BUDGET COMMITTEE
PELICAN BAY SERVICES DIVISION
JANUARY 28, 2020

The Budget Committee of the Pelican Bay Services Division met on Tuesday, January 28 at 9:30 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
Nick Fabregas
Michael Fogg
Scott Streckenbein (ex-officio)

Pelican Bay Services Division Staff
Neil Dorrill, Administrator
Chad Coleman, Operations Manager
Lisa Jacob, Project Manager
Alex Mumm, Sr. Field Supervisor (absent)
Barbara Shea, Interim Ops. Analyst

Also Present
Denise McLaughlin, PBSD Board
Susan O’Brien, PBSD Board

APPROVED AGENDA (AS AMENDED)

1. Pledge of Allegiance
2. Roll call
3. Agenda approval
4. Approval of 8/22/2019 meeting minutes
5. Summary of FY2021 pending projects and estimated costs
   a. Review of Dec. 31 financial statements (add-on)
6. Preliminary budget for FY2021
7. Preliminary discussion of alternative taxation methods.
8. Old Business
9. New Business
10. Audience Comments
11. Adjourn

ROLL CALL
All members were present and a quorum was established

AGENDA APPROVAL
Dr. Chicurel motioned, Mr. Fogg seconded to approve the agenda as amended. The motion carried unanimously.

APPROVAL OF 08/22/2019 MEETING MINUTES

Dr. Chicurel motioned, Mr. Fabregas seconded to approve the 08/22/2019 meeting minutes as presented. The motion carried unanimously.

REVIEW OF DEC. 31 FINANCIAL STATEMENTS (ADD-ON)

Mr. Dorrill reviewed the Dec. 31, 2019 combined funds balance sheet; highlights included identifying total cash and investments of $12.2 million, and total reserves of $3.5 million. He noted that over 90% of our revenues have already been collected. Mr. Fogg noted that during our FY 2020 budgeting process, we understated our forecasted carryforward into FY 2020 by $1.2 million. He also estimated that we currently have approximately $4.5 – 5 million in cash that will not be spent in the current fiscal year. Mr. Fogg requested additional clarification on several figures on the income statements and balance sheet provided.

The committee discussed each of the six budgeted reserves included on the Dec. 31 balance sheet. They agreed that targets need to be developed for each of these.

STREET LIGHTING FUND 778

Mr. Swider commented on $1.5 million in our street lighting fund 778. Mr. Dorrill commented that we had an engineer evaluate our streetlight poles a few years ago, and it was determined that our poles would likely last another 30 years. He noted that after receiving this report, the PBS&D Board elected not to proceed with a pole replacement project. Mr. Dorrill also noted that the lighting engineer reviewed the level of illumination on PB streets and tree pruning was completed in identified areas to improve street lighting. He noted that LED bulbs have now been installed in all of our fixtures. Ms. Jacob commented that at the time of the study, it was estimated that replacement of all of our poles would be $1.3 million. Mr. Fogg commented that lighting on PB tertiary roads is inadequate.

Mr. Dorrill commented that fund 778 is eligible to borrow funds from for short-term cash needs, if necessary. Mr. Fabregas suggested that we stop our ad valorem taxation for street-light replacement if we have no active project plans. Mr. Steckelbein agreed, and suggested we look into using fund 778 funds (or part of it) for beach renourishment funding needs. Dr. Chicurel commented that he is not in favor of depleting fund 778 for other purposes.

LARGE PROJECT FINANCING PACKAGE

Mr. Dorrill commented that at the last County Finance Committee meeting that he attended, it was understood that our financing would be a “commercial paper alternative” with a ten-year term. Sizing and solicitation of the financing was planned to be completed in early summer. He is hopeful that the loan will close in the 4th quarter of this fiscal year so that the sidewalk replacement project can be underway before next season begins. Mr. Fogg suggested that a line of credit would be preferable, so that we could draw down funds as needed.

Ms. McLaughlin commented that the Water Management Committee has not discussed which and how many lakes might be included in our financing package. She noted that our
engineer, Mr. Jim Carr, is updating the estimated cost for lake bank remediation for the top 6 lakes on our prioritized listing of lakes with critically eroded lake banks.

**SUMMARY OF FY 2021 PENDING PROJECTS AND ESTIMATED COSTS**

**FY 2021 CAPITAL PROJECTS PLANNING ESTIMATES**

Mr. Swider reviewed the “FY 2021 Capital Projects Planning Estimates” document provided by staff and included in the agenda packet. He suggested that some of the new projects listed would not be funded completely in FY 2021, but instead may be included in our large project financing package.

**SIDEWALK REPLACEMENT PROJECT**

Mr. Dorrill commented that he expects the BCC to approve the award of a contract for the design engineering for our sidewalk replacement project on Feb. 11. Mr. Fabregas suggested that in the future, we confirm with our construction contractor, that our project can be completed in three years. Dr. Chicurel suggested that it may be possible to complete sidewalk replacement construction on tertiary streets in season.

**BEACH RENOURISHMENT**

Mr. Fogg commented that we have $878,000 in reserves for beach renourishment. Mr. Streckenbein commented that Dr. Trecker has estimated that we need $2.5 – 3.0 million to fund a PB beach renourishment resiliency project (as is being planned by the County). Ms. McLaughlin expressed concern that the timing of this resiliency project is unknown. However, we will need to be financially prepared as our project should be completed at the same time that the County completes their Vanderbilt Beach resiliency project.

**PBSO STAFFING**

Mr. Dorrill reported that our PBSO posting for an Operations Analyst was re-advertised, and the posting closed on Friday. Interviews will be conducted this week. He commented that the job functions of this position include day-to-day budget coordination, payroll, payables, purchase orders, budget amendments, and related accounting tasks.

Mr. Dorrill reported that staff’s current thinking is that we will ask for our FY 2020 budgeted Environmental Specialist position to be re-advertised as an Associate Project Manager. Ms. O’Brien commented that the board was told that job descriptions for the Environmental Specialist and the Associate Project Manager would be routed to the Budget Committee for discussion, to be followed by a recommendation to the board. Mr. Dorrill commented that he was not aware of this. After committee discussion, it was agreed that the two job descriptions should be included in the February 12 board agenda packet for discussion by the board.

**FUTURE FOLLOW-UP BY MR. DORRILL AND STAFF**

Mr. Dorrill will prepare a sizing and a cash flow analysis for the next 24 – 36 months for our three major projects (sidewalk replacement, operations facility replacement, lake bank remediation and potentially others such as drainage pipe projects), which will be provided to the committee at the next committee meeting. He will work with our ABB engineer to produce a schedule to include the sizing and phasing of these projects.
Mr. Dorrill will provide an update to the PBSD Board on total funds received so far from FEMA and insurance proceeds for reimbursement of Hurricane Irma expenses. He will also provide an estimate of the total reimbursement expected.

Mr. Dorrill will obtain a legal opinion, from the County Attorney’s Office, on whether fund 778 funds could be used for other purposes. He assumes this would be possible if we amended our PBSD ordinance.

Mr. Dorrill will request a follow-up meeting of the County’s Finance Committee to discuss how our financing will be structured.

Mr. Dorrill will contact the County’s Office of Management and Budget (OMB) Dept. to (1) try to determine what their thoughts are on the County’s FY 2021 budget policy, (2) determine when the County’s first installment of $500,000 for sidewalk replacement will be received by the PBSD, and (3) identify the $500,000 in “reserve for sinking fund” in Fund 322. The committee suggested that “reserve for future construction” might be a better description for this reserve.

**PRELIMINARY BUDGET FOR FY2021**

Not discussed.

**PRELIMINARY DISCUSSION OF ALTERNATIVE TAXATION METHODS**

Mr. Swider commented that this agenda item would be discussed at a future meeting.

**TENTATIVE DATE FOR NEXT COMMITTEE MEETING**

The committee agreed to tentatively schedule the next Budget Committee for 9:00 on Tuesday, Feb. 25.

**ADJOURNMENT**

The meeting was adjourned at 11:06 a.m.

Rick Swider, Chairman

Minutes approved [✓] as presented OR [ ] as amended ON [2/25/2020] date