

Minutes of the Regular Meeting of the Captiva Erosion Prevention District

Tween Waters Inn, Wakefield Room
15951 Captiva Dr., Captiva Island, FL 33924
Wednesday, November 11th, 2009 @ 12:00PM

Commissioners Present: Michael Mullins (Chairman), Harry Kaiser (Secretary), Rene Miville (Commissioner), Dave Jensen (Treasurer)

Administrative Consultants Present: Kathleen Rooker (Senior Administrative Consultant), Bob Gray, Jr. (Strategic Planning Consultant)

I. Call to Order

Chairman Mullins called the meeting to order at 12:05PM.

II. Roll Call

Roll call was performed and the results are detailed above.

A moment of silence was held in observance of Veteran's Day

III. Approval of CEPD Minutes

Treasurer Jensen made a correction from the last meeting minutes. An amount of \$87,000 was not collected in September assessments; rather, this amount included previous distributions that were transferred from the general budget to the projects budget.

Chairman Kaiser issued motion to dispense with reading of the minutes and to accept them as written. Motion was seconded, carrying 4-0.

IV. Public to Be Heard

There were no public comments at this time.

V. Financial Report

Treasurer Jensen presented the financial report. He has already signed an affidavit complying with audit report for the Florida Department of Treasury.

He also reported that CEPD has CD that is about to expire. An amount of \$250,000 was initially put into the CD. Treasurer Jensen and Consultant Kathy Rooker are researching how to obtain the best rate.

Chairman Mullins mentioned that there are some large expenses coming up soon, and recommended placing the renewal on CD on a lower priority in order to retain those funds.

Treasurer Jensen solicited questions regarding financial reports for the 2008-2009 fiscal year. None were given.

Consultant Rooker suggested moving the Selection of Auditor topic out of new business to the top of the agenda as this is an especially important issue.

Consultant Rooker presented proposals for three auditors: Ashley & Brown, Bowman & Bowman, and Stroemer and Co. Consultant Rooker and CEPD's accountant Joanne Paul have already met with the three auditors. Both were impressed with Bowman & Bowman and Stroemer and Co., citing their interest in the specific needs of the district.

Both companies were required to propose services with a cost not to exceed clause in light of the situation with previous auditor Jeff Tuscan, who tripled his originally proposed fee mid-project.

Both auditors offered to appear in person, working along with CEPD resources to obtain necessary documents, rather than receive documents exclusively via fax and email.

One factor cited in deciding which auditing company to hire was the benefits of a small firm versus a large firm.

Chairman Mullins noted that the experience on government accounts be a criterion for deciding. A decision will be made after professional references and government audit experience is validated.

VI. Report of the Senior Administrative Consultant

a) Parking Lot Revenue

Kathleen Rooker presented a report on gains and losses for the past five years the parking meters have been in service. A 2006 drop in net receipts was noted. This was attributable to a malfunctioning machine that had not been repaired, replaced, or properly maintained. A redundant machine was put in place along with the addition of an independent party responsible for cash collection. These collections were turned into the bank and counted there. Beach parking revenues increased substantially with further additions such as a credit card reader in one of the machines.

Also cited was an issue where a local business was taking up as many 7-10 parking spaces with a Lee County parking pass. The validity of this pass was renegotiated with the county, creating more access for beach patrons. Chairman Mullins mentioned an incident were the City of Sanibel had inadvertently removed a sign near Turner Beach notifying beach patrons of additional parking at Alison Hagerup Beach Park. The sign was replaced.

Chairman Mullin discussed possibilities for enhancing the lot, i.e. making it more navigable for the public, eliminating potholes, and maximizing the amount of parking spaces in the lot.

After hours parking was considered as a possibility for increased revenue.

b) Blind Pass Sand Fill Volume and Maintenance

In the 2000 interlocal agreement, CEPD agreed to supply Sanibel with 25,000 cubic yards of sand per year. Kathleen Rooker presented a chart detailing sand deposits to Sanibel – there is enough sand given to cover 28.5 years, covering the obligation until 2021.

Chairman Mullins noted Sanibel's lack of interest in extending the Sanibel-side jetty adjacent to Blind Pass along with past attempts to resolve this issue.

Chairman Mullins also mentioned he has been corresponding with the Lee County Tourist Development Council regarding the funds committed to CEPD. Citing the high revenue from bed taxes that Captiva contributes to the county, he claimed there are insufficient funds invested back into the island for beach renourishment and similar projects. He stated that to reduce expenses on future projects, sand should no longer be provided to Sanibel without payment. Furthermore, a list should be created of expenses such as beach monitoring, etc., that should be reimbursed or covered by Lee County.

Consultant Rooker has been exploring opportunities to work with the state to develop an inlet management plan for maintaining Blind Pass. An Area Navigation District has also demonstrated interest in working with CEPD on this issue.

Secretary Kaiser and Chairman Mullins further discussed a jetty or other hard structure on the Sanibel side of Blind Pass that would mitigate or delay another pass closing. Chairman Mullins noted that this is a recurring issue, and until Sanibel expresses a willingness to alter their comprehensive plan, CEPD should focus on an inlet management plan for Blind Pass.

The board briefly evaluated oral reports of sand accretion and erosion, depth levels, and current flow in and around Blind Pass since the re-opening. Continued maintenance is necessary to ensure public enjoyment of the pass.

A member of public commented that it is easy for the community to forget the importance of beach and inlet maintenance when things are going well. It should not take a disaster for the public to recognize the importance of these efforts.

c) DEP Public Workshop

Kathleen Rooker attended a DEP Public Workshop in Sarasota. Also in attendance from Lee County were Robert Neal and Steve Butelle. The DEP is considering a point system for projects. Also, the organization is separating beach projects from inlet projects, with a primary focus on inlet projects.

Any responses regarding the point system must be sent in to DEP by December 15th. It was noted that the point system will benefit CEPD, as additional points are awarded for projects with a dedicated erosion prevention district. Also noted was that more funds are going to east coast beaches due to erosion from Atlantic waves.

Secretary Kaiser stated that compared to other areas, CEPD has historically taken a proactive stance of erosion prevention and should use their voice in this area to receive a bigger share of funds.

Chairman Mullins replied stating that CEPD, in addition to having a voice on these issues, also has one of the larger cost shares for districts conducting beach re-nourishment projects.

Chairman Mullins stated that one disadvantage Captiva has when faced with competing areas is volume and distribution of parking access. Increased access to Captiva's beaches would increase parking revenues and funding from state and federal governments, potentially saving the district millions of dollars.

d) Memberships Renewals – Beach Watch, ASBPA

Consultant Rooker proposed renewing memberships for Beach Watch, a lobbying group (\$5,000/year), and the American Shore and Beach Preservation Association (\$500/year). Chairman Mullins suggested postponing Beach Watch membership renewal until a future meeting; it was decided the ASBPA membership should be renewed. It was argued that there is opportunity for the interests the CEPD to be represented more fully in these organizations, and that this should be discussed prior to renewal.

It was noted that these organizations assist members with lobbying; however this influence does not apply to local lobbying in Lee County. This should be highlighted during discussions of renewal.

e) D & O Insurance Renewal

Chairman Mullins proposed a motion a pay D & O insurance renewal. Motion was seconded and carried 4-0.

f) Sanibel Captiva Community Bank

Issue with CD discussed earlier in the proceeding.

g) Public Depositor Annual Report

This topic was addressed during the Financial Report.

h) ASBPA Trip Report

Before Consultant Rooker's report, Chairman Mullins noted that commissioners in the past have typically not attended these conferences. He thanked Consultant Rooker for her thorough, daily reports of the conference.

Consultant Rooker noted attending a special workshop on NEPA, which was very informative in regard to studies that should be conducted on successful projects. Since re-nourishment projects are conducted in various ways, it is critical to evaluate similar beach projects to determine what will and will not work for the district. Consultant Rooker also iterated the importance of re-nourished beaches for storm safety and flood mitigation.

Chairman Mullins concurred, likening beaches to an electric surge protector that sacrifices itself to protect the devices plugged into it. Similarly, beaches stand as buffer for serious storms, protecting property and potentially saving lives. He stated that many opponents of beach re-nourishment spin spending on beach re-nourishment as a waste of financial resources; however, the protection against storm damage is just one more example of cost-effectiveness of these projects.

VII. Old Business

a) Community Relations Plan

Chairman Mullins began this topic by calling for everyone to recognize the importance of publicizing issues surrounding beach re-nourishment. If the public is not informed about matters of beach re-nourishment, there could be a climate reminiscent of the 1970's where the benefits of beach re-nourishment projects were considered dubious and work on Captiva's beach received attacks from a number of opposition forces.

Consultant Bob Gray, Jr. presented a fourteen step draft plan created during the most recent Community Relations Meeting. He called for this meeting to reconvene in the near future in order to finalize the plan.

Initial work as part of the community relations plan has taken the form of research. One researching consultant was willing to renegotiate her billing rate to assist CEPD in this area. CEPD already has some research information to contribute to this consultant and guide her research efforts. Much of this information pertains to the "Golden Goose" theory of beach re-nourishment – that

by stifling funds to re-nourishment efforts, governments are destroying revenue sources driven by beach and travel industries.

Consultant Gray and members of the board discussed additional candidates for research in case some areas are unable to be covered by existing resources.

b) Parking Lot Improvements

Topic covered during Report of the Senior Administrative Consultant.

c) SOP Contract

Consultant Rooker noted that the attorney mentioned that the terms of the contract did not set a period of time for services to be rendered. This was initially set for six months, and then extended to twelve months. Chairman Mullins issued a motion to approve standard operating procedures. Motion was seconded and carried 4-0.

d) Newsletter

Chairman Mullins noted that the Fall newsletter has been behind schedule. Consultant Rooker noted that the primary resource finalizing the project had recently been hospitalized, pushing the issue back further. Delivery of the newsletter was slated for approximately one week after the November regular meeting.

Chairman Mullins stressed the need to begin assembling content for the next newsletter prior to completion of the Fall issue in order to prevent these sorts of delays in the future. There are many issues that require coverage in between quarterly newsletters, and these items need to be listed and prioritized according to their relevance and urgency.

Treasurer Jensen discussed the recent conference at Florida State University regarding oil and gas drilling, as well as the subsequent coverage of that event in the Fort Myers News-Press.

Chairman Mullins answered a question from the public regarding oil and gas drilling asking what the CEPD's contentions were with arguments in favor of oil drilling. Among those cited were recent critical failures with state-of-the-art technology, the dubious argument by the oil lobby that coastal oil production would result in considerable jobs and revenue for the state, and the omission of the devastating effects an oil spill would have on the Florida and local economies, particularly travel and tourism.

e) Referendum

Consultant Rooker presented a schedule for referendum that has been verified since the last regular meeting in October. It was noted that the CEPD is currently behind schedule on the referendum.

Chairman Mullins cited financing as a significant issue. CEPD will have to work harder to find funding. The community relations plan was cited as a means of raising awareness regarding the value of re-nourishment and funding the district.

Chairman Mullins noted that in the event of a hurricane or other disaster, CEPD currently does not have the funds to conduct an emergency project. Clarifying an issue raised by Commissioner Miville, Chairman Mullins explained that a referendum is not required to begin work on projects; however, it is necessary to borrow funds for a project, making it impossible to work on emergency project without passing a referendum.

Chairman Mullins noted that CEPD has the ability to raise ad valorem taxes by 10 mills – a higher amount requires a referendum.

In discussing items on the referendum, the first four (including three-year monitoring) were determined to be necessary on their own. The remaining three items, which carry an estimate cost of around \$80,000, can be decided on before April.

Treasurer Jensen supported the decision to move forward with the referendum, explaining that, in many cases, expenses are reduced when they are tackled earlier rather than later.

Chairman Mullins issued a motion to approve the referendum schedule. Motion was seconded, carrying 4-0.

f) Emergency and Comprehensive Plan

This item was tabled until a future meeting.

VIII. New Business

Selection of Auditor for Annual Audit of Financial Statements

Moved to top of agenda.

IX. Commissioner Comments

There were no comments at this time.

Meeting adjourned at 2:16PM