

**PELICAN BAY SERVICES DIVISION BOARD REGULAR SESSION
JULY 11, 2018**

The Pelican Bay Services Division Board met on Wednesday, July 11, 2018, at 1:00 p.m. at the Community Center at Pelican Bay, 8960 Hammock Oak Drive, Naples, Florida 34108.

In attendance were:

Pelican Bay Services Division Board

Scott Streckenbein, Chairman
Tom Cravens, Vice-Chairman
Joe Chicurel
Jacob Damouni
Ken Dawson

Nick Fabregas
Pete Griffith
Bohdan Hirniak
Susan O'Brien
Mike Shepherd
Rick Swider

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

Evelyn Colon, Collier County Procurement
Ted Coyman, Collier County Procurement
Tim Durham, County Manager's Office

Jim Hoppensteadt, Pelican Bay Foundation
Robert Sanchez, PBPOA
Trent Waterhouse, Pelican Bay Foundation

APPROVED AGENDA (AS PRESENTED)

1. Pledge of Allegiance
2. Roll call
3. Agenda approval
4. Approval of 06/06/18 Regular Session meeting minutes
5. Audience Comments
6. Administrator's report
 - a. Update on County Clerk's audit of PBSB
 - b. Update on timeline for streetlight and sign repairs
 - c. Update on timeline for 41 berm clean-up and restoration
 - d. Update on Bay Colony restoration
 - e. Update on AB&B's report on WM pipe inspections at 6 sites
 - f. June financial report
7. Committee reports
 - a. Clam Bay
 - b. Landscape & Safety
 - c. Water Management
 - i. PBF/PBSB berm committee update
 - d. Budget
8. Chairman's report
9. Old business
10. New business
11. Adjournment

ROLL CALL

All members were present and a quorum was established

AGENDA APPROVAL

Mr. Cravens motioned, Mr. Damouni seconded to approve the agenda as presented. The motion carried unanimously.

APPROVAL OF 06/06/18 REGULAR SESSION MEETING MINUTES

Mr. Cravens motioned, Mr. Griffith seconded to approve the 06/06/18 regular session meeting minutes as presented. The motion carried unanimously.

COLLIER COUNTY PROCUREMENT COMMENTS

Mr. Ted Coyman, Collier County Director of Procurement Services, commented that as a result of the Board of County Commissioners' receipt of the Clerk of Court's PBSB payroll audit report, the County Manager's Office decided to postpone the July 11 selection committee meeting, in order to give the PBSB Board an opportunity to discuss the audit findings. He commented that the audit findings are relevant and material to the management services contract to be discussed by the selection committee. Mr. Coyman commented that the existing management services contract with DMG was extended, and now has an expiration date of Dec. 27. He also proposed rescheduling the selection committee meeting to July 19 at 3 p.m. By a show of hands, it was noted that a majority of the PBSB board members could attend a July 19 meeting.

Mr. Coyman provided additional information on the selection committee process which included, (1) any PBSB board member who has not contacted Evelyn Colon, has time to contact her in order to participate on the committee, (2) the BCC must also approve the committee's selection, (3) the scope of work included in the RFP could be changed through negotiations between the two parties, and (4) if the PBSB Board preferred to change the model for PBSB management, a discussion with the County Manager and/or BCC would be required.

Mr. Dorrill commented on PBSB contractor McShea, hired to paint sharrows on PB roads, where the quality of completed work is in dispute. Mr. Coyman suggested setting up a meeting with the vendor, PBSB staff, and Sandra Herrera, Procurement Manager, to discuss the details of the project and hopefully come to a mutually agreed upon solution.

AUDIENCE COMMENTS

Mr. Geoff Noble commented that he was distressed by the audit report, the failure of the Administrator to supervise, and suggested a forensic audit of the PBSB.

Ms. Linda Roth commented on the audit report, including (1) the lack of oversight and supervision, (2) incompetent leadership, and (3) the lack of adherence to County payroll procedures by key staff.

Ms. Jeanne Findlater commented on the audit report, including (1) the audit findings have still not been addressed, (2) new leadership is needed, and (3) the PBSB Board should terminate the Administrator's contract.

Mr. Robert Sanchez commented on being distressed over the audit report, as well as the lack of competitive bids for the management services contract.

Ms. Sandy Doyle commented on the audit report, including (1) the failure of the Administrator to fulfill his contractual obligations, (2) the failure of the Administrator and

management to accept responsibility for the audit findings, and (3) the need to expand the audit to other areas within PBSD beyond payroll.

Dr. Joseph Doyle commented on the audit report, including (1) the audit findings are a symptom of a larger problem, (2) the PBSD Board is dysfunctional, and (3) the PBSD Board needs to take action. He also commented that the proposed FY19 PBSD assessment is too high, and should not include \$1.3 million for which reimbursement is expected from FEMA.

Mr. Pete Duggan questioned how the management services contract could be extended in light of the audit findings and suggested that the PBSD needs help.

ADMINISTRATOR'S REPORT

UPDATE ON COUNTY CLERK'S AUDIT OF PBSD

Mr. Dorrill provided an update on the Clerk of Courts' PBSD payroll audit which included:

- Mr. Dorrill attended a pre-engagement meeting with the Clerk of Courts' audit staff about eight months ago. There were no other requests for meetings from the audit staff.
- The PBSD Administrator has never been directly in the workflow of PBSD payroll. However, going forward, Mr. Dorrill will be directly participating in the PBSD payroll approval process.
- Audit findings included (1) under-reported "leave" hours, (2) unapproved payroll documents, (3) unintentional data entry errors in the SAP payroll system, entered by the Operations Analyst, and (4) compensatory time hours not recorded in SAP, per County policy.
- Adherence to corrective actions and disciplinary actions will be reported back to the County Manager's Office in 30, 60, and 90 days.
- Annual performance appraisals were not completed for PBSD employees in 2015 and 2016, resulting from the County transitioning to a new method of evaluations, with multiple delays.
- On June 4, Mr. Tim Durham, County Executive Director of Corp. Business Operations, was contacted by the Clerk of Courts and provided with a draft of the PBSD payroll audit report. The County's Department of Corporate Compliance & Internal Review developed a ten-point action plan (of which nine have been completed), and a management response was provided back to the Clerk of Courts. Mr. Dorrill is responsible for implementing the ten-point action plan.
- A touch pad/touch badge system has been requested to provide a method to record every PBSD employee's arrival to work.

OTHER ADMINISTRATOR COMMENTS

Mr. Dorrill commented that he did not participate in drafting the RFP for management services for the PBSD.

COUNTY EXECUTIVE DIRECTOR OF CORP. BUSINESS OPS. COMMENTS

Comments by Mr. Tim Durham on the Clerk of Courts' PBSD audit included:

- It is Mr. Durham's opinion that there has been no malice or wrong-doing by PBSD staff.
- Taking corrective actions, as developed by the County's Corp. Compliance & Internal Review Dept., is recommended.
- What triggered the audit is unknown.
- This is an opportunity to correct the system.

Comments by Mr. Durham on the PBSD management services RFP included:

- Mr. Durham stated that he wrote the RFP language and Mr. Dorrill did not participate.
- Mr. Durham extended the existing DMG contract until Dec. 27.

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- The new management services contract is for a three-year contract with one two-year renewal, at the recommendation of Procurement staff.

COMMENTS ON THE PBSD AUDIT BY PBSD BOARD MEMBERS

Ms. O'Brien requested that the Administrator admit that PBSD staff has not been following County procedures. Mr. Streckenbein commented that he has heard acceptance of responsibility.

Mr. Shepherd suggested "keeping your eye on the ball." He reminded PBSD Board members of Mr. Dorrill's proven value during key events. He questioned whether a review of payroll records was good use of the Administrator's time.

Mr. Dawson commented on the total dollar value of \$6,036 in discrepancies reported in the audit report, and commented that 27% of companies nationwide report payroll fraud.

Mr. Streckenbein commented that "if something is broken, we want to fix it."

Ms. O'Brien commented that (1) we have a systemic lack of supervision and oversight, (2) the report stated that staff rarely sees the Administrator in the office, and (3) there are no clearly defined roles or "who reports to who" among the administrative staff.

UPDATE ON PBSD PROJECTS

Mr. Dorrill commented that a two-page analysis/update of current PBSD projects, prepared by Ms. Lisa Jacob, was included in the agenda packet. Ms. Jacob provided additional clarifications on some of the ongoing projects.

JUNE FINANCIAL REPORT

Mr. Shepherd commented that the June PBSD financial reports were provided in the agenda packet, with nothing unfavorable to report.

Mr. Shepherd motioned, Mr. Damouni seconded to accept the Administrator's Report. The motion carried unanimously.

COMMITTEE REPORTS

CLAM BAY REPORT

Ms. O'Brien provided her July 2018 Clam Bay update in the agenda packet. She highlighted, (1) the June tidal ratio report is excellent, (2) good news - copper is holding its own for the year, and (3) good news - a new contract with Turrell, Hall & Assoc. for water quality reports is now in place. In the agenda packet, Ms. O'Brien provided background information on the upland pond water quality, which has been discussed by the Clam Bay and Water Management Committees.

LANDSCAPE & SAFETY REPORT

Dr. Chicurel reported that the Landscape & Safety Committee did not meet in June; the July meeting is scheduled for July 19 at 1 p.m. Mr. Dorrill commented that our landscape architect, Ms. Ellin Goetz, has completed the 41 berm plans. This will be an item for discussion at the July 19 meeting.

WATER MANAGEMENT REPORT

Mr. Cravens reported that the Water Management Committee did not meet in June; the next meeting is scheduled for August 14. The committee will discuss algae in PBSD lakes and the east side of the berm, and duckweed along the south berm.

PBF/PBSD BERM COMMITTEE UPDATE

Mr. Cravens commented that the PBF/PBSD Berm Committee will provide a presentation at the July 19 Landscape & Safety Committee meeting.

BUDGET REPORT

Mr. Shepherd commented on recent one-on-one time organized by Mr. Dorrill for discussions on the financial needs of the PB community with a few Collier County Commissioners. The Commissioners suggested that PBSB long term financing (arranged by the County) is a possibility. Mr. Shepherd commented that we require some proactive work on the Chair's part to appoint somebody to do a lot of the detail work that would be necessary to get to a point where the PBSB could seek long-term financing.

CHAIRMAN'S REPORT

The Chairman's report included the following comments:

- Mr. Streckenbein is in the process of arranging a meeting with Mark Isackson, Collier County Division Director of Corporate Finance & Management Services to get a sense of a timeline and/or how fast it would take to secure PBSB funding through municipal bonds to finance our long-term projects.
- At the May PBSB Board meeting, Mr. Streckenbein appointed the Budget Committee as the lead agency to explore long-term financial solutions for our aging projects. Mr. Streckenbein suggested the need for an action plan for identification of projects and their respective costs.
- Mr. Streckenbein requested that board members notify the PBSB Office, as far in advance as possible, if they are unable to attend a PBSB Board meeting.

Ms. O'Brien provided and distributed a document entitled, "Suggestions for pathway improvement plan" which could be utilized as part of the action plan for our future pathway project. This document was added to the record.

OLD BUSINESS

Ms. O'Brien commented on before and after photos of the rear of a new home near Gulf Park Dr., where it appears that the new footprint of the rip rap on the lake bank covers PBSB's entire easement where the old rip rap did not.

Mr. Streckenbein commented on the double fatality in June resulting from an auto collision at the intersection of Gulf Park Dr. and US 41.

NEW BUSINESS

None

ADJOURNMENT

The meeting was adjourned at 3:22 p.m.

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Scott Streckenbein

Scott Streckenbein, Chairman

Minutes approved [] *as presented* OR [] *as amended* ON [9-5-18] *date*