

**MINUTES OF MEETING
FIDDLER’S CREEK COMMUNITY DEVELOPMENT DISTRICT #2**

The Board of Supervisors of the Fiddler’s Creek Community Development District #2 held a Regular Meeting on June 26, 2024 at 10:00 a.m., at the Fiddler’s Creek Club and Spa, 3470 Club Center Boulevard, Naples, Florida 34114.

Present were:

Elliot Miller	Chair
Bill Klug	Vice Chair
Linda Viegas	Assistant Secretary
John Nuzzo	Assistant Secretary
William Tomazin Jr. (via telephone)	Assistant Secretary

Also present:

Chuck Adams	District Manager
Cleo Adams	District Manager
Tony Pires	District Counsel
Cole Pruim	District Engineer
Joe Parisi	Developer’s Representative
Sean Van Den Broeck	Executive Director of Foundation Operations
Ryan Hennessey	Fiddler’s Creek Director of Community Services
Aaron Haak	Fiddler’s Creek Deputy General Counsel
Jody Benet	Fiddler’s Creek Irrigation Manager
Victor Ledezma	Fiddler’s Creek Landscape Manager
Mike Barrow	GulfScapes Landscape Management (GulfScapes)
Bill Benson (via telephone)	Citrin, Cooperman & Company, LLP
Nat Pappagallo	Resident
Joseph Mayer	Resident
Joe Vaccaro	Resident
Torben Christensen	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mrs. Adams called the meeting to order at 10:00 a.m. Supervisors Miller, Klug, Viegas and Nuzzo were present. Supervisor Tomazin attended by telephone.

On MOTION by Mr. Klug and seconded by Mr. Nuzzo, with all in favor, authorizing Mr. Tomazin's attendance and full participation, via telephone, due to exceptional circumstances, was approved.

SECOND ORDER OF BUSINESS

Public Comments: Non-Agenda Items (3 minutes per speaker)

No members of the public spoke.

THIRD ORDER OF BUSINESS

Continued Discussion/Update: Claim Against Fiddler's Creek CDD #1 Regarding Anticipatory Breach of Interlocal Agreement [Traffic Signal Cost Sharing]

Mr. Miller stated that oral arguments related to the Motion for Summary Judgment occurred yesterday. After hearing the argument and expressing confusion, the judge denied the motion. The next step is to proceed to arbitration.

Mr. Klug asked if the arbitration is non-binding. Mr. Miller replied affirmatively and stated that, if the entity that does not prevail in arbitration does not prevail in litigation, that entity would be responsible for the victor's legal fees. Asked if he can present the case in order to save the cost of having Counsel at arbitration, Mr. Miller stated that he can, but he believes that he might be a witness since he was deposed. A single arbitrator will try to settle the case.

Mr. Parisi stated that the session could start as arbitration and proceed to mediation. Mr. Miller stated that the arbitrator is also a settler; he expects that will occur.

Mr. Klug requested an Executive Session with Counsel to discuss the litigation.

The consensus was to schedule an Executive Session on July 9, 2024 at 9:00 a.m. Staff will reserve the room and arrange for a court reporter.

Ms. Viegas stated, as of May 22, 2024, \$37,556.44 has been spent on this litigation.

Mr. Miller stated he does not remember on which date the offer from CDD #1 that was a result of the first arbitration was declined; he believes that is a relevant consideration.

FOURTH ORDER OF BUSINESS

Update: Superior Waterway Services, Inc. Treatment Report (Andy Nott)

Mrs. Adams stated that Mr. Nott expressed his regrets that he is unable to attend the meeting. She asked the Board Members to email her with their questions related to the Treatment Report included in the agenda so that she can forward inquiries to Mr. Nott.

FIFTH ORDER OF BUSINESS

**Health, Safety and Environment Report
(Ryan Hennessey)**

Mr. Hennessey presented the PowerPoint and reported the following:

- Concerns related to irrigation and pressure washing, etc., can be emailed to Irrigation@Fiddlerscreek.com and Pressurewashing@Fiddlerscreek.com for staff response.
- Tree Canopy Trimming: Juniper finished trimming the hardwoods throughout CDD #2 on Sandpiper, from US-41 to Cranberry Crossing. Palms are now being trimmed in CDD #1.

A. Irrigation and Pressure Washing Efforts

- Irrigation Projected Usage: Approximately 1.5” of rain was received in May. So far, 17” of rain has been received in June.
- There were no rain holds in the villages and none in the common areas.
- Water Usage: May 2024 usage was approximately 75 million gallons, compared to almost 67 million gallons in May 2023.
- Irrigation Report: There were several satellite communication failures. The Irrigation Manager came several times, including on Memorial Day, to address the problems.
- An Assistant Irrigation Manager has not been hired yet; recent applicants do not have the required expertise.
- Pressure Washing: Crews completed Cherry Oaks, Club Center Boulevard, and Hyacinth Drive. Crews are currently working in Hawk’s Nest, Cardinal Cove, Deer Crossing, and Cotton Green. The map was updated.

Ms. Viegas noted that this is the third month in a row that Satellite I-15 had a failure to communicate. She asked if there is a bigger issue. Mr. Benet stated that some controllers are more prone to issues than others; there are many power surges in that area of Varenna. The radio is new, and there is no defect to the satellite.

B. Security and Safety Update

Mr. Hennessey reported the following:

- Gate Access Control: Community Patrol's phone number is (239) 919-3705. Community Patrol should be called for assistance with security matters. In an emergency, 911 should be called first, followed by Community Patrol. The automated gatehouse number is (239) 529-4139; that number should be called to add vendors or visitors to the list.
- Occupancy Report: Average weekly occupancy decreased from 2,013 in April to 1,457 in May 2024, a decrease of approximately 28%.
- Gatehouses and Patrols: Sandpiper, Championship, and the Main gatehouses are operational 24 hours a day, seven days a week. There are two patrols per shift.
- Gatehouse Activity: Total gate entries for all three gatehouses, from April to May 2024, decreased by 29%, decreasing from approximately 86,000 to 61,000.
- Incidents: Parking violations decreased substantially, from 63 violations issued in April to just 42 in May. Medical calls increased slightly; however, 23 calls in one month are not excessive for a large community such as this one.
- Speed Detection and Enforcement: The portable speed detection device was in use throughout the community. Of the 32 violations in May, 29 were first time offenses and those received warnings; three were repeat violations and those were referred to the Fining Committee.
- The Collier County Sheriff's Office (CCSO) advised that there were 61 extra patrols, 23 medical calls, seven accidental calls to 911 (hang-ups), 18 alarm calls, eight traffic stops, and three reports of suspicious persons or vehicles. There were two motor vehicle crashes that only required an exchange of information.

Asked if the bylaw violations were primarily related to noise, Mr. Hennessey replied no; they include all violations of rules and restrictions listed in the Covenants, including pickup truck violations and cars on the street. He noted that a law relating to pickup trucks was signed into law by the Governor; an update will be provided to the community in the coming days.

- **Presentation of Draft Basic Financial Statements for the Fiscal Year Ended September 30, 2023**

This item was an addition to the agenda.

Mr. Benson presented the Draft Basic Financial Statements for the Fiscal Year ended September 30, 2023 and accompanying disclosures. He noted the following:

- Pages 1, 2, and 3 of the Financial Statements include the audit opinion, in draft form. The CDD received an unmodified opinion, which is the highest level of assurance auditors can give.
- Pages 4, 5, 6, and 7 include Management's Discussion and Analysis. Fiscal Year 2023's performance was very positive; it was a very strong year for paying down debts and improving the CDD's position by approximately \$2 million for the year. While revenues increased greatly, expenses only went up \$35,000.
- Page 8 includes the CDD-wide Balance Sheet. Restricted investments were broken out into its own line item and classified as current and long term. Assets increased from approximately \$44.1 million to \$44.5 million; liabilities decreased from \$43.7 million in Fiscal Year 2022 to \$41.7 million in Fiscal Year 2023, which is the year reviewed, reflecting a decrease of approximately \$2 million.

Regarding deferred gain on refunding of bonds of \$103,094, Mr. Miller asked if additional refunding is possible. Mr. Benson stated that he does not have an opinion, but some believe that interest rates might go down at the end of 2024 or in early 2025. When and if rates come down, for reference, a detailed list of outstanding bond issuances and coupon rates is included on Pages 24 through 28 of the Financial Statements. There might come a time when the Board considers attempting to reduce rates and realize additional cost savings. Asked what rate the CDD's bonds would receive if they were to be rated, Mr. Benson stated he is unsure. He suggested that, given the CDD's improved financial position, the argument could be made for investment grade rating.

- The Statement of Activities, on Page 9, shows the improvement to the CDD's net position of \$2,400,068. In the last year or two since pending litigation was settled, some financial traction has been gained. Interest income is now material, with good rates.

Mr. Miller asked what the miscellaneous income of \$108,318 is related to. Ms. Viegas stated her belief that part of it relates to an insurance claim that was paid. Mrs. Adams recalled the same thing. Mr. Benson will research it and advise.

- Pages 10 through 16 are the fund level statements, where the same information is presented for each individual fund.
- Pages 17 through 29 are notes, which are similar to prior years; slight changes to notes might be made, but they are similar to prior years.

- Several required reports are included on Pages 30 through 34.
- On Page 29, a note was added titled "Contingency" regarding the litigation discussed earlier in the meeting; information was confirmed with Mr. Reyes' office. Mr. Miller stated that CDD #2 is the plaintiff in the litigation, and there is no liability.

Discussion ensued about the litigation and the validity of the note. It was agreed that Note 10 should be deleted.

- Pages 30 and 31 are internal controls reports related to financial reporting and compliance; there are no significant current year comments and no deficiencies or material weaknesses in internal controls.
- The Management Letter required by the Auditor General, on Pages 32 and 33, shows that no conditions of financial emergency were met, which is a good thing.
- Page 34 includes the required disclosure of bonds outstanding, balances, number of employees, etc., in a table, as recommended by the Auditor General.

Mr. Miller asked about the new company name. Mr. Benson stated that Citrin, Cooperman & Company, LLP, (Citrin) a company in the northeast, that was ranked #17 in the United States, approached Keefe McCullough & Co. (Keefe McCullough), about buying the firm. After extensive discussions and assurance by Citrin that Keefe McCullough's employees and clients would be taken care of, Keefe McCullough was bought by Citrin on February 1, 2024, and the companies are now integrated.

Mr. Tomazin voiced his opinion that Note 9 stating that CDD #1 is a related entity is misleading, because there is no relationship. Mrs. Adams and others explained the relationship. Mr. Tomazin expressed his opinion that, regardless of the relationship, it was not worth noting since the amount is only \$7,957. Ms. Viegas explained that, like any financial statement, it shows a point in time; in previous years, the amount has been in the six figures. She suggested changing the note title on Page 29 to "Due to Other Governments" as it is stated in the financials. Mr. Benson agreed.

Ms. Viegas stated she wants it on the record that the Board received the 34-page draft audit electronically, after 10:00 a.m., yesterday, and was asked to review it in less than 24 hours for today's meeting. She thinks the limited time is totally unacceptable. Every year, the Board requests early delivery of the draft audit and each year it is provided later and later. She stated she has not been able to do her usual in-depth review due to the time constraints, but, even

with a cursory review, she found several errors very similar to previous year issues, in which she believes wrong figures are being used.

Mr. Benson apologized and stated he will make a concerted effort to deliver it earlier in the future. He agreed that the timing has been difficult and noted that, in the last two weeks, his firm has been trying to get information related to the traffic light litigation; however, he understands and appreciates the Board's position. Ms. Viegas suggested he should have asked for any information needed long before two weeks ago. She added that Mr. Benson made the same promise in previous years.

Ms. Viegas discussed the following items that she believes are errors that need to be corrected:

Page 6: The net position number is incorrect and does not match the number at the bottom of the page or on other pages of the document.

Page 7: The revenues and expenditures are incorrect, as they do not match the adopted budget.

Page 16: The budget numbers do not match the adopted budget.

Page 21: The bank balance is identical to last year's amount, to the dollar, which does not seem possible. In addition, it would mean the difference in the General Fund deposits is \$508,368. The difference is usually due to undeposited checks but this is a very large amount. Mr. Adams agreed that did not seem possible. She asked Mr. Benson to find out if the figure was not updated.

Page 30: An incorrect term is used in the letter, where the second paragraph refers to the "entity's" rather than the "District's".

Page 34: The numbers were incorrectly listed as of FYE 9/30/22; however, the report is for FYE 9/30/2023.

Ms. Viegas reiterated that less than 24 hours was insufficient for her to do a thorough review of the 34-page draft audit. Mr. Benson apologized again and stated he appreciates her detailed review and revisions. He wants the final report to be as good as possible; he will work to get the audit finalized.

Ms. Viegas asked about the possible ramifications if the audit is not posted by the June 30th deadline per the Statute. Mr. Adams stated that, after 30 days, notices will be sent to the CDD, with further deadlines and increasing severity. Mr. Pires stated that possible ramifications

include chastisement before the Legislative Auditing Committee, withholding of State funds, and being summoned to Tallahassee. Mr. Adams suggested the draft be filed by the June 30th deadline, and that it be amended when the corrections are made. Staff will draft a Resolution, to be executed by the Chair.

On MOTION by Mr. Nuzzo and seconded by Mr. Klug, with all in favor, the Draft Audited Financial Statements for the Fiscal Year Ended September 30, 2023, subject to the corrections discussed and Staff edits, were accepted.

Mr. Tomazin stated he will also review the draft audit, in detail. He asked how comments will be collected. Mr. Adams asked for comments to be emailed to the District Managers. The Draft will be submitted in order to meet the June 30, 2024 deadline. Additional material comments will be incorporated in the final filing with the Auditor General.

SIXTH ORDER OF BUSINESS

Developer’s Report/Update

Mr. Parisi stated that Halvorsen asked for more documentation before they will send the next payment. In Halvorsen’s opinion, the documents sent do not prove that the traffic light is under construction; while it was agreed that the mast arm is being manufactured, proof of actual commencement of work is required. When it is received, he will submit the next bill to document commencement of work.

Mr. Parisi introduced the new Executive Director of Foundation Operations, Mr. Sean Van Den Broeck. Mr. Van Den Broeck introduced himself and stated he is transitioning out of a career in hotels and hospitality management. In his most recent position, he was a Regional Vice President of Operations for over 25 independently branded hotels across the country. He has extensive experience in food and beverage operations and looks forward to bringing Fiddler’s Creek to the next level.

Mr. Parisi stated, as previously discussed, there have been Statutory changes to Condominium and HOA laws. Three bills are in process and some become effective on July 1, 2024, while others do not. Some have significant changes to operations, and Attorneys are amending the Fiddler’s Creek Declarations, accordingly. As soon as he reviews the information, a summary will be posted online and a communication will be sent.

Mr. Miller noted that CDD Board Members are now required to complete ethics continuing education requirements and report compliance via Form 1. Mr. Pires noted that requirement is not related to the Statutory changes.

Mr. Parisi reported the following:

- Development continues in Oyster Harbor and in Dorado.
- The Golf Clubhouse has been delayed slightly due to rain and other issues. The CO will likely be received in mid-October.
- Mr. Sean Gradomski, the Golf Club Operations Manager, will advise of any washouts or rain-related issues, as grassing has been ongoing at the golf course.
- The CDDs and the Golf Club discussed the need to ensure access to holes through CDD property and that traffic on roads and sidewalks is taken care of. An assessment will be done as the holes are finished; Holes 2 and 3, on the end by Mulberry Road, will be completed first. When the repairs are done to satisfaction, the project will proceed.

Asked how sales are going in Oyster Harbor, Mr. Parisi stated he does not follow that, but sales are generally slow this time of year. Buyers are inquiring about Hidden Cove. Callista II will be started next year.

- The Golf Club rest stations by Heather Glen in Marsh Cove and in front of Runaway Bay are being completely redone, including the skins, interiors, and roofs. The project will be treated as part of the golf course project; anything in those areas will be maintained and taken care of. Construction access will be needed from Sandpiper Drive.
- Master Irrigation: Costs, CDD numbers, and eventualities are being worked on; documents are being generated that will need to be reviewed. Mr. Cole and Mr. Haak have been speaking with the Construction Manager engaged to design the system and determine what each community needs. Oyster Harbor and Dorado are already upgraded to the new system so they will be able to connect to it when it comes online. Some other systems are not as bad; those communities need to determine if they will change the wiring and other components. Other individual villages are not on the system; work and communication with villages remains to be done. There is still a need to confirm that Baseline is the best system, because it is not the cheapest, but it seems to be the best for the community.

Mr. Parisi discussed the previous research into Baseline, and stated he believes that weekly meetings will be held as the project progresses.

- **Continued Discussion/Consideration of Replacement of Seventeen (17) Temporary Signs in Aviamar and Veneta with Permanent Decorative Signs**

This item was not addressed.

SEVENTH ORDER OF BUSINESS

Engineer's Report/Update: Hole Montes, a Bowman Company

Mr. Pruim reported the following:

- Traffic Signal site work is scheduled to begin in October.
- The building permit for the pumphouse roof was submitted. A response is expected within a few weeks.
- The pedestrian signs installed by Lykins-SignTek (Lykins) are being corrected; some were installed in the wrong locations, and others were not installed.
- Lake erosion repairs on Lake 65G will begin in August and be completed in September.

Mrs. Adams stated that Mr. Cole provided very detailed instructions regarding installation of the signs and followed up with a walkthrough. The correction will be at Lykins' expense, including cement work, and Lykins will not be paid until the corrections are completed.

- Mr. Cole is coordinating with Mrs. Adams to obtain proposals for sidewalks and valley gutter repairs.

Ms. Viegas asked if there was an update on the unresolved irrigation issues she raised last month, as reflected on Line 101 of the meeting minutes. It was noted that Mr. Cole was supposed to review the issues as he believed some were addressed; some of the issues are over two years old. Mr. Benet stated that he updated the report of Action Items from Mr. Haak; a copy will be provided next month. Ms. Viegas asked Mr. Pruim to request Mr. Cole present his review of the issues at the next meeting.

EIGHTH ORDER OF BUSINESS

Discussion: Rules of Procedure

Mr. Miller recalled that this item was added to the agenda at Mr. Tomazin's request.

Mr. Tomazin stated his request was based on the discussion about requiring financial information from contractors raised by Ms. Viegas, and that he asked to see the Rules of Procedure to determine if the Rules mention the requirement to check for financial viability. He

stated he reviewed the sections of the Rules of Procedure and the Statute that governs procurement and found no reference to a requirement for financial information in any of them. He thinks the question is whether that explicit consideration should be added.

Mr. Miller stated that he raised questions about financial disclosure of bidders, analysis of bidders, and financial concerns and considerations, at the last meeting. He noted that the CDD does not receive a lot of financial statements from bidders; however, Mr. Pires found that there is protection for bidders' financials. Miller noted that, when the information is received, the Staff does not investigate it. He asked how that impacts Mr. Tomazin's concerns, in terms of regulations.

Mr. Tomazin stated that his concern was related to understanding the CDD's Rules of Procedure, which do not explicitly require the Board to evaluate the bidders' financial viability. One section provides for the opportunity to consider other criteria, but the direction is not explicit. If the Board feels it is appropriate, he suggested making it an explicit consideration, rather than one subject to the Board's judgment. He noted that it would match the requirement to certain thresholds, in terms of the size of the contract to be awarded, and stated that a number of responsive smaller vendors might not have anything other than an internal financial statement. He suggested having a spectrum of information the Board would consider when assessing financial viability, in which the best evidence would be financial statements, the middle ground would be financial information that is not necessarily a completed financial statement, and the third category would be references and credit checks. He feels there is an obligation to follow up on information received from bidders and voiced his opinion that he would rather not receive information than receive it and not follow up on it, as he thinks it exposes the Board and Staff to having information on which they did not do their due diligence.

Mrs. Adams reminded the Board that, when the \$195,000 threshold is reached, a Bid Bond or a Cashier's Check in the amount of 5%, is required up front. In some cases, contractors who fail to qualify, do not bid. While bank and credit references are requested, when a company has a proven track record with the CDD and a bid bond, she does not think there is a need to check the references. If she does not know the company she does check the references.

Mr. Miller thinks the bid bond requirement is reassuring, but he did not see it in the Rules. Mrs. Adams stated that a bid bond has always been required for bids over \$195,000. Miller asked if that is mandated someplace, Mr. Pires stated it is a standard practice included in the bid specifications for goods and services purchases and construction services, in the Statute section where additional details can go that are beyond what is dictated in the Rules.

Mr. Miller asked for it to be on the record that the practice will continue.

Mrs. Adams stated that contractors who cannot come up with that bid bond money up front, for the CDD to hold until the contract is complete, often fail to complete the bidding process. With regard to prequalifying vendors, Mrs. Adams stated the CDD is required to let anyone bid, but, when sealed bidding is published, those who do not qualify will not participate.

Mr. Miller noted that the issue now seems to be too few bidders. Mrs. Adams concurred. Mr. Pires stated that is not unusual, in his experience working with CDDs, due to the abundance of work available to vendors.

Mr. Klug wondered if the discussion is leading to amending the Rules of Procedure and asked who created the Rules and revised them in 2010. Mr. Pires believed he worked with Mr. Adams and Mrs. Adams. Asked if amending language would come from Mr. Pires, Mr. Adams, and Mrs. Adams, Mr. Pires replied affirmatively; he suggested holding a workshop to discuss and determine what needs to be changed. He noted that Statutory changes have occurred and suggested a Board Member be designated to work with Staff to develop a list of items to be workshopped. A Notice of Rule Development must be published, a public hearing must be advertised, and public comments must be allowed. Asked if these Rules also apply to CDD #1, Mr. Pires thinks CDD #1's Rules are probably the same. He noted that other CDDs have Rules; some are more expansive, and most are more recently updated. Mrs. Adams stated that all the CDDs have Rules of Procedure.

Ms. Viegas asked if there is a faster alternative way of establishing bidding requirements. Mr. Pires predicted that the process could be completed in four months, in his experience with other CDDs governed by Chapter 190, using the Consultants Competitive Negotiations Act (CCNA) and qualifications-based Request for Proposals (RFP) processes.

Asked if the Board can adopt mandatory requirements without going through the standard rule-making process, Mr. Pires stated that policies can be adopted to implement the Rules. Policies require a less formal process than amendments to Rules.

Mr. Nuzzo voiced his opinion that a performance bond provides a good comfort level in the financial stability of the vendors, expressed support for continuing to do so, and cautioned against spending an inordinate amount of time discussing this matter.

Mr. Pires expressed support for updating the Rules and noted that Ms. Viegas pointed out redundancies.

Ms. Viegas stated she and Mr. Tomazin read the Rules of Procedure, in detail. She discussed her criticisms of the document, stated her opinion that the document is poorly written, and that it would be a waste of time and money to try cleaning it up. Furthermore, she believes that the Board was not aware of the Rules, does not refer to them, and they do not, and would never violate any of the generic provisions of the Rules of Procedure.

For the record, Mr. Miller asked Mr. Pires if the Board is mandated to do anything by virtue of the Rules of Procedure, and if the current Rules are adequate.

Mr. Pires discussed the necessity and importance for the CDD to have Rules of Procedure, including establishing rules and other orders necessary for CDD operations, outlining procurement processes, competitive solicitation processes, and dispute resolution processes. In his opinion, the current Rules of Procedure need to be updated.

Ms. Viegas stated she sent Mr. Pires an email describing what she believes are blatant errors in the Rules of Procedure, and asked if the document can be cleaned up without any more time and effort being spent on it and without adding new requirements, advertising, holding a public hearing, etc.

Mr. Pires stated that some updates are needed. A question was asked as to whether costs can be added to proposals for the CCNA, to which the Statute does not allow.

Mr. Miller asked Mr. Pires to put a memo together with a list of what changes he would like to see in the Rules of Procedure and why explaining the benefits to the Board at the next meeting. Mr. Pires will work with Mr. Adams and Mrs. Adams in this regard.

NINTH ORDER OF BUSINESS**Discussion: Refinancing of Bonds**

Mr. Klug noted that this was discussed earlier with the auditor.

Mr. Adams stated that the projection is that interest rates might go down in the fourth quarter of 2024 or the first quarter of 2025; the suggestion is to wait in order to realize the greatest reduction possible.

Mr. Miller noted that all bonds are not eligible to be refinanced yet. Mr. Adams stated that, by early 2025, some of the 2014 and 2015 bonds will be eligible to be refinanced.

This item will be added to the Action Item List, to be considered at the end of 2024.

TENTH ORDER OF BUSINESS

Discussion: FY2025 Budget

- **Mailed Notice to Property Owners**

Mrs. Adams stated she emailed the draft Mailed Notice to the Board and asked for them to email their comments to her. Mrs. Adams stated that Ms. Viegas and Mr. Tomazin submitted comments.

Mr. Miller noted that the letter states that “the primary reason for the assessment increase in 2025 is the cost associated with the continuing multi-year replacement and upgrading of the 20+ year old irrigation pumpstation building, pumps, motors and controls.” He asked for details to be provided. Mr. Adams suggested homeowners be referred to the website, where they can see the entire budget. Mr. Miller agreed.

Mr. Tomazin stated he submitted comments and asked if revisions will be discussed.

To save time, Ms. Viegas suggested all changes submitted be made using “track changes” and sent to the Board for review. Mr. Adams agreed. Ms. Viegas voiced her understanding that the letter does not need to be approved at a Board meeting. Mrs. Adams stated she will forward the revised version to the Board for approval.

The Board and Staff discussed the budget line items.

Mr. Miller asked why the “Interest & miscellaneous” revenues fell by half. Mr. Adams stated, based on 10-year Treasury forecasts, he estimated conservatively.

Mr. Miller noted that “Insurance” increased approximately 10%, and asked if it was shopped to other insurance providers. Mr. Adams replied affirmatively, and stated that type of increase is common; he is meeting with the insurance carrier’s Field Agent on July 9, 2024 to perform a facilities review, after which, a report will be prepared and suggestions will be received. The increase is based on a budget worksheet provided by the insurance carrier.

Mr. Miller questioned the 50% increase to the “Water management-other contractual” line item. Mr. Adams stated that \$100,000 is budgeted for approved lake bank erosion repairs.

Mr. Miller asked about the material reduction in the “Unassigned fund balance” line item. Mr. Adams stated that some projects for which funds have been collected for several years, such as the traffic signal and irrigation pumphouse repairs, will have expenses realized in Fiscal Year 2025. He noted that assessments will increase by approximately \$138 per unit.

Mr. Klug asked if part of the approximately \$37,000 “Legal – litigation” expenditures related to the lawsuit were incurred in 2023 and 2024, and, if so, does it mean that these numbers reflected are much lower than actual expenditures. Mr. Adams replied affirmatively, and noted that he is optimistically not anticipating litigation expenses in Fiscal Year 2025.

Ms. Viegas asked for the “Landscaping Improvements and renovations” or “Contingencies” line items to be decreased, as nothing is proposed. Mrs. Adams stated some significant bougainvillea replacements have been done. Mr. Barrow noted that some additional aging bougainvillea at the Veneta entrance, and in large other areas, will need to be replaced. Mrs. Adams suggested leaving the line items as is.

Ms. Viegas asked if any of CDD #2’s half of the “Roadway capital outlay” line item, related to the traffic signal, has been incurred. If so that amount should be reduced. Mr. Adams will research it and advise.

Ms. Viegas referred to the note on Page 5, that states there is \$115,000 left in construction funds which should go towards the light. She asked if that amount is still correct, and if the budgeted amount should be reduced. Mr. Adams stated that amount is actually incorrect; it will be corrected to reflect that only about \$22,000 is left.

Ms. Viegas asked about a difference of \$55,000 in the “Irrigation-Controller repairs & maintenance” line item, as it does not match Mr. Cole’s budget items from the last meeting. Mr. Adams will research it.

ELEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of May 31, 2024

Ms. Viegas asked for the General Ledger for the Fountains line item.

Ms. Viegas asked Mrs. Adams to follow up on the credit that was supposed to be applied to “Irrigation- Capital Outlay” due to the error she found in April. It was only supposed to be a \$30,250 credit, but the financials show a \$55,059 credit. Mrs. Adams will follow up and advise.

Mr. Miller questioned the “Engineering” line item being at 129% of budget. Ms. Viegas recalled that Mr. Cole stated it was due to all the work related to bidding. Mrs. Adams stated that Mr. Cole has spent a lot of time in the field due to the issue at Campanile.

Mr. Miller asked about the “Street lighting - Contractual services” expenses. Mrs. Adams stated it might include street light replacements. She will research it.

The financials were accepted.

TWELFTH ORDER OF BUSINESS

Approval of May 29, 2024 Regular Meeting Minutes

The following changes were made:

Line 153: Delete “and design” after “mapping”

Line 593: Insert “Line 265:” before “Add”

On MOTION by Mr. Klug and seconded by Mr. Tomazin, with all in favor, the May 29, 2024 Regular Meeting Minutes, as amended, were approved.

THIRTEENTH ORDER OF BUSINESS

Action/Agenda or Completed Items

Regarding Item 1, Ms. Viegas suggested it stay on the list; Item 12 is in process, and will be added as an Action Item, in the future, in the event of another assessment increase.

Regarding Item 2, Ms. Viegas noted the draft audit was not provided early.

Regarding Item 3, Ms. Viegas noted that the agenda books have been very late the last three months. Mr. Adams and Mrs. Adams noted that Accounting is very busy working on budgets and supplying information for the audit. They expect the delays to be resolved next month.

Regarding Item 5, Ms. Viegas stated the comment from 5/29/24 should be moved to Item 4.

Regarding Item 4, Mr. Pires stated that he was corrected by Mr. Barrow this morning. The Clusia were double planted by property owners, but there are only three lots involved, not all lots. He will send letters to those three homeowners tomorrow.

Regarding Item 7, Mr. Pires stated he received one response, from Serena, which he will forward to the Board. In Serena, the vendor gets the dry DTE and separates it out, so they have a process in place. No other responses have been received.

Regarding Item 8, Mr. Pires stated he is still sorting through the emails Mrs. Adams sent; when he is finished, he will contact SOLitude. Mr. Miller noted the longer it takes, the less aggressive the demand letter appears.

Item 15: Ms. Viegas stated that the credit is now \$55,059 and will be researched by Mrs. Adams.

Items 10, 11, 13 and 14 were completed.

FOURTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: Woodward, Pires and Lombardo, P.A.

There was nothing further to report.

B. District Manager: Wrathell, Hunt and Associates, LLC

- **NEXT MEETING DATE: July 24, 2024 at 10:00 AM**
 - **QUORUM CHECK**

It was noted that today's meeting will be continued to Tuesday, July 9, 2024 at 9:00 a.m., to hold the Executive Session.

All Supervisors confirmed their attendance at the July 9 and July 24, 2024 meetings.

C. Operations Manager: Wrathell, Hunt and Associates, LLC

The Operations Report was included for informational purposes.

For follow up purposes, Ms. Viegas asked Mrs. Adams to add the Oyster Harbor streetlight item back to her Operations Report.

FIFTEENTH ORDER OF BUSINESS

Adjournment

The meeting recessed at 12:13 p.m., and was continued to Tuesday, July 9, 2024 at 9:00 a.m.


Secretary/Assistant Secretary


Chair/Vice Chair