

PELICAN BAY SERVICES DIVISION
Municipal Services Taxing and Benefit Unit
NOTICE OF PUBLIC MEETING **FRIDAY, JANUARY 22, 2021**

THE BUDGET COMMITTEE OF THE PELICAN BAY SERVICES DIVISION WILL MEET ON FRIDAY, JANUARY 22 AT 9:00 AM AT THE COMMUNITY CENTER AT PELICAN BAY, 8960 HAMMOCK OAK DRIVE, NAPLES, FLORIDA.

AGENDA

1. Pledge of Allegiance
2. Roll call
3. Agenda approval
4. Approval of 10/12/2020 meeting minutes
5. Audience Comments
6. 1st quarter 2021 financial statements review
7. Full year forecast – under and overs
8. Early look at FY2021/2022 budget
 - a. Operations
 - i. Carryforward
 - ii. Reductions and increases from FY2021
 - b. Capital
 - i. Major projects, amount and timing
 - ii. Impact of financing
9. Discussion of Assessment Strategy
 - a. Long-term
 - b. FY 2022
10. Assessment Methodology
 - a. Ad valorem vs. ERU
 - b. ERU distribution
11. Other Committee Comments
12. Adjourn

ANY PERSON WISHING TO SPEAK ON AN AGENDA ITEM WILL RECEIVE UP TO THREE (3) MINUTES PER ITEM TO ADDRESS THE BOARD. THE BOARD WILL SOLICIT PUBLIC COMMENTS ON SUBJECTS NOT ON THIS AGENDA AND ANY PERSON WISHING TO SPEAK WILL RECEIVE UP TO THREE (3) MINUTES. THE BOARD ENCOURAGES YOU TO SUBMIT YOUR COMMENTS IN WRITING IN ADVANCE OF THE MEETING. ANY PERSON WHO DECIDES TO APPEAL A DECISION OF THIS BOARD WILL NEED A RECORD OF THE PROCEEDING PERTAINING THERETO, AND THEREFORE MAY NEED TO ENSURE THAT A VERBATIM RECORD IS MADE, WHICH INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. IF YOU ARE A PERSON WITH A DISABILITY WHO NEEDS AN ACCOMMODATION IN ORDER TO PARTICIPATE IN THIS MEETING YOU ARE ENTITLED TO THE PROVISION OF CERTAIN ASSISTANCE. PLEASE CONTACT THE PELICAN BAY SERVICES DIVISION AT (239) 597-1749.

**BUDGET COMMITTEE
PELICAN BAY SERVICES DIVISION
OCTOBER 12, 2020**

The **Budget Committee** of the Pelican Bay Services Division met on **Monday, October 12 at 1:00 p.m.** at the Board of County Commissioners Chambers, third floor, Collier County Government Center, 3299 Tamiami Trail East, Naples, Florida 34112. In attendance were:

Budget Committee

Michael Fogg, Chairman
Joe Chicurel

Nick Fabregas
Denise McLaughlin
Scott Streckenbein (*by telephone*)

Pelican Bay Services Division Staff

Neil Dorrill, Administrator
Chad Coleman, Operations Manager
Darren Duprey, Assoc. Project Mgr.

Karin Herrmann, Operations Analyst
Lisa Jacob, Project Manager
Barbara Shea, Administrative Assistant

Also Present

Mark Isackson, County OMB Division

Susan O'Brien, PBSB Board
Rick Swider, PBSB Board

APPROVED AGENDA (AS PRESENTED)

1. Pledge of Allegiance
2. Roll call
3. Agenda approval
4. Approval of 02/25/2020 meeting minutes
5. Audience Comments
6. Role of the Budget Committee
7. Review of September 30th financial statements
8. Carryover projects and expenditures, and impacts on FY2021 budget
9. FY2022 budget issues
10. Review of major projects and funding options
11. Assessment Methodology – need for change?
12. Other Committee Comments
13. Adjourn

ROLL CALL

All members were present and a quorum was established. The committee recognized Mr. Streckenbein to participate by telephone.

AGENDA APPROVAL

By consensus, the committee approved the agenda as presented.

APPROVAL OF 02/25/2020 MEETING MINUTES

Dr. Chicurel motioned, Ms. McLaughlin seconded to approve the 02/25/2020 meeting minutes as presented. The motion carried unanimously.

AUDIENCE COMMENTS

None

ROLE OF THE BUDGET COMMITTEE

Mr. Fogg provided a list and brief discussion of the responsibilities of this committee as he understands it. Mr. Fabregas suggested that the committee consider performing a periodic review of large project expenditures. After committee discussion, it was agreed that the committee's roles would continue as is.

FINANCING OPTIONS FOR MAJOR PROJECTS

Mr. Fogg commented that the PBSB is looking to obtain approximately \$10 million to fund our sidewalk (\$5 million) and lake bank remediation (\$5 million) projects, to be available sometime in the first quarter of 2021, and be paid back over 15 years. Mr. Mark Isackson, County Director of Corp. Finance & Management Services, commented that the PBSB needs to solidify the amount of funding required and the timing of the funding requirements. He provided the following three recommended financing options.

1. A commercial paper instrument obtained through the local Finance Commission. Characteristics include, (1) variable rate (currently at 1.33%), (2) typically a 5-year rolling program to draw down funds, (3) similar to a line of credit, (4) low fees, and (5) funds would be available within 45 days.
2. A taxable fixed rate note. (A tax-exempt note is not advised, as the IRS requires the funds to be spent within three years to avoid IRS penalties.) Characteristics include, (1) locking in a fixed rate (currently below 2%), (2) the entire \$10 million loan would be taken down immediately, and (3) this instrument would most likely be a competitive bank loan.
3. An increase in the PBSB assessment over several years, possibly supplemented with existing excess PBSB reserves.

REVIEW OF SEPT. 30 FINANCIAL STATEMENTS

Year-end financial statements for our four PBSB funds were provided in the agenda packet. Mr. Fogg provided an analysis of our budgeted carryforward vs. actual carryforward amounts for each of our funds.

CARRYOVER PROJECTS AND EXPENDITURES AND IMPACTS ON FY2021 AND FY2022 BUDGETS

Mr. Fogg and the committee discussed large projects and expenditures impacting the FY2021 and FY2022 budgets. The following issues were discussed.

Pelican Bay Services Division Budget Committee Meeting

October 12, 2020

- Ms. Jacob reported that she estimates \$500,000 is required to complete the replacement of those PB signs which were not replaced as a result of Hurricane Irma.
- Mr. Fogg commented that we have approximately \$1 million in reserves for beach renourishment projects. Ms. O'Brien commented, (1) there will be a County truck haul beach renourishment program in FY2022, (2) a possible beach resiliency project is estimated to cost \$1 - \$2 million, and (3) the PBF is not responsible to contribute any funding for PB beach renourishment (confirmed by Mr. Dorrill). The committee agreed that annual additions to beach renourishment reserves must continue each year. Ms. McLaughlin commented that unpredictable weather events will determine when and if beach renourishment is needed.
- Mr. Fogg commented that we have \$354,000 for IRMA expenses available in our FY2021 budget. Mr. Coleman commented that this entire amount will not be needed, but that he cannot estimate the amount left over at this time.
- Mr. Fogg commented that the FY2021 budget includes a carryforward from the prior year of approximately \$1 million, which was utilized to partially fund our operating budget. He estimated that the FY2022 may only have the benefit of a carryforward of less than half that amount. In FY2022, the amount of funding required for capital projects may be reduced as a result of long-term financing in place, and therefore additional budget funds may be available to fund our operating budget.
- Mr. Fogg commented that after we determine the expected remaining life of our streetlight poles, we will make a determination of at what point we need to start replenishing Fund 778 with reserves for streetlight pole replacement.

REVIEW OF MAJOR PROJECTS AND FUNDING OPTIONS

Mr. Fogg provided a list of our major projects with respective expected funding sources, time frames, and comments. He also provided a summary of financing options with varying loan amounts, payback timeframes, and resulting effects on the future level of the assessment per ERU.

Ms. McLaughlin expressed concern over our low rate of project implementation, and therefore suggested that choosing a financing option which would allow us to draw down funds over time would be beneficial. Ms. Jacob commented that the permitting phase of a lake bank project takes 6-9 months, which is followed by the procurement process. She provided a summary of the estimated project budget of \$117,500 for surveying, engineering, design, and permitting of Lake 4-1, which was added to the record. By committee consensus, it was agreed that staff should move forward with this phase of the Lake 4-1 project. Mr. Fogg reported that Lake 4-1 may have some drainage issues, which may need to be addressed and funded as part of the Lake 4-1 project. Ms. McLaughlin provided and discussed an informational document on Geoweb, a material which may be used for lake bank remediation, which was added to the record.

ASSESSMENT METHODOLOGY – NEED FOR CHANGE?

Mr. Fogg commented that prior PBSB boards have considered proposals to change PBSB assessment methodology. He noted that the two issues to be considered are (1) possible benefits (if any) to changing to ad valorem taxation, and (2) possible benefits to changing the ERU calculation methodology. Mr. Fogg provided his thoughts on these issues in a document, which was added to the record. He noted that the existing assessment methodology has been in effect for over 25 years. Mr. Fabregas commented that his recent research showed that PBSB boards in

**Pelican Bay Services Division Budget Committee Meeting
October 12, 2020**

1999, 2003, and 2010 looked at this issue, and chose not to make any changes. Mr. Streckenbein commented that he believes an approval by referendum is required to change over to ad valorem taxation. By consensus, the committee was not in favor of changing to ad valorem taxation.

Mr. Fogg reviewed the existing methodology of ERU allocations for commercial entities, residences, and unimproved land. He commented that he has had no success in obtaining any documentation on the origination of the methodology. Mr. Fogg commented that the PB Golf Course is an integral part of the Pelican Bay plan; it offsets the high density of the residential units and functions as part of the water management system of Pelican Bay. Mr. Dorrill commented that he would like to review the documentation of the ERU allocation methodology originating during the time that the PB Improvement District existed.

Mr. Fabregas commented that at a past Budget Committee meeting, Mr. Dorrill had presented information on the ERU allocation methodology of communities similar to Pelican Bay, which showed these communities using similar methods of taxation.

By consensus, the committee agreed not to pursue making any changes to the ERU allocation methodology at this time. The issue may be discussed again in the future.

OTHER COMMITTEE COMMENTS

Ms. McLaughlin suggested that an article be written to be included in the PB Post regarding the replacement of the PBSB maintenance facility. Mr. Fogg responded that he would prepare an article for the PB Post.

Mr. Dorrill commented that Clam Pass is being closely monitored as sand from a previous County beach renourishment truck haul project south of Clam Pass appears to be travelling northward as a result of recent tropical events. Additional information and discussion will be provided at the Oct. 14 PBSB Board meeting.

ADJOURNMENT

The meeting was adjourned at 2:57 p.m.

Michael Fogg, Chairman

Minutes approved [] as presented OR [] as amended ON [] date

**PELICAN BAY
BALANCE SHEET
December 31, 2020
(UNAUDITED)**

	Operating Fund 109	Street Lighting 778	Pelican Bay Landscape, Safety, Lake & Beach Projects 322	Clam Bay Capital Projects 320	TOTAL
ASSETS					
Cash and investments	5,536,142.08	2,075,869.93	5,562,893.91	321,857.41	13,496,763.33
Interest receivable	3,570.27	2,082.57	4,030.71	237.81	9,921.36
Trade receivable, net	-	-	-	-	-
Due from other governments	-	-	136,252.77	-	136,252.77
Total assets	5,539,712.35	2,077,952.50	5,703,177.39	322,095.22	13,642,937.46
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	180,348.89	4,105.28	82,263.94	69,696.68	336,414.79
Wages payable	-	-	-	-	-
Retainage payable	-	-	1,418.83	-	1,418.83
Total liabilities	180,348.89	4,105.28	83,682.77	69,696.68	337,833.62
Fund balances:					
Fund balance	5,359,363.46	2,073,847.22	5,619,494.62	252,398.54	13,305,103.84
Total liabilities and fund balances	5,539,712.35	2,077,952.50	5,703,177.39	322,095.22	13,642,937.46
Fund Balance at the end of the period	5,359,363.46	2,073,847.22	5,619,494.62	252,398.54	13,305,103.84
Unspent balance of projects:					
Small projects under \$200K	-	-	210,805.05	-	210,805.05
50066-PBSD Landscape Improvement	-	-	527,677.21	-	527,677.21
50126-Beach Renourishment	-	-	1,078,883.89	-	1,078,883.89
50143-PBSD Field Operation Center Improvements	-	-	298,194.56	-	298,194.56
50154-Hurricane Irma	-	-	606,672.14	-	606,672.14
50178-Sidewalk Maintenance/Enhancement	-	-	205,072.35	-	205,072.35
50211-PBSD OPS BLD	-	-	2,046,570.05	-	2,046,570.05
50212-PBSD PH1-SW	-	-	630,000.00	-	630,000.00
51026-PBSD Lake Bank Restoration	-	-	1,116,271.85	-	1,116,271.85
51100-Clam Bay Restoration	-	-	-	253,228.42	253,228.42
Total unspent balance of major projects	-	-	6,720,147.10	253,228.42	6,973,375.52
Budgeted reserves:					
991000-Reserve for contingencies	124,100.00	-	-	-	124,100.00
991700-Reserve for disaster relief	680,900.00	-	-	-	680,900.00
992090-Reserve for sinking fund	-	-	370,000.00	-	370,000.00
993000-Reserve for capital outlay	300,000.00	90,000.00	-	-	390,000.00
994500-Reserve for future construction and improvement	-	-	-	-	-
998000-Reserve for cash	483,600.00	39,700.00	-	-	523,300.00
Total budgeted reserves	1,588,600.00	129,700.00	370,000.00	-	2,088,300.00
Budgeted commitments at the end of the period	1,588,600.00	129,700.00	7,090,147.10	253,228.42	9,061,675.52
Projected excess (deficit) fund balance	3,770,763.46	1,944,147.22	(1,470,652.48)	(829.88)	4,243,428.32

PELICAN BAY
 INCOME STATEMENT
 OPERATING FUND - 109
 December 31, 2020
 (UNAUDITED)

	Adopted Budget	Amended Budget	Commitments	October	November	December	January	Total Expenditures	Variance	% Budget Consumed
REVENUES AND CARRYFORWARD										
Special assessments	4,224,600.00	4,224,600.00	-	18,968.12	1,921,891.86	1,585,542.83	-	3,526,402.81	(698,197.19)	83.5%
FEMA	-	-	-	-	-	-	-	-	-	#DIV/0!
Interest	24,400.00	24,400.00	-	2,869.99	633.37	-	-	3,503.36	(20,896.64)	14.4%
Miscellaneous	-	-	-	-	-	-	-	-	-	#DIV/0!
Transfers in	34,100.00	34,100.00	-	-	-	34,100.00	-	34,100.00	-	100.0%
Negative 5% of estimated revenue	(212,500.00)	(212,500.00)	-	-	-	-	-	-	212,500.00	
Budgeted carryforward	2,439,400.00	2,452,400.00	-	-	-	-	-	-	(2,452,400.00)	
Total revenues + carryforward	6,510,000.00	6,523,000.00	-	21,838.11	1,922,525.23	1,619,642.83	-	3,564,006.17	(2,958,993.83)	54.6%
EXPENDITURES AND RESERVES										
Personal services										
Salaries, taxes and retirement	1,557,455.00	1,557,455.00	-	38,029.31	119,177.36	180,967.43	-	338,174.10	1,219,280.90	21.7%
Health, dental, life insurance; Short term, lc	418,145.00	418,145.00	313,608.75	3,598.67	-	104,446.25	-	108,044.92	(3,508.67)	100.8%
Total personal services	1,975,600.00	1,975,600.00	313,608.75	41,627.98	119,177.36	285,413.68	-	446,219.02	1,215,772.23	38.5%
Operating										
182601-Lake & Stormwater Management at	-	-	-	-	-	-	-	-	-	#DIV/0!
182602-Lake & Stormwater Management fi	932,800.00	936,300.00	419,615.98	19,908.44	70,779.24	108,342.86	-	199,030.54	317,653.48	66.1%
182900-Right of way beautification	-	-	-	-	-	-	-	-	-	#DIV/0!
182901-Right of way beautification field	1,617,800.00	1,627,300.00	756,035.31	99,197.35	114,953.41	113,126.38	-	327,277.14	543,987.55	66.6%
Total operating	2,550,600.00	2,563,600.00	1,175,651.29	119,105.79	185,732.65	221,469.24	-	526,307.68	861,641.03	66.4%
Capital outlay	160,800.00	160,800.00	147,280.25	48.70	(48.70)	939.03	-	939.03	12,580.72	92.2%
Transfers out	234,400.00	234,400.00	-	1,645.96	38,437.86	54,810.86	-	94,894.68	139,505.32	40.5%
Total expenditures	4,921,400.00	4,934,400.00	1,636,540.29	162,428.43	343,299.17	562,632.81	-	1,068,360.41	2,229,499.30	54.8%
Budgeted reserves										
991000-Reserve for contingencies	124,100.00	124,100.00	-	-	-	-	-	-	124,100.00	
991700-Reserve for disaster relief	680,900.00	680,900.00	-	-	-	-	-	-	680,900.00	
993000-Reserve for capital outlay	300,000.00	300,000.00	-	-	-	-	-	-	300,000.00	
998000-Reserve for cash	483,600.00	483,600.00	-	-	-	-	-	-	483,600.00	
Total reserves	1,588,600.00	1,588,600.00	-	-	-	-	-	-	1,588,600.00	
Total expenditures + reserves	6,510,000.00	6,523,000.00	1,636,540.29	162,428.43	343,299.17	562,632.81	-	1,068,360.41	3,818,099.30	41.5%
EXCESS OF REVENUE OVER EXPENDITURES	-	-	-	(140,590.32)	1,579,226.06	1,057,010.02	-	2,495,645.76	-	

2,863,717.70 Projected Carryforward as of 9/30/20
5,359,363.46 Fund Balance as of 12/31/2020

PELICAN BAY
INCOME STATEMENT
STREET LIGHTING - 778
December 31, 2020
(UNAUDITED)

	Adopted Budget	Amended Budget	Commitments	October	November	December	January	Total Expenditures	Variance	% Budget Consumed
REVENUES AND CARRYFORWARD										
Current Ad Valorem Taxes	656,400.00	656,400.00	-	1,696.85	280,358.09	257,728.55	-	539,783.49	(116,616.51)	82.2% #DIV/0!
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
Interest	17,700.00	17,700.00	-	1,696.62	420.10	-	-	2,116.72	(15,583.28)	12.0% #DIV/0!
Insurance refunds	-	-	-	-	-	-	-	-	-	-
Negative 5% of estimated revenue	(33,700.00)	(33,700.00)	-	-	-	-	-	-	33,700.00	-
Budgeted carryforward	1,989,400.00	1,991,400.00	-	-	-	-	-	-	(1,991,400.00)	-
Total revenues + carryforward	2,629,800.00	2,631,800.00	-	3,393.47	280,778.19	257,728.55	-	541,900.21	(2,089,899.79)	20.6%
EXPENDITURES AND RESERVES										
Personal services										
Salaries, taxes and retirement	86,278.00	86,278.00	-	1,415.01	4,208.40	6,069.52	-	11,692.93	74,585.07	13.6%
Health, dental, life insurance; Short term, long term disability; W	17,322.00	17,322.00	12,991.50	-	-	4,330.50	-	4,330.50	-	100.0%
Total operating	103,600.00	103,600.00	12,991.50	1,415.01	4,208.40	10,400.02	-	16,023.43	74,585.07	28.0%
Operating										
182700-Street Lighting Operations	292,000.00	294,000.00	-	-	-	-	-	-	294,000.00	0.0% #DIV/0!
182701-Street Lighting Field Operations	-	-	91,134.67	13,119.88	12,588.62	11,309.70	-	37,018.20	(128,152.87)	43.6%
Total operating	292,000.00	294,000.00	91,134.67	13,119.88	12,588.62	11,309.70	-	37,018.20	165,847.13	43.6%
Capital outlay	1,400.00	1,400.00	-	-	-	-	-	-	1,400.00	0.0%
Transfers out	2,093,200.00	2,093,200.00	-	50.91	5,633.04	520,604.57	-	526,288.52	1,566,911.48	25.1%
Total expenditures	2,490,200.00	2,492,200.00	104,126.17	14,585.80	22,430.06	542,314.29	-	579,330.15	1,808,743.68	27.4%
Budgeted reserves										
991000-Reserve for Contingencies	9,900.00	9,900.00	-	-	-	-	-	-	9,900.00	0.0%
993000-Reserve for capital outlay	90,000.00	90,000.00	-	-	-	-	-	-	90,000.00	0.0%
998000-Reserve for cash	39,700.00	39,700.00	-	-	-	-	-	-	39,700.00	0.0%
Total reserves	139,600.00	139,600.00	-	-	-	-	-	-	139,600.00	0.0%
Total expenditures + reserves	2,629,800.00	2,631,800.00	104,126.17	14,585.80	22,430.06	542,314.29	-	579,330.15	1,948,343.68	26.0%
EXCESS OF REVENUE OVER EXPENDITURES	-	-	-	(11,192.33)	258,348.13	(284,585.74)	-	(37,429.94)	1,948,343.68	26.0%

2,111,277.16 Projected Carryforward as of 9/30/20
2,073,847.22 Fund Balance as of 12/31/2020

PELICAN BAY
INCOME STATEMENT
PELICAN BAY LANDSCAPE, SAFETY, LAKE & BEACH PROJECTS - 322
December 31, 2020
(UNAUDITED)

	Adopted Budget	Amended Budget	Commitments	October	November	December	January	Total Expenditures	Variance	% Budget Consumed
REVENUES AND CARRYFORWARD										
Special assessments	1,409,200.00	1,409,200.00	-	3,084.12	640,630.62	528,514.28	-	1,172,229.02	(236,970.98)	83.2%
FEMA	-	-	-	516,360.40	-	-	-	516,360.40	516,360.40	#DIV/0!
Interest	13,300.00	13,300.00	-	3,272.87	826.28	-	-	4,099.15	(9,200.85)	30.8%
Insurance refunds	-	-	-	-	-	-	-	-	-	#DIV/0!
Transfers in	2,581,800.00	2,581,800.00	-	-	-	645,450.00	-	645,450.00	(1,936,350.00)	25.0%
Negative 5% of estimated revenue	(71,100.00)	(71,100.00)	-	-	-	-	-	-	71,100.00	-
Budgeted carryforward	834,100.00	3,314,870.10	-	-	-	-	-	-	(3,314,870.10)	-
Total revenues + carryforward	4,767,300.00	7,248,070.10	-	522,717.39	641,456.90	1,173,964.28	-	2,338,138.57	(4,909,931.53)	32.3%
EXPENDITURES AND RESERVES										
Projects:										
50066-PBSD Landscape Improvement	150,000.00	527,677.21	3,371.00	-	-	-	-	-	524,306.21	0.6%
50103-PBSD Signage	-	95,971.00	-	-	-	-	-	-	95,971.00	0.0%
50108-Lake Aeration	-	54,588.00	-	-	-	-	-	-	54,588.00	0.0%
50126-Beach Renourishment	515,000.00	1,078,883.89	-	-	-	-	-	-	1,078,883.89	0.0%
50143-PBSD Field Operation Center Improvements	-	298,194.56	-	-	-	-	-	-	298,194.56	0.0%
50154-Hurricane Irma	-	620,860.44	932.74	-	-	14,188.30	-	14,188.30	605,739.40	2.4%
50157-PBSD-Asset Management	-	43,553.00	114.00	-	4,252.00	-	-	4,252.00	39,187.00	10.0%
50158-PBSD Roadway Safety	-	20,945.05	-	-	-	-	-	-	20,945.05	0.0%
50178-Sidewalk Maintenance/Enhancement	20,000.00	242,355.00	188,162.25	13,876.90	-	23,405.75	-	37,282.65	16,910.10	93.0%
50211-PBSD OPS BLD	2,061,800.00	2,061,800.00	178,362.50	-	-	15,229.95	-	15,229.95	1,868,207.55	9.4%
50212-PBSD PH1-SW	630,000.00	630,000.00	-	-	-	-	-	-	630,000.00	0.0%
51026-PBSD Lake Bank Restoration	950,000.00	1,132,741.95	146,435.79	14,540.00	(69.90)	2,000.00	-	16,470.10	969,836.06	14.4%
Total expenditures	4,326,800.00	6,807,570.10	517,378.28	28,416.90	4,182.10	54,824.00	-	87,423.00	6,202,768.82	1.3%
Transfers out	70,500.00	70,500.00	-	61.68	12,812.60	10,570.29	-	23,444.57	47,055.43	33.3%
Total expenditures	4,397,300.00	6,878,070.10	517,378.28	28,478.58	16,994.70	65,394.29	-	110,867.57	6,249,824.25	1.6%
Budgeted reserves	370,000.00	370,000.00	-	-	-	-	-	-	370,000.00	-
992090-Reserve for sinking fund	4,767,300.00	7,248,070.10	517,378.28	28,478.58	16,994.70	65,394.29	-	110,867.57	6,619,824.25	8.7%
EXCESS OF REVENUE OVER EXPENDITURES	-	-	-	494,238.81	624,462.20	1,108,569.99	-	2,227,271.00	-	-

3,392,223.62 Projected Carryforward as of 9/30/20
5,619,494.62 Fund Balance as of 12/31/2020

PELICAN BAY
INCOME STATEMENT
CLAM BAY CAPITAL PROJECT FUND - 320
December 31, 2020
(UNAUDITED)

	Adopted Budget	Amended Budget	Commitments	October	November	December	January	Total Expenditures	Variance	% Budget Consumed
REVENUES AND CARRYFORWARD										
Special assessments	188,000.00	188,000.00	-	776.17	84,711.49	69,886.19	-	155,373.85	(32,626.15)	82.6%
Interest	100.00	100.00	-	193.31	44.63	-	-	237.94	137.94	237.9%
Transfer In	-	-	-	-	-	-	-	-	-	#DIV/0!
Negative 5% of estimated revenue	(9,400.00)	(9,400.00)	-	-	-	-	-	-	9,400.00	0.0%
Budgeted carryforward	14,700.00	196,239.52	-	-	-	-	-	-	(196,239.52)	-
Total revenues + carryforward	193,400.00	374,939.52	-	969.48	84,756.12	69,886.19	-	155,611.79	(219,327.73)	41.5%
EXPENDITURES AND RESERVES										
Projects:										
51100-Clam Bay Restoration	150,000.00	331,539.52	61,482.07	5,276.92	5,390.00	67,644.18	-	78,311.10	191,746.35	42.2%
Total operating	150,000.00	331,539.52	61,482.07	5,276.92	5,390.00	67,644.18	-	78,311.10	191,746.35	42.2%
Transfers out	43,400.00	43,400.00	-	15.57	1,694.23	35,497.72	-	37,207.52	6,192.48	85.7%
Total expenditures	193,400.00	374,939.52	61,482.07	5,292.49	7,084.23	103,141.90	-	115,518.62	197,938.83	47.2%
Budgeted reserves										
991000-Reserve for contingencies	-	-	-	-	-	-	-	-	-	-
998000-Reserve for cash	-	-	-	-	-	-	-	-	-	-
Total reserves	-	-	-	-	-	-	-	-	-	-
Total expenditures + reserves	193,400.00	374,939.52	61,482.07	5,292.49	7,084.23	103,141.90	-	115,518.62	197,938.83	47.2%
EXCESS OF REVENUE OVER EXPENDITURES	-	-	-	(4,323.01)	77,671.89	(33,255.71)	-	40,093.17	-	-

212,305.37 Projected Carryforward as of 9/30/20
 252,398.54 Fund Balance as of 12/31/2020

19/20 Year-End Financials, Carry-Over Amounts:

	Fct*	Act.	Diff
109	2,439	2,863	424
778.	1,989	2,111	122
320	15	212	197
322	2,431	3,392	961

109 Expenses \$600k (12%)under budget, Revenues \$150k over budget
Carry forward \$424k more than expected

778 Underspent more than Fct, which was already less than 19/20 budget

320 Fct, was unrealistic.

322 Project underspend from Fct. - see analysis.

* Used for 20/21 budget preparation.

322 Analysis

	Fct C/O	Actual.	20/21.	Total
Landscape Improvement	300	378	150	528 a.
Signage	96	96		96
Lake Aeration	105	55		55
Beach renourishment.	564	564	515	1.079
Field Ops. Center.	281	298		298 b.
Hurricane Irma	0	621		621 c.
PBSD Asset Management.	30	44		44
Roadway safety	21	21		21
Sidewalks	200	222	20	242 d.
Lake Bank Restoration	0	183	950	1.133
Transfers			71	71
	1.597	2.482	1.706	4.188
Free Balance	334	334	(334)*	
			1.372	
Financing reserve	500	500	500	1.000
Ops Building			2.062	2.062
	834	834		
	2.431	3.316	4.934	7.250

20/21 budgeted project costs exceeded revenue by \$334K. Shortfall funded from c/o. Cannot identify which projects were adjusted. (1.706 - 334 = 1.372 - 20 from County for sidewalk maintenance = 1.352 = net assessment revenue +interest).

- a.) Too high by \$300K
- b.) Could be rolled into financing
- c.) Too high by \$300K
- d.) Could be rolled into financing

A/c 109

1. Impact of 19/20 C/O on 20/21 Operating Budget

19/20 C/O.	\$2,439,400
Less: budgeted reserves:	
Cash Flow.	\$473,100
Disaster Relief	680,900
Contingencies	124,100
Capital Outlay	300,000
	1,578,100

Amount of 19/20 C/O use to fund
20/21 operating budget \$ 861,300*

*Similar to \$800,000 increase in 20/21 capital budget

2. Impact of 19/20 C/O on 21/22 Operating Budget

Potential shortfall in 21/22 Operating
Budget if spending remains at 20/21
level \$ 861,300

Offset by:

Actual 20/21 C/O from 19/20	2,863,717
Budgeted C/O from 19/20	2,439,400
Excess C/O that can't be used in 20/21 but will be c/o to 21/22	424,317

Potential Shortfall \$ 436,883

Possible ways to fund 21/22 operations shortfall of approx. \$400K:

1. Budget 21/22 spending more accurately (i.e. eliminate some of budget cushion) to reduce ongoing impact of C/O
2. Reduce Cash Flow Reserve \$483K - Oct/Nov 20/21 revenue over \$1.9m and we have other reserves! Reduction of \$150K plus a reduction in annual beach renourishment reserve of \$250K (see below) would cover deficit.
3. Transfers from ongoing capital projects/funds budget:

	One Time	Ongoing
FEMA Reimbursement.	516,000	(1)
Hurricane Irma	300,000*	(1)
Landscape Imp.	350,000	(2)
Sidewalks	242,000	(3)
Field Op's Center.	298,000	(3)
Beach renourishment		\$250,000. (4)

* Net of outstanding commitments of \$321K

*

* (1) Other uses = Phase 2 sign replacement, lakes, etc.

* (2) Some duplication with operating budget. \$150K include in 20/21 budget

* (3) Roll into financing? (

* (4) \$500K included in 20/21 budget, \$250 000 probably adequate in

* 21/22

Assumes we retain approx. \$1.0 million in ongoing capital budget for Lake bank renovation,

4. Reduce Clam Bay budget by \$150K - one time only.

We need to re-establish Operations Budget on self financing/assessment basis. Excess C/O in future years will be less if operations budget is more accurate reflection actual spending. May need to increase operations portion of overall assessment.

FY 2022 Capital Projects Planning Estimates			
	FY2021	FY2022	
Description	CF Funding	Proposed Funding	Commentary
Budgeted Projects 320/322			
50066 PBSD Landscape Improvement	\$527,677.21		Tree Planting / Landscape Renewal
50103 PBSD Sinage Lake Aeration	\$95,971		
50108 Lake Aeration	\$54,588		
50126 Beach Renourishment	\$1,078,894	\$200,000	Annual Accrual
50143 PBSD Field Operations Center	\$98,000		
50178 Sidewalk Engineering / Maintenance	\$20,000		maintenance for ADA compliance
50143 Hurricane Irma	\$870,884		
50157 PBSD Asset Management	\$39,187		
50158 PBSD Roadway Safety	\$20,945		
50178 Sidewalk Engineering / Maintenance	\$16,910		
50211 PBSD OPS building	\$2,060,555		
50212 PBSD PH1 SW	\$630,000		
51026 PBSD Lake Bank Restoration	\$950,000		
51100 Clam Bay Restoration		\$153,500	Engineering Fees (631400)
		\$80,000	Exotic vegetation removal Tree trimming (63499)
		\$100,000	Scaevola Other Contract (63499)
		\$7,000	Other operating (652990)
TOTALS:	\$5,935,923	\$540,500	
Projects budgeted for loan			
FY2022 - loan			
Sidewalk Replacement		\$5,514,308	ABB Engineering - Est \$6M for construction
Lakes			Lake bank repair
FY2022 - starting in April 2023			
Lake Bank Restoration			Lake bank repair estimate
Lake Bank Restoration			Lake bank repair estimate
		\$0	
TOTAL LOAN AMOUNT NEEDED:		\$0	

Impact on assessment of proposed financing

Option 1.

Borrow money for sidewalks and as needed for lake bank remediation.

Each additional \$1m borrowed at 3% over 10 years requires annual funding of approx. \$115,000 or \$15 per ERU. \$15 is 2% of current assessment of \$760 per ERU.

Preliminary financing schedule (\$5m for sidewalks and \$1.0m for lake banks in each of first three years only) suggests impact or borrowing \$8.0 in first three years is between \$6 and \$30 per ERU. \$30 per ERU represents approx. 4% of the current assessment. Beyond year 6 annual financing cost rises to approx. \$90 per ERU or 12% of current assessment.

An additional 2 years of borrowing \$1.0m would raise annual cost to \$120 per ERU or 16% of current assessment.

Option 2.

Increase capital budget by \$1m to cover spending of \$2m per year on lake banks after year 3 (3 years covered in proposed financing).

Increase the capital budget \$1m over two years = \$65 per ERU or 8.5% of the current assessment. Increase \$1m over three years = \$43 per ERU or 5.6% of the current assessment.

Could utilize current surplus capital project monies (see earlier discussion) to fund lake banks in short term and to buy time to increase assessment at say 5% per annum for five years

760

798 = 38 - financing	23 = available for capital projects	15 =	\$115,000
838 = 78 -	30 =	48 =	370,000
880 = 120 -	50 =	70 =	536,000
924 = 164 -	50 =	114 =	873,000
970 = 210 -	50 =	160 =	1,225,000

Under either option we need to start increasing capital assessment in
21/22

Ad Valorem vs ERU

Increasing the portion of PBSB assessment based on Ad Valorem taxes vs acreage basis was evaluated in 1993 when current assessment scheme adopted. Reviewed again in 2002 when no change recommended. Reviewed again in 2019 when minor changes recommended by budget committee that were not approved by the PBSB Board.

Now that Pelican Bay is substantially built out and all properties are valued by reference to estimated market value (i.e. virtually no developable undeveloped land left) argument in favor of Ad Valorem taxes is stronger.

Currently raise 90% of revenue from ERU assessment.

Residential pays 93% of Ad Valorem vs 80% of ERU so change would increase residential burden.

Non-Profit organizations would gain most - no Ad Valorem taxes but would benefit from reduced ERU.

Pro's

Fairness - lower value properties may benefit.
Consistent with way County assesses taxes.

Con's

Ad Valorem assessed on property values that can fluctuate.

Non-profits would gain benefit .

Increase in residential assessment likely to be unpopular with voters, would need extensive community engagement, might provoke unhealthy community discourse.

Existing system in place for 27 years, no apparent concern expressed from residential or commercial property owners.

PBSD ERU Assessments

		ERU'S.	Acres
Residential	per schedule	6,452.00	979.52
Waterpark Place	per schedule	60.91	4.92
TOTAL RESIDENTIAL (6.61 ERU's per acre).		6,512.91	984.44
TOTAL ERU'S/ACRES		7,658.90	1,379.23
Less: Residential		6,512.91	984.44
Golf Course (\$1.00/acre)		220.65.	220.65
County Park (\$1.00/acre)		14.88	14.88
Water plant (\$1.00acre)		12.00	12.00
		6,745.56	1,231.97
TOTAL COMMERCIAL (6.20 ERU's per acre).		913.34	147.26
Golf Course		220.65	
County Park		14.88	
Water Plant		12.00	
UNIMPROVED LAND (1.00 ERU per acre).		247.38	247.38
TOTAL LESS UNIMPROVED LAND		7,411.52	1,131.85

Observations:

1. Residential vs Commercial

Prior to 1993 assessments were made on the basis of property acreage. It appears one of the objectives of the 1993 change was to maintain the total residential assessment percentage the same as it was prior to the change. This appears to have been accomplished by allocating 5.75 units per acre to commercial properties.

Today residential properties represent approx. 80% of the acreage and are assessed approx. 80% of the ERU assessment.

2. Undeveloped Land.

Today there is virtually no "developeable" undeveloped land - mainly the second tower at "Mystique". That leaves the golf club as the main undeveloped land in Pelican Bay. In the 1993 assessment change the golf club was allocated 1 ERU per acre. There were likely several motivating factors warranting this lower assessment - for example, the golf club lakes, fairways and associated green space was designed to act as the storm water management system for Pelican Bay thereby benefiting all property owners, the PUD design and covenants make development of this property virtually impossible, the transfer of the golf course from a developer subsidized venture to a member owned club, etc. These actors appear to be still valid today.

The allocation of 1 ERU per acre has been questioned by some but it appears that any other allocation would be arbitrary and could be challenged as unjustified. We are unaware of a better generally accepted methodology for assessing golf course property. Some home-associations appear to assess golf course land at zero, including The Pelican Bay Foundation.

3. Conclusion on assessment methodology

Current allocation methodology has been in place for over 27 years and appears acceptable to the community at this time. Any move to change the allocation methodology would require significant effort (probably involving the use of an outside consultant) and likely be controversial.

4. Assessment Anomalies

Naples Grand is currently assessed 9.07 per ERU vs 5.75 and Waterside Shops general parcel 5.43 vs 5.75. Consideration could be given to making changes to these assessments to make all commercial assessments consistent.

Which non-residential entities pay most ERU taxes to PBSB?

More than \$50,000 (2021)

Registry Hotel	\$ 122,761
Ritz Carlton	114,605
Waterside Shops	114,125
Market Place	59,700
The Club	224,000

ERU Anomalies

1. Waterside Shops parcel 66270160002 ERU factor 5.43 vs 5.75

Adjustment would increase assessment by
 $23.15 \text{ acres} \times 0.32 \times \$760 \text{ per ERU} = \$5,630 \text{ p.a.}$

2. Registry Hotel ERU factor 9.07 vs 5.75

Adjustment would decrease assessment by
 $17.81 \text{ acres} \times 3.32 \times \$760 \text{ per ERU} = \$44,938 \text{ p.a.}$

3. Gulf Bay towers

Paying on 4.92 acres on undeveloped land at 12.38 per acre
And 60 (?) residences in new tower.

PELICAN BAY SERVICES DISTRICT
FY 2021 ASSESSMENT

	ERU's	Maintenance	Capital	Total
Total Budget Per Unit		\$	\$	\$
		4,224,600.00	1,597,200.00	5,821,800.00
		551.5936	208.5417	760.14
Ritz Carlton	150.77	\$	\$	\$
Registry	161.50	83,163.76	31,441.83	114,605.60
Inn @ PB	14.38	89,082.36	33,679.49	122,761.85
The Club @ PB	278.15	7,931.92	2,998.83	10,930.75
St Williams	36.00	153,425.75	58,005.88	211,431.63
PBSD - water plant	12.00	19,857.37	7,507.50	27,364.87
County Park	14.88	6,619.12	2,502.50	9,121.62
Public Library	9.72	8,207.71	3,103.10	11,310.81
Fire Station	20.87	5,361.49	2,027.03	7,388.51
Philharmonic	37.38	11,511.76	4,352.27	15,864.02
Fifth Third Bank	4.83	20,618.57	7,795.29	28,413.86
Market Place	115.23	2,664.20	1,007.26	3,671.45
Pelican Bay Financial Center	23.17	63,560.13	24,030.26	87,590.39
HMA, Wachovia	57.40	12,780.42	4,831.91	17,612.33
SunTrust	26.80	31,661.47	11,970.29	43,631.76
Morgan Stanley	21.27	14,782.71	5,588.92	20,371.63
Comerica Bldg	11.50	11,732.40	4,435.68	16,168.08
Waterside Shops	150.14	6,343.33	2,398.23	8,741.56
Future residential (acreage)	60.91	82,816.26	31,310.45	114,126.71
Residential units	6,452.00	33,597.34	12,702.19	46,299.54
rounding		\$	\$	\$
		3,558,881.72	1,345,511.10	4,904,392.82
Total ERU's	7,658.90	\$ 4,224,599.78	\$ 1,597,200.00	\$ 5,821,799.78

Reconciliation:	
FY 2020 ERU's	7,658.90
NO CHANGE	
FY 2021 ERU's	7,658.90

PELICAN BAY SERVICES DISTRICT
FY 2021 ASSESSMENT

Total	\$	4,224,600.00	\$	1,597,200.00	\$	5,821,800.00
Per Unit	\$	551.5936	\$	208.5417	\$	760.14

Commercial	Folio #	Acres	Units	Factor	O&M	Capital	Total
Ritz Carlton	00168360006	26.22	150.77	5.75	\$ 83,163.77	\$ 31,441.83	\$ 114,605.60
Public Library	00169000006	1.89	9.72	5.75	\$ 5,361.49	\$ 2,027.03	\$ 7,388.52
Fire Station	00176682006	3.63	20.87	5.75	\$ 11,511.76	\$ 4,352.27	\$ 15,864.02
Fifth Thlr'd Bank	32435500101	0.84	4.83	5.75	\$ 2,664.20	\$ 1,007.26	\$ 3,671.45
Market Place Parcel 1	64030000252	4.1	23.58	5.75	\$ 13,006.58	\$ 4,917.41	\$ 17,923.99
Market Place Parcel 2 (Albertson's)	64030000508	5.23	30.07	5.75	\$ 16,586.42	\$ 6,270.85	\$ 22,857.27
Market Place Parcel 3	64030001002	6.38	36.69	5.75	\$ 20,237.97	\$ 7,651.40	\$ 27,889.36
Market Place Parcel 4 (World Savings)	64030001109	1.03	5.92	5.75	\$ 3,265.43	\$ 1,234.57	\$ 4,500.00
Market Place Parcel 5 (Ruby Tuesday's)	64030001206	1.11	6.38	5.75	\$ 3,519.17	\$ 1,330.50	\$ 4,849.66
Market Place vacant parcel	64380000355	2.19	12.59	5.75	\$ 6,944.56	\$ 2,625.54	\$ 9,570.10
Pelican Bay Financial Center	64380000601	4.03	23.17	5.75	\$ 12,780.42	\$ 4,831.91	\$ 17,612.34
HMA, Wachovia	66270040009	9.98	57.4	5.75	\$ 31,661.47	\$ 11,970.29	\$ 43,631.77
SunTrust	66270120000	4.66	26.8	5.75	\$ 14,782.71	\$ 5,588.92	\$ 20,371.63
Waterside Shops	66270160002	23.15	125.70	5.43	\$ 69,335.32	\$ 26,213.69	\$ 95,549.01
Morgan Stanley	66270200001	3.07	17.65	5.75	\$ 9,735.63	\$ 3,680.76	\$ 13,416.39
Morgan Stanley (additional land)	66270200108	0.83	3.62	5.75	\$ 1,996.77	\$ 754.92	\$ 2,751.69
Philharmonic Ctr for the Arts	66270240003	6.5	37.38	5.75	\$ 20,618.57	\$ 7,795.29	\$ 28,413.86
Comerica Bldg	66270240100	2	11.5	5.75	\$ 6,343.33	\$ 2,398.23	\$ 8,741.56
Waterside Shops (Saks parcel)	66270240207	0.71	4.08	5.75	\$ 2,250.50	\$ 850.85	\$ 3,101.35
Waterside Shops (Jacobson's parcel)	66270240304	0	0	0.00	\$ -	\$ -	\$ -
Waterside Shops (US Trust parcel)	66270240401	1	5.75	5.75	\$ 3,171.66	\$ 1,199.11	\$ 4,370.78
Waterside Shops (Barnes Noble parcel)	66270240508	1.25	7.19	5.75	\$ 3,965.96	\$ 1,499.41	\$ 5,465.37
Waterside Shops (Nordstrom's parcel)	66270240605	1.29	7.42	5.75	\$ 4,092.82	\$ 1,547.38	\$ 5,640.20
St. Williams	66272360004	6.26	36	5.75	\$ 19,857.37	\$ 7,507.50	\$ 27,364.87
Registry Hotel	475 units	17.8125	161.5	9.07	\$ 89,082.37	\$ 33,679.49	\$ 122,761.85
Inn at Pelican Bay	51680000107	2.5	14.38	5.75	\$ 7,931.92	\$ 2,998.83	\$ 10,930.75
Other							
PBSD (water plant)	66330200022	12	12	1.00	\$ 6,619.12	\$ 2,502.50	\$ 9,121.62
County Park	66679080505	14.88	14.88	1.00	\$ 8,207.71	\$ 3,103.10	\$ 11,310.81
The Club at Pelican Bay							
	66330042002	2.13	2.13	1.00	\$ 1,174.89	\$ 444.19	\$ 1,619.09
	66330043001	6.64	6.64	1.00	\$ 3,662.58	\$ 1,384.72	\$ 5,047.30
	66330043056	0.71	0.71	1.00	\$ 391.63	\$ 148.06	\$ 539.70
	66330080006	69.33	69.33	1.00	\$ 38,241.98	\$ 14,458.20	\$ 52,700.18
10 acres club and maintenance facility		10	57.5	5.75	\$ 31,716.03	\$ 11,991.15	\$ 43,707.78
	66330200006	3	3	1.00	\$ 1,654.78	\$ 625.63	\$ 2,280.41
	66330200051	1.43	1.43	1.00	\$ 788.78	\$ 298.21	\$ 1,086.99
	66530120009	0	0	1.00	\$ -	\$ -	\$ -
	66674441453	135.22	135.22	1.00	\$ 74,588.49	\$ 28,199.01	\$ 102,785.50
	66330041003	1.01	1.01	1.00	\$ 557.11	\$ 210.63	\$ 767.74
	66330280000	0.57	0.57	1.00	\$ 314.41	\$ 118.87	\$ 433.28
	66330321008	0.04	0.04	1.00	\$ 22.06	\$ 8.34	\$ 30.41
	66432560204	0.57	0.57	1.00	\$ 314.41	\$ 118.87	\$ 433.28
	66674440357	0	0	1.00	\$ -	\$ -	\$ -
	66674440454	0	0	1.00	\$ -	\$ -	\$ -
Residential							
Gulf Bay residential acres (Waterpark Place C)	81210001753	4.65	57.57	12.38	\$ 31,753.59	\$ 12,005.12	\$ 43,758.71
Gulf Bay residential acres (Waterpark Place D)	81210002257	0.27	3.34	12.38	\$ 1,843.76	\$ 697.07	\$ 2,540.83
					\$ -	\$ -	\$ -
Total per acre calculated parcels		399.7125	1,206.90		\$ 665,718.09	\$ 251,688.90	\$ 917,407.00
Total Residential		979.5284	6,452.00		\$ 3,558,881.91	\$ 1,346,511.10	\$ 4,904,393.00
Total ERU's			7,658.90		\$ 4,224,600.00	\$ 1,597,200.00	\$ 5,821,800.00