

**SANIBEL CITY COUNCIL REGULAR MEETING
DECEMBER 16, 2008**

City Council held a meet and greet for Senator Richter from 8:30 a. m. to 9:00 a. m.

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

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

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

PRESENTATION(S)

Senator Garrett Richter (District 76)

Senator Richter spoke to the following:

- Introduction of aide
- Banker by profession
- Previous Florida house member
- Approached to succeed Senator Saunders
- Only one mandate required by legislators was to adopt a balanced budget with no more than 3% with non-recurring revenue
- 2007/08 adopted budget reduced by 7%
- Projected \$2 billion shortfall in current fiscal year
- January 5th through 16th Special legislative session
- Appointed Chairman of Banking Committee

Discussion ensued regarding key issues, interested in sponsorship of the Healthy Beach Program, fertilizer bill opposed due to the pre-emption clause, Senator Richter to speak with Senator Nelson regarding pre-emption, should get a handle on revenue, Senator Richter answered that the projections did not account for the shortfalls, constitution very specific for a balanced budget, last year opposing party wanted to balance the budget out of reserves and more dependence from gambling income, and as a result reserves still intact, state legislators would need to look for alternative revenues, look for ways to reduce spending to make government more efficient, and look forward to find opportunities.

Public Comment

None

Council thanked Senator Richter.

Proclamation recognizing Officer James Holovacko upon his retirement

Mayor Denham read and presented the proclamation on behalf of Council recognizing the retirement and service of Officer Holovacko.

Officer Holovacko thanked staff for the opportunity to continue his career with the City.

Recognition of the Employee of the Year

Mayor Denham recognized Bob Conklin as Employee of the Year.

Proclamations for Florida Arbor Day, Friday, January 18, 2008 and January 16, 2009

Mayor Denham read and presented the Arbor Day proclamations to members of the Vegetation Committee.

Berdenna Thompson spoke to the history of the beginning of Arbor Day nationwide, as well as the history for Sanibel Arbor Day.

Recognition of Employees for City Service

Mr. Jim Isom, Director of Administrative Services read the names of employees being recognized for their years of service.

Council recessed at 9:46 a. m.

Council reconvened at 9:52 a. m.

Public Comments

Herb Rubin spoke to receiving an application for the Planning Commission from the City and spoke to that person being a realtor and the potential of a conflict of interest.

Ms. Zimomra spoke to the proactive alert from the City that approximately 6,000 citizens receive rather than a personal email.

Louise Johnson read parts of the Vision Statement and suggested the complete Vision Statement be posted in Council chambers. She further suggested that the Chamber should pass out to interested visitors.

Hazel Schuller gave each Councilmember a shell picked-up on Sanibel beaches.

Ric Base, San-Cap Chamber Executive Director thanked Council for co-sponsoring the luminary. He further stated that the chamber would be glad to share the Sanibel Vision Statement with new residents and visitors.

Rae Ann Wessell spoke to Thursday, December 18th the Total Daily Maximum Load (TDML) would be released, Mayor Denham chairman of West Coast Committee, Everglades Conference in Miami, and SCCF sponsoring a water meeting at BIG Arts.

Yolande Welch spoke to her observations of luminary night; 1) only reason most people attended was free food; 2) should be for businesses; and 3) young people at Jerry's on skateboards, which was a dangerous situation.

Ms. Zimomra spoke to a debriefing with the Chamber and the above-mentioned items would be noted.

Council Comments

Mayor Denham spoke to attending a meeting honoring Dick Muench for his 35 years of volunteer service. He further stated that a City proclamation was presented.

Councilman Harrity spoke to also attending the meeting for Dick Muench and being the new chairman of the Parks and Recreation Committee.

Councilman Jennings wished everyone a Merry Christmas and spoke to his feeling that people would come back to business after attending the luminary. He further spoke to Council performing in keeping with the environment. He also spoke to the community stepping forward to give Sanibel children gifts for Christmas and how good the City looked the next morning after the luminary.

Councilman Pappas spoke to the following:

- Focus had been taken off Sanibel
- Scheduled re-development process in the future
- Planning Commission and City Council to determine outcome on issues
- Example of resort (non-conforming) on gulf; if brought in compliance the hotel would be entitled to only 13 units under re-development; owner would ask for the same amount of units before re-development; or the request may be to convert to residential use
- January 16th candidate qualifying ends
- Residents sustain the community
- 2 years ago ran for Council because there were no contestants
- Total votes for the Special May, 2007 election
- The need 6 candidates for the March, 2009 election
- Should be a part-time Council, but schedule makes a Council seat full-time
- Would proposed a charter amendment for 2 seats to be for 2 years rather than 4 years
- Limit participation, but not contributions
- Council liaison to advisory committees and expected to attend meetings; why was there the need; should not a rotation of committee members come before Council with a report during Council meetings

Planning Commission Report

Commissioner Dr. Phillip Marks gave the following report of the December 09, 2008 Planning Commission meeting as follows:

- Thanked Mayor Denham for his past attendance at Planning Commission meetings
- Welcome of Councilman Pappas as new liaison
- Approved a conditional use permit for the San-Cap Realtor Association new building

Discussion ensued regarding the upcoming Planning Commission discussion on Section 86-43 of the Land Development Code and a report from Councilman Pappas on said item, take several discussions, Planning Commission Land Development Code sub-committee met, rules applied appropriately, and should apply rules in a speedy fashion, and Mr. Cuyler sited that the sub-committee would make legislative proposals that would ultimately come before Council.

CONSENT AGENDA

a. Approval of minutes – December 02, 2008 Regular Meeting

Mayor Denham made a motion, seconded by Vice Mayor Ruane, to adopt the December 02, 2008 minutes.

The motion carried.

OLD BUSINESS

Water Quality Issues

Reports from City Council members

Attendance at the BUPAC meeting of Tuesday, December 09, 2008

Mayor Denham gave the following report:

- Should he continue to attend meetings when invited

Discussion ensued regarding it important that the Mayor continue to attend meetings to further Sanibel's mission, previous Council involvement helped Vice Mayor Ruane's recognition when attending a meeting with Alex Sink, State Financial Officer, previous opinions were happenings not on Sanibel do not affect the City, member of a region and what happens in the region affect Sanibel, need to attend meetings in Tallahassee, decisions in Tallahassee affect Sanibel, pride in voicing Sanibel's positions, and Council members only answer to the electorate of Sanibel.

Dr. Loflin spoke to the following:

- SFWMD approval of the Watershed Protection Plan
- Money budgeted
- SFWMD in a two-day meeting
- Contract with US Sugar expires today
- Blind Pass project begin 2-weeks ago
- Dredge working further down the pass

Public Comment

Herb Rubin spoke to the efforts of Council that enhance the values and purpose of Sanibel. He further spoke to it being an onerous task to find people to run for Council. He also spoke to exploring a possible amendment for reduction of Council terms.

Dr. John Harries spoke to Council involvement being important outside Sanibel and should protect Sanibel.

Discussion ensued regarding Sanibel having legitimate conflicting interest, powerful forces that did not want the incorporation of Sanibel, tighter 86-43 to protect Sanibel, conflicts in community and the best way to resolve was to have an election to resolve the issues.

Mike Valiquette spoke to the respect shown to Mayor Denham at meetings was phenomenal and Council should proceed to attend meetings.

Discussion ensued regarding the focus in the short-term should be the economy.

Ms. Zimomra spoke to the following:

- Staff working to adjust the budget
- Adjust staff through attrition
- First quarter of current budget and made \$1.5 million in budget
- Additional \$1.5 million put in reserves
- \$1.3 in Capital Projects delayed
- Share economic indicators with Council
- Staff continuing to take budget reduction between 18% to 20% for next year
- Previous interest on Pool A and B

Budget Updates

Update regarding State of Florida Local Government Investment Pool A & B

Vice Mayor Ruane spoke to the following:

- SBA announced that December 23 remaining balances from Pool A could be withdrawn
- November, 2007 \$27 million frozen and worked closely with staff for the state to allow liquidity
- City receive approximately \$26.3 million withdrawn throughout year
- Approximately \$1.2 million in Pool B
- Pool B did not maintain pool value
- Interest adjusted
- Opportunity to pull money out
- Pool currently receive .09% yields
- Funds would mature within the next 90 days
- Expect treasury bills would be zero
- Recommend not putting anymore funds into State Pools A & B
- Revenues remain under scrutiny

Discussion ensued regarding Pool B had \$1.2 million remaining, \$250,000 value adjustment made, was Pool A safe, Vice Mayor Ruane answered that most money was in extremely conservative investments, 29% in corporate notes, corporate notes not consistent with the City's investment policy, pending litigations, yield would continue to be under pressure, what was the objective going forward as new funds were put into Pool A, State began investing on items not approve by City and State felt deceived by brokers, banks primarily have holdings, and Vice Mayor recommended no reinvesting in State Pool and continue the investment policy, returned money go in pool, invest in CD's and treasury bills, Ms. Zimomra stated that the policy was revised and Council direction was not to invest in pool and as every penny become liquid it was removed, and 3 local banks met qualifications and as revenue comes in it is invested.

**Memorandum regarding updates of State Revenue Estimates shared with the City
Update regarding State of Florida Municipal Revenue Estimates
Proposed alternatives to staffing levels for the Police Department
Schedule of Reserves from October 01, 2003 through December 02, 2008
Schedule of General Fund Audited Ending Fund Balances**

Ms. Zimomra spoke to the following:

- Property taxes single largest
- 15.1% revenue was revenue-sharing
- City receives revenues from 3 categories collected by state and remitted to City under a formula for redistribution
- Estimate of 23% reduction this year
- Notice received for further revenue reduction from State, City still \$55,000 ahead
- Recommend to reduce revenue stream by 6.9% and would help retain the current cushion
- Single largest impact was a change in the Police Department by converting vacancies to part-time
- Remain concerned of crimes based on current economic conditions
- Reducing dispatch with part-time and reducing traffic aide
- Police Department reduce full-time from 25 to 23
- Total 45.29 to 35 employees

Discussion ensued regarding budget cuts to stay ahead of decreased revenue, Council clear with direction that any open position be scrutinize, Ms. Zimomra stated the Police Department reduction would have along-term reduction, hours made to Recreation Center would be due to usage, Friday evening from 6:00 p.m. to 8:00 p. m. had a lack of usage and the Recreation Center would close at 6:30 p.m., continue to look at moving toward part-time staff versus full-time, opportunities to outsource, and look at contributions to the health plan and employee pension plans.

Ms. Zimomra stated it was appropriate to look at areas to get competitive bids to outsource projects.

Mayor Denham spoke to testing a program for Council to use laptops during a Council meeting rather than having the packet printed.

RESOLUTION 08-164 APPROVING BUDGET AMENDMENT/TRANSFER NO. 2009-012 AND PROVIDING AN EFFECTIVE DATE

(To 1) reduce state shared revenues by \$105,722 due to a percentage decrease in state estimates for FY09; 2) reduce other contractual services and transportation budgets for the legislative department by \$4,000 each; 3) reduce overtime, other contractual services and transportations budgets for the administrative department by \$1,000, \$500 and \$500 respectively; 4) reduce professional services budget in the legal department by \$8,675; 5) reduce books, publications and other current charges budgets in the planning department by \$500 and \$2,500 respectively; 6) reduce other contractual services budget in the natural resources department by \$5,000 7) reduce personal service expense in the police department by \$67,557; a) restructuring one vacant full-time police officer to two part-time officers (\$7,324); b) restructuring one full-time dispatchers and reduce dispatcher hours (\$16,304; c) eliminating one vacant full-time police aide position (\$43,929); 8) reduce the

transfer to the recreation center fund from the general fund by \$10,5000; 9) reduce seniors budget for promotional activities by \$900. This amendment reduces the FY09 budget by \$105,722)

RESOLUTION 08-163 APPROVING BUDGET AMENDMENT/TRANSFER NO. 2009-011 AND PROVIDING AN EFFECTIVE DATE (To eliminate the sweeper from the budget. This amendment reduces the FY 09 revenue from debt proceeds by \$140,000 and expense by \$106,000. \$34,000 of lease expense was previously reduced on BA2009-004, dated October 21, 2008)
Ms. Zimomra read the title of Resolutions 08-164 and 08-163.

Mayor Denham made a motion, seconded by Vice Mayor Ruane, to adopt Resolutions 08-164 and 08-163.

The motion carried.

Report on meeting Tourism Development Council (TDC) December 02 and 05, 2008 meetings

Vice Mayor Ruane gave the following report:

- Previous allocation 53.6% marketing and promotion; 33% beach and shoreline; and 13.4% stadiums
- Proposal from TDC – 60% marketing; 20% beaches; and 20% stadiums
- 43% reduction for beaches
- Red Sox contract already signed
- Points argued a first workshop without success
- Hope for 6% to be added to beaches for a total of 26%
- January 09 next meeting
- Current budget year \$1.2 million from TDC

Public Comment

Karen Storijohann spoke to proposed fishing pier and maintenance costs in the future.

Staff Reports

Continuation of discussion and staff report regarding resident Hazel Schuller's comments on Gulf Beach Zone Carrying Capacity and Resort Housing District Regulations

Bob Duffy, Planning Director stated that Ms. Schuller did attend the sub-committee meetings with the committee agreeing to review the comments and if changes were warranted recommendations would be brought back to City Council.

Public Comment

Hazel Schuller spoke to correction to minutes that Ms. Schuller wanted a new district on the beach. She further stated that the staff report was primarily focused on the resort housing district and recreation uses. She also spoke to attending meetings and suggestions not heeded.

Claudia Burns spoke to the decline of Snowy Plovers nests by 60%. She further spoke to ground nester threatened and suggested; 1) stake-off corridor below the dunes for nesting ground birds.

COMMITTEES BOARDS COMMISSION

Report regarding the General Employees Pension Board Meeting Tuesday, December 09, 2008

Actuarial Valuation Report as of October 01, 2007

Actuarial Experience Study December 04, 2008

Status of Independent Annual Valuation Report

City and Employee Annual Contribution Schedule

Vice Mayor Ruane gave the following report:

- Reviewed material and noticed the need for an actuarial report
- Returned of 7.5%
- Cost to lower assumption from 7.5% to 6% or 5%
- Achieving only 6%
- Need to reduce assumption as not to create negative numbers
- Unfunded liability of \$7.3 million
- Concern in actuary projection and would turn positive in 30 years
- Proposed state mandated changes – to accelerate and hold municipalities to fund the unfunded number
- Report in 2 months
- 1999 several buy-outs that contributed to at least \$1 million in costs
- Premature to draw conclusions
- Lower assumption and decreasing the City's contribution
- Achieving 6% on a 10-year average

Discussion ensued regarding assumption drives the plan, could assumption be less than 5%, projections made over many years through September, should not deviate from plan, need to review the contributions made by employees and the City and change as necessary.

Public Comment

David Bath spoke to his review of material; 1) if Police retire – receive 90% of salary with a 3% cost of living; 2) all policies include a drop program option and suggested; 1) Council follow the national and state incidents; 2) start putting numbers on the table; 3) need to avoid bankruptcy; and 4) reduce staff more aggressively

Jim Hanlon spoke to 2 sets of assumptions; 1) assumptions based on investment returns; and 2) employee assumptions. He urged Council to focus and change assumptions and understand implications.

Discussion ensued regarding Council trying to understand, gathering information, pursuing options, and staff should look at the Florida retirement system.

Hazel Schuller spoke to County employees retiring, coming back at the same salary, and if the City had similar possibilities.

Ms. Zimomra stated that the City does not have any situations as noted above, but there was a post-employment contract with Ken Pfalzer for work for work that would cost less as a retiree. She further spoke to all post-employment contracts coming before Council, such as the one between the City and the former Finance Director.

Approval of the Vegetation Committee's Environmental handbook and Staff recommendation to distribute via web posting rather than direct mail

Ms. Zimomra noted that several years ago the Vegetation Committee created a comprehensive environmental handbook. She further stated that the new handbook was ready and recommended posting on the website, as well as sending out.

Mayor Denham made a motion, seconded by Councilman Harrity, to put the Environmental Handbook on the City's website.

The motion carried.

Update regarding timeline for appointment of Planning Commission members

Ms. Zimomra noted the following:

- Council previously established application deadline of December 12, 2008 Noon
- Notarized statement by staff member that the Holly Smith application was received before the deadline
- Appointment scheduled for January 06 Council meeting
- Written ballot

Discussion ensued regarding the potential conflict of interest of Dan Wexler as being employee by PURRE, asked Mr. Cuyler's opinion, Mr. Cuyler stated there was not a legal conflict and Council would have to decide if there would be a perception problem, Mr. Wexler works for the organization that deals with water and could come before the Planning Commission, and may raise questions.

NEW BUSINESS

Request from Sanibel Beautification, Inc. to extend the Periwinkle Way planting project east from Causeway Boulevard to the Lighthouse

Ms. Ada Shissler spoke to the following:

- Cooperative effort of SCCF, Chamber, City and Sanibel Beautification, Inc.
- Final plantings completed
- Memorial garden to be done between Island Cow and Community House and dedicated on February 23, 2009
- Native plant garden at the intersection of Palm Ridge and Periwinkle Way

Discussion ensued regarding the costs of maintenance, residents may want to provide plantings, Ms. Zimomra spoke to significant investment in redevelopment of properties along Lindgren and Kings Crown, she continued that when plantings mature the maintenance would increase in cost, any way to create a reserve to be used for future plantings and/or maintenance, two extensions from county for grant, Council authorized maintenance of first phase, no grant available for maintenance, defer the project and look at finances, need to consider the growing season, and delay a decision until the first March meeting.

Mayor Denham made a motion, seconded by Councilman Harrity, to bring back for discussion on March 03, 2009.

Public Comment

Susie Marks spoke to the concern of the scale plant problem.

Doug Dietrich spoke to maintaining vegetation and current visibility problems on Shared Use Paths.

The motion carried.

Ms. Zimomra stated receiving a letter from Franklin Dense and distributed to Council.

Council recessed at 12:40 p.m.

Council reconvened at 1:30 p.m.

PRESENTATION(S)

Continuation of discussion regarding the request from Island Water Association (IWA) to increase water rates

Rusty Isler spoke to the following:

- Final version of 2009 budget
- Revenues lower
- Taken additional step for method of operation
- Eliminate 3 positions
- Operating with 30 employees
- Capital Budget to \$659,000

Discussion ensued regarding the concern the water consumption has and would continue to decrease, 7 lodges have received the green accredited and 7 more that were seeking the green accreditation, more homes converting yards to be greener that would use less water, encouraged by steps taken by IWA, encourage to rate increases to possibly a cost of living increase, and other communities have a tiered rate structure.

Councilman Pappas made a motion to approve the 18%.

The motion died for the lack of a second.

Mayor Denham made a motion, seconded by Councilman Harrity, to direct staff to bring back a resolution for the January 20th City Council meeting.

Mr. Cuyler advised Council that the resolution was a requirement of the franchise agreement.

Mayor Denham amended his motion as agreed to by Councilman Harrity to direct staff to bring back a resolution at the January 6, 2009 City Council meeting.

The motion carried.

Mr. Isler spoke to his agreement that this was challenging times, and that 85% of cost were fixed costs.

Discussion ensued regarding the difference in the need for an 18% increase from last year to the request this year.

Council decided to discuss the City Manager's Report due to the time certain for the IWA discussion.

CITY MANAGER

Informational Items

Healthy Beach information to be provided to the Lee County Delegation

Ms. Zimomra spoke to providing Council the final draft that staff proposed forwarding to the delegation.

Discussion ensued regarding the letter talking about sewage and/or changing that wording, and keeps the proposed language as is presented.

Mayor Denham made a motion, seconded by Vice Mayor Ruane, to approve the proposed information and send to the Lee County Legislative Delegation...

The motion carried with Councilman Pappas being out of MacKenzie Hall. (Council chambers)

Staff recommendation not to accept the South Florida Water Management District (SFWMD) grant in the amount of \$1,250 for 25 rain sensors due to the requirement of a 50% match

Ms. Zimomra spoke to this grant requiring a match, which was not budget, as well as administrative cost.

Mayor Denham made a motion, seconded by Vice Mayor Ruane, to accept staff recommendation.

The motion carried.

Building Department Monthly Revenue
Building Department Monthly Permit and Inspections Report
Planning Department Permit Activity Report
Planning Department Code Enforcement Activity Report
October Causeway counts

All information offered for information. Ms. Zimomra further spoke to the continuation of decreasing vehicle counts of more than 18%.

Discussion ensued regarding hotel bookings for the holidays and larger numbers at inland hotels.

Upcoming School Concurrency Ordinance – scheduled for discussion on January 06, 2009 at 9:15 a. m.

Ms. Zimomra noted that the first reading and public hearing would be January 6, 2009 at 9:15 a. m.

Mr. Cuyler advised that this was legislation that required 2 readings and public hearings.

CITY ATTORNEY'S REPORT

None.

COUNCIL MEMBERS' REPORT

Attendance at the Treasure Coast Florida League of Cities Association Wednesday, December 03, 2008

Mayor Denham gave the following report:

- Most municipalities working on the water quality
- Sending fertilizer DVD's

Councilman Pappas spoke to the following:

- Comments by Jack Luft that Council may need a better understanding of businesses on the island
- Sat next to an island consultant during a flight to Atlanta
- Challenges

PUBLIC COMMENT

Karen Storijohann spoke to being mindful of things that can not control off island and working together.

Council recessed at 2:22 p. m.

Council reconvened at 2:30 p. m.

Continuation of discussion regarding the Donax and Nerita Traffic Study

Bob Duffy, Planning Director spoke to the following:

- Study area Donax Road between Middle Gulf Drive and Periwinkle Way
- Explanation regarding General Land Use Pattern
- Look at non-peak/peak traffic counts
- Council approved Junonia Street paving
- Options submitted by residents

Public Comment

Karen Storjohann spoke to signage.

Mark Hammond passed out a photo showing pedestrian traffic and encouraging trucks to take an alternate route. He further stated that Donax was a collector route, had businesses and recommend education, signage and an ordinance that would fine violators.

Chief Tomlinson spoke to the following:

- Decide the limitations
- Enforcement issues; officer at the location all the time; respond to calls

Larkin Hammond suggested that all commercial trucks where East Gulf meets Nerita to Middle Gulf Drive be prohibited and/or a large fine be adopted when eliminating commercial traffic. She further requested that notice be sent to commercial businesses.

Gail Greenwood spoke to a problem at intersection of Nerita/Middle Gulf Drive where vehicles do not stop and speeding.

Chief Tomlinson spoke to a small amount of speeders.

John Omphal spoke to signatures gathered.

Discussion ensued regarding Nerita Street being Gulf Drive, eliminating traffic, businesses along the route,

Larkin Hammond spoke a second time regarding local truck need to deliver. She stated that residents were asking for a sign "No Thru Trucks." She also stated that commercial trucks have no reason to go down Nerita.

Discussion ensued regarding Middle Gulf, East Gulf, Nerita Street were collectors to offer an alternative traffic route, resident recommendation was to disallow a certain size commercial trucks or use Donax for commercial traffic, and Chief Tomlinson stated that users would be notified of the change.

Larkin Hammond spoke a third time regarding the implementation of a large fine.

Discussion ensued regarding installing signs as recommended by staff, commercial trucks servicing businesses on Gulf Drive, weigh station has other functions, Councilman Pappas would favor visiting the weigh station issue, if a thru truck sign and adopt an ordinance, and there would be a grace period with education.

Gail Greenwood spoke to during Hurricane Charlie all businesses had to be listed with the City, couldn't you permit trucks. She further stated she would support a fine.

Mr. Cuyler stated that Hurricane Charlie was an emergency situation and could not be done when there was no emergency.

Ms. Zimomra stated for clarity direct staff to bring back legislation with signage restriction.

Councilman Jennings made a motion, seconded by Mayor Denham, to direct staff to bring back legislation regarding signage for Nerita Street.

Discussion ensued regarding non-enforceable signs, requiring additional stop signs

The motion carried.

Larkin Hammond spoke again regarding her involvement.

There being no further business the meeting was adjourned at 3:22 p.m.

Respectfully submitted by,

Pamela Smith, CMC
City Clerk