

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT
REGULAR BOARD OF SUPERVISORS MEETING
July 15, 2015**

The Board of Supervisors of the Pelican Marsh Community Development District met on Wednesday, July 15, 2015, at 9:00 a.m. at the Pelican Marsh Foundation Building, 1504 Pelican Marsh Boulevard, Naples, Florida.

APPEARANCES:

Frank Garofalo, Chairman
Robert Smith, Vice-Chairman
Gordon Walker, Supervisor
Sally Dupler, Supervisor

ALSO PRESENT:

W. Neil Dorrill, Dorrill Management Group
Kevin Carter, Dorrill Management
Dave Robson, Johnson Engineering
Anthony Pires, District Counsel (Via speakerphone)
James Calamari, Access Control

ROLL CALL

All members were in attendance with the exception of Mr. Pomerantz.

A. Public Comment

No public comments were received.

APPROVAL OF AGENDA

The agenda was unanimously approved on a MOTION by Robert Smith and a second by Sally Dupler.

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APPROVAL OF MINUTES OF MAY 20 and JUNE 9 REGULAR MEETINGS

As it relates to the May 20 meeting, the following corrections were made:

On Page 3, in the 9th line from the bottom, the second line should have the words “1997 debt service” inserted before the word “reserve”. Also on Page 3, the 7th line from the top, the word “starter” should be “stronger”.

On Page 7, the third line from the bottom, Ms. Smith should be changed to Mr. Smith.

On Page 8, the starred words in the middle of the page should be “Airport Road”.

On Page 22, Item C, after a brief discussion about the title of this item and how it should be used in the first sentence, the Board agreed to leave the item as written.

The May 20 minutes were then unanimously approved on a MOTION by Robert Smith and a second by Sally Dupler.

As it relates to the June 9 meeting, the following corrections were made:

On Page 3, in the first line the word “property” should be “properly”. In response to Mr. Walker’s question, the District has not yet received a response from the County regarding an adjustment to the water bill, and Mr. Vanover will follow up on this with them.

On Page 4 in the fifth line, a question attributed to Mr. Walker should be changed to Mr. Smith.

On Page 6, the Motion by Gordon Walker was seconded by Robert Smith. Following that, Mr. Pires’ name should have the possessive apostrophe removed. The third line of that item should also have a “Mr.” before the name “Pires”.

The June 9 minutes were then unanimously approved on a MOTION by Robert Smith and a second by Gordon Walker.

FINANCIALS

The May financials showed the total revenue received through the end of June, which included the certificate sale, was \$3,210,000 which is \$66,000 below the year-to-date point of the prior year. As previously discussed, this was due to the decreased revenue from Tiburon and the

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impact of the density changes in Stock's developments in the east end of the community.

Unused fees will be received at year's end and will be booked as an adjusting entry.

At the end of May there was \$2,290,000 in cash in the general fund operating account against \$67,000 in payables. With the associated due-to's and due-from's, the total liabilities were almost \$380,000. No anomalies appeared on the expense side.

The income statement showed \$3,188,000 having been received by the end of May, which is about 94 percent of yearly revenues. Under expenses, through the end of May \$2,072,000 in operating expenses had been paid, which is approximately \$113,000 under budget through the end of seven months.

Chairman Garofalo asked about the rise in irrigation water costs, which were \$10,000 in the month of May. Mr. Dorrill thought that this amount may have included part of April, which is usually the driest time of the year.

Mr. Smith asked why nothing was allotted for legal fees for the month of May, and Chairman Garofalo noted that it was because the budget was completely used at that point. Mr. Dorrill agreed that this was the way the software indicated that the budget allocation had been reached. He will check with Leigh Briant to make sure that this was correct.

Mr. Gorran asked if the amount of income lost to discounts was noted in the budget, and Chairman Garofalo indicated that \$114,000 was in the budget, but the actual will not be known until year's end. Mr. Gorran then noted that the financials show a shortage of approximately \$200,000 for income, either due to discounts or Tiburon and Chairman Garofalo indicated that of the \$75,000 number Mr. Gorran was looking for, \$12,000 to \$14,000 is the discounts taken amount. Mr. Dorrill indicated that the bulk of the discount money will be found from October to December, when many people paid their taxes early to get that savings. He will contact the Ad valorem Department at the County to find out what certificates were sold.

On a MOTION by Robert Smith and a second by Gordon Walker, the Financials were unanimously accepted by the Board.

MANAGER'S REPORT

A. Updated Staff Pay Policy

Mr. Dorrill presented a proposed pay adjustment policy as a result of the discussion held the previous month on how bonus payments to certain managerial positions will be implemented in the future. This policy will require an annual finding and a clause that indicates they will be conditional awards based on the sole discretion of the Board. They will be tied back to certain performance indicators that are included in the policy.

Mr. Pires previously reviewed this proposed policy, and indicated that he felt it was appropriate and legal. Chairman Garofalo added that the 2012 policy that was in place has been clarified with this new policy, which added more specific criteria for bonus implementation. For budget purposes, \$2,500 has been added for the senior managers and 60 percent of that number for the access control and landscape managers. These numbers will be effective in October at the beginning of the new budget year.

Mr. Smith had a problem with the wording as it indicates that it will be evaluated each year, which presumes there will be a bonus given. Chairman Garofalo advised that it would be at the discretion of the Board to determine if a bonus will be given, and at the recommendation of Mr. Pires, the amounts were put in the new budget in the event a distribution is made. He added that as it was not budgeted for this year, no bonus will be given this year. It was also noted that this policy was approved four years ago, and at Mr. Smith's request, the word "only" will be removed from the following sentence in the policy: "Any annual holiday gift is based only upon seniority". The words "by the Board" will be added at the end of that sentence.

Additionally, Mr. Smith asked about including the 2011 and 2012 calendar years in the fifth paragraph, feeling that they were unnecessary. Chairman Garofalo agreed and they will be deleted.

On a MOTION by Gordon Walker and a second by Sally Dupler, the revised policy was unanimously accepted by the Board.

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B. Revised 2016 Budget

A letter was sent out as well as an email blast correcting the date and the reversed numbers on the original notice for the public hearing to adopt the budget. In the future Mr. Dorrill will send a cover letter with the notice to better explain any increases that may occur in the assessment. Mr. Dorrill gave a brief summary of this budget to the Board, indicating that it does reflect a \$29,000 increase over the prior year on the revenue side. Total revenue from all sources in the 2016 Budget is \$3,393,875. The per unit assessment is going up \$32.46.

Final action on the Budget and public hearing and adoption will take place on the 19th of August as part of the advertized public hearing. Updates on the debt service fund payments will also be available at that time.

Mr. Smith noted that part of the raise in assessment was to pay the bonus, which he was uncomfortable with. Chairman Garofalo noted that the \$29,000 increase was approved to resurface the roads from Bay Laurel Drive to Osprey Point and Mont Claire and Whimbrel Watch Lane. Mr. Smith did not want people to get the wrong impression of the increase, and the Chairman indicated that staff is being rewarded for the money that they have saved the District with a onetime bonus.

Mr. Dorrill noted that the Board of Pelican Marsh was very generous to staff both with hourly and managerial employees, and it was appreciated. He did indicate that over the past five years, to his knowledge there have been four bonus payments, while previous to that time he did not believe that bonuses were awarded. Mr. Smith then asked if anyone else had any comments or questions on this subject, as it was important that they were all on the same page at the public hearing. Chairman Garofalo agreed, and reminded the Board that they had not had a budget increase to cover expenses in the last five years, noting that the increase two years ago was to cover the loss of income from Tiburon.

The Board then agreed that they wished to go forward with the budget.

ATTORNEY'S REPORT

A. Vanderbilt Beach Road Fence Update

This item was unable to be addressed at the July County Commission meeting, but Mr. Pires will work to get this on the consent agenda for their September meeting as the Commission does not hold a meeting in August. Chairman Garofalo indicated that a new issue has arisen having to do with the landscape maintenance for this area. The County now does all their landscape work by contract, and their contractor was many times more expensive than Mr. Vanover's price, and staff suspects that the frequency of service may be the cause of the difference. Mr. Dorrill felt that they did not want anyone to be alarmed at the inflated costs of maintenance when the executive summary is read to convey the parcel, as the agreement has the County taking over the maintenance.

Mr. Vanover will work with the contractor to get the facts on this, and get this issue resolved as the assumptions made by the County's contractor for this parcel of land were incorrect, and the maintenance in reality will be much simpler. Mr. Dorrill assured those present that staff will be at the Commission meeting to address any concerns and rationales for this agreement. A one page handout will also be available showing all of this information.

Mr. Pires then disconnected from his telephonic participation.

ENGINEER'S REPORT

A. Mercato Inspection

Mr. Robson reported that he and Mr. Vanover went to Mercato to inspect the construction site, and indicated that 95 percent plus of their stormwater pollution prevention was in place. In the areas where there was disturbed soil, the water would have to go through the remaining portion of the existing Mercato stormwater system, and would not have an impact on Pelican Marsh. Mr. Robson felt that they were doing a fairly good job, and he and Mr. Vanover suggested that they clean up a couple of things, which they were assured would be done.

SUPERVISORS REQUESTS

A. Lake 28

Mr. Walker reported that there are two portions of Lake 28 adjacent to Pelican Marsh Boulevard on either side of the 17th hole water stop that appear to be clogged with vegetation. He noted that this has been going on for a few months, and felt that the lake may be taken over by this vegetation if something is not done.

Chairman Garofalo noted that is a littoral called Spike Rush that grows very quickly. Mr. Vanover will make sure it is cut back and kept under control.

B. Commercial Vehicle Access Policy

This policy was revised April 1, allowing a resident to call the guest list line in the event of an emergency to request that a commercial vehicle be let in during evening hours or Sundays and holidays. After receiving a call from a resident, the Chairman looked at the policy and realized that the phrase “on Sundays or holidays” had been inadvertently left out.

On a MOTION by Gordon Walker and a second by Robert Smith, the Board unanimously approved the insertion of the phrase “on Sundays or holidays” to the policy.

PUBLIC COMMENT

No comments were received from the public.

ADJOURNMENT

With the agreement that the August meeting would be held on the 19th, the meeting was adjourned at 10:12 a.m.