

**PUNTA GORDA ISLES
CANAL ADVISORY COMMITTEE
SPECIAL MEETING
JUNE 30, 2010**

MEMBERS PRESENT: Bill Dixon, Chairman
Nancy Dauster, Bill Folchi, Thomas McAlear,
David McBride, James Thompson

OTHERS PRESENT: Randy Brodersen, Canal Maintenance Supervisor
Dave Drury, Finance Director
Rick Keeney, Public Works Director
John Dauster

CALL TO ORDER/ANNOUNCEMENTS

- A. Roll Call
- Mr. Dixon confirmed the existing vacancy would be announced at the next City Council meeting.
- B. Next Scheduled Meeting - Monday, July 19, 2010 - 1:30 p.m.

APPROVAL OF MINUTES

- A. Regular Meeting of May 17, 2010
- Mr. Thompson pointed out a correction on page 4.
 - Ms. Dauster MOVED, Mr. McAlear SECONDED approval of the May 17, 2010 minutes as amended. MOTION CARRIED UNANIMOUSLY.

Note: Canal Maintenance Monthly Reports were reviewed following Current Business.

CANAL MAINTENANCE MONTHLY REPORTS

- A. Permits Authorized by City Staff for Installation of Docks, Lifts, Outpiling, etc.
- Mr. Randy Brodersen, Canal Maintenance Supervisor, reported 19 permits were issued in May 2010.
- B. Budget Utilization Report
- C. Seawall & Seawall Cap Replacement Status Report
- Mr. Brodersen submitted into the record an updated Budget Utilization Report (BUR), noting one change under Inlet Dredging.
 - Ms. Dauster noted an additional change under Seawall Cap Replacement Completed from 46% to 67%.
 - Mr. Brodersen then distributed copies of a GIS map depicting Punta Gorda Isles (PGI) seawall assessment status as of June 18, 2010, stating 20 miles of seawall were inspected, and 1,306 feet of bad seawall was found which needed to be replaced as well as 1,044 feet of bad seawall cap. He noted the map encompassed the area west

of Bal Harbor Boulevard, north of Aqui Esta Drive, over to Coronado Drive and down Marion Avenue, adding Colony Point Drive had since been inspected as well. He explained the various colors depicted how much work could be accomplished within a period of time on a certain day, acknowledging low tides in the summer months limited crews somewhat.

- Mr. Dixon commented early indications showed no ground had been lost since roughly 1997.
- Mr. McAlear interjected seawall caps in the "Bird" section of PGI were of poor quality, stating he understood same had been installed by a different contractor.
- Mr. McBride clarified the entire area depicted on the map had been entered into the GIS database. He asked if staff currently had the capability of printing out exact locations of bad seawalls and seawall caps.
- Mr. Brodersen replied the contractor was currently working on same.

Note: Current Business was heard following Approval of Minutes.

CURRENT BUSINESS

A. Budget Presentation

- Mr. Dave Drury, Finance Director, displayed the PGI Proforma Schedule of Revenue and Expenditures, as delineated in the agenda material, for Fiscal Years (FY) 2008 to 2015, stating projections included the recommended \$500 annual canal maintenance assessment fee. He mentioned City Council would set that amount as a tentative rate on July 7, 2010, which would be included on the Truth in Millage (TRIM) notices. He pointed out the Proforma Schedule maintained the annual assessment of \$500 out to FY 2015, which would eventually result in a deficit if spending continued in the current manner; thus, spending must decrease or rates must increase. He reminded members of the previous year's rate increase from \$400 to \$500, noting funds were not expended rapidly enough; thus, the fund balance was higher than that which had been anticipated. He explained staff planned to ask City Council on July 7, 2010, to reappropriate funds in the amount of \$430,000 to decrease that balance.
- Mr. Dixon clarified the fund balance would be closer to the desired 5%. He noted Mr. Rick Keeney, Public Works Director, was aware of the situation and had met with the vendor with regard to ramping up services. He confirmed staff would make the appropriate adjustments.
- Mr. McBride asked where that figure was denoted on the report.
- Mr. Drury replied a spike was shown in 2010, specifically budgeted expenditures of \$2,707,567 and projected expenditures of \$3,133,672. He explained those funds

were slated for seawall and seawall cap repair and replacement. He stated he did not anticipate any objections during the July 7, 2010 presentation.

- Ms. Dauster noted the Proforma indicated \$647,598 was projected to be spent on seawall cap replacement in 2010; however, \$435,000 was proposed in 2011. She pointed out a similar discrepancy in seawall repair/replacement from \$1,483,360 to \$1,240,000 in 2010 and 2011, respectively, requesting clarification of same.
- Mr. Drury replied those figures were specifically reappropriation, explaining the plan was to utilize the prior year's fund balance.
- Ms. Dauster pointed out only four to five months remained in FY 2010.
- Mr. Drury responded he had been advised the funds could be expended in that amount of time.
- Ms. Dauster questioned the difference between the fund balance and operating reserve.
- Mr. Drury replied there was no difference.
- Mr. John Dauster confirmed there would be an operating fund balance deficit in 2013; thus, it would become mandatory to raise the annual assessment fee in order to maintain 5% reserves.
- Mr. Drury responded the rate would need to be increased or expenses lowered.
- Mr. Dauster suggested it may thus be prudent to place those extra funds into the operating balance at this time in anticipation of that deficit.
- Mr. Drury noted the Committee had made a strong case for increasing the annual fee to \$500 the previous year in order to make some headway with seawall repairs; however, there was a concern of how the Committee would be viewed in light of the significant fund balance.
- Mr. Dixon commented it was still difficult to know where the Canal Maintenance Assessment District (CMAD) stood with regard to keeping up with necessary seawall work.
- Mr. Drury then noted City Council had agreed with the Committee's recommendation to increase condominium assessments from \$.05 per square foot to \$.052 per square foot. He continued single family homes on multi-family zoned property would now be assessed at the single family home rate. He clarified these changes had been approved by City Council and forwarded to the Charlotte County Tax Collector, adding he estimated an increase of approximately \$13,000 in revenue.
- Mr. Dixon mentioned he understood Charlotte County was billing condominium owners a certain percentage of the total condominium bill.
- Mr. Drury agreed, noting same was State law.

- Mr. Dixon clarified there were residents with no boat slip access who were paying an assessment.
- Mr. Thompson cited an example of a ten unit condominium complex, only five of which were on the water, confirming same constituted an internal issue among the property owners association.
- Mr. Drury agreed; however, he expressed uncertainty with regard to whether some properties had been grandfathered.
- Mr. Keeney then displayed an overhead depicting the PGI Canal Maintenance Fund Budget for FY 2011, as delineated in the agenda material, noting Line Item (LI) #34-00, Contractual Services, included costs associated with seawall inspections and the Geographic Information System (GIS) program. He advised the part-time seawall inspector position would be eliminated and replaced with a GIS contractor who would be able to interface with Charlotte County. He pointed out LI #34-10, Inlet Dredging, was estimated at \$106,000.
- Ms. Dauster observed two projections relative to seawall inspections and the GIS program, one at \$12,500 and the other at \$25,000, requesting clarification of same.
- Mr. Keeney replied he believed the first entry in the amount of \$12,500 should have been removed. He reminded members GIS expenses would no longer be paid by the Growth Management Department. He continued his review as follows: LI #34-12, Seawall Replacement, \$1,240,000; LI #34-13, Seawall Cap Replacement, \$435,000; LI #34-42, Mangrove Trimming, \$6,000; LI #34-45, Seawall Stabilization, \$58,300; LI #49-06, Administrative Charges, \$128,514; LI #49-08, Tax Collector Commission, \$15,000. He mentioned the latter costs were typically lower than budgeted.
- Mr. Drury explained Charlotte County would recalculate actual costs, adding the City would subsequently be reimbursed.
- Mr. McBride requested clarification of the amount of \$50,564 as denoted under Year to Date Encumbrances Actual FY 2010, LI #49-08.
- Mr. Drury replied that figure represented an automatic percentage of the amount of revenue collected, reiterating the City would be charged only for actual costs.
- Ms. Dauster asked if broken pieces of seawalls and seawall caps were recycled for rip-rap.
- Mr. Keeney replied affirmatively, albeit only with clean concrete. He concluded his review, stating \$21,900 was budgeted under LI #52-21, Departmental Materials & Supplies. He mentioned \$10,000 was budgeted under LI #64-20, Computer Equipment, for GIS related camera equipment.

- Mr. Dixon commended staff on the small amount of overhead and how much of the budget was actually expended on seawalls, mangrove trimming, etc.
- Mr. Folchi opined the range finding camera equipment was needed sooner rather than later.
- Mr. Keeney replied funds were available immediately if necessary.
- Mr. Dauster recalled the total cost for the part-time seawall inspector was approximately \$7,464 while anticipated costs for a part-time person also conducting GIS work was roughly \$12,500, asking if the difference of roughly \$4,000 represented half year costs related to GIS.
- Mr. Keeney replied estimates indicated that was the case.
- Mr. Dauster then observed a fairly small amount for Burnt Store Isles (BSI) Billings, questioning the amount of same in terms of operating expenses in the past.
- Mr. Keeney replied the amount was a direct bill or a “wash.”
- Mr. Drury clarified actual costs in 2009 were \$14,000, adding \$15,000 was budgeted in 2011.
- Mr. Dauster stated approximately 1,000 BSI property owners each paid \$400 annually, equaling revenues of roughly \$400,000; however, only \$15,000 was budgeted under BSI Billings, questioning where the remainder was expended.
- Mr. Keeney explained “BSI Billings” only represented man hours, adding BSI had their own separate budget.
- Mr. Thompson questioned the number of lots in PGI.
- Mr. Drury replied 5,365 equivalent residential units (ERUs).
- Mr. Keeney confirmed there were no additional questions, thanking the Committee for their time this date.
- Mr. McBride MOVED, Ms. Dauster SECONDED to recommend reappropriation of \$430,000. MOTION CARRIED UNANIMOUSLY.

Note: New Business was heard following Canal Maintenance Monthly Reports.

NEW BUSINESS

- A. Condominium Assessment Methodology - Mr. McAlear
- Mr. McAlear stated the Committee had discussed this issue at length in the past, adding he believed there were three basic principles: (1) life was not fair; (2) everyone was not equal; (3) nothing was free. He noted the Committee had decided homeowners with 300 feet or 35 feet of seawall, for example, were treated the same; however, he opined condominium owners were not being treated the same. He acknowledged all property owners paid to reside in a waterfront community and enjoyed the enhanced property values associated with same. He stated he believed all

property owners should pay their share of the “overhead,” citing dredging or mangrove trimming as examples. He announced he was aware of a condominium owner who was paying an annual assessment of \$90, which did not represent a fair share of the “overhead.” He described the physical layouts of several condominium complexes, stating he did not feel a change was possible for the upcoming budget year; however, he believed the Committee should continue to study this issue for possible changes to the methodology in the future.

- Mr. Dixon outlined the existing methodology utilized for condominiums, which had been in place for many years, reiterating the Committee had discussed numerous, alternative methodologies over the past several months.
- Mr. McAlear asked if a decision made in January 2011 could be implemented during the 2012 budget year.
- Mr. Drury replied he believed so.
- Mr. Dixon clarified the Committee would need to make their recommendation in December 2010 in order for City Council to have sufficient time to make a final judgment.
- Ms. Dauster pointed out the Committee had discussed this issue at length; thus, she believed a final recommendation could be made in a timely manner.
- Mr. McBride stated he felt certain, basic data was necessary such as the number of shorter lots, for example.
- Mr. McAlear responded the number of shorter lots was minimal; however, the issues surrounding multi-family properties were significant.
- Mr. McBride countered those who purchased condominiums as opposed to single family homes did so as a conscious choice.
- Ms. Dauster mentioned PGI contained approximately 90 different condominium associations.
- Mr. Dixon recalled Mr. Steve Fabian had gathered a great deal of the type of information being discussed.
- Ms. Dauster responded she had same available on CD, confirming she would bring the information to the Committee’s next meeting.
- Mr. Drury mentioned the tax rolls would prove beneficial to the Committee’s deliberations.
- Mr. Dixon concluded this item would be continued to the Committee’s next meeting.

OLD BUSINESS

- Mr. Dixon requested an update on the mooring field.

- Mr. Keeney stated he understood approval had been obtained from the Governor and Cabinet, adding the City was awaiting actual permitting from the Department of Environmental Protection (DEP) and the Army Corps of Engineers (ACOE). He continued a bid package was being developed, noting Mr. Brodersen was preparing a grant application.
- Mr. Dixon advised the Marine Advisory Committee (MAC) had not completely expended their funds for the current year.
- Mr. Keeney stated the City had already received \$50,000 from MAC for this project, \$25,000 to be used for engineering and \$25,000 for construction.
- Mr. Brodersen noted those funds were derived through the boater improvement fund, stating same would not be considered as a match by the Fish & Wildlife Commission. He announced he was awaiting a return call from Charlotte County regarding the abovementioned, remaining grant funds.
- Mr. McAlear mentioned the City of Sarasota was establishing a mooring field and experiencing significant difficulties, suggesting staff may wish to contact them for advice.

MEMBER COMMENTS

- Mr. Folchi commented he felt the existing absence policy was overly restrictive, noting he had expressed same at a previous meeting. He stated other committees had alternates, questioning whether this Committee should consider same.
- Mr. Keeney stated the Committee may wish to review their bylaws at a future meeting.
- Consensus of the Committee was to do so at their next meeting.
- Mr. Dixon mentioned he had raised the concerns relative to the absence policy at a recent City Council meeting but was met with opposition. He reminded the Committee any member who forfeited their seat was given the opportunity for appeal.
- Mr. Keeney added a Committee meeting could always be cancelled or rescheduled if staff was made aware ahead of time that several members would be away.
- Mr. Dixon then reported Marine Patrol Officer John Kennedy logged 151 hours on the water in May 2010 and had issued 7 citations.
- Mr. McAlear announced volunteer schedules had been altered slightly, explaining every area of PGI and BSI was covered once per month which allowed coverage of the inlets on the odd days.

ADJOURNMENT

- Meeting Adjourned: 3:03 p.m.

Bill Dixon, Chairman

Mary Kelly, Recording Secretary