



Minutes of the Pelican Preserve Committee Meeting June 14, 2012

1. Call to Order/ Roll Call

Herb Freese called the meeting to order at 2:00 pm.

Chairperson: Herb Freese

Vice-Chairman: Brian King – via Conference Call

Committee Members Present:

Bob Geppert

Bill van der Have - Absent

Nancy Hall

Ned Haile

John Grega – via Conference Call at 2:10 p.m.

Management: Marybeth Goldman

Staff Members:

Diane Collins: Administrative Assistant

Al Abdo: Operations Manager

Residents Present:

Donald Schafer

Gail Shafer

Carole Brokke

2. APPROVE MEETING MINUTES

MOTION TO: Approve the minutes from May 10, 2012.

MADE BY: Nancy Hall

SECONDED BY: Robert Geppert

DISCUSSION: None further

RESULT: Motion PASSED 5/0

3. FINANCIAL REPORT

Notes to Financials

Actual expenses remain well below budget and although several of the favorable variances will eventually come up to budget it is expected that total year costs will remain within budget.

As noted on the funds balances schedule the projected CDD fiscal year-end cash balance is equal to almost 4 months budget expenses at the time of funding transfer to the CDD and nearly three months of expenses at the current budget rate.



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Significant Budget Variances

The single largest unfavorable variance is in the roving patrol account and is due to delayed billing of seven weeks of 2011 costs. This unfavorable variance will not impact the cash situation since it was budgeted for but unexpended in 2011. For the full year 2011 this account showed a favorable variance to budget of more than \$24,000.

The next largest unfavorable variance is in the combined shared and residents tree trimming account which is 10,416 over budget due to the charge of 7,620 for disease prevention treatment of the Medjool palms. Year to date charges excluding the unplanned palm treatment are \$16,128 compared with the annual budget of \$32,000.

provided contractor estimated costs the unfavorable variance could increase to around \$12,000 on a total year basis assuming a second application later in the year. Using the same contractor estimates the combined shared and residents pine straw unfavorable variance should decrease to approximately \$8,000.

PELICAN PRESERVE COMMUNITY ASSOCIATION/GSCDD RETAINER DRAWS

For the Five Months Ended May 31, 2012

Significant Budget Variances (Cont'd)

VOIP/Hosting/Support is under-budgeted and on an annual basis will be some \$9,000 over budget. Omitted from the budget was the amortization of the financed portion of the technology package. This oversight was corrected in the proposed 2013 budget.

Combined tree and sod replacement costs are \$ 5,732 over budget on a year to date basis due to significant sod replacement. On a total year basis it is not expected that the variance will increase.

On the favorable side are electric costs and the irrigation electric reimbursements which on a year to date basis are more than \$35,000 under budget. The total year electric costs are not expected to be as favorable in that in several accounts there are no billings in some months and some catching up may occur. The insurance budget of \$6,500 is a HOA expense and will not be charged against the CDD budget.



Marybeth Goldman will send Diane Collins her report regarding the pine straw.

MOTION TO: Approve the financials.
MADE BY: Nancy Hall
SECONDED BY: Robert Geppert
DISCUSSION: None further
RESULT: Motion PASSED 6/0

4. BUDGET DISCUSSION

Robert Geppert stated we still have to reconcile the balance of remaining bond funds with pending storm drain inspection and repairs to ensure that the balance can accommodate the needed repairs. Nancy Hall stated concerns regarding continual use of these funds for purposes outside those specifically designated unless there is an excess of funds.

Nancy Hall stated DMS, per Steve Connolly, has allocated the \$118,012, relating to the storm water items, as being funded by the Capital Project Funds (Bond Funds).

Nancy Hall stated A1 Pipe and Morris-Riley inspection and repair costs were scheduled to be covered by Bond Funds per Al Abdo and it is not necessary to worry about the upcoming budget (this was from an early meeting). Al Abdo joined the meeting and stated since A1 Pipe bailed out the plan was to clean first and TV only the problems that presented themselves, subsequently, the plan changed and now Morris-Riley is contracted to TV everything and clean 90% of it as well. Nancy Hall stated subsequent budgets will have this built in. Peter Altman had advised that bond money was for repairs not maintenance. Robert Geppert stated the inspection is maintenance and ongoing. Al Abdo explained to the committee that there is a five year plan in place for this that provides \$100,000 per year in GF 001 which does not provide for Pelican.

Nancy Hall summarized that nothing was in the Pelican Preserve Budget for stormwater, cleaning, repair and inspecting pipes. Nancy Hall stated if Pelican Preserve runs short of funds for repairs, cleaning and there is a need to borrow money from the CDD a charge will be incurred regarding interest which will be tacked on the next year's assessment.

Robert Geppert suggested not changing the 2013 Budget, but rather that we provide for these expenses beginning with the 2014 budget. Al Abdo also stated there is an increased cost because the original footage in the bid was not correct and also Morris-Riley found pipes the CDD was not aware of. Al Abdo stated we are paying more with Sewer Viewer because they are paid by the foot.

Ned stated the tax as well as the tax payers must be notified within a specified time frame of any proposed budget increases. Nancy Hall stated everyone in Pelican Preserve will receive a notice of Proposed Hearing and then after the hearing the tax collector gets the final notice. Al Abdo stated the proposed tax is always set as high as possible because you can lower the assessment but you cannot increase it. Robert Geppert stated that if the proposed budget which includes an increase in assessments of \$77 why not also add the \$100,000 needed for storm drain inspection and repairs. (The preceding is my recollection lonely. Bob should chin in on this.) Nancy Hall stated do not forget you are layering on top of that amount the Reserve Fund which is another \$153.00 as proposed. Nancy Hall stated



if add the \$100,000, which is \$40 per door, plus \$153 for reserves to the \$77 that is already in the proposed budget the increase will be 40%. She stated there are people in Pelican Preserve who cannot handle this. John Grega suggested doing it in incremental jumps instead of one jump. Herb Freese stated we have to be responsible and make a recommendation.

Robert Geppert asked Al Abdo to call Steve Connolly and find out what our drop dead date is.

Brian King left the meeting at 3:00 p.m.

Carol Brokke recommended doing in small increments and communicating with the residents via email. Herb Freese suggested sending out information quarterly to the residents. Marybeth Goldman stated the minutes are on the Alliance website.

Robert Geppert stated that nothing we have spent so far is for erosion issues or slope repairs.

Herb Freese asked what do you think is a tolerable increase.

Ned Haile stated DMS agreed to take \$200,000 from the approximate \$300,000 operating funds surplus at the beginning of the year and apply that amount to the reserve fund in addition to the \$294,000 of bond funds earmarked for final lift on roads. This total of \$494,000 equals the beginning reserve fund balance as shown in the reserves study, and is far short of the fully funded balance required at this point in time if we accept the study as presented. The reserve study puts future value projected replacement cost for all of the reserve components at \$12.2 million and an annual funding requirement of \$383,624. He stated the longer you wait to establish reserve funding the greater the annual cost will be. Herb Freese stated you cannot do it piece meal. Ned Haile stated it is necessary to smooth the cost over the life of the assets.

Nancy stated all of the roads were turned over a few years ago. She stated WCI and Supervisors agreed to set money aside for the final lift.

Carol Brokke asked what the assessment would be. Ned Haile stated it would go from \$667 for a single family/multifamily ERU's to \$937 and \$1,037 for estate ERU's which would cover the total recommended cost of establishing reserves plus the additional proposed budget revisions and \$100,000 for storm drains work. Nancy Hall stated every year we wait to fund the reserve it gets worse because then you have to catch up. Robert Geppert stated the real shame is that WCI did not set up a reserve from day one.

5. OLD BUSINESS – RESERVE STUDY Mr. Richards joined the meeting at 3:25 p.m.

Nancy Hall stated page one will give you a summary of his recommendations and it does not include the lakes.

There was much discussion regarding the Reserve Study. Herb Freese suggested he would prefer the sequence of the study be rearranged. He stated the tables need a narrative to



be inserted in front of the tables. He felt this would help the lay person to understand the tables better.

Nancy requested Mr. Richards to do a presentation for the residents when he returns in November.

Herb Freese raised many questions regarding the figures for the roads for repair and resurfacing. Nancy Hall suggested that the data might be different for a residential road versus a public road. Mr. Freese stated he felt the cost would be lower and the length of the life should also increase.

Ned Haile requested Mr. Richards to email Diane Collins the revised version and then she could forward it to the committee.

Ned Haile asked Jack Richards how much time it would require to revise the reserve study. Herb Freese suggested a draft be done for the committee to review prior to the final version. Ned Haile suggested he work on the reserve portion of the explanatory narrative to be sent to the Pelican residents. Herb Freese requested it in a PDF format. John Grega agreed with the discussion.

Al Abdo stated the drop dead date is the end of June regarding the budget. Nancy Hall stated the committee should communicate with Steve Connolly, Peter Altman and Al Abdo regarding their special meeting on June 20, 2012 at 2 p.m. to finalize budget.

6. CYPRESS GROVE LANDSCAPE STATUS

Marybeth Goldman stated Danny Nelson and Danville Leadbetter will do a walk through on the week of June 29, 2012. She stated she will give an update on the status from their walk through. Ned Haile suggested the committee use their recommendation.

7. UPDATE ON TREELINE WALL

John Grega stated that no action is necessary at this time. He stated he will continue to work with David Caldwell from WCI and decide where the oak trees will be positioned. He stated there is no urgency. Nancy Hall stated WCI should proceed with trees and irrigation. Robert Geppert suggested the committee needs a date or timeline to the Board of Supervisors and let them decide on the direction. John Grega stated there is a specific code for land use ordinance. He further stated there is a pipe that runs down Treeline Blvd. which offers reclaimed water for irrigation for landscaping. John Grega suggested the possibility of using the golf course piping. Nancy Hall stated Pelican Preserve could not use the golf course piping because Pelican Preserve does not own it; WCI owns it. Carol Brokke stated Joe Smith went to the City to ask permission to use the reclaim water for the golf course. She stated they have had several meetings regarding this topic.

8. LAKES AND WETLANDS UPDATE

Robert Geppert stated he updated the spreadsheet with Morris-Riley data, including additional pipes that have been located regarding the Lakes and storm water piping. Nancy Hall mentioned that Avila Lake 25 PP to Lake 37PP has re-silted and WCI is responsible.



She asked if Robert Geppert to contact WCI regarding this matter. He stated he would let Danville Leadbetter know of this issue with this interconnect.

Robert Geppert stated since A1 Pipe walked away, Pelican Preserve has had several contractors recommended to perform work, among the mentioned are; Manco, Sweeper Man and Mitchell Stark. Robert Geppert explained that Mitchell Stark received a contract from WCI to extend the pipe from Lake 2 PP to Lake 3 PP, behind the Goodwill Shopping Ctn. WCI did not act on it because they needed access to the Lake from Goodwill through the Lake Maintenance Easement. Robert stated the access has been granted and the repair will be started on Monday June 18th. Robert further commented on Mitchell and Starks reluctance to proceed with requested repairs to the pipe by the Butterfly Garden. WC I advised Mitchell and Stark not to make any changes to the piping until after the SFWMD accepts WCI's certification. Robert Geppert stated he would update the committee next time on where they are with Basin 2. He stated approximately 5000 feet of piping was inspected in Basin 2. Nancy Hall stated the inspections were budgeted at \$34,000 and the cleaning price was estimated at \$82,000. Robert Geppert stated we have spent \$480,000 to date on repairs with the Boards approval, not counting the \$118,000. He stated Basin 6 is pretty much done. He concluded a new map would also create regarding Basin 2 and eventually Basin 6.

9. COMMITTEE MEMBER REQUESTS AND AUDIENCE COMMENTS

Carol Brokke also mentioned several qualified people with the Resident's Alliance who should connect the advisory committee. Carol mentioned that the board of the Pelican Alliance is very interested in obtaining a list of assets that have been turned over to the CDD in order to ensure that resident' rights of redress are protected. Marybeth Goldman suggested that she would be the appropriate contact for this. Carol also offered the Alliance's assistance with getting the word out to the Pelican Preserve residents of the upcoming budget increases.

10. SET NEXT MEETING TO RECONVENE: June 20, 2012 @ 2 P.M.

SET NEXT MEETING DATE: July 18, 2012 at 2 p.m.

11. ADJOURNMENT @ 5:00 P.M.

MOTION TO:	Adjourn the meeting on 4:15 p.m.
MADE BY:	Herb Freese
SECONDED BY:	Robert Geppert
DISCUSSION:	None further
RESULT:	Motion PASSED 5/0