

**MINUTES OF MEETING
BAYSIDE IMPROVEMENT AND BAY CREEK
COMMUNITY DEVELOPMENT DISTRICTS**

A Joint Budget Workshop of the Boards of Supervisors of the Bayside Improvement Community Development District and Bay Creek Community Development District was held on **Friday, July 21, 2017 at 9:00 a.m.**, at the **Pelican Landing Community Center, 24501 Walden Center Drive, Bonita Springs, Florida 34134.**

For Bayside Improvement CDD:

Walter McCarthy	Chair
Bernie Cramer	Vice Chair
John Crew	Assistant Secretary
Jim Nicholson	Assistant Secretary
Bill Nicholson	Assistant Secretary

For Bay Creek CDD:

Mary McVay	Chair
Nelson Glueck	Vice Chair
James Janek (<i>via telephone</i>)	Assistant Secretary
Robert Travers	Assistant Secretary
Donald McBride	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Peter Kane	Vice President, PLCA Board
Wes Kayne	Barraco & Associates

FIRST ORDER OF BUSINESS

Call to Order

Mr. McCarthy called the meeting to order at 9:00 a.m.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS

Roll Call

Mr. McCarthy asked the Supervisors to state their names. For Bay Creek Community Development District, Supervisors Travers, Glueck, McBride and McVay were present, in person. Supervisor Janek was attending by telephone. For Bayside Improvement Community Development District, Supervisors McCarthy, Crew, Cramer, Jim Nicholson and Bill Nicholson were present, in person.

FOURTH ORDER OF BUSINESS

Public Comments: *Agenda Items*

There being no public comments, the next item followed.

FIFTH ORDER OF BUSINESS

Continued Discussion: Fiscal Year 2017/2018 Joint Proposed Budget

Mr. Adams presented the proposed Fiscal Year 2018 budget, which included columns that possibly may differed from the version in the agenda. For the tenth year, Management would not increase its fees. The proposed budget was generally, status quo, with the exception of landscaping, which would be discussed during the meeting. Selective removal of 50 oak trees for approximately \$40,000, was not included in the draft budget. Pricing included removal and stump grinding, which would be performed by an outside contractor. Mr. Adams would secure multiple proposals. The restoration work, including filling in the hole and turf installation would be completed by staff.

In response to a question about the scope of the Directors and Officers (D&O) insurance, Mr. Adams stated that he would be covered under the D&O insurance, pursuant to the CDDs' mutual insurance agreement. As an Officer, Mr. Adams would be covered first by the Districts' insurance and then by Wrathell, Hunt and Associates LLC's insurance. If no one is not working in a malicious manner, or one person alone acts maliciously, everyone would be covered.

Mr. Adams stated that no changes were expected under "Water management services". Periodic reviews were being completed. The CDDs own and operate the culvert connections between the ponds and culvert connections between the ponds and wetlands, as well as the control structures. This is referred to as the trunk drainage system. The roadway system has its own roadside catch basin program and getting the water to the ponds is generally the road owner's responsibility. The CDDs took over the roadside catch basin cleaning operation, a few

years ago, with the PLCA. All the catch basin boxes now have identification plaques. The boxes were inventoried, by number, and would be loaded into a Geographic Information Software (GIS) program, on the website.

Mr. Cramer stated, in relation to this and, as part of this continuing discussion about debris moving into the stormwater system. In The Colony, the golf maintenance facility for the Nest fills in the culvert area, which inhibits the run-off water from moving. Throughout all of the storms it is never cleaned up. In response to Mr. Adams' question, Mr. Cramer confirmed that he was referring to the drainage ditch between the tennis courts and the golf course maintenance facilities. Mr. Cramer stated, if The Colony and the Nest raked the debris and put it into their own waste pile, the issue would be eliminated. Mr. Adams thought this was a good topic to discuss at the landscaping workshop being held Monday morning, at the tennis facilities, The District does not accept responsibility since the drainage system is private although, it was being monitored. Previously, the Nest was responsive to letters; however, until there is a routine program or they do something different to stabilize the ditch, ensuring constant sediment or debris is not entering and depositing onto the control structure, it would be a problem. A joint agreement between the parties may be necessary. Mr. Crew stated that Pelican Nest planned to reconfigure and stabilize that drainage system. In response to Mr. Crew's question of whether he was confident in the amount budgeted for "Engineering", Mr. Adams stated that projects were starting to wind down. The prior two years were spent on the sluice gate cape program, certifying all of the ponds and the drainage facilities, through the South Florida Water Management District (SFWMD), and addressing the short-falls, which primarily were elevation and geometry related. Mr. Adams expected an update from Mr. Kayne about the berm, in Waterside. The berm must be brought up to the proper elevation, and Mr. Adams should be completed during Fiscal Year 2017. Workable drawings from Mr. Kayne were expected, within the week, then Mr. Adams could hire a get a contractor.

Regarding "Street lighting", Mr. Adams stated that some polls were replaced. Parts of the system were 30 years old and other parts were 10 to 12 years old. In response to Mr. Bill Nicholson's question about whether light pole replacements were for the Colony, Mr. Adams stated only the bases needed repairs, and a minimal amount was needed for repainting or the occasion bulb replacement.

Mr. Adams stated that "Landscape services" remained the same, year-over-year. A separate line item for selected tree removal or repurposing or increasing the budget could be

considered. Mr. McCarthy stated that, in the past years, all of the allocated money was not spent for tree trimming. Mr. Adams stated, if trees must be removed and were near the screen enclosures of the homes, he preferred spending the extra money and avoiding liability for damages if the trees hit homes. \$18,500, overall, was budgeted. Mr. McCarthy suggested a separate line item devoted to selective tree removal. Mr. Adams agreed.

Mr. Peter Kane, a PCLA Board Member, stated that the Landscaping Committee was meeting to determine how much they would spend, after this budget workshop concludes. The PLCA Board already decided that landscaping was the number one priority, although no money was allocated for it. The PCLA would budget something for landscaping. Mr. McCarthy stated, when the PLCA's landscaping budget was determined, the CDDs would adjust their budget.

Mr. Crew suggested shifting \$5,000 from "Mulch", \$5,000 from "Plant replacement program", \$15,000 from "Flower program" and \$5,000 from "Chemicals" to a "Tree removal" line item, without specifically stating "oak tree removal" since there were other types of trees.

Mr. McCarthy suggesting shifting the \$1,500 budgeted for "Contingencies", elsewhere, and appropriating nothing for "Contingencies".

Ms. McVay inquired about the trees impacting the roads. Mr. Adams stated that it would be addressed through normal operations. The landscapers needed to evaluate the root barriers.

Mr. Adams continued reviewing the proposed budget line items.

Mr. Crew mentioned that the control structure at the Overlook, on Pelican Colony Drive, may need a safety and observation feature. Mr. Adams suggested a rail at the top of the headwall. Mr. McCarthy concurred.

Mrs. Adams reminded Mr. McCarthy that a write up, for tree trimming, was needed.

For Bayside, Mr. Adams stated that the budget was status quo. There was a decrease on the operating side, year-over-year, by approximately \$1,000, by using in-house staff for the mulch work.

Mr. Adams stated, year-over-year, remaining the same, the District would utilize about \$116,000 of fund balance; leaving a fund balance of \$177,000, assuming Bayside stayed within budget. The \$177,000, against the \$603,000 annual budget, was just under one-third of the annual budget.

Mr. Cramer asked if the Districts were responsible for repairs due to construction vehicle traffic around the roundabout. Mr. Adams explained that periodic repairs were completed.

Mr. Adams continued reviewing the proposed budget line items and explained the shared expenses.

“Electricity”, increased in Fiscal Year 2017 because Florida Power & Light (FPL) had charged an incorrect rate. The Districts enjoyed a reduced rate for 10 to 12 years but, now, the rates increased.

Mr. Crew stated, for this budget year, Bay Creek was moving to reclaimed water. Mr. Adams stated that the cost of the reclaimed water and the revenue collected would offset the cost for the reclaimed water. For Bay Creek’s transition, the District was stepping in to ensure a consistent quantity and quality of water. There should be cash value in that, since the District was depreciating assets for the pump stations and the wells would eventually go off-line, although the District would still need the transmission. The depreciation dollars could be repurposed.

Ms. McVay asked how paying more for water was included in the budget. Mr. Adams stated it was not in the final budget yet, but would be reflected in the final budget. Ms. McVay asked when the reclaimed water would start. Mr. Adams stated that the District was waiting for a permit but he would begin obtaining quotes from contractors. The drawings were available.

Mr. Cramer asked about the electricity usage regarding the electricity usage, due to US 41’s changing of lighting, to soft LED light bulbs, and asked if there was any advantage changing the street lighting system. Mr. Adams would research LED Lighting. Mr. Cramer thought that the Landscaping Committee should be involved with the lighting.

Mr. Bill Nicholson stated that meter replacement was over budget. Mr. Adams stated that new irrigation meters that were installed in The Colony would also impact this line item; however, those costs would be offset by the connection fee revenue, as requested by the District, received and paid for by the builder.

Mr. Adams stated that assessments would remain the same, year-over-year. The only change would be to the Bay Creek-specific Irrigation Fund. Mr. Adams would make the adjustments. Mr. McCarthy wanted to review the budget again, on Monday, during the Joint Regular Meeting.

Mr. Adams recalled a policy pertaining to the “Uninsured Asset” fund and asked if the funds should be segregated or if they could roll over to the “General fund”. The policy was established 12 or more years ago, to set up an Uninsured Asset fund intended to cover the costs addressing landscape clean-up and replacement following a major storm event. The landscape

program was considered an uninsured asset. Mr. McCarthy preferred separate funds. The Boards agreed to discuss this matter on Monday.

SIXTH ORDER OF BUSINESS

UPCOMING MEETING DATES

A. July 24, 2017 at 2:00 P.M.

Mr. McCarthy stated that the next meeting would be held on Monday, July 24, 2017 at 2:00 p.m., at this location.

B. August 28, 2017 at 2:00 P.M.

Mr. McCarthy stated that the next meeting and the budget public hearing would be held on August 28, 2017 at 2:00 p.m., at this location.

SEVENTH ORDER OF BUSINESS

Supervisors' Requests

A Board Member stated two workshops were scheduled on Monday, at the Tennis Center. 10:00 a.m., regarding drainage and the Landscaping Committee would meet at 1:00 p.m.

EIGHTH ORDER OF BUSINESS

Public Comments: *Non-Agenda Items*

There being no public comments, the next item followed.


NINTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned at 10:33 a.m.

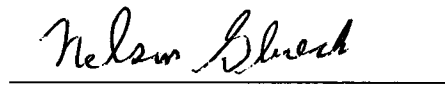
[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


FOR BAYSIDE IMPROVEMENT:


Secretary/Assistant Secretary


Chair/Vice Chair

FOR BAY CREEK:


Secretary/Assistant Secretary


Chair/Vice Chair