

**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 meeting on July 21, 2023 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/84137772934>, and via conference call at 1-929-205-6099, Meeting ID: 841 3777 2934 for both.

For Bayside Improvement CDD, present were:

Walter McCarthy	Chair
Bill Nicholson	Vice Chair
Gail Gravenhorst (via telephone)	Assistant Secretary
Bernie Cramer	Assistant Secretary
Karen Montgomery	Assistant Secretary

For Bay Creek CDD, present were:

R. Gary Durney	Assistant Secretary
Jerry Addison	Assistant Secretary
Robert Travers	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	District Manager
Shane Willis	Operations Manager
Paul Kemp	Field Manager

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.

SECOND ORDER OF BUSINESS

Roll Call

For Bayside Improvement CDD, Supervisors Montgomery, McCarthy, Nicholson and Cramer were present. Supervisor Gravenhorst was attending via telephone.

For Bay Creek CDD, Supervisors Travers, Durney and Addison were present. Supervisors Janek and McVay were not present.

THIRD ORDER OF BUSINESS

Public Comments: Agenda Items

There were no public comments.

Ms. Gravenhorst voiced her opinion that, with regard to the Fiscal Year 2023/2024 budget, the Board Members should address their philosophical approach to doing business and approve the funding necessary to best serve the community. She noted that, in the past, the Boards tried to increase assessments as little as possible but she thinks the demands to maintain the CDDs will grow as the PLCA refreshes aging areas, despite increasing labor and material costs.

Mr. McCarthy stated no further public comments will be taken. He noted that, at a workshop, quorums are not necessary and no votes are taken. The purpose of the workshop is open discussion of the budget.

FOURTH ORDER OF BUSINESS

Discussion: Fiscal Year 2023/2024 Proposed Budget

Mr. Adams distributed and presented a revised version of the proposed Fiscal Year 2024 budget. He distributed an updated Payroll Analysis that corrected a scrivener's error due to an incorrect formula, which resulted in a 52% increase for a new employee.

Mr. McCarthy suggested reviewing and discussing the proposed Fiscal Year 2024 budget line by line so the Supervisors can comment about specific points of concern.

The Boards reviewed and discussed each line item of the General Fund 001/101 Combined Budget – Pelican Landing. Mr. Adams discussed the following, some of which will involve making additional changes to the Fiscal Year 2024 budget line-item amounts:

- Page 1, "Interest": Interest earnings are anticipated to increase based on information from Synovus Bank that will be presented the July 31, 2023 meeting. Synovus Bank offers an opportunity to invest CDD funds in a Money Market account, which provides liquidity. A cumulative balance of over \$500,000 can achieve an interest rate that is indexed against the

Federal Funds rate, minus 75 basis points. Accounts with a balance between \$200,000 and \$500,000 can achieve an interest rate that is indexed against the Federal Funds rate, minus 100 basis points.

Mr. McCarthy voiced his opinion that interest revenue should accrue to the organization from which the funds originate. Mr. Adams stated there is a firewall, as funds are in separate accounts for each CDD, with interest inputted each month based on actual earnings. He will review each budget to ensure that estimates are calculated accordingly.

Asked if the funds Bayside CDD loaned to Bay Creek CDD are shown, Mr. McCarthy stated the \$86,000 loan appears on the balance sheets. Mr. Adams stated those will be available early next week.

➤ Page 1, “Street sweeping”: Mr. McCarthy proposed increasing the \$13,000 billed to Pelican Sound by \$1,000. Mr. Adams stated the total amount is actually \$15,000, split between the General and Enterprise Funds, with \$2,000 in the Enterprise Fund, as directed last year.

Mr. Adams noted that most Professional fees reflect no increase, other than insurance, which is based upon a proposal provided by Egis for budgeting purposes.

➤ Page 1, “Engineering” line item: While fluctuation is possible, the Engineer of Record for the project is within the same firm as the District Engineer, enabling communication about matters of interest to the CDDs.

➤ Page 1, “Other contractual services: lakes”: Mr. McCarthy noted that the lake maintenance contract will expire. Mrs. Adams stated the contract expires in January 2024. Mr. Adams predicted that the cost for the services will remain flat or decrease.

Discussion ensued regarding responsibility for cane toad removal, the cane toad program currently underway in another CDD and the need for consensus among the Board Members and other stakeholders.

Mr. Adams stated surplus fund balance could potentially be used to fund a cane toad program. The consensus was that discussion will be deferred pending dialogue with other stakeholders including the PLCA, The Colony, the golf course, etc.

➤ Page 1, “Repairs and Maintenance (Aerators)”: Mrs. Adams stated the lease for nano bubblers was canceled, effective July 31, 2023.

➤ Page 1, “Street lighting – Electricity”: Mr. Adams stated that electricity costs were adjusted upward as an increase is anticipated.

Discussion ensued regarding the Landscape Committee’s proposal to add landscape moonlighting, who would be responsible for maintaining that lighting and the need for the Long-Range Planning Committee to review the GIS maps and work with the CDD Boards, as a team.

Mr. McCarthy stated the new website does not have a link to the CDDs.

Discussion ensued regarding the Payroll Analysis, employee compensation and retention, skill levels, seniority and ensuring fairness of hourly rates to reward additional skills.

A Board Member stated the Landscaping Committee expressed support for staff members skilled in maintaining specialized landscaping for appearance and longevity. He believes it might be necessary to add staff to ensure adequate coverage.

Mr. Kemp discussed staffing, schedules and ongoing employee training efforts.

Mr. Nicholson suggested a four-rate structure to ensure fairness and recommended that training funds be used to encourage staff to seek advancement.

Mr. Kemp discussed ongoing issues and staff vacancies.

Mr. Cramer commended Mr. Kemp on his management of the crews, landscaping and vehicles and expressed a desire to support him in his role.

Mr. McCarthy stated a longtime resident who was very critical in past years was very complimentary about recent changes and commended Mr. Kemp on his management and stated he would like for his team to know their efforts and performance are appreciated.

➤ Page 2, “Personnel services”: Mr. Adams noted the need to include a contingency to allow for filling vacancies, recruitment and employee retention.

Ms. Montgomery expressed support for a four-step rate structure for entry level, proficient, advanced and lead employees and to allow for modest pay increases.

Discussion ensued regarding hourly rates, turnover, legislative changes and retention.

Mr. Nicholson suggested Mr. Adams, Mrs. Adams and Mr. Kemp develop a framework for a pay structure, as discussed. The consensus was that Staff will also determine if additional manpower is needed and advise accordingly.

➤ Page 2, “Maintenance tracking software”: Mr. Adams stated a “Temporary Labor” employee category will be included in the schedule/spreadsheet for data entry.

➤ Page 2, “Capital Outlay: equipment”: Discussion ensued regarding future equipment needs, difficulty finding parts and the need to install lights on carts for safety.

Mr. Kemp stated three club carts will be ordered, of which one will be an electric cart. He discussed the need for a skid steer and a chipper; the consensus was that those items can be rented.

➤ Page 2: Insert “Rental Equipment” line item for \$10,000

➤ Page 2, “Capital Outlay: equipment” line item: Increase to \$60,000.

➤ Page 2, “Repairs and maintenance (parts)” line item: Increase to \$40,000.

Mr. Nicholson recalled previous discussions about utilizing storage trailers and suggested hiring an engineering company to evaluate the building and provide a plan for how best to utilize the property. He suggested undertaking the project in Fiscal Year 2023 and volunteered to write the scope of work for the Boards’ consideration. The Boards agreed.

➤ Page 2, “Flower program”: Mrs. Adams noted that the cost increased because some neighborhoods elected to have the CDDs manage their landscape beds.

➤ Page 2, “Mulch program”: Mrs. Adams stated the contract now states the maximum depth of pine straw will be 2”.

A Board Member asked, if the CDDs are still responsible for replacing plants if the drought contributes to the appearance and health of plants. Mr. Adams stated it would be a PLCA or Foundation expense if it is determined to be an act of God.

➤ Page 2, “Other contractual – tree trimming”: This line item is intended for periodic hardwoods trimming; the palm pruning was backed out of the line item.

With regard to “Monument maintenance”, Ms. Gravenhorst stated the Landscape Committee is considering an alteration to the color and asked for all five monuments to be painted in the same year. She asked if painting all five monuments is included in the proposed Fiscal Year 2024 budget. Mr. Adams stated it is not; he believes all three of the main entry monuments can be painted and noted that he is waiting for PLCA approval and for paint colors.

➤ Page 2, “Roadway services”: Mr. Adams stated a minor change to “Personnel” is anticipated.

➤ Page 3, “Property appraiser” and “Tax collector” line items: Mrs. Adams stated the fee increased from \$1.50 to \$1.84.

Mr. Adams noted that, with the increases discussed, the Fiscal Year 2024 assessment levels will be approximately \$1.20 more than the Fiscal Year 2023 assessments. The consensus was that the assessment increase does not justify the cost that would be incurred to send the required Mailed Notices if assessments increase. Mr. Adams stated he will adjust line items accordingly to eliminate any assessment increase.

Mr. Adams distributed and presented the General Fund 002 – the Colony Budget, noting that higher interest earnings were programmed in the Revenue section. The following adjustments were discussed:

➤ “Streetlighting - contractual services”: Mr. Adams stated the cost of replacing the damaged poles in The Colony is offset by the insurance reimbursement of approximately \$33,000, which is not reflected in the June 30, 2023 financials. The reimbursement will be recorded.

➤ “Landscape – personal services”: Mr. Adams discussed staffing and payroll considerations and stated Mr. Kemp is evaluating proposals for engaging a turf management contractor.

Mr. Kemp discussed the benefits of engaging a professional and noted the savings versus hiring a full-time employee. He presented a turf and shrub fertilizer program.

Discussion ensued regarding the proposals and use of fertilizers and herbicides.

➤ Page 14: Insert “Landscape – personal services” line item for \$100,000

Discussion ensued regarding the goal to utilize the funds budgeted for plant replacements and the need to delay plantings until the most opportune time.

Mrs. Adams stated unspent budget funds are reallocated to fund balance.

The Boards reviewed and discussed each line item of the Enterprise Fund 401/451 Combined Budget, noting the following:

➤ Page 17, “Revenue”: Mr. Adams will add interest income.

➤ Page 17, “Reclaimed water – Bay Creek”: Mr. Adams will request the projected increase per thousand gallons for the upcoming fiscal year.

Discussion ensued regarding projecting water usage, penalty rates, overwatering and the possibility that reclaimed water can be directed to ponds.

Discussion ensued regarding the breakdown of neighborhoods as displayed on Page 28 of the proposed Fiscal year 2024 budget.

Mr. Adams stated the neighborhoods within the community but outside the bonded area were displayed separately for reporting purposes many years ago; he will try to remedy it as it is no longer relevant.

FIFTH ORDER OF BUSINESS

Discussion: Monthly Budget and Year End Forecast

This item was not addressed.

SIXTH ORDER OF BUSINESS

UPCOMING MEETING DATES

- **July 31, 2023 at 2:00 PM [Joint Regular Meeting]**
- **August 28, 2023 at 2:00 PM [Fiscal Year 2023/2024 Joint Budget Adoption Hearing]**
 - **QUORUM CHECK: BAYSIDE IMPROVEMENT CDD**
 - **QUORUM CHECK: BAY CREEK CDD**

SEVENTH ORDER OF BUSINESS

Supervisors' Requests

There were no Supervisors' requests.

EIGHTH ORDER OF BUSINESS

Public Comments: Non-Agenda Items

No members of the public spoke.

NINTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the workshop adjourned at 11:54 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

**BAYSIDE IMPROVEMENT
& BAY CREEK CDDS**

July 21, 2023

FOR BAYSIDE IMPROVEMENT:


Secretary/Assistant Secretary


Chair/Vice Chair

FOR BAY CREEK:


Secretary/Assistant Secretary


Chair/Vice Chair