

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT  
REGULAR BOARD OF SUPERVISORS MEETING  
May 20, 2015**

The Board of Supervisors of the Pelican Marsh Community Development District met on Wednesday, May 20, 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  
Don Pomerantz, Treasurer  
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  
James Calamari, Access Control

**ROLL CALL**

All members were in attendance.

**A. Public Comment**

Chairman Garofalo responded to Mr. Sparks' question regarding cleaning the pipes coming out of Mercato, and Mr. Vanover indicated that that is done on an as needed basis, and if there is an issue, it will be done. Mr. Sparks stated that there is an issue, as the recent heavy rains have raised the level of Lake 8 to a dangerous degree. The pipes will be checked to determine if there is blockage, and Mr. Robson added that the other side of the road needs to be checked as well, as all that water flows north, and it should be determined if the water is rising up all the

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way through the system or if it is isolated on the south end. Mr. Sparks clarified that his issue was with the water leaving Lake 8, as everything from Mercato is running into it. The permeability of their land will be further reduced with the new 50 home development that is being built.

Mr. Dorrill reminded the Board that the District engineers had done an independent evaluation of Mercato's completed design, and it exceeded the requirements for drainage, but agreed that the area should be field verified. Mr. Robson agreed that the flow will probably be increased, but it never has reached its designed flow, and during construction they are required to have all the soil erosion control measures in place. Mr. Vanover will coordinate a field check on the area in question.

**APPROVAL OF AGENDA**

Mr. Walker suggested that items 3 and 4 be reversed to enable Mr. Phillips to present the 2014 audit. Item 6C was added as the Bicycle Event.

**On a MOTION by Robert Smith and a second by Gordon Walker, the Agenda was then unanimously approved with the additions as noted.**

**PRESENTATION OF 2014 AUDIT**

Mr. Phillips walked through the audit as of September 30, 2014 for the Board members, and noted that as the Board they had the responsibility to ensure that internal controls were in place and that the financials were presented properly without error or fraud. The financials were gone through carefully and confirmed, and there were no concerns or issues to be reported. The opinion was included on Page 2, which indicated that everything was fairly stated in accordance with generally accepted accounting principles as of September 30, and "other matters" refers to the management discussion analysis prepared by Dorrill Management. A new section was included on Page 2, Other Reporting, a new requirement

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this year, and an opinion that the public funds that the District has are invested as per the statutes must be provided.

The Management Discussion Analysis prepared by Dorrill Management was included, which was reviewed and confirmed.

The statement of assets and liabilities on September 30 was included as well as a statement of activities on an accrual basis. The fund statement showed all the funds in the District, as well as the revenue and expenses of each fund. These showed the District being in a starter cash position due to expenses being less than anticipated on certain items, such as health care, as well as a transfer of funds into the general account from the capital projects 1997 CD fund.

Restricted funds are up by \$259,000 over the previous year, mainly due to prepayments.

Fixed assets declined from \$29,000,000 to \$28,000,000, mainly due to depreciation.

Total assets were down to \$31,600,000 from \$32,000,000.

Total liabilities were down from \$16,600,000 to \$14,000,000.

Fund accounting showed all the debt service funds, which increased over the prior year mainly due to prepayment into those funds and when they were posted. The general fund showed an increase of \$1,100 to \$1,337,000, mainly due to the transfer of money from the 1997 construction bond.

Chairman Garofalo noted that on Page 13 it should be explained that as of September 30 of the previous year the amount of money left in the reserve was \$800,000, which will go to the final payment in the next year.

Total revenues taken in were \$6,900,000, and total expenses were \$6,500,000. Reconciliations of the statements were included on both accrual and cash bases.

A breakdown of the capital assets was included, along with debt disclosures. There were no changes in the disclosures from the previous year. There were no issues of litigation shown.

Actual to budget indicated that less than the appropriate amount of money was spent for the general fund as well as the debt service fund.

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The Government Auditing Standards report showed no material weaknesses or significant deficiencies in internal controls to report, and all laws and regulations were complied with. The Auditor General's report showed that the investment of public funds was in accordance with Florida Statutes. A second Auditor General letter required assurance that there was no abuse, no illegal acts, no financial deterioration or issues of violations of laws or regulations,, and the answer to all of those was that there were none.

Chairman Garofalo indicated that he thought the District was in excellent financial shape.

Mr. Gorran asked about Tiburon and was advised that it was indicated that the agreement expired on January 31, 2014, and all the funds have been released on that.

Mr. Pires noted that one of the provisions, Financial Conditions, on Page 36 it indicates that the District does not meet any of the conditions found in a particular statute, and it should be noted that it is a positive statement, as the conditions are negative.

Mr. Phillips indicated that the state does trend analyses and does compare districts, and reports it to a select Senate subcommittee on legislative auditing that looks at governmental financial conditions.

Mr. Phillips was thanked for his time, **and on MOTION by Robert Smith and a second by Gordon Walker, the 2014 audit was unanimously accepted and the Treasurer was authorized to sign the management letter.**

Mr. Dorrill indicated that he and Mr. Pomerantz will sign the letter after the meeting and send it to Mr. Phillips immediately.

**APPROVAL OF MINUTES OF APRIL 15, 2015 REGULAR MEETING**

On Page 4, Line 3, the word "move" should be "moved".

Under Item A on that page, the fifth line should read "The ride is scheduled along Bay Laurel Boulevard. The rest of the sentence should be stricken. At the bottom of the page, the first three words should read "Pelican Marsh Boulevard".

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On Page 5, the name three lines from the bottom should simply read “a resident”.

On Line 18, the word “in” should be omitted.

On Line 5, the sentence should read “..the very slow riders are taken over by the very fast ones..”.

In the second line of the second paragraph, the sentence beginning “Mr. Pires indicated that...” the word “she” should be replaced with Ms. \*\*\*Sloap.

On Page 6, in the sixth line, the word “sheriffs” should delete the apostrophe.

On Page 7, the name in the second line is again Ms. \*\*\*Sloap.

On Page 8, in the second line, the draft number should be 3/21/15.

On Page 9, in the last line the word “bought” should be “brought”.

On Page 10, the last word of the second line should be spelled “Lowes”.

Additionally in the third and ninth lines under item D, the word “advertised” was misspelled.

In the second line from the bottom, the word “assessment” should be “expenditure”.

In the fourth line from the bottom, the name of the street is “Whippoorwill Watch Lane”.

On Page 12, in the third line from the top, the words “it is” before “their property” should be stricken. The following sentence should read “...as the District would no longer own it.”

On Page 13 under Engineer’s report, the word “information” in the first line should be replaced with the word “notes”.

**On a MOTION by Robert Smith and a second by Gordon Walker, the minutes were then unanimously approved as amended.**

**FINANCIALS**

The revenue report in the midyear financials through the end of April showed \$61,000 in assessment revenue, with the total year-to-date revenues at \$3,163,000 as compared to the prior year at \$3,220,000.

The balance sheet showed \$2,700,000 in cash at midyear, with a series of due-to and due-from

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amounts that offset each other. At midyear there was \$31,000 in liabilities . The income statement showed that revenue through the end of March at \$91,000 was received and booked in as surplus property revenues. The total year-to-date assessments at midyear were approaching 92 percent of what was budgeted.

On the expense side, under operating and maintenance, Mr. Vanover continues to do excellent cost control, with \$87,000 under budget year-to-date operating expenses. Total overall expenditures at midyear were \$1,720,000, almost \$90,000 under budget.

Mr. Smith asked about the \$300 in computer services, and was advised that it was the vendor's annual fee for maintaining the website.

Mr. Smith also noted that legal fees continue to be over budget, and asked if some of those charges will be put into fees for special items. Mr. Dorrill indicated that litigation fees were higher this year, and \$5,000 of that may have been for the East Coast law firm representing them in the access control lawsuit. Mr. Smith expressed concern that the budgeted amount for next year, which has not increased, will be sufficient.

Mr. Smith also asked about electric services, and wondered if there was any way to reduce those costs. Mr. Vanover advised that the upfront costs were anywhere from \$2,500 to \$3,000 a month, and lake fountain costs were also very expensive.

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

**MANAGER'S REPORT**

**A. Tentative 2016 Budget**

As this item was discussed the previous month, Mr. Dorrill asked the Board members to accept the budget and to establish the public hearing and resolution to be signed by the Chairman. The budgeted \$3,400,000 does represent and recognize the additional and final revenue loss through the reduction in density at Tiburon. The overall assessment increase is primarily a

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result of the revenue loss with the fewer number of units.

Mr. Smith asked about the increase in Worker's Compensation, and Mr. Vanover advised him that they have had very few accidents, but as happened two years ago, a man broke his foot and the resulting care was very costly. Chairman Garofalo advised that the amount eliminates the trend for the past two years and is based upon the actual versus the budgeted.

Mr. Smith asked if there has been trouble keeping security guards, and was advised that there is one position for which they are having difficulty finding a permanent replacement, which has resulted in quite a bit of overtime. A newspaper ad was run and interviews will begin the following week for this position and a second one which will become available in July when one of the guards retires. The Board members discussed options to cover overtime work, such as a part time employee and/or checking with veteran organizations for handicapped veterans. Mr. Dorrill indicated that they will look into these suggestions.

**On a MOTION by Gordon Walker and a second by Sally Dupler, the tentative budget was unanimously approved and August 19 was established as the date of the formal adoption hearing.**

B. Notice of Electors/Registered Voters

As required, Mr. Dorrill advised the Board that the number of registered voters within the District boundaries as of April 15 was 2,867.

C. Bicycle Event

As email was received from Ms. Sloap\*\*\* indicating that the event has been cancelled for May, and is anticipated to be rescheduled for October or November. The Board will be kept advised if there are plans to go forward with it at that time. Ms. Smith questioned the fact that legal fees were incurred, however minimal, and Mr. Dorrill advised that a template is now in place for these types of events, and if this event goes forward, Mr. Pires' costs will be recouped.

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D. Courtesy Briefing/WCI

WCI has advised the District that they have two or three parcels under option contract that are contiguous to Marsala, outside the District. In the event they go forward with these contracts, they intend to amend the PUD that governs and incorporate it into part of the zoning document. This has nothing to do with the District and will have no impact on it, but they did give the Chairman and Mr. Dorrill a thorough briefing recently on the intended single family residences that will possibly be built on these parcels.

Chairman Garofalo requested that the informational signs that will be installed along the major roadways regarding this development be placed far enough away from Pelican Marsh's entrance to avoid any appearance of District involvement in this project.

Additionally, the Chairman pointed out that these parcels abut Wiltshire Lakes on the east side and \*\*\* on the west. Mr. Dorrill noted that he had a site plan with him for the Board's perusal if they wished.

**ATTORNEY'S REPORT**

A. Vanderbilt Beach Road Fence Update

Mr. Pires drafted a settlement agreement and provided it to staff along with the Chairman. Subsequently a copy was provided to Collier County for review. One of the provisions has been discussed between the parties via email that the County felt may not be applicable, but Mr. Dorrill indicated that the County has not taken exception to Mr. Pires' settlement agreement, and the issue of whether the District needed to retain a drainage easement has been resolved. The Deputy County Manager advised Mr. Dorrill the previous day that he wanted the matter concluded quickly, and the County Attorney concurred.

Chairman Garofalo noted that two financial issues remain to be agreed upon, those being the amount the District will pay for the fence repairs and the cost of the north and south landscaping.



## **ENGINEER'S REPORT**

### A. Lakes 8 and 9 Water Rise

As per the discussion on this issue earlier in the meeting, Mr. Robson wanted to make sure that the Board understood the flow of the water, and pointed it out on an aerial for the Board members. His concern was if the water is rising on Lakes 8 and 9, others will be affected, and the t-box with a series of pipes underneath it where the water exits is 25 years old. Mr. Vanover noted that the County recently dug that area up and inspected it, and found it to be in good shape.

### B. Troon Lakes Permit Transfer

The transfer is complete, and the District is now a co-permittee with Troon Lakes regarding Lakes 46 and 47.

### C. North Fence at Victoria Park

Mr. Robson has provided the ownership information to staff on this fence and Chairman Garofalo suggested that Mr. Vanover update them on this topic at the June meeting.

## **SUPERVISORS REQUESTS**

### A. Lake Fishing Issues

Mr. Smith indicated that there has been no enforcement of the rules related to fishing and recreation on the lakes in the District, and cited a few examples of people parking on Spanish Moss and fishing all around that lake. He suggested that a member of access control should patrol the lakes and have a copy of the policy with them. If people refuse to leave, then the Sheriff can be called. Chairman Garofalo did not feel that the District should be responsible for what happens on private property, as the way the regulation is written indicates that private property owners are responsible for their property. Mr. Vanover indicated that they did call

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the Sheriff's Office in this case where cars were parked on the right-of-way, and non-residents were walking around the lakes. Mr. Pires reminded the Board that the District does not have the ability to enforce traffic laws, and calling the Sheriff is the correct response to those sorts of issues.

The Chairman spoke to three young men recently who were fishing on a golf course lake and advised them that it was private property, and referred them to a lake where fishing was permitted for the public. There were no problems. He added that getting the word out to the public will eventually reduce these occurrences. Additionally, certain contractors working within the District fish in the lakes while they are here. Mr. Dorrill asked that staff be advised of these issues when they occur. The Board did agree that the rovers could carry a copy of the policy on the fishing issue with them to use when it is appropriate.

Mr. Randall suggested that a letter be written to the companies whose employees have been observed fishing in the lakes to advise them of the District policy. Mr. Dorrill felt that at this point they could handle the issue as they have been doing, and if necessary, they can take additional action.

**B. Real Estate Signs**

Mr. Smith noted that the previous Sunday three of the five real estate signs along Pelican Marsh Boulevard were illegally placed, and Mr. Vanover indicated that this was a constant battle. Mr. Smith felt that the rovers should be more attentive to this issue and spend more time on the roadways than they are. Mr. Vanover will address that issue with the rovers. Mrs. Dupler noted that the same problem exists at Tiburon.

Mr. Walker asked if it was still necessary to take the rover cars out to keep the engines running properly, and was advised that typically the cars are taken out once or twice a week and run over 30 miles an hour on a perimeter check to keep the engine free of carbon.

C. Road Trap

Mr. Pomerantz asked about the road trap near Savannah, and Mr. Vanover indicated that those traps are done at the discretion of the Sheriff's Office. The roadway must be marked with a speed limit of at least 25 miles per hour, as the Sheriff cannot enforce speed limits any less than that.

**PUBLIC COMMENT**

Mr. Sparks, referring to the previous discussion about Mr. Vanover and Mr. Robson checking the runoff at Mercato, asked if they would have access to the area as apparently it is an active construction site. Mr. Vanover was not sure as he had not yet been in there, but the Chairman indicated that if they check with the general manager and ask if it would be appropriate to drive through, it should not be a problem. Mr. Robson suggested that they go to the construction trailer and ask to see the stormwater prevention plan which must be kept on site, after which they can check to ensure that the elements on that plan are in place.

Mr. Dorrill noted that the District still has \$90,000 being held for any drainage related needs that the Mercato developer contributed at the time of the original construction.

Mr. Sparks felt that the District should be proactive about the drainage issue and the developer at Mercato should be aware of that. Mr. Vanover and Mr. Robson will set up their visit and keep the Board advised.

**ADJOURNMENT**

With the agreement that the June meeting would be held on the 10<sup>th</sup>, the meeting was adjourned at 10:25 a.m. **on a MOTION by Gordon Walker and a second by Robert Smith.**