

**BUDGET COMMITTEE
PELICAN BAY SERVICES DIVISION
APRIL 13, 2018**

The **Budget Committee** of the Pelican Bay Services Division met on **Friday, April 13, at 8:30 a.m.** at the SunTrust Bank Building, located at 801 Laurel Oak Drive, Suite 302, Naples, Florida 34108. In attendance were:

Budget Committee

Mike Shepherd, Chairman
Joe Chicurel

Ken Dawson
Scott Streckenbein (*absent*)

Pelican Bay Services Division Staff

Neil Dorrill, Administrator (*by telephone*)
Marion Bolick, Operations Manager

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

Also Present

Susan O'Brien, PBSB Board
Rick Swider, PBSB Board

APPROVED AGENDA (AS PRESENTED)

1. Pledge of Allegiance
2. Roll call
3. Agenda approval
4. Approval of 3/15/18 meeting minutes
5. Audience comments
6. Review of Budget Worksheets, by cost center
7. Review of proposed Capital Equipment
8. Final Consolidated Budget approval
9. Review of PBSB Special Assessment History and Accumulated Deferred Maintenance
10. Other Business
11. New Business
12. Adjourn

ROLL CALL

Mr. Streckenbein was absent and a quorum was established

MR. DORRILL PARTICIPATED BY TELEPHONE

AGENDA APPROVAL

Mr. Dawson motioned, Dr. Chicurel seconded to approve the agenda as presented. The motion carried unanimously.

APPROVAL OF 3/15/18 MEETING MINUTES

Mr. Dawson motioned, Dr. Chicurel seconded to approve the 03/15/18 meeting minutes as presented. The motion carried unanimously.

AUDIENCE COMMENTS

Ms. Susan O'Brien questioned the proposed FY19 Clam Bay budget, which is \$60,000 higher than the total budget proposed and discussed by the Clam Bay Committee. She also questioned the status of \$50,000 for a legal review of a possible PBSB independent district. Mr. Shepherd responded that the \$50,000 legal review has been removed completely from the budget.

CHAIRMAN'S COMMENTARY OF THE PROPOSED FY19 BUDGET

Mr. Shepherd commented on the proposed FY19 budget, including:

- Routine expenses and capital increased by approximately 2.8% over the FY18 budget.
- Capital projects as approved by the budget committee at the last meeting were reviewed.
- The FY19 budget does not include funds for (1) "super" beach renourishment, (2) walkway replacement, (3) repair/replacement of failing stormwater structures, (4) legal fees for exploring a change to an independent district, (5) US 41 noise mitigation, (6) staffing additions, (7) lake bank mitigation for nine other "critical" lakes.
- The proposed assessment of \$1,017, up from the current \$653, is largely a result of Irma-related expenses.
- We are the low-cost provider of service, when compared to other "neighborhoods like us."
- We will continue to accrue funds for the street lighting fund; the millage rate will rise to .0888 from .0857 in order to take in the same amount of funds as in prior years.

ADDITIONAL \$60,000 INCLUDED IN THE FY19 CLAM BAY BUDGET

Ms. McCaughtry commented that \$34,500 was added to the Clam Bay budget as a result of a reallocation of Ms. Jacob's salary, which in FY19 will be reflected as 45% Clam Bay and 55% water management. Ms. O'Brien commented that an additional \$27,500 for general engineering is included in the FY19 Clam Bay budget. Ms. McCaughtry will review her worksheets and backup for this line item and get back to Ms. O'Brien with an explanation.

FINAL CONSOLIDATED BUDGET APPROVAL

Dr. Chicurel motioned, Mr. Dawson seconded to accept the budget as presented today and recommend the budget to the full PBSB Board. The motion carried unanimously.

Budget Committee of the Pelican Bay Services Division

April 13, 2018 Minutes

Mr. Shepherd concluded that no additional Budget Committee meetings would be necessary, prior to presentation of the FY19 PBSB budget to the full board on May 2, as discussed today.

ACCUMULATED DEFERRED MAINTENANCE

Dr. Chicurel commented on the “frugality” by the PBSB over the past 15 years, resulting in the current huge accumulated deferred maintenance deficit (approximately \$13.6 million).

OTHER COMMENTS

Mr. Dorrill commented that the proposed FY19 budget has been crafted as though no FEMA reimbursement for hurricane damage is expected. Mr. Shepherd responded that (1) the PBSB will receive FEMA reimbursement, (2) it is unknown whether FEMA reimbursement will be received in FY19, and (3) the amount of FEMA reimbursement is unknown.

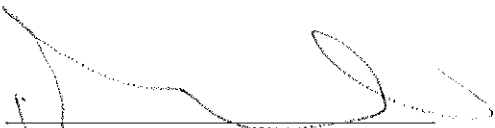
Ms. O’Brien questioned why the loan of approximately \$1 million from Fund 778 to finance upfront hurricane-related expenses, needs to be paid back, in full, to Fund 778 in FY19. Mr. Shepherd responded that (1) if another hurricane is experienced in 2018, we would have no “cushion” from which to borrow to pay for “upfront” hurricane-related expenditures, and (2) if the \$1 million liability were to be paid over more than one year, then future PB owners would be unfairly sharing in those expenses.

Mr. Dawson commented on a few cost saving strategies which have been implemented by the PBSB over recent years including (1) the installation of LED lights, (2) the installation of a new irrigation system, and (3) the implementation of an in-house mulch generation program.

Ms. O’Brien commented that the PBSB Board should request that staff provide a short-term plan/timeline for hurricane-recovery related work (such as landscaping replacement, sign repairs/replacement, and light pole straightening).

ADJOURNMENT

The meeting was adjourned at 9:23 a.m.



Mike Shepherd, Chairman

Minutes approved [] as presented OR [] as amended ON [4/30/18] date