

Sebastian Inlet District
Regular Commission Meeting
Wednesday, 4:30 PM, July 12, 2023
Sebastian Inlet State Park Fishing Museum
Vero Beach, Florida

Minutes

Present at the meeting were: Commissioner Beth Mitchell (Vice Chair), Commissioner David Barney and Commissioner Lisa Frazier. Chairman Jenny Lawton Seal attended via telephone and Commissioner Michael Rowland was absent (excused). Also, in attendance were: Executive Director James Gray, Contracts & Accounting Manager Dave Kershaw, SID Public Outreach Associate Ed Garland, SID Legal Counsel Jack Kirschenbaum, and Eric Charest (Indian River County).

Under Agenda Item I

Call to Order – Vice Chairman Mitchell, in lieu of Chairman Lawton Seal, called the meeting to order at 4 p.m.

Under Agenda Item II

Approval of the Minutes of the regular Commission meeting of May 10, 2023. Commissioner Barney made a motion to approve the minutes. Commissioner Frazier seconded the motion. **The motion carried 3-0.**

Under Agenda Item III

Presentations

There were no presentations.

Under Agenda Item IV

Information and Discussion Agenda

A. Media and Information

No discussion.

B. Executive Director's Reports

1. 2023/24 Legislative Session Wrap-Up.

Mr. Gray summarized the 2023 legislative session summary he was provided by Chris Lyon, Lewis Longman Walker, noting that the total approved budget was \$117 billion, which is a state record. Gov. DeSantis vetoed \$510.9 million. The District's \$2 million appropriation request for planned jetty maintenance, sponsored by Sen. Mayfield and Rep. Brackett and supported by Rep. Grall, was not approved. Florida Tax Watch did not oppose the project but was deliberate in its concerns of funding parks projects this year. Mr. Gray said he has already tasked the District's legislative representation with pursuing the \$2 million appropriation next year and notified project sponsors in the legislature.

Mr. Gray also highlighted House Bill #199, which requires four hours of mandatory ethics training for officers and staff members of special districts. Mr. Gray said Mr. Kirschenbaum can provide training and can modify the existing training that he has provided in the past. Mr. Kirschenbaum said that he expects that he will be able to provide online training as an option for commissioners. Commissioner Frazier asked why the legislature requires additional ethics training for special districts. Commissioner Mitchell said special districts have been on the

radar in Tallahassee but have not been the focus of ethics training in the past. Mr. Kirschenbaum assured Commissioner Frazier that the training will be similar to what has been provided in the past and could possibly include virtual training for the convenience of commissioners.

Mr. Gray gave an overview of Senate Bill 7024, which makes changes to the Florida Retirement System by extending the maximum amount of time a member can participate in the Deferred Retirement Option Program (DROP) from five years to eight years. The bill also increases the employer-paid contributions to Investment Plan member accounts by approximately one to three percent of the member's compensation.

On a final note, Mr. Gray said the legislative sessions will begin earlier next year. He said he and his staff are working closely with the legislative appropriations team to bring its \$2 million appropriation request into focus as early as possible in response to the earlier timetable.

2. Update on the 2023 Regional Economic Benefits of Sebastian Inlet Project
Mr. Gray provided an update on the Balmoral Group's progress on developing an updated Regional Economic Benefits Analysis of Sebastian Inlet. He said the District assisted Balmoral in soliciting participation in surveys, with 198 surveys submitted by boaters and 14 from businesses. Impact modeling is under way. Mr. Gray expects to receive a draft document from Balmoral in about a week. He anticipates the draft document will be discussed in detail during the August 2023 Commission meeting. The new document should be completed in alignment with the completion of this fiscal year.
3. Discussion on the 2023 Continuing Professional Hydrographic Surveying and Mapping Services Solicitation (RFQ#2023001)
Mr. Gray said that on June 12 staff advertised for Professional Hydrographic Surveying and Mapping Services enabling the District to continue to collect survey data to support its charter. The District's previous contracts have expired, requiring the District to re-solicit for a five-year contract with an option for an additional five years. Solicitation responses are due July 14. A short-list selection meeting will occur in late July, likely July 26 or 27. He anticipates that a contract will be available for Commission approval by September which will allow the District to execute a work order in October.
4. Update on the 2023 Post-Construction Monitoring
Mr. Gray said the District is seeing high numbers of sea turtle nests in Sectors 1 and 2. In addition, the District is seeing fewer false crawls, indicating the District's sand placement project has not caused negative impacts to turtles. Neither seagrass nor hardbottom monitoring has commenced yet; however, monitoring will begin once water clarity improves.

Vice Chairman Mitchell invited Mr. Charest to give an update on Indian River County issues. Mr. Charest provided summarized recent events, including the County's approval of an Indian River Lagoon muck monitoring project, and the planned removal of derelict boats in the lagoon, the Indian River County Commission's approval of a draft Lagoon Management Plan, which will guide the county in better protecting the lagoon. He also noted that the county may potentially conduct sand placement projects in Sectors 3 and 4.
5. Discussion of Consent Agenda

Under Agenda Item V
Public Outreach Activities

Mr. Garland said he was continuing to write articles that are part of a website series focusing on fish species of Sebastian Inlet.

Under Agenda Item VI

Budget Discussion — Revised Draft 2023-24 Detailed Budget and 5-Year Draft Pro Forma (FY 2023/24-FY 2027/28)

Mr. Gray gave a presentation on the proposed FY 2023-24 budget, as well as a draft pro forma looking out five years – FY 2023-24 through FY 2027-28. Mr. Gray provided the Commission with two versions of a draft detailed budget based on the Certified Taxable Values provided by Brevard and Indian River counties. The current tax rate is 0.0773. Both versions based the draft budget on a rate of 0.1240 mils, which would raise an additional \$ 2.24 million over the current rate to fund the proposed North Jetty project.

Planning for the upcoming fiscal year, Mr. Gray presented a series of photos identifying areas of the North Jetty that needed maintenance, included but not limited to, areas armor stone, areas of structural deterioration, and deck cracking and spalling . Mr. Gray said the jetty maintenance been deferred for several years due to more pressing District projects. Mr. Gray recommended that the project be addressed in the coming fiscal year as project design and permitting is already underway.

Vice Chairman Mitchell asked Mr. Gray to explain whether the estimated \$4.7 million north jetty project could be completed in phases. Mr. Gray said the project is divided into three phases: emergency repairs that have already been completed, replacing armor stone, and concrete decking repair and replacement. He speculated that completing phases two and three together could provide cost savings to the District. Commissioner Frazier said she did not see how the project could be designed in phases. She also asked whether the \$4.7 million projected cost covered all three phases or only the second a third phase because phase one is already complete. Mr. Gray said the District estimated that the entire project would cost \$5 million of which \$300,000 was already appropriated for design and engineering.

Vice Chairman Mitchell said the reason she was asking questions about phasing is that the District would have to pay for the entire cost of the project if it did not receive \$2 million that the District had hope to receive from the state. She asked Mr. Gray to discuss possibilities with its contractor, Bryan Flynn (ESA). Mr. Gray noted that he is working out planning and funding strategies with Mr. Flynn. Mr. Gray also noted that additional maintenance to the jetty may be required as it may not be visible at this time, suggesting that costs could potentially be higher. Commissioner Barney asked whether there may be additional deterioration to the north jetty's substructure. Mr. Gray said the current structure overtops the substructure. There are sections that are not braced and, in an extreme condition, could potentially collapse. Commissioner Frazier questioned whether the \$4.7 million, if retained in the 2023-24 budget, would impact project funding ability in the following years, such as the \$6 million for the sand trap channel dredging project in FY 2024-25 and other future projects. Mr. Gray said that District's budget projections are calculated to include a delay in the receiving of project grants. The District catches up in the following year when the District is reimbursed. Mr. Kershaw added that there is a lag time in reimbursement and the \$6 million would be returned to the general fund. He also noted the property values are continuing to increase in Brevard and Indian River counties, with additional revenue generated in future years. The District also has a \$3 million reserve. Mr. Kershaw said the suggested tax rates and proposed grant will help rebuild a healthier general fund balance over time. Mr. Gray said the District general fund budget is assigned to beach restoration bypassing projects required in the District's Inlet Management Plan. The five-year forecast is helpful in that it shows in 2026-27, the District could deplete the general fund balance if revenue increases are not anticipated. Mr. Gray said Commissioners have to be prepared for that possibility as the District implements a project-based budget. The proposed budget would help the District have a less variable budget by making available funding the agency needs to meet its other statute-required maintenance projects (Inlet Management Plan).

Vice Chairman Mitchell opened the workshop for comments from Commissioners. Mr. Barney asked Mr. Gray when he will receive an estimate on the work required for the north jetty project. Mr. Gray said will be

discussing the project with Mr. Flynn and expects to have more specific information prior to the August 2023 Regular Commission Meeting. Mr. Gray reiterated that he has provided the Commissioners with two versions of the project-based budget and the five-year draft pro forma. He noted that version one of the proposed draft budget shows a 652 percent variance in Construction Programs, signifying a significant project to complete, i.e. the North Jetty repairs. Mr. Barney asked whether the variance would decrease due to a 100 percent funding match approved by the state. Mr. Gray said the 100 percent funding would be provided for a future dredging project, not the north jetty repair project. He said the draft budget proposes a “not to exceed” millage rate of 0.1240. Responding to Vice Chairman Mitchell on the timeline, Mr. Gray said the draft budget will be refined for the August meeting, followed by budget workshops in September. Vice Chairman Mitchell said she was disappointed that the District didn’t receive the \$2 million. She recommended that the District appeal to the legislators that the District has a special need. She suggested that the District work as far out as it can without expending all of its funds and then tell legislators about its funding needs for future projects. Mr. Gray thanked his staff and the Commissioners for their time and input in the development of the draft budget. He said his staff and he are looking at all avenues to increase efficiencies and take advantage of grant opportunities. He said he is proposing 0.1240 mills that would generate approximately \$4 million from Brevard County in taxes and \$900,000 from Indian River County. Mr. Kershaw noted that the Commission needs to vote on a resolution that gives the District the authority to report a proposed millage rate to the Brevard and Indian River County taxing authorities. Vice Chairman Mitchell asked when the proposed millage rate would be published in the newspapers. After some discussion, Mr. Kirschenbaum said the District’s approved Truth in Millage would not be published until prior to the September 13 tentative millage and budget hearings.

Vice Chairman Mitchell asked for one of the Commissioners to make a motion to amend the agenda and add Resolution 07.12.23-1 establishing a “not to exceed” millage rate. Commissioner Barney made a motion to add the resolution to the agenda. Commissioner Frazier seconded the motion. **The motion carried 3-0.** Mr. Kirschenbaum read aloud the resolution. Commissioner Frazier made a motion to approve the resolution. Commissioner Barney seconded the motion. **The motion carried 3-0.**

Under Agenda Item VII

Park Matters

There was no discussion. SISP manager Ken Torres did not attend the meeting to provide an update.

Under Agenda Item VIII

Legal Counsel Update

Mr. Kirschenbaum said he had no updates.

Under Agenda Item IX

Public Comment Period

There was no public comment.

Under Agenda Item X

Consent Agenda

A. Authorized Work For Commission Review

1. No items.

B. Recommended for Approval

1. Resolution Requesting Funding from State of Florida Beach Management Funding Assistance Program — FY 2024/25 Resolution No. 07.12.23.01

Mr. Gray said this resolution allows the District to be eligible for Florida Department of Environmental Protection (FDEP) funding requests for projects for fiscal year 2022/23. Mr. Gray said District staff intends to seek funding for permit-required post-construction

monitoring of the 2022/23 Upland Sand Truck Haul and Beach Placement Project and for the upcoming 2024/25 Sand Trap Dredging and Beach Placement Project. FDEP provides 50 percent cost-share for projects, but the District is eligible for 100 percent cost-share funding in Sector 1. This means that the District's \$6 million sand placement project planned for sector 1 could potentially receive 100 percent FDEP funding. Mr. Gray added that the District will be receiving 100 percent cost-share funding, or \$690,000 for emergency beach repairs the District completed following Hurricane Nicole and Hurricane Ian.

2. Audit of Financial Statements for the Period Ending September 30, 2023

Mr. Kershaw presented staff's recommendation for the Commission to approve a work order with Carr Riggs Ingram to conduct the required FY 2022/23 audit of the District. The fee for the audit and tax return services is \$24,000 plus \$4,500, if a single audit is required. Software fees to ensure the District is following the Government Accounting Standard (GASB) No. 87, related to leases, will cost an additional \$1,450. The total cost to the District would be \$29,950.

Commissioner Barney made a motion to approve the consent agenda. Commissioner Frazier seconded the motion. **The motion carried 3-0.**

Under Item X

Commissioner Items

Secretary/Treasurer Rowland – Absent

Vice Chairman Mitchell – Nothing

Commissioner Frazier – Nothing

Commissioner Barney - Thanked Mr. Gray for meeting with him individually to discuss budget issues.

Chairman Lawton Seal – Nothing

Under Item XI

Unfinished Business

No Unfinished business

Under Item XII

New Business

Under Item XIII

Adjournment — Chairman Lawton Seal adjourned the meeting at 5:56 p.m.



Secretary/Treasurer



Date