

PENSACOLA BEACH
SANTA ROSA ISLAND AUTHORITY

Board Members:

William Griffith
Chairman

Don Ayres
Vice-Chairman

McGuire Martin
Secretary/Treasurer

Jimmie Perkins
Thomas Campanella
Thom Blas

Monte E. Blews
General Manager

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PENSACOLA BEACH, FLORIDA
REGULAR BOARD MEETING MINUTES
NOVEMBER 3, 2004

1-2. A regularly scheduled meeting of the Authority was held on Wednesday, November 3, 2004, beginning at 5:00 p.m. Members in attendance were: Mr. Bill Griffith, Mr. Don Ayres, Mr. McGuire Martin, Mr. Jimmie Perkins, Dr. Thomas Campanella, and Mr. Thom Blas. Mr. Griffith, Chairman, called the meeting to order and led the Pledge of Allegiance.

3. **Upon motion of Mr. Blas, seconded by Dr. Campanella, the board unanimously approved the minutes of the regular board meeting of September 1, 2004. (6-0)**

Upon motion of Mr. Ayres, seconded by Mr. Blas, the board unanimously approved the minutes of the special board meetings of September 8, 2004, September 30, 2004, and October 19, 2004, as revised. (6-0)

4-5. **Upon motion of Mr. Ayres, seconded by Mr. Martin, the board unanimously adopted the agenda as published. (6-0)**

6. CHAIRMAN'S COMMENTS

Mr. Griffith extended the thanks and appreciation of the board to the staffs of the Santa Rosa Island Authority, the Board of County Commissioners, and the Escambia County Sheriff's Department for their assistance in the hurricane recovery efforts. He asked that a letter of appreciation be sent to the organizations and to the news media.

Upon motion of Mr. Blas, seconded by Mr. Perkins, the board unanimously voted to send a letter of appreciation to the staffs of the Santa Rosa Island Authority, the Board of County Commissioners and the Sheriff's Department for their assistance and support during the hurricane recovery efforts. (6-0)

Mr. Griffith then made comments regarding the fifty percent rule for reconstruction, and asked that staff prepare a cover document to distribute with the package for the fifty percent rule explaining the information in the package in layman's terms, and leading applicants through the process. A discussion followed.

Upon motion of Mr. Griffith, seconded by Mr. Blas, the board unanimously voted to ask staff to draft a cover document to be distributed with the package for the fifty percent rule for reconstruction explaining the package information in

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layman's terms and leading applicants through the process. (6-0)

Upon motion of Mr. Griffith, seconded by Mr. Blas, the board unanimously voted to place an item on the Administrative Committee agenda for further discussion about establishing a list of the values of the structures on Pensacola Beach. (6-0)

Mr. Ayres commended Mr. Martin and the staff at Flounder's Restaurant for their support of the community during the immediate recovery period following Hurricane Ivan. Mr. Griffith suggested that a letter of appreciation be sent to Mr. Martin and his staff.

7. HURRICANE IVAN DEBRIS REMOVAL AND UTILITY REPAIR STATUS

Mr. Mike Hamlin with the Emerald Coast Utilities Authority reported regarding the status of water and sewer on Pensacola Beach. Mr. Dave Hemphill noted that Gulf Power and BellSouth were also on target with utility repairs. Mr. Dave Hemphill, SRIA engineering representative, reported on the ongoing sand and debris removal process.

8. PENSACOLA BEACH RESIDENTS & LEASEHOLDERS ASSOCIATION REPORT

There was no report from the Pensacola Beach Residents & Leaseholders Association.

9. PENSACOLA BEACH CHAMBER OF COMMERCE REPORT

Ms. Sandy Johnston, Manager, Pensacola Beach Visitor's Information Center, thanked the restaurants who provided food for workers following Hurricane Ivan. She noted that the chamber had been manning the telephones to provide information. Ms. Johnston said that Escambia County Area Transit is now providing bus service to the core area of the beach.

The Manager commended the staff of Pensacola Beach Chamber, noting that the chamber was a tremendous asset following Hurricane Ivan, and he commended Ms. Johnston on her leadership.

CONSENT AGENDA

10. COMMITTEE REPORTS

- A. ARCHITECTURAL AND ENVIRONMENTAL COMMITTEE (9-8-04) –
Mr. Thom Blas, Chairman

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The committee unanimously recommends approval of the following items:

Item #1 – John R. Ehrenreich d/b/a Bonifay Waters Sports, Inc. – 460 Pensacola Beach Boulevard – Request to erect two shade structures during tourist season

Item #3 – Yates Construction Company – contractor for Phase II Beach Club Development – 18 Via de Luna – Request to place two construction trailers on leasehold property during the construction of Phase II of the Beach Club Development

Item #5– Florida Recreation Development Assistance Program (FRDAP) Grant

B. ADMINISTRATIVE COMMITTEE (9-8-04) – Mr. Jimmie Perkins, Chairman

Item #2 – Report on Financial Statements and Expenditures (July 2004)

For information: Dr. Campanella suggested that a discussion take place in committees regarding penalties for construction trailers not removed from the island preceding a storm event, as required by established policy.

Upon motion of Mr. Blas, seconded by Mr. Perkins, the board unanimously approved the consent agenda as published. (6-0)

REGULAR AGENDA

A. ARCHITECTURAL AND ENVIRONMENTAL COMMITTEE (9-8-04) –
Mr. Thom Blas, Chairman

Item #2 - Mr. John Hovanesian of CNPS, Inc. for Dr. & Mrs. Amos Prevatt – 17 Sugar Bowl Lane – Lot 9, 2nd Addition to Santa Rosa Villas – adjacent to Santa Rosa Sound – After-the-fact request to place jute bags filled with #4 bedding stone to stop erosion of the beach front (Recommended for denial by committee on a vote of 2-1.)

Ms. Norton said the applicant asked that this item be held until he can be present.

Upon motion of Mr. Martin, seconded by Mr. Perkins, the board unanimously voted to hold this item until the applicant could be present. (6-0)

Item #4 – Island Resorts Development, Inc. – Spa & Lifestyle Building – 9 Portofino Drive - Request to add 10 new treatment rooms, a beauty salon, and a roof over the existing outdoor dining area, subject to resolution of pending lease issues

Ms. Mary Bolman said the staff had received the report of the attorney investigating the

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lease issues for Portofino indicating that staff could ask that the lease be amended to require payment of percentage fees on revenues received for services from the commercial expansion. She said that staff recommended approval of the request, subject to amendment of the lease. A discussion followed during which Mr. Griffith announced he was abstaining from the vote due to his son's business interests in Portofino.

Upon motion of Mr. Martin, seconded by Mr. Perkins, the board unanimously approved the request by Island Resorts Development, Inc., 9 Portofino Drive, to add ten new treatment rooms, a beauty salon, and a roof over the existing outdoor dining area at the Spa and Lifestyle Center, subject to amendment of the lease to require payment of percentage fees on revenues received from the commercial expansion. (5-0 with Mr. Griffith abstaining from the vote)

The board heard comments from Mr. Robert Rinke with Island Resorts Development, and additional discussion followed.

Upon motion of Mr. Martin, seconded by Mr. Perkins, the board unanimously approved rescinding the previous action to approve the expansion of the Portofino Spa and Lifestyle Center subject to amending the lease, and to place the request on the committee agenda for further investigation. (5-0 with Mr. Griffith abstaining from the vote.)

11. OLD BUSINESS

Item #1 – Road Improvement Program

Mr. Dave Hemphill, SRIA engineering representative, reported that the road improvement program was scheduled to begin after the first of the new year. A brief discussion followed.

12. NEW BUSINESS

Item #1 – Beach Access

Mr. Griffith said that due to the ongoing construction on the beaches, the public beach area should be restricted from the Sheriff's Department to the west and from the eastern boundary of Crab's Restaurant to the east until beach is clean and can be opened. A discussion followed.

Mr. Hemphill said that staff recommended that the board declare the beach a construction zone and post the appropriate signage. He noted that the construction zone would be from

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the south side of the leasehold properties to the mean high water line.

Upon motion of Mr. Blas, seconded by Mr. Perkins, the board unanimously designated the gulf front portions of Pensacola Beach between the south boundary of the leasehold properties to the mean high water line in the areas from the Sheriff's Department to the western boundary of the Authority's jurisdiction and from the eastern boundary of Crab's Restaurant to the eastern boundary of the Authority's jurisdiction as a construction zone. (6-0)

Item #2 – Lewis and Tammy Bohannon – 35 Via de Luna Request for approval to sublease to Mr. Jim Hlubeck d/b/a Beach Ball Realty

Ms. Bolman said staff recommended approval of the request, subject to payment of the appropriate percentage fees.

Upon motion of Mr. Martin, seconded by Mr. Perkins, the board unanimously approved the request by Lewis and Tammy Bohannon, 35 Via de Luna, for approval to sublease to Mr. Jim Hlubeck d/b/a Beach Ball Realty. (6-0)

Item #3 – Hurricane Ivan Authorizations

Mr. Griffith introduced the item. Ms. Bolman said staff recommended that the board take action regarding the emergency recovery expenditures made immediately following Hurricane Ivan to ratify that we had an emergency and to ratify the emergency repair contracts. A discussion followed.

Upon motion of Mr. Blas, seconded by Dr. Campanella, the board unanimously ratified that an emergency situation existed on Pensacola Beach following Hurricane Ivan. (6-0)

Upon motion of Mr. Blas, seconded by Dr. Campanella, the board unanimously ratified the issuance of contracts for emergency repairs to the Authority's Administrative building to Doster Construction in the amount of \$69,000 to re-roof the building; to NCRI in the amount of \$57,174.07 to dry out the building, and to BioGard Environmental Service in the amount of \$28,760.20 to provide microbial remediation for the building. (6-0)

Upon inquiry by Mr. Ayres, Mr. Hemphill said the rates for the contractors were reviewed by the Federal Emergency Management Agency (FEMA), and appeared to be fair in comparison to other rates for similar services.

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Upon motion of Mr. Blas, seconded by Dr. Campanella, the board unanimously approved emergency expenditures in an amount not to exceed \$1,000 to reimburse Authority employees for additional fees incurred in the use of their personal cellular telephones on behalf of the Authority. (6-0)

Upon motion of Mr. Blas, seconded by Mr. Martin, the board unanimously approved emergency expenditures in an amount not to exceed \$250 to reimburse employees for purchase of food and supplies for staff support during the immediate hurricane recovery period upon verification of receipts therefore. (6-0)

Upon motion of Mr. Blas, seconded by Mr. Martin, the board unanimously approved staff's action to provide a thirty-day extension of the lease payment deadlines for residential and commercial lease fees due in September 2004. (6-0)

Upon motion of Mr. Blas, seconded by Mr. Martin, the board unanimously approved emergency actions for repairs to the Authority's maintenance facility. (6-0)

Item #4 – BellSouth Easements – Villa Sabine and Portside Villas

Ms. Bolman said that staff recommended approval of the easement requested on Ft. Pickens Road at Portside Villas subject to legal review, noting that the easement request in Villa Sabine was under review.

Upon motion of Mr. Martin, seconded by Mr. Blas, the board unanimously approved the request by BellSouth Telecommunications for an easement on Ft. Pickens Road adjacent to Portside Villas leasehold subject to legal review. (6-0)

Item #5 – Florida Department of Community Affairs – Disaster Relief Funding Agreement for Federal and State assistance for Hurricane Ivan FEMA-1551-DR-FL

Ms. Debbie Norton said the Disaster Relief Funding Agreement is the mechanism through which the Authority will be reimbursed for emergency measures taken to recover from Hurricane Ivan. She noted that the FEMA reimbursement will be at ninety percent of eligible costs, the state reimbursement will be at five percent and the local match is five percent. She said staff recommended approval of the agreement with the chairman signing as the sub-grantee on the grant, the Manager designated as the primary agent, and herself as the alternate agent.

Upon motion of Mr. Blas, seconded by Mr. Martin, the board unanimously approved the Disaster Relief Funding Agreement for Hurricane Ivan FEMA-1551-DR-FL, authorizing Mr. Griffith to sign as the Sub-Grantee, Mr. Blews designated as the

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Primary Agent and Ms. Norton designated as the alternate agent. (6-0)

Item #6 – Report on Financial Statements and Expenditures (August 2004)

Ms. Omley presented the report on financial statements and expenditures, and a discussion followed.

Item #7 – Codification of Special Acts

Mr. Dannheisser reviewed the issue, noting that the Administrative Committee previously recommended submitting the codification of special acts to the state.

Upon motion of Mr. Blas, seconded by Mr. Perkins, the board unanimously approved the codification of the special acts for the Authority, as presented by legal counsel. (6-0)

Item #8 – Public Safety Facility/Public Restrooms

Mr. Griffith said that staff recommended that the previous action to approve issuance of a contract for construction of the Public Safety Facility/Public Restrooms be rescinded due to anticipated revenue shortfalls, and that legal counsel would further describe the necessary actions. Mr. Dannheisser reported that the issue required two separate actions. He said that one action would be to rescind the action taken on September 1, 2004 to approve the recommendation of the Selection Review Committee to award the construction contract to the Morette Company. A discussion followed.

Upon motion of Mr. Blas, seconded by Mr. Perkins, the board unanimously rescinded the action taken on September 1, 2004 to award the contract for the Public Safety Facility/Public Restrooms to the Morette Company. (6-0)

Mr. Dannheisser said the second item related to a legal concept. He said that in the event it was determined that the action taken to rescind the approval to award the contract was deemed ineffective, the contractual provisions allowed the Authority to terminate the contract without cause, limiting the Authority's obligation to pay expenses to the amount of work done up to that point. He noted that the work on the part of the contractor is nominal, if any, at this point. A discussion followed.

Upon motion of Mr. Ayres, seconded by Mr. Blas, the board unanimously approved terminating the contract for construction of the Public Safety Facility/Public Restrooms should the action to rescind the previous approval to award the contract be deemed ineffective. (6-0)

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14. REPORTS

A. MANAGER'S REPORT

The Manager noted that his report was published for the information of the board, and a brief discussion followed regarding the November committee meetings.

B. ATTORNEY'S REPORT

Mr. Matt Dannheisser, SRIA legal counsel, said that the attorney's report was also published for the information of the board.

C. ENGINEER'S REPORT

Mr. Dave Hemphill, SRIA engineering representative, said that the engineering firm was scheduled to submit a FRDAP (Florida Recreation Development Assistance Program) grant application the following week for renovation of the Quietwater Restrooms and construction of two new picnic shelters in that area.

15. VISITOR'S FORUM

The board heard comments from Rev. Andre Williams.

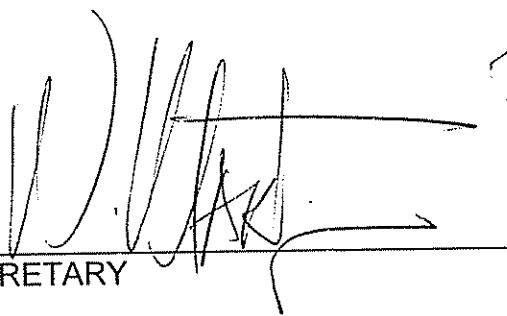
Mr. Jeff Elbert appeared before the board and asked permission to have a thirty-day banner at this business, Island Style. Ms. Norton said staff had no objections subject to completion of the appropriate paperwork.

Upon motion of Mr. Blas, seconded by Dr. Campanella, the board unanimously approved the request by Mr. Jeff Elbert for a thirty-day banner at Island Style. (6-0)

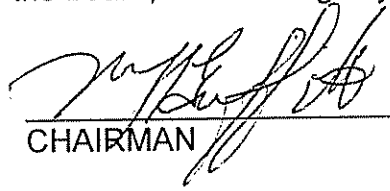
Dr. Campanella asked that all businesses that were open and provided assistance in the recovery time immediately following Hurricane Ivan be recognized. Additional discussion followed regarding board member access to Pensacola Beach following a disaster, such as Hurricane Ivan.

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There being no further business before the board, the meeting adjourned at 6:45 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.)