and to make recommendations to all six parties in the Agreement. Although the ISBA required unanimous agreement on land use, density, height, and boundary changes, Mr. McGarry noted that certain exceptions to the unanimous requirement (for Sebastian) have been included in the draft Agreement.

Attorney Vitunac reported that over the last two months, the Interlocal Agreement Task Force had reviewed the Agreement with their elected governments, and met again to discuss the feedback they had received from the elected officials. The Task Force was asking today for direction regarding three unresolved issues, as follows:

(A) ANNEXATION RESERVE AREA BOUNDARIES

***(B) LAND DEVELOPMENT REGULATIONS (LDRs) FOR
LAND RECENTLY ANNEXED BY FELLSMERE***

***(C) LDRs FOR THE 400 ACRE SEBASTIAN RESERVE AREA
OUTSIDE THE URBAN SERVICE AREA***

(A) ANNEXATION RESERVE AREA BOUNDARIES

Attorney Vitunac, through a PowerPoint, presented slides depicting the existing boundaries of the City of Vero Beach, and their reserve area. City Manager Jim Gabbard explained how the City had determined where they could logically annex and provide urban services.

Director Keating declared that the County had no objections to the City of Vero Beach's proposed reserve areas, and felt that it was a good, reasonable annexation area for the next twenty years.

Commissioner Bowden posed questions regarding the process used by the City of Vero Beach to determine cost factors for providing services to new areas when the City's borders are expanded, and she wondered what would be most beneficial to the taxpayer.

Attorney Vitunac expected to be able to work out with the County who is best able to serve a particular area. He also said that Mr. Gabbard had used a professional financial analyst to look over the tax consequences of any future annexations done in the reserve area. Mr. Gabbard added that the City would do a detailed financial analysis prior to the annexations.

Mr. Zito felt that additional time would be required to work on the services component of the Agreement.

Assistant Attorney Glenn felt that the Agreement indicates doing the cost benefit analysis at a later date, when the annexations come in.

Commissioner Wheeler believed that the large annexation by the City of Fellsmere was the catalyst for the escalating concerns regarding growth management. He wanted to know what the acreage was (inside and outside the Urban Service Areas) of Vero Beach's Reserve areas. Commissioner Wheeler mentioned that the City of Vero Beach must bring height or density changes to voter referendum, and he inquired whether the other four cities had the same restrictions.

Representatives from the Cities of Sebastian and Fellsmere, and the Towns of Orchid and Indian River Shores, confirmed that their municipalities are not required to obtain public approval for height or density changes.

Council Member Dale Simchick felt that there was no sense discussing services until the boundaries were established.

Attorney Vitunac responded that the choice of annexation areas is partially determined by who can provide the best services. He observed that fine-tuning the details of the services would be time consuming, and believed that if the Agreement passes, good things would result.

A brief question and answer period ensued between Commissioner O'Bryan, Attorney Vitunac, and Mr. Gabbard as the City of Vero Beach's future plans for wastewater

treatment (to accommodate future expansion) were discussed. Mr. Gabbard conveyed that if it was unable to provide the necessary services, the City of Vero Beach would not expand its boundaries.

Sebastian Vice Mayor Sal Neglia revealed that the City of Sebastian had not yet discussed reserve area boundaries, and was not certain if they would have to build up their services in order to provide services in those areas.

Mayor White clarified that Vero Beach is not actively looking to annex property; they are trying to protect the City's borders. He emphasized that this was not a land grab.

At this time, **Attorney Vitunac** displayed another aerial slide, which depicted the existing and reserve areas for the Town of Orchid.

Attorney Garganese presented three reasons for the town's selection of the reserve areas.

Attorney Vitunac next displayed the slides depicting the existing and reserve areas for Indian River Shores.

Indian River Shores Town Manager Robert Bradshaw said that their reserve areas were based on voluntary annexations.

Mr. David Becker, Council Member, Indian River Shores, said that no municipality is obligated to annex any of their reserve areas, which serve to define areas that are reserved for each municipality for potential future annexations.

Commissioner O'Bryan thought that the maps for the Towns of Orchid and Indian River Shores made sense and provided uniformity. He also noted that three of the municipalities had used the term "protect our borders" when discussing their reserve areas.

Attorney Vitunac emphasized that the annexation reserve areas give the municipalities the right to exclude other cities from coming into their reserved areas, but not the right to force annexation. He then displayed slides of the existing and reserve areas for the City of Sebastian, and invited Rich Stringer to explain how Sebastian had determined its reserve area.

Sebastian City Attorney Rich Stringer explained that the industrial areas which had been originally platted in Sebastian had gone into conservation. The western portion of the reserve areas was selected with the intention of creating an industrial/employment base for Sebastian. He wanted to ensure that Sebastian would be a community where people could both live and work.

Director Keating said that the County had some concerns over the size of Sebastian's reserve area. However, the County's main concern is with the Agreement, as it is structured, which exempts Sebastian's reserve area from complying with the rule that any annexed area has to get unanimous consent by all parties in the Agreement.

Attorney Vitunac next presented slides of Fellsmere's current boundaries and the reserve areas, and he invited Jason Nunemaker to speak on behalf of Fellsmere.

Fellsmere City Manager Jason Nunemaker declared that Fellsmere was not entirely responsible for the recent concerns on growth issues which have surfaced in the County and the Municipalities. He reminded everyone that since 2005, when their annexation program involved just a few hundred acres, Fellsmere had been requesting a joint planning agreement which would have set forth reserve areas. Mr. Nunemaker thereafter provided the rationale

governing the selection of Fellsmere's reserve areas; informed everyone that Fellsmere had reduced the area by about nine (9) square miles since the introduction of their initiating Resolution; and discussed how Vero Lake Estates was added at the request of the County. Mr. Nunemaker echoed the sentiments of several former speakers who stated that the annexation areas are by no means inevitable - they are possible.

Director Keating had concerns regarding the size of Fellsmere's reserve area (almost 20,000 acres), most of which is outside the Urban Service Area. He said that Fellsmere's reserve area should be reduced significantly.

Mr. Nunemaker mentioned that on the 1999 map which was previously displayed, the entire city of Fellsmere was outside the Urban Service Area. At that time, nobody had raised concerns regarding the future of Fellsmere. Mr. Nunemaker thereafter responded to City of Vero Beach Council Member Bill Fish's inquiry regarding whether the St. John's River Water Management District area could be annexed.

Attorney Vitunac established that the City of Vero Beach also wanted Fellsmere to retract its reserve area to some degree.

Mr. Ken Daige, Vero Beach Council Member, questioned Director Keating on whether the County had a recommended size reduction for the Cities of Fellsmere and Sebastian's reserve areas.

Director Keating wanted Fellsmere to cut their reserve area in half. He reiterated that the County's major concern with Sebastian was their exemption from the unanimous approval requirement, not so much the size.

Attorney Vitunac responded to questions posed by Mayor White regarding Fellsmere's Reserve area.

Dale Simchick, Sebastian Council Member, asserted that the elected officials needed to address their concerns regarding the Fellsmere and Sebastian reserve areas before further progress could be made on the Interlocal Agreement.

Mr. Nunemaker reminded everyone that the primary reason for the Interlocal Agreement had been to supplant the Charter that was offered, in addressing issues such as annexation and height densities. He conveyed that Fellsmere had an open mind as far as providing services.

(B) THE DEVELOPMENT OF LAND REGULATIONS
(LDR's) FOR THE LAND ANNEXED BY FELLSMERE

Mr. Nunemaker pointed out that there was a town policy which the County allowed in unincorporated areas, with certain provisions. But he felt that the level of specificity requested by the County was to the point of micromanaging Fellsmere's development. Mr. Nunemaker believed that some type of compromise could be reached.

Director Keating related that when negotiations began on the ISBA, Fellsmere had established that the Agreement would not have any influence on how the areas already annexed could be developed, but they later agreed to come up with some development standards that would be put into the ISBA. Director Keating deemed that the standards are insufficient to ensure those areas are developed in a way that will not result in urban sprawl. He thereafter used

a Power Point (copy on file) to outline the County's concerns regarding Fellsmere's Development Guidelines.

Fellsmere City Attorney Warren Dill explained that a contract was entered into with landowners when the properties were annexed; therefore, there are limitations to what Fellsmere could do regarding the changes requested by the County. He declared that the concerns over the reserve area were inappropriate; if those areas are annexed, Fellsmere is obligated to develop the area in compliance with the County's development standards.

A brief exchange occurred between Commissioner Wheeler and Attorney Dill as they discussed what would happen after the conclusion of the twenty-year period of the ISBA.

Commissioner Wheeler noted that the City of Vero Beach and the County have a building height maximum limit. He wondered whether the other four municipalities would be willing to place on their upcoming election ballots the option of protecting building heights through each City's Charter, or by referendum.

Sebastian City Manager Al Minner declared that Sebastian's growth regulations are included in its Land Development Regulations (LDR's), which are determined by its elected officials. He believed that Charter Government would take autonomy away from the cities. Mr. Minner supported the ISBA, as providing another layer of government over the growth issues.

Commissioner Wheeler defended Charter Government, stating that the proposed Charter would not interfere with the autonomy of the Municipalities. He believed that having height restrictions would help maintain the unique character of Indian River County.

(C) SEBASTIAN'S 4,000 ACRE RESERVE AREA

Director Keating explained that the draft ISBA would exempt development in the Sebastian Reserve Area from a rule of the Agreement which requires unanimous approval by all parties for any land use changes. Instead, Sebastian has come up with development standards to serve in lieu of the unanimous requirement. Director Keating used a PowerPoint (copy on file) to depict Sebastian's development standards (Sebastian's Special Planning Area), and to outline the County's concerns regarding those standards.

Sebastian City Attorney Rich Stringer provided details on Sebastian's Special Planning Area, and reiterated the need to have an office park and employment center. Attorney Stringer noted that the job producing environment would have to occur before new residential development.

Mayor White asked Attorney Stringer if each municipality could obtain a copy of Sebastian's Special Planning Area. He asked that Sebastian keep alternatives in mind, such that the ISBA can be completed and agreed upon by all parties.

5. QUESTIONS & ANSWERS - ELECTED OFFICIALS

Commissioner O'Bryan pointed out that the County had a fourth area of concern not placed on today's agenda. Under Section 15, Item B, it states that if the County, or even a citizen, initiates a Charter process, the ISBA would become null and void. Commissioner O'Bryan explained that issues other than height and density might arise which would provide sufficient cause to implement Charter, and he felt that Section 15.B. should be removed from the Agreement, or debated.

Mayor Thomas Cadden, Indian River Shores, thanked the ISBA Task Force for doing an outstanding job.

Commissioner Wheeler wanted to know if the ISBA must be concluded by the end of the month (June 2008).

Discussion ensued regarding each municipality's readiness for approval of the Agreement.

Attorney Vitunac divulged that the City of Vero Beach had not yet signed the extension to the Stand Down Agreement because to do so they would have to waive their right to go to Chapter 164, Dispute Resolution. He wanted to see if Sebastian agreed with this injunction, which had been stipulated by the County and Fellsmere. If so, he would bring the matter back to the City Council; if not; additional work would need to be done by the ISBA Task Force.

Mayor White believed that the Stand Down Agreement was working fine, and simply needed to be extended until October 31, 2008.

6. COMMENTS BY THE PUBLIC

John Williams, 1535 Smugglers Cove, discussed his perspective on the ISBA and on Charter Government, and admonished the elected officials to consider the "voice of the people".

7. CLOSING COMMENTS BY ELECTED OFFICIALS

Attorney Vitunac recommended designating the ISBA Task Force as an official committee which would meet under the Sunshine Law.

It was the CONSENSUS of the elected officials of each of the municipalities that the ISBA Task Force would be designated a Committee, which would work within the Sunshine Law.

Debra Fromang voiced that she would like more information regarding Sebastian's plan, but she thought that the amount of their reserve acreage should be reduced.

Sabin Abel, Vice Mayor of Vero Beach, outlined some of his concerns regarding the size of the annexation reserve areas.

Mayor White stated that another joint meeting on the ISBA would be scheduled, and asked each municipality to sign the Stand Down Agreement.

8. ADJOURNMENT

There being no further business, Mayor White adjourned the meeting at 12:07 p.m.

ATTEST:

Jeffrey K. Barton, Clerk

Sandra L. Bowden, Chairman

Minutes Approved: _____