BUDGET COMMITTEE
PELICAN BAY SERVICES DIVISION
APRIL 25, 2019

The Budget Committee of the Pelican Bay Services Division met on Thursday, April 25 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 (absent)

Ken Dawson
Nick Fabregas
Scott Streckbein (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, PBSD Board

Susan O’Brien, PBSD Board
Michael Weir, PBSD Board

APPROVED AGENDA (AS PRESENTED)

1. Pledge of Allegiance
2. Roll call
3. Agenda approval
4. Approval of 4/09/2019 and 4/18/2019 meeting minutes
5. FY 2020 carry forward funds recap
6. *FY 2020 budget review & approval
   a. Budget Summary
   b. Expenditure Analysis
   c. Revenue Analysis
7. Old Business
8. New Business
9. Audience Comments
10. Adjourn

ROLL CALL
Dr. Chicurel was absent and a quorum was established

AGENDA APPROVAL

Mr. Dawson motioned, Mr. Fabregas seconded to approve the agenda as presented. The motion carried unanimously.
APPROVAL OF 04/09/2019 AND 4/18/2019 MEETING MINUTES

Mr. Dawson motioned, Mr. Fabregas seconded to approve the 04/09/2019 and 4/18/2019 meeting minutes as presented. The motion carried unanimously.

FY2020 BUDGET REVIEW

Mr. Swider commented that the version of the FY2020 operating budget included in the agenda packet is almost identical to last week’s version, with minor changes, with an associated assessment of $909 per ERU. He noted that this budget includes $1.5 million for the proposed beach dune swale project; removing this project from the budget would result in an assessment of $703 per ERU. Ms. McCaughtry discussed/reviewed the FY2020 carryforward schedule which includes reserves for revenue, capital equipment, contingencies, and cash flow. She also reviewed schedules for expenditure and revenue analyses for FY2018 – FY2020.

Mr. Streckenbein suggested and the committee agreed to reallocate a portion of current available reserve funds into a hurricane recovery/emergency fund; additional budgeted funds could be allocated to this fund in future years. Mr. Fabregas suggested that budgeting approximately $50/ERU for additional emergency reserves in FY2020 would be palatable to residents under the $703/ERU proposed budget scenario. Mr. Dorrill and Ms. McCaughtry will explore with the County Budget Dept. whether funds can be transferred from existing reserve funds into a designated “emergency” fund in FY2019.

Mr. Dorrill suggested and the committee agreed that phase one of the sidewalk project (estimated at $2.3 million) and the beach dune swale project (estimated at $1.5 million) should be provided for in the FY2020 Fund 322 budget and would include proceeds from the line of credit ($3.5 million), proceeds from the County for their annual sidewalk contribution ($300,000), and repayment of principal and interest for one quarter (last quarter of FY2020). Mr. Dorrill commented that he is “comfortable” with the phase 1 sidewalk project estimate; however, additional work is needed to firm up the beach dune swale estimate.

The committee agreed that $500,000 for lake bank remediation would be included in the Fund 322 budget, as was included in the current budget version.

Ms. McCaughtry noted that when FEMA hurricane reimbursement funds are received, they will be received into Fund 322, as hurricane expenses were paid out from this fund.

Mr. Dorrill reported that he and Mr. Streckenbein will be meeting with Mr. Casalanguida, Deputy County Manager, on May 1 to discuss the current version of an executive summary to memorialize a County commitment of an annual contribution of $300,000 to the PBSD for sidewalks. He noted that Mr. Casalanguida continues to have a desire to bundle this issue with PB responsibility for stormwater facilities. Mr. Dorrill has suggested a County annual contribution for maintenance of stormwater pipes of $200,000, and suggested this revenue also be included in the budget for Fund 322. Mr. Dorrill reminded the committee that the executive summary for these issues may not ultimately be approved by the Board of County Commissioners.

Mr. Dorrill agreed that staff could provide monthly cash flow projections, as suggested by Mr. Swider.

Ms. O’Brien commented on Mr. Mark Isackson’s (County Director of Corporate Finances & Management Services) spreadsheet of annual debt service per ERU based on multiple scenarios with varying principal amounts outstanding under a 10-year payback scenario. Ms. McCaughtry
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distributed copies of the document to the committee members; the document was added to the record.

Mr. Swider summarized what the committee agreed to and what a final proposed FY2020 budget will include: Version 3 of the PBSD operating budget (with an associated assessment of $703 per ERU) plus the amount of amortized repayment of principal and interest on the outstanding credit line plus an amount to add to an emergency reserve fund (approximately $42 - $50 per ERU) resulting in a final assessment of approximately $799 per ERU.

The committee agreed to meet again on May 1 to review an updated version of the FY2020 budget which includes the changes agreed upon by the committee and to vote on a final FY2020 budget.

OLD BUSINESS

Mr. Swider commented that the committee will discuss the issue of assessment methodology in May or June. Mr. Dorrill commented that he is in the process of obtaining assessment methodology data on similar communities.

NEW BUSINESS

None

AUDIENCE COMMENTS

Mr. Fogg commented that we need to keep all future PBSD long-term projects in the discussion with the community.

Ms. O’Brien commented that although a new environmental specialist position is included in the proposed FY2020 budget, this issue has not been vetted by the PBSD Board or any committee. She suggested that the committee consider removing the $500,000 for lake bake remediation from the proposed FY2020 budget and adding it into the amount of the line of credit budgeted in FY2020. She noted that approximately $600,000 is being collected each year in the street lighting fund, resulting in a net increase in reserves of approximately $300,000 each year.

ADJOURNMENT

The meeting was adjourned at 10:37 a.m.

Rick Swider, Chairman

Minutes approved [✓] as presented OR [ ] as amended ON [5/1/2019] date