

**MINUTES OF MEETING
FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #1**

A Public Hearing and Regular Meeting of the Board of Supervisors of the Fiddler's Creek Community Development District #1 was held on **Wednesday, February 26, 2014**, at **8:00 a.m.**, at the **Fiddler's Creek Club and Spa, 3470 Club Center Boulevard, Naples, Florida 34114.**

Present at the meeting were:

Phil Brougham	Chair
Gerald Bergmoser	Vice Chair
James Curland	Assistant Secretary
Richard Peterson	Assistant Secretary
Robert Slater	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Terry Cole	District Engineer
Tony Pires	District Counsel
Rick Reyes (<i>via telephone</i>)	Tobin & Reyes, P.A., Litigation Counsel
Cheryl O'Donnell Guth (<i>via telephone</i>)	McGuire Woods, LLP, Bond Counsel
Maria Dantas (<i>via telephone</i>)	Wilmington Trust Counsel
Tony DiNardo	Developer
Ron Albeit	The Foundation
Mike Charbonneau	The Foundation
Gretchen Scott	CDD #2 Board Member
Jesse Fritz	Resident
Maureen Gonzalez	Resident
Viag Denole	Resident
Eileen Robertson	Resident
Tom Johnston	Resident
Dave Yates	Resident
Bob Baldocchi	Resident
Joe Vaccaro	Resident
Charles Turner	Resident
Joe Bedessa	Resident
Joe Schmitt	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 8:00 a.m., and noted, for the record, that all Supervisors were present, in person.

SECOND ORDER OF BUSINESS

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

Mr. Brougham asked for public comments on non-agenda items.

There being no public comments on non-agenda items, the next item followed.

THIRD ORDER OF BUSINESS

Special Counsel Update: Litigation Proceedings

Mr. Reyes reported that a hearing was held on January 29, 2014 on the motion to intervene in the existing litigation between U.S. Bank and CDD #2. He indicated that the court granted CDD #1's motion, in a February 12, 2014 order granting the District's request to intervene. Mr. Reyes advised that CDD #1 is now intervening with respect to the claims that exist in the litigation and were brought by the majority bondholders of both CDD #1 and #2, with respect to the claims relating to CDD #1. He explained that the claims are related to delaying the exchange bond transaction. In addition to CDD #1 asserting its claims, in conjunction with those claims, the District was permitted leave to pursue its claims with respect to misuse of construction funds. Mr. Reyes indicated that the claims are now pending and he will proceed with the remaining litigation.

Mr. Brougham asked about the timing of the proceedings.

Mr. Reyes noted that estimating the timing is difficult, now, as U.S. Bank's response is not yet due. He will have a better estimate, once U.S. Bank responds. Mr. Reyes suggested that the Board hold an executive session, once the response is received. In response to Supervisor Brougham's question, Mr. Reyes indicated that U.S. Bank's response is due 20 days from the date it was served, which was February 17, 2014; he anticipates a response by mid-March.

Mr. Brougham summarized that CDD #1 is pursuing U.S. Bank, the bond trustee, to recover \$652,000 of construction bond money that the trustee removed from the District's accounts, without authorization. He noted that the steps, to date, have been positive. Mr. Brougham hoped that the recovered funds could be used to fund the installation of the traffic signal.

- **Consideration of Resolution 2014-7, Approving an Agreement of Removal of Predecessor Trustee, Appointment of Successor Trustee and Acceptance of Successor Trustee; Removing the Predecessor Trustee for Certain Series of Its Outstanding Bonds; Appointing A Successor Trustee for Certain Series of Its Outstanding Bonds; and Providing an Effective Date.**

****This item was an addition to the Agenda.****

Mr. Brougham indicated that the Board will discuss removal of U.S. Bank, as trustee, and appointment of Wilmington Trust, as successor trustee.

Mr. Pires presented Resolution 2014-7 for the Board's consideration. He noted that much discussion took place, recently, to finalize this process. The documents presented today are recommended for consideration and approval to effectuate removal of U.S. Bank and the substitution and succession of Wilmington Trust as the bond trustee, with an effective date of March 17 and delivery date of March 18, 2014.

Mr. Pires indicated that the pending litigation, involving the 2002 and 2005 bonds, is referenced; he believes that all parties recognize the litigation and reserved all rights. Regarding the previous issue, related to a large invoice, the language was not included; therefore, it is unknown if the claim will be asserted, in the future.

Mr. Pires reiterated that approval of the documents, along with Resolutions 2014-7 and 2014-8, is recommended, in substantial form, and authorizing the Chair to execute, if there are no substantive changes.

Mr. Slater recalled that one party has not approved the documents and asked if it is U.S. Bank. Mr. Pires replied that he is not sure; he recalled receiving an email from someone indicating that approval from one more party is necessary. Mr. Pires voiced his confidence that the transaction will be achieved.

Mr. Brougham discussed the various iterations of the documents and revisions to alleviate some of his concerns with earlier versions. Mr. Brougham expressed his opinion that he and all of the lawyers, including U.S. Bank, are comfortable with the wording.

Mr. Curland asked if U.S. Bank and Wilmington Trust agreed to the language. Mr. Pires stated that U.S. Bank and their attorneys, with the exception of one, who requires additional approval, all agree to the language.

Mr. Pires asked Ms. Maria Dantas, Counsel for Wilmington Trust, to confirm Wilmington Trust's approval of the documents. Ms. Dantas stated that the documents were approved.

Discussion ensued regarding when the actual transfer would occur. Mr. Pires advised that, once the documents are signed, Ms. Dantas will work with U.S. Bank's counsel to effectuate the physical transfer of documents and trust property. Regarding whether the transfer is completed, Wilmington Trust will be the trustee; however, the litigation matter will remain pending.

In response to whether both U.S. Bank's unauthorized use of construction funds and their claim for fees owed to them remain pending, Mr. Pires replied no and stated that the only pending litigation involves the construction funds. Discussion ensued regarding what becomes of U.S. Bank's claim that the District owes them in excess of \$460,000 in fees associated with the litigation. Mr. Brougham indicated that the language removed from the documents closes the door on U.S. Bank's ability to submit a final bill. Mr. Reyes clarified that this particular issue is not being resolved by these agreements; the status remains pending but will not delay the replacement of U.S. Bank with Wilmington Trust. Mr. Reyes advised that, other than sending a letter, U.S. Bank has not sued on the issue of the \$460,000 in fees that it alleges, nor has an invoice been produced.

Mr. DiNardo asked Mr. Reyes if there are plans to amend the lawsuit to apply more pressure to U.S. Bank. Mr. Reyes indicated that he prefers to discuss that topic during an executive session.

On MOTION by Mr. Slater and seconded by Mr. Bergmoser, with all in favor, Resolution 2014-7, Approving an Agreement of Removal of Predecessor Trustee, Appointment of Successor Trustee and Acceptance of Successor Trustee; Removing the Predecessor Trustee for Certain Series of Its Outstanding Bonds; Appointing A Successor Trustee for Certain Series of Its Outstanding Bonds; and Providing an Effective Date., including the resolution attachments and agreement, was adopted.

- **Consideration of Resolution 2014-8, Approving an Instrument of Resignation, Appointment and Acceptance; Appointing a Successor Trustee for Certain Series of Its Outstanding Bonds; and Providing an Effective Date.**

****This item was an addition to the Agenda.****

Mr. Brougham presented Resolution 2014-8 for the Board's consideration.

On MOTION by Mr. Bergmoser and seconded by Mr. Curland, with all in favor, Resolution 2014-8, Approving an Instrument of Resignation, Appointment and Acceptance; Appointing a Successor Trustee for Certain Series of Its Outstanding Bonds; and Providing an Effective Date., including the resolution attachments and agreement, was adopted.

****Mr. Reyes and Ms. Dantas left the meeting.****

FOURTH ORDER OF BUSINESS

Developer's Report/Update

Mr. DiNardo stated that the Marsh Cove section is under contract; he anticipates that infrastructure work will commence in April and will be completed using private funds.

FIFTH ORDER OF BUSINESS

Engineer's Report

Mr. Cole presented Draw #85, for the 2005 Series bonds, in the amount of \$310.81 for work related to the lake turnover.

Regarding the U.S. 41 and S.R. 951 traffic signal, Mr. Cole reported that David Plummer and Associates produced the plans; Mr. Cole submitted the plans to Collier County and received comments, to which he responded. He explained that, for access and maintenance purposes, the county wants a platform with fill adjacent to the mast arms, which will be on the opposite side of S.R. 951 and another for southbound traffic. Mr. Cole advised that the location is in a wetland, which is also a right-of-way. He is investigating the situation. Mr. Cole will provide Mr. Adams with a signed proposal of \$10,000 to \$12,000 for permitting and related services. He is also working with the Department of Transportation (DOT) and the county to determine if the permit is actually necessary. Mr. Cole requested a cost estimate from David Plummer and Associates but suggested that the District might be able to piggyback on the Collier County project, which already contains signal work. He hopes to present a proposal next month.

Mr. Brougham asked Mr. Cole if he anticipates any significant variances in the anticipated costs or the schedule. Mr. Cole stated that both could be affected because of the wetlands issue; he hesitated to comment on the possible cost difference but noted that the wetland issue could add a few months.

Mr. Curland asked if the county's paving project will affect installation. Mr. Cole indicated that the District must work closely with the county. He confirmed that the county knows of the District's intentions.

Mr. Brougham discussed the conditions at the intersection of S.R. 951 and U.S. 41, as well as and backups due to removal of one left turn lane and no adjustment to the left turn signal length.

Mr. Cole advised that, for the Phase 3 lake erosion repairs, a full inspection was completed three years ago and the lakes were recently reinspected. He reported that the conditions are not much different than three years ago; a few areas are more severe but most areas are substantially the same. Mr. Cole reinspected the lakes on the golf course and adjacent to residential homes and prioritized the work according to where most of the traffic might occur.

Mr. Cole indicated that two scopes of work were developed, with one falling within the previously budgeted \$200,000 amount and the other totaling \$325,000, which is the scope he recommends. He explained that proposals do not include his inspection time, which is part of the District Engineer's costs related to the project. Mr. Cole reviewed Option 1, for \$175,897, submitted by Anchor Marine Environmental Services, Inc. (Anchor Marine), which addresses the most critical areas, with Case 1A, which includes lesser depth repairs and Case 1B, which includes greater depth repairs. Mr. Cole reiterated that his inspection fees, etc., are in addition to the Anchor price, which brings the total close to the budgeted \$200,000.

Mr. Cole reviewed Option 2, for \$277,197, also from Anchor Marine, which adds Lakes 4 and 12 to the scope of work. With Mr. Cole's inspection and other fees, the total costs for this scope of work would be approximately \$325,000.

Mr. Cole recalled that, three years ago, the estimated budget to complete all of the repairs was \$1.7 million; thus far, approximately \$400,000 worth of work has been completed. He noted that the newly proposed work will bring the entire project about halfway to completion, as future phases will be necessary. Mr. Cole anticipates another one or two years of work to address all of the areas.

Mr. Brougham asked about the advantage of Option 2. Mr. Cole indicated that safety is the number one advantage, as some areas have drop-offs and the number two benefit is that repairing it now prevents further degradation of the areas. Mr. Brougham questioned the benefit for the District to spend an extra \$100,000.

In response to a question, Mr. Cole indicated that this effort was precipitated by lake erosion problems being discovered in CDD #2, during a certification inspection, resulting in issuance of a violation notice. He advised that the CDD #2 repairs were completed last year and the water management district signed off on the repairs. The lakes in CDD #1 were not inspected by the water management district; however, if they were, areas that are at least as bad as those in CDD #2 and received a violation, would be found.

A question of whether residents might lose property, as a result of erosion, was raised. Mr. Cole stated that completing the work sooner, rather than later, will help save some of the bank vegetation.

Mr. Pires asked if Anchor Marine was the successful bidder on an overall project contract for all of the District's lakes. Mr. Cole recalled that the work was bid two years ago, at which time the Board decided to complete the work in three phases; Anchor is holding their price for Phase 3, to what they originally bid. Mr. Pires voiced his opinion that the characterizing this as a "bid schedule" gives the appearance that these are brand new bids, as opposed to a pricing schedule under the existing contract. Mr. Pires stressed that he wants to avoid any confusion that this is a bid process, when it is a "pricing schedule", under the existing contract.

Mr. Brougham wondered if there is a significant advantage to accelerating the repair schedule.

On MOTION by Mr. Brougham and seconded by Mr. Peterson, with Mr. Brougham, Mr. Peterson, Mr. Bergmoser and Mr. Curland in favor and Mr. Slater dissenting, the Anchor Marine Environmental Services, Inc., Option 1 proposal, for \$175,897, was approved.

SIXTH ORDER OF BUSINESS

Public Hearing to Consider the Adoption of an Assessment Roll and the Imposition of Special Assessment Relating to the Financing and Securing of Certain Public Improvements

*****Mr. Brougham opened the Public Hearing.*****

Mr. Brougham indicated that, contrary to mailbox stuffers, rumors, email exchanges and no verification of the information through him, "the special assessments will not, in any way,

shape or form, affect any resident owning property within Fiddler's Creek whose bond amortization has already been set".

Mr. Brougham advised:

"Your bond amortization, which is a portion of your annual CDD assessment, included on your tax bill, will not change, as a result of this action, if approved. These exchange bonds that are being considered here, to do the transaction, we are required to advertise a public hearing, so all affected property owners have an opportunity to come to the public hearing and ask any questions. If any of you have read the announcement and the advertisement, in the paper, the property owners benefited are the commercial areas, out front, portions of Marsh Cove and portions of or all of the golf areas. There are no properties being affected which are owned by residents. If your property was to be affected by any special assessment, you would have received, in the mail, a letter so advising you, specifically, that your property was or could be affected by these special assessments. Any proceeds from this transaction, when and if approved, will not be used to purchase the future tennis facility. It will not be used to remodel The Club and Spa. These are all the rumors that I've heard and it's very unfortunate that people don't check the facts before they start spreading this information and I would really like to have a facility, and I will look to The Foundation to do this, I would like to have some sort of facility or opportunity given to our District Staff, when items like this come up, that we can draft for approval some sort of press release that can go out over The Foundation's email blast to all residents so that we can inform them of what the real facts are without burying them in a bunch of legal mumbo jumbo, in my words, that is very hard for the average person to understand."

Mr. Brougham noted that procedural matters were discussed concerning resolutions and replacement of the trustee. He explained that those items must be completed prior to the adoption of the exchange bond transactions.

Mr. Pires recommended that, after opening the public hearing and listening to the comments from those in attendance, the Board continues the public hearing to the next Regular Meeting. At that time, the transfer should be completed and the District can finalize the

assessment levying hearing and proceed with the remaining steps necessary for the exchange bond transaction.

Mr. Brougham pointed out that the documents that were reviewed this morning have an effective date of March 17 and a delivery date of March 18, 2014.

A. Proofs of Publication

The proofs of publication for today's Public Hearing were included for informational purposes.

B. Mailed Notice to Property Owner

This item was provided for informational purposes.

C. Hear Testimony from Affected Property Owners as to the Propriety and Advisability of Making the Improvements and Funding Improvements with Special Assessments on the Property

- *Thereafter, the governing authority shall meet as an equalizing board to hear any and all complaints as to the special assessments on a basis of justice and right.*

Mr. Brougham asked for public comments.

Ms. Maureen Gonzalez, a resident, indicated that she is new and, when she read the advertisement, she could find no one in the CDD office that could provide her with clarification. She believes that an e-blast explaining the situation would have saved a lot of concern.

Mr. Brougham asked residents to visit the CDD website or contact a Board Member, if they have questions about anything.

Mr. Viag Denole, a resident, voiced his understanding that the bonds, which are being rolled over, to the extent that they are extinguished and the assessments go away, will continue. He asked, if the District has a bond that is part of the tax assessment and it expires in a couple of years, does that portion of the assessment "go away".

Mr. Brougham replied affirmatively and stated that the assessment goes with the land, it does not matter who owns the property now; the bond assessment will not change. Mr. Adams pointed out that an owner has the right to pay off the principal portion of their debt service assessments at any time. Mr. Denole indicated that his assessments were paid at the closing.

Ms. Eileen Robertson, a resident, advised that the CDD website is not working. Mr. Brougham acknowledged that it is not currently working.

Mr. Tom Johnston, a resident, urged the Board to use common sense in making its decision.

Mr. Brougham voiced his understanding that deciphering the tax bill, with various assessments, can be confusing. He encouraged residents to speak to the District Manager or the Board Members, when they have a question, as the “person on the street, in many cases, is ill-informed”.

Mr. Dave Yates, a resident, asked if the driving range is part of the exchange bond.

Mr. DiNardo confirmed that the land in the temporary driving range is encumbered by some of the bonds.

On MOTION by Mr. Brougham and seconded by Mr. Curland, with all in favor, continuing the Public Hearing to Wednesday, March 26, 2014 at 8:00 a.m., at this location, was approved.

D. Consideration of Resolution 2014-5, Authorizing District Projects for Construction and/or Acquisition of Infrastructure Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments (to be provided under separate cover)

This item was deferred to the Continued Meeting, on March 26, 2014.

SEVENTH ORDER OF BUSINESS

Discussion: Acceptance of Deeds Conveying Fee Simple Title to Certain Lake Tracts

A. Consideration of Resolution 2014-6, Accepting the Conveyance by Special Warranty Deed of Various Lake Tracts and Parcels

Mr. Brougham presented Resolution 2014-6 for the Board’s consideration.

Mr. Pires indicated that the resolution recognizes the form of the Special Warranty Deed. He noted that a list of the South Florida Water Management District (SFWMD) permits might need to be added to one but the deeds are in potentially final form to be transmitted to the developer, for execution. Mr. Pires recommended adoption of Resolution 2014-6.

In response to a question, Mr. Pires advised that the Collier County Canal and a lake just south of the county’s canal are not part of this conveyance.

On MOTION by Mr. Slater and seconded by Mr. Bergmoser, with all in favor, Resolution 2014-6, Accepting the Conveyance by Special Warranty Deed of Various Lake Tracts and Parcels, was adopted.

Mr. Pires indicated that he will notify the Board, once the deeds are recorded.

EIGHTH ORDER OF BUSINESS

**Consideration of Revised Amendment to
Traffic Signal Cost Sharing Interlocal
Agreement**

Mr. Brougham recalled discussion, at the last meeting, regarding CDD #2 possibly seeking to amend the previously approved Interlocal Agreement. He stated that, while the Board essentially agreed with the terms, it wanted clarifying language inserted to state that, if and when the District recoups the \$652,000 from U.S. Bank, CDD #1 will reimburse CDD #2 for their share, if the Districts split the costs; however, if the costs are recouped prior to the cost sharing payment, CDD #1 will fund the entire cost out of the recouped construction funds and have no obligation for sharing the costs of the U.S. 41 traffic signal.

Mr. Slater motioned to approve the Revised Amendment to Traffic Signal Cost Sharing Interlocal Agreement. Mr. Bergmoser seconded the motion.

Mr. Curland asked if this means that, if the District recoups even one penny less than \$652,000, the agreement is void. Mr. Brougham replied "that is the way it is written". Ms. Gretchen Scott, a CDD #2 Board Member, stated "that is wrong". Mr. Curland stated "I'm sorry Gretchen, that's the question I'm asking, that's what it says in here, okay, I mean, does this make sense." Ms. Scott indicated that it will be discussed at the CDD #2 meeting.

Mr. Curland motioned to table this item.

Mr. Bergmoser recalled that the Board chose to table this, at the last meeting.

Mr. Pires advised that the matter cannot be discussed unless someone seconds Mr. Curland's motion to table.

Mr. Brougham seconded Mr. Curland's motion.

Mr. Peterson voiced his opinion that the proposed amendment is the way it should be done, for CDD #1. He stated that he does not care; if the recouped funds are a penny, "they are stuck with it". Mr. Peterson indicated that, from CDD #1's point of view, the proposed wording is beneficial.

Mr. Curland questioned if it would be a fair arrangement.

Mr. Peterson stressed that he is not worried about fairness to CDD #2.

Mr. Curland voiced his opinion that the wording is ambiguous and suggested leaving the agreement as it is, until CDD #1 knows whether it will recoup its money.

Mr. Brougham felt that both Districts are of the same intent.

Speaking on behalf of the bondholder, Mr. DiNardo pointed out that the bondholders are the ones that could give permission to use the recouped funds for the light; the bondholders could choose to use the money to redeem bonds. He stressed that the first intent is for any recouped construction funds to be used to fund the traffic signal, regardless of the amount recouped.

Mr. Brougham asked if the amendment could be changed to state “any construction monies recovered from the trustee will be dedicated to the design, construction and installation of the traffic signal at S.R. 951”, with the other conditions of splitting the money.

Discussion ensued regarding whether to table this item or take further action.

Mr. Curland rescinded his motion to table this item. Mr. Brougham agreed.

On MOTION by Mr. Brougham and seconded by Mr. Peterson, with all in favor, directing District Counsel to revise the amendment to encompass the sentiment of the Board to state that “any construction money recovered from the trustee will be used to fund the traffic signal on S.R. 951, the parties will be reimbursed 50/50 and any variance will be split 50/50 with CDD #2 and reciprocated by CDD #1 for the future U.S. 41 traffic signal, was approved.

NINTH ORDER OF BUSINESS

Discussion: Manning Championship Gate

Mr. Brougham recalled that, at the last meeting, a request was made for the Board to consider budgeting, for Fiscal Year 2015, to place a guard at the Championship Gate.

Mr. Jesse Fritz, a resident, stated that, yesterday, he had to use his gate access device to open the gate for two service vehicles that were delaying entrance at the Championship Gate. He pointed out that he presented the request to man Championship Gate to CDD #2, last month, and, within a few minutes, the Board approved funding a guard, immediately.

Ms. Robertson, as President of Mulberry Association, reported that all residents, at the annual meeting held yesterday, are encouraging CDD #1 to man the Championship Gate. She discussed the various issues at the gate and advised that her community believes that a guard will provide high visibility and increase safety and security by keeping out unwanted guests. Ms. Robertson indicated that residents of her community would like the Championship Gate to be manned, immediately.

Mr. Brougham asked what CDD #2 approved at their last meeting. Mr. Adams indicated that CDD #2 approved manned coverage 12 hours per day, six days per week. Mr. Adams estimated that the total cost for coverage was approximately \$80,000 per year. Mr. Adams confirmed that the CDD #2 Board did not discuss 24/7 coverage; CDD #2 discussed coverage from 6:00 a.m., to 6:00 p.m., six days per week.

Mr. Bob Baldocchi, a resident, stated that, with increased activity in Copper Cove, traffic is often backed up on Championship Drive because people cannot get through the gate. He believes that the traffic conditions are becoming hazardous.

Mr. Dave Yates, a resident, noted that he recently observed three large dump trucks backed up, trying to exit at the Championship Gate. Mr. Brougham stated that there are no restrictions on exiting the community; with a pass, anyone can exit through any gate.

It was noted that CDD #1's portion of the cost would be 66%.

Mr. Yates asked the expense to repair the gate and answer phone calls at the gate.

Mr. Charbonneau indicated that most repairs are completed by The Foundation's on-site staff; The Foundation dispatches people to address backup issues, etc. He recommended reinstating a guard, at Championship Gate, to the former coverage level. Mr. Charbonneau noted that, currently, the community has a lot more traffic and the amount will continue to grow.

Mr. Joe Vaccaro, a resident, stated that a lot of the backup at Championship Gate is from prospective buyers. He noted that GPS is directing people to that gate and there is no one telling them otherwise. Regarding the budget to man Championship Gate, Mr. Vaccaro pointed out that the gate was previously manned and questioned if the money previously used for that was reimbursed to residents.

Mr. Brougham replied "no, that does not happen".

Mr. Vaccaro asked what happens to the money, if an item was budgeted but then the service was taken away. Mr. Brougham indicated that the money remains in the District's operating fund. Mr. Adams explained that unspent funds shifted to the fund balance and subsequent budgets did not fund the manning of Championship Gate.

Mr. Charles Turner, a resident, concurred with the previous comments. He advised of a safety concern, as people are granted entrance by frustrated residents waiting behind them in line.

Mr. Brougham felt that a guard will not stop unwanted access but may deter access, if people are aware of the guard's presence. He pointed out that piggybacking occurs at the Main

Gate, which is manned 24/7. Mr. Brougham commented that nothing can be done if someone piggybacks through the gate.

Mr. Turner stated that he would like the gate to be manned immediately.

Mr. DiNardo asked how much the District has in reserve. Mr. Adams indicated that the District does not have a "designated reserve"; it has "surplus fund balance". Mr. DiNardo asked the amount. Mr. Adams indicated that the amount is over \$1 million. Mr. Brougham questioned what this has to do with the discussion. Mr. DiNardo discussed the amount of money paid over the years, by the developer, and advised that the developer would like the Championship Gate to be manned. Mr. DiNardo felt that, with a "surplus fund balance", in excess of \$1 million, and having safety issues at the gate, it makes sense to use funds to man the gate.

Mr. Joe Bedessa, a resident, introduced himself.

Mr. Brougham advised Mr. Bedessa that he can speak for only two minutes.

Mr. Bedessa commended the District on the U.S. Bank matter. Regarding the cost to man Championship Gate, Mr. Bedessa felt that a manned gate will add value to the community.

From a developer/builder point of view, Ms. Scott confirmed that GPS systems direct prospective buyers to the Championship Gate, which causes many problems. She noted that the cost to man the gate breaks down to probably less than \$40 per year, per lot owner.

Discussion ensued regarding the anticipated cost to man the gate and how long it will take to fill the position.

Mr. Curland asked the status of the guard house. Mr. Charbonneau indicated that the building is intact; a printer must be installed.

Mr. Joe Schmitt, a resident, asked if there would be any changes to the gate, such as will all visitors be allowed to enter, along with commercial vehicles.

Mr. Brougham voiced his opinion that no changes are anticipated with regard to who can enter through Championship Gate or be issued passes, etc.

Mr. DiNardo pointed out that, from the developer's standpoint, Sandpiper Gate was designed for construction vehicle entrance and exit; it is the gate that construction vehicles should be using.

Mr. Brougham asked Mr. Albeit to advise residents to report construction traffic exiting Championship Gate. It was noted that a guard at the gate would alleviate that problem.

Mr. Schmitt pointed out that there will be backups if the guard prints passes. Mr. Brougham reiterated that the Post Orders have not been revised with regard to issuing guest

passes. Mr. Curland asked if this means that everyone who needs a pass will be sent to the Main Gate.

Mr. Curland voiced his opinion that the District has the opportunity to take action now and suggested using the day shift roving patrol person at Championship Gate.

A resident wondered how the rover could “rove”, if stationed at Championship Gate.

Mr. Brougham advised everyone that he will recess the meeting “if we have this type of comment coming back”. He recalled stating, at the last meeting, that, while the Board must run an open meeting, it will run it within rules. Mr. Brougham stressed that he will not tolerate “call outs” from the audience.

Mr. Curland proposed to immediately place the day shift roving patrol at Championship Gate, on a test basis, for two months. He noted that the District pays The Foundation for a supervisor, nine hours per day, such that this individual could be used as a roving patrol or respond to emergencies, along with Mr. Charbonneau, who could respond. Mr. Curland felt that the community has plenty of “eyes” during the day and a daytime roving patrol officer is not necessary; in the event of an emergency, the supervisor is available nine hours per day, five days per week. He believes that this approach enables the District to place a guard at Championship Gate at no cost to the community, on a two month test basis.

Mr. Brougham called the motion to a vote without Board discussion of Mr. Curland’s suggestions.

On MOTION by Mr. Slater and seconded by Mr. Brougham, with Mr. Slater, Mr. Brougham, Mr. Bergmoser and Mr. Peterson in favor and Mr. Curland dissenting, funding to place a guard at Championship Gate, from 6:00 a.m., to 6:00 p.m., six (6) days per week, effective as quickly as guards can be hired and trained, was approved.

*****The meeting recessed at 9:30 a.m.*****

*****The meeting reconvened at 9:31 a.m.*****

TENTH ORDER OF BUSINESS

Approval of January 22, 2014 Regular Meeting Minutes

Mr. Brougham presented the January 22, 2014 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

Line 64: Change “!uestions” to “Questions”

Line 90: Change “Cox” to “Pires”

Line 286: Change “money” to “restored constructions funds”

Line 318: Change “receives” to “received”

On MOTION by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, the January 22, 2014 Regular Meeting Minutes, as amended, were approved.

• **Action Items**

Mr. Brougham referred to Item 8 and indicated that the District is still carrying in excess of \$1 million, in the SunTrust account. Mr. Adams voiced his understanding that the transfers occurred in February and should appear on the Unaudited Financial Statements as of February 28, 2014.

A Board Member asked that the date an item was added to the Open Action Items List be included and the date completed be included on the Completed Action Items List. Mr. Brougham asked that the Completed Action Items List be purged, after 60 days on the list, and that those items be moved to an Archived Completed Action Items List. Mr. Adams voiced his understanding of the request.

ELEVENTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being nothing additional to report, the next item followed.

B. Manager

Mr. Brougham asked which seats are up for election this coming November. Mr. Adams indicated that Seats 1 and 2, currently held by Mr. Curland and Mr. Bergmoser, respectively, will be up for election. Mr. Adams advised that this matter will be addressed at the May meeting.

i. Approval of Unaudited Financial Statements as of January 31, 2014

Mr. Brougham presented the Unaudited Financial Statements as of January 31, 2014.

Mr. Adams referred to the high balance in the SunTrust account and reiterated that he directed Staff to sweep the account more frequently. He indicated that on roll assessment levy revenue collections were at 67% and off-roll assessment collections were current. Expenses were in line, with the exception of "Repairs and maintenance - gatehouse", on Page 3, which is due to remodeling and mold remediation.

Mr. Brougham asked if preventative measures were taken. Mr. Adams indicated that drainage was improved and then the wall mold was remediated.

Mr. Brougham asked if the tax collector rebate was received. Mr. Adams believed that it should have been received but he did not see it posted; he will check with accounting.

ii. NEXT MEETING DATE: March 26, 2014 at 8:00 A.M.

The next meeting is scheduled for March 26, 2014 at 8:00 a.m.

C. Operations Manager

Ms. Crismond presented her Operations Report. She indicated that the roadway pavement markings (RPMs) installation was completed. Ms. Crismond will inspect the RPMs to ensure that work was completed properly.

Ms. Crismond advised that, as requested, LakeMasters' January inspection report was included, as an attachment, to her report; she will provide the LakeMasters' reports on a monthly basis.

Mr. Brougham noted that three traffic citations and 27 warnings were issued.

THIRTEENTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Slater thanked Mr. Cole for solving a problem with the Bellagio residents.

Mr. Pires noted that he received a copy of U.S. Bank's attorney's fees of \$12,500, from Holland & Knight, for preparation of the various documents, along with U.S. Bank's trustee fees of \$5,000. Mr. Brougham asked if the District is responsible for those fees. Mr. Adams confirmed the fees.

Mr. Brougham felt that the Board should have a discussion with Mr. Wrathell regarding his concern that, while the District currently has a very capable District Manager in Mr. Adams, the District needs assurance from Mr. Wrathell regarding the "bench strength" or the firm's succession plan, should the District find itself with no District Manager or a District Manager

that has no familiarity with the District. He stated that he wants a discussion with Mr. Wrathell to determine what the firm has to assure continuity, in case Mr. Adams retires or relocates.

Mr. Adams assured Mr. Brougham that he is not retiring "anytime soon". Mr. Brougham interjected that maybe the firm will fire Mr. Adams. Mr. Adams indicated that the industry is beginning to improve and Mr. Wrathell is hiring additional District Managers, including one (1) located in the Orlando area and another, in the Tampa area, is expected to be hired soon. Mr. Adams advised that Mr. Wrathell is also seeking another District Manger to service the lower west coast market.

Mr. Brougham pointed out that the Board has not seen Mr. Wrathell in quite awhile and suggested that he attend the March meeting to discuss the Board's concerns and provide more specific information regarding the timing of the new hires. Mr. Brougham encouraged Management to begin having new District Managers present at the meetings, for a period of time, so that the Board knows there is "good" backup. He wants to know Mr. Wrathell's game plan.

Mr. Brougham noted that CDD #1 is 16 or 17 years old and asked the criteria that should exist so that the Districts can merge into a single District. Mr. DiNardo stated that the Districts are separate and a merger must be approved by Tallahassee. Mr. Pires confirmed that it would "take a process".

FOURTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, the meeting adjourned at 9:45 a.m.


Secretary/Assistant Secretary


Chair/Vice Chair