

MINUTES

**FORT MYERS BEACH TOWN COUNCIL
TOWN HALL – COUNCIL CHAMBERS
2523 ESTERO BOULEVARD
FORT MYERS BEACH, FLORIDA 33931**

Management & Planning WORKSESSION

AGENDA

November 18, 2009

9:00 AM

I. CALL TO ORDER

Mayor Kiker opened the meeting at 9:05 a.m. Present with Mayor Kiker was Vice Mayor Acken, Council members Babcock, Raymond and List along with Interim Town Manager Green.

II. PLEDGE OF ALLEGIANCE

Pledge of allegiance led by Mayor Kiker.

III. REVENUE SOURCES

Councilmember Raymond began discussion due to his need to leave the meeting for another appointment. Councilmember Raymond's first topic was:

- **Annual Licensing Short Term Rentals**

Councilmember Raymond distributed printed material to each person present noting the information gathered was with the assistance of Interim Community Development Director, Frank Shockey providing the number of properties on the island and Finance Director, Evelyn Wicks. Councilmember Raymond stated there were roughly 8,500 properties on the island, 2,500 single family and

6,000 condos with approximately 30 percent rented on a seasonal basis or 750 non-condo units. Concerning condos, about 70 percent participated in seasonal rentals, which was 4,200 units. Councilmember Raymond suggested a fee of \$150.00 per year on seasonal rentals, which would be considered as a pass through to the owner as it would be covered by the rent received. Of the \$150.00 fee \$50.00 would be administrative costs, used to hire a new staff member to handle all forms of paperwork and office duties in conjunction with this fee. Councilmember Raymond also felt the Town needed an inspector to check out the rentals for safety issues which would provide protection for the person renting the unit as well as protecting the Town. Councilmember Raymond stated there was already a \$100 fee being charged presently in the Quiet Zone to be able to rent short term. His calculations showed \$495,000.00 of revenue over and above administration costs, noting this plan would not affect our taxpayers at all. At the end of his presentation Councilmember Raymond challenged each of his colleagues to also come up with additional ideas for revenue sources.

Interim Town Manager Green, in response to Councilmember Raymond's suggestion, did point out the issue with finding office space for additional staff members as well as not only the costs of salary but all benefits also.

A discussion ensued regarding the definition of short term rental with Councilmember Raymond noting he was talking about any rental 6 months or less.

Mayor Kiker asked how many short term rentals there were when the Town worked on a program to get rid of the short term rental and challenged the numbers Councilmember Raymond presented.

Vice Mayor Acken stated he was not in favor of short term rentals and felt there would be considerable compliance issues. Vice Mayor Acken had researched Sullivan's Island and their short term rental ordinances and was going to forward that information to all Council members to have something to work from. An ad hoc committee made up of residents interested in this topic was also a suggestion of the Vice Mayor.

Councilmember Babcock discussed the safety inspector issue and the fact that the units would be registered and a sales and tourist tax would then be collected.

Councilmember Raymond left the meeting.

Mayor Kiker then asked if Council would just list their ideas initially and then go back to discuss how to handle them.

Vice Mayor Acken suggested ad valorem as the most equitable way to build revenue. The next suggestion from Vice Mayor Acken was working toward an agreement with FPL for adding solar panels to all rooftops on the island

making the island a giant solar cell with Councilmember Babcock adding wind energy options.

Councilmember Babcock began a list of possibilities to include:

- Franchise Fees
- Tolls
- Income from Parks and Rec.
- Expand Parks and Rec.

Vice Mayor Acken suggested temporary sign licenses for banner signs and A-frames.

Councilmember Babcock then noted the option of permitting fees.

Councilmember List noted most of what she had on her list had already been mentioned, however she did bring up code enforcement and fines for those disrespecting the island's environment.

Mayor Kiker then categorized it as establishing and enforcing code enforcement moving forward with fines and permits.

Interim Town Manager Green spoke regarding impact fees, which were dropping due to the slow down of development citing that North Estero was funded mainly from road impact fees, gas taxes and grants received, with him fearing those areas of revenue would be diminishing. Mr. Green brought up the possibility of a Storm Water Utility however that would directly affect the property owner and he sensed the theme of the meeting was increasing revenue without affecting the property owner.

Mayor Kiker's ideas included:

- Establish and enforce code enforcement, looking at it as a business.
- A water plant possibly utilizing the golf course property.
- Looking to the future and what makes development attractive on the island and then getting ahead of those issues.
- The future of the course of Estero Boulevard in conjunction with the purchase of Seafarer's Plaza and rerouting Estero Boulevard as well as building a parking garage and reaping the revenue of the parking garage.
- Transit systems

Mayor Kiker felt the Town was broken and needed to be run as a business with the need for a think tank and master business plan. A discussion began on possibilities for the Town to take on additional ventures to garner revenue.

Council breaks (no time noted)
Council Reconvenes (no time noted)

(Audio began with Council already listing their suggested items, which meant some items were missed by transcriber.)

- Green Energy
 - Solar
 - Wind
 - Tides
- Franchise Fees
- Tolls
- Parks and Rec
- Expand Parks and Rec
- Parking
- General Fees
 - Temporary Licensing
- Fines
- Impact Fees
- Grants
- Utility Fees
 - Water
- Water Plant
- Renegotiate Tax Sharing
 - Gas Tax
 - Tourist Tax
- Growth Management
 - Policy Initiatives
 - Business Opportunities
 - Increase Tax Base
 - Transit
- Think Tank/Vision
- Land Acquisition
- Financial Structure
- In House vs. Outsourcing

Council then continued the discussion by listing the time frames possible on all items listed regarding implementation and/or benefit from all revenue sources.

Councilmember Raymond rejoins meeting.

Interim Town Manager Green brought up the question of how to implement the items listed above with Councilmember Babcock suggesting CRAB take a look at the list. Mayor Kiker felt each item needed to be developed and then sent to committee. Councilmember Babcock brought up risk analysis and benefit. Discussion continued on how to make these items work for the island now.

Council breaks for lunch (no time noted)
Council Reconvenes (no time noted)

Council began a discussion on process and criteria as well as assigning each topic to a Council member.

Short Term Rentals – Raymond
Ad Valorem – All Council
Green Energy – Babcock
Franchise Fees – Acken
Tolls – Babcock
Parks and Rec – List
Parking – Kiker
General Fees – Green
Fines – Babcock
Impact Fees – Raymond
Grants – Green
Utilities – Raymond
Water Plant – Kiker
Renegotiate Tax Sharing – List
Growth Management –

- Policy Initiatives - Acken
- Business Opportunities - Kiker
- Increase Tax Base - Acken
- Transit – Raymond

Think Tank – Kiker
Land Acquisition - Kiker
Financial Structure - Kiker
In House vs. Outsourcing – List
Policy Initiatives - Acken

Vice Mayor Acken stated he would be sending Councilmember Raymond information on Sullivan's Island and their Short Term Rental Ordinances. Vice Mayor Acken also brought up noise ordinances and felt that should be in conjunction with short term rental as it affects those in the neighborhoods.

Council began a discussion on policy initiatives and how it actually needed to be perceived in conjunction with the task at hand which was revenue.

Mayor Kiker and Councilmember Babcock noted items for Council to keep in mind while working on their topics:

- Time Sensitivity
- Cost
- Ease of Implementation
- Resources
- Revenue Potential

It was noted that legal council would need to be sought in the Land Acquisition topic.

IV. WATER UTILITY

Alan Mandel joined Council and Mr. Green at the table.

Councilmember Babcock voiced his thoughts starting with the current debt, followed by long term funding or capital improvement.

It was noted that the current debt was \$2.4 million and the Town was non-compliant with the terms of the loan. Interim Town Manager Green stated the Town could do a referendum and could roll over the current debt.

Mr. Mandel voiced the committee's opinion that the Town had a referendum that gave the Town a 91% majority vote that said to go out and borrow the money. That the Town had a moral and ethical responsibility to provide safe water to the residents and the State said a town needs to do whatever they need to do to provide that. Mr. Mandell asked why not go to the State and ask to borrow \$14.5 million dollars at a low interest rate.

Councilmember Babcock stated the Town had polled three attorneys and it was two to one that they said no, you could not do that. Mayor Kiker wanted Council to make a business decision and then query an attorney as to the legal aspects of the decision. Mr. Mandell stated the business decision of the Water Utility Board was to borrow \$14.5 million at a low rate, pay off the \$2.5 million and then have the \$12 million as a draw down amount, paying on only what is used.

Councilmember Babcock felt there were three approaches, which consisted of 1. just do it, 2. validation, 3. referendum

Discussion ensued regarding different types of debt including line of credit, time lines for a referendum, with Mr. Green suggesting the Water Utility hire someone who is an expert in this field that knows where the sources are and where to go in the State and what the requirements are. Councilmember Babcock wanted to capture what things needed to come back to a Council Meeting. Mayor Kiker questioned the need for a referenda and Mr. Mandell stated in regards to the Town Charter when the 3 year loan was up roll it over for another 3 years. A heated discussion ensued regarding what was legal, what Council's decision was and making sure it was presented for public comment. Councilmember List wanted to make sure the residents had the opportunity to voice their opinions. Mr. Green indicated he would be adding the topic to the December 21st Council Meeting.

V. TOWN MANAGER POSITION

Councilmember List stated she was totally uninterested in hiring a headhunter to find a new town manager. She felt with the assistance of Mr. Green and possible retired business people on the island she felt candidates could be identified. Councilmember List also indicated she would like to interview the candidates on her own.

Councilmember Babcock wanted Council to decide on a process to be taken, noting Councilmember List's desire for a committee and Vice Mayor Acken's thoughts on using the previous company who assisted the Town with the last search. Mayor Kiker stated he had 17 applications and Councilmember Raymond noted he had received 3 emails.

The three options noted were:

- Using a committee
- Using a headhunter
- Council makes the decision

A discussion began on the value of Interim Town Manager Green providing his thoughts on the Town Manager's job with Councilmember Raymond asking for an exit interview from Mr. Green.

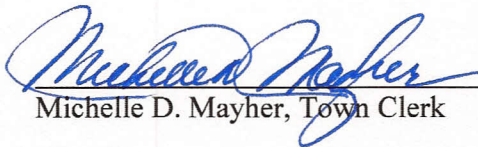
Council decided to remove the committee option from the list for choosing candidates.

Vice Mayor Acken voiced his opinion again on using the headhunter process. Councilmember Babcock did not want to wait until December 21st to make a decision on how to select a new Town Manager. A decision was made to add the topic to the December 7th, 2009 Council Meeting.

Meeting Adjourned (no time noted)

Adopted 1-19-10 With/Without changes. Motion by List/Babcock

Vote: 5-0


Michelle D. Mayher, Town Clerk

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