

**Regular Board Meeting
of the
Captiva Erosion Prevention District**
South Seas Island Resort,
Alpha Cone Room
March 11 , 2019 @ 1:00 P.M.

Commissioners Present: Mike Mullins, Chair; Michael Lanigan, Vice Chair; Harry Kaiser, Secretary; Bob Walter, Treasurer; and Dave Jensen, Commissioner.

Staff Present: Carolyn Weaver, Administrator; Joe Wagenti, Deputy Administrator; Hans Wilson, Hans Wilson and Associates; Dr. William Stronge and Dr. Gary Jackson.

1. Call to Order

Chairman Mullins called the meeting to order at 1:00 P. M.

2. Roll Call

The Chair called the roll and the results are outlined above.

3. Approval of Meeting Minutes

- a. February 11, 2019 Regular Meeting Minutes
Commissioner Kaiser moved and Commissioner Lanigan seconded the motion to approve the February 11, 2019 Regular Board Meeting minutes with the updates that Chairman Mullins will give to the CEPD Staff. The motion passed unanimously.
- b. February 21, 2019 Briefing Meeting Minutes
Commissioner Kaiser moved and Commissioner Jensen seconded the motion to approve the February 21, 2019 Briefing Meeting minutes with the updates that Chairman Mullins will give to the CEPD Staff. The motion passed unanimously.
- c. March 7, 2019 Briefing Meeting Minutes
Commissioner Kaiser moved and Commissioner Walter seconded the motion to approve the March 7, 2019 Briefing Meeting minutes with the updates that Chairman Mullins will give to the CEPD Staff. The motion passed unanimously.

4. Public Comments

Carroll Wetzel thanked Chairman Mullins for the time spent going over the allocation and explaining Ad Valorem versus Benefit. Mr. Wetzel would like to see a more detailed explanation of Ad Valorem numbers. He would also like to ask who, proportionally, should pay for the future in regards to just value versus prospective value. Dr. Stronge will review this in his presentation.

Joe LaCouture, City of Sanibel, explained the erosion and violent storm damages in the Santiva area. They are working with coastal engineers, Humiston & Moore, to restore the damage. They are looking for emergency nourishment and add rip-rap revetment 50' seaward of San-Cap road.

5. Financial Report

a) Budget Performance Ending February 28, 2019

Commissioner Walte r reported there are no major issues to discuss. He requested Ms. Weaver verify the budget (specifically parking lot revenue) has been changed to a cash basis instead of straight line. He also stated that the tax revenue /assessment are up because properties are selling on Captiva.

6. Old Business

a) Referendum Next Steps

- a. Benefits based or ad valorem

This will be addressed by Dr. Strenge.

- b. Millage Rates - Single Family increase, condominium decrease

This will be addressed by Dr. Strenge.

- c. Recreational Benefits down from 70%

This will be address by Dr. Strenge.

- d. Sand projected at 900,000 cubic yards

Chairman Mullins stated that the audit states the sand 864,000 cubic yards. He has seen several different numbers in reports and asked the CEPD staff to confirm the amount, as another report states 895,862 cy on Captiva, 200,000 cy on North Sanibel, and 80,000 cy on Bowman's Beach.

Additionally, he reports that he has been asked why the number is so high for the next renourishment (900,000 cy) if we are retaining sand, and we will ask Dr. Strenge for clarification on this, too.

Chairman Mullins believes it might be higher, even with retaining sand, as we are trying to build the next cycle to 10 years, rather than 8 years.

- e. Federal funding issues

Chairman Mullins reported that Federal funds were pulled from the 2014 project. He would like to have an Army Corps of Engineers (COE) representative come to a meeting to give a definitive reason as to why they pulled out, as well as clarifying the easement issues.

It was discussed that the cost to benefit ratio of having COE run the project was high, so APTIM ran the project and came in much lower. Chairman Mullins would like to see the comparison.

Commissioner Jensen asked if 1) have we made contact with COE to see if they will meet with the Board and 2) the status on an email from Debbie Flack wanting an update about the beach bills, how to rate projects and how much federal funding can we receive.

Ms. Weaver will contact COE to get the past quotes, the easement issues, and the public access issues. She will request they attend a meeting. Dr. Stronge mentioned getting federal money gets an organization higher in the priority list.

Chairman Mullins recommends we bring in a 3rd party to review and gain a better understanding of federal funding. Dr. Stronge recommended we get in touch with Debbie Flack. Mr. Wilson mentioned there are 3 critical components: 1) easements, 2) benefits to cost analysis needs to be done, and 3) are there any appropriations at the federal level. Mr. Wilson feels we can get all of that from the COE and not have to retain another engineering firm. Chairman Mullins disagrees and feels we need another firm to look into this.

b) Tentative Apportionment Adjustment - Ors. Stronge and Jackson

Dr. Stronge presented on the revised tentative apportionment reauthorization project (see slides, attached as Addendum A). Slide 2 shows the storm benefit categories are divided by 6 zones and recreation benefit has 3 categories

Slide 3 shows the shares of the total cost of the project, by benefit category. The basic millage rates by benefit category were explained. Also explained was the cost share total of \$18,000,000 is based on the highest expected cost share scenario. Mark Reiss would like the actual numbers of properties listed next to each benefit category.

Slide 4 shows the basic millage rates by benefit category. It was requested that there be an empty line between the lower gold coast and the single-family properties to make them easier to understand.

Commissioner Walter asked where the cutoff is between the Upper and Lower South Seas; he was referred to the engineer's report. Linda Laird asked if, when commercial properties are valued, does it include just the property value. The answer was that yes, it does. Commissioner Mullins also discussed the homestead discount of 42.1%, because homesteaders are not permitted to rent their properties.

With Slide 5, Dr. Stronge expanded the recreation tax assessment base multi-family and non-commercial properties, showing the just values of Captiva private properties by their land use category (as set by the governor).

Slide 6, Shrinking of the Recreation Tax Assessment Base with Homesteaded Properties shows the Single Family, Multi-Family, and Condominium. Note that interval properties are now called hotels, which are commercial.

Slide 7 shows the revenue impact of assessment base changes.

Slide 8, Sunset Captiva: Part One was created by the engineer and breaks out storm protection benefits into four sub-benefits.

Slide 9, Sunset Captiva Storm Assessments Part Two explains the backfill benefits received by all Sunset Captiva Homeowners and the additional benefit the maintenance of the common element provides to the adjacent front row parcels that are received only by those parcels.

Slide 10 presents a plan based on a 50:50 split in order to illustrate the effect of redistributing the sub-benefits.

Slide 11 shows the Distribution of Assessments by Location of Property when Backfill Sub-benefits are split 50:50.

Chairman Mullins asked for a motion to accept the tentative apportionment. Commissioner Jensen made the motion that we use the same methods as used in 2014. After discussion that motion was withdrawn. Linda Laird shared her belief that having the beachfront owners carrying the burden is not correct and it should be spread among all owners. She mentioned the Condo Association turning into a conservancy. Carroll Wetzel suggested that CEPD funds not be used to alleviate changes in allocations. Chairman Mullins wanted to assure how the funds are allocated in regards to Mr. Wetzel's remark.

Chairman Mullins explained that we will need to postpone our public hearing on April 9th if the tentative apportionment is not approved.

Commissioner Jensen made the motion to accept Dr. Stronge's 50-50 recommendation. Commissioner Kaiser seconded the motion. After discussion, Commissioners Jensen and Kaiser voted yes; Commissioners Mullins, Lanigan and Walter voted no. The motion was not carried. The public hearing will be delayed.

Chairman Mullins has asked John Bralove to run the numbers on our tentative assessment spreadsheet to include the new numbers we receive from Dr. Stronge. Ms. Weaver will reach out to each Commissioner to get their questions for Dr. Stronge; she will compile the requests and email them to Dr. Stronge. After we get the new spreadsheet, we will ask Mr. Bralove to update it.

7. New Business

- a) Beach Vehicle
 - a. SOPs with SCCF are in process.
 - b. Legal Memorandum: This was received from Nancy Stroud. It is her opinion that CEPD has the legal right, because of our Enabling Legislation, to utilize the beach vehicle for major projects as well as beach maintenance.
- b) Roles of a CEPD Commissioner
Chairman Mullins chose to address this at a later time.
- c) APTIM Redfish Pass Sand Search and Borrow Area Design

This item will be postponed until the April meeting. Chairman Mullins asked Ms. Weaver to bring an explanation from APT JM, along with a recommendation, especially showing how many more stages there are and what they might be. Commissioner Kaiser stated the need to determine Redfish Pass is a suitable sand source. The next step is the geotechnical exploration for sand suitable.

d) FY 17-18 Financial Audit-Draft

Ms. Weaver stated the draft audit begins on Page 57, and turned the item over to Daniel Anderson from Mauldin & Jenkins. Mr. Anderson reported they have completed all procedures and have not put in any opinions. When it is completed, the Board will get a final opinion. Mr. Anderson will send it to Ms. Weaver at a later date.

Commissioner Walter asked for a projection on parking revenue.

Commissioner Walter asked why were the capital assets reduced? It was due to the three projects. Updates will be made and brought back to the April board meeting for approval.

e) FDEP Local Government Funding Request FY19-20

Ms. Weaver reviewed the plan, and stated that we are #17 on their list.

f) FDEP Long Range Budget Plan FY19-29

Ms. Weaver stated this is for information purposes. It was asked that she confirm that the Captiva Erosion Prevention District project, entitled "Captiva/Sanibel Island Beach Erosion Prevention (R84-R118)" does not include North Sanibel.

g) Turner Beach Dune Extension Request

Ms. Weaver explained that Jeremy Herget, the managing engineer for the City of Sanibel Turner Beach Improvement project, was to come to our meeting and offer explanation. Due to permitting not being complete, he asked that we wait until April to address this subject. Chairman Mullins has requested a better diagram.

Discussion was led by Commissioner Lanigan concerning fishing off the bridge and incorporating some assistance *into* this project. Chairman Mullins suggests talking to Sanibel to see if some help can occur. Chairman Mullins discussed repair work around Turner Beach.

h) Parking Lot Survey

Much discussion was held about the amenities and the parking lot. There was discussion about the interlocal agreement, a perpetual easement from the family that currently owns the old Boyle property, the need for a limited development order, a building permit from the county, and other issues. Mr. Waganti is meeting with Mark Anderson at Benchmark Construction to begin the surveying and permitting process. Commissioner Walter made the motion that a title search and new survey of the Alison Hagerup parking lot be obtained, granting approval through Chairman Mullins.

not to exceed \$10,000. The motion was seconded by Chairman Kaiser. It was passed unanimously.

Commissioner Jensen would like to know how many additional parking spots at the Shirley lot would be available and the subsequent revenue generated.

Ms. Weaver was asked to contact the realtor for the Potter's property and the Shirley Lot to see if they are for sale. The Potter's property is estimated to be for sale at \$2,000,000.

i) Website Redesign

Ms. Weaver discussed the bids that were obtained late November for an updated website, and the opportunity that we have now with Mr. Wagenti's technical skill to oversee the operation. Staff will look into this further and bring more information to the April meeting. The goal would be to have the new website launch coincide with the 60th anniversary of the CEPD, which is June 19, 2019.

Commissioner Mullins suggests to come back with a better plan and to possibly tie the 60th anniversary to an event along with the launch of the website.

8. Administrator's Report

Ms. Weaver reported that the Mobi-mat is fraying and Mr. Wagenti called the company. A replacement mat is being mailed at no charge.

New trash bins have been ordered and will be placed at Alison Hagerup Beach Parking lot. They are from Bear River and look like the bins used on Sanibel.

The newsletter went out prior to the bond referendum.

9. Commissioner Comments

Commissioner Jensen has notified the board that he is stepping down in the next fiscal year and is looking for a viable candidate. He worked with Ms. Weaver to create an information sheet that can be distributed. Ms. Weaver will discuss this at the CCP meeting tomorrow.

Commissioner Lanigan has offered to step down as Vice Chair as he feels he is not qualified. He asked for a new vote, however Chairman Mullins stressed that the Vice Chair does not have to become Chair should the Chair seat become vacant. This will be discussed further in April.

Commissioner Kaiser was thankful for the public for voting 86% in favor of the bond referendum for the renovation project.

Commissioner Walter did not have any further comment.

Chairman Mullins had no further comments.

Adjourn

There being no further business, the Chair adjourned the meeting at 4:18 P. M.

Attachments (1):

Addendum A: PowerPoint Presentation