

**SANIBEL CITY COUNCIL REGULAR MEETING
AUGUST 05, 2008**

Mayor Denham called the meeting to order at 9:00 a. m.

Members present: Mayor Denham, Vice Mayor Ruane, Councilman Jennings and Councilmember Johnston. Councilman Pappas was absent.

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

Public Comments
None.

Council Comments
Councilman Jennings spoke to school starting and the safety of the children.

Mayor Denham spoke to hurricane season.

CONSENT AGENDA

Councilmember Johnston requested to move item (h) for discussion.

- h. RESOLUTION 08-094 APPROVING BUDGET AMENDMENT/TRANSFER NO. 2008-065 AND PROVIDING AN EFFECTIVE DATE** (To: 1) increase General Fund 2008 fiscal year revenue in the amount of \$28,187 for the 2007 fiscal year implicit health insurance rate subsidy payment from the Other Post Employment Benefit (OPEB) Trust Fund; 2) increase the General Fund 2008 fiscal year expenditure appropriation by \$31,071 for the 2008 fiscal year required contribution to the Other Post Employment Benefit (OPEB) Trust Fund. This increases the total required contribution to the OPEB Trust Fund from \$55,000 to \$86,071. This budget amendment increases the FY08 budget by \$31,071)

Ms. Zimomra read the title of Resolution 08-094.

Councilmember Johnston asked that MS. Zimomra explained what OPEB trust fund was.

Sylvia Edwards, Finance Director spoke to the following:

- OPEB provided for retirees per statute
- Same insurance premium charged to retirees as other employees
- GABS 43 and 45 the subsidy had to be funded and evaluated
- One time establish liability for current retirees
- Liability amortized over 30 years
- Before GABS 43 and 45 was never on the City's books
- Expenditure going to the trust fund and was reimbursed back to The City of Sanibel Requires full disclosure

Ms. Zimomra stated that retirees pay 100% of health coverage.

Councilmember Johnston made a motion, seconded by Mayor Denham, to adopt Resolution 08-094.

The motion carried. Councilman Pappas was absent.

Ms. Zimomra requested that item (a) be pulled for discussion.

- a. **RESOLUTION 08-105 EXPRESSING THE APPRECIATION OF THE CITY OF SANIBEL TO DICK MUENCH, THE SANIBEL KIWANIS CLUB AND SANIBEL-CAPTIVA COMMUNITY BANK FOR THEIR CONTRIBUTION OF A SHADE STRUCTURE TO BE INSTALLED AT THE COMMUNITY PARK; ACCEPTING SUCH SHADE STRUCTURE AND DIRECTING CITY STAFF TO COORDINATE AND ASSIST IN HAVING SUCH SHADE STRUCTURE INSTALLATION FINALIZED; PROVIDING THAT THE CITY WILL PAY FOR BUILDING OR RELATED PERMITS RELATING TO SUCH SHADE STRUCTURE; AND PROVIDING AN EFFECTIVE DATE**

Ms. Zimomra read the title of resolution 08-105.

Mayor Denham thanked Mr. Muench for his help and contribution.

Mr. Meunch spoke to the color of the shade structure. He explained it would

Mayor Denham made a motion, seconded by Councilman Jennings, to adopt Resolution 08-105.

The motion carried. Councilman Pappas.

- b. **RESOLUTION 08-096 APPROVING BUDGET AMENDMENT/TRANSFER NO. 2008-062 AND PROVIDING AN EFFECTIVE DATE** (To reduce budgeted interest earnings to reflect lower interest rates available to the City with its current investments. This amendment reduces the FY08 revenue by \$134,908)
- c. **RESOLUTION 08-097 APPROVING BUDGET AMENDMENT/TRANSFER NO. 2008-064 AND PROVIDING AN EFFECTIVE DATE** (To transfer \$5,000 from the General Fund to the Recreation Center Fund for a donation from the Community Foundation Fund to the after-school program for scholarships available for youths attending the program. This amendment increases the FY08 budget by \$10,000 but there are no new additional funds appropriated by this amendment)
- d. **RESOLUTION 08-098 APPROVING BUDGET AMENDMENT/TRANSFER NO. 2008-066 AND PROVIDING AN EFFECTIVE DATE** (To appropriate \$11,660 from State Farm Insurance in payment for the repair of damage to a sewer lift station from a vehicle accident on April 5, 2008. This amendment increases the FY08 budget by \$11,660)
- e. **RESOLUTION 08-104 AUTHORIZING AN AMENDMENT TO AN INTERLOCAL TOURIST TAX FUNDING AGREEMENT WITH LEE COUNTY TO EXTEND THE TERM OF THE AGREEMENT TO ALLOW MORE TIME TO COMPLETE THE SANIBEL HISTORIC VILLAGE AUTHENTIC RESTROOM PROJECT; AND PROVIDING AN EFFECTIVE DATE** and authorize the City Manager to execute same

g. RESOLUTION 08-101 AUTHORIZING THE CITY MANAGER TO DISPOSE OF OBSOLETE OR SURPLUS FIXED ASSETS; AND PROVIDING AN EFFECTIVE DATE (Public Works)

Ms. Zimomra read the titles of Resolutions 08-096, 08-097, 08-098, 08-104, 08-101 and 08-94.

Councilmember Johnston made a motion, seconded by Mayor Denham, to adopt Resolutions 08-096, 08-097, 08-098, 08-104, 08-101 and 08-094.

The motion carried. Councilman Pappas was absent.

f. Approval to extend the date to vacate the Gulfside City Park Caretaker's Cottage following the retirement of Thomas Bauer from the City of Sanibel from 30 days to six months and/or the transfer of the property to the management of Community Housing Resources (CHR)

Vice Mayor Ruane made a motion, seconded by Councilmember Johnston, to approve the above-mentioned.

The motion carried. Councilman Pappas was absent.

Continuation of discussion regarding the proposed Transit Authority

Ms. Zimomra explained that this topic was a continuation of discussion from Council's July 15th meeting. She further spoke to Councilmember Johnston was previously involved as Council's MPO representative as the project evolved.

Don Scott, MPO Director spoke to Council being involved in the Oversight Committee.

Discussion ensued regarding important to be involved with the Oversight Committee, Council submitted a Transit Authority Statement, approving of an Interlocal Agreement and establishment of a Transit Authority, no transit service on Sanibel from Lee County to Sanibel dropping off passengers and return, but only a circulator route, no stops on Periwinkle Way, including all major centers on Sanibel, vehicle must have a low carbon footprint vehicle, every community should have an equal voice and vote, transit authority must include Sanibel's position statement, assurances that the island would be respected and keep Sanibel as it is today, operate with smaller vehicles on Sanibel, should have medical facilities on the route, use transportation for visitors coming to the wildlife refuge, there should be a veto vote, considerable discussion of veto power or opting out within the Transit Oversight Committee, and if authority set up properly municipalities should be able to work directly with Lee Tran.

Public Comment

David Bath spoke to his concern of an increase in day visitors.

Councilmember Johnston made a motion, seconded by Vice Mayor Ruane, to approve and sign the Interlocal Agreement because it includes under Item C; coordination with municipalities regarding how the service would take place, Item D; an appeal process for jurisdictions, and includes in the Transit Service section; energy conservation, advanced transit technologies, protection of community character and includes the ability of a municipality to withdraw.

Mr. Scott spoke to the following concerns:

- Veto vote – concern with other municipalities – would deal with in the future
- Issues with size of buses
- Number of voting members per jurisdiction meaning one vote for each municipality – raised by other entities
- Ongoing project for retrofitting hybrids

Discussion ensued regarding Mr. Scott not disagreeing with Council comments, other communities raising similar issues and all issues would be dealt with as the project goes forward, Council asked Steve Myers, LeeTran to comment, Mr. Myers spoke to the cost of fuel, LeeTran a static service, no new attempts at new services, current routes fixed and stable, look for other services in the future, new technology tested in the transit industry, hydrogen technology being tested, immediate issues of storage capacity of electric vehicles, smaller and narrower vehicles coming to the market, \$600,000 allocated by Lee County, total cost to get project off the ground would costs approximately \$1,000,000, and the need for a referendum.

Dr. David Berger spoke to the need of the proposed service on Sanibel. He further suggested the Planning Department be allowed to study the need.

Discussion ensued regarding the next step would include Dr. Berger comments, once the Transit authority was established they would involve City Planning Departments.

Karen Storjohann spoke to Sanibel decides no buses were wanted on Sanibel, but would still pass through to go to Captiva.

Discussion ensued regarding to the above-mentioned topic being part of the next discussion and unwise for Lee County to be aware, and the same partners as the Transportation Project on Ding Darling.

The motion carried. Councilman Pappas was absent.

Councilmember Johnston made a motion, seconded by Vice Mayor Ruane, for the City to send a letter to Ft. Myers Beach Town Council recommending that they consider being a part of the Transit.

The motion carried. Councilman Pappas was absent.

CONTINUATION OF BUDGET DISCUSSION

Update on Financial Issues Impacting the Budget

Discussion of Budgetary Issues by City Council

Mayor Denham explained the City did not control the Library, the Fire District or Island Water Association. He further stated requesting the City provide the information of budget hearings from the above.

Ms. Zimomra spoke to different requests as following:

- A summary on each Capital Project
- Preparation of a 4-year history of reserve balances
- A summary of roll-forward projects
- Prepare a report of all variances in excess of \$100,000
- Review and change the format of presentation of the Quarterly Report
- Report regarding the MIS, Natural Resources and Police Departmental budgets
- Report on Environmental Initiatives

Discussion ensued regarding the tentative millage rate of 2.344, advocating more flexibility, more reserves set aside last year for emergencies, need to continue the same format with requested information, need to protect reserves, should review overall administrative services City-wide i. e., telephone services, copiers, should not change the format of the budget presentation, amended budget includes grant funds, amended budget reflects all positives and negatives of the adopted budget, useful to focus on the roll-over practice, roll-over budget amendments should be completed earlier in the budget year, time to move forward on energy reductions, September budget with proposal to reduce the by at least \$600,000, becoming a greener island with vehicle usage, and Ms. Zimomra stated other items below were for Council direction.

Public Comment

David Bath spoke to the proposed budget being conservative, should there be a mechanism to look in the future. He spoke to the City's pension funds and \$12 million in unfunded liabilities, and the important issue of on-going pension projects for at least 25 years.

Discussion ensued regarding a mid-year adjustment made earlier, reviewing everything on a quarterly basis, presentation to include future of pensions, and would there be the ability to raise taxes if money was borrowed, and Ms. Zimomra stated not in the current year, and what were the pros and cons increasing reserves or taking more debt to cover expenses if necessary, what if there was an emergency after the millage was set and the legal mechanism to pay the debt.

Ms. Zimomra stated:

- Hurricane Charley cost \$14 million
- Borrowed \$10 million
- \$10 million was reimbursed by FEMA and State
- 3 years to pay the debt
- Political connections
- Staff aggressive in obtaining grants
- Made commitment to pick-up debris on private streets
- Council's decision would be what level was comfortable
- Other risks i.e. algae

Council recessed at 10:23 a. m.

Council reconvened at 10:35 a. m.

City Council Direction to Staff on the Following Budget Issues

Discussion regarding direction to staff regarding increasing Beach Permit parking fees

Ms. Zimomra stated staff was looking for direction to increase beach parking fee, which have been the same for several years and the recommendation would increase revenue of \$18,000.

Discussion ensued regarding the recommendations, AC permit, resident increase to \$12, Ms. Zimomra stated Lee County charges \$50 annually; bring back a recommendation for a \$20,000 increase in revenue.

Mayor Denham made a motion, seconded by Councilman Jennings, to direct staff to amend the ordinance increasing resident fees to \$12 and/or smaller amount to include a nominal resident increase and bring back for Council consideration.

The motion was withdrawn.

Council requested staff bring back another recommendation taking in consideration the discussion.

Discussion regarding Planning Department Fees

Discussion regarding Building Department Fees

Ms. Zimomra explained the history of the annual adjustment of 3%. She stated that staff's recommendation was to waive the automatic 3% increase the next fiscal year during the stressful economic times.

Council agreed with staff bringing back legislation on August 19th.

Memorandum regarding revenue refinements of the communication service tax, tipping fees and Fund B Investment Pool

Ms. Zimomra stated the communication service tax, which was a tax on basic phone service, as well as cell phone service and was replaced franchise fees, and state collection had been sporadic. She explained the proposed revenue was \$500,000 for FY 2009. She further explained that refuse collection was decreased and the volume had also decreased by 5 to 10% and anticipate a reduction in the revenue. She stated recycling numbers were holding even with a conservative number in the proposed budget. She explained that staff continues to monitor Fund B investment pool with additional matured securities, which were removed, as well as the State following their own guidelines. She also explained by waiting there was less risk and the number one focus was to maintain the City. She further explained that funds were being reviewed constantly.

Discussion regarding proposed Recreation Center Fees

Ms. Zimomra stated staff recommendations were included in the packet and \$243,402.42 in revenue thus far this year for membership with nineteen (19) \$1,000 lifetime memberships. She stated that staff recommends increasing fees by 5%. She explained the recommendation would create a member guest rate, 5% increase for on-island employees, an increase for non-resident visitor, City-employee fee would be a separate discounted rate with an employee contribution this year. She stated the Parks and Recreation Committee reviewed the recommendation, and there was concern of the need to round costs, but recommended the staff proposal.

Discussion ensued regarding discussion for corporate membership, Ms. Zimomra stated that Council approved a pilot program of membership with the Sanctuary for in-kind services; Ms. Zimomra gave a comparison of rates on and off island, what percent of operational cost was paid for by membership fees, Ms. Zimomra stated there was no membership or program fees for the old Recreation Center, percentage of program fees for the old Recreation Center, Ms. Zimomra also stated that most facilities see a 25% to 30% reduction after the first year, staff recommendation was to increase fees 5% across the board, between family and individual residents there was increasing in the purchase of the daily pass and Council may want to review the daily and annual increase individually, rates would balance the elasticity of use, and increase the daily rate from \$3 to \$5.

Public Comment

Armand Ball, parks and Recreation Committee Chair spoke to the need for guidance. He reminded Council that the extended hours were paid from membership fee revenues. He cautioned not to adjust rates by increasing resident fees.

Discussion ensued regarding a chart showing staff for old and new recreation center, did not include extended hours of the recreation center in the budget and would only continue if revenue was available, Mr. Ball stated the committee agreed with staff philosophy not to spend money that had not been collected.

Karen Storjohann suggested allowing the new director to review staff proposal.

By consensus Council directed staff to bring back additional statistics, allow Mr. Deal to review proposal, bring back information for a 25% reduction, and bring back legislation at the September 06 Council meeting.

OLD BUSINESS –

Water Quality Issues

Staff Reports

Staff update on final scope of work for isotope tracing of nutrients in the Sanibel River

James Evans gave the following report:

- Primary goal was to review the source of nutrients
- Working with Charlotte Harbor Environmental Center, Mote Marine Lab and SCCF Marine Lab
- July 28 data collected

- Data process by the University of Florida
- Final report by November

Calooshatchee River Watershed Committee - Northern Everglades

- Reviewing chapters of the plan
- Plan submitted in December to the SFWMD governing board, then move to the legislature
- Encompasses all water quality and water storage benefits
- STA for C-43 not included
- CERT projects would move forward with federal funds
- Concern that US Sugar land deal does not preclude current projects

Discussion ensued regarding data included in the Natural Resources Defense Council report for southwest Florida, Council requested that Mr. Evans report on the Natural Resources Defense Council report, involve Representative Connie Mack, consider the work of Senator Dave Aronberg's district, RPC control of local contractors, trouble with outside contractors working in area and knowing new rules, and Mayor Denham bring to Council RPC projects and concerns.

Reports from City Council members
Update Regarding Urban Run-Off Issues

Mayor Denham spoke to the following:

- Urban Run-off issue
- Press Release regarding urban water
- Storm water resolution coming forward to RPC
- Proposed State rule on storm water and including RPC
- Attended Lee County Planning and Management Committee – package plant ordinance adopted (certain places no treatment plants would be installed)

Correspondence of July 15, 2008 from the South Water Management District

Acknowledgement of receipt of letter.

RESOLUTION 08-092 OF THE CITY OF SANIBEL DECLARING ITS SUPPORT FOR THE EFFORTS OF GOVERNOR CHARLIE CRIST AND THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT TO ACQUIRE LAND SOUTH OF LAKE OKEECHOBEE FOR THE PROTECTION AND RESTORATION OF AMERICA'S EVERGLADES AND FLORIDA'S COASTAL ESTUARIES

Ms. Zimomra read the title of Resolution 08-092.

Councilmember Johnston noted amendments were made from the last Council meeting.

Councilmember Johnston made a motion, seconded by Mayor Denham, to adopt Resolution 08-092.

The motion carried. Councilman Pappas excused.

COMMITTEES BOARDS COMMISSION

Appointment to the Historical Preservation Advisory Committee

Councilmember Johnston made a motion, seconded by Councilman Jennings, to appoint Beth Hight to the Historical Preservation Advisory Committee.

The motion carried. Councilman Pappas excused.

Appointment to the Parks and Recreation Advisory Committee

Councilmember Jennings spoke to the need to increase the committee membership and both applicants have different expertise, would add to the diversity of the committee, and should appoint both applicants.

Councilman Jennings made a motion to increase the membership of the Parks and Recreation Committee.

Ms. Zimomra stated that in the absence of the City Attorney she felt Council would want to direct staff to bring back legislation at the next meeting to increase the membership of the Parks and Recreation Committee.

After discussion the following motion was made:

Councilman Jennings made a motion, seconded by Mayor Denham, to direct staff to bring back legislation to increase the membership of the Parks and Recreation Committee.

The motion carried. Councilman Pappas was excused.

Councilman Jennings made a motion, seconded by Mayor Denham, to appoint both applicants as interim non-voting members.

The motion carried. Councilman Pappas was excused.

NEW BUSINESS

Status Report on Sanibel Bayous Sewer Plant Decommissioning and Transfer of Service to City of Sanibel

Ms. Zimomra stated the importance of report was that as of July 19th the plant was not creating sewage and connected to the City's main.

RESOLUTION 08-103 APPROVING A VOLUNTARY RELEASE AND FORFEITURE IN PERPETUITY OF RESIDENTIAL DENSITY ON TWO SINGLE FAMILY LOTS AS REQUESTED BY THE PROPERTY OWNER, THE RIDGE AT SANIBEL BAYOUS HOMEOWNER'S ASSOCIATION, INC.; DIRECTING THE CITY ATTORNEY AND PLANNING DIRECTOR TO FILE THE NECESSARY DOCUMENTS TO IMPLEMENT SUCH RELEASE AND FORFEITURE OF RESIDENTIAL DENSITY; AND PROVIDING AN EFFECTIVE DATE

Ms. Zimomra read the title of Resolution 08-103.

Councilmember Johnston made a motion, seconded by Mayor Denham, to adopt Resolution 08-103.

Pubic Comment

None

The motion carried. Councilman Pappas was excused.

RESOLUTION 08-102 DETERMINING THE REQUEST FOR AN ENTERTAINMENT LICENSE AT THE BIDDLE'S BUCKET, BIDDLE LTD, 2499 PERIWINKLE WAY; AND PROVIDING AN EFFECTIVE DATE.

Application, Planning Department Memorandum and Chief of Police Memorandum

Ms. Zimomra read the title of Resolution 08-102. She explained the entertainment request and was operated as a sublease in the past. She further stated that any entertainment request came to Council with any complaints within a 24-month period. She advised she received a call from the landlord, Sam Bailey and he offered his cooperation in helping to keep the restaurant in compliance.

Discussion ensued regarding the owners operating the establishment rather than sub-leasing, disappointed owners not present, could delay a decision, City Manager understood Council's concerns, concern of pertinent information on the website, such as social security number and license number, Ms. Zimomra stated the social security number was not on the Biddle application only a Federal ID, Council wanted a letter from owners they understand past problems, and could approve the entertainment license for one-year.

Mayor Denham made a motion, seconded by Councilman Jennings, adopt Resolution 08-102, a letter from owners indicating they understand past problems and approve the entertainment license for one-year.

The motion carried. Councilman Pappas was excused.

CITY MANAGER

Informational Items

Causeway vehicle counts for May and June 2008

Release of the Natural Resources Defense Council Report "Testing the Waters" – A Guide to Water Quality at Vacation Beaches

Replacement of incandescent lighting in MacKenzie Hall with energy efficient lighting

All above-mentioned was for informational purposes.

CITY ATTORNEY'S REPORT

None. Mr. Cuyler was absent.

COUNCIL MEMBERS' REPORT

Attendance to the "Politics Affect You" – Transportation Projects Panel Tuesday, July 29th in Cape Coral including panelist Representative Aubuchon, Steve Neff, City of Cape Coral and Dave Loveland, FDOT

Councilman Jennings gave the following report:

- Discussion on gas tax
- Discussion on tolls
- Expand I-75 and have a reverse lane

Vice Mayor Ruane spoke to the illness of his mother and would be in New Jersey due to the possibility of another surgery.

Mayor Denham stated he was asked to attend the Florida Water Summit as a 9-member panel on behalf of the Florida League of Cities in Orlando September 25th and 26th regarding the sustainability of water.

Ms. Zimomra stated that Lee County had put together a task force for a 10-year homeless strategic plan. She further stated that Councilman Jennings attended the first meeting for the Mayor with another meeting on July 18th.

Discussion ensued regarding Sanibel being included, Councilmember Johnston stated she would be the representative, first meeting a brainstorming session, and biggest concern was to bring more people from the region as members.

Ms. Zimomra noted that staff would advise Lee County that Councilmember Johnston would be the Sanibel representative and RSVP.

PUBLIC COMMENT

None.

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

Respectfully submitted by,

Pamela Smith, CMC
City Clerk