

**SANIBEL CITY COUNCIL REGULAR MEETING
JULY 19, 2011**

Mayor Ruane called the meeting to order at 9:03 a. m.

Councilman Jennings gave the Invocation and led the Pledge of Allegiance.

Members present: Mayor Ruane, Vice Mayor Denham, Councilman Congress, Councilman Harrity and Councilman Jennings.

PRESENTATION(S)

Presentation of the “Circle of Excellence Award” to the Sanibel-Captiva Community and City of Sanibel Employees by the United Way of Lee, Hendry and Glades Counties; Sanibel Captiva Campaign Committee – Tom and Linda Uhler, Tony and Angie Lapi and Dick and Debbie Riley

Planning Commission Report

Commissioner Christopher Heidrick gave the following report:

- Approve application for a coffee bar at Bailey’s and recommended Ordinance 11-006 amending Bailey’s parking lot
- Approve Certificate of Appropriateness for the Rutland house property for a shred use path facility
- Approval for expansion of the Sanibel Community Church

Annual Report for the Planning Commission Capital Improvement Element Review Subcommittee

Mike Valliquette gave the following report:

- No deficiencies
- Continue CIP for public facilities
- Conducted in relationship to the 2011-12 EAR report

Public Comments

Claudia Burns spoke to the alligator color book.

Ms. Zimomra advised Ms. Burns that she needed to make a formal request for Council to fund the printing of the alligator coloring book.

Ms. Burns requested that Council appropriate \$1,000 for the alligator coloring book as has been done in the past.

Vice Mayor Denham moved, seconded by Councilman Harrity, to direct staff to bring back a budget amendment at the August 02, 2011 City Council meeting in the amount of \$1,000 to print the alligator coloring book.

The motion carried.

Ed Seibert spoke to off-shore oil drilling.

Hazel Schuller spoke to the adoption of the Sanibel Plan. She particularly spoke to districts in the plan.

Karen Storjohann spoke to the adopted resort redevelopment ordinance and asked the green initiative for facilities be put on an agenda for City Council and/or Planning Commission.

Discussion ensued regarding Jeremy Kane creating a group for the green initiatives and suggestion of contacting Mr. Kane for involvement.

Hazel Schuller spoke again to the resort housing district usage.

Council Comments

Vice Mayor Denham spoke to meeting with the new SFWMD representative to Sanibel, Dan DeLisi. He further noted that Mr. DeLisi asked for recommended projects and someone to represent Sanibel on a brain storming committee. He also spoke to his suggestion of James Evans as the representative to the City Manager.

Councilman Jennings thanked the community for donating money for the Independence Day fireworks. He also spoke to the large numbers of misquotes.

Councilman Congress spoke to Council using a new iPad for the Council packet and the savings for supplies and staff time.

Request to reduce the required percentage of property owners required to consent for the establishment of an assessment district for the paving of Nerita Street

Mayor Ruane noted that there would be a discussion with no legislation being brought forward at this meeting.

Mr. Cuyler noted that at least 80% of property owners would apply to street paving districts, but approximately one-year ago a resolution was brought forward to lower dredging district participation to 51%.

Discussion ensued regarding being approached by a resident for consideration of paving Nerita Street, percentage needed, no legislation at this time, difficult to get 80% of homeowners to agree to pave a street, and possibility of reducing percentage amount for participation.

Hazel Schuller spoke to beach carrying capacity.

Tom Krekel spoke to the percentage of homeowners for paving streets.

Susan Salt spoke to the dust associated with Nerita Street remaining unpaved.

Celeste Bittner spoke to paving Nerita Street and the percentage reduction for dredging Shell Harbor.

Discussion ensued regarding discussion regarding dredging Shell Harbor and the amount of discussion inside and outside of Council meetings and the process, Ms. Zimomra noted it took about 18 months for Council consideration.

Celeste Bittner asked when the conversation began?

Mayor Ruane answered that Mr. Dick McNeil approached Council and many conversation regarding the appropriate ratio.

Bill McBeath spoke to it being almost impossible to get 80% of resident participation and Nerita Street needs paving.

Claudia Burns spoke to keeping as much permeable surface as possible and the rights of owners not wanting Nerita Street paved and not lower the percentage participation.

John Morse urged Council to do what was necessary to reduce participation.

John Vonfaulk spoke in favor of paving Nerita Street.

Discussion ensued regarding long term maintenance of the first road, Council should be aware of health consideration, legal aspects of the project, impermeable surfaces for consideration, on a September agenda for discussion, Ms. Zimomra acknowledged, and City Council works all year long.

Reading of an ordinance and scheduling of public hearing

ORDINANCE 11-006 AMENDING THE CODE OF ORDINANCES, SUBPART B LAND DEVELOPMENT CODE, CHAPTER 126 ZONING, ARTICLE XVI PLANNED UNIT DEVELOPMENT, DIVISION 3 BAILEY'S SHOPPING CENTER PROPERTY, SECTION 126-1476 REQUIRED CONDITIONS, SUBSECTION (B) TO ESTABLISH A SPECIFIC SETBACK FOR BONUS OUTDOOR SEATS AND TABLES FOR THE RESTAURANT LOCATED AT THE NORTHWEST CORNER OF THE EAST PARCEL AND SUBSECTION (C) TO AMEND ON-SITE PARKING REQUIREMENTS; PROVIDING FOR CONFLICT AND SEVERANCE; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE

Ms. Zimomra read the title of Ordinance 11-006. Council set the second reading and public hearing for August 02, 2011 at 9:15 a. m.

Ms. Zimomra noted that the second notice due to staff error, which does not happen often was not published for Ordinances 11-004 and 11-005. She asked Council to adopt these ordinances after conferring with the City Attorney as an emergency due to the start of school year. She advised issue had gone through the Parks and Recreation Committee and was a staffing issue due to last minute planning for registration. She further stated these ordinances were not fee driven, but based on staff requirements.

Mayor Ruane spoke to setting conditions to be adequately staffed.

Andrea Miller, Acting Recreation Director spoke to the following:

- Limit of registrants in the old facility
- The need to have the correct employee ration one week prior
- Majority of registration the morning of the program start
- Staffing issues to meet quota
- Ten percent fee increase for late registration

Mr. Cuyler spoke to the following:

- Ordinance could be adopted as an emergency notice
- Had fair amount of notice and back-up on web
- One publication requirements not done
- Motion to declare an emergency and passes by 4/5's majority the ordinances could be adopted

Second Reading and Public Hearing

ORDINANCE 11-004 AMENDING CITY OF SANIBEL ORDINANCE 07-011, AS AMENDED, WHICH ESTABLISHED AN UPDATED AND REVISED SCHEDULE OF RECREATION USER FEES FOR CITY OF SANIBEL RECREATION PROGRAMS; REVISING AND UPDATING THE CURRENT SCHEDULE TO ESTABLISH AN "EARLY BIRD" REGISTRATION FEE

SCHEDULE, ADD ADDITIONAL PROGRAMS AND AMEND FEES AS PROVIDED IN THE ATTACHED REVISED SCHEDULE; AND PROVIDING AN EFFECTIVE DATE

Ms. Zimomra read the title of Ordinance 11-004. She explained that although failing to advertise rarely happens, there was not advertising for Ordinances 11-004 or 11-005.

Discussion ensued regarding the Parks and Recreation Committee having a discussion and agree to the proposal, and unsafe conditions would be an emergency.

Councilman Jennings moved, seconded by Councilman Congress, to declare an emergency and wavier the normal formal notice.

The motion carried.

Vice Mayor Denham moved, seconded by Councilman Jennings, to adopt Ordinances 11-004.

Public Comment

None

The motion carried.

ORDINANCE 11-005 AMENDING CITY OF SANIBEL ORDINANCE NO. 07-014, AS AMENDED, WHICH ESTABLISHED MEMBERSHIP FEES FOR THE CITY OF SANIBEL RECREATION CENTER; ESTABLISHING A “MEMBERSHIP UPGRADE” FOR AFTER-SCHOOL PROGRAM PARTICIPANTS; AND PROVIDING AN EFFECTIVE DATE

Ms. Zimomra read the title of Ordinance 11-005.

Councilman Jennings moved, seconded by Councilman Congress, to declare an emergency and wavier the normal formal notice.

The motion carried.

Vice Mayor Denham moved, seconded by Councilman Congress, to adopt Ordinance 11-005 and approve the final agenda ordinance title.

Public Comment

None

The motion carried.

Public Hearing for SHELL HARBOR

RESOLUTION 11-056 OF THE SANIBEL CITY COUNCIL TO DETERMINE THE PROPRIETY AND ADVISABILITY OF ESTABLISHING SPECIAL ASSESSMENTS TO BE COLLECTED ON AN ANNUAL BASIS FOR THE PURPOSE OF THE SHELL HARBOR AND SANIBEL ESTATES ENTRANCE CANAL DREDGING AND FUTURE DREDGING ANALYSES TO BE CONDUCTED ON AN AS-NEEDED BASIS WITHIN AN AREA TO BE REFERRED TO AS THE “SHELL HARBOR AND SANIBEL ESTATES CANAL AREA DREDGING ASSESSMENT DISTRICT”; DECLARING, LEVYING AND IMPOSING SUCH ANNUAL SPECIAL ASSESSMENTS PURSUANT TO CHAPTER 170, FLORIDA STATUTES, THE FLORIDA CONSTITUTION,

GENERAL LAW AND THE SANIBEL CHARTER; PROVIDING FOR A RECURRING ANNUAL SPECIAL ASSESSMENT; PROVIDING CERTAIN PROCEDURES WHICH MAY BE USED BY CITY COUNCIL WITH RESPECT TO ASSESSMENT ROLLS; APPROVING THE UNIFORM METHOD OF COLLECTION (i.e. TAX BILL) OF SUCH ASSESSMENTS PURSUANT TO CHAPTER 197.3632, FLORIDA STATUTES, FOR TAX YEAR 2011 AND FOR FUTURE TAX YEARS ON A RECURRING ANNUAL BASIS; AND PROVIDING AN EFFECTIVE DATE

Ms. Zimomra read the title of Ordinance 11-056.

Mr. Gates Castle, Public Works Director spoke to the following:

- Majority of canals on the east-end were Shell Harbor or Sanibel Estates canals
- Last dredged in their entirety in the early 90's
- Entrance silts up about every 3 to 4 years in the past, but now every 2 years
- One-third of cost City pays and 2/3's homeowners and Sanibel Marina paid
- Petitioned Council to set-up an assessment district
- When canals need dredging fund would be available
- Next dredging in 2013 with a cost of about \$33,000
- City cost \$11,000; Sanibel Marina 40% of cost and residents about 27%

Mr. Cuyler noted the purpose of the dredging as follows:

- Canal entrance
- Part of the funds could be legally used for analysis or soundings for dredging in the future
- Assessment roll as part of the legislation
- Assessment for single and multi-family dwellings at \$20 per year for those that have a dock or those with rights to a dock
- Petitions submitted signed by property owners
- Sanibel Marina assessed 40% for dredging canal entrance the mouth and would not participate for assessment to dredge the internal canals
- Sanibel Marina assessed 40%
- City pays 30%
- Residents assessed pay 27%
- Funds available for the internal assessment
- 2 notices published in the Island Reporter
- Assessment placed on the annual tax bill

Mayor Ruane moved, seconded by Vice Mayor Denham, to adopt Resolution 11-056.

Discussion ensued regarding how much would the \$20 annual fee bring, Mr. Castle answered it would be approximately \$11,000 per year, do reserve funds earned interest?, Ms. Zimomra stated in the pooled cash, Mr. Cuyler noted that funds would be segregated, Mr. Cuyler stated the purpose was to create a reserve for dredging, Mr. Castle stated that within the next 7 years the collection would be \$13,000 and could be as much as \$43,000 if dredging was not needed earlier.

Public Comment

Hazel Schuller request the taxing district name be changed.

Mr. Cuyler noted that the title, which was the Shell Harbor and Sanibel Estates Canal area dredging assessment district including the two major sub-divisions that border the canal as not identifying a specific area. He further spoke to the special benefit of dredging the entrance canal so everyone would have access to their internal canal.

Celeste Bittner spoke to the dredging assessment and the paving assessment. She also spoke to \$20 assessment was better than \$2,000 for street paving.

Thomas McCobb thanked City Council and staff. He further spoke to the bidding process, ownership of the fill and the percentage the Sanibel Marina would pay.

Mr. Cuyler stated that Mr. Castle accepts comments, Ms. Zimomra spoke to all contracts come to Council for approval and an opportunity for comment. She further stated that when Mr. Ireland managed the bill there were problems. She noted that fill was made available at market rate

The motion carried

RESOLUTION 11-057 OF THE SANIBEL CITY COUNCIL SITTING AS THE SANIBEL EQUALIZATION BOARD; EQUALIZING AND APPROVING A RECURRING ANNUAL SPECIAL ASSESSMENT TO FUND THE DREDGING OF THE ENTRANCE CANAL TO THE SHELL HARBOR AND SANIBEL ESTATES AREA CANALS AND TO ESTABLISH A FUND FOR AS-NEEDED FUTURE DREDGING ANALYSES OF INTERNAL CANALS IN THE SHELL HARBOR AND SANIBEL ESTATES CANAL AREA ASSESSMENT DISTRICT; EQUALIZING AND APPROVING THE RECURRING ANNUAL SPECIAL ASSESSMENTS FOR FISCAL YEAR OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012; PROVIDING FOR THE CONFIRMATION, ADOPTION AND FILING OF A FINAL ASSESSMENT ROLL FOR SAME; PROVIDING FOR CONFIRMATION OF THE RECURRING ANNUAL SPECIAL ASSESSMENT FOR FUTURE YEARS; AND PROVIDING AN EFFECTIVE DATE

Ms. Zimomra read the title of Resolution 11-057.

Mr. Cuyler noted that Council would now sit as an equalization board giving the audience the opportunity to speak

Mayor Ruane moved, seconded by Vice Mayor Denham, to adopt Resolution 11-057.

Public Comment
None

The motion carried.

Council recessed at 10:55 a. m.

Council reconvened 11:05 a. m.

CONSENT AGENDA

- b. **RESOLUTION 11-058 APPROVING BUDGET AMENDMENT/TRANSER NO. 2011-035 AND PROVIDING AN EFFECTIVE DATE** (to budget and appropriate \$10,365 in contributions for the July 4, 2011 fireworks display. This amendment increases the FY11 budget by \$10,365)
- c. **RESOLUTION 11-059 APPROVING BUDGET AMENDMENT/TRANSER NO. 2011-032 AND PROVIDING AN EFFECTIVE DATE** (to increase the theft of

money and securities insurance coverage for the general fund from \$10,000 to \$100,000 at an increased annual cost of \$485 and to add \$100,000 of coverage to the recreation center fund at an annual cost of \$815. The FY11 insurance premium is prorated for partial year coverage. This amendment does not increase the FY11 budget)

d. Emergency Management Preparedness

i. **RESOLUTION 11-060 APPROVING BUDGET AMENDMENT/TRANSE**
NO. 2011-031 AND PROVIDING AN EFFECTIVE DATE (To: 1) transfer \$20,000 from disaster reserves for hiring and training part-time, as needed structural safety inspectors for disaster recovery, to be activated during a disaster; 2) transfer \$900 from disaster reserves to increase extra expense supplemental insurance coverage , which pays expenses that would not have been incurred if there had been no direct physical loss or damage, from \$50,000 to \$2,000,000 at an increased annual cost of \$3,320; 3) to increase business income supplemental insurance coverage, which pays for the actual loss of business revenue such as sewer fund revenue, from \$110,000 to \$5,000,000 at an increased annual cost of \$3,950; 4) budget and appropriate \$1,826 for overtime expense for FMIT simplicity project insurance to inventory all recreation facilities including, recreation center, ballfields, skate park, tennis courts and pools; 5) budget and appropriate \$800 to extend warranty for one year for the lightning protection systems at Community Park and the recreation center. The FY11 insurance premium is prorated for partial year coverage. This amendment does not increase t he FY11 budget)

e. **RESOLUTION 11-061 APPROVING BUDGET AMENDMENT/TRANSE**
NO. 2011-033 AND PROVIDING AN EFFECTIVE (to transfer \$40,000 from the reserve for contingencies for actuarial and legal services for General Employees Retirement Plan amendments and implementation. This amendment does not increase the FY11 budget)

h. **RESOLUTION 11-062 AUTHORIZING THE CITY MANAGER TO DISPOSE OF OBSOLETE OR SURPLUS FIXED ASSETS; AND PROVIDING AN EFFECTIVE DATE** (Public Works truck and sweeper)

j. **RESOLUTION 11-067 AUTHORIZING THE CONSTRUCTION OF A SHARED USE PATH AMENITIES FACILITY ON A PARCEL OF LAND LOCATED ALONG 1119 PERIWINKLE WAY AS A “CITY EXEMPTED” PROJECT; DETERMINING ANY REGULATIONS, CONDITIONS, OR LIMITATIONS; AND PROVIDING AN EFFECTIVE DATE**

Vice Mayor Denham moved, seconded by Councilman Congress, to adopt Resolutions 11-058, 11-059, 11-060, 11-061, 11-062 and 11-067.

Public Comment
None

The motion carried

a. Approve a letter of support for the Lee County Sheriff’s Department for a grant (Edward Byrne Memorial Justice Assistance Grant) which includes \$2,265.81 for technology to enhance Police operations singed by the Mayor; Approval of the Memorandum of Understanding between the City of Sanibel, the Lee County Board of Commissioners, Lee County Sheriff’s Department and Lee County Port Authority to participate in an Edward Byrne Memorial Justice Assistance Grant (JAG) and authorize the City Manager to execute same

- f. Award 2011 Street Resurfacing contract to S. T. Wooten Corporation in the amount of \$702,028.25 and authorize the City Manager to execute same (this project is in the adopted FY11 budget)
- g. Waive irregularities in their bid and award San Cap Road Shared Use Path extension contract to Seaton Paving and Sitework, Inc., in the amount of \$80,196.80 and authorize the City Manager to execute same
- i. Approval of an agreement between the City of Sanibel and Lee County for the implementation of the West Coast Inland Navigation District (WCIND) grant in the amount of \$48,822 to be used for materials and equipment for marine enforcement activity and authorize the City Manager to execute same
- k. Request from Sanibel Trails in Motion to reallocate committed funds to be used for the extension of the shared use path alongside Sanibel Captiva Road from Pine Avenue to the Blind Pass bridge to the shared use path amenity facility project located at 1119 Periwinkle Way (Rutland house property)

Vice Mayor Denham moved, seconded by Councilman Harrity, to approve items a, f, g, i and k.

Public Comment
None

The motion carried

OLD BUSINESS

Discussion regarding pre-existing variances for non-code compliance by previous property owners

Mayor Ruane spoke to the current code and applicable fee for the above.

- New owners inherit pre-existing non-conforming structures
- Resident would need to apply for a variance requiring a fee regardless of the outcome
- Real estate owners now including check list in paperwork

Discussion ensued regarding the inappropriateness of changing the code for the issue, Council should make a ruling with suggestions, and Ms. Zimomra stated that there was a provision under the current code to come before Council asking for relief, i.e. previous swimming pool fee, she further stated not knowing if the fee could be adjusted and may be an opportunity to ask for relief before Council before going in front of the Planning Commission requesting a variance.

Vice Mayor Denham moved, seconded by Mayor Ruane, to direct staff to bring the item forward and meet with residents and bring back a resolution September 10, 2011 Council meeting.

Public Comment
None

The motion carried.

Written report regarding meetings completed with The Sanctuary, Beachview and The Dunes golf course staffs with City staff

Ms. Zimomra spoke to the following:

- Council exempted golf courses when adopting fertilizer legislation
- Request for golf courses to work with staff to come into compliance with voluntary programs established
- Met with Vice Mayor Denham and staff
- Staff had follow-up meetings of the written reports

Vice Denham spoke to water quality concern, approached golf courses approximately 2 years ago to manage their fertilizer programs and met with each golf course. He further spoke to a subsequent meeting with each golf course and staff, and The Sanctuary Golf Course example at the Regional Planning Council.

James Evans, Biologist spoke to the following:

- Working with each golf course
- Varying level of compliance and working with staff
- Concerned about water flow from golf courses
- Low hanging fruit with low cost implementation
- Report card on an annual basis

COMMITTEES, BOARDS, COMMISSION
City Council Liaison to Planning Commission

July 26, 2011	Councilman Jennings	Report of 07/19/11 CC Meeting
		CANCELED
August 09, 2011	Councilman Congress	Report of 08/02/11 CC Meeting
August 23, 2011	Mayor Ruane -	CANCELED
September 13, 2011	Councilman Jennings	Report of 09/10/11 CC Meetings
September 27, 2011	Councilman Harrity	Report of 09/20/11 CC Meeting
October 11, 2011	Councilman Jennings	Report of 10/04/11 CC Meeting
October 25, 2011	Councilman Congress	
November 08, 2011	Mayor Ruane	Report 11/01/11 CC Meeting
November 22, 2011	Vice Mayor Denham	
December 13, 2011	Councilman Harrity	Report 12/06/11 CC Meeting
December 27, 2011	Councilman Jennings	

NEW BUSINESS

RESOLUTION 11-063 DETERMINING THE REQUEST OF ADVENTURES IN PARADISE, INC., TO OPERATE TROLLEY TOURS ON THE ISLAND; AND PROVIDING AN EFFECTIVE DATE

Ms. Zimomra read the title of Resolution 11-063. She spoke to the operation being brought to staff attention as an inquiry and no past complaints.

Mr. Jim Jordan, Planning Director spoke to the following:

- Operation of a trolley tour between resorts with designated stops
- Use initially approved in 2000
- City regulations pertinent to vehicles for hire
- Maintain an active business tax receipt from 2000 to 2005
- Staff recommendation was to approve with the condition of maintaining a current business tax receipt and all outstanding fees

Discussion ensued regarding hours of operation, Mr. Murty, Attorney stated the trolley was a lawful business and wanted to add an historical tour to the Historical Museum and Village, tours done once per day, historical tour would be 2 days per week, operating hours begin with picking people up off-island for fishing and ecological tours, trolley picks up people at different locations for drop off at Sanibel Marina, would like to add a trip to the Historical Museum & Village beginning and ending off island, amend title of resolution adding the historical tour.

Vice Mayor Denham moved, seconded by Councilman Harrity to adopt Resolution 11-063 and direct staff to change the title showing the additional use of the historical Museum and Village tour stop.

Public Comment

Wayne Ponader, COTI spoke to the current ATPPL transportation study. He advised that Council did not have the completed ATPPL study.

The motion carried.

Dr. John Harries spoke to the tours being 3 times per week. He further noted that other entities offer tours and need to offer tour service to Tarpon Bay Explorers

Ms. Zimomra stated that the tour for "Ding" Darling Wildlife Refuge was done through an RFP and on federal land.

Karen Storjohann stated that there was a fee of \$5.00 to tour the Historical Museum and Village and children were admitted free. She also noted that the Tarpon Bay Explorers had chosen not to provide tour service for the museum. She suggested that the resolution be split in to two separate resolutions.

Patty Sousa asked how the trolley would go to the cemetery and Council advised it would be a drive by.

David Bath spoke to being advertised on the mainland. He further noted that there was a separate trolley service legally approved, but advertised as main road pick-up. He asked to review previous approvals.

Hazel Schuller spoke to amenities in the resort housing district.

Ms. Zimomra stated that conditional use still required going before the Planning Commission for approval. She also noted that the process had not been changed.

Mr. Jordan stated that it was a long-form process that would go before the Planning Commission.

Discussion ensued regarding the trolley service does have an island business called the "Adventures in Paradise Outfitters," trolley service since 1993 with no issues, proper business tax license issued today, add a 3 day per week drop off at the Historical Museum and Village, circulates on island, Mr. Cuyler noted that City Council must approve, and an ongoing ATPPL study with monthly meetings and add historical tour in the title.

Vice Mayor Denham moved, seconded by Councilman Harrity, to adopt Resolution 11-063 and direct staff to amend the language in the title adding the tour of the Historical Museum and Village.

Public Comment

None

The motion carried

Ms. Zimomra stated the approval was for one year.

Mayor Ruane announced that Council would be going in to Executive Session as noted below.

Council recessed at 12:00 p. m.

Convene an **EXECUTIVE SESSION RELATING TO UNION NEGOTIATIONS**

In attendance shall be only the following persons:

Mayor Kevin Ruane
Vice Mayor Mick Denham
Councilman Doug Congress
Councilman Marty Harrity
Councilman Jim Jennings
Sanibel City Manager Judie Zimomra
Sanibel City Attorney Kenneth B. Cuyler
Jim Isom, Director of Administrative Services
Sylvia Edwards, Finance Director
Wayne Helsby, Labor Counsel (Allen, Norton & Blue)

Council came in to open session at 1:00 p.m.

Council recessed at 1:00 p.m.

Council reconvened at 1:07 p. m.

Discussion of DRAFT educational material recommended by the Vegetation Committee to be distributed with the Certificate of Occupancy

Councilman Congress explained that the Vegetation Committee with staff help brought forward a letter to residents that receive their Certificate of Occupancy (CO). He suggested the information be provided in another venue.

Phyllis Gresham, Vegetation Committee chair spoke to the reason for the new information. She also noted that committee members do the final vegetation inspection before a CO was received. She noted that there was a suggestion of providing the information to realtors.

Discussion ensued regarding not sure if violations should be given to the Police Department, who determines if a violation had occurred, timing of letter when CO was given, Ms. Gresham spoke to receiving CO the letter may be kept by the owner, Ms. Zimomra stated the normal procedure for calls would be Natural Resources Monday through Friday and on the weekend any vegetation or life threatening call goes to Police Department, but otherwise Natural Resources, direct calls/emails to the Department of Natural Resources Department, remove Police Department, necessary to educate residents building on-island, Ms. Gresham spoke to the effect on people as informative.

Councilman Congress moved, seconded by Vice Mayor Denham, to approve the letter and direct staff to make the changes, distribution with the CO, add that calls go to the Natural Resources Department Monday through Friday, giving their phone number and email address and calls that come in on the weekend go to the Police Department and to the give letter as part of the Certificate of Occupancy process.

Public Comment

Karen Storjohann spoke to the letter needing to go to the resident before the Certificate of Occupancy.

The motion carried.

CITY MANAGER **Informational Items**

**Corrected City of Sanibel Treasury Investment Performance Report for the Period Ending March 31, 2011 prepared by Burgess Chambers & Associates, Inc.
City of Sanibel Investment Portfolio Report for the Period Ending March 31, 2011 prepared by Integrity Fixed Income Management, LLC.**

Causeway counts for May, 2011

Ms. Zimomra stated the May Causeway numbers were down.

Building Department Monthly Revenue Report for June, 2011

Building Department Monthly Permit and Inspections for June, 2011

Planning Department Permit Activity Report for June, 2011

Planning Department Code Enforcement Activity Report for June, 2011

Public Works Grease Trap Inspection Report June, 2011

Attendance to the Florida League of Cities (FLC) Conference August 11 to 13, 2011

Orlando World Marriott

Ms. Zimomra stated that if a Council members wants to attend please get to the clerk.

Vice Mayor Denham moved, seconded by Mayor Ruane, to agree that Vice Mayor Denham, Councilman Congress and Councilman Jennings attend the Florida League of Cities conference.

The motion carried.

Request by the Horizon Council to use the City Seal for the Industry Appreciation Luncheon September 16, 2011

Councilman Congress moved, seconded by Councilman Harrity, to approve the use of the City Seal for the Horizon Council's Industry Appreciation luncheon.

The motion carried.

Ms. Zimomra stated that Council had a table of 8 to attend the Horizon Council's Industry Appreciation Luncheon. She stated that Mayor Ruane would be sitting at the Mayoral table. She asked if Council wanted Councilman Harrity as the Horizon Council liaison to fill the table. Council by consensus agreed.

BUDGET

Capital Projects Update

Status of Capital Projects and Updates

Ms. Zimomra spoke to the following:

- Set the preliminary millage
- Could reduce after millage rate was set today
- Draft budget reflects less than 1% de-valuation
- Proposed millage rate same as last year
- 2.1561 mills
- Biggest areas of constrictions as full-time head count and other personnel costs
- Design, feasibility and cost of Clam Bayou dredging project not in budget and officially approved; cost of \$200,000
- Rip wrap work to be completed at Clam Bayou would cost about \$30,000 and incorporated with dredging project

Mr. Gates Castle, Public Works Director spoke to the following:

- City Hall roof replaced
- Preliminary drainage work for Dunlop Road/Wooster Lane shared use path completed

- LCEC issued check for the Dunlop Road enclosure
- Lindgren Boulevard box culvert ongoing
- Approved SanCap Road shared use path extension and road resurfacing contract earlier today
- TDC funded and forward for the next fiscal year was the additional Lighthouse Beach restroom and additional Bowman's Beach restroom

Discussion ensued regarding carry forward approximately \$1.5 million and new CIP was approximately \$.5 million, not included was \$ 250,000 for Clam Bayou and would come back to Council in October.

Sewer Issues

Sewer Feasibility Study as presented by Tara Hollis, Environmental Group Manager for GAI Consultants, Inc.

Tara Hollis spoke to the following:

- Primary objection: provide the City an annual update on the financial stability and rate projections for the Sanitary Sewer System
- Provide analysis of proposed rate adjustment impacts on coverage and cash flows over the 20-year projection period
- State Revolving Loan Fund (SRF) 20-year repayment period

Ms. Zimomra clarified what SRF was.

Ms. Hollis continued:

- Study took in to account the current budget and proposed budget
- Major considerations were proposed operating and maintenance expenses approximately \$3/8 million
- CIP budget \$1.46 million
- Review debt; 2003 bonds outstanding and SRF debt and look at repayment sources
- Sewer repayment through a portion of pledged ad valorem taxes - \$10 million in ad valorem taxes to be collected
- Funded through assessments, transmission charges, connection fees and monthly user fees
- 2003 Bonds with a 1.1 coverage was senior to SRF loan with a 1.5 coverage
- 2002 General Fund loaned funds to the sewer enterprise fund for reuse improvements in the amount of \$3.5 million
- 2007 repayment set-up back to the General Fund in the amount of \$350,000 annually with approximately \$1.75 million remaining
- When sewer expansion system approved, a 3% annual adjustment was also approved
- Do not include Phase 4
- Does not include de-nitrification project
- 2008 Phase 5 Sanibel Bayous included
- Includes improvements to the re-use storage tank and funding through SRF
- Coverage met in all year with 1.15 requirement
- Unrestricted cash would remain positive to fund utilities
- Long-term rate projections included – Scenario 1a and 1b
 - Adopt 3% increase, but no more
 - No pay down of SRF loan
 - Continue with current SRF payment schedule
 - 1.156 requirement just made
 - Review needed rate increase if necessary

OR

- No 3% increase for 2012
- Coverage not met in 2012 and 2015; under 1.105 coverage

- Out of compliance with SRF
 - 3% increase 2013 and every year thereafter
 - Repay SRF loan at current schedule
 - Review needed rate increase if necessary
- Scenario 2 a and 2b
 - Implement 3% rate increase 2012
 - Use \$1 million unrestricted reserves in enterprise fund to pay debt service
 - Loan \$1 million from General Fund
 - Pay \$2 million in debt to SRF
 - SRF would reduce re-payment
 - Meet coverage with a 1.238 debt coverage
 - Debt service reduce by \$200,000 annually
 - Reduce interest by \$500,000 through the remaining 11 years of SRF
 - Impact of 3% in future years
 - Re-structuring the re-payment over 10 years equaling \$2.7 million
 - \$275,000 payment annually

OR

- No 3% rate increase in 2012, but every year thereafter
 - \$2 million pay down
 - 1.182 requirement
 - Coverage would be met
 - Unrestricted funds would be met
- Looked at similar communities
 - Monthly residential customer would be \$53.40
 - No increase bill would be \$51.94
 - Based on 12,000 gallons and Island Water usage

Discussion ensued regarding analysis done by consultant and in-house to compare results, normally within \$20,000 of each analysis, calculated debt service numbers, Ms. Zimomra explained that original loan made was by resolution between the general fund and sewer enterprise fund with repayment beginning in 2007, 1b not an option, Ms. Zimomra stated the system continues to age, balancing maintenance and capital projects, maintain a reasonable rate for treating sewage on-island, she spoke to the community buy in at growing the sewer by the voted debt service, Ms. Zimomra also noted a difference in sewage running down in and sewage in a sandy flat service, close to reaching 100% of homes sewer, only 43 homes remain, staff recommendation to hold Phase 4 and time at a point keeping the system financially sound, not budget in the next 60 months for the de-nitrification project, unanticipated expense for noise, lighting and odor control and the new requirement within the last 24 months by DEP in monitoring wells, City had no violations, may want to develop a more formal inspection for the remaining 43 homes, Lee County putting in place legislation for formal sewer inspection procedures for septic systems mostly for Lehigh Acres, staff level discussion with County staff equally concern of septic systems in Pine Island, reserve amount in the sewer fund, Ms. Edwards answered \$300,000 was in the emergency/disaster reserve and \$100,000 per year for disasters until \$1 million was in hand, unrestricted cash of \$2 million in the sewer fund and take \$1 million of the \$2 million toward the pay down and \$1 million from the General Fund, Mr. Castle explained that staff wanted to possibly build a large re-use storage tank for the dry season and possible aquifer storage, just received 5-year renewal license of the Donax plant, and he further spoke to the possibility of the city having its on wet well one day as not to share with Island Water.

Ms. Zimomra stated staff was looking for direction from Council.

Discussion ensued regarding less than \$10 per quarter increase, does the consultant analysis tie in to staff's, and the answer was yes, sewer proposal tie into the City's budget and the answer was yes, Ms Zimomra stated it was a staff effort with Mr. Castle and Ms. Edwards providing assistance.

Public Comment

Steve Maxwell spoke to the cumulative effect to the homeowner and \$30 increase per year. He further spoke to the fiscal impact when the last 43 homes come on line.

Ms. Zimomra stated that the increase would be \$1.56 per month. She further stated that many sewer decisions were made many years ago and the plan called for a 3% escalator each year and look at the 20-year projection as not to have a large increase and keeping financial stability.

Discussion ensued regarding the need for more information, Ms. Zimomra stated staff needed direction regarding the 3% for advertising, and bring back at the August meeting the compound and accumulative impact of City debt.

Councilman Congress moved, seconded by Vice Mayor Denham, to direct staff to do the proper advertising for the proposed 3% sewer bill increase.

Public Comment
None

The motion carried

Donax Water Reclamation Facility Infiltration/Inflow Report

Staff recommendation to approve delaying the Phase 4 Sanitary Sewer Expansion Project construction pending securing of appropriate funding

RESOLUTION 11-064 AMENDING RESOLUTION 06-118 TO APPROVE AN ADDITIONAL \$1,000,000 INTERFUND LOAN FROM THE GENERAL FUND TO THE SANIBEL SEWER SYSTEM AND TO ESTABLISH AN ANNUAL SCHEDULE OF REPAYMENTS FROM THE SANIBEL SEWER SYSTEM TO THE GENERAL FUND FOR THE INTERFUND LOANS; AND PROVIDING AN EFFECTIVE DATE

RESOLUTION 11-065 APPROVING BUDGET AMENDMENT/TRANSER NO. 2011-034 AND PROVIDING AN EFFECTIVE DATE (to budget a \$1.0 million interfund loan from the general fund to the sewer fund and a \$2.0 million principal paydown of the sewer system's state revolving fund loan #CS120835080. This amendment does not increase the FY11 budget)

Discussion ensued regarding need for a more comprehensive report, interest saved over time, pension expense would decrease, and further discussion would be at the August 02, 2011 City Council meeting.

FY11 Budget

Ms. Zimomra spoke to the following:

- 2.1561 millage and the same as this year's

Ms. Edwards, Finance Director spoke to the following:

- Taxable value less that one-tenth of a percent less
- Rolled-back rate would be slightly more than current millage rate and would be 2.1630
- Draft budget prepared at 2.1562 mills
- 114 full-time positions down from 142 in 2007
- Salaries remain flat
- Health care maintained at current levels
- Unfunded pension liabilities included
- Include scheduled 3% sewer rate increase
- Include 3% reclaimed water increase
- All other City fees flat
- Continued to collect 96% of taxes and reduced allowance to 4%

- \$2.8 million to general government CIP
- \$1 million roll-over CIP projects
- \$1.8 million new CIP projects
- Not included the \$2 million in sewer pay down
- Included pay down on pension funds liability \$2,552,016 or 15% of the current unfunded liability in addition to the regularly required \$5 million for general and \$600,000 for police pension plan
- Total \$4.6 for both pension plans

Discussion ensued regarding not setting the millage rate to low, established last year's budget with \$4.5 million for disasters, 8% assumption for police and 7.5% for general, paid last year \$1.3 million in interest in unfunded pension liabilities, accept staff recommendation, consider all voted debt rates, adopted millage rate was 2.1561, sewer, land and recreation center debt was 2.59808 mills and this year it was 2.5851 mills, and total debt would be decreasing, average taxpayer paying less this year, possible millage rate at 2.8364 mills, would bring in \$11.4 million and approximately \$2 million additional funds, and not paying down debt until October.

Budget Calendar

City Council draft Goals

Distribution of FY11 Budget

RESOLUTION 11-066 ADVISING THE LEE COUNTY PROPERTY APPRAISER OF THE PROPOSED OPERATING MILLAGE RATE, THE ROLLED-BACK RATE, THE PROPOSED AGGREGATE MILLAGE RATE, THE MILLAGE LEVY FOR THE SEWER VOTED DEBT SERVICE, THE LAND ACQUISITION VOTED DEBT SERVICE, AND THE RECREATION CENTER VOTED DEBT SERVICE AND THE DATE, TIME AND PLACE AT WHICH A PUBLIC HEARING WILL BE HELD TO CONSIDER THE TENTATIVE OPERATING MILLAGE RATE FOR TAX (CALENDAR) YEAR 2011 AND TENTATIVE BUDGET FOR THE CITY OF SANIBEL 2011-12 FISCAL YEAR; AUTHORIZING AND DIRECTING THE CITY MANAGER TO PROVIDE CERTIFICATION OF SAME; AND PROVIDING AN EFFECTIVE DATE

Ms. Zimomra read the title of Resolution 11-066.

Mayor Ruane moved, seconded by Vice Mayor Denham, to adopt Resolution 11-066 and fill in the blanks to reflect the following:

Proposed operating millage rate 2.1561
 Proposed aggregate millage rate 2.1561
 Section 2 - \$9,070,587

Public Comment
 None

The motion carried.

CITY ATTORNEY'S REPORT

COUNCIL MEMBERS' REPORT

Report of presentation at the Charlotte County Commissioners' Meeting on June 14, 2011 relative to legislation concerning fertilizer and protecting regional waters

Vice Mayor Denham spoke to his attendance and the adoption of a fertilizer ordinance. He further spoke to Governor Scott reducing the RPC budget by \$350,000. He further spoke to the removal of the Executive Director.

Report of the TDC June 10, 2011 meeting

Mayor Ruane spoke to his attendance to the last TDC meeting. He spoke to TDC switching advertising agencies.

Councilman Congress spoke to his attendance to the CHR Board meeting and the resignation of Renee Lynch. He further spoke to attending the MPO meeting in June and Sanibel continues to have a vacancy on the Citizens Advisory Committee.

PUBLIC COMMENT

None

There being no further business the meeting was adjourned at 2:55 p.m.

Respectfully submitted by,

Pamela Smith, MMC
Sanibel City Clerk