BUDGET COMMITTEE
PELICAN BAY SERVICES DIVISION
JULY 12, 2019

The Budget Committee of the Pelican Bay Services Division met on Friday, July 12 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 (*absent*)
- Nick Fabregas
- Scott Streckenbein (*ex-officio*)

**Pelican Bay Services Division Staff**
- Neil Dorrill, Administrator (*by telephone*)
- Lisa Jacob, Interim Operations Manager
- Mary McCaughtry, Operations Analyst
- Alex Mumm, Interim Sr. Field Supervisor
- Barbara Shea, Recording Secretary

**Also Present**
- Michael Fogg, PBSD Board
- Derek Johnssen, Clerk of Courts
- Denise McLaughlin, PBSD Board
- Kelly Jones, Clerk of Courts
- 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 5/01/2019 meeting minutes
5. Alternative financial reporting (presentation by D. Johnssen and K. Jones)
6. Theoretical discussion of PBSD funding stream: Status quo or change?
   a. Ad valorem (street lighting) vs. non-ad valorem (all other PBSD funding)
   b. Existing ERU methodology
      i. One ERU per residence
      ii. 5.75 ERU per improved commercial acre
      iii. 1.00 ERU per unimproved commercial acre
   c. Four parcels designated unimproved = preferential treatment
      i. Golf course – 220 acres
      ii. The Club’s golf course maintenance center – 1.43 acres
      iii. County Park – 14.88 acres
      iv. County Public Utilities/PBSD Watergate Way parcel – 12 acres

7. Old Business
8. New Business
9. Audience Comments
10. Adjourn
Budget Committee of the Pelican Bay Services Division
July 12, 2019 Minutes

ROLL CALL
Dr. Chicurel and Mr. Dawson were absent and a quorum was established

MR. DORRILL PARTICIPATED BY TELEPHONE

AGENDA APPROVAL
Mr. Swider motioned, Mr. Fabregas seconded to approve the agenda as presented. The motion carried unanimously.

APPROVAL OF 05/01/2019 MEETING MINUTES
Mr. Streckenbein motioned, Mr. Fabregas seconded to approve the 05/01/2019 meeting minutes as presented. The motion carried unanimously.

MR. SWIDER INTRODUCED MR. JOHNSEN AND MS. JONES, FINANCE DEPT. OF THE CLERK’S OFFICE

ALTERNATIVE FINANCIAL REPORTING
Mr. Derek Johnsen, Finance Director of the Clerk of Courts, and Ms. Kelly Jones, Assistant Finance Director commented that they have reviewed PBSD monthly financial reports as they are currently prepared by Ms. McCaughtry. Mr. Swider and Mr. Fabregas commented on the difficulty in understanding these reports in their current form.

Mr. Johnsen recommended that the PBSD consider budget-to-actual reports (SAP 210 reports). Ms. Jones commented on financial reporting options available to us, including:

- Monthly financial activity totals vs. year-to-date totals with no monthly data.
- Financial information by fund vs. financial information by cost center.
- Financial information on every expense line item vs. a “roll-up” of total operating expenses for each fund/cost center.
- Year-to-date financial information on each of our projects vs. monthly data.

After discussion, the committee agreed that they would like to see a sample of financial reports which would include, (1) budget-to-actual financial data by cost center, including monthly information, and a “roll-up” of operating expenses, and (2) year-to-date financial data (without monthly data) on our projects. Ms. Jones commented that she will provide samples of financial reporting under these criteria to Ms. McCaughtry within a few weeks.

Mr. Dorrill commented on the meaningfulness of the discussion. He noted that some board members are interested in seeing a balance sheet and cash position on a monthly basis. Mr. Johnsen responded that a snapshot balance sheet could be provided each month. He also noted that any PBSD monthly financial reporting is on a “cash basis,” not on an “accrual basis.” Mr. Johnsen commented that he is looking into separately identifying the PBSD in the County’s consolidated CAFR (Comprehensive Annual Financial Report) in future reports.

Mr. Johnsen commented that once PBSD long-term financing is in place, that his department will manage all financial aspects of the debt.
THE COMMITTEE RECESSED AT 10:10 AM AND RECONVENED AT 10:16 AM

THEORETICAL DISCUSSION OF PBSD FUNDING STREAM

The committee discussed the existing PBSD assessment methodology and reviewed the assigned ERU’s of commercial members. Mr. Fabregas commented that we do not have comparative assessment methodology information (including golf course assessments) on similar communities to Pelican Bay. The committee discussed the advantages/disadvantages of a migration to an ad-valorem tax assessment method as well as changing how ERU’s are assigned to commercial members.

Mr. Fabregas volunteered to research the history and documentation of our existing assessment methodology and assignment of ERU’s to commercial properties. The committee agreed to discuss his research at the next committee meeting. After discussion of alternative methodologies, the committee agreed that for this year, their focus would be on securing long-term financing to fund our large long-term project needs, and not on modifying the existing assessment methodology. Mr. Swider suggested the need for five-year planning/budget forecasting in relation to our future long-term financing.

Ms. Jacob commented that an all-inclusive list of long-term projects with associated costs has not been completed. This list is a preliminary requirement in the acquisition of long-term financing process. Mr. Fogg suggested that our inadequate staff level has limited staff’s progress in completing this list.

OLD BUSINESS
None

NEW BUSINESS
Mr. Swider’s goal is to schedule the next Budget Committee meeting for mid-August, and will include a review of (1) samples of a proposed new method of PBSD financial reporting prepared by Ms. Jones, and (2) documentation of the history of our existing assessment methodology as researched by Mr. Fabregas.

AUDIENCE COMMENTS
None

ADJOURNMENT

The meeting was adjourned at 11:10 a.m.

SEE BELOW

Rick Swider, Chairman.

Minutes approved [✓] as presented OR [ ] as amended ON [ ] date

8/30/2019