BUDGET COMMITTEE
PELICAN BAY SERVICES DIVISION
APRIL 18, 2019

The Budget Committee of the Pelican Bay Services Division met on Thursday, April 18 at 9:00 a.m. at the SunTrust Bank Building, located at 801 Laurel Oak Drive, Suite 302, Naples, Florida 34108. In attendance were:

Budget Committee
Rick Swider, Chairman
Joe Chicurel

Ken Dawson
Nick Fabregas
Scott Streckenbein (ex-officio)

Pelican Bay Services Division Staff
Neil Dorrill, Administrator
Lisa Jacob, Interim Operations Manager

Mary McCaughtry, Operations Analyst
Barbara Shea, Recording Secretary

Also Present
Michael Fogg, PBSI Board

Susan O’Brien, PBSD Board

APPROVED AGENDA (AS PRESENTED)

1. Pledge of Allegiance
2. Roll call
3. Agenda approval
4. Approval of 12/03/2018 meeting minutes
5. *FY 2020 budget review & approval
6. *Assessment methodology
7. Audience comments
8. Old Business
9. New Business
10. Adjourn

ROLL CALL
All members were present and a quorum was established

AGENDA APPROVAL

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

APPROVAL OF 12/03/2018 MEETING MINUTES

Mr. Dawson motioned, Mr. Streckenbein seconded to approve the 12/03/2018 meeting minutes as presented. The motion carried unanimously.
CHAIRMAN'S OVERVIEW

Mr. Swider provided an overview of his personal work experience and his view of the PBSD budget process. He commented on his difficulty in reading and understanding our financial statements and suggested that the format of the financial statements needs to change. He suggested that there is no accountability in the existing financial statement format.

Mr. Dorrill commented that the County accounting function is performed by the Clerk of Circuit Court. He explained that in the past, former Clerk Dwight Brock had assisted the PBSD in formatting the existing financial statements. He suggested that we meet with the current Clerk, Ms. Crystal Kinzel to discuss this issue. Mr. Dorrill commented that all County departments receive and monitor budget to actual reports (by fund and cost center) on a monthly basis.

FY2020 BUDGET REVIEW & APPROVAL

The committee reviewed a new preliminary edition of the FY20 budget prepared by staff, as included in the agenda packet. Ms. McCaughtry commented that this budget version includes a new environmental specialist position as well as three new landscape maintenance positions, which had been approved by the PBSD Board last year, but not filled in FY19.

Mr. Fabregas suggested that we specifically identify reserves earmarked for hurricane recovery. Similarly, Mr. Dorrill suggested that we specifically identify reserves for cash flow (to allow for operations during the first two months of the fiscal year prior to collection of assessments).

Ms. Jacob commented that per our engineer, phase 1 sidewalk replacement construction is estimated at approximately $2.3 million. Mr. Dorrill and the committee agreed that we should plan for completion of phase 1 sidewalk replacement and provide for it in our FY20 budget, including the County contribution, the amount financed through our line of credit, and an amount of cash on hand budgeted for this purpose. Mr. Dorrill commented that he would provide sources of funds for FY20 sidewalk construction at the next meeting. The committee agreed that a line of credit would be used to finance phase 1 sidewalks and the beach dune swale project in FY20.

The committee discussed using funds from fund 778 for sidewalk replacement, but ultimately decided to preserve these funds for future streetlight replacement.

Mr. Streckenbein and Ms. O'Brien stressed the importance of going forward with taking out a line of credit to begin funding our long-term projects. Ms. O'Brien commented that at last September’s BCC budget hearings, the PBSD pledged to the Commissioners that the FY20 assessment would be lower than the FY19 assessment.

Mr. Shepherd reminded the committee that they will need to budget for repayment of the principal and interest in FY20, if projects are funded via a line of credit. Mr. Swider asked staff to determine what the FY20 repayment amount would be.

The committee agreed to meet again on April 25 to finalize and vote on an FY20 budget.

ASSESSMENT METHODOLOGY

The committee discussed the current assessment methodology whereby The Club golf course, the County Park, and the PBSD water plant property are assessed as unimproved land at a preferred multiplier rate of one (times acreage); all other commercial properties are assessed using a multiplier rate of 5.75. Schedules of the ERU’s for all 18 commercial members calculated using both multiplier rates were included in the agenda packet. Mr. Swider suggested that all commercial members should be assessed equally.
Budget Committee of the Pelican Bay Services Division
April 18, 2019 Minutes

Mr. Fogg commented that The Club is different from other commercial properties as it provides a water management facility to the entire community. Mr. Streckenbein suggested that we obtain some input from the County on this issue. Dr. Chicurel commented that he is not ready to bring any change in assessment methodology to the full board.

Mr. Dorrill suggested, and the committee agreed, that he would explore the golf course assessment methodologies used by other communities similar to Pelican Bay (including Tiburon, Pelican Marsh, & Lely). Mr. Dorrill suggested that the committee consider raising the multiplier for The Club to somewhere between 1.0 and 5.75. He also commented that due to time constraints, it would not be feasible to change assessment methodology between now and the June budget hearings. Mr. Swider agreed and concluded that the committee would focus on the FY20 budget at next week’s committee meeting and that a possible change to the assessment methodology would be further discussed by the committee at a later date.

AUDIENCE COMMENTS
Ms. O’Brien expressed her agreement with getting more data on ERU’s and suggested that the whole community needs to be informed of any changes to the assessment methodology. She suggested that our immediate focus be on approving a FY20 budget.

Mr. Shepherd commented that due to past politically expedient financial management of the PBSD, we currently have a lack of funds to complete all of our deferred maintenance projects, and suggested that we need to communicate to our residents our intentions of becoming a more responsible steward going forward.

Mr. Fogg agreed with Mr. Shepherd. He asked whether the committee has intentions to review and discuss the issue of ad valorem vs. non-ad valorem collection of annual assessments. Mr. Fabregas responded that this would be a discussion for the future. Mr. Fogg requested that when the board is presented with a proposed FY20 budget that a FY19 year-to-date budget is included with the materials provided.

OLD BUSINESS
Mr. Steckenbein questioned when an orientation tour for new board members would be scheduled for. Mr. Dorrill commented that he is planning for an end of May orientation tour.

NEW BUSINESS
None

ADJOURNMENT

The meeting was adjourned at 11:11 a.m.

Rick Swider, Chairman

Minutes approved [✓] as presented OR [ ] as amended ON [4-25-19] date