

MINUTES

KEY WEST BIGHT MANAGEMENT DISTRICT BOARD MEETING

OLD CITY HALL, 510 GREENE STREET

MAY 9, 2012

A regular meeting of the Key West Bight Management District Board of the City of Key West, Florida, was held in Commission Chambers, Old City Hall, 510 Greene Street, on Wednesday, May 9, 2012.

The Chairman called the meeting to order at 9:00 a.m.

Answering roll call were Board Members Jermy Ashby, Harry Bowman, Kathryn Ovide, Dan Probert, Michael Wilson and Chairman Michael Knowles presiding.

Board Member Jimmy Lane was absent.

Also present were Chief Assistant City Attorney Larry Erskine, Key West Bight Marine Manager Mark Tait, Port Operations Manager John Castro, Senior Property Manager Marilyn Wilbarger and Deputy City Clerk Angela Budde.

Others in attendance were Jack Anderson from the Tenants Association and Sandra Barroso from the City's Risk Management Department.

The pledge of allegiance to the flag of the United States of America was given by all present.

Chairman Knowles introduced the newest appointment to the Board, Mr. Harry Bowman.

CHANGES TO THE AGENDA:

A motion was made by Ms. Ovide and seconded by Mr. Probert to approve the agenda as presented.

The Chairman acknowledged the motion and second; there were no objections.

APPROVAL OF MINUTES:

- 1) April 11, 2012 (Regular)

It was moved by Mr. Probert and seconded by Mr. Wilson to approve the minutes of April 11, 2012.

The Chairman acknowledged the motion and second; there were no objections.

PRESENTATION:

- 2) Pritam Singh Hotel Development

Mr. Singh gave a presentation on his proposed development of the Key West Seaport Hotel at the Key West Bight to the Board.

ITEMS FOR ACTION:

- 3) Insurance Provision – Key West Bight Commercial Dockage Agreement

Mrs. Barroso, Key West Risk Management, presented her opinion on the insurance portion of the agreement and offered rewording to make it more compliant.

Michelle Martin, Brown and Brown Public Risk Insurance Agency, asked for feedback from the Board on the specific difficulties with insurance and vessels for hire. She gave an historic perspective that all of the tenants had different types of insurance. Their goal is to provide reasonably priced insurance available to the tenants when they lease a slip covering the minimum requirements covering the City and the citizens.

Ms. Ovide asked about the present insurance requirement. Mark Tait reported a \$300,000.00 liability policy is presently required. The certificate must be provided to the City naming the City as an additional insured and this is confirmed monthly.

Chairman Knowles stated it was not the increase from \$300,000.00 to \$1,000,000.00 but the \$3,000,000.00 that is tacked on the end that is causing confusion.

Ms. Martin explained the protection and indemnity (P&I) policy was the preferred policy to be in place for these vessels. A general liability policy was an option depending on the circumstances. Ms. Martin explained Crew Coverage which falls under a Federal Law called the Jones Act. She stated that if the City had the vessel take out Crew Coverage then the City wouldn't be involved in any legal action taken against them.

Ms. Ovide made a motion to postpone the item and request that staff go back and work on it and bring back a recommendation to the Board on how to change the insurance requirements.

Chair Knowles wanted to hear input from the tenants.

Ms. Ovide withdrew her motion.

The following people spoke on the matter:

Larry Erskine, Assistant City Attorney
Marilyn Wilbarger, Property Manager
Albert Tropea, 631 Carolyn Avenue
Paul McGrail, 306 Peacon Lane
Steve Talbott, 1320 Grinnell Street

It was moved by Ms. Ovide and seconded by Mr. Ashby, for discussion, to postpone the item to the June 13, 2012 meeting.

The Chairman requested the Clerk call the roll.

Yeas: Board Members Ashby, Bowman, Ovide, Probert, Wilson and Chairman Knowles

Nays: None

4) Key West Bight Parking Rates

Ms. Wilbarger stated this was brought back before the Board as an Action Item after discussion at the previous meeting.

Mr. Wilson expressed his preference of a discounted parking rate for parking in the Key West Bight (Caroline Street) Parking Lot. Chairman Knowles preferred a validated receipt discount for paid parking.

Ms. Wilbarger described how a discounted rate could be programmed into the Cale machines available by the first half hour purchased. That would be the easiest way to accomplish this for the customer.

Mr. Bowman suggested making the parking rate at the lot the same as the rate on the street.

Chairman Knowles wanted to leave the rate in the lot as-is for now. He suggested doing a "Beta Test" with a few merchants using a redeemable receipt to see how the program would work.

Ms. Ovide said initiating this program is setting up a whole new job and procedure and she was against doing that. Ms. Wilbarger said this would be burdensome to both the tenants and to staff in keeping track of receipts, rent credits, etc.

The following person spoke on the matter:

Jack Anderson, Key West Bight Tenants Association

Chairman Knowles asked if the City could test the rate of charging the same in the lot that is charged on the street against last year's numbers from June to June looking at each month for a comparison.

Ms. Ovide asked Mr. Tait when summer rates for the boats go in affect. Mr. Tait stated June through September.

It was moved by Mr. Wilson and seconded by Ms. Ovide to approve the item as amended to have a pilot program of 6 months to decrease the Caroline Street Parking Lot rates to equal the street rates.

Addition discussion ensued regarding the program beginning with approval of the CRA with a flexible schedule to restore the higher rate during special events.

The Chairman requested the Clerk call the roll.

Yeas: Board Members Ashby, Bowman, Ovide, Probert, Wilson and Chairman Knowles

Nays: None

5) Sale of Double Decker Business

Mr. Tait introduced the item. He informed the Board of the new buyer for the business without the vessel.

It was moved by Ms. Ovide and seconded by Mr. Wilson to approve the item as presented.

The Chairman requested the Clerk call the roll.

Yeas: Board Members Ashby, Bowman, Ovide, Probert, Wilson and Chairman Knowles

Nays: None

6) Tenant Fuel Prices at Key West Bight

Mr. Tait introduced the item. He informed the Board they have reviewed the pricing structure for the marina. They had received questions from the tenants comparing prices with A& B and Conch Harbor fuel prices. They have always offered volume discount pricing on fuel. He did not want to arbitrarily change the rates without the Board's approval. With the Board's approval they would offer this break in fuel pricing for the tenants.

The following person spoke on the matter:

Paul McGrail, 306 Peacon Lane

It was moved by Mr. Wilson and seconded by Mr. Probert to approve the item as presented.

The Chairman requested the Clerk call the roll.

Yeas: Board Members Ashby, Bowman, Ovide, Probert, Wilson and Chairman Knowles

Nays: None

Chairman Knowles asked Mr. Tait for an update after the new pricing is in place.

REPORTS:

7) Manager's Report

Mr. Ashby asked Mr. Castro about the placement of Cale machines between Lost Reef and the old Railroad Museum and milling and paving in the area. Mr. Castro's response was inaudible.

8) Accounts Receivable

Ms. Wilbarger reported that Mr. Owen brings in payments when he has the money. He had been on a schedule. Ms. Wilbarger said he gets behind on the DR-15 reports that trigger the percentage rent and he falls behind.

9) Ferry Terminal Security

Ms. Wilbarger informed the Board the Ferry Terminal is now an open access facility. All the police barricades are gone as well as the extra machines. The security takes place at the boat and the security costs are gone. This creates opportunity to open the building for other types of uses.

10) Tenants' Association Report

Mr. Anderson commented on the parking lot rates. He questioned the proposed 27 spaces and revenue of those spaces to be used by the Key West Seaport Hotel. Ms. Wilbarger stated it would be recorded under the Key West Bight fund.

11) Old Business

Mr. Wilson asked for an update on the rates for the long term tenants. Mr. Ashby said they were looking for a way to quantify the existing tenants for reduction of annual increases. Mr. Erskine thought that reducing the rent would not have the desired effect. He was willing to look at options again with Mr. Ashby.

Ms. Ovide asked for an update on the sound test for the brewery. Ms. Wilbarger explained the results of the sound test that she attended. She stated they intended to use the latest technology available. The Planning Board has heard this item and then it was postponed until May 17, 2012.

PUBLIC COMMENTS:

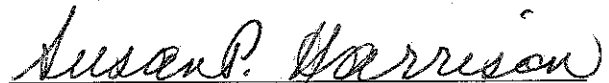
There were no comments from the public.

BOARD COMMENTS:

Mr. Probert thought it was interesting the Security Deposits being held are not placed in an interesting bearing account when the City is looking for money all the time.

ADJOURNMENT:

It was moved by Ms. Ovide and seconded by Mr. Ashby to adjourn. There being no further business the Chairman adjourned the meeting at 11:51 a.m.


Susan P. Harrison, CMC, Clerk of the Board
Senior Deputy City Clerk