

**MINUTES OF JOINT BUDGET WORKSHOP
BAYSIDE IMPROVEMENT AND BAY CREEK
COMMUNITY DEVELOPMENT DISTRICTS**

The Boards of Supervisors of the Bayside Improvement Community Development District and Bay Creek Community Development District held a Joint Budget Workshop on Friday July 19, 2019 at 9:00 a.m., at the Pelican Landing Community Association Offices Center, 24501 Walden Center Drive, Bonita Springs, Florida 34134.

For Bayside Improvement CDD:

Walter McCarthy	Chair
Bernie Cramer	Vice Chair
Jim Nicholson	Assistant Secretary
William J. Nicholson	Assistant Secretary
John Crew	Assistant Secretary

For Bay Creek CDD

Mary McVay	Chair
Bob Travers	Vice Chair
James Janek (via telephone)	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Steve Backman	PLCA General Manager
Gail Gravenhorst	Resident/Landscape Committee

FIRST ORDER OF BUSINESS

Call to Order/Phone Silent Mode/Pledge of Allegiance

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

All present recited the Pledge of Allegiance.

SECOND ORDER OF BUSINESS

Roll Call

For Bayside Improvement Community Development District, all Supervisors were present, in person. For Bay Creek Community Development District, Supervisors Travers and McVay were present, in person. Supervisor Janek was attending via telephone. Supervisors McBride and Glueck were not present.

On MOTION for Bayside by Mr. Cramer and seconded by Mr. James Nicholson, with all in favor, authorizing Mr. Janek's attendance and full participation, via telephone, due to exceptional circumstances, was approved.

THIRD ORDER OF BUSINESS

Public Comments: *Agenda* Items

Ms. Gail Gravenhorst, representing The Colony, discussed the flowers and requested a 10% increase to execute the Landscape Architect's designs to make the patterns flow properly, resulting in fuller plantings in the fall and winter. She asked the CDDs to communicate to the person selecting the flowers whether intensive labor would be required for a specific item.

FOURTH ORDER OF BUSINESS

**Discussion: Fiscal Year 2019/2020
Proposed Joint Budget**

Mr. Adams discussed the proposed Fiscal Year 2020 budget changes since the May meeting; the goal was to keep assessments flat, while increasing fund balance depleted by Hurricane Irma. Landscape personnel services increased to retain the additional hires and the flower cycle increased to three. After reviewing the Limited Benefit Assessments for properties outside the gates, specifically the Tides at Pelican Landing, those assessments were reduced.

Mr. McCarthy reviewed the proposed Fiscal Year 2020 budget line items. Whether the Hyatt's assessments were on a per acre basis or on the facility must be confirmed. Mr. Adams stated Management's fees have not increased since around 2007.

General Fund Combined Proposed Budget changes to be made:

- Revenues-Allowable discounts: Change "2.5%" to "2%"
- General Fund Expenditures – Legal: Change "\$7,500" to \$11,250"
- Enterprise Fund Operating Expenses – Legal: Change "\$2,500" to \$3,750"
- Street lighting – Contractual Services: Change "\$15,000" to \$40,000"
- Street lighting – Equipment: Delete line item and transfer \$17,500 to Contractual Services. Recovery on the investment of the change out should be within a few years. Electricity costs would remain the same until Florida Power & Light (FPL) initiates an LED tariff rate.
- Landscape services – Personnel services: Change "820,000" to "860,000"

Discussion ensued regarding increasing the flower budget 10%. The proposed budget reflected a reduction in fumigation costs due to new procedures requiring less labor and disappointment in the size and selection of flowers from Club Care. Mr. Jim Nicholson disagreed

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with adding 10%; he felt that the plants need room to grow, so the issue at Pennyroyal does not occur. It was recommended that Mr. Kucera visit the nursery one week prior to planting to ensure that the flowers meet the size requirement. Regarding sparseness in the traffic circle outside Bay Creek, Ms. Gravenhorst stated the assessment for Pelican Landing was completed and a proposal for the Kayak – Spring Creek Circle Area was pending. Mrs. Adams would work with Amy comparing the cost for premium and standard flowers review the Plant Replacement Program and inventory the shrubs (Indian Hawthorn) and missing empty beds for deficiencies, with PLCA representatives and the JRL Design Contractor to ensure no overlap in expenses.

- Landscape services – Selective tree removal: Change “25,000” to “0”
Surplus fund balance would be used as the project moves forward, next year, in phases.
- Landscape services – Monument maintenance: Change “\$10,000” to “\$20,000”
Plans were to pressure wash or paint and repair South Bridge wall at Bernwood.
- Roadway services – Repairs and maintenance – parts: Change “5,000” to “15,000”
Increased to repair hopper. Mr. Adams would coordinate with Russ to install a fiberglass or spray-in liner on the hopper to extend the life span and increase River Ridge CDD at Pelican Sound charges from \$10 to \$12.

Mr. Adams would adjust the fund balance to keep assessment levels flat. He listed those budget-related items that the Tides are assessed. He would prepare a letter to the Tides and the Association for the Chair to execute, indicating their concerns were addressed, as reflected by the assessment reduction.

General Fund 002 - The Colony Proposed Budget changes to be made:

- Page 14, Revenues-Allowable discounts: Change percentage “2.5%” to “2%”
- Landscape services – Insurance: Mr. Adams would research how the District apportioned the Inland Marine Insurance schedule.
- Landscape services – Chemicals: Change “12,000” to “\$15,000”
- Landscape services – Flower program: Mrs. Adams would review the figures and work with the Landscape Committee and Architect in the selection process, expenditures, etc.

Ms. Gravenhorst confirmed the Landscape Architect’s intent to switch from an English flower garden to an architectural-type of design”, which would require a 10% increase. It was noted that Mr. Jim Nicholson, who is educated and worked in the industry, disagreed with the increase. Mr. Cramer opined that Mr. Jim Nicholson’s comments should be considered because

of his years in the industry, along with Mr. McCarthy's comment regarding the Districts' fiduciary responsibilities to the residents in the community. Mr. Bill Nicholson felt that, rather than expending additional money, the Districts should resolve the issues through better communication, better design and selection and holding vendors accountable; the Boards should determine a cost limit and make the system work, rather than the other way around.

➤ Landscape services – Mulch program:

Mr. Jim Nicholson toured the area and noticed a lot of weeds growing through the new mulch at Spring Creek Road; he preferred mowing and spraying rather than mulching. Mrs. Adams would confirm the locations listed in the contract and remove Spring Creek Road.

➤ Landscape services – Monument Maintenance: Change "2,500" to "3,000"

Increase was to perform pressure washing at the main entrance monuments off of Coconut; The Colony pays for repainting the monuments and fountains.

Enterprise Fund 401/451 Combined Proposed Budget changes to be made:

➤ Page 16, Revenues-Allowable discounts: Change "2.5%" to "2%"

➤ Revenues – Irrigation revenue: Bay Creek continues to underperform.

➤ Revenues – Meter fees: The Hyatt would be connected to the Districts' system, which benefits the Districts' revenue, as there are no expenses attached as the equipment was already depreciated.

➤ Professional fees - Utility billing: Change "27,000" to "30,000"

Increased because the 75% prorated budget projections jumped to 87% as the budget did not factor in the vendor's annual cost escalator.

➤ Irrigation services: Mr. Kemp would inspect the rain gauges, which should not have run since it rained a lot the previous day.

➤ Irrigation services – Insurance: Change "7,500" to "11,000"

➤ Irrigation services – Meter costs: Change "3,500" to "7,500"

➤ Irrigation services – Other contractual services: Change "13,000" to "9,000"

Mr. Adams would review the process to shut down the entire system since it affects the Districts' revenue, preventing them from selling reclaimed water. The necessary adjustments would be made so assessment levels remain flat. He expected the "Depreciation" schedule to reach zero by 2021, the District would have the ability to move those funds out of the fund balance over to the General fund and Uninsured Asset funds.

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Mr. Adams distributed the City of Bonita Springs proposed stormwater utility fee, provided by Mr. McCarthy. Collier County is considering a similar assessment and District Counsel for a CDD in Collier County presented a compelling argument to the Collier County Commissioners explaining that the CDD is a governmental entity, operates its own MS4 stormwater system and already assesses the residents, so it should not be assessed for the greater system. He suggested presenting the same argument at the next Town Hall meeting but believed the Districts would likely end up paying a flat rate. He would forward Mr. McCarthy's email and the arguments presented to Mr. Cox to discuss at the next meeting.

Mr. Cramer would email the South Florida Water Management District (SFWMD) ad for an August 11, 2019 workshop being held at the Hyatt.

FIFTH ORDER OF BUSINESS

UPCOMING MEETING DATES

- A. July 22, 2019 at 2:00 P.M.
- B. August 26, 2019 at 2:00 p.m. (*Budget Public Hearing*)
- C. September 23, 2019 at 2:00 P.M.

SIXTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Cramer asked whether the Districts should be involved with Long Lake Village, which is in the process of refurbishing District-owned monuments. Mr. Adams stated the Districts do not own those monuments. The designs were presented to the Design Review Committee (DRC) for approval and the Districts are notified of approval; Mrs. Adams would review the information. Mr. Adams would distribute the March 2001 spreadsheet that outlined ownership of each monument, and the updated version and present it at the next meeting.

SEVENTH ORDER OF BUSINESS

Public Comments: *Non-Agenda Items*

There being no public comments, the next item followed.

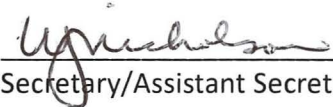
EIGHTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the workshop adjourned at 11:29 a.m.

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Secretary/Assistant Secretary


Chair/Vice Chair

FOR BAY CREEK:


Secretary/Assistant Secretary


Chair/Vice Chair