

PENSACOLA BEACH
SANTA ROSA ISLAND AUTHORITY

Board Members:

Vernon L. Prather
Chairman

Thomas A. Campanella
Vice-Chairman

Kelly G. Robertson
Secretary/Treasurer

Tammy Bohannon
Fred Gant
John L. Peacock, Jr.

W. A. "Buck" Lee
General Manager

SANTA ROSA ISLAND AUTHORITY
PENSACOLA BEACH, FLORIDA
REGULAR BOARD MEETING
JANUARY 10, 2007

1-3. A regularly scheduled meeting of the Authority was held on Wednesday, January 10, 2007, beginning at 5:00 p.m. Members in attendance were: Mr. Vernon Prather, Dr. Thomas Campanella, Ms. Tammy Bohannon, Mr. Fred Gant (arrived at 5:10 p.m.), Mr. John L. Peacock, Jr., and Mr. Kelly Robertson. Mr. Prather, Chairman, called the meeting to order and led the Pledge of Allegiance followed by a moment of meditation.

Mr. Mike Stebbins, SRIA legal counsel, requested that the board vote to hold a private attorney-client session to discuss pending litigation.

Upon motion of Mr. Peacock, seconded by Dr. Campanella, the board unanimously approved holding a private attorney-client session to discuss pending litigation. (5-0)

4. **Upon motion of Mr. Robertson, seconded by Mr. Peacock, the board unanimously approved the minutes of the December 6, 2006 special board meeting. (5-0)**

Upon motion of Mr. Robertson, seconded by Dr. Campanella, the board unanimously approved the minutes of the December 13, 2006 regular board meeting. (5-0)

5-6. CHANGES/ADDITIONS/ADOPTION OF AGENDA

Upon motion of Dr. Campanella, seconded by Mr. Peacock, the board unanimously adopted the agenda with the following change: Added Item #4 to New Business regarding a Budget Amendment. (5-0)

7. CHAIRMAN'S COMMENTS

Mr. Prather reviewed the guidelines for speakers appearing before the board.

8. RESOLUTIONS OF RECOGNITION

- A. THOMAS E. BLAS
- B. W. MCGUIRE MARTIN

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Mr. Prather presented Mr. Thom Blas with a resolution of recognition, commending him for his service to the Authority board.

Mr. Prather then read a resolution of recognition for Mr. McGuire Martin, also commending Mr. Martin for his service to the Authority board.

Upon motion of Dr. Campanella, seconded by Ms. Bohannon, the board unanimously adopted the resolutions of recognition for Mr. Thomas E. Blas and Mr. W. McGuire Martin. (5-0)

9. STATE OF THE ISLAND ADDRESS – MR. BUCK LEE, GENERAL MANAGER

The Manager presented his 2007 State of the Island address. (Copy attached hereto and by reference made a part hereof.)

10. FISCAL YEAR 2006 AUDIT REPORT

Mr. David Lister of Saltmarsh, Cleaveland & Gund presented the 2006 Audit Report, and a brief discussion followed during which the board members commended staff for the clean audit report.

Upon motion of Mr. Peacock, seconded by Dr. Campanella, the board unanimously accepted the FY 2006 audit report. (6-0)

11. PENSACOLA BEACH CHAMBER OF COMMERCE REPORT

Ms. Sandy Johnston, Manager of the Pensacola Beach Visitor's Information Center (VIC), reported that the chamber is looking forward to a good summer in 2007. She reported that the VIC averaged 2,500 walk-in visitors per month in 2006 or approximately 30,000 visitors for the year compared to 19,500 visitors registered in 2005. Ms. Johnston reviewed the top foreign countries for visitors as Canada, Germany, England, France, Italy, Switzerland, Spain and Korea. She noted that Pensacola Beach is now more of a year around destination with European visitors arriving in the fall, snowbirds coming in as they leave, and spring breakers following the snowbirds prior to the summer season.

Ms. Johnston said the Pensacola Beach Run went smoothly and the chamber was assisting with preparations for the Double Bridge Run in February, followed by Mardi Gras Activities.

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REGULAR AGENDA

12. OLD BUSINESS

Item #1 – Mr. Dave Hemphill and Mr. Buck Lee – Report on Studies of Pensacola Beach

The Manager introduced the item, calling the board's attention to a handout that contained the presentation to be reviewed by Mr. Hemphill. He said that staff recommended that this issue be placed into committee for more, in-depth study. Mr. Hemphill reviewed the presentation on past studies and accomplishments, and a discussion followed.

Upon motion of Dr. Campanella, seconded by Mr. Gant, the board unanimously voted to move the subject of addressing past studies on Pensacola Beach into the Administrative Committee for further study. (6-0)

Item #2 – Dr. Al Browder, Olsen & Associates, Inc. – Report on Assessment of Potential Man-Made Obstructions to Flood Water Flows: Pensacola Beach, FL

Dr. Al Browder, Olsen & Associates reviewed the Report on Assessment of Potential Man-Made Obstructions to Flood Water Flows: Pensacola Beach, FL by Olsen & Associates, Inc. A discussion followed during which the board heard comments by Ms. Tona DeMers and Ms. Marianne Crowdis.

Upon motion of Mr. Peacock, seconded by Mr. Gant, the board unanimously approved placing the Assessment of Potential Man-Made Obstructions to Flood Water Flows: Pensacola Beach, FL into the Architectural & Environmental committee for further study. (6-0)

Upon motion of Mr. Robertson, seconded by Mr. Peacock, the board unanimously approved asking staff to post the report prepared by Olsen & Associates on the Authority's web site. (6-0)

13. NEW BUSINESS

Item #1 – Mr. Phil Napier, Prom Queen II, LLC, (formerly known as Coconut's by the Sea), 400 Pensacola Beach Boulevard – Request for conceptual approval to construct marina

Staff recommended conceptual approval of the request, subject to receipt of designation as a Clean Marina by the Florida Department of Environmental Protection, construction of pump out and fueling facilities for the general public, and transient short term slips, in addition to the long term slip rentals; prohibition of live aboards and provision of safe boating and environmental information on site. A discussion followed during which the board heard comments by Mr. Phil Napier.

Upon motion of Mr. Peacock, seconded by Dr. Campanella, the board unanimously

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approved the request by Mr. Phil Napier, Prom Queen II, LLC, formerly known as Coconut's by the Sea, 400 Pensacola Beach Boulevard, for conceptual approval to construct a marina, in accordance with the staff recommendation. (6-0)

Item #2 – Mr. Chris Cadenhead, Pensacola Beach Gulf Pier – Request for changes in contract and for construction extension

Staff recommended that this item be referred to the Development & Leasing Committee.

Upon motion of Dr. Campanella, seconded by Mr. Robertson, the board unanimously approved referring the request by Mr. Chris Cadenhead, Pensacola Beach Gulf Pier, for changes in the contract and a construction extension, to the January 24 committees. (6-0)

Item #3 - Award of Bids:

- A. Casino Beach Repairs
- B. Cowley Park Reconstruction
- C. Quietwater Boardwalk Parking Lot & Lighting
- D. Lighting Improvements—Ft. Pickens Road
- E. Reconstruction Plans for Dune Walkovers
- F. Sign Replacement

Mr. Hemphill recommended that the board award the bid for Item 3(A) for repairs at Casino Beach to Floridian Construction at a bid of \$331,770. A discussion followed.

Upon motion of Dr. Campanella, seconded by Mr. Gant, the board unanimously approved awarding the bid for repairs at Casino Beach to Floridian Construction at a bid of \$331,770. (6-0)

Mr. Hemphill recommended that the board award the bid for Item 3(F) for sign replacement to Vital Signs at a bid of \$69,500. A discussion followed.

Upon motion of Mr. Gant, seconded by Dr. Campanella, the board unanimously approved awarding the bid for sign replacement to Vital Signs at a bid of \$69,500. (6-0)

Mr. Hemphill recommended that the board award the bid for Item 3(D) for lighting improvements on Ft. Pickens Road to Bill Smith Electric at a bid of \$424,589, and a discussion followed.

Upon motion of Dr. Campanella, seconded by Mr. Robertson, the board unanimously approved awarding the bid for lighting improvements on Ft. Pickens Road to Bill

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Smith Electric at a bid of \$424,589. (6-0)

Mr. Hemphill recommended that the board award the bid for Item 3(E) for reconstruction of the dune walkovers to two contractors. He recommended that the bid for construction of the dune walkovers in Groups 1 and 2 be awarded to Sunrise Building Corporation at a bid of \$242,411. A discussion followed during which Ms. Norton indicated that the walkovers are mapped and a copy of the map can be placed at the Visitor's Information Center.

Upon motion of Dr. Campanella, seconded by Mr. Gant, the board unanimously approved awarding the bid to reconstruct the walkovers in groups 1 and 2 to Sunrise Building Corporation at a bid of \$242,411. (6-0)

Mr. Hemphill recommended that the board award the bid for construction of the walkovers in Group 3, on the eastern end of the island, to Coastal Marine Construction at a bid of \$183,454.50. A discussion followed.

Upon motion of Dr. Campanella, seconded by Mr. Gant, the board unanimously approved awarding the bid for construction of the dune walkovers in Group 3 on the eastern end of the island be awarded to Coastal Marine Construction at a bid of \$183,454.50. (5-1 with Ms. Bohannon voting in the negative)

Mr. Hemphill said no bids were received for Item 3(B) for repairs to Cowley Park, and staff was investigating options to either secure quotes on the individual components of the project such as fencing, grassing, irrigation, etc. or re-bid the project. A brief discussion followed.

The Manager then reviewed the background on the pending project for Item 3(C) for the Quietwater Parking Lot & Lighting, noting that Roads, Inc. was the low bidder for the project. He suggested that the board address add-on Item #6 under New Business, regarding the budget amendment for distribution of the 2006 carry forward, to address funding for this item. Ms. Omley reviewed the budget amendment, and said that staff recommended approval of the budget amendment in the amount of \$525,000 to address the 2006 carry forward, as presented. A brief discussion followed.

Upon motion of Mr. Peacock, seconded by Mr. Gant, the board unanimously approved the budget amendment for the 2006 carry forward in the amount of \$525,000, as presented by staff. (6-0)

The Manager recommended that the board award the bid for improvements to the Quietwater Parking Lot and Lighting and Circle K Parking Lot to Roads, Inc. with a bid of \$463,350. A discussion followed.

Upon motion of Ms. Bohannon, seconded by Dr. Campanella, the board unanimously

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approved awarding the bid for improvements to the Quietwater and Circle K Parking lots and lighting to Roads, Inc. at a bid of \$463,350. (6-0)

14. REPORTS

A. MANAGER'S REPORT

The Manager said that his report was published for the information of the board and reported on a new effort underway by the Escambia County Board of County Commissioners known as "Team Up to Clean Up," in which they encouraged recognition of special cleaning efforts, and the Authority planned to participate by naming a "Yard of the Month." He said that, in accordance with his contract, he would be meeting with the Chairman regarding his performance and would bring his contract to the February meeting.

B. ATTORNEY'S REPORT

Mr. Mike Stebbins, SRIA co-counsel, noted that the Attorney's Report was included for the information of the board and the private attorney-client session would be held later on the agenda.

C. ENGINEER'S REPORT

Mr. Dave Hemphill, SRIA engineering representative, stated that his report was also published for their information, and reported that the engineering firm was in the process of firming up costs and completing projects before the beginning of the season. He said the roadway project was a unit price contract, which could fluctuate according to the fees in the field, but the budget for the project was fixed and they were maximizing the value for the project within the allotted budget.

15. VISITORS FORUM

No one wished to address the board during Visitor's Forum.

16. BOARD MEMBERS FORUM

Mr. Gant said he was looking forward to the staff putting something together regarding the previous comments made by Mr. Peacock at the last meeting about the future of Pensacola Beach and bringing the information back to the board to enable them to further address the issue.

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17. PRIVATE ATTORNEY CLIENT MEETING – SHERWOOD V. SRIA

Mr. Prather then announced that the board would retire to the private attorney-client session regarding Sherwood v. SRIA; he stated that the time was 7:42 p.m. and those present were board members Mr. Vernon Prather, Dr. Thomas Campanella, Mr. Kelly Robertson, Ms. Tammy Bohannon, Mr. Fred Gant, and Mr. John Peacock, as well as the General Manager, Mr. Buck Lee, and attorney, Mike Stebbins.

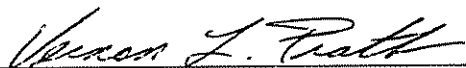
Mr. Prather announced the reopening of the public meeting at 8:22 p.m. on January 10, 2007, and board members present were Mr. Vernon Prather, Dr. Thomas Campanella, Mr. Kelly Robertson, Ms. Tammy Bohannon, Mr. Fred Gant, Mr. John Peacock, Mr. Buck Lee, General Manager and Mr. Mike Stebbins, attorney. Mr. Prather said that the board had an opportunity to hear the facts presented in this case and heard the recommendation by the attorney.

Upon motion of Dr. Campanella, seconded by Mr. Peacock, the board unanimously approved accepting the attorney's recommendation to settle the case of Sherwood v. the SRIA in accordance with the mediation settlement agreement. (6-0)

There being no further business before the board, the meeting adjourned at 8:25 p.m.



SECRETARY



CHAIRMAN

(Please note that the Santa Rosa Island Authority does not make verbatim transcripts of its meetings, although the meetings are tape-recorded. Any person desiring a verbatim transcript of a meeting of the Santa Rosa Island Authority will need to independently secure such verbatim transcript.)

RESOLUTION

WHEREAS, Thomas E. Blas was appointed to serve on the Santa Rosa Island Authority board in November 2002 and served until November 2006, and

WHEREAS, Thomas E. Blas gave of his time, skill and dedication to the people of Pensacola Beach and Escambia County, and served as Chairman for the Santa Rosa Island Authority in 2006 as well as chairing various committees during his four years of service to the community including Hurricanes Ivan and Dennis, and

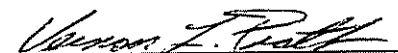
WHEREAS, Thomas E. Blas has proven his commitment to public service as an appointed member of the Santa Rosa Island Authority,

NOW THEREFORE BE IT RESOLVED BY THE SANTA ROSA ISLAND AUTHORITY that Thomas E. Blas, is commended for his outstanding performance to our community through his dedication as a member of the Santa Rosa Island Authority for all the people of Pensacola Beach, Escambia County and the surrounding communities;

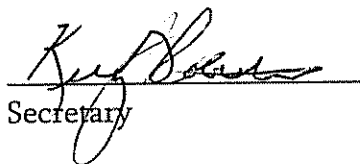
BE IT FURTHER RESOLVED that this resolution be made part of the official records of the Santa Rosa Island Authority and that a copy be presented to Thomas E. Blas and to the media.

Presented this the 10th day of January 2007.

SANTA ROSA ISLAND AUTHORITY



Chairman



Secretary

RESOLUTION

WHEREAS, *McGuire Martin was the first elected member of the Santa Rosa Island Authority and served in that position from November 1983 to November 1990 during which he served as chairman of the board, and*

WHEREAS, *McGuire Martin was appointed to serve on the Santa Rosa Island Authority board from November 1994 to November 2006 during which he served as chairman, vice-chairman, and secretary treasurer of the Authority during his years of service including Hurricanes Erin, Opal, Georges, Ivan, and Dennis, and*

WHEREAS, *McGuire Martin has proven that he is committed to our community through his long and outstanding career as a restaurateur and businessman both in Pensacola Beach, Pensacola, and Destin, and*

WHEREAS, *McGuire Martin served as Chairman, Vice-Chairman, and Secretary-Treasurer of the Santa Rosa Island Authority and served as chairman of various committees during his many years of service, and*

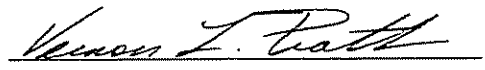
WHEREAS, *McGuire Martin has proven time and again his commitment to making Pensacola Beach a showcase for Escambia County;*


NOW THEREFORE BE IT RESOLVED BY THE SANTA ROSA ISLAND AUTHORITY *that McGuire Martin is commended for his outstanding performance and leadership to our community through his dedication and activities for all the people of Pensacola Beach, Escambia County, and the surrounding communities;*

BE IT FURTHER RESOLVED *that this resolution be made part of the official records of the Santa Rosa Island Authority and that a copy be presented to McGuire Martin and to the media.*

Presented this the 10th day of January 2007.

SANTA ROSA ISLAND AUTHORITY


Chairman


Secretary