

**SPECIAL TOWN COUNCIL WORKSHOP MEETING
HELD AT THE FOUR SEASONS RESORT ON MARCH 17, 1999**

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I. CALL TO ORDER AND ROLL CALL

President Smith called the meeting to order on March 17, 1999, at 1:37 P.M., at the Four Seasons Resort. On roll all the following elected officials were found to be present: Mayor Paul Ilyinsky, President Lesly Smith, President Pro-Tem Allen Wyett, Councilmen Jack McDonald and Samuel McLendon. Councilman Leslie Shaw arrived at 1:45 P.M. Others attending the meeting were Town Manager Robert Doney, Assistant Town Manager Peter Elwell, Town Attorney John Randolph, Public Works Director Al Dusey, and Deputy Town Clerk Susan Eichhorn.

II APPROVAL OF AGENDA

Councilman Wyett moved approval of the Agenda. The motion was seconded by Councilman McDonald, and carried unanimously.

III COMPREHENSIVE COASTAL MANAGEMENT PLAN UPDATE AND RELATED MATTERS

President Smith recognized the members of the Shore Protection Board who were present today, who had worked for three years on the project that would be discussed today. She explained that three workshops would be held, with the second being held in the Town Council Chambers at 5:30 P.M. on March 18, 1999, and the third being held on April 20, 1999 at 5:30 P.M. at St. Edward's Parish Hall.

Town Manager Doney stated that Assistant Town Manager Peter Elwell would give a presentation today, noting that he was the former Chairman of the Countywide Beaches and Shores Council, and was also aware of and participated in the development of the Comprehensive Coastal Management Plan Update, which was prepared by Applied Technology and Management. He explained that Public Works Director Al Dusey was the contract administrator, who was responsible for ensuring that the plan was properly done. The plan was done at the request of and overall direction of the Shore Protection Board, with the ultimate responsibility and authority resting with the Town Council and the Mayor. Town Attorney Randolph was present to address any legal issues relating to this matter.

A. TOWN STAFF OVERVIEW

Assistant Town Manager Peter Elwell summarized the plan as follows: He explained that the question being addressed today was how extensive of a program the Town would be willing to pay for, after weighing the anticipated costs and benefits. He would describe the process by which the plan was formulated, as well as what was recommended in the plan itself to create a base of knowledge from which all could consider what was before the Town. The residents of the community, and ultimately the Town Council, would need to weigh and decide if the accrued benefits would be worth the substantial investment required. Mr. Elwell began his presentation stating that the problem was serious beach erosion, which had occurred through the Town. The beach was not only an aesthetically pleasing and recreational resource, and was also the first line of defense to protect upland properties. After decades of beach erosion, some areas of Town were now dangerously short of sand. He presented slides of areas that were seriously eroded, explaining that erosion was caused by the presence of Lake Worth Inlet at the north end of the Island. Over the years there had been a tremendous loss of sand to the beaches of the Town because of what was trapped north of the Inlet. Sand was also lost during major storms, and over the course of time it was necessary to take action to replicate what would have been a natural process to rebuild the beaches. The Comprehensive Coastal Management Plan Update was a document which was a center of discussion, and were the recommendations of the consultants and the Shore Protection Board for implementation to protect the entire shoreline of the Town. The Plan had been authorized by the Mayor and Town Council, completed in approximately one year, fully reviewed and put in final form, and recommended by the Shore Protection Board, after hearing from twelve well-recognized professionals in the area of coastal protection and engineering. The process had been a total of three years in order to bring the inlet to inlet plan to the community. Most coastal engineering projects had historically focused on particular areas that were subject to serious erosion and needed intervention. Specialists had defined the importance of the inlet to inlet plan, which would allow smoother permitting processes, as well as make the projects more likely to be cost effective in the long run. The plan was based on an engineering analysis of the shoreline, and also addressed environmental issues, such as sea turtle protection and near shore rock. In the shallow waters that were just off the Town shores there were many areas where there was exposed rock in the shallow areas of water, which were habitats for sea creatures, which must be protected as well. The plan was divided into reaches, or areas that were distinguished as a result of erosional rates, environmental conditions or differences in property ownership, with eight reaches being located in the Town. The benefits the Town could expect to receive as a result of the plan were primarily protection of upland property. Slides were shown of the mid-Town Beach restoration project. Other related community benefits to these projects were aesthetics, property values, tax and

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non-tax revenues to the Town, the general image of the Town, and recreational benefits. Applied Technology & Management (ATM) was selected through a competitive process that the Town went through. Because of the magnitude of the plan there was Peer Review conducted by Aubrey Consulting, who conducted the Peer Review, and raised several issues and criticisms, particularly in regard to the implementation of the plan as opposed to the actual methodology of the plan. The two engineering firms then got together and worked on how they viewed the plan differently, and arrived at a point of resolution, and sent a mutual letter to the Town on August 25, 1998 advising that Applied Technology & Management and Aubrey Consulting agreed upon the recommendations presented in the recently completed update of the Comprehensive Coastal Management Plan. The conclusion of the Peer Review was that the plan was an appropriate plan for the Town. The plan is based on preliminary engineering, and recommends the types of projects that ought to be pursued in different areas of the Town and does not recommend exactly what ought to be constructed and does not have exact costs, but contains estimates. The entire ten year program was estimated at \$48.5 million for the projects recommended within the Town. The thirty year program, including maintenance and financing them, was estimated at \$108,500,000. For purposes today, the \$48.5 million program would be discussed. The bare minimum that the Town ought to continue to do is the mid-Town project, as it is an existing investment of the community, and the permit conditions require maintenance. If the Town walked away from the project and did not maintain it, over time the groins that were constructed would begin to trap sand, and because of the harm that would be caused by that the State would require the Town to remove the groins that were constructed. Staff would recommend the public beach areas also be maintained by the Town, and that a responsible minimum level of a program to consider would be the \$17.2 million required to maintain the mid-Town project, to pursue a beach restoration project at Phipps Park, and continuing to implement the Lake Worth Inlet Management Plan. Those three pieces would cost an estimated \$17.2 million over the ten year period. Beyond that, but short of implementing the entire \$48.5 million plan, there were several choices that the community could make, which would involve four additional projects on a priority order basis determined by engineers. There were two different considerations on the overall \$48.5 million plan; a ten year plan, and an accelerated three year construction project for approximately the same amount of money. Funding could be accomplished in several different ways, and the two recommended were a straight ad valorem tax, and a benefit based assessment program in combination with ad valorem. The total cost of the program could be substantially reduced by assistance from other governments. The Shore Protection Board had recommended that the Town be prepared to proceed using only Town money, and then seek reimbursement where it may be available from Federal, State, or County governments. The inlet to inlet approach could benefit the entire community, however, a very substantial financial investment would need to be made. Public comments were now heard.

B. PUBLIC COMMENTS

Mr. Warshaw questioned the effect of the gulfstream on the plan.

Dr. Sten Lilja thanked everyone who had worked with him in preparation of his statement, commenting that the project had four distinct parts: storm protection benefits, recreational benefits, funding and legal aspects of funding, and peer review. He added one more item: consequences. He addressed each part separately, and noted that he had pointed out extensive differences between the ATM report and the Peer Review and offered the suggestion that the warnings of Aubrey must be considered, and that common sense be used. He presented facts and interpretations regarding storm protection in the proposed plan, stating that there was no actual nor intended protection offered by seawalls for private residences; furthermore, sand would only protect the seawall itself, not private residences. The seawall was only intended to protect the road and public utilities under the road, and was not installed to protect private residences. Presently there was sufficient sand in place on the northern beaches to protect the seawall, with some limited exceptions. He proposed the use of boulders or rip rap for those areas where sand could not remain in place in sufficient quantities. He noted that there would be problems due to State regulations for public funding. Public areas were eligible for public funding for beach restoration, including public beaches and land as well as hotels and restaurants. Eligibility then would extend to beach areas, quarter and half mile on either side of public beaches, depending upon parking and restroom facilities. That extension would not apply to hotels, restaurants, etc. Funding was specifically excluded for apartment buildings, rental condos. There was a question if the Breakers PUD qualified for a hotel or did not qualify. Surveys would be required by the Army Corps of Engineers prior to any permitting. Any land seaward of the erosion control line would become State land, whether or not the restoration was paid for by State or local funding. As State land it would become a public beach, even if a private owner paid for it. Normal configuration of renourishment was to build a berm. The new sand from the point of the end to its vertical base above the erosion control line would belong to the upland property owner. However, Florida Statute 161.141 provided that the strip that was previously private property, running lengthwise along the beach would be subject to a public easement, not only for construction and maintenance purposes, but also for "traditional uses."

Ms. Joann Rosenblum thanked Dr. Lilja for his presentation, and suggested that he write an editorial so that his suggestions could be better absorbed. She questioned the availability of historical data on similar projects along the Atlantic Coast.

President Smith explained that all questions would be responded to by the experts present today before the end of the meeting.

Dr. Sanford Kuvin commented that he had been involved in beach erosion problems for over three decades. The serious risks of the plan were chronic, including the Lake Worth Inlet, the increase in frequencies of storms and hurricanes, global warming, and the relentless development of concrete buildings along the shores. He stated that he did not believe that the risks were worth the rewards of the project. The plan was not based on engineering, the technical soundness of the plan had been criticized by the Peer Review group, and the criticisms had not been resolved. He commented that the Shore Protection Board had done diligent work over their three year tenure, however now they, the

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Civic Association, and a new group called SOS (Save Our Shores) now recommended the beach restoration plan to the Town Council. He contended that the plan was outrageously expensive and was a conceptual plan - an unproven concept for beach restoration. If approved, the plan would represent the largest transfer of wealth from the taxpayers of Palm Beach to the Public Works Department in the history of the Town. In unanimously approving the plan submitted to the Town Council the Shore Protection Board, as well as the Civic Association and the SOS group had gone against the advice of the experts hired by the Town to review the plan. He maintained that both the Civic Association and SOS group appeared to be acting like political action committees to persuade public opinion in favor of the plan. Dr. Kuvin commented that he was a bit upset that the entire document signed by ATM and Aubrey Consulting had not been presented because the body of the letter clearly stipulates that Aubrey Consulting is in agreement with the Coastal Management Plan *only* in accordance with its Peer Review document, which is referred to and buried as Appendix G. Any barrier reef Town will always need supplementary sand during the course of its history, however, the SOS bulletin states that the plan is based on scientific knowledge and state of the art technology that has worked in other shore front communities. He maintained that this was disinformation and another untruth because the plan was untested and untried, and was based on a risky concept of 45 groins, experimental pipes, valves and faucets, never tried anywhere else in the world. He recited several comments made by Aubrey in criticism of the plan in the Peer Review document. He maintained that the current beach restoration did work, creating a stable, steady shoreline, and that was done with a combination of three things: the Army Corps of Engineers Lake Worth dredging program puts millions of dollars of free sand on the northern beaches, all of which flows south, at about a mile a year; the Sand Transfer Plant was recently rebuilt after a six year shut down period, and lastly sand was put in high priority areas, most recently 800,000 cubic yards at the mid-Town public beach. What was urgently needed now was the presence of Aubrey Consulting to come to Palm Beach and recommend a design process. Dr. Kuvin asked Director of Public Works if the expanded version of the mid-Town beach, which currently was going to extend from its current width in the north to Clarke Avenue, to Sunset, Sunrise, Grace Trail, Root Trail, Seminole, Everglade Avenue, Atlantic Avenue, Dunbar, Wells Road, Canterbury, and El Mirasol, and in the south it would extend beyond its reach from Hammon Avenue to Gulfstream, Via Marina, El Bravo, El Vedado, Jungle, Banyan, for about a half mile, and would it encroach what is now private property and make that expansion public property east of the high water line. He summarized that the extensive beach restoration plan was not only without merit, but was playing Palm Beach roulette with Palm Beach dollars.

Ms. Ida Goldstein commented that she was a resident of Virginia with a residence on the ocean, and noted that they did have plans to restore beaches. She stated that she would like to see the Town Council move ahead and adopt a plan to restore the beaches in Palm Beach.

Mr. Gerry Frank commented that Palm Beach was a barrier island, and beach restoration was necessary. He noted that he had lived on another barrier island in New Jersey, and there had been beach erosion problems there as well, and beach restoration efforts had been successful there

This portion of the meeting was transcribed verbatim:

Douthit: Dr. Lilja was unable to finish his presentation, and I would like to simply state that I don't believe the degree of the State's sticky fingers has been thoroughly approached, questioned, or owned up to. It certainly has been no public word as yet, and that is that the budget presented is out of wack by at least \$34 million because of the \$1 million (garbled on tape) .. It now takes, regardless of who has paid for it, regardless of ownership, the State now takes all sandy area from- we'll say from as far east as Lisbon, back to our resident dune line, and an inlet to inlet restoration would create a 12-mile long public beach. And this is by State bets. The other thing, just in my thought, this brings up tremendous questions of- not expense- but liability, maintenance, and everything is pretty much then under the thumb of the State. We have very little to say. So, that is a major, major concern that you will please look into, and I'm sure you will find that that is the case, but it's an added \$2.25 per yard on top of everything, and sticky finger property.

Marix: Thank you very much. There's one thing, which it seems to me is totally clear, that this is a very controversial issue. It's got a great many pros and cons in many directions. I don't believe there is anyone in any part of this Town who doesn't realize it's a serious problem. I doubt if there is anyone who would say we must do nothing about it. The question is what do we do, and it is controversial. There are a great many unanswered questions, whether it's over engineering, or whatever the subject is. I do believe, however, and this is what I'm really very strong on - we keep talking about educating people. We cannot educate them until we can offer them the alternatives to know what they're doing, and to spend our own taxpayers' money, like I said the other day, to brainwash us, is not what I think is appropriate. There are a great many issues to be looked at, decided on, studied, then one gives people the possibility to educate themselves. I do not think this is the time, with these unanswered questions, we should be spending taxpayers' money on educating people in order to vote on an issue - if it's only one sided and they vote the wrong way, they're stuck with it. It's not their fault. They must have a full vision of what they're being educated on fairly, so they can vote accordingly. Thank you very much.

Smith: I had assumed that Gary was going to speak last. Do you want to speak now? All right. What I would like to say is that the Council is not here to educate you. We gave you a presentation, the bullet points, the - we are here to hear exactly what we have heard so far; approximately 20 unanswered questions. We want the answer to the questions too, and if we were not holding these public meetings those questions wouldn't have come up, so that's all part of the, if you want to call it education, or learning or listening or whatever you want to call it, but that is part of the process that we're here for today. We're not trying to brainwash anybody because the Council hasn't made a determination. Mr. Gilbertson, then

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Mr. Lickle.

Gilbertson: Eric Gilbertson, 151 Chilean Avenue. It's a very ambitious project, and of course we've known that for years, but of course the last analysis, as Deedy Marix just said, who pays for it? I know in Juno Beach when they had a problem there each house on the water there had to pay \$50,000 or \$75,000 or their house would be no longer there. So that's one thing. Now, I have – this is a minor thing, but it bothers me a little bit, because I have a Hobi Cat, and I like to leave it on my beach – oh no, I can't leave it on the public beach, so when I put it on the private beach, I get a process that says, oh, this is a private beach, I can't leave my Hobi Cat there. It's a small thing, but it's an annoyance, and if I'm going to pay for everything along the beach, I want to be able to use it. Then when I talked at the last meeting, I guess at the Civic Association, she said, oh, don't you want to save your home, I mean, we have to have this. Yes, but there's a lot of people that, if these extra taxes continue, they won't have a home to save. So, let's get practical about this and get down to some real facts. It sounds good, but let's take what Deedy Marix says – the taxpayers are very upset and we're getting more upset every year. I remember the health care thing – it's a – we defeated them \$90,000 to \$88,000, and we don't have to pay for the health care – like heck, the public came back with public money and was defeated, so now we have to pay for the health care. This is a little different, I know, but let's get at the crux of it, and that's the money.

Lickle: I don't know whether I'll be able to remember all the questions that were posed here today, but I think what I continue to hear, and I agree with Ms. Marix from the standpoint that we, as citizens, need to know what the issues are about before we vote on them, and that is the message. The message is not a brainwashing, the message is come here, listen, ask the tough questions, get the answers that you need to have. The disappointing part, which Dr. Kuvin, I believe, brought up, about the statement that I made in the paper, because I was out of Town at the time, is that there is bad information going around, and whether that information is either due to naivety or purposeful, the sinful part is that it is bad information. And as a result, I will continue to try to get that message out as to what the facts about this project are. For example, Ms. Douthit raises the \$2.25 surcharge. Great question. The point is the \$2.25 surcharge is waived by the State in this project – it's not an issue. If it were asked as a question that's one thing – if it's being made as a statement throughout Town that the State is in fact charging us, it's false. Dr. Lilja and Dr. Kuvin obviously have very strong opinions and are articulate speakers about this particular project. It's obvious that they're against this project. One would sometimes wonder why they're against the project, particularly when, oftentimes, Dr. Kuvin and I will sit down and we will discuss this project, and we both agree that the overall Town's interest are the most important. But, instead of getting into, which I would be happy to do, but in the interest of time, get a point by point rebuttal. As one philosopher said, one picture is worth a thousand words. I've got a tape here that I believe demonstrates what, in fact, a beach can do as far as shore protection for this Town. This is, in fact, the storm that everybody's been talking about – the October 31st, 1991 series of waves that were hitting on Palm Beach. And if any of you were here, you'd realize, that, as Dr. Lilja said, it was under 30 miles an hour – it was, in fact, about 2 miles an hour, was the wind. There was literally no wind driving these waves, which came down off of this storm this century from Connecticut. And here's what happened to our Town. (Show's video and comments). Comments that it can be stated pretty categorically, that if the mid-Town beach had been in place when this storm came through, this would not have happened, period. The point being, Mayor, that the waves would be breaking out between 100-150 feet off shore, as opposed as to up against the wall.

That's simply an example of where we were and where we are today. Now, let me try and go back through some of the points that were brought up here. First of all, I'd like to straighten out that the Gulfstream does not come within 200 yards of the shoreline – it's approximately 2 miles. I can assure you that the Shore Board has discussed over that first year period the effects of the Gulfstream and the littoral drift and how it has affected our shorelines, and we'd be happy to treat that in detail, if somebody needs to hear about that. Our beaches are not in Virginia. We can categorically state that. And furthermore, in order to try and, at least put hopefully to rest this issue that Dr. Kuvin continues to say – that there's no engineering in this project, and that the Peer Review has criticized this project, and does not agree with this project. I would like to state at this point in time, that while Dr. Kuvin has spoken with Bob Hamilton, I have spoken with Bob Hamilton. And if the Council, or anybody in this room is still concerned as to whether or not Aubrey Consulting, which Dr Kuvin has great respect for, is in disagreement about this project as a concept, Bob Hamilton is standing by to discuss this on the telephone in a conference call with this Council or anybody in the public, or he would come down here, if the Council so desires, to put this to a rest, because it simply is a misrepresentation as to the position of Aubrey Consulting. Aubrey Consulting has stated categorically to me on the phone that in no uncertain terms they are 100% behind the design of this project. And what you are hearing is the original critic, which is what happens when you ask for Peer Review, taking bits and pieces, and utilizing that to try and say that this is not a good project. So, let's get that out on the table. Let's get it over and done with, and if Bob Hamilton is necessary to come down here, or get on the phone, I'd like you all, the public, to hear it in his own words, not in Dr. Kuvin's interpretation of it.

I believe Ms. Goldstein brought up a good point. You said this is a man made problem, and that's absolutely true. We all agree it's a man made problem as a result of the digging of the Inlet, and the unfortunate part is that we have to come up with man made solutions. As a result of our mistakes that we've done in the past, we're offering up the man made solutions with the best science that we know how to do. Now, we've often sometimes said, I think Dr. Kuvin uses this as not hard science – Dr. Kuvin,

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you're a doctor. You treat patients, and I'm sure you don't save 100% of your patients with the medicines that you recommend for them, but you do the best you can with the technology that you have available, and that's exactly what we're trying to do for this Town. We're not telling you that this is a 100% guarantee that the patient is going to be saved in 30, 60, 90 days, or for the rest of its life. Erosion is a fact that we have to live with. We're simply telling you that this is the best plan, with the best technology, with the best medicine that we know, and we spent three years studying this, to come up with this, that's available today, and we're asking you as Town citizens to simply consider it, inform yourselves about it as to what the facts are, not the misrepresentations, and then you vote on it. I guess – is there anything else that, perhaps, I've missed on this?

Smith: The last question for Mr. Dusey about the sand being put on from the mid-Town beach all the way north to Wells Road, and then south to Banyan – whether or not that will turn that into public beach?

Lickle: We approached this on the Shore Board with the original philosophy, and you've heard a lot about whether we should have State, Federal, and County participation. We designed this project so that there would not be any more requests from the State, the County, or the Federal government for more access to the beaches or more parking in this Town. Now, if you want to do it the old way, which is the way we used to do it – when you first asked for the money from the State, the Fed and the County, that is correct, the first thing they will ask for is where's your parking, and if you don't have enough, we want you to put in more, and where's your access, and if you don't have enough in their opinion, we want you to put in more, and then they design your beach for you. The point is that we asked all the best experts we had to design the best project we could and then we would go back and ask the State, the County, and we're not going to get much money from the Feds, for reimbursement for those areas of the public beaches that are already public. We are not expanding the public use of those beaches. The point is, though, that when Bill Stronge did the study that showed that 95% of the people that are on our beaches are not Town residents, at first that may shock you, and you say, well, my goodness, look at this – it's the tourists that are using our beach, you know, why should we be paying for it? This is not about walking on the beaches. This is about protecting your barrier island, and the point is that if you show that the public off-island is using the beach, that's what gets you the State and the County money to reimburse us. It doesn't expand the use of it; it simply gives you a justifiable legal argument to ask for the reimbursement. So, when you're talking about the mid-Town beach and renourishing that, it's already public. The public beach, as far as the public sector, will only be reimbursed or paid for by the State and the County as far as their jurisdiction is. Now there's nothing to stop somebody from going on the public beach and walking all the way up to Dr. Kuvin's house in the north end, where the beach is now 200 plus feet wide. There's nothing that can stop somebody from doing that, but that's a fact of life, and that's a fact that we have that we have right now and we're living with it, so the point is no – it does not become expanded public beach and it will not be paid for or reimbursed by the State other than through this mechanism that we talked about by demonstrating that there are, in fact, public uses of our beaches in general.

Smith: Another point was mentioned that I would like to clarify for everyone here. The Town Council will not be making the decision on whether or not we're going to adopt this plan for over a hundred million dollars. You, the residents, will be making the decision in the form of a referendum, if it is put on the ballot, and the only determination we would make is whether or not it's put on the ballot for you all to vote in or out. We will not be determining this. Thank You.

Pearlman: My name is Charles Pearlman. I just wanted to ask if the inlet is the principal cause of the beach erosion? Has any thought been given to changing the inlet, making it more narrow, or is there anything that can be done in that area that would be less expensive?

Smith: I think that the answer is a lot of thought has been given to it, and nothing can be done. It's not under our control. But we've given it a lot of thought, including blowing it up!

Wyett: If the Port of Palm Beach had their way, they'd widen it.

Curran: Thank you. I am Eileen Curran, 3170 South Ocean Blvd. Mrs. Smith, I'd like to request that other members of our team would follow me. I'd like Dick Raffo to follow me, and Mr. Jerry Levy, and Mr. Norton Rosenberg. We have prepared this together. Thank you. As a member of the Shore Board, I heard from the many coastal engineering experts that sand beach has a function. It functions as a continuous blotter to protect the Shoreline against tides and storms. In fact, as we speak, we continue to lose sand, about 550,000 cubic yards every year. Lost sand means lost storm protection. We know this causes insurance rates to sky rocket. We know that our property values will be at risk. Gary Lickle's tape revealed the emergency at mid-Town beach in 1991, and reaffirms our fears of water washing over A-1-A. The question is, what can we do? As you know, we are here today to discuss this next step. We are here to discuss the entire Shore Protection Board proposal that has been submitted to you for an inlet to inlet beach restoration plan. Dick Raffo will now give you the reasons why the Save our Shoreline foundation supports the Shore Protection Board proposal. Thank you.

Raffo: My name is Dick Raffo. I live up on the inlet, and the inlet is a Federal inlet – that's why we can't blow it up. I want to thank the Town Council for dissolving us - I was a Shore Protection member, and I want to thank you very much. I guess the best way we can describe it is we can finally come out of the closet from the Sunshine Law. I wish you fellows could come out of that closet too - – the Sunshine Law is

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something. Many concerned residents have formed a foundation – it's called SOS, Save Our Shoreline. Our goal is to educate residents. We are not spending the Town's money. Every member of SOS is contributing. Our goal is to educate our residents, make the plan north to south, inlet to inlet, encourage the Town Council to adopt the plan. SOS Foundation is a tax deductible, 501(c)3. We have engaged the services of our very capable Daryl Glenney, who is our public relations girl, and she's already, as you've seen, done our public relations work for us. We need you to support us, and we need some money. So, if you Town Council people would like to write a check, we'd like to have it, to the SOS Foundation. We thank you for your time. I'd like to introduce two fellows who have worked very, very hard on money, very, very simple money – Jerry Levy, and Norton Rosenberg.

Levy: Thank you Dick. Mayor Ilyinsky, Town Councilmen, Sam Gossiaf, wherever you are, and neighbors. It is a pleasure to point out to you a funding option for the shore protection project that should be able to be implemented in a most palatable manner. The State of Florida has proposed a ten-year, complete design, construction, and monitoring program that would cost approximately \$53 million, and compares with the Shore Protection Board for \$48 million for the ten-year construction program. The State proposed contribution of approximately \$25 million, and the County proposes \$2.1 million towards the \$53 million estimated costs. The Town of Palm Beach currently spends an average of \$300,000 per year, which would total \$3 million over the next ten years. We suggest a pay as you go method, which would fund the entire ten year project in seven years. All of us here would like to have our shores protected and enhanced, but the question is how much will it cost each of us? The seven year funding we propose would cost \$37.50 for each \$50,000 of assessed valuation, or \$75.00 for each \$100,000 of assessed valuation. This would net down, after taxes, to approximately \$25.00 for each \$50,000 of assessed valuation, or \$50.00 per \$100,000 of assessed valuation. A few years ago, in 1991, part of A-1-A was damaged by a storm that the Department of Transportation spent millions in repairs. If the damaged road were north of the South County Road intersection, the cost of repairs would have been the Town's responsibility, since the State ownership follows South County Road. Remember, our shores are our first line of protection for our buildings. The loss of any of these buildings to our tax revenues could be horrendous. The suggested method of payment should not require a funding bond nor a referendum. Now is the time to inform our Councilmen that you want this program implemented as soon as possible. Nobody is more interested or works harder for our Town than our Councilmen. Let them know how you feel now.

Norton
Rosenberg: My name is Norton Rosenberg. I'm at 3170 South Ocean Blvd. Mr. Mayor, members of the Council, a little over a week ago we were given information from the Florida Department of Environmental Protection, the Bureau of Beaches and Coastal Systems, which I believe is a pretty high authority. They gave us a projected plan of expenditures and how these expenditures to improve our beaches would be met, and I made a worksheet, did a spreadsheet, and worked it out. This is inlet to inlet, but they broke it down just for the area of Palm Beach, and the total cost that they projected was at \$53 million, which Gerry had said was \$5 million more than what the group had determined, but they offer \$25,700,000 towards the cost of this project. They said that the county in the second year would give us \$2,100,000. At the present time we are spending \$300,000 per year for nourishment and maintaining our beaches. Well, we can use that money, which represents \$3,000,000. And then it winds up that the total cost to the taxpayers on this entire project for the ten years will be \$25,200,000. I think we got it down to a pretty low figure, and I don't see why \$75 per \$100,000 of assessed valuation in an area that has a valuation of \$4,800,000,000, that people living here couldn't afford that measly amount for a period of seven years, and I hope you decide that this is the right way to go.

Ilyinsky: Repeat that about the State putting in money.

Rosenberg: The document that I have says that they will put up \$25,700,000 and they break it down when they will give it and for what projects they will give it, dividing our island into five areas.

Levy: Mr. Dusey has those figures from the State, and that spreadsheet/cash flow anticipates those contributions when they come in.

Rosenberg: And it also provides for a surplus, allowing for any contingency that may arise, or increased costs of \$2,000,000 at the end of the ten years.

Kuvin: I just wanted to ask Mr. Lickle, if I may, Gary, there is obviously a discrepancy of understanding as to your interpretation of what the input of Aubrey Consulting is with this plan, and what – yours and mine seem to differ. I just want to ask you – in this letter, this rather now becoming infamous letter, dated August 25, 1998, at the conclusion of it it says we encourage members of the Town Council, the Shore Protection Board, Town Staff, and the public, to examine the Peer Review Appendix, referred to as Appendix G – I'm not a Palm Beach lawyer, Mr. Lickle, but as it provides information that compliments the body of the plan. Now, I just want to ask you, is this 22 page report with excerpts that I read today – these were right out of here – being scathingly critical of the plan – are you suggesting here and now that it is null and void?

Lickle: What I am not suggesting, but what I am telling you is that the 22 page report that I'm assuming that you're referring to was the Peer Review that was done back in the spring – early on in the program. We

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asked specifically for Aubrey Consulting to critic the report that ATM did, and sure enough, they had critics. That's what this is about. Then as they moved through that we asked ATM and Aubrey to get together and resolve those issues. Those issues are resolved. And if you don't believe me, let's have Bob Hamilton come down here and state such, because I am tired of this going forward again and again and again saying what it is. The point is that when Dr. Kuvin talks about we encourage members of the Town Council, Shore Board, and the public to examine the Peer Review Appendix, absolutely. That's the way you educate yourself as to what the critics were saying about the report, but those issues have been resolved, and there are issues there that Aubrey suggested, which ATM has adopted, such as the issue of what we call adaptive management – it's a way in which you implement it, and as a result of the critic ATM agreed, we agreed, it's being implemented. So, I hope that's–

Kuvin: Mr. Lickle, has that been put into print about.

Smith: I really think that at this particular point, rather than spending the time, if he says it agrees, we can always get Mr. Hamilton on a conference call in a public meeting to say he agrees, but I don't want this – it seems it's taking on a personal element here, which does not aid the process.

Lickle: I agree, absolutely. Here's the co-signer of the letter.

Smith: All right. Mr. Decker. All right.

Decker: Good afternoon, my name is Dave Decker, and I'm with Applied Technology and Management, and I had the pleasure of working with Bob Hamilton and Aubrey Consulting, and the staff in going through the Peer Review process, and first of all, I'd like to state that the focus of the Peer Review was primarily on the implementation of the plan, and I encourage all of you to go to Appendix G of the report, or ask me questions, versus reviewing the plan. The plan is basically discussing improvements or a plan of action for the Town to implement, or the island to implement, to basically manage its shorelines. The Peer Review – the principal focus of the Peer Review was on the implementation of the plan, encouraging us to use discretion in identifying projects, and not necessarily going forward without doing the appropriate study, reviewing available data, doing computer modeling. They were promoting doing what was called adaptive management. Adaptive management basically was saying you can build one project, and see what benefits accrue to the island from that, and that may reduce the extent of a second project. The plan is presented with multiple elements, and Mr. Elwell presented the plan basically stating that the decision has yet to be made as to whether we're going forward with the minimum or the entire plan or something in between. Aubrey Consulting is basically making those same recommendations in more technical terms in their Peer Review Report. After they issued the Peer Review Report we met with Mr. Hamilton. He and I sat down and we went through a lot of the technical issues. There are two rounds of correspondence and writing that went back and forth that followed the report in Appendix G; that culminated with a presentation to the Shore Board where all of the issues were flushed out in a public forum, and thereafter we presented a joint letter which is the August letter, which Bob Hamilton and myself signed. So that is how the Peer Review process went, and I'd be happy to try to answer any technical questions.

Smith: Are there any members of the public that have any questions for Mr. Decker?
Mr. Decker, you did identify yourself, didn't you, as Vice President of Applied Technology and Management?

Rosenblum: Mr. Decker, your company is the one who has done all this work. I'd like to know what background there is – any data – I'm a scientist and I go by data – what's happened in the past.

Decker: I've written down all of your questions. Do you want me to answer them now or later?

Smith: Why don't we wait until anybody else has any questions. Mayor Marix?

Marix: This is not a question for Mr. Decker. Can I ask it anyway? Having had the flu for a month I'm not as smart as I used to be, and there's something I didn't understand, and we are told its \$48 million and \$50 million, and then Mr. Raffo says its really \$25. Would someone tell me what the thing would cost? I think it's important that people have been told \$45 or \$53 as best they can tell, and then Mr. Raffo, wherever you are, I do believe that you said –

Levy: Can I answer that please?

The information originally given to the Shore Protection Board indicated that the 10 year cost would be \$48 million. Two weeks ago, or a short time ago, perhaps earlier than that, or rather later than that, the State came through with a funding program, and their estimate for the damage, pardon me, the repairs, was \$53 million. Using their figures of \$53 million, we discarded our \$48 [million] because they are coming up with more. They have proposed reimbursing us to \$25,700,000. The county has agreed to reimburse us \$2.1 million, and that's why we're using the figure \$53 million, because that is the figure the State is using to reimburse us.

Marix: That's what I thought. But it seems to me if we're discussing a total outlay of \$25 million, I would at

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least thought I would have read about it in the paper at some point, but if it's really \$25 million, I think we've got to make that rather clear. That might interest people. Thank you.

- Lickle: Ms. Douthit. There's an easy answer to that, and you're absolutely right – excuse me, former Mayor Marix – we, as a Shore Board thought it was only appropriate to tell our residents what the worst case would be if we had to pay for this all by ourselves, and we wanted to design this as the best possible alternative again, without dealing with the Fed, the State, and the County. All along, we knew we could get money from the State and the County in particular, but we don't want to represent a guarantee to the public. So the point is, if you've been listening to what we've been talking about of that \$55 million number, which is the inlet to inlet, or \$48 million, which is purely Palm Beach, we always envisioned that we would reduce that number substantially, and the point is that now the State, this year, has allocated \$20 million to State projects. Next year it's \$30 million. And we are at the head of the pack on the permitting and the requests, and the timing is perfect, because the State does not have a huge pipeline of projects in their bailiwick. So, if we ask for the money, the chances are really good we're going to get it, and now you're hearing about what we expected was going to happen, and that is a substantial reduction in the cost of this project to this community. But we didn't want to misrepresent anything to this community by saying it's going to be \$.50 on the dollar, and the find out that it's going to be \$.75 on the dollar, so that's how that worked.
- Lilja: I have one question for Mr. Decker. Who wrote this letter that was displayed up there? Who wrote it?
- Decker: Bob Hamilton and I jointly authored that. There were several versions. Mr. Hamilton, with Aubrey Consulting, and I co-authored it.
- Lilja: Who wrote it?
- Decker: Both of us.
- Lilja: The last one? You were not holding hands when it happened, did you?
- Decker: We had draft versions of the letter being faxed back and forth with edited comments being made by both of us.
- Lilja: Who wrote the one that was displayed right here?
- Smith: Here. I think we've got the August 25th letter. You said they went back and forth by e-mail on it? Is that – they signed it. Here. Here's a copy of the letter.
- Decker: Who produced the letter? Whose computer did it finally come out of?
- Lilja: Correct.
- Decker: I believe it came out of ours. I sent a copy to Mr. Hamilton. He signed his copy, and then returned it to me.
- Lilja: Okay, that's the answer I wanted to hear. I have another question for Mr. Lickle in response to what he said – that thing only, I'm not going on. Well, we suddenly are talking about \$55 million down to \$25 million. What happened to the \$120 million? Just a question.
- Lickle: As an explanation of why this number of \$100 million is coming up from time to time. Let's assume that you bought a house for \$100,000 and you went to the bank to finance that house, and you took out a loan for \$80,000. The cost to you of that loan is not just \$80,000; it's \$80,000 plus the interest that you would pay over the next 30 years. So if you ever look at the total amount that you would end up paying after 30 years is done, that \$80,000 would probably be more like \$250,000, so the \$100 million number includes all the financing charges, and includes all the maintenance going into the future for 30 years, and that's why there is a difference in those numbers.
- Lilja: Well, I got two responses here. It was thrown in at the very last moment – the maintenance – we have not only monies, we have the volume of sand, and that's what I would like to have explained. What happened to the maintenance after the first 10 year period, because we have been told that we will need 5 million cubic yards for the initial restoration, and we'll need another 10 million cubic yards during the next 20 years, so would you please – because I understand a little about financing too, you see.
- Lickle: The entire project is inclusive of maintenance and interest financing. That's – I mean, what more can I say? The point is you don't put in a project and then not maintain it. If you do that, you are wasting your money. So there are periodic maintenance schedules that are built into the project going forward into the future for 30 years. If we can reduce those maintenance costs it will be done, and the project will come down in costs from \$100 million down lower. If for any reason, through having two or three hurricanes in a row, which is always possible – we all recognize that a hurricane is a very devastating storm. We cannot totally protect this island against 100% one-hundred storm. The design limitations are based on the best design limitations with a given prediction as best we can, based on whether – but there is no

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ultimate guarantee that a hurricane cannot damage your home, or that water cannot eventually run over this island. This is simply storm protection with the best economies that we can come up with, based on the best protection that you can have within design limitations that make sense.

Smith: Just a few questions, now that it's been brought up. Looking at the figures we have here; you have the \$55 million figure – is that correct? And then the maintenance for the additional ten years would be in addition to that?

Decker: We're following the State proposals –

Smith: I know, but the State's not taking in our maintenance. So it would be the \$55 plus the maintenance – I mean, we want to be clear.

? Rosenberg After the tenth year. But we are currently, in the Town of Palm Beach, paying almost an average of \$1,000,000 for maintenance, although only \$300,000 comes out of our concurrent tax roll. The others come for other sources. So that's something that we have been expending.

Smith: Sure. But we just want to make it clear that the maintenance part of the program is included as part of the thing, and it is not being excluded – but beyond the ten years – we're not excluding it? I'm just clarifying this for the public here in general. If the project will be maintained. Mr. Decker is shaking his head yes.

Lickle: It's fully included. I want to make sure that – there are three numbers that are now running around. \$55 million is the inlet to inlet project. \$48.5 is Palm Beach's share. The \$53 million that was just talked about over here was purely a calculation by the State to come up with the number that they're going to reimburse us. This is still a \$48.5 million project.

Shaw: Do our residents know that there is a 40 odd page report, which is presently on the Town's website that anybody is welcomed to take a look at it, and read it, so if you would like to have a copy of what is referred to as the Beaches Overview- The Beaches a Manual, which was produced as a result of the Board's years of gathering information, it is available on the Town's website.

Lilja: I don't want to prolong this particular question I raised. In my opinion the difference here between the \$48 million for the Town alone for the first initial thing, and then it goes up to \$120 – we are talking about two different things, and the only explanation I got from Mr. Lickle was that well, after ten years, we don't know what's going to happen, so somebody who is better at this, I hope will take up this particular question, because we are talking about vastly different numbers that have been tossed around all the time, and they have not been put to bed here today. The other question I have. That's a comment. Mr. Lickle responded to Mrs. Douthit about this surcharge of \$2.25. I would say that the information for that one comes from two county employees – one here – Mr. Clinger, to be exact, who is familiar with the project, and also from Tallahassee. I am a little bit surprised that those two gentlemen didn't know about this, well – what is the phrase you used, Mr. Lickle – waived – if it had been waived wouldn't that have been a nice plug for the project – to just bring out that we suddenly out of the blue sky would save \$34 million or thereabouts? Now, the statement by Mr. Lickle that the wind was blowing no more than 2 miles per hour – well, when I said it was blowing less than 30 miles an hour that was out there, it was not here. That's very clearly what I said, and what it demonstrates is that the waves produced secondarily by a wind that was still that low, came in and were detrimental to us. So, that thing. He mentioned that the Beach Club windows broke down. That is also correct. But he didn't mention that the Beach Club windows are directly at the same line as the seawall, so I mean, if it dashes against a seawall, which it's designed to do – of course, it dashed against the glass on top of it. I don't want to take more time, and I'm sorry I couldn't finish my presentation, because I was coming to my positive suggestions and the recognition that we need –

Smith: Tomorrow, Dr. Lilja.

Lilja: Tomorrow, tomorrow, is that the song you are talking about?

Smith: No. But, I would like to say that I didn't want to cut you off, Dr. Lilja, but in all fairness to everyone, 25 minutes was too long with the other people, and I think your points were very well taken, and certainly your positive things can come at the meeting tomorrow, but I would ask, in the interest of moving the workshops along, that people limit their remarks to 10 minutes. I think it makes it very difficult to follow along. We on the Council had the benefit of having Dr. Lilja's speech in front of us, but those in the audience did not, and I think sometimes it's very hard to assimilate everything that's said in a long presentation.

Lilja: That's obvious, because I'm very technical, and that's the way I'm born, and that's the way I'll continue.

Smith: Which I think is good, Dr. Lilja.

Lilja: The intention is to help this Town with facts which are not commonly known by others.

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Smith: You've always helped the Town with facts, and so I look forward to hearing the conclusion tomorrow at 5:30 in the Council Chambers.

Lilja: I consider that as an invitation.

Smith: If there's no other public comment, we are adjourned, and I thank you all very much for attending.

IV ADJOURNMENT

The meeting was adjourned at 4:15 P.M. on March 17, 1999.

Mary A. Pollitt
Town Clerk

Prepared by:
Susan Eichhorn
Deputy Town Clerk