Sebastian Inlet District
Regular Commission Meeting
Wednesday, 4:30 PM, July 8, 2026
Sebastian Inlet State Park Fishing Museum
9700 South Hwy A1A
Vero Beach, FL 32963

Minutes

Present at the meeting were: Chairman David Barney, Commissioner Michael Rowland (Secretary/Treasurer), Commissioner TJ Marshall, and Commissioner John Campbell. Commissioner Lisa Frazier (Vice Chair) called in to the meeting. Also, in attendance were: Executive Director James Gray, SID Public Outreach Associate Ed Garland, SID Contracts and Accounting Manager Stacy Busche, SID Legal Counsel Ashvi Luthra, Ken Torres (SISP), Douglas "Alex" Kinder (SISP), and Calvin (Tres) Holton (public).

Under Agenda Item I
Call to Order – Chairman Barney called the meeting to order at 4:30 p.m.

Under Agenda Item II
The Commission discussed the minutes of the regular Commission meeting of June 10, 2026 and approved them without changes.

Under Agenda Item III
Additions and Deletions
There were no additions or deletions.

Under Agenda Item IV
Presentations
There were no presentations.

Under Agenda Item V
Information and Discussion Agenda

A. Executive Director's Reports
    1. FDEP Grant 24IR1 – Application for Payment No. 4 – Reimbursement
       Mr. Gray said the District received a payment of $990,361.60 from the Florida Department of Environmental Protection (FDEP) for the partial reimbursement of the 2024/25 Sand Trap Dredging and Beach Placement Project. This payment is specific to FDEP Grant No. 24IR1.

    2. Update on the Coconut Point Shoreline Resilience Project
       Mr. Gray said ORCA conducted its June 17 baseline monitoring for the upcoming living shoreline at Coconut Point. District staff and Vice chair Frazier were in attendance. Florida Today published an article about the project. Reef installation is anticipated in mid to late August. Upon confirming the installation date, Mr. Gray will notify the Commission in case members would like to attend.

Under Agenda Item VI

2026/2027 Draft Budget Discussion

Mr. Gray summarized the draft 2026-27 budget of $16.94 million, highlighting a 22.16 percent increase from the previous year's $13.9 million budget. He noted that he sent a revised memo to the Commissioners containing an updated rollback rate. The draft budget is based on property tax revenues calculated using the certified rollback rate of 0.1518 mills, amounting to approximately $7.77 million. The budget includes $500,000 in additional interest revenue from the Florida Prime account, $1.5 million in anticipated project cost reimbursement from DEP grants, and utilization of approximately $7.17 million from assigned Use of Fund Balance. Mr. Gray noted the district's primary operating fund is the general fund, with two expenditure categories: general government and physical environment. Mr. Gray discussed the proposed FY 26/27 budget. General Government increased by approximately 4.3 percent to account for Commission requested additional funding for conferences and training, staff COLA/Merit adjustments, and increases in governmental and tax related fees. Physical Environment increased by 31.5 percent to fund necessary District projects, including the construction of phase two and three of the North Jetty project, material screening of stored DMMA sediments, design and permitting of future Inlet Management Plan bypassing projects, and sediment analysis of the Thomas Shoal offshore borrow source. The draft budget also maintains the board policy $3 million for emergency contingencies. He reiterated that the proposed budget is balanced using approximately $7.17 million from the Use of Funds balance, and not from additional tax revenue collected above the rollback rate. He expressed with the uncertainty of the proposed property tax reform, and the district basing its budget around projects, funding could be a concern going forward.

Commissioner Marshall requested Mr. Gray prepare and share with the board a detailed breakdown of the approximately $3.1 million reserve "sand trap dredging" account line item. He said the Commission may need to pick and choose projects to avoid crossing the rollback rate. Mr. Gray expressed concern that sand trap dredging funding is for inlet management-related activities that are required by Florida Statutes. Chairman Barney asked Mr. Gray whether he could assign cost breakdowns for projects in the District's five-year plan. Mr. Gray said he can provide cost breakdowns, but cautioned that the focus of the budget session is for the Commission to vote on the upcoming budget and that estimating costs for future projects can become distorted due to the unpredictability of inflation and price increases. Mr. Gray noted that under new legislation, the maximum millage rate the Commission may adopt by a simple majority (three members) is limited to the rollback rate. Commissioner Marshall asked why staff was proposing a Resolution adopting a Not-To-Exceed millage rate of 0.1565 for fiscal year 2026/27. Mr. Gray explained that the higher rollback rate allows flexibility in case anything changes in the budget planning process in the next few weeks. However, the proposed budget is based on a rollback rate of 0.1518 mills. Once the not-to-exceed Truth In Millage (TRIM) is established, the District can decrease but it is difficult and expensive to increase. Commissioner Marshall voiced concern that a higher TRIM rate might draw negative attention from the Governor's office. Mr. Gray suggested Consent Agenda Item B2 be moved up on the agenda for continued discussion. The Commission agreed and approved to begin discussion on Consent Agenda Item B.

Under Agenda Item VII

Consent Agenda

A. Authorized Work for Commission Review
   No items.

B. Recommended for Approval:

1. 2026-2027 Not-to-Exceed Millage Rate – Resolution No. 07.08.26.02
   Mr. Gray said staff has developed a proposed budget under a 0.1518 rollback rate but is recommending that the Commission approve a Not-To-Exceed millage rate of 0.1670 mills to allow flexibility during the budget process. This is 110 percent of the rollback rate, requiring four approving Commissioner votes. A second option recommended that the Commission approve a rollback rate of 0.1518 mills if the required number of votes is not obtained to approve first recommendation of 0.167 mills. Staff recommended that the Commission approve Resolution 07.08.26.02. Following discussion by the Commission, Commissioner Marshall made a motion to amend the resolution to set the Not-To-Exceed millage rate at 0.1565 mills or a 3.1 percent increase above the rollback rate. Commissioner Rowland seconded the motion. **The motion carried 4-0.**

2. Resolution Requesting Funding from State of Florida Beach Management Funding Assistance Program – FY 2027/28 Resolution No. 07.08.26.01
   Mr. Gray said FDEP requires an annual resolution from local governments requesting funding assistance through the FDEP Beach Management Funding Assistance Program. The proposed resolution enables FDEP to consider the District's Local Government Funding Request for fiscal year 2027/28. Mr. Gray cited several budgeted projects for which the District will seek FDEP grant funding. Mr. Gray answered questions from Commissioners about District projects and funding.

   Recommended Action: Staff recommends the Commission approve Resolution No. 07.09.25.01 and authorize staff to submit the FY 2026/2027 Local Government Funding Requests to FDEP on behalf of the District.

   Commissioner Campbell made a motion to approve Resolution No. 07.08.26.01. Commissioner Rowland seconded the motion. **The motion carried 4-0.**

<u>Under Agenda Item VIII</u>
Public Comment on Consent Agenda Items
There was no public comment.

<u>Under Item IX</u>
Board Vote on Consent Agenda
Commissioners approved the two Consent Agenda items unanimously (4-0) (see Consent Agenda).

<u>Under Agenda Item X</u>
Unfinished Business
There was no unfinished business.

<u>Under Agenda Item XI</u>
New Business

There was no new business.

Under Agenda Item XII
Public Outreach Activities
Mr. Garland gave an update on the District's outreach activities. His activities included attending and promoting a collaborative reef arch project at Coconut Point, a June 20 surfing fundraiser hosted by the Sebastian Area Chamber of Commerce, and a June 23 quarterly cleanup event at the state park.

Under Agenda Item XIII
Park Matters – Ken Torres
Mr. Torres gave an update on activities at the state park, noting that bridge construction has limited parking availability on both the north and south sides of the inlet.

Under Agenda Item XIV
Legal Counsel Update
Following up on a concern from Commissioner Marshall during the June meeting, whether the District is exposing itself to liabilities if someone is injured due to the condition of the south jetty. Ms. Luthra, referenced the indemnification clause in the 2018 Memorandum of Agreement (MOA) between the District and FDEP noting that District is indemnified by FDEP.

Under Agenda Item XV
Public Comment Period
There was no public comment.

Under Item XVI
Commissioner Items

Chairman Barney — Intends to cull the draft Commissioner Orientation Guide and asked Commissioners Campbell and Marshall to provide items that should be added to assist new commissioners. Commissioner Marshall offered to assist Chairman Barney revise the document. The Commission and staff are also developing a "lessons learned" report for the recently completed dredging and sand placement project.
Vice Chair Frazier— Nothing.
Secretary/Treasurer Rowland — Nothing.
Commissioner Campbell — Nothing.
Commissioner Marshall — Nothing.

Under Item XVII
Adjournment — Chairman Barney adjourned the meeting at 6:09 p.m.

August 12, 2026

Secretary/Treasurer Date