

The Regularly Scheduled Meeting of the Board of Commissioners for Beach Mosquito Control District was called to order by Chairman Smith at 4:00 P.M., July 03, 2012. Smith requested the roll be recorded, and noted that all commissioners were present as well as several guests.

Present:	Commissioner:	John Smith, Chairman
	Commissioner:	Larry Couch, Secretary
	Commissioner:	Tom Easter, Treasurer
	Director:	James Clauson
	Attorney:	Amy Myers
	District Secretary:	Joyce Dean
Guests:	Ed Hunter	Eddie Summers
	Kyle Pridgen	Jim Hull
	Dale Martin	Brad Gunn
	Sherry Bennett	

Approval of Minutes

Secretary Couch confirmed that everyone received and reviewed the minutes of the June 11, 2012 meeting, and asked if there were any corrections. Hearing none, Easter moved the minutes be approved as submitted; Smith seconded, and the motion carried unanimously.

Financial Reports

Treasurer Easter referenced the financial reports and noted that almost all tax revenue has been collected for this fiscal year. Couch asked why the Financial Report stated that the tax distribution for 2011 was Final, when there were still three months left in the fiscal year. Clauson explained that the 18,839.03 reflected in the report was the last distribution; the \$21,509.32 still to be collected will be paid in the form of certificates. Couch pointed out the district received \$46,323.21 in County Certificates since the last report, and \$47,463.88 this fiscal year to date. Smith referenced the Profit & Loss, Budget vs. Actual Report, Page 7, which reflects \$550,708 in remaining funds for the last three months of this fiscal year. Clauson mentioned remaining anticipated expenses for the fiscal year which will affect that figure. Clauson estimated \$300,000 in carry-over. Easter referenced the wording "Dist 12, 2011 Taxes) Final" beside the Tax Distribution Line Item on the Financial Report, and asked fiscal assistant Sherry Bennett if this meant that we would not be getting any more tax distributions for this fiscal year. Bennett confirmed the District would still receive funds from County Certificates, Bankruptcy and other small amounts, but the \$18,839.03 tax distribution shown on the report is the final one for this fiscal year. Easter asked if there were any other questions or comments. Hearing none, he recommended the financial report be filed for audit.

Old Business

The possibility of the District accepting the PHEREC lease was discussed in depth. Smith referred the board to the email in their package, wherein Smith asked specific questions and Joseph Duncan, from DEP, responded. Regarding the environmental audit question, Smith explained the specifics of a Phase

One and Phase Two Environmental Site Assessments. Duncan stated that FAMU was not required to perform an environmental audit because it was not part of their lease agreement. Smith said that if the District acquires the property, the District could be required to perform an environmental audit. In response to Smith's query regarding the circumstances that the DEP may require the District to perform an audit, Duncan stated an audit would be required if the State felt there was some reason to believe there was some chemical contamination on the property, and the estimated cost would be \$1500 to \$3000. Couch asked if an ESA is required and contamination is found, who would be responsible for the cost of the clean-up. Attorney Myers responded that the District would be required to pay for it. She continued that if the District accepts the lease, it is being accepted "as-is", and the District will be assuming liability and responsibility for any conditions of the property. She continued that the State has the discretion to require the audit, and if required and if contamination found, the District would be required to pay for it. Couch related his knowledge of some contaminated property that would have required millions to bring it up to the ESA standards. Couch asked if the District could, at that point, back out of the lease because of a pre-existing contamination (if any was found) and Myers responded that the District would be in breach of the lease, which could possibly be waived or not.

Smith asked Duncan what triggers might cause DEP to require an audit if the District took the lease and Duncan responded that since chemicals will be used on the property, a Phase One ESA would most likely be recommended by DEP. Smith stated that during his 20-years of working at the site, hard chemicals were not used on the property; PHEREC primarily used the least toxic larviciding products. He repeated what he had told the board at the previous board meeting regarding the wells that were placed on the property and the monitoring showed no environmental contamination. Smith related that Clauson had posed the possibility of requiring FAMU to perform water-testing, or allow the District access to the property to do the testing, prior to the signing of the lease to ensure the property was clear. Duncan indicated that FAMU would have to agree, but he speculated that the District should be allowed to perform the testing at the District's expense.

Smith continued that he and Duncan discussed the neglected condition of the property, overgrowth and approximately 100 waste tires remaining on the property. Duncan concluded that any basic maintenance issues and/or areas of neglect would be addressed in the site inspection, performed by DEP, FAMU and the District, prior to the signing of the lease, and FAMU would be required to return the property to proper order, including interior maintenance areas such as air conditioning, heating and plumbing. Clauson referenced page two of Duncan's email which stated that if the District is aware of anything that might have occurred to change the status of the previously satisfactory water quality reports, the District should inform the Division of State Lands so a correct course of action could be determined. Clauson concluded that if the District has concerns about the environmental status, the District could ask DEP to perform a Phase One to alleviate any concerns. Smith added that FAMU wants to proceed with terminating their connection to the property and transfer the lease, which they cannot do until they find an appropriate entity to assume the property. It would therefore be in their interest to have the ESA performed, or the District could do it just to be sure there's no contamination on the property. Guest Ed Hunter asked for the floor to inquire about the land around the dog fly control building and any spillage that may have occurred. Smith replied that the wells that were monitored

included this area as well. Expenses the District would incur were reviewed, and Clauson related that, although the area is in a flood zone, flood insurance would not be required, and he would not recommend obtaining flood insurance due to the extreme high cost, estimated at \$100,000 annually. Smith related the condition of the property after the 1995 Hurricane Opal; the property is low and water covered most of the peninsular but damage was primarily limited to the trailer buildings and the environmental lab, which is the lowest building. He stated the dog fly building is on a higher level and had no water; Smith advised that equipment be moved to the dog fly building for that reason. Clauson stated that without the flood coverage, estimated insurance cost for the property would be \$5300 per year.

As requested, Attorney Myers had reviewed the lease requirements, and related her findings and opinions to the board:

- The State Board of Trustees has a deed from the Airport Authority on the property; so for all intents and purposes, the State is the property owner, in that the Airport Authority deeded the property to the State for management. She related comments the board had made in previous meetings that if the District enters into the lease, the District will be in a position to negotiate with an interested purchaser. She emphasized that this was not the case and wanted to ensure the board was clear on this matter; the District would be a lessee and would only have a leasehold interest. There would be no fee interest, and the District would not be in a position to negotiate with someone who may be interested in purchasing the property. She cautioned that if the District is acquiring the property, it should be done with the purpose of managing a mosquito research laboratory. Smith agreed that the District would not be able to negotiate directly with an interested buyer, but the State would be required to get the lessee off the property before they could negotiate a sale. Myers clarified that if the State had a buyer for the property, they could give the District six-months-notice to vacate. Smith questioned if the State would want to terminate a 50-year lease with the District; Myers responded that the lease with the District would not be revenue source for the State or the Airport Authority, unlike a sale of the property would be. Myers stressed that the District would not be in a position to gain monetarily if someone wanted to buy the property. Smith related his prior experience while at PHEREC, when a developer wished to purchase the property. He stated that the Airport Authority intended to reposition the lab to a different location, whatever was necessary to accomplish that, so the land would be released back to the State. The State would attempt to lease the property to another entity for mosquito control research, and if unsuccessful, would then release the property back to the airport for disposition at their discretion. Smith emphasized that in order for the airport authority to reach that position, they were required to move PHEREC off the land. To do so, the developers were working towards an offer to relocate the lab; to build new facilities and do whatever it took to allow the lab to continue operations at another location. Myers said the PHEREC lab was very active for a long period of time as an on-going entity, as opposed to what the District commissioners have been considering: to accept the lease in order to obtain the equipment and buildings, then sublease the property to other entities or individuals to manage. Myers stated the circumstances were different. She continued there had been so much discussion regarding getting out of the lease if the District

can't afford it, if the District runs out of money, if it doesn't work out, frequent discussion about how soon the District could get out of the lease, but no discussion regarding long-range plans for the District to operate a research facility.

- Myers addressed the conditions of terminating the lease, and explained that a six-month notification was required to be released. No reason is required; however, simply giving a six-month notice does not mean that the District will be released from obligations under the lease at the end of the six-months. The District will remain liable for all facets of the property until the State places the property with another research entity.
- The term of the lease is 50 years, and 50 years is a long time. Myers reiterated that she had not yet heard discussions involving long-range plans. She agreed there is an immediate need, immediate interest and an immediate opportunity to acquire the equipment and the buildings on the property, and to perform research that will benefit the District as well as other districts in the state. She conceded that was possibly part of the long-term plan, she just has not heard it and the District is now at the beginning of the new fiscal year budget. She added that the board has been discussing the lease for over a year. She stated that the District has an opportunity to revisit the 50-year term if the board feels the term is too long to commit. An automatic renewal clause may also be negotiable, if the board chose to request a shorter term initially.
- The Purpose: the Lessee shall manage leased properties only for the establishment and operation of a research lab as specified in the statute. She referenced conversations the board has had regarding sub-leasing the facilities and use-agreements so other facilities may utilize the property, and agreed that as long as it's for a mosquito control-related research laboratory, the use discussed seems to be consistent. She stated use-agreements would require prior State approval, but the terminology "shall manage" should include the ability to do so. Any entities utilizing the property would have to perform research consistent with the requirements in State Statute 388.
- Assignment: The District may not assign the lease. There is also language requiring State approval prior to sub-leasing the property, as well as other pre-approval requirements.
- Land Use Plan: Required within ten months of the signing of the lease.
- Sub-leases: Prohibited unless allowed.
- Placement/Removal of Improvements: Myers referenced the commissioners' discussions regarding taking the buildings from the property as soon as possible, and stated that if the specified buildings are still on the property when the District acquires the lease, and especially with a very long lease, at lease termination the District would have the right to remove the buildings. According to the lease, removable equipment and removable improvements placed on the premises by the Lessee may be removed. Myers expressed concern with the District removing buildings and equipment that the District did not place on the premises. Therefore, under the terms of the lease for the District, simply acquiring the lease does not give the District the automatic right to remove buildings or equipment; that would become a separate agreement, either written or verbal. Smith interjected that he was contacted by Bakker regarding the buildings, who wanted to transfer those to the District as a property item. Clauson clarified that the property the District has already received is along the same lines as

the remaining property on the site, in that it was declared surplus. Myers commented that because the property has been declared surplus and if FAMU agrees the District may take it, the District does not need the lease to obtain the equipment. Smith added that was correct for the equipment already obtained, but the remaining equipment and buildings would be available to the District only upon acceptance of the lease. Clauson asked if the equipment already obtained was approved by a verbal agreement. Smith responded that currently the property is controlled and owned by FAMU, and in order to attain control of the property and everything on it, the District would have to accept the lease. Myers stated she disagreed, but acquiesced that Smith had done all the negotiations and discussed all the technical matters and a practical matter, and Smith may know better, but the lease has to do with the real property and not the improvements, equipment or buildings, which is personal property of FAMU to dispose of as they wish. She continued that if the District's primary motivation in accepting the lease is to obtain the buildings and equipment, the commissioners need to understand that the lease is a real property interest, not a personal property interest.

- Insurance Requirements: Flood insurance is not required; general coverage for fire, liability is required. Myers reiterated that in her opinion, the District cannot use the \$82,000 for insurance premium payments, maintenance or operation of the facility; the funds should only be used for equipment and supplies to enhance the mission of the PHEREC facility. Smith brought up the example discussed at the previous board meeting of purchasing a riding lawn mower that could serve multi-purposes, which would be equipment usage at the facility as well as at the District. Myers responded that if the equipment was used to further the PHEREC mission, it would be a legitimate purpose; it has to be used at the PHEREC site but may also be used at the District. Clauson confirmed that in this example, the mower would be used at the lab site and by maintaining the site, would be used to further the PHEREC mission. Myers emphasized that the use of such equipment at the District must be supplementary, it cannot be the primary reason for the purchase. Ed Hunter asked how a lawn mower could be interpreted as scientific equipment for mosquito control research. Clauson stated the lease agreement states scientific equipment and supplies to enhance the mission of PHEREC. Easter commented that probably no one would challenge it. Hunter reminded the board of the old saying, "if you don't want it on the front page of the News Herald, don't do it". Myers informed the commissioners that if an unqualified purchase was questioned, the remedy would be the District paying for the equipment from general funds. She continued that in her mind, the strings attached to the receipt of the \$82,000 are to be strictly construed.
- Utility Fees: Lessee shall be responsible for all utility fees. The \$82,000 cannot be used for payment of utility costs. Myers reminded the board if they asked to be released from the lease, the District would be required to continue paying utility costs until another lessee is contracted.
- Environmental Audit: This was previously discussed and Myers summarized by stating the District does not get to choose and would bear the costs.
- Surrender of Premises: The release is only valid once it's approved by the Lessor and there's no guarantee that will happen in six months; it also means that the District could be released earlier than six months if the State finds a new lessee. Couch confirmed Myers' earlier

statement that the District could continue to be liable for the expenses of the property long after the six months notification of surrender is submitted. Clauson asked if the DEP was required by statute, or if it is stipulated in the deed, to disperse properties within a certain time frame. Myers stated she had not researched the deed, and she did not know the answer.

- Special Conditions: There were no special conditions listed in the lease. She cautioned, however, that the final document should be thoroughly examined to ensure there are no special conditions unacceptable to the District.

Myers concluded her review report by cautioning the board again that the operation costs of the lab would have to be paid from the general funds of the District. She added that commissioners have not raised the budget to accommodate those costs. She agreed that obtaining the lab was an awesome opportunity and piece of property, but it would come at a cost to the regular operations of the District within its geographical territory. Easter responded that taxes would need to be raised to maintain the lab property. Myers responded that taxes would need to be raised, or the budget cut more significantly than it has already been cut. She continued that because the budget had been trimmed for the past five years, she was unsure if there was anything more that could be cut. She continued that the board has the statutory authority to assess taxes sufficient to take advantage of this opportunity if the board so chooses. She emphasized that at this point, the District cannot count on an unknown revenue stream from private entity researcher use agreements to carry the costs. She suggested that maybe next year that revenue could be counted on, but not at this stage. Myers continued that if the board chooses to accept the lease, the commissioners need to significantly trim the budget for the operations performed in this District, with the appropriate explanations to the taxpayers, or raise the taxes.

Ed Hunter requested permission to discuss the \$82,000. He asked how the funds would be disbursed to the District, whether in a lump sum or received after submission of a qualified purchase. He related his experience with DACS that invoices for permitted purchases were required before funds were disbursed. Smith stated it was his understanding that the entire amount would be transferred to the District immediately upon signing of the lease. Hunter asked how justification for expenditures would be made, and Smith responded that FAMU would transfer the funds with the understanding that the money would be spent as stipulated. Clauson said it was his understanding that a check would be written to the District and the check deposited into a separate account. He said this could be confirmed with FAMU, but he did not believe FAMU would require the submission of invoices. Myers interjected that even if this is the case, the District needs to be prepared to provide the records in the event of an audit. Clauson emphasized that he felt FAMU was ready to be separated from the property and would send the funds, after which be totally uninvolved. The commissioners agreed. Hunter continued that specific instructions have been given by FAMU regarding the use of the funds for research. Smith responded that they were simply passing on the language sent to them from DACS. Smith agreed that confirmation should certainly be received regarding how the money will be given to the District before the lease is signed. Easter asked what was the amount of the annual budget at PHEREC, and Smith responded that the annual general appropriation budget was approximately \$1.2 million. Easter then re-read a motion he made during the June 11, 2012 board meeting as follows:

"I make a motion that we accept the lease for the FAMU property with the stipulation that:

- (1) No tax funds from the Beach Mosquito Control District ever be used to maintain or enhance the property;*
- (2) No Beach Mosquito employees while on duty at the District shall work at the lab, cutting grass, painting, etc. The employees may perform research work, with proper documentation;*
- (3) A separate bank account will be set up to dispense these funds. When the \$82,000 is depleted and no source of revenue is in place to maintain the property, the lease will be terminated."*

Easter continued that he would not vote to send taxpayers money across the bridge, nor obligate the District personnel to maintain the property. Couch questioned if Easter was saying that, by the District getting the research lab and performing the research for the health and well-being of the people, those efforts would have nothing to do with their tax dollars. Easter questioned what research could be done at the lab property that could not be done on the current District property. Discussion continued regarding the benefits and costs of utilizing the lab property as opposed to the District property. Employee Jim Hull asked who would personally benefit most from the District taking the lab lease; Easter responded "not the taxpayers"; Hull continued that he felt Commissioner Smith had worked the plan for his own personal benefit. Ed Hunter asked for the floor to relate his experience working with the lab over the many years, the hard work he did for the lab, to save the lab and dog fly control. He felt that no one had worked harder for the lab than he did. However, he continued that in the last several years, the lab outlived its usefulness, because other facilities in central and south Florida were performing the research that PHEREC formerly did. The research at the lab involved repellants and other areas that were not included in the big picture for mosquito control research. Smith commented that a lot of the projects Hunter mentioned were being performed by PHEREC scientists at the other districts. Hunter agreed, and emphasized that the work was being performed away from the lab. Hunter reasoned that the limited work being performed at the lab and the majority of control research being done in south Florida was a large factor in the lack of support the lab received to remain open. Smith responded that a lot of the support work for those big projects being conducted in other parts of the state was being performed at the lab here. Hunter stated that because so much of the control research has been conducted in south Florida, the lab here really hasn't been missed. Clauson stated that we don't know what opportunities are there unless we explore the possibilities and weigh the benefits/risks equation. He continued that aside from anything else, the taxpayers would benefit by the District obtaining the several thousand dollars-worth of equipment at the lab. Easter agreed, and proposed the District approach FAMU with the offer to remove the unneeded equipment and buildings on the property, but decline the lease.

Smith stated there were obviously a lot of opinions, and likened it to people having opinions about what Hunter was doing when they weren't in his shoes. Smith continued that he was at PHEREC for over 20 years, and there were things that happened that he didn't think Hunter and others were aware of or appreciative of. Concerning the question of his personal interest and how he will benefit from the

District obtaining the facility, his interest is to benefit Beach Mosquito Control District. He related that before PHEREC was closed, he was given the discretion to transfer the equipment FAMU deemed surplus and no value to them to wherever he chose. He requested all PHEREC scientists to submit a list for disposition of their equipment. He stated he had the opportunity to transfer the equipment to FSU, where he is currently located, or to Beach Mosquito Control District, or to anyone else. He chose to transfer the equipment to the District, simply because he felt the equipment he had acquired through the grant money was more valuable to the District, especially since he believed he wouldn't be at FSU for a long time, he preferred the equipment be at the District rather than at FSU at the time. Easter pointed out the equipment that was given to the District but was subsequently taken to FSU for Smith's use there. Smith responded that the equipment outlined in the MOU between FSU and the District, as well as the equipment from the lab that is on loan to the Okaloosa and Santa Rosa Counties, is still owned by the District.

Smith asked the status of the lease decision at this point. He stated Clauson had mentioned it's basically an equation of the benefits versus the risks; he confirmed there are certainly risks involved and Attorney Myers had apprised the board of the risks. He continued that, as to the benefits, obviously the District is in a position to receive \$82,000, although it must be confirmed that the funds will be disbursed in one lump sum as the board desires. The District would also acquire the property, equipment and buildings, and would be able to relocate those as desired. At the same time, the District would be in a position to entertain arrangements with others who have approached him about doing the type of research that was being done under PHEREC, such as Clarke Mosquito Control, which is vitally interested in conducting mosquito control research at the site. Also, the Okaloosa County Marine Life Center handles hatcheries for finfish and shellfish, and expressed interest in using the facility, the tie-in relating to mosquito control mission public health being non-target work. Easter asked if those entities would bring their own people and would the District's insurance cover their employees there. Clauson responded yes, the companies would provide their own employees for their work conducted there, and the District's insurance would cover anyone working there, just as it does for the current District property. Couch added that in most circumstances relating to a sub-lease agreement, the entities sub-leasing the facility would be required to furnish their own insurance as well. Clauson added the District would determine the dollar amount to be charged to use the facilities, and the income generated could be used for operation costs of the site. He accepted that these sub-lease commitments and amounts to be generated are unknown; it is a certainty that it will not happen if the District does not accept the lease and pursue those possibilities. Couch asked, if the State permits the District to sub-lease the facility, can the income derived from the sub-lease be used to pay operational costs. Myers responded that yes, and the facility use fee should be based on the cost to operate and maintain the facility, including depreciation for use, and the revenue could be used in any area as long as it is in compliance with State Statute 388. Easter questioned why Clarke Mosquito Control is only now inquiring about research in this area, and Smith responded that PHEREC has performed research for Clarke. When Clarke became aware of the lab closing, they expressed interest in setting up a research operation on the property. Clauson added that Clarke was only one of several companies that paid fees for the lab to perform research over the years.

Employee Brad Gunn stated he assumed for the first year there would be no revenue generated at the site; since the first year costs would be paid from the District budget, he asked if that cost is known. Clauson responded approximately \$5200 for insurance the first year; other costs would be maintenance and utilities. Smith estimated total cost inclusive of between \$10,000 to \$15,000 for the first year. Gunn said that amount would be coming out of the District budget for the first year, and Smith added that the \$82,000 would also be coming in, which would be used to purchase scientific equipment and supplies, for which the District has budgeted, as discussed earlier. Couch explained further that the funds currently in the District budget for scientific equipment and supplies would not have to come from the budget, since the \$82,000 would be used for that purpose, and therefore the budget would have additional funds with which to pay the operational costs of the lab site. Discussion continued to clarify the acceptable use of the \$82,000. Brad Gunn asked if the equipment purchased with the \$82,000 has to principally remain at the lab site, and Myers responded that she did not have an answer, but the equipment and supplies purchased are required by 388 to further the mosquito control research mission. Myers continued that when the District is challenged on the expenditures made from the \$82,000, the question will be the primary purpose for which the purchase was made; if the primary purpose is for use at the current District site, the purchase will not adhere to the requirements. However, she continued, if the primary purpose is for use at the lab site and the secondary one for use at the District, that would not be inconsistent with the use of the funds, but the primary purpose test must be passed.

Myers reminded the commissioners that as public officials, they are subject to the Ethics Standards of 112 in voting conflicts, and if any commissioner has a special benefit, gain or loss, the commissioner has to make that disclosure in Form 8B and abstain from voting. Smith agreed, and expressed that he stated a long time ago that he would recuse himself from voting on this issue because of an appearance of being involved too closely. The issue will be decided by Commissioners Couch and Easter. Smith stated that the purpose of moving up the meeting date was to make a decision on the lease, and would entertain a motion to accept the lease if there was one. Couch stated he felt that with the equipment at the site and the \$82,000, the District could benefit from taking the lease. He was uncertain how long-term the benefit would be, and therefore would be watching carefully to determine at what point the District should send the appropriate notification for release of the contract with six months advance notice. He stated that Smith knows more about the possibilities for revenue from the property, and expressed his disappointment that Smith would not be able to vote on the issue. He continued that with the opportunities for revenue through Clarke and some others, he moved the board accept and sign the lease for one year. Easter seconded the motion for the purpose of discussion. Easter stated that the issue has been discussed for over a year. He made a motion during the last meeting to accept the lease under specific conditions but the motion did not carry. Easter felt strongly that the taxpayers do not want their tax dollars raised, and it appeared that would be necessary if this lease is accepted. Couch expressed his continued commitment to the primary job of the commissioners to ensure the health and well-being of the people, and that comes at a cost. It cannot continue to be done by continually cutting taxes each year. He cited an example of the experience Tallahassee had with the flooding followed by the intense heat, and said if that had happened here, the District would already be out of chemicals. He does not want to add taxes, but the commissioners were elected to take care of the health and well-

being of the people, not to cut taxes. He continued that all District employees go out of their way to do exceptional jobs. He added that tax revenue has been cut continually since the three current commissioners came into office. Smith addressed Easter's concern about raising the taxes, and said perhaps Easter missed the point of the previous discussion regarding how the money required to operate the lab facility would be offset by the ability to purchase equipment and supplies from the \$82,000, followed by the opportunity to obtain the equipment and generate additional revenue through sub-leases. Easter stated the additional revenue was conjecture at this point. Smith stated the \$82,000 was not conjecture. Couch cited examples of what could be purchased with the funds and how the budget could be offset by using those funds. Smith asked if there was further discussion and hearing none, called for a vote. Couch voted in favor; Easter voted against; Smith recused. The vote was split and the motion did not carry. Smith stated the District would not be acquiring the lease. Couch inquired if there was any way we could get the equipment remaining at the lab and Smith responded that the District could request it. Couch asked Clauson to include a request for the equipment when he notified FAMU of the District's decline.

The board addressed the director's evaluation. Attorney Myers explained she consolidated the appraisal scores from the commissioners; the total score was 375, an increase of 19 points from the previous year. Maximum total was 450, so the percentage was 83%. Myers noted for the record that Clauson's lowest scoring components were the publication of two articles and the development of an external funding source, with 18 points and 21 points respectively. She continued that the publication of two articles seems to be outside of the area of primary responsibility for an executive director. Regarding the development of an external funding source, Myers commented that the commissioners are charged with the primary responsibility for assessing taxes to ensure sufficient funds to carry on the operations of the District. She stated she hoped that neither of these areas weighed too heavily in the board's overall evaluation of the director's performance. Myers continued that these directives are acceptable as the board's management objectives for the director, but are not primary areas of responsibility. She suggested the board consider reviewing and possibly revising the evaluation criteria for the following year. The current evaluation is very specific and Myers felt that Clauson receives feedback during each board meeting. She therefore felt the evaluation does not need to include how satisfied each commissioner is with Clauson's day-to-day operation of the District; there is not a need for the record to establish the commissioners' satisfaction or lack thereof. She suggested the evaluation might need to be weighted by more generic factors. Smith asked if any commissioners had anything to add and there was no response. Clauson thanked the board, stated that he enjoys what he does, that the District staff is instrumental in the success of the District and expressed his appreciation for their help.

The next agenda item was the final review of the preliminary budget. Clauson explained a set figure of \$300,000 was used as the carry-over amount, and the \$1,103,000 reflects local ad valorem taxes based on the taxable value from the property appraiser's office using the roll-back rate of .1588. Those two figures, plus the State Matching funds, brought the total budget funds to \$1,437,198. Clauson pointed out the line items highlighted were the areas that were slightly changed from the previous preliminary budget reviewed by the board. Easter referenced the line item for Attorney Fees at \$9,000, and recalled

that Myers had stated she was receptive to making some changes. Easter had suggested to Clauson that the board may be interested in having an attorney "on-call" rather than having her attend every board meeting, since most of the time nothing came up during the meetings that required attorney input or advice. Smith reminded Easter that Myers agreed at the June meeting to present a proposal during the August meeting. Easter asked what kind of retainer the attorney firm would charge and Myers responded that she could not answer that at this time. She continued that she had written-off over \$50,000 in the seven years she has served as the District's attorney; she was therefore uncertain if the \$9000 budget figure would cover the on-call attorney fees. Easter asked if Myers did not attend the meetings, and only responded to specific requests from the board, what the retainer would be. Myers responded that the board could set the retainer for any amount; a lump-sum amount could be set and when that amount was depleted, she could notify the board that future legal services would be billed by the hour or the board could choose to commit another lump sum to continue the services. Myers reiterated that she plans to submit options for the board's consideration at the August meeting. Easter referenced the Walton County Mosquito Control Board, which does not have an attorney attend each meeting, but rather contracts with an attorney when needed. Smith reminded the board this was discussed at the June meeting, and it was agreed that Myers would have a proposal for the commissioners during the August meeting. Myers commented that the proposal may not change the budget line item for attorney fees. Smith stated that this was just a working plan budget; the board won't decide what the millage rate will be until later on. Since any changes needed for line items could be done later, Smith felt it would probably be more appropriate to wait until that point before making changes. Easter asked if Myers would have some kind of figure the board could discuss at the August meeting. Myers responded that she could not give a specific figure; she reiterated that the board could set the retainer at any amount they wished. The options she plans to present will include different ways for the board to spend the money designated for attorney fees, not a specific recommended amount.

Clauson stated that the budget before the commissioners was essentially the same as the budget they reviewed at the previous meeting. The board approved using the roll-back rate in the formulation of the tentative budget, which will be going to DACS in Tallahassee to fulfill the July 15 deadline. He repeated that the millage rate as well as the budget could be changed up until the final budget hearing. Couch confirmed that the \$1.1 million is based on the roll-back rate, which will provide the District with the same funding level as the previous fiscal year. Clauson agreed, and emphasized that the roll-back rate does not raise taxes. Easter responded that the roll-back rate does raise taxes, and Clauson explained the roll-back rate generates the same revenue as the previous year. Clauson continued that when the board advertises for the final budget hearing, a tax increase must be advertised if the board goes above the roll-back rate; if the commission approves the roll-back rate or a lesser rate, it is not advertised as a tax increase.

Easter asked why the cable bill was highlighted on the tentative budget. Clauson reiterated that the highlighted items reflect a slight change from the working budget reviewed at the previous board meeting. Couch moved that the current tentative budget be accepted and submitted to the State as required; Easter seconded and the motion passed unanimously.

Attorney Report

Myers stated there were no suggestions in the employee suggestion box. Easter moved the District discontinue the suggestion box due to inactivity. Couch seconded, and motion passed unanimously.

Director Report

Clauson reviewed events during the months of July and August. On July 2, Paris Janos with Channel 7 WJHG was at the District; he interviewed several employees and filmed from the site as well as from the helicopter during flight, which provided excellent coverage for the District and can be viewed at the TV stations web site. Smith agreed it was good coverage, and stated pilot Gunn did a good job in the helicopter interview while in the air. The previous Friday, WMBB Channel 13 was at the District for an interview and filming, which also provided good exposure for the District, and is also on their web site for viewing. Clauson continued with the upcoming events: the detailed work plan budget is due in Tallahassee on July 15; Cindy Mulla will be at the Woodlawn Church Quest Camp on July 18; Dale Martin's birthday is July 28; Joyce Dean's birthday is August 2; the board meeting on August 13.

Clauson invited Dale Martin to discuss the mosquito activity being monitored and the procedures in use at the Conservation Park area. Martin related he and Eddie Summers located sites in the Conservation area where they placed traps. He provided the board with a map showing the locations, and explained each location's position. He continued that he and Clauson worked with the City of Panama City Beach as well as St. Joe Paper Company to obtain the appropriate authorizations to set the traps. Martin referenced the graphs provided in the commissioners' packages which reflect the mosquito activity in the area. He explained that there are a lot of mosquitoes in the area; two nights, four traps each night, caught over 100,000 mosquitoes; however, there appears to be very little impact on the beach community. He continued that the times he has been in the park, he has very seldom been bitten. Clauson confirmed the District is doing no control work within the Conservation Park; the City is concerned about maintaining the DEP water quality criteria and will not permit spraying the area. Clauson stated that approximately two months ago, he sent information by email to the city engineer, who forwarded it to DEP. There has been no response to date. A discussion ensued regarding problems associated with mosquitoes coming from park and conservation areas where spraying is not allowed by DEP, the species of mosquitoes found in the park and future monitoring plans. Martin gave an update on the treated catch basin study. In the 13th week, he is finding more and more larvae, with some tablets still suspended last week, and the briquets are about 95% dissolved, when they should still be effective for 180 days. Clauson stated that four months was a fairly long control time; however, the product was advertised for six months control time. Clauson continued that either he or Martin would be presenting the findings at the next national meeting. Discussion continued regarding previous products utilized and their control terms.

New Business

Clauson mentioned there were only 23 service requests since the prior meeting, and referenced the mosquito count and species report. He related one of the comments Paris Janos of Channel 7 made during the interview coverage. Janos remarked that he didn't notice the number of mosquitoes he expected, and stated it was probably because of the effective work of the District. Clauson explained to

the board that the District tries to be as proactive as possible. He referred the board to the Aerial Treatment Record, which reflected Brad Gunn's larviciding mission using 2400 pounds of granular BTI, in an effort to kill the larvae before they reach adult stage. Gunn gave a brief explanation of the map legends.

Clauson reminded the board the dates must be established for the first as well as the final budget hearing/public hearings. The public hearing dates for the county and the school board have date preferences, and will be September 5 and 18 for the county, and September 6 for the school board. The District must hold their meetings between September 3 and September 18. After a brief discussion, the board agreed to hold the first budget hearing on September 5, beginning at 5:01 P.M., and the final budget hearing/public hearing on September 10, at 5:01 P.M., in conjunction with the regular September board meeting. Clauson related that the Trim Notices will state the prior year millage rate, the current year proposed millage rate, the current year roll-back rate, and the date, time and meeting place of the tentative budget hearing. At that time, the board can decide the millage rate for the upcoming fiscal year; the rate cannot be set higher than the rate set at the first budget hearing. Smith clarified that the commissioners would be permitted to discuss the millage rate during the regular August meeting, and requested it be placed on the agenda. Clauson explained that the property appraiser's office has to receive the information for the TRIM Notices by August 4, which is prior to the August board meeting. Therefore, the established roll-back rate will be the rate on the Trim Notices. Smith conceded that there wouldn't be a lot to discuss regarding the rate during the August meeting, and retracted his request to add a rate discussion to the August agenda.

The last item on the agenda was the Memorandum of Understanding (MOU) between Beach Mosquito Control District and FSU regarding the District's equipment/inventory on loan to FSU-PC. Clauson referenced an email he received from Ken Shaw of FSU, in which Shaw stated that due to the amount of the equipment and inventory, and the fact that Dr. Smith is a District commissioner, the FSU legal staff would review the MOU before responding. Smith disclosed to the board that he personally conducted the inventory of equipment and supplies obtained from PHEREC, located at the District, at FSU and on loan to Okaloosa and Santa Rosa Counties, all owned by the District. The MOU is required only for the equipment and supplies on loan to and located at FSU. Smith repeated his earlier comments that he could have requested that all of the equipment be transferred to FSU. Instead, he chose to have the equipment transferred to the District, after discussing the matter with Clauson and with the understanding that the equipment would be available for his research use at FSU and to continue the mosquito surveillance services that he has with those smaller counties in the area. He emphasized that almost all of the transferred equipment was equipment he obtained while writing grants at PHEREC. Easter asked if the District needed to make some kind of memorandum of understanding to Florida State. Clauson explained that the MOU being discussed was between FSU and the District, so a separate one was not required. Smith stated the MOU was identical to the one from the previous year. Easter then questioned if this loaned equipment had anything to do with the lab lease and he was assured that it did not. Smith clarified that all equipment is owned by the District. Clauson pointed out that the last page attached to the MOU included the dollar amount that Smith estimated as the equipment value which is on loan to FSU. Easter asked again if the District should send a letter to FAMU stating the

District is not taking the lease but would be willing to remove the remaining equipment and supplies still located on the property. Clauson reminded Easter that had already been discussed earlier in the current meeting. Couch asked if there was an estimated value for the equipment remaining at the site; Smith and Clauson estimated approximately \$75,000 to \$100,000 in equipment value remained there.

Announcements

There were no announcements and no further business to come before the board, and Chairman Smith adjourned the meeting at 6:30 P.M.



John Smith, Chairman

Tom Easter, Treasurer

Larry Couch, Secretary

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME Smith, John Pierre		NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE Beach Mosquito Control District Board of Commissioners	
MAILING ADDRESS 8205 Grand Palm Blvd		THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF:	
CITY Panama City Beach, FL	COUNTY Bay	<input type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input checked="" type="checkbox"/> OTHER LOCAL AGENCY	
DATE ON WHICH VOTE OCCURRED July 3, 2012		NAME OF POLITICAL SUBDIVISION: Special Taxing District	
		MY POSITION IS: <input checked="" type="checkbox"/> ELECTIVE <input type="checkbox"/> APPOINTIVE	

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, John P. Smith, hereby disclose that on July 3, 20 12:

(a) A measure came or will come before my agency which (check one)

- ☒ inured to my special private gain or loss;
- ☐ inured to the special gain or loss of my business associate, _____;
- ☐ inured to the special gain or loss of my relative, _____;
- ☐ inured to the special gain or loss of _____, by whom I am retained; or
- ☐ inured to the special gain or loss of _____, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

The commission was voting on transferring the lease of state-owned property managed by Florida A&M University (FAMU) to Beach Mosquito Control District for the purposes of continuing mosquito research of benefit to the District and for acquiring surplus scientific equipment and supplies. I was the former director of this property under FAMU and stood to benefit by having access to the property for research at Florida State University where I now work.

7/17/12
Date Filed

John P. Smith
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.