



Captiva Erosion Prevention District

Tentative Budget Workshop Meeting Minutes

Thursday, September 3<sup>rd</sup>, 2020

Location: Zoom

*\*\*Important Note: The recording of the meeting begins approximately 7 minutes after the meeting was called to order.*

**I. Call To Order**

- The Call to Order was not captured in the recording.
- Chairman Michael Mullins called to order the Tentative Budget Workshop Meeting of the Captiva Erosion Prevention District (CEPD) at 1:00pm on September 03, 2020 in a virtual meeting via Zoom.

**I. Roll Call**

- The Roll Call was not captured in the recording.
- The following persons were present when the recording began:
  - Commissioners:
    - Seat 3, Michael Mullins, Chairman
    - Seat 5, Richard Pyle, Treasurer
  - CEPD Consultants: Evan Cutler, John Riegert
  - CEPD Accountant: Mr. Jason Smith, CPA
  - Representing APTIM: Ms. Nicole Sharp
  - Representing Coastal Protection Engineering: Mr. Thomas (Tom) Pierro
  - Members of the Public

**I. Public Comments**

- No Public Comments were recorded.

**I. Redfish Pass Inlet Management Plan – Tom Pierro**

- Representatives for North Captiva and their Coastal engineers, Humiston & Moore (H & M), reported to the Florida Department of Environmental Protection (FDEP) that they had not been included in the Redfish Pass Inlet Management Technical Advisory Committee (TAC) meetings and would meet with the state representatives to raise issues.
- **Recording of the meeting began at this time.**
- Ms. Nicole Sharp stated that the H&M and resident meetings will be internal and will be held between those who filed the objection and the State's attorneys.
- Mr. Thomas (Tom) Pierro stated that TAC meetings were held collaboratively between the CEPD (represented by former CEPD Administrator Ms. Kathy Rooker at that time) and other identified stakeholders, which included representatives from the State of Florida, Lee County, the City of Sanibel, and one representative from North Captiva (Mr. Ron Rosen).
- Mr. Cutler stated that recording of the meeting began at 1:07p.
- Chairman Mullins stated that the CEPD may consult with the CEPD attorney regarding the cost for providing the documentation while doing so in a transparent and cooperative manner.
- Mr. Pierro discussed potential impacts on the CEPD as a result of the request.
- Chairman Mullins sought clarification as to the process in identifying a representative for N. Captiva. Mr. Pierro stated that Mr. Rosen was welcomed to the TAC and he believes that came at the request of Ms. Rooker but did not know through what channel. Chairman Mullins stated that the CEPD can search for this information.
- Mr. Pierro stated that Lee County's Steve Boutelle and Mr. Mike Campbell were also part of the TAC. There was no Chair for the TAC, as it was not a Board meeting. AP-TIM led the meetings as the engineering firm performing the study.
- Ms. Sharp confirmed that she would send the meeting presentation PDFs to Chairman Mullins. Mr. Pierro stated that it's possible that they are also located in the appendices of the study itself, thus part of the record. Mr. Cutler will be a point of contact and will share the information with Ms. Jackman.
- Chairman Mullins stated that they will attempt to locate Mr. Rosen and inquire who he represented. Nicole confirmed that the State has a record of Mr. Rosen's participation.
- Chairman Mullins stated that at the upcoming budget meeting, he would like to do some forecasting for the capital budget on how much may be needed in the coming year. He stated that he will follow up for this information.
- Treasurer Pyle asked for clarification regarding the potential cost range. Mr. Pierro stated it would be difficult to estimate but that no charges will be billed without approval from Chairman Mullins.
- Mr. Pierro and Ms. Sharp left the meeting.

## I. **Discussion Items**

- a) Current and projected FY 19/20 budget surplus

- Chairman Mullins stated he'd like to ask Mr. Riegert and Treasurer Pyle to lead the discussion of the budget.
  - Mr. Riegert spoke to the DR-420. He stated that pending the Commissioners' vote, the millage rate will change. The rollback rate is less than the prior year's millage rate by .78%. He discussed the range of possible budget changes which could occur for each potential millage rate vote scenario as outlined.
  - Commissioner Miville entered the meeting.
  - Mr. Riegert stated that due to the financial impact of COVID-19, it is his recommendation not to pass anything over the 3.22 increase on the millage rate. He stated that the prior year increase on the millage rate was 45%.
  - Mr. Riegert stated that the 95% Budget must be included in the Summary Budget. Chairman Mullins asked, and Mr. Riegert confirmed, that if the smallest millage rate was adopted it would be a \$610,000 budget.
  - Chairman Mullins reminded the attendees that a vote could not be held. He stated that he agrees that due to the impact of COVID-19, it is not the ideal year for building up reserves. Treasurer Pyle and Commissioner Miville agreed. Chairman Mullins confirmed that because all attendees were in agreement that a 3% increase is most prudent, the decision was made to continue the discussion in light of this informal agreement
- b) Tentative budget and millage rates
- The discussion progressed based on the hypothetical 4.395 increase in the millage rate (in the case of a majority vote).
    - Budget of \$706,408
      - Ad valorem: \$662,958
      - per Mr. Smith about \$225,000 under budget
    - General Fund Budget Projections vs Actual YTD:
      - Chairman Mullins clarified that the numbers being presented were from the regular monthly document that would be presented for review in the next regular Board meeting. Mr. Smith confirmed.
      - There was discussion regarding the differences between the Capital Projects Fund and the General Fund.
      - Chairman Mullins stated that they will look to simplifying the payoff process at the beginning of the coming fiscal year.
      - Chairman Mullins invited comments and questions on individual line items. He asked Mr. Smith if the increases of 3.22% were applied across the board, or if each line item had been specifically addressed. Mr. Smith stated that he based the numbers on a document received from former CEPD Administrator Joe Wagenti. Treasurer Pyle stated that he had reviewed the document.
      - Chairman Mullins stated that typically a percentage of rent and of salary/wages would be applied to the General Fund and a percentage applied to the Capital Projects Fund. Treasurer Pyle stated this is occurring, and Mr. Smith confirmed.
      - Chairman Mullins stated he wants follow up with the engineers for a forecast of costs on capital projects (dredging, engineers, etc). He requested

that a Capital Budget Review be held before the new fiscal year. He stated that, for example, Mr. Vince George had said there were some rules about how the money gets allocated to the CEPD and that 75% of the funds allocated may be held back into April.

- Mr. Riegert clarified that the push-back and deferment of payments is due to the Governor's Executive Order related to COVID-19, which translates to approximately \$4M out of CEPD's deal with the Department of Environmental Protection (DEP) for funding for the Capital Budget. Treasurer Pyle pointed out that the Capital Budget Mr. Riegert sent out today did allocate approximately \$585,000 toward the renourishment for 2021. Mr. Riegert stated that the document was supplied by Mr. Smith. Mr. Smith stated that these were created based on the numbers sent by Former Administrator Wagenti in May and asked if he had worked with anyone in developing them. Chairman Mullins stated he will work with the engineers to develop a Revised Capital Budget and/or an Amended Budget, if needed.
- Treasurer Pyle suggested that Mr. Riegert take on revisions to the Capital Budget.
- There was additional discussion about the 2021 renourishment timeline, specifically regarding the timeline and subsequent costs of major events such as mobilization.
- Chairman Mullins stated that he would like a cash-flow statement identifying the source of funds and the use of funds. He stated that he would like the CEPD to create an Interlocal Agreement (ILA) with Lee County and a Local Government Funding Request (LGFR). He stated that the CEPD needs an answer from Sanibel in September if they will be included on the project. It is scheduled to be brought to the City Council for a vote on September 14<sup>th</sup>.
- The Tentative Budget Hearing was confirmed for September 10 at 5:01pm. The Final Budget Hearing was confirmed for September 21 at 5:01pm. The Regular Board meeting was confirmed for September 10 at 1pm.
- Mr. Riegert asked if the CEPD is authorized to use DocuSign. Chairman Mullins stated that he would ask the CEPD attorney.
- Chairman Mullins requested that Mr. Riegert create and prepare the advertisement so that it is ready immediately if and when it is approved.

#### **I. New Business**

- Chairman Mullins stated that he spoke to auditor Daniel Anderson and that it was confirmed that they have been performing the audits on a year-to-year proposal basis. Chairman Mullins stated that he had requested that they prepare a revised proposal and they discussed the possibility of completing an audit in January. The audit is due by June of the following year.
- There was discussion about incomplete payoff records and the recent location efforts.
- Chairman Mullins addressed the need to be aware of upcoming deadlines. He encouraged Mr. Cutler and Mr. Riegert to work together to refine the process of payoffs.

**I. Commissioners' Comments**

- No additional comments were expressed.

**I. Adjournment**

- Treasurer Pyle motioned to adjourn the meeting. The meeting was adjourned.