

**MINUTES OF MEETING
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 July 15, 2022, at 9:00 a.m., at the Pelican Landing Community Center, 24501 Walden Center Drive, Bonita Springs, Florida 34134. Members of the public were able to participate via Zoom, at <https://us02web.zoom.us/j/88969163185>, and via conference call at 1-929-205-6099, Meeting ID: 889 6916 3185 for both.

For Bayside Improvement CDD, present were:

Walter McCarthy	Chair
Bill Nicholson	Vice Chair
Bernie Cramer	Assistant Secretary
Gail Gravenhorst	Assistant Secretary
Karen Montgomery	Assistant Secretary

For Bay Creek CDD, present were:

James Janek (via Zoom)	Chair
Robert Travers	Vice Chair
R. Gary Durney	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	District Manager
Shane Willis	Operations Manager
Bill Packard	Resident/Landscape Committee Member
Cheryl Hughes	PLCA Landscape Chair

FIRST ORDER OF BUSINESS

Call to Order/Phone Silent Mode/Pledge of Allegiance

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

Mr. McCarthy noted that a quorum is not required for a workshop and no action can be taken until an item is presented at a regular CDD public meeting. The purpose today is to discuss the proposed Fiscal Year 2023 budget.

All present recited the Pledge of Allegiance.

SECOND ORDER OF BUSINESS

Roll Call

The Supervisors of each CDD in attendance identified themselves as follows:

For Bayside Improvement CDD, Supervisors Nicholson, Cramer, Montgomery, Gravenhorst and McCarthy were present.

For Bay Creek CDD, Supervisors Durney and Travers were present. Supervisor Janek was attending via Zoom.

THIRD ORDER OF BUSINESS

Public Comments: *Agenda Items*

There were no public comments.

FOURTH ORDER OF BUSINESS

Discussion: Fiscal Year 2022/2023 Proposed Budget

Mr. Adams reviewed the proposed Fiscal Year 2023 budget and distributed and presented the “General Fund Combined Budget – The Colony Fund and the Combined Enterprise Funds report; which summarized the cost increases, due to labor and fuel costs increasing and major decreases and net positions.

The following proposed Fiscal Year 2023 budget line items were discussed:

- Page 2, “Landscape services: Personnel services”

Mr. Adams discussed salary changes. Starting pay increased due to attrition of seven in-house staff members for which only four positions were replaced. He responded to questions about contract prices increasing due to staffing shortages and increased electricity and landscape fuel costs.

Mr. Nicholson noted the “Salaries” in May’s Year End Projection Report did not match the Report that was just emailed. Mr. Adams explained that it was due to the increases he noted earlier and because the projection figures discussed at the last meeting were incorrect, due to formula issues, which are now corrected.

Mr. Nicholson stressed the importance of reports being accurate. Upon review of the current Report, he noted that a budget amendment will be needed for Fiscal Year 2022. He asked Mr. Adams to back calculate the Year End Projection Report from May to October 1, 2022.

➤ Page 2, “Electricity”: Mr. Durney discussed both reports and voiced his opinion that they should be the same and be able to give a better projection on costs. Mr. Adams stated that the Reports are similar to what he is explaining; it just gives year-end data to compare year-over-year data, instead of comparing it monthly. Mr. Durney asked Mr. Adams develop a mechanism for the two sets of financial statements, using the same data, to balance.

➤ Page 2, “Fuel”: Showed an 82% increase.

➤ Page 2, “Mulch program”: The proposed cost was based on real time data and shows a 34% increase; also included is the 25% per bale increase and delivery charge.

Discussion ensued regarding concerns about overestimating the amount of mulch needed, mulching program, criteria and process of laying mulch, inability to plant certain areas due to tree roots and using other alternatives, such was decorative stone and non-perishable landscape alternatives. It was noted that the Design Review Committee (DRC) is researching using alternative materials.

Resident and Landscape Committee Member Bill Packard felt that this approach will cause a lot of objections, as residents prefer something natural. Mr. Willis noted that most of the plants and shrubs used today are not native to Florida so doing this will help reduce the budget and maintenance costs. Mr. Nicholson noted that using stone causes other types of maintenance issues.

Discussion ensued regarding defining the CDD versus the PLCA Landscape Committee responsibilities and maintenance protocol for Colony Boulevard.

PLCA Landscape Chair Cheryl Hughes stated that she wants to create a process for submitting requests for improvements. Mr. Adams explained the process that he and the prior Chair worked out.

- Page 2, “Street sweeping”: The equipment needs to be repaired. Replacement within the next three years is expected. Board Members voiced their opinions.
- Page 2, “Fund Balance”: Mr. Durney noted that fund balance is increasing and questioned why assessments are not being decreased. Mr. Adams stated that he encourages CDDs to have a fund balance of at least 30% to 35% of the operating cost; therefore, he considered the prior year fund balances too low.

Discussion ensued regarding maintaining a reasonable fund balance as opposed to having to obtain a line of credit in the event of a storm.

- Page 3, “Full Assessment”: A breakdown of the “Total Units” will be emailed to the Boards. It was noted that this information is a hidden page in the excel document.
- Page 14, “Plant replacement program”: Regarding how the PLCA knows where they are in the actual budget, Mr. Adams stated that it is discussed when the PLCA submits a request. He noted that refurbishment type projects are the responsibility of the Master Association, either The Colony or outside The Colony.
- Page 14, “Flower Program”: Change “\$50,000” to “\$66,000”. Mr. Adams noted that the ClubCare prices have not changed.

Mr. Adams presented the following assessment levels, which included the changes that were discussed:

- Page 22, Bayside Enterprise Fund 401 Budget: Proposed Assessment \$85.48
- Page 24, Bay Creek Enterprise Fund 451 Budget: Proposed Assessment \$111.11

Mr. Durney noted that the “Surplus RCS Water-Bayside” entry, on Page 24, should be deleted. Mr. Adams reviewed the document and made the appropriate changes.

- Page 24, Reclaimed water-Bay Creek: Mr. Durney asked for clarification about revenues, expenses and assessments. Mr. Adams explained the formula used to identify costs to the CDD, its rates and usage charges.

Mr. Adams stated that the assessment levels should be set at the next meeting in order to properly notice the assessments; the actual budget will not be adopted until the August public hearing. For noticing purposes, he recommended approving assessment levels at a higher amount, as the assessments cannot be increased, if the amount is not noticed.

Discussion ensued regarding the “Total net assets” amount, on Page 24. Mr. Adams reviewed it and would make adjustments.

The proposed Fiscal Year 2023 budget, with changes, will be emailed to the Boards and presented at the July 25, 2022 meeting.

FIFTH ORDER OF BUSINESS

**NEXT MEETING DATE: July 25, 2022 at 2:00
P.M. – Joint Regular Meeting**

- **QUORUM CHECK: *BAYSIDE IMPROVEMENT CDD***
- **QUORUM CHECK: *BAY CREEK CDD***

The next meeting would be held on July 25, 2022.

SIXTH ORDER OF BUSINESS

Supervisors’ Requests

There were no Supervisors’ requests.

SEVENTH ORDER OF BUSINESS

Public Comments: *Non-Agenda Items*

No members of the public spoke.

EIGHTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the workshop adjourned at 10:56 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