

1 **PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT**
2 **NAPLES, FLORIDA**
3 Regular Meeting of the Board of Supervisors
4 June 21, 2024

5 The regular meeting of the Port of the Islands Community Improvement District Board of
6 Supervisors was held on Friday, June 21, 2024, at 9:30 a.m. at the Orchid Cove
7 Clubhouse, 25005 Peacock Lane, Naples, Florida.

8 **SUPERVISORS PRESENT**

9 Steve McNamee, Chairman

10 Dan Truckey, Vice Chairman, Via Zoom

11 Russell Kish, Supervisor

12 Kevin Baird, Supervisor

13 Anna-Lise Hansen, Supervisor

14 **ALSO PRESENT**

15 Neil Dorrill, Manager, Dorrill Management Group

16 Kevin Carter, Manager, Dorrill Management Group

17 Tony Pires, District Counsel

18 Matt Gilinsky, Florida Utility Solutions

19 Rick LoCastro, County Commissioner

20 Ed Finn, Deputy County Manager

21 **PLEDGE OF ALLEGIANCE**

22 The pledge of allegiance was recited in unison.

23 **ROLL CALL/APPROVAL OF AGENDA**

24 Four Supervisors were present in person, establishing a quorum. Mr. Truckey was
25 participating via Zoom. The meeting was convened at 9:30 a.m. The meeting was also

1 properly noticed. The notice and affidavit are on file with the District Office at 5672
2 Strand Court, Naples, FL 34110.

3 **The agenda as presented and Mr. Truckey's participation via Zoom due to**
4 **exceptional circumstances was approved on a MOTION by Ms. Hansen with a**
5 **second by Mr. Kish and all in favor.**

6 **PUBLIC COMMENT**

7 **A. Commissioner LoCastro and Deputy County Manager Finn**

8 Commissioner LoCastro touched on emails he has received about the County taking
9 over the Port. He shared that is not realistic but is looking forward to working alongside
10 the current Board. He said the County cares about the District and intends to move
11 forward and continue to improve.

12 Mr. Finn said at the meeting with Mr. McNamee and Mr. Dorrill last week they discussed
13 three things: the hotel site, boat parking, and landscape. Mr. Dorrill and Mr. Finn are still
14 doing research regarding landscaping. Code enforcement has resolved the boating
15 issues and signs have been placed.

16 **B. Kathy Oswald - Newport Drive**

17 Gave kudos to the utilities team for their responsiveness.

18 **C. Diane Fisher - Newport Drive**

19 Mentioned a pole in the bike path between marina driveway and fire station. Mr.
20 McNamee is aware of and looking into this.

21 **UTILITY OPERATIONS - MAY**

22 Mr. Gilinsky shared that the plant received and treated 1.74 million gallons of water and
23 produced and distributed 3.5 million gallons. 10.73 million gallons of reuse was
24 distributed. All wastewater and water distribution requirements were met. The reuse
25 pump system is working well. 340 gallons of chlorine were used. All pump stations were
26 inspected weekly. Work on the plant is in full swing. The filter is in production and staff
27 is hoping to have it as soon as it is out of production. The 40-horse reuse pump at the
28 plant was 10+ years old and replaced in May, it keeps the system in operation. Mr.
29 Truckey said the SCADA system is moving forward in the grant program to process
30 payment. The grant has been accepted and the \$90,000 spent on it will be reimbursed.

1 **APPROVAL OF THE MINUTES - MAY 2024**

2 **The minutes were unanimously approved as presented on a MOTION by Mr. Kish,**
3 **a second by Mr. Baird.**

4 **MANAGERS REPORT**

5 **A. Utility Rate Study**

6 The Board received recommendations from last week's workshop to revise the funding
7 structure for water, sewer, and irrigation facilities. Historically, these have been
8 subsidized 60-70% through tax assessments. The Board aims to shift more of the
9 financial burden on a consumer utilization basis, relying on utility bills to generate
10 revenue essential for owning, operating, and maintaining the system, along with
11 anticipated capital improvements totaling just under \$10 million. Mr. Ori indicated that
12 current rates will not suffice through 2028 and proposed an 8% rate adjustment in 2025.
13 There's a desire to transition from a non-ad-valorem assessment basis to a meter-
14 based system, with developed rates ready for implementation either immediately or
15 deferred by a year, as decided by the Board. Customer service policies, especially
16 addressing seasonality issues will be addressed at a future time. The recommended
17 rate structure aligns with that used by Collier County.

18 It is recommended to eliminate the wastewater tap at 75% of water use and instead
19 charge for 100% of water use since most potable water used is likely to be returned to
20 the sewer system because of the presence of an irrigation system and alternative water
21 supply. The proposed base rate charge for the most common meter size is \$128. Mr.
22 McNamee noted that while utility bills may appear higher, non-ad-valorem assessments
23 will decrease, effectively shifting financial obligations to a different source. Currently,
24 funds are prepaid regardless of usage. He thinks commercial interests may be attracted
25 to develop in the District by eliminating upfront payments for undeveloped land. There's
26 an anticipated savings of 3% by avoiding tax collector fees on property tax bills.

27 Mr. Dorrill stressed the importance of submitting the proposed fiscal year 2025 budget
28 within 90 days, cautioning against rushing the transition process. Two options were
29 presented: (A) halving the assessment and adopting the new rate structure by mid-next
30 year, or (B) delaying changes for a year, resulting in higher taxes for FY 25. Mr. Dorrill
31 recommended implementing changes mid-year for fiscal and administrative efficiency.
32 Mr. McNamee agreed, advocating for a careful and timely approach to ensure lasting
33 effectiveness. The Board unanimously supported this approach.

1 Regarding financing, Mr. McNamee highlighted the SRF loan with interest rates ranging
2 from less than 1% to 3.5%, suggesting it makes financial sense to utilize these loans
3 while maintaining the District's reserves in interest-earning accounts. Ms. Hansen and
4 Mr. Ori emphasized that such loans only accrue interest on the amount borrowed and
5 used, offering a cost-effective financial strategy for the District.

6 **A MOTION was made by Mr. Kish to accept the utility rate methodology study and**
7 **accept proposed implementation subject to additional community input for FY**
8 **2026 in October 2025. Mr. Baird gave the second and all were in favor.**

9 Mr. Truckey and Mr. Carter will investigate brick grants to help cover the costs of any
10 additional meters needed. Kathryn Kehlmeier made a comment that there used to be a
11 chart on website that broke down the non-ad-valorem assessment. She requested a
12 current chart be added. It will be.

13 **B. Old Hotel Site**

14 It was suggested that the best use of that property may be an independent and assisted
15 living facility. The County is very intrigued by this idea. The County will either ask the
16 District to provide a letter of intent to assume the responsibility for that or would jointly
17 explore requests for proposals/interest from developers as a way of moving that forward
18 subject to it being rezoned. The County had about half a million in demolition costs to
19 remove the structure that was there so it is presumed they would like to earn some of
20 that back. Mr. McNamee noted a facility like that would provide high utility use while
21 being low impact to community.

22 **C. Insurance Schedule of - and Cyber Liability**

23 In the process of repricing the current insurance package to ensure that the District is
24 are not underinsured. Research is being conducted to determine if the utility controls
25 are part of the property schedule or if they fall under inland marine coverage. A cyber
26 liability policy is also in the scope of package given the District's ownership and
27 operation of a public utility system. Mr. Carter is currently preparing an application for a
28 different underwriter.

29 **D. Admin Rules, Unpaid Balance/Late Fees**

30 Mr. Dorrill shared that there are 60 receivables for delinquent utility accounts. Staff
31 started putting door hangers with notice for water shut off for the top 30 accounts.
32 These accounts had unpaid balances of over \$400 for over 60 days. Mr. Dorrill's office
33 received payment for two largest receivables immediately via cashier checks delivered

1 to his office to avoid shutoff delays. He noted that the process went extremely well. Mr.
2 Dorrill suggested evaluating the current administrative rules to adjust both interest
3 charges on unpaid balances beyond 60 days and increase late fees which are currently
4 only \$25.

5 Mr. Dorrill shared that the alternative ACH vendor proposal was accepted. This vendor
6 is authorized to receive e-check online payments and credit and debit card payments.
7 Credit card fees will be surcharged. Everything has been approved, Mr. Dorrill is waiting
8 to receive the effective date. He requested an informative flyer be included in the next
9 utility bill to introduce the new ACH vendor. Information will also be added to the
10 website. A resident asked if bills could be sent out by email. Mr. Dorrill suggested
11 potentially moving the due date to account for any delivery delays or errors in the USPS
12 mail system. Mr. Dorrill will inquire about electing to receive the bill through email. Mr.
13 McNamee expressed his dissatisfaction with Munibilling and would like to see if there is
14 an alternative vendor who is more cost effective.

15 **E. Public Petition - Collin Cody**

16 Mr. Dorrill was not sure how this item made it on the agenda and asked Board to
17 disregard.

18 **FINANCIALS - APRIL 2024**

19 There was \$4,674,000 in cash with \$34,000 in payables. \$8,550,000 in fixed capital
20 assets. Combined assets \$13.2 million. Recorded FEMA reimbursement of \$35,000, Mr.
21 Dorrill believes this was actually an insurance settlement from a Hurricane Ian claim.
22 Almost \$15,000 in interest earnings was accrued. \$14,000 was received in delinquent
23 tax payments. Mr. Dorrill noted that monthly engineering costs are a fraction of what
24 they were a year ago. Total year to date expenses in the primary operating account
25 were about \$80,000 over budget, \$132,000 under budget on the utility side.
26 Expenditures are largely expected. Mr. Truckey mentioned engineering fees could be
27 covered by a grant.

28 **On a MOTION by Ms. Hansen, a second by Mr. Kish, and all in favor, the financials**
29 **were accepted as presented.**

30 **ATTORNEY'S REPORT**

31 Mr. Case's engineer and attorney submitted the proposed plat. It must be approved or
32 rejected by the Board by August 19. The Southern Exposure draft letter to stop using

1 District property until they make an agreement with District will go out today. Mr. Pires
2 noted that they are trying to minimize costs on Prepmac Case.

3 **ENGINEER'S REPORT**

4 There are potential encroachments in District easements proposed at 140 Wilderness
5 Cay. Ms. Hansen shared that encroachments in the rear swale have been corrected
6 along with ones on the sides of the home. Property owners would like an easement,
7 they desire to put pool equipment, a fence, and an AC unit in easement. Ms. Hansen
8 noted that permanent structures cannot be placed in an easement. Mr. Pires suggested
9 that since the District is not inclined to grant an easement use agreement a letter of
10 objection should be sent to Collier County. Mr. McNamee urged staying on top of this so
11 nothing gets put into the easement that would have to be later addressed.

12 **OLD BUSINESS**

13 No old business was discussed.

14 **NEW BUSINESS**

15 No new business was discussed.

16 **SUPERVISORS REQUESTS**

17 Ellin Goetz, the landscape architect, is still putting together plans, expected to be
18 presented at the next meeting.

19 Mr. Kish talked about the empty lots in Orchid Cove being a loss of income opportunity.
20 They would bring in a million dollars in assessments over 17 years. Mr. McNamee said
21 the County owns the lots. There are north of 44 condo units available.

22 Mr. McNamee mentioned comments on Nextdoor regarding mosquito spraying. In
23 October the County will take over doing aerial spraying. He clarified that the price of
24 current mosquito control is about \$38 a family not \$385 a family as posted on Nextdoor.
25 Residents are paying less than a dollar per week per household for mosquito control
26 and currently the most affordable chemicals are being used.

27 **PUBLIC COMMENTS**

28 _____ - Asked about an update regarding the seawall by the bridge where people are
29 sneaking in. Ms. Hansen contacted the Code Enforcement official working on the case.

1 He reported that two code complaints were open. Ms. Hansen will check back with him
2 for an update.

3 A resident from 166 Sunset Cay made a comment on behalf of Ron Westerman. She
4 asked about gates and cameras being installed in response to theft in the community.
5 Kathryn Kehlmeier recommended contacting Keys Security. Mr. Dorrill said equipment
6 must be used that can be integrated into the Sheriff's 911 dispatch center. A proposal
7 from an equipment provider will need to be evaluated instead of a private security
8 company.

9 **ADJOURNMENT**

10 The next meeting will be on July 19, 2024, at 9:30 a.m. **On a MOTION by Ms. Hansen**
11 **and a second by Ms. Kish, with all in favor, the meeting was adjourned at 11:15**
12 **a.m.**