BUDGET COMMITTEE
PELICAN BAY SERVICES DIVISION
MAY 1, 2019

The Budget Committee of the Pelican Bay Services Division met on Wednesday, May 1 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, PBSD Board
Denise McLaughlin, PBSD Board
Susan O’Brien, PBSD Board

APPROVED AGENDA (AS PRESENTED)

1. Pledge of Allegiance
2. Roll call
3. Agenda approval
4. Approval of 4/25/2019 meeting minutes
5. *FY 2020 budget review & approval
6. Old Business
7. New Business
8. Audience Comments
9. Adjourn

ROLL CALL
All members were present 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 04/25/2019 MEETING MINUTES

Mr. Dawson motioned, Mr. Fabregas seconded to approve the 04/25/2019 meeting minutes as presented. The motion carried unanimously.
FY2020 BUDGET REVIEW AND APPROVAL

Mr. Swider commented that the version of the FY2020 operating budget included in the agenda packet includes all of the updates agreed upon at the last committee meeting. Ms. McCaughtry discussed the changes/updates included in this version. Mr. Dorrill commented that this version includes a 5% reserve ($50,700) for non-property tax revenue in the capital projects fund. He directed staff to discuss with our budget analyst whether County budget policy requires this 5% reserve. Ms. McCaughtry noted that the Fund 109 contingency reserve has been increased to $800,000 per direction from the committee. Per committee discussion, this reserve will be available for any unbudgeted emergencies including hurricanes, and the committee intends to increase this reserve over the next few years.

Mr. Dorrill commented that this budget version includes $236,000 for debt service for a proposed line of credit. He would like to check principal and interest assumptions behind this budgeted amount. He also commented on the need for one of our engineers to work on “firming up” our estimate of $1.5 million for our proposed beach dune swale project.

Mr. Streckenbein commented that although $500,000 for lake bank remediation is included in the FY2020 budget for capital projects funds, in the future, lake bank remediation may be funded through our line of credit financing.

Mr. Dorrill commented that this version includes an annual payment of $500,000 from the County, $200,000 for stormwater pipe maintenance and $300,000 for sidewalk replacement. He and Mr. Streckenbein will meet with Mr. Nick Casalanguida, Deputy County Manager, later today to discuss an executive summary to memorialize these annual contributions to the PBSD over ten years. He commented that the County is requesting that we memorialize PBSD responsibility for stormwater pipes from the edge of the road right-of-way to the first lake. Stormwater pipe responsibility beginning at the road right-of-way going towards the lakes has been in dispute for a number of years.

Ms. O’Brien commented that we have no idea whether an annual contribution from the County of $200,000 for stormwater pipe maintenance is fair. Ms. McLaughlin questioned whether $200,000 is adequate. Mr. Dorrill commented that we have documentation on the stormwater pipe maintenance costs for the past three years.

Mr. Dorrill reported that our engineers were here last week to examine the pipe that failed that caused the sanitary sewer rupture. Sections of this pipe will be sent to a testing lab to determine the condition and strength of this 40-year old pipe. This information will be useful in assessing the overall condition of PB stormwater pipes.

Mr. Dorrill reported that he and Ms. McCaughtry have a scheduled meeting with our budget analyst and Mr. Mark Isackson (Director of Corp. Finance & Management Services) on May 3 to discuss our FY2020 budget and to obtain additional information on line of credit financing for our long-term projects. Mr. Dorrill commented that sometime in the future he will meet with the County’s Finance Committee who will review, evaluate, and make recommendations for our financing needs of $10 million.

Mr. Swider suggested that our FY2020 budget documents provided to the public include footnotes (on items such as sidewalk replacement, the beach dune swale project, financing expected rate of interest, timing of FY2020 projects, etc.) and as much disclosure as possible.
Budget Committee of the Pelican Bay Services Division
May 1, 2019 Minutes

Mr. Streckenbein motioned, Mr. Dawson seconded to accept the recommendation of this committee's FY2020 budget as presented subject to clarification of the $50,000 revenue reserve. The motion carried unanimously.

OLD BUSINESS
None

NEW BUSINESS
None

AUDIENCE COMMENTS
Ms. O'Brien commented on the proposed FY2020 budget including:
- Fund 109 had $750,000 in reserves in version 3 and $1.3 million in version 4; this is a huge increase.
- A new environmental employee is included in this budget; the board has not established a need for this position.
- The FY2020 budget includes $300,000 for tree trimming, an identical amount as FY2019. Instead, the actual FY2020 tree trimming needs should be reflected.
- The capital fund budget does not show the existing $679,000 beach renourishment reserves; only the new money of $200,00 being brought in is reflected in the budget.
- $500,000 for pond remediation is included in the FY2020 capital projects; recently the community was informed that these types of projects would be funded through a line of credit.
- Version 1 included $500,000 to evaluate stormwater pipes; no funds are allocated for this purpose in version 4. Funds had previously been allocated for the PBSO to systematically evaluate pipes in our community in order to eventually establish an estimated amount needed for future stormwater pipe projects to be funded through long-term bonds.
- Fund 778 has $1.6 million in reserves, to which $300,000 is added each year. She suggested the additional funds be designated for other purposes.
- The FY2020 S795 assessment is a 22% increase from the FY2018 assessment. She suggested that our community and the BCC were told that last year’s $1,016 assessment was one-time only, and suggested that we need to have an adequate explanation for the 22% increase.

ADJOURNMENT

The meeting was adjourned at 9:35 a.m.

Rick Swider, Chairman

Minutes approved [✓] as presented OR [ ] as amended ON [7-12-19] date