



**SANTA ROSA
ISLAND AUTHORITY**

BOARD MEMBERS

Tammy Bohannon
Chairwoman
Dave Pavlock
Vice Chair
Thomas Campanella
Secretary Treasurer
Jerry Watson
Acting Secretary Treasurer
Karen Sindel
Member
Janice Gilley
Member
W. A. "Buck" Lee
Executive Director

**SANTA ROSA ISLAND AUTHORITY
PENSACOLA BEACH, FLORIDA
REGULAR BOARD MEETING MINUTES
MAY 6, 2015
5:00 P.M.**

1-3. A regularly scheduled meeting of the Santa Rosa Island Authority was held on Wednesday May 6, 2015 beginning at 5:04 p.m. Members in attendance were: Mr. Dave Pavlock, Mr. Jerry Watson, Dr. Thomas Campanella, Ms. Janice Gilley, and Ms. Karen Sindel. Ms. Tammy Bohannon, Chairwoman joined the meeting at 5:10 p.m. Acting Chair Pavlock led the Pledge of Allegiance followed by a moment of meditation.

4. APPROVAL OF MINUTES (Regular Board Meeting – 04/08/2015)

Upon motion of Ms. Karen Sindel seconded by Ms. Janice Gilley, the Board unanimously approved the minutes of the Regular Board Meeting (04/08/2015) as presented. (5-0)

5. CHANGES OR ADDITIONS TO AGENDA

6. ADOPTION OF AGENDA

Upon motion of Dr. Thomas Campanella seconded by Ms. Karen Sindel, the Board unanimously approved the agendas presented. (5-0)

7. CHAIRWOMAN'S COMMENTS

8. PENSACOLA BEACH VISITOR'S INFORMATION CENTER

Ms. Nicole Stacey presented the report to the Board. She also invited the Board to Buisness After Hours.

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CONSENT AGENDA

9. COMMITTEE REPORTS

- A. ARCHITECTURAL & ENVIRONMENTAL COMMITTEE, (04/22/2015) MR. DAVE PAVLOCK, CHAIRMAN, MS. JANICE GILLEY AND DR. THOMAS CAMPANELLA, MEMBERS

Item # 1 – Discussion regarding timeframe for noticing adjacent neighbors for certain residential construction projects (piers and pools). (Staff report by Paolo Ghio)

No action taken/needed on this item.

- B. DEVELOPMENT & LEASING COMMITTEE, (04/22/2015) MS. KAREN SINDEL, CHAIRWOMAN, MS. JANICE GILLEY AND MS. TAMMY BOHANNON, MEMBERS

Item # 1 – Discussion/approval of the sale of Beach Buns and Dawgs, LLC. (Staff report by Mike Stebbins)

The Committee unanimously approved the sale of Beach Buns and Dawgs, LLC.

- C. ADMINISTRATIVE COMMITTEE, (04/22/2015) MS. TAMMY BOHANNON, CHAIRWOMAN, MR. JERRY WATSON AND MS. KAREN SINDEL, MEMBERS

Item # 1 – Report on Financial Statements and Expenditures. (Staff report by Dottie Ford)

The Committee unanimously accepted the Report on Financial Statements and Expenditures as presented.

Item # 2 –Review/discussion of current Revocation of Waiver of Single Family Residential Building Time Provision. (Staff report by Paolo Ghio)

The Committee unanimously approved the proposed timeline for the Revocation of Waiver of Single Family Residential Building Time Provision.

Upon motion of Mr. Jerry Watson seconded by Ms. Karen Sindel, the Board unanimously approved the Consent Agenda as amended. (5-0)

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REGULAR AGENDA

10. OLD BUSINESS

Item # 1 – Presentation by West Florida Regional Planning Counsel.

SPEAKER:

Vikki Garrett – West Florida Regional Planning Council (WFRPC) – She provided a letter of recommendation for the review/approval of the Board to send to the Escambia County Board of County Commissioners (BCC).

Dr. Campanella and Mr. Watson both stated they had not had sufficient time to review the letter, as it was only provided the day of the meeting.

Ms. Sindel stated it was an amazing independent study that had been prepared, and pointed out she had been a part of the small group meetings that had been taking place between leaseholders and Escambia County, looking for parity in services. She stated the SRIA budget needed to be looked at closely. She stated the intent of tonight's meeting is not for the Board to take a "stance". She stated she was pleased with the WFRPC report, and also pleased with the meetings she attended at the County.

Mr. Pavlock pointed out the consultant that drew up the report for WFRPC is available by telephone, if the Board has any questions.

Ms. Gilley stated the document is for conversation, and stated she had concerns about MSBU and MSTU issues. She stated everyone agrees on a reduction of lease fees. She suggested staff complete budget reduction exercises.

Ms. Garrett (WFRPC) stated the proposed letter is a summary of the powerpoint, and suggested submittal to Escambia County for review. She stated Escambia County staff will be giving a briefing to the BCC on May 14, 2015 and if the SRIA Board didn't present any other information, all the BCC would see is Ms. Lovoy's presentation.

Ms. Sindel doesn't agree with sending the recommendation, stating it had a definitive message. She stated the BCC needs to be briefed on the parity discussions that have been ongoing. She said the BCC needs to be presented with all the information gathered.

Mr. Pavlock passed the chair back to Ms. Bohannon, who entered the meeting late.

Dr. Campanella pointed out that Ms. Sindel should be sharing with her fellow SRIA Board members what has been discussed at the meetings with Escambia County that

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included Ron Ellington and Terry Preston, instead of waiting until the May 14, 2015 meeting to be informed. He stated it's impossible for the SRIA Board to compare options, when they haven't seen the other documents.

Ms. Sindel stated she understood Dr. Campanella's concerns, however, Ms. Lovoy has to report back to her boss, prior to educating the SRIA. Ms. Sindel said the Board had been told of all the meetings, that the group was looking at approximately \$2 million in parity, and pointed out that Mr. Lee had also been present at all the meetings. She said Mr. Lee could privately apprise the SRIA Board members of the meetings, but she could not.

Mr. Pavlock pointed out some changes he would make to the recommendation letter dated May 6, 2015, but stated the process is a work in progress.

Discussion followed regarding the legal expenses associated with leaseholders being offered fee simple title to their land, with everyone agreeing that the SRIA can't profit from any type of transfer.

Ms. Bohannon stated she was pleased with the presentation, but hadn't read the proposed letter of recommendation yet, and suggested tabling this until after the BCC has heard about the parity study. She agrees with the suggested budget reduction exercises, and suggested amending the scope of work with WFRPC to include a Board Workshop to work on the exercises.

Ms. Gilley stated she wanted to add a paragraph (to the recommendation letter) that set budget goals and showed a 5% reduction exercise, with each department providing efficiencies to the Board. Ms. Gilley said the intent of the SRIA needs to be stated, and the SRIA Board needs to agree on that intent and that would drive the budget and parity talks.

Mr. Watson stated it is very important for staff to have input in the efficiencies of each department, since they know best what could and couldn't be adjusted.

Ms. Bohannon stated she wrote a mission statement that was adopted by the SRIA Board, and that the SRIA has evolved over time. She stated that Paolo Ghio was definitely needed on the Island since he manages growth and flood plain management.

There was discussion as to when the SRIA budget is due to the County, with Ms. Ford stating she had been told July 1, 2015.

Ms. Bohannon stated both documents (The report from WFRPC & Amy Lovoy's report to BCC) were needed to move forward.

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Ms. Garrett (WFRPC) suggested using their document as the first step, the County's report as the next step, and create a framework, for example, "X amount of \$\$ are to be provided" as a baseline to work from.

Mr. Watson stated he wasn't opposed to sending a letter to start the process.

Dr. Campanella agreed with Mr. Watson, but stated the SRIA doesn't know yet to what level Escambia County will pay.

Discussions followed on the details of the letter, with Chair Bohannon stating she would write her own letter to BCC. She stated the SRIA's work on our study was being dismissed by the County.

Ms. Gilley pointed out that Ms. Lovoy said that if the SRIA Board wanted to approve and present the study presented by WFRPC to the BCC on May 14, 2015, it would be ok with her.

Ms. Sindel explained she didn't agree with the Board taking any action until every study is out on the table, which won't happen until May 14, 2015. She said Ms. Garrett presented the letter tonight to see if anything can be agreed upon in order to help the process move forward. (New letter or amended letter)

Ms. Bohannon stated the SRIA Board needed to step back, and not rush into any action.

Ms. Garrett stated WFRPC wouldn't be making any presentation on May 14, 2015, unless the SRIA Board takes action, however Ms. Lovoy will be making a presentation, based on a request from the BCC.

Ms. Bohannon suggested the SRIA Board instruct the consultant to present the BCC the WFRPC study.

Ms. Garrett clarified the SRIA Board would need to take action to have the consultant present the study at the May 14, 2015 BCC meeting.

Dr. Campanella stated Ms. Lovoy has seen both studies, however the SRIA Board has only seen the WFRPC study.

Ms. Schrock stated Ms. Lovoy was not comfortable sharing the parity study with the SRIA until the BCC has been briefed on it.

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Dr. Campanella voiced concerns over the small specialized group from the SRIA making all the decisions.

Ms. Bohannon stated the parity study will be presented at the May 14, 2015 BCC Meeting. She suggested "amending the contract with the consultant to include the presentation from the WFRPC, with an understanding that out of respect for the BCC, the SRIA wanted them to see the parity study first." She said they could let the BCC know that the SRIA Board had not been able to see the parity study prior to the meeting nor able to discuss the study. However, "the SRIA wanted to share, in conjunction with the revelation of the parity study, the work the consultant has done" and then have time to discuss and take action.

Upon motion of Ms. Janice Gilley seconded by Mr. Dave Pavlock, the Board unanimously approved supporting the preliminary presentation by our consultant to the BCC on May 14, 2015, in conjunction with the revelation of the parity study, but no action is taken by the SRIA Board at this time. The scope of services for the GAI consultant will be expanded to include travel expenses to bring the consultant to the May 14, 2015 BCC meeting, and the SRIA accepts the incurred expenses after the review of Ms. Garrett (WFRPC). (6-0)

Mr. Pavlock is concerned about what portion of the SRIA's expenses are going to be shared or taken over by the County.

Ms. Bohannon stated her Commissioner has identified some expenses the County can take over.

Mr. Watson stated we should have a better idea of the revenue stream as well as expenses after the May 14, 2015 BCC meeting.

Ms. Sindel encouraged the SRIA Board to attend the May 14, 2015 BCC meeting.

Mr. Stebbins cautioned the Board about speaking at the meeting, since it wasn't advertised as an SRIA Meeting.

Ms. Garrett stated she would coordinate with Ms. Lovoy to allow the consultant to speak at the May 14, 2015 BCC meeting.

Ms. Bohannon stated she would do an informal introduction letter.

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Discussion followed about when the SRIA budget is due to BCC for approval.

Ms. Gilley left the meeting for a few minutes, but returned since she missed the boat.

Mr. Watson suggested having staff look at things in the budget and give the Board a recommendation as to what areas can be cut back.

Ms. Bohannon stated a reduction in lease fees is important, and said the Board should direct staff to come back to the Committee Meeting with possible reductions.

Ms. Schrock stated Mr. Lee had directed department directors to look at their budgets to identify items that could be reduced or eliminated.

Ms. Ford stated she could present the budget at the budget workshop on May 27, 2015, as we have it, but also present some reductions at that time that could be taken.

Dr. Campanella stated each SRIA Board Member needs to meet with their Commissioner after the May 14, 2015 BCC meeting and find out where they stand. He doesn't agree the SRIA will be the final determiners of the outcome.

Ms. Bohannon stated her Commissioner says he supports her, he feels she does her homework.

Dr. Campanella stated Ms. Bohannon should push Commissioner Robinson for what level he will actually support her.

Ms. Sindel stated her Commissioner will ask where the SRIA stands and what are her recommendations.

Mr. Watson stated he will feel more comfortable apprising his Commissioner as to a recommendation, after staff advises him.

Mr. Ghio stated he had already done preliminary reductions to his budget of \$20,000.00. He said there will be a reduced level of service commiserate with the amount of reductions directed by the Board.

Ms. Bohannon agreed and said the Board Members need options to offer their Commissioner.

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Mr. Ghio stated in order to maintain the current level of service, an \$8 million budget needs to be maintained. The SRIA needs to know what amount Escambia County will contribute.

Ms. Garrett stated the amount that the lease fees can be reduced will be determined by the amount that can be redistributed from the County.

Ms. Schrock stated she felt the Board and directors would have more direction after Ms. Lovoy's May 14, 2015 presentation, as it points out specifics the County can take over.

Mr. Ghio said the directors aren't being passive about this, and are looking at potential reductions. He stated there will be repercussions.

Ms. Bohannon asked how it will be determined how reductions will be given, and to whom.

Ms. Ford stated once the BCC decides what will be done, then the SRIA will be able to determine the next step.

Mr. Pavlock said the goals are to retain the same level of service, and significantly lowered or no lease fees. He stated the only revenue growth we will have is from Commercial Service fees.

Mr. Watson asked for staff to tell what expenditures could be lessened, if revenues are lessened.

Mr. Ghio said if lease fees are reduced, then ad valorem taxes should be returned to us to maintain services.

Discussion followed regarding paying lease fees vs. accepting fee simple and the costs involved.

Ms. Sindel stated there will be legal issues, but the SRIA can't let the concern of that stop the Board from moving forward. She said it will be a long drawn out process, but the SRIA is being proactive, so we have a voice in our future.

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Ms. Bohannon agrees with Ms. Sindel, and said if we have a plan, then the plan won't be made for us.

Upon motion of Mr. Jerry Watson seconded by Ms. Janice Gilley, the Board unanimously voted to have a budget developed with a 5% reduction and potential department efficiencies that could be garnered by the SRIA. (6-0)

Mr. Pavlock asked if the Board was going to be presented with two budgets, the normal 2016 Budget, as well as the 5% reduction budgets.

Ms. Ford stated that she would have both budgets for the next Budget Workshop.

Ms. Sindel asked for specifics to be pointed out to the Board, showing what services would be impacted by the reductions, i.e. X number of lifeguards gone, Beach cleanings down to X number of times.

Mr. Watson agreed this would be beneficial when speaking to his Commissioner.

Ms. Bohannon said staff does a wonderful job, but we just need to be ready.

SPEAKER:

Jim Cox – He stated Pensacola Beach is not a municipality, but the WFRPC report was a good academic exercise. He supported the Board not endorsing the report, but submitting it to the BCC. He stated lease fees should be reduced when the land is taxed, not simply when fee simple becomes available, because that might never happen.

Discussion was held over the MSBU and MSTU taxes and what is considered fair to ask the County to reimburse the SRIA.

Dr. Campanella and Ms. Bohannon agree it is wishful thinking.

Mr. Cox stated he liked the idea of looking at parity, as well as a reduction of the budget. He wants the SRIA Board to ask for the Sept. 30 statements for each of the last 3 years and compare budgets to overall spending.

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Ms. Ford explained we have to keep money available for possible retirements and hurricanes.

Ms. Sindel wants to look at reserve accounts.

Ms. Bohannon stated the SRIA operates in the black and Ms. Ford does a great job. She agreed with Ms. Ford's assessment for the necessity of having reserves.

Mr. Ghio stated he came to the Board with a \$1.3 million request a few months ago to improve infrastructure on the Island, which wouldn't be possible without the reserves we have on hand.

11. REPORTS

A. EXECUTIVE DIRECTOR'S REPORT

Mr. Lee had stepped out of the room, so Ms. Schrock said to let Mr. Lee know if there were any questions. She told the Board she and Mr. Watson would not be in attendance of the May 14, 2015 BCC meeting, as they would be at the Hurricane Conference.

B. ATTORNEY'S REPORT

Mr. Stebbins presented his report for the review of the Board.

Ms. Bohannon asked if it was legal to reduce lease fees.

Mr. Stebbins stated yes, it was legal, but the process would need to be carefully considered. He explained the process used by Santa Rosa County. He said there are 2 ways to reduce fees, either by amending the lease, (which would be permanent) or reduce it by Board Policy, year by year, based on the amount of funding given by Escambia County.

Mr. Pavlock inquired about Master Lease reductions, and Mr. Stebbins stated he wasn't sure if that can be done.

Ms. Bohannon stated if the Master Lease was amended for reduction, it would be up to the Master to pass the savings along to their sublease, which might not happen.

Mr. Stebbins agreed and stated a Master Leaseholder might not even want fee

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simple if it became available, because they have a Master Lease which allows them to charge what they want of their sublessee.

He requested an attorney client meeting prior to the June 10, 2015 Regular Board Meeting regarding the Peggy Gale.

He told the Bosso case was dismissed, as well as the Hunt case, which was almost identical.

C. ENGINEER'S REPORT

Mr. Langston submitted his monthly report for the review of the Board. He said they are working on raising the dune walkovers and the Sharp Point Survey.

D. DEVELOPMENT SERVICES DIRECTOR REPORT

Mr. Ghio submitted his monthly report for the review of the Board.

12. VISITOR'S FORUM

SPEAKER:

Vikki Garrett – West Florida Regional Planning Council – She stated the litigation costs for 4,000 leases would be \$10,000.00 each, not a \$100,000.00 as mentioned earlier in the meeting.

13. BOARD MEMBER'S FORUM

Ms. Bohannon stated some banks require an amended and restated lease to include a CPI (Consumer Price Index) clause.

Mr. Stebbins stated the Board tabled the action in 2010, and no increase was approved by the Board.

Ms. Ford said staff is bringing this item to the August Committee Meeting.

Mr. Pavlock explained the CPI clause is looked at by the SRIA Board in years divisible by 5, and hasn't voted to increase in years.

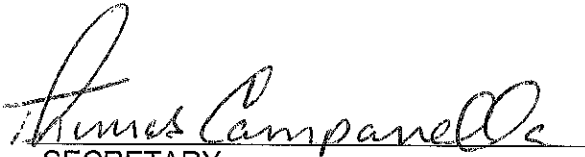
Mr. Pavlock also asked if staff had had a chance to look at the derelict piers on the Island.


Mr. Ghio told him they would be addressed at the May 27, 2015 Committee Meeting.

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14. ADJOURN

There being no further business to come before the Board, Chairwoman Bohannon declared the Regular Board Meeting of the SRIA Board adjourned at 6:54 p.m.


SECRETARY


CHAIRWOMAN

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