

**SANIBEL CITY COUNCIL REGULAR MEETING  
TUESDAY, SEPTEMBER 20, 2011**

Mayor Ruane called the meeting to order at 9:04 a.m.

Councilman Harrity 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 to Councilman Jim Jennings in honor and appreciation for service as President of the Southwest Florida League of Cities for four (4) years**

Forrest Banks, Ft. Myers Councilman presented a plaque to Councilman Jennings honoring his long tenured term as the Florida League of Cities Southwest District President.

**Planning Commission Report**

Commissioner Paul Reynolds gave the following report of the September 13, 2011 meeting as follows:

- Approval of 2 applications to all for removal and replacement of 900 feet of sea wall and 500 square feet of boardwalk on the seawall at Mariners Point
- Approval of conditional use permit of a formula store selling olive oil
- Brief discussion regarding vehicles being used as signs

Discussion ensued regarding if the olive oil store had come before the Planning Commission as a formula retail store if the decision would have been different, Mr. Cuyler stated that formula retail store application requires a conditional use and meet the criteria, he further stated that Sanibel had a limit of formula retail space, and City Manager implemented business tax receipt paperwork in place.

**Public Comments**

**None**

**Council Comments**

Councilman Congress spoke to the CHR tenant manual being on the agenda. He further spoke to the following issues:

- Financial crisis
- Delinquent on sewer bill
- Large amount of past due bills
- Problems with liquidity
- Lack of having a treasurer

Discussion ensued regarding discussion at the October 04, 2011 Council meeting, concern of finances, structure of the Board and efforts by the new Executive Director.

Councilman Jennings spoke to his participation on the Southwest Florida League of Cities (FLC) District and as a FLC Board member.

Councilman Harrity spoke to the dialogue regarding the previous town center. He asked for an agenda item for the area from Donax to Tarpon Bay at a future Council meeting. Council agreed.

Discussion ensued regarding previous discussion, Council expended funds for a study, which include Palm Ridge Road, important to consider the town center being a community activity, entities not embracing each other to work together, but completing their own plan and opportunity to take a lead position.

### **Public Hearing and Utility Issues**

## **RESOLUTION 11-076 ADOPTING AND ESTABLISHING A REVISED SCHEDULE OF RATES FOR THE SANIBEL SEWER SYSTEM AND PROVIDING FOR A 3% INCREASE IN RESIDENTIAL AND COMMERCIAL RATES AND CONNECTION FEES; AND PROVIDING AN EFFECTIVE DATE**

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

**Recommendation to approve three percent (3%) Sewer Rate Increase; Update on Sewer Budget and Sewer Debt Retirement of State Revolving Fund (SRF) loan number 83504P  
Sewer User Rate Comparison**

### **History of sewer rates**

Ms. Zimomra read the title of Resolution 11-076. She spoke to the following:

- Council requested an update on paying down approved debt
- \$2.9 million debt reduction
- Included history of sewer rate increases
- Submitted revised feasibility study

Tara Hollis, consultant spoke to the following:

- Presented feasibility study July 20, 2011
- 4 scenarios presented
  - 2 continuing current debt service
  - 2 paying a portion of outstanding debt service
  - Rate increase for 2012 and forward
- Decision to move forward with a 3% rate increase for FY 2012
- Pay \$2.5 million in SRF outstanding debt
- August 02, 2011 City Council approve a \$2 million interfund loan from the general fund for \$1 million towards payment to debt
- Additional funds from the sewer fund used to pay off in total \$2.9 SRF loans
- Payback to general fund from sewer fund extended by 10 years in the amount of \$275,000 annually
- Adjustments to proposed budget
  - Net ad valorem tax decrease by \$27,000
  - Increase of \$20,000 for personnel services for a part-time to full-time employee status
  - Increase of \$12,000 in professional services related to identifying inflow and infiltration
  - Increase if \$40,000 for inflow and infiltration corrections
- Look at 2 additional scenarios
  - 3 A shows an increase of 3% in all fiscal years including 2012
  - 3A shows coverage of the SRF debt for 2012 projected at 1.269% and require a minimum of 1.15%
  - Look at coverage and cash balances includes minor capital improvements and recommend by GFOA maintain at least 90 days of operating expenses
  - Operating and maintenance (O&M) budget approximately \$ 4 million
  - Maintain cash balance and unrestricted reserve
  - Every year of projection period would be \$1 million
  - \$400,000 minor loss projected for next year even with 3% increase
  - Maintain \$1.2 million in fund and 90 days would be \$1.5 million; and O&M \$1 million minimum
- 3B shows no increase for FY2012, but remainder of the projection period

- No increase larger than 3% from 2013 through 2031
- Coverage slightly less at 1.21%
- Higher than requirement of 1.15%
- Due to compounding of not implementing rate increase next year the balance in unrestricted fund from 2014 to 2020 would be below \$1 million and the lowest balance in 2018 at \$494,000
- 1A and 1B below coverage requirement – no recommended
- 2A above coverage requirement at 1.24% and 2B at 1.18% assuming a \$2 million pay off
- Paid off one loan and decreased debt requirement by \$400,00 each year
- Updated the wastewater user rate with other barrier islands
- \$1.56 increase per month
- Recommend implementation of Scenario 3A
  - Achieving greater coverage
  - Increased financial sustainability with early implementation of rate increases
  - If there were no rate increases the affect would be compounded each year by the next year's rate increase
  - Could lead to more significant rate increases
  - Greater credit worthiness

Discussion ensued regarding July presentation and slide that indicates the coverage ratio, 3B reduced debt, interest expense, ad valorem taxes, part-time to full-time person, capital expenditure, with those there was more debt coverage, what were the accumulative effects, not clear that the \$165,000 increases to \$4.4 million and was not shown or calculated to show, need separate information that shows revenues and the loss of \$4.4 million if rates were not increased, thought the loss for first year would be \$165,000 and compounded at 3% each year would be \$300,000, Ms. Hollis answered that \$165,000 would be a loss each year, what had been done in the past, avoided large increases, reserves were as low as should be, assumed that 10% per year would repay debt from assessment repayment.

**Public Comment**

Doug Dietrich spoke to \$165,000 times 20 and compounded get the figure.

Discussion ensued regarding continued that accepting the fiscal responsibility now rather than passing it own to future generations, another issue many years ago had a parking issue, which was \$.50 per hour with a study completed and Council increased to \$2.00, if Council pays the \$165,000 writes a check today it would need to be done each year, because of scenario Council may need to examine the cost of running the system, how could cost been reduced, when reviewing goals had a better understanding of running the sewer system, irresponsible not to accept the recommendation, not enough information, sewer system biggest investment City had, realizing the significant business of the sewer system, increase would be 3% each year on top of what the yearly revenue would have been if no increases, reduce the millage rate by \$165,000 to achieve no tax increase and find additional savings doing a comprehensive study.

Councilman Harrity moved, seconded by Councilman Congress, to adopt Resolution 11-076.

**Public Comment**

Claudia Burns spoke in favor of the increase.

Doug Dietrich spoke in favor of the increase.

The motion carried with Mayor Ruane and Vice Mayor Denham voting in opposition.

**RESOLUTION 11-077 ADOPTING AND ESTABLISHING A REVISED RATE SCHEDULE FOR THE SANIBEL SEWER SYSTEM AND PROVIDING FOR A THREE-TIER RATE STRUCTURE FOR GENERAL RECLAIMED WATER CUSTOMERS; AND PROVIDING AN EFFECTIVE DATE**

**Recommendation to approve three percent (3%) Reclaimed Water Rate increase and change to a three-tiered rate structure with a \$.50 incremental increase between each tier**  
**History of Reclaimed Water Rates**

**Reclaimed water proposed tier rate structure analysis**

Ms. Zimomra read the title of Resolution 11-077. She spoke to Council's request for additional information, which was included in the agenda packet.

Sylvia Edwards, Finance Director gave a brief PowerPoint presentation.

Discussion ensued regarding number of customers in each tier.

Discussion ensued regarding have been selling reclaimed water fairly inexpensively, no one likes increases, how much revenue would be generated and Ms. Edwards noted if there was no reduction in use the increased revenue would be \$54,000, customers could review time of usage, there was a way to conserve water, could use native vegetation, review usage, want to use reclaimed water, rates significant lower than Island Water, Ms. Zimomra stated that there were long-term agreements with golf courses, during rainy season was there an excess, Mr. Gates stats that during dry months more reclaimed water was needed, but during wet season less water was needed and using resources at different times each year make a difference.

Councilman Harrity moved, seconded by Councilman Jennings, to adopt Resolution 11-077.

Public Comment  
None

The motion failed with Mayor Ruane, Vice Mayor Denham and Councilman Congress voting in opposition.

Council recessed at 10:36 a.m.

Council reconvened at 10:49 a.m.

**CONSENT AGENDA**

Staff requested that item (e) be pulled and placed on the October 04, 2011 City Council agenda.

- e. Approval of a contract between the City of Sanibel and Harry L. King, Jr. not to exceed the City's budgeted amount of \$11,780 for yoga fitness classes at the Recreation Center and authorize the City Manager to execute same
  
- g. **RESOLUTION 11-085 APPROVING A VOLUNTARY SPECIAL ASSESSMENT FOR THE SANIBEL SEWER SYSTEM PHASE 2B EXPANSION PROJECT FOR PROPERTY LOCATED AT 1223 BUTTONWOOD LANE, SANIBEL, FLORIDA COMMONLY KNOWN AS THE "SEAHORSE COTTAGES"; PROVIDING FOR AN ASSESSMENT AMOUNT DETERMINED ON THE SAME PER-UNIT BASIS AS OTHER PHASE 2B ASSESSMENT DISTRICT PROPERTY OWNERS; PROVIDING FOR A DOWN PAYMENT OF 50% OF THE ASSESSMENT WITH THE REMAINING BALANCE (\$5,757.27) FINANCED OVER A PERIOD OF TEN (10) YEARS AT A 3.5% ANNUAL INTEREST RATE; AND PROVIDING AN EFFECTIVE DATE.**
  
- h. **RESOLUTION 11-089 APPROVING BUDGET AMENDMENT/TRANSFER NO. 2011-043 AND PROVIDING AN EFFECTIVE DATE** (To budget and appropriate two \$5,000 grants from Trails in Motion. The first \$5,000 will be added to a \$15,000 grant made in April, 2011 to fund

the Rutland welcome center and rest area on Periwinkle Way. The second \$5,000 represents the Trails in Motion contribution to the Sanibel-Captiva shared-use path extension. This budget amendment increases the FY11 budget by \$10,000)

Ms. Zimomra read the titles of Resolutions 11-085 and 11-089.

Vice Mayor Denham moved, seconded by Councilman Harrity, to adopt Resolutions 11-085 and 11-089.

Public Comment

None

The motion carried.

Councilman Jennings asked that Consent Agenda item (c) be pulled.

- c. Approval of an agreement between the City of Sanibel and Sanibel Fitness by Meta, Inc. not to exceed the City's proposed budgeted amount of \$65,515 for cycling, land aerobics, zumba and pilates fitness programs at the Recreation Center and authorize the City Manager to execute same

Councilman Jennings spoke to the above being great classes.

Councilman Jennings moved, seconded by Vice Mayor Denham, to approve the fitness contract as noted above.

Public Comment

None

The motion carried.

- a. Approval to extend the Foster and Foster agreement through March 31, 2012 for an OPEB analysis and authorize the City Manager to execute same

Councilman Congress spoke to the above contract being approved only through March.

- b. Approval Tetra Tech to perform the City's wastewater engineering and utility advisory services for the next three years and authorize the City Manager to execute same

- d. Approval of an agreement between the City of Sanibel and Carolyn Cooper d/b/a Flex Appeal Personal Training not to exceed the City's budget amount of \$5,720 for bosu & ball fitness programs at the Recreation Center and authorize the City Manager to execute same

- f. Approval of a contract between the City of Sanibel and Kristine Brown not to exceed the City's budgeted amount of \$20,360 for yoga fitness classes at the Recreation Center and the Center-4-Life and pilates at the Recreation Center and authorize the City Manager to execute same

Councilman Harrity moved, seconded by Vice Mayor Denham, to approve the above Consent Agenda items.

Public Comment

Mike Derisger spoke to evidence showing Tai Chi essential in the rehabilitation of stroke victims

The motion carried.

## **COMMITTEES, BOARDS, COMMISSION**

- a. City Council Liaison to Planning Commission

<b>September 27, 2011</b>	<b>Councilman Harrity</b>	<b>Report of 09/20/11 CC Meeting (CANCELED)</b>
<b>October 11, 2011</b>	<b>Councilman Jennings</b>	<b>Report of 10/04/11 CC Meeting</b>
October 25, 2011	Councilman Congress	
<b>November 08, 2011</b>	<b>Mayor Ruane</b>	<b>Report 11/01/11 CC Meeting</b>
November 22, 2011	Vice Mayor Denham	
<b>December 13, 2011</b>	<b>Councilman Harrity</b>	<b>Report 12/06/11 CC Meeting</b>
December 27, 2011	Councilman Jennings	
<b>January 10, 2012</b>	<b>Councilman Congress</b>	<b>Report 01/03/12 CC Meeting</b>
January 24, 2012	Mayor Ruane	
<b>February 14, 2012</b>	<b>Vice Mayor Denham</b>	<b>Report 02/07/12 CC Meeting</b>
February 28, 2012	Councilman Harrity	
<b>March 13, 2012</b>	<b>Councilman Jennings</b>	<b>Report 03/06/12 CC Meeting</b>
March 27, 2012	Councilman Congress	
<b>April 10, 2012</b>	<b>Mayor Ruane</b>	<b>Report 04/03/12 CC Meeting</b>
April 24, 2012	Vice Mayor Denham	
<b>May 08, 2012</b>	<b>Councilman Harrity</b>	<b>Report 05/01/12 CC Meeting</b>
May 22, 2010	Councilman Jennings	
<b>June 12, 2012</b>	<b>Councilman Congress</b>	<b>Report 06/05/12 CC Meeting</b>
June 26, 2012	Mayor Ruane	
July 10, 2012	Vice Mayor Denham	
<b>July 24, 2012</b>	<b>Councilman Harrity</b>	<b>Report 17, 2012 CC Meeting</b>

**RESOLUTION 11-086 REAPPOINTING GENERAL EMPLOYEES PENSION BOARD OF TRUSTEES; AND PROVIDING AN EFFECTIVE DATE**

Ms. Zimomra read the title of Resolution 11-086.

Discussion ensued regarding receiving notification that Mr. Cuscaden resigned from the pension board, Council thanked Mr. Cuscaden for his time and service, recommended reviewing resume's from before and advertise.

Councilman Congress moved, seconded by Vice Mayor Denham, to accept Mr. Cuscaden's resignation, directing staff to mail a letter of appreciation, advertise and adopt Resolution 11-086.

Public Comment  
None

The motion carried.

**OLD BUSINESS**

**Discussion regarding Council's proposed 2011/12 goals**

Ms. Zimomra spoke to receiving Councilmember's input and noting that there may be further input from Council.

Discussion ensued regarding reviewing the goals, tweaking financial goals, review goal accomplishments, the need to embrace green technology, suggested a green technology check list, under redevelopment goals and commercial district it was mentioned that the Palm Ridge area was recommended to be the first area of consideration, no mention of the pension unfunded liability under financial goal, need to review goals accomplishments, schedule a review of water goals and achievements, as well as other goals.

Public Comment

Doug Dietrich stated he thought Council would have the sewer system as a goal.

Mayor Ruane answered that the goals were long-term, but Council would be looking at the overhead expenses, looking at fees in general and the sewer system operation.

### **Discussion regarding a request to pave Nerita Street**

Mayor Ruane gave a brief history of a request to pave Nerita Street and Council may want to address lowering the percentage threshold. He further stated that today Council would not be making the decision to pave Nerita Street.

Discussion ensued regarding approach of lower percentage of resident approval for canals, make sense to lower the threshold, if threshold lowered would there need to be legislation, Mr. Cuyler answered that new legislation would need to be adopted to lower the threshold, needs to be higher than 51%, what areas would need the remedy, was 80% reasonable, need to make small incremental changes, task to lower percentage, ramifications to other communities and Council consensus for 2/3's.

Councilman Harrity moved, seconded by Councilman Congress, to direct staff to bring legislation to the October 04, 2011 Council meeting.

#### Public Comment

Gloria Krekel asked for clarity of motion.

Dr. Mike Derisig spoke to Junonia Street being unpaved, which was paved and the major reason was due to health reasons and a similar situation exists on Nerita Street. He further spoke to Nerita Street being full of pot holes and need to be aware of climate change.

Susan Salt spoke to the need to pave Nerita Street and asked that the threshold be determined at 51%. She asked if the dirt included silica, which causes lung disease.

Bill McBeath asked for 51%.

The motion carried.

### **STATUS REPORT ON LAND DEVELOPMENT CODE SECTION 86-43, APPEARANCE OF STRUCTURES, SIZE AND MASS OF STRUCTURES (C), REQUIRED NOTIFICATION TO ADJACENT PROPERTY OWNERS AND HOMEOWNERS' ASSOCIATIONS ON ALL PERMIT APPLICATIONS FILED FOR NEW SINGLE-FAMILY OR DUPLEX DWELLING UNIT AND MODIFICATIONS TO THE THREE-DIMENSIONAL EXTERIOR OUTLINE OF AN EXISTING SINGLE-FAMILY OR DUPLEX DWELLING UNIT**

Ms. Zimomra spoke to the following:

- Adopted legislation regarding Section 86-43 and issue found by staff

Director Jordan spoke to the following:

- Notification requirement of homeowners association being notified of applications
- 14 day waiting process
- Homeowners associations do not maintain up-to-date information
- Need exclusion from the code or no code requirement of notification
- Maintain notification of residences within 300 feet of an application for property being improved
- Problem with notification to all property owners when the 3 dimensional foot print or existing structure being changed
- Minor improvements require same notification process as a long form process

- Recommendation that minor improvements do not require notification

Discussion ensued regarding 300 feet current notification, minor modification requirement included, suggest reviewing what projects could be exempt and currently requires anyone within 300 feet to be notified, intent to give notification when footprint involved, did not intend to include small projects, by passing homeowner notification, meet with Planning Commission chair to critique wording, should craft legislation to handle small improvements and Mr. Cuyler noted that due to this being a Land Development amendment any proposed legislation would go before the Planning Commission.

## **NEW BUSINESS**

### **Discussion regarding the Community Housing and Resources, Inc., (CHR) Tennant Manual**

Councilman Congress spoke to the new manual.

Richard Johnson, CHR President and Nancy Fash-McHenry, CHR Executive Director spoke to the following:

- Last manual update 2007
- Major changes
  - Everyone over 18 must complete applications
  - Background checks
  - Procedures for transfers
  - No longer reviewing providing bedrooms regarding gender, but family size
  - Law requires allowing animals for companionship

Discussion ensued regarding no pets allowed, legally must allow a service animal, physician documents animal was needed would be allowed and Board approved.

Councilman Congress moved, seconded by Councilman Harrity to accept tenant manual.

Public Comment

None

The motion carried.

Council asked that on the October 04, 2011 Council agenda CHR give a full-overview of the following:

- Obstacles
- Plan
- Treasurer appointment
- Budget for upcoming year
- Review Board members and responsibilities
- Overview of operations.

## **CITY MANAGER'S REPORT LISTEN 1153**

### **Lee County Legislative Delegation meeting, Tuesday, November 8, 2011 – Edison State College**

**Planning Department Permit Activity Report, August 2011**

**Planning Department Code Enforcement Activity Report, August 2011**

Informational only.

## **CITY ATTORNEY'S REPORT**

None

## **COUNCIL MEMBERS' REPORT**

**Attendance at the Florida League of Cities (FLC) Legislative Policy Committee meetings  
September 16, 2011**

Vice Mayor Denham spoke to the following:

- Energy policy and recommendations
- Discussion of water and natural gas

Councilman Jennings spoke to Sheriff's health center, which had proven to save employees and county money.

Councilman Congress spoke to the following:

- Discussion of revenues

Discussion ensued regarding Mayor serving on committee in the past and raising additional revenue and members chose to drive the same day rather than a hotel stay.

Mayor Ruane noted the 5:01 p.m. final public hearing and need the impact of lower the millage rate.

**PUBLIC COMMENT**

None

There being no further business the meeting was adjourned at 12:00 p.m.

Respectfully submitted by,

Pamela Smith, MMC  
Sanibel City Clerk