

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

Public Hearings and a Regular Meeting of the Board of Supervisors of the Fiddler's Creek Community Development District #1 were held on **Wednesday, August 20, 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:

Philip Brougham	Chair
Gerald Bergmoser	Vice Chair
Richard Peterson	Assistant Secretary
Robert Slater (<i>via telephone</i>)	Assistant Secretary
Charles Turner (<i>via telephone</i>)	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Terry Cole	District Engineer
Tony Pires (<i>via telephone</i>)	District Counsel
Matthew Flores	Woodward, Pires & Lombardo
Carrie Robinson (<i>via telephone</i>)	Tobin & Reyes, P.A., Litigation Counsel
Tony Grau (<i>via telephone</i>)	Grau & Associates
Alice Carlson	AJC Associates, Inc.
Myron Bechtel	Resident
Kent Lancaster	Resident
Jesse Fritz	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 8:03 a.m., and noted, for the record, that Supervisors Brougham, Bergmoser and Peterson were present, in person. Supervisors Slater and Turner were attending via telephone.

On MOTION by Mr. Bergmoser and seconded by Mr. Brougham, with all in favor, authorizing Supervisor Turner and Slater'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)

Mr. Brougham asked for public comments on non-agenda items. He reminded the public that they will be given ample opportunity to speak on agenda topics, as they are discussed.

THIRD ORDER OF BUSINESS

Special Counsel Update: Bankruptcy Proceedings

Ms. Robinson advised that the CDD #2 case that was assigned to Judge Shenko has a status conference set for September 4, 2014. She stated that, following that hearing, the District will have a better understanding of that case and the Board can decide whether to rejoin the case.

Mr. Brougham asked if the District must take legal action to rejoin a case that it previously joined. Ms. Robinson stated that the CDD #2 case was moved to a new judge but, technically, the CDD #1 case still remains with Judge Pivacek. She felt that this issue could be raised at the status hearing to obtain Judge Shenko's opinion regarding whether he took control of both cases. Ms. Robinson explained that the cases were consolidated; however, each retains its individual characteristics. She further clarified that the cases are not joined forever. Ms. Robinson pointed out that the disqualification of Judge Pivacek only referenced the CDD #2 case number; therefore, CDD #1 needs guidance from the court.

Mr. Brougham asked if Counsel needs input from the Board, should Judge Shenko not allow the cases to remain joined. Ms. Robinson voiced her understanding that the Board still wishes to proceed in a consolidated case, with the Judge assigned to the CDD #2 case. Mr. Brougham replied affirmatively. Ms. Robinson explained that Judge Shenko will either determine that the consolidation occurred or CDD #1 must ask, again, to join the CDD #2 case; as the Board agreed today, Counsel is authorized to proceed immediately.

FOURTH ORDER OF BUSINESS

Developer's Report/Update

There being no report, the next item followed.

FIFTH ORDER OF BUSINESS

Engineer's Report

Mr. Cole presented Draw #89, for the 2005 Series bonds, in the amount of approximately \$100, for work related to the annual PUD and DRI Monitoring Report, which updates the status of development in the community.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2014-13,
Accepting the Audited Financial Report
for the Fiscal Year Ended September 30,
2013**

Mr. Brougham presented Resolution 2014-13 for the Board's consideration. He recalled that the audit was distributed to the Board, via email, in late June.

Mr. Adams indicated that completion of the audit was delayed until the closing of the exchange bonds was completed, which was a significant subsequent event and was important to include in the audit. He reported that there were no material issues with the final audit; the audit met the June 30 filing deadline. Mr. Adams indicated that District Counsel had a few questions requiring input from Special Counsel.

Mr. Tony Grau, of Grau & Associates, presented the Audited Financial Report for the Fiscal Year ended September 30, 2013. He referred to the "Independent Auditor's Report", on Pages 1 and 2, and explained that the format changed slightly, due to terminology changes. Mr. Grau confirmed that the District received a clean opinion, meaning that the auditor believed that the financial statements were fairly stated, in accordance with generally accepted accounting principles. He referred to the "Emphasis of Matter", on Page 2, and explained the new Governmental Accounting Standards Board ("GASB") changes, including the requirement to immediately write-off bond issuance costs; no longer capitalizing them, which resulted in the bond issuance costs being written-off and shown as a "prior year adjustment". He stated that this resulted in a reduction of approximately \$800,000, from the District's "Net Position". Mr. Grau noted that the new standards changed the term "Net Assets" to "Net Position".

Mr. Grau referred to the "Government-wide Financial Analysis", on Pages 4 through 6, which summarizes the District's financial activities, as reflected on the "Statement of Net Position" and "Statement of Changes in Net Position", on Page 5. He reported that the District's deficit increased by approximately \$700,000; Pages 7 and 9 contain more detailed information. Mr. Grau advised that "Revenues" were nearly identical to the prior year, "Expenses" decreased by approximately \$1.5 million, as a result of an adjustment related to the two bond series that

were exchanged. He noted that \$819,000 was written off, which increased the deficit in the "Net Position".

Mr. Grau reviewed the "Balance Sheet", on Page 9, showing the District's various funds. He pointed out a large "Due from other funds" receivable, primarily due from the Series 2005 fund, which will be eliminated through the bond exchange. Mr. Grau indicated that the "Statement of Revenues, Expenditures, and Changes in Fund Balances", on Page 11, reflects the District's "Revenues", "Expenditures" for the District's funds.

Mr. Grau referred to "Note 6 – Interfund Receivables, Payables and Transfers", on Page 20, and explained that the table, in the middle of the page, reflects the long-term debt interfund transfers. He presented "Note 8 – Long Term Liabilities (Continued)", on Page 22, which explains that the Series 2006 bond was refunded. It also details information regarding the new bonds that were issued during Fiscal Year 2013; Series 2013 and Series 2013A.

Mr. Grau referred to "Note 15 – Litigation and Claims", on Page 24, which discloses the litigation situation with the former trustee and their claim that the District owes \$462,000. He stated that "Note 16 – Subsequent Events", on Page 16, details the subsequent events of the District, including joining the CDD #2 litigation case, as well as the bond exchange.

Mr. Grau presented the "Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund", on Page 26.

Mr. Grau referred to the "Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters", on Pages 28 and 29, and the "Management Letter" and "Report to Management", on Pages 30 through 32. He advised that the District had one finding because the Series 2002A and B and the Series 2005 debt service reserve requirements were not met as of September 30, 2013; however, this is no longer an issue because those bonds were exchanged.

Mr. Adams presented comments raised by Mr. Pires. On Page 6, Lines 3 and 4, under "Economic Factors and Next Year's Budgets and Other Events", Mr. Pires recommended changing the word "current" to "former".

On Page 16, Line 1, under "Note 16 – Subsequent Events", Mr. Pires recommended removing the word "has" and adding ", which motion was granted", to Line 3, after "(Fiddler Litigation)". Mr. Adams referred to the second paragraph and noted that Mr. Pires recommended removing "Each party to this agreement expressly reserves all rights, remedies and claims it may have under the Indentures and/or applicable law; notwithstanding any

provision herein to the contrary, nothing contained herein as a result of this agreement shall be construed against any Party in the Fiddler Litigation or in any other context. The District and each of the bondholders jointly indemnify and hold harmless Wilmington Trust from all liability resulting from any claims may be asserted from U.S Bank". Mr. Adams recalled that this language was consistent with the language in CDD #2's audit and was critiqued by Special Counsel and a CDD #2 Board Member. Ms. Robinson stated that the verbiage was reviewed extensively, with respect to CDD #2; she recommended maintaining the same language, if there is a benefit for both CDDs to do so. Mr. Pires deferred to Special Counsel regarding whether to retain the statement. Mr. Brougham stated that the sentence will remain.

In response to Mr. Brougham's question regarding changes to the audit, as it was already filed, Mr. Adams advised that the District will file a "revised" audit; however, both audits will remain on file.

On MOTION by Mr. Brougham and seconded by Mr. Peterson, with all in favor, Resolution 2014-13, Accepting the Audited Financial Report, as revised, for the Fiscal Year Ended September 30, 2013, was adopted.

▪ **Consideration of Certain Invoices Related to the Facilitation of the Exchange Bond Issues**

*****This item, previously the Eighth Order of Business, was presented out of order.*****

Mr. Adams indicated that Mr. Pires was concerned about the content of the invoices and inclusion of them in the agenda package, as he believes that the write-ups of the tasks performed may be attorney-client privileged in nature.

Mr. Pires suggested that he and Special Counsel be given an opportunity to review and redact the invoices, prior to Management including them in the agenda packages. Mr. Pires stressed his belief that certain information qualifies as being exempt and confidential, at the present time, due to the pending litigation. Ms. Robinson concurred with Mr. Pires' recommendation and opinion; she confirmed that invoices are often "heavily" redacted, when they must be included in court filings. Mr. Pires recommended that the invoices be removed from the CDD website. Mr. Adams confirmed that the invoice portion will be extracted from the electronic agenda and the new version placed on the website.

*****Mr. Grau left the meeting.*****

SEVENTH ORDER OF BUSINESS

**Consideration of Award of Contract - SR
951 Traffic Signal Installation**

Mr. Cole referred to the July 22, 2014 memorandum to Mr. Pires, which summarized the bids received. He noted his determination that OnPower Services (OnPower) was the lowest, responsive and responsible bidder and recommendation to award the contract to OnPower. Mr. Cole indicated that favorable references were received for both contractors.

Mr. Cole advised that OnPower's bid was \$367,926.70 but contained an error of approximately \$9,500, which was corrected and will involve a change to the meeting minutes. In response to a question, Mr. Cole confirmed that OnPower's initial bid was still lower than the bid submitted by Highway Safety Devices' (HSD) bid.

Mr. Brougham summarized that this is the same contractor that Mr. Cole recommended at the last meeting. Mr. Cole reaffirmed his confidence in OnPower's ability to complete the project.

Mr. Brougham asked for an update on the installation schedule and the permit pending approval by the Department of Transportation (DOT).

Mr. Cole advised that the consultant, David Plummer and Associates, responded to DOT's comments but has not received a response. He recalled DOT requiring an agreement between DOT and the county; the permit will not be issued until the agreement is finalized. Mr. Cole noted that county staff submitted this item to be on the county commissioner's consent agenda, at their September 9 meeting but was not certain that it would be included; if not, it would slip to the subsequent meeting. He discussed a delay due to indemnification requirements that the DOT wanted to impose on Collier County; those matters were recently resolved.

Mr. Brougham expressed concern that the item might not be on the county commissioner's September 9 agenda. Mr. Cole confirmed that he will call his contact person with the county. Mr. Pires suggested that the Board authorize Mr. Cole and/or Mr. Brougham to contact the commissioner representing the District, directly, if necessary. Mr. Brougham stated that he will contact the commissioner, if authorized by the Board, and asked Mr. Cole to forward the specific information regarding this matter.

The Board agreed to Mr. Brougham contacting the county commissioner, directly.

Mr. Bergmoser asked if the item "CCTV" is related to closed circuit television and fiber optic cables and why those are necessary. Mr. Cole explained that most of the county's traffic signals have cameras.

Mr. Brougham questioned if the engineering costs are included in the 50/50 cost split with CDD #2. Mr. Pires recalled that the costs to be split include design, permitting and construction. In response to Mr. Brougham's question, Mr. Pires confirmed that the engineering costs fall within the design and permitting costs. Mr. Brougham stressed that he wants assurance that all costs, inclusive of the District Engineer, David Plummer and District Counsel, are included in the cost of the signal. Mr. Pires stated that he will research the information, in order to confirm. Mr. Cole indicated that design and permitting were referenced in his summary and includes all of District Counsel's services, David Plummer's fees, soil borings and utility locates.

Mr. Brougham summarized that the project is on hold until the county approves the agreement. If the agreement is approved at the September 9 meeting, Mr. Cole anticipated completion of the project within six months of receiving the DOT permit. Mr. Brougham asked if supplies could be ordered, while the permit is pending. Mr. Cole deferred to Mr. Pires. Mr. Pires asked Mr. Cole for his level of confidence. Mr. Cole was confident that the permit would be issued but noted he was unsure of the timing. Mr. Pires felt that ordering supplies prior to receiving the permit could be "a gamble". Mr. Cole suggested awarding the contract with the stipulation that the mast arms not be ordered until the District receives the permit; however, this would allow the District Engineer to receive the shop drawings and review them, in the interim. Mr. Pires recommended that a notice to proceed not be issued until the permit is received.

Mr. Slater felt that the District should notify residents of the delay and the reason, as most residents expected the signal to be operational in January, 2015.

*****Ms. Robinson left the meeting.*****

*****Mr. Pires left the meeting.*****

On MOTION by Mr. Slater and seconded by Mr. Brougham, with all in favor, awarding the Collier Boulevard (S.R. 951) at Fiddler's Creek Parkway Signalization Improvements contract to OnPower Services, with the stipulation that the mast arms not be ordered until the District receives the permit, in a not-to-exceed amount of \$367,926.70, was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Certain Invoices Related to the Facilitation of the Exchange Bond Issues

Mr. Adams recalled that the developer's representative, Mr. Tony DiNardo, committed to paying all costs related to the exchange bonds. He noted that Mr. DiNardo addressed all of the direct, special professional services costs, such as bond counsel, other counsel and engineering costs, related to issuance of the exchange bonds; however, other expenses were incurred. Mr. Adams advised that the District was required, by the developer, to move the trustee services from U.S. Bank to Wilmington Trust, in order to complete the exchange bond process. He indicated that the District incurred \$57,322.95 in costs during the process, which were provided for the Board's consideration.

Mr. Brougham explained that the developer made it clear that they would not proceed with the bond exchange transactions, as long as U.S. Bank remained the trustee. He noted that issuance of the exchange bonds did not benefit current residents, from any perspective; it only benefitted the developer, with the only overall benefit to the District being that it removed the blemish from its audit. Mr. Brougham voiced his opinion that the associated legal costs are owed to the District, by the developer.

The Board concurred with Mr. Brougham.

Mr. Brougham asked Mr. Adams to prepare a letter, with a redacted invoice attached, asking the developer to reimburse \$57,322.95 to CDD #1. In response to a question, Mr. Brougham confirmed that the District already paid the invoices related to this matter. Mr. Brougham suspected that the District might meet resistance from the developer and, if so, the matter should be discussed at a future meeting.

On MOTION by Mr. Brougham and seconded by Mr. Peterson, with all in favor, authorization for Staff to prepare a letter to the developer, with a redacted invoice attached, asking the developer to reimburse \$57,322.95 to CDD #1, was approved.

NINTH ORDER OF BUSINESS

**Public Hearing to Hear Comments and
Objections on Adoption of Fiscal Year
2014/2015 Budget**

A. Affidavit of Publication

The affidavit of publication for today's Public Hearing was included for informational purposes.

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

Mr. Brougham recalled that residents received a notice from Mr. Adams advising that the assessments would not increase above \$1,490, which represented an increase of approximately \$200. He noted that, subsequent to the notice, the number of equivalent residential units (ERUs) in CDD #1 increased because of developer adjustments to the number of homes that would be built. Mr. Brougham indicated that the change resulted in assessments only increasing by approximately \$35.

Mr. Adams pointed out that, with the increase in the number of CDD #1 ERUs, the cost split percentages with CDD #2 returned to 65% for CDD #1 and 35% for CDD #2.

Mr. Brougham recalled that the primary reasons for the Fiscal Year 2015 budget increase include the addition of a "Litigation" line item and upgrades and enhancements to the security system. Mr. Adams noted that "Contractual services", which is the manpower for security, increased due to manning Championship gate. Mr. Adams advised that landscape expenses increased, as well, in anticipation of cost increases related to maintaining the landscape program, when the contract goes out for bid.

Ms. Alice Carlson, of AJC Associates, Inc., indicated that the District has two bond issues related to areas where residents live. She explained that the bonds were refinanced during Fiscal Year 2013, which resulted in a significant reduction to the Fiscal Year 2014 assessment level. Ms. Carlson advised that assessments will be "flat" until the bonds are paid off. When the bonds were refinanced, the District chose to collect "maximum annual debt service", which means that the debt service assessment amount will remain the same, every year.

Ms. Carlson highlighted the Series 2013-1 bonds, which is the refinancing of the Series 1999 bonds. She stated that, for the Series 2013-1 and 2013-2 bonds, everything is platted and mostly sold; therefore, there will be no changes to the property. Regarding Series 2013-1, Ms. Carlson advised that the developer still owns the Runaway Bay property and sold 29 additional lots to Lennar; 17 lots remain. She believed that the developer has a drawdown contract with Lennar, for the lots. Ms. Carlson indicated that the developer still owns five Mahogany Bend lots and four Majorca lots. She summarized that some lots were sold during Fiscal Year 2014 and two buydowns were received. Ms. Carlson noted that the developer is no longer making buydown payments for this bond issue; therefore the higher assessment is being passed on to the property owner.

Mr. Brougham indicated that the bonds were typically used by the developer to pass the financing of infrastructure to the bondholders and control the price of homes. He speculated that, if bonds were not used to build infrastructure, all infrastructure costs would have to be included in the cost of a home, at the time of purchase.

Ms. Carlson advised that the Series 2013-2 bond relates to refinancing the Series 2006 bonds. She stated that the developer still owns four Isla Del Sol lots; everything else is sold and seven Isla Del Sol lots were sold in Fiscal Year 2014. Buydowns were received from Mallards Landing and Cardinal Cove.

Ms. Carlson indicated that one plat occurred with the new bond issues, resulting in the increased number of ERUs, which is a benefit to the District. She advised that the developer is proceeding with development in the first area of Marsh Cove, which is the Series 2014-1 bond issue, and a plat was recorded; all of those lots will be added to the tax roll. Ms. Carlson noted that the first three lots were sold.

Mr. Brougham asked if there are plans to build a gate house at Marsh Cove. Mr. Cole knew of plans to build "entry improvements" but could not speak specifically of gate house details. Mr. Adams recalled that Mr. DiNardo discussed a gate house at Marsh Cove.

Ms. Carlson indicated that the current plans are to build single-family estate homes and leave an annual debt service assessment of \$5,100 on those properties. She stated that the assessment on unsold property is \$5,470 and the developer will make a small buydown payment to reduce the amount to \$5,100.

Mr. Brougham asked if the newest increase in the number of ERUs will be the last. Ms. Carlson pointed out that the developer only platted the first bond issue; the developer has developed a plan of what they want to build for the other three bond series, which could change, depending on market conditions. Discussion ensued regarding factors that could increase or decrease the number of ERUs.

In response to Mr. Turner's question, Ms. Carlson explained that the Series 2014-1, 2014-2, 2014-3 and 2014-4 bonds were the result of exchanging prior bonds; the coupon rate remained the same because the bonds were exchanged, not refinanced.

Ms. Carlson pointed out that the debt service and operation and maintenance (O&M) assessments, on the Series 2014-2, 2014-3 and 2014-4 bonds, will be collected off roll, direct billed to the developer, until platted.

Mr. Myron Bechtel, a resident, asked if the bond time frames changed, as a result of the exchange. Mr. Brougham replied no and noted that no residential property owners were affected.

Mr. Kent Lancaster, a resident, asked about the mailed notice. Mr. Adams explained that Management was not aware of the additional ERUs prior to the notice being sent; however, the additional ERUs actually reduced the assessments to a level well below the noticed "not-to-exceed" amount identified in the notice. He stated that the O&M assessment will be \$1,329.49, rather than the \$1,490 included in the notice. Mr. Adams noted that completion of the bond exchanges resulted in additional savings.

In response to Mr. Lancaster's question regarding future noticing, Mr. Adams confirmed that subsequent notices of assessment increases will not be required, in future years, provided the increase does not exceed the cap amount in the most recent notice. Mr. Lancaster questioned if the assessment cap was set. Mr. Adams explained that it was set, at the last meeting, for the purpose of the mailed notice. Mr. Brougham noted that the only reason a notice was sent this year was because the amount of the assessment increase was proposed to exceed the previously noticed cap amount; residents only receive the mailed notice if the proposed assessment increase exceeds the previously noticed amount. Mr. Brougham confirmed that this has always been the process; he estimated that only three notices have been sent, over the past ten years.

In response to a question, Mr. Adams confirmed that, from a legal perspective, the District could increase assessments, indefinitely, without sending a mailed notice, provided the increase does not exceed the assessment cap amount contained in the most recent mailed notice.

Mr. Lancaster asked who established the assessment cap amount in the mailed notice.

Mr. Brougham indicated that the amount was set by the Board. He encouraged Mr. Lancaster to attend meetings and access the CDD website.

B. Consideration of Resolution 2014-14, Adopting the Budget for the Fiscal Year Beginning October 1, 2014, and Ending September 30, 2015

Mr. Brougham presented Resolution 2014-14 for the Board's consideration.

On MOTION by Mr. Peterson and seconded by Mr. Bergmoser, with all in favor, Resolution 2014-14, Adopting the Budget for the Fiscal Year Beginning October 1, 2014, and Ending September 30, 2015, as presented, was adopted.

TENTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Imposition of Special Assessment to Fund District's Proposed Budget For Fiscal Year 2014/2015

A. Affidavit of Publication

The affidavit of publication for today's Public Hearing was included for informational purposes.

B. Mailed Notice to Property Owners

The mailed notice to property owners was included for informational purposes.

C. Consideration of Resolution 2014-15, Imposing Special Assessments; Providing for the Collection and Certifying an Assessment Roll; Providing a Severability Clause; and Providing an Effective Date

Mr. Brougham presented Resolution 2014-15 for the Board's consideration.

On MOTION by Mr. Peterson and seconded by Mr. Bergmoser, with all in favor, Resolution 2014-15, Imposing Special Assessments; Providing for the Collection and Certifying an Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.

****Mr. Brougham closed the Public Hearing.****

ELEVENTH ORDER OF BUSINESS

Approval of Minutes

• July 23, 2014 Regular Meeting

Mr. Brougham presented the July 23, 2014 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

Lines 88 through 92: Change "Mr. Cole explained that, initially, OnPower's bid appeared higher than the HSD bid; however, a mathematical error was discovered and OnPower was permitted to submit a correction, which resulted in the OnPower bid being lower than the HSD bid. He indicated that OnPower submitted a bid for \$367,926.70, which was lower than the HSD bid of \$400,966.70." to "Mr. Cole explained that OnPower's bid contained a mathematical error of \$9,471.54. OnPower's corrected bid for \$367,926.70 is lower than the HSD bid of \$400,966.70."

Line 119: Change "plumber" to "David Plummer and Associates"

Line 201: Change "Bergmoser" to "Peterson"

Lines 226 and 230: Change "Cornof" to "Cortnof"

Line 250: Delete: "Mr. replied no."

On MOTION by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, the July 23, 2014 Regular Meeting Minutes, as amended, were approved.

o **Action Items**

The action items were not discussed.

• **August 4, 2014 Continued Meeting**

Mr. Brougham presented the August 4, 2014 Continued Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, the August 4, 2014 Continued Meeting Minutes, as presented, were approved.

TWELFTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

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

B. Manager

Mr. Brougham asked about the status of the District's request for a line of credit.

Mr. Adams indicated that he received a negative response from FineMark Bank, due to the District's recent history; he will request a line of credit from Fifth Third Bank. Mr. Brougham asked if Mr. Adams contacted Iberiabank. Mr. Adams replied no.

Mr. Brougham explained that, although the District has a healthy cash balance in the "Operating Fund", it is seeking a line of credit because, in the event of a hurricane, the cash balance would quickly dwindle. He recalled that the developer used its resources after Hurricane

Wilma but the District cannot depend on that occurring again. Mr. Brougham stressed that the line of credit would only be used in emergency circumstances.

Mr. Turner asked if the money to pay for the new traffic signal will come from the District's reserve funds. Mr. Brougham replied affirmatively, provided the District cannot recoup the funds from the former trustee. Mr. Brougham summarized that the District will fund the traffic signal from its "General Fund" and, if funds are recouped from the former trustee, the District will use those to reimburse itself and CDD #2 for any expenditures related to the traffic signal.

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

Mr. Adams presented the Unaudited Financial Statements as of July 31, 2014.

Mr. Brougham asked about the \$2,400 expenditure to repair the gate house and commented that the District seems to be repairing it constantly. Mr. Adams indicated that the repairs were related to air conditioning. Ms. Crismond noted that the roof repair costs have not been received but should appear on future Unaudited Financial Statements. Discussion ensued regarding whether the gate house should be torn down and replaced. Mr. Adams estimated a cost of \$200,000 to \$250,000 to replace the gate house. Mr. Adams suggested obtaining an estimate to replace the roof, rather than repair it.

ii. Consideration of Fiscal Year 2015 Proposed Meeting Schedule

Mr. Brougham presented the Fiscal Year 2015 Proposed Meeting Schedule for the Board's consideration.

On MOTION by Mr. Peterson and seconded by Mr. Bergmoser, with all in favor, the Fiscal Year 2015 Proposed Meeting Schedule, as presented, and directing Staff to advertise, accordingly, were approved.

iii. NEXT MEETING DATE: September 24, 2014 at 8:00 A.M.

The next meeting is scheduled for September 24, 2014 at 8:00 a.m.

C. Operations Manager

Ms. Crismond presented the Operations Report. She advised that she notified The Foundation of the Board's approval of the signage repairs, at the last meeting. Ms. Crismond indicated that she received the insurance reimbursement check for the street sign repair at Mulberry and the Parkway; however, the repairs are pending. Regarding the Sandpiper Drive

Bridge damage, Ms. Crismond stated that she received a cost estimate and repairs are proceeding; the costs will be reimbursed by TruGreen.

Ms. Crismond reported that she continues to meet with TruGreen regarding landscape issues; TruGreen fell behind on pruning but should be caught up by the end of this week. In response to a question, Mr. Adams advised that a county ordinance does not allow landscaping work to be performed on Sundays.

Ms. Crismond indicated that the landscape renovation project, on Championship Drive, commenced on Friday. She anticipated completion within the next few weeks. Ms. Crismond referred to two areas and stated that Management is obtaining cost estimates to replace the ficus trees with shrubs and mulch, in one area, and replace the ficus in the other area with clusia. She noted that she is working with TruGreen to identify cassia trees that are in poor condition, due to rust disease; TruGreen will replace those trees, at its expense. Ms. Crismond stated that Mr. Brougham is working with The Foundation regarding replacement trees, as the District does not want to install the pink tabs or southern magnolia trees that were approved by The Foundation.

FOURTEENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors’

Ms. Crismond recalled previous discussion regarding iguanas. Mr. Peterson reported that they are Cuban knight anole lizards, which do not eat bird eggs and are not indigenous to the area. Ms. Crismond advised that she contacted trappers; the cost is \$150 per trap to set the trap and \$100 per lizard for removal.

FIFTEENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned at approximately 9:35 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

J. P. Brughman
Secretary/Assistant Secretary

COO E. A. Amis
Chair/Vice Chair

