

**PELICAN MARSH COMMUNITY DEVELOPMENT DISTRICT
REGULAR BOARD OF SUPERVISORS MEETING
Wednesday, SEPTEMBER 19, 2018**

The Board of Supervisors of the Pelican Marsh Community Development District met on Wednesday, September 19, 2018 at 9:00 a.m. at the Pelican Marsh Foundation Building.

APPEARANCES: Frank Garofalo, Chairman
Gordon Walker, Vice-Chairman
Joe Diaz, Assistant Secretary
Edward Walsh, Assistant Secretary

ALSO PRESENT: Neil Dorrill, Dorrill Management Group
Mallory Clancy, Johnson Engineering
Lenore Brakefield, Woodward, Pires and Lombardo
John Vanover, Operations Manager
James Calamari, Access Control

ROLL CALL

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

PUBLIC COMMENT

There was no public comment received at this time.

APPROVAL OF AGENDA

There were no additions or corrections to the Agenda.

APPROVAL OF MINUTES OF AUGUST 2018 REGULAR MEETING MINUTES

On Page 2, in the last sentence of the first paragraph, Mr. Walker asked why there was such a large discrepancy between this year's and next year's amounts per assessable units, and the

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sentence should read, “total equivalent unit count next year is 2,949.”

On Page 3, the starred name under Public Comment will be changed to “a resident”.

In the middle of the second paragraph under Public Comment, the Tiburon Property Manager is Tina Gurtner.

On Page 4, in the fourth line under the Financials, the word “fixed” should be inserted before the words “assets of \$26,700,000.”

The Bank being used for the line of credit in the last paragraph on Page 5 is First Integrity.

On Page 10, in the fifth line of the second paragraph under Stormwater Management, the word “that” should be stricken at the end of the sentence.

On Page 11, in the first line, “Naples Park” should be stricken.

On Page 12, at the end of the second paragraph, the word “existing” should be inserted after the word “those”, and the “per page” in the last sentence should be inserted after the “\$2.95.”

On Page 13, in the fourth line from the top, the word “month” should be inserted after “18 to 24”. Additionally, in the third line from the bottom of that page, the last word should be “as”.

On page 14, the first starred name is Jim Carter, and the second name is Jim Scire, who is the president of Timarron.

On a MOTION by Gordon Walker and a second by Jose Diaz, the minutes were then unanimously approved as corrected.

FINANCIALS

The tenth month financials were provided to the Board, and showed no activity during the month of August on the hurricane related recovery expense. Total expenditures to date are \$946,925.

Chairman Garofalo noted that September will probably be the last month of expenses for the hurricane, and it will be substantial as they are paying off the fence, and landscaping materials have been purchased.

The balance sheet showed \$1,200,000 in cash, against \$10,000 in payables shown against the liabilities on the next page. Fixed assets were \$26,682,000. Total assets with the liquid cash assets were almost \$27,884,000.

The income statement at the end of ten months showed a minor amount of assessments received, which may have been a redeemed tax certificate for \$1,500. At the ten months end of July it showed \$22,000 for interest income so far this year, when only \$8,000 was originally budgeted. Mr. Dorrill anticipates that number being close to \$27,000 by year's end, due to the change in banks.

Chairman Garofalo asked that they keep in mind that the deficit of \$122,000 for assessments is offset by the \$114,000 discount that was applied.

All of the expenses are under budget, with the exception of water management associated with some repairs. Total year-to-date operating expenses were still \$170,000 under budget. Over two-thirds of that amount is attributable to lapsed salaries in landscaping and access control. There are four vacancies presently in these two categories.

On a MOTION by Edward Walsh and a second by Joe Diaz, the financials were then unanimously accepted by the Board.

MANAGER'S REPORT

A. FEMA Projects Update

Mr. Dorrill briefly went through the schedule of projects for the Board, the total being almost \$1,500,000 in overall damage, and an initial payment has been received from the insurance company, along with a small FEMA payment.

This has been a very complicated, slow process, and one of the big eight accounting firms is also auditing the efforts for the State.

Chairman Garofalo noted that eight projects went to FEMA, and a summary of them were included in the update. One very small project was paid, and the word "obligated" is on two of

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them, and on the back of the project work it shows an eight step process that the Federal Government goes through on each project. The last step is “obligated”, and that means the Federal Government has approved it and sent it on to the State for payment. This was a large amount of money that was being held up because the State had not received the invoice for the fences. Mr. Vanover got the invoices and sent them to the State, and it is hoped that those invoices will be processed in 30 days or so, as they total about \$480,000.

The other five have yet to work through the process. Three of them are at the “peer review” stage, which is only the second step of the eight step process. Mr. Vanover will update the Board once a month on the status of the remaining five projects.

Mr. Walsh asked about landscaping and sod, and was advised that FEMA does not reimburse for these. They do reimburse for fountains and sidewalks.

Chairman Garofalo advised that FEMA is paying roughly 75 percent, and if they receive that, they will be in good shape.

B. Storm Water Utility

Mr. Dorrill advised that he and Mr. Pires attended the County Commission Meeting two weeks previously where so many people showed up that they ended up putting them on three different floors in the government center where some of them watched the proceedings on television. Most of them were there opposing the stormwater fee.

Mr. Pires did a very good job in his allotted three minutes summarizing the concerns of his three main clients, which includes Pelican Marsh. The basic contention is that the Pelican Marsh CDD owns and operates a very large water management system that greatly benefits the County and adjoining communities.

For example, all of the water that comes from the Villages of Monterey on Orange Blossom Drive ultimately flows under Vanderbilt Beach Road and into Pelican Marsh’s water management system. All of their road drainage and a great deal of Goodlette Road’s drainage,

all of which are public roads, are benefitting from the residents of Tiburon and Pelican Marsh paying into the Pelican Marsh budget.

The contention going forward is that the residents of this community should be completely exempt if the CDD owned and operated drainage system is providing benefits beyond just this community. Over 125 people registered to speak, and the result of this meeting was that any fees have been postponed for a year. They are trying to get together a working group of affected stakeholders to meet with County staff before this goes any further.

Chairman Garofalo added that the Pine Ridge Canal is part of the District's water system as well, from Vanderbilt up to Immokalee Roads.

C. Group Health Insurance Renewal

Mr. Dorrill reported meeting the previous week with the group health insurance provider, and were initially presented with some disappointing changes. If they stay with Blue Cross and the Blue Option plan for the two different groups, it represented almost a 20 percent increase in premiums over the current year.

There were some recommended alternatives provided, which will require the District to change carriers, to United Health Care. The overall increase with this carrier is 12.8 percent. The basic breakdown of the benefits is very comparable to what is presently in place. Because of the ongoing lapsed salaries, Mr. Dorrill is not proposing any changes to the budget, as there is enough capacity in unused salaries in that cost center to cover the increase. While there have not been any catastrophic type claims this year, they have occurred in the past, with very large claims. While that did not occur this year, the overall work force is ageing, and that drove some of the increases this year as well. Chairman Garofalo indicated that they actually had an employee turn 65, who is now on Medicare and no longer the District's responsibility.

On a MOTION By Ed Walsh and a second by Joe Diaz, the Board unanimously approved switching over to United Health Care for the 2019 Group Health Insurance.

D. Escada Water Management Pilot Project

The Chairman, Mr. Dorrill and Mr. Vanover met previously with representatives of Escada, as they want to expand on the existing water quality program, especially as it relates to algae control in their community. While the District is not opposed to a six month pilot project to evaluate this, it wants to continue to provide the base level of service that it normally does. Escada will supplement this basic service with an outside contractor.

There are a couple of preconditions. In particular, the District will need the approval of their association president in advance for any littoral plants that will be planted along the lake bank which is consistent with the District's current policy. After six months the pilot will be over and they will reevaluate how it is working.

The Chairman indicated that they drafted an agreement with the term being from May through October as that is the algae season. The agreement detailed what chemicals the District uses, and if they wish to use additional ones, they need to get the District's approval. All of the extra work is at Escada's cost.

Once the proposal is received they will send it to Kathleen and then they will sit down and get Tiburon's thoughts on it. They hope to have the agreement presented to the Board next month for approval. At the bottom of the proposal it states that they had better work with their landscape people on the fertilizing program, as a lot of the landscapers don't pay attention to the County's fertilizer program. With the heavy rains it is carried into the water system, and so it is critical that landscapers use the correct fertilizer and techniques.

E. Website ADA Compliance Proposal

Mr. Dorrill previously shared with the Board that he is actually a party to a Federal lawsuit involving the Lely CDD. The plaintiff claims that Lely's website is not compliant with the Americans with Disabilities Act, and visually impaired or blind people have certain rights under case law relating to their ability to access websites.

The information provided to the Board on this is purely informational, and CDDs are required by law to have a website, and there is a long list of items and documents that must be maintained on the website. There are some processes and consulting vendors who will help prepare documents so they can be accessed by a scanner reader, or a transcriber that can read a document and then verbalize it.

While Pelican Marsh is not currently a party to a lawsuit, it appears that a law firm on the East Coast has filed 160 of these claims so far. In the case of Lely, they have agreed to settle for \$2,500, and both parties pay their own attorney's fee with the requirement that they make changes to the Lely website within the next 18 months. Mr. Dorrill will keep the Board updated on this.

Mr. Walsh asked if they had more than is needed on their website, beyond what Mr. Dorrill has listed for them. Mr. Dorrill indicated that they have archived a number of minutes that he will recommend be purged. A disclaimer on the website will be put in place indicating that a person wanting archived records should contact the manager's office. Mr. Dorrill and his staff will go through the list of minimal requirements for the website to make sure that they are on the Pelican Marsh site, and he will then come back to the Board with recommendations about what else should be taken off the website. This will happen within the next couple of months.

Mr. Walsh also wondered what process will be put in place to insure that this new approach will stay in place so the website won't get overloaded again. Mr. Dorrill indicated that they will do some housecleaning at year's end, and they use a website design firm and a host firm, and pay an annual fee for them to host the website on their server. They will be asked to download or remove the things the District decides are no longer necessary. This purging will take place at the end of every year.

Chairman Garofalo felt that the 30 plus policies should be on the website, as residents are often referred to it. Mr. Vanover agreed that it is invaluable to have them posted. Mr. Walsh suggested that a separate icon be set up for policies, which would make them easy to access.

The Chairman liked the idea and they will take a look at doing that.

F. Five Year Asset Inventory

This document is used internally for budget preparation, but this shows the assets and depreciation that is reviewed annually by the auditor. It shows the roads that are scheduled to be re-milled this year, the various pieces of vehicles and machinery and fixed capital equipment that are scheduled to be replaced. This is a planning tool used by the staff, and they review it annually with the chairman in advance of the budget workshop.

Mr. Dorrill was asked if they still lease or finance equipment and they do not, and they pay cash for the operating capital needs.

Chairman Garofalo noted that Mr. Dorrill brought this to the Board's attention about six or seven years ago, and it has been very helpful. It was updated last year when an additional column was added indicating the life cycle of all of these assets. Now they know where to plug in replacements, and what money needs to be spent when, and on what. It makes the budget much easier to handle as they have information on replacements and other capital projects ahead of time.

In response to Mr. Walker's question about the lake at Ravenna, Lake 22, Mr. Vanover indicated that it was done several years ago. Lake 28 was done in 2016. What they are working on now is something different.

Additional Question on Website

Mr. Walsh asked if these website requirements also applied to HOAs and condo associates and that type of thing, and Mr. Dorrill responded that his recollection of the Federal law is that it primarily affects government entities and not-for-profit corporations. Churches or HOAs are not held to the same standards that governments are.

ATTORNEY’S REPORT

Mrs. Brakefield had nothing to report to the Board.

ENGINEER’S REPORT

Mrs. Clancy had nothing to report to the Board.

PUBLIC COMMENT

Jim Carter from Watercrest thanked the Board for the work that was done on the berm behind him, but expressed some concern about the grass yellowing. Mr. Vanover indicated that he would take a look at it, as it probably needs fertilizer and that is scheduled to occur in the next two weeks.

Mr. Carter also reported that one of the rubber guards at the entrance at Vanderbilt had been knocked down. Mr. Vanover advised that they had put it back up the previous day and are working on it.

SUPERVISORS REQUESTS/COMMENTS

A. Coming Elections

Chairman Garofalo noted that every time a new member of the Board is sworn in, either a re-election or a new person, new officers are voted for. Three Board members are going to be re-elected in November as there was no opposition, including himself, Mr. Pomerantz and Mr. Walker. The Chairman will support anyone who wishes to serve as Chairman, Vice-Chairman or Treasurer, and asked them to consider this.

B. Chart and Inventory Point Person

The update on lake bank erosion was brought to the Board last month and that chart is a good tracking device that the Board uses to see what has been done and what needs to be done in the future. The Five Year Asset Inventory that they just looked at tracks the assets.

Chairman Garofalo asked the Board to consider this November having a point person to look at

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these two charts and oversee it. Mr. Vanover is most capable of doing it by himself, but it would be helpful for him to be able to talk to someone about it and get a different point of view. It will involve spending a couple of days a year updating it, and the Chairman felt that it would be beneficial to have someone else involved in it, which would give them a better feeling for some of the details the Board handles.

Mr. Walsh volunteered to do that, and Chairman Garofalo noted that they would discuss this in November, and it will become helpful for a new Chairman to have an idea of how this works.

B. Blue Tilapia Project

There has been a difference of opinion on this, and Mr. Pires has done some preliminary research on it. He has found within the Florida Administrative Code what he feels is the allowance to use them. It is his contention that as long as they came from a licensed or certificated aquaculture farmer who will introduce the fish, then the District is eligible to use them. Mr. Pires will be asked to resend that information to Mr. Dorrill.

The Chairman indicated that they continue to get conflicting information, and a supervisor at the County indicated that they cannot be used, as did the contractor that Tiburon wanted to use to introduce Tilapia to eat the algae.

They are in the lakes at Pelican Bay and they are working to rid the lakes of algae, but they are being eaten by the shore birds pretty quickly and do need replacing occasionally. Mr. Walsh asked if this is something they should consider, assuming that it is allowable, and the Chairman indicated that he does support it, but he is concerned about the conflicting messages. Mrs. Brakefield suggested that they have Mr. Pires contact the County on this, and Mr. Dorrill added that it may have been someone from FWC who indicated that they could not be used.

Mr. Dorrill also noted that Copper Sulfate, which is used at Pelican Marsh as an algae deterrent, can be a pollutant if used in high quantities, and Tilapia could be used for this purpose.

Chairman Garofalo also felt that the fertilizer application needed to be looked at, and to make sure that the landscapers are following the County's policy on this, which can make a big difference in the proliferation of algae.

C. Staff Shortage

Mr. Walsh asked if the fact that they are down four people out of 40 is causing a delay in any projects that they normally do, or if they have to pay more overtime. Mr. Vanover indicated that he just discussed with his head man what can be done to keep staff from leaving. It is money, and Mr. Vanover suggested that overtime on Friday be offered as there are still hurricane plantings to do. They are going to start doing that on Fridays, which will help get them caught up.

Chairman Garofalo reminded the Board that about a year ago the employees were given a substantial raise when they no longer were doing the maintenance south of Vanderbilt. That enabled them to keep their budget the same and to give that saved money to the employees. Mr. Vanover added that the problem is the booming economy with lots of construction and rebuilding from the hurricane.

Mr. Walsh asked how far behind Mr. Vanover is, and what can be done going forward. Mr. Vanover noted that they are one short in access control, and they have hired someone to start October first. Since the hurricane they have lost two men, but gained one. Once the temperatures go down, around November as they usually do, his work load is halved. They will be able to catch up at that point as they will only be mowing every other week.

Mr. Dorrill will come back at the end of the calendar year if they are still down three to four men and ask the Board to make a market rate adjustment to the salaries, as they do not want to lose anyone else.

Chairman Garofalo noted that there is no tier scale for access control, but in landscaping they have team leaders who make more money, as well as specialists, who are also paid more.

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The other thing Pelican Marsh does is give good benefits, which Mr. Vanover noted was very appreciated by the older employees.

On October first there will be a raise, which will also help.

ADJOURNMENT

The next Board meeting will be held on October 17th and the meeting was adjourned **on a**

MOTION and a second at 9:56 p.m.