

**PELICAN BAY SERVICES DIVISION
AD HOC COST SAVING STRATEGIES COMMITTEE MEETING
JULY 14, 2016**

The Ad Hoc Cost Saving Strategies Committee of the Pelican Bay Services Division met on Thursday, July 14 at 2:00 p.m. at the SunTrust Bank Building, 801 Laurel Oak Drive, Suite 302, Naples, Florida 34108. The following members attended.

Ad Hoc Cost Saving Strategies Committee
Mike Shepherd, Chairman

Bohdan Hirniak
Gary Ventress

Pelican Bay Services Division Staff
Neil Dorrill, Administrator
Marion Bolick, Operations Manager

Mary McCaughtry, Operations Analyst
Lisa Jacob, Associate Project Manager
Barbara Shea, Recording Secretary

Also Present

Joe Chicurel, PBSB Board
Dave Trecker, PBSB Board

APPROVED AGENDA (AS AMENDED)

1. Pledge of Allegiance
2. Roll call
3. Agenda approval
4. Approval of June 14 meeting minutes
5. Audience comments
6. Review running list of identified cost-reduction/performance improvement options
7. LED bulb replacement for existing metal halide bulbs – street lights
8. Sub-contracting options – comprehensive, partial, potential for trial
 - a. Landscape services for the Pelican Bay Foundation (*add-on*)
9. Forward Plan – contrast “dependent” vs. “independent” district organization
10. Review and prep for Final Report
11. Adjournment

ROLL CALL

All members were present and a quorum was established

AGENDA APPROVAL

Mr. Hirniak motioned, Mr. Ventress seconded to approve the agenda as amended with the addition of Item #8a. The motion carried unanimously.

APPROVAL OF JUNE 14 MEETING MINUTES

Mr. Ventress motioned, Mr. Hirniak seconded to approve the 06/14/16 meeting minutes as amended. The motion carried unanimously.

AUDIENCE COMMENTS

Dr. Trecker commended the Cost Saving Strategies Committee for their exemplary efforts. He also commented on his view of two distinct issues being studied by the committee, (1) identification of specific cost saving measures/improvements, and (2) possible savings to be achieved as a result of changing the organizational structure of the PBSB to an independent district.

REVIEW RUNNING LIST OF IDENTIFIED COST REDUCTION/PERFORMANCE IMPROVEMENT OPTIONS

By consensus, the committee expressed continued agreement with all of the items on the “running list of identified cost reduction/performance improvement options” resulting from the last two committee meeting discussions.

LED BULB REPLACEMENT FOR EXISTING METAL HALIDE BULBS - STREET LIGHTS

Mr. Shepherd summarized recent comments by our lighting consultant, including his conclusion that Pelican Bay street light poles and fixtures are in good condition and therefore, do not need to be replaced. Mr. Shepherd commented on the current trial of the replacement of four metal halide bulbs with LED bulbs on the street lights at the intersection of Pelican Bay Blvd. and Gulf Park Dr., and stated that if all Pelican Bay bulbs were replaced with LED lights, a savings of \$11,000/year may be achieved.

Mr. Dorrill commented on Pelican Bay street light fixtures being out of production. Staff is in the process of researching the availability of similar fixtures.

SUB-CONTRACTING OPTIONS – COMPREHENSIVE, PARTIAL, POTENTIAL FOR TRIAL

Mr. Shepherd commented on the possibility of outsourcing landscape services along the Gulf Park Dr. corridor, as a trial, to one private contractor, estimated to be 3.67% of the total Pelican Bay area. Mr. Shepherd prepared a pro-forma budget under this scenario which did not include any “extras” to be charged by the contractor, which showed that potential savings may be \$17,850.

Dr. Chicurel commented that any savings achieved from outsourcing the Gulf Park corridor cannot be extrapolated to the entire Pelican Bay community which contains many areas requiring much more complicated landscaping work. The committee agreed.

Mr. Shepherd summarized conversations with Mr. Bolick which identified reasons why it would not be in the best interest of the PBSB to subcontract all Pelican Bay landscaping as (1) the possible loss of uniformity of landscaping throughout the community, (2) the possible loss of the ability to handle emergencies, (3) seasonal growth patterns, and (4) the possible loss of the ability to handle sporadic special landscaping needs/projects that require unplanned for attention.

Dr. Trecker commented that one cannot assume County contracted landscapers are unable to provide quality work.

By consensus, the committee agreed to pass on the option of outsourcing landscaping along with the potential negatives and possible savings identified to the PBSB Board.

LANDSCAPE SERVICES FOR PELICAN BAY FOUNDATION (ADD-ON)

Mr. Shepherd commented on achieving significant cost savings by discontinuing landscaping services on Pelican Bay Foundation property. By consensus, the committee agreed not to recommend further study of this option, as this option would transfer landscaping expenses to the Pelican Bay Foundation who would in turn increase annual resident assessments, and result in no net cost savings to Pelican Bay residents.

FORWARD PLAN: CONTRAST “DEPENDENT” VS. “INDEPENDENT” DISTRICT ORGANIZATION

Mr. Shepherd commented on his estimation of approximately \$300,000 being charged to the PBSB by the County, which includes approximately \$80,000 by the Tax Collector for assessment collection processing. After discussion, the committee was in favor of future exploration of the “independent district option” for the organization, which must include analyzing the political ramifications of Pelican Bay’s continued responsibility for the Clam Bay NRPA.

Mr. Dorrill reviewed Chapter 189 under Florida Statutes which discusses special districts. He commented on the requirements of a possible formation of an independent special district which would include, (1) an enabling charter, (2) a fully developed agreement between Pelican Bay and the County, and (3) a complete pro-forma budget to include all expenses currently being provided for by the county such as payroll, accounting/general ledger system, all types of insurance, fleet maintenance/services, audit fees, legal fees, and computer/IT expenses.

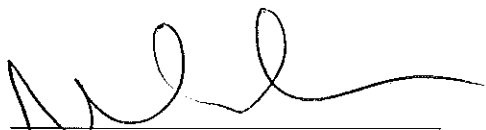
REVIEW AND PREP FOR FINAL REPORT

Dr. Trecker commented on three options explored by this committee, requiring future discussion by the PBSB Board: (1) a shopping list of cost cutting measures, (2) a change of the organizational structure of the PBSB to an independent district, (3) outsourcing part or all of the landscaping function.

By consensus, the committee agreed to provide a palate of cost saving strategy options to the PBSB Board in the form of a report to be prepared by Mr. Shepherd. No specific recommendations would be made by the committee. The committee agreed that a “single topic” PBSB Board meeting would be an appropriate venue to discuss all of the issues explored by this ad hoc committee.

ADJOURNMENT

The meeting was adjourned at 3:02 p.m.



Mike Shepherd, Chairman

Minutes approved [] as presented OR [] as amended ON [] date