

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

A Regular Meeting of the Board of Supervisors of the Fiddler’s Creek Community Development District #1 was held on **Wednesday, July 22, 2015, 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
Richard Peterson	Assistant Secretary
Robert Slater	Assistant Secretary
Charles Turner	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Terry Cole (<i>via telephone</i>)	District Engineer
Barry Jones	Hole Montes
Tony Pires (<i>via telephone</i>)	District Counsel
Matt Flores	Woodward, Pires and Lombardo
Carrie Robinson (<i>via telephone</i>)	Tobin & Reyes, P.A., Litigation Counsel
Ron Albeit	The Foundation
Mike Charbonneau	The Foundation
Kevin Cook	LandCare
Mark Swanson	LandCare
Rick Herndon	Landcare
Bill Reagan	FMSbonds
Residents	

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.

Mr. Brougham requested the addition of a “Landscaping” topic during the Fourth Order of Business. There were no objections.

SECOND ORDER OF BUSINESS

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

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Special Counsel Update

This item was addressed following the Fourth Order of Business.

FOURTH ORDER OF BUSINESS

Developer's Report

There being no report, the next item followed.

▪ **Landscaping**

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

Mr. Brougham requested that Mr. Kevin Cook and Mr. Mark Swanson, of LandCare, attend today's meeting because he observed landscape maintenance deficiencies, over the past month or two, particularly during the hot, rainy season. He voiced his opinion that the current conditions were unacceptable due to lacking "a high level of proactivity" by the landscape professionals. Mr. Brougham recalled prior issues with LandCare, including multiple deficiency notices, which resulted in withheld payments. He contended that, "if something is deficient, it is caused by something; lack of manpower, lack of attention, lack of supervision". Mr. Brougham previously asked District Counsel to review the District's contract with LandCare and provide options. He wanted to know what the District could do when LandCare does not "keep this place beautiful". Mr. Brougham stated "I'm looking for a way to take money away from you and you never get it back. It's like if you don't trim that roadway median, it's going to cost you \$10,000, I'm just picking a number, or \$5,000". He was tired of the situation and believed that LandCare needed more manpower or supervisors.

Mr. Turner pointed out that Fiddler's Creek Parkway has dangerous blind spots. He noted that the median on Fiddler's Creek Parkway had trees and bushes that grew into, or over, the left lane. Mr. Turner contended that LandCare "loves cutting grass" but, "as soon as the grass is cut, that's it, no more attention".

Mr. Slater did not understand how LandCare did business, as the company did not seem to have quality checks (QCs). He surmised that the work was never inspected to determine what was completed or what workers failed to accomplish. Mr. Slater asked why a QC was not conducted at the end of each work day. He questioned why LandCare regularly took several days to clean up after weather events, leaving debris all over the community.

Mr. Cook and Mr. Swanson confirmed that a QC is conducted following each day of work. Mr. Swanson advised that a supervisor was hired for quality control and felt that, while LandCare fell behind, they caught up and were almost in a "great spot". Mr. Slater recalled that LandCare made the same comments a few months ago and voiced his opinion that "saying something and doing something are two different things". He wanted the QC person to take pride in their work. Mr. Slater stated that he would not select LandCare again.

Mr. Bergmoser asked what caused LandCare to get behind. Mr. Cook indicated that the hard cutting schedule "hit them hard" and might have required more manpower; however, it was recently "made up for" with overtime. Mr. Cook acknowledged that this was his first season in the area and it impacted him. Mr. Bergmoser asked if LandCare had the necessary manpower. Mr. Cook replied affirmatively.

Mr. Brougham pointed out that Mr. Swanson and LandCare were in the landscaping business for many years and LandCare held the contract for six to eight years; therefore, someone at LandCare should know the property, understand the impact of the rainy season and the hard cutting process. He felt that LandCare was making excuses and, while there might be a learning curve for new employees, LandCare should not be making excuses, with respect to the District; LandCare should have a pool of manpower prepared to deploy when necessary. Mr. Brougham believed that the supervisor should have authority to grant overtime.

Mr. Peterson pointed out that he was not aware that this topic would be discussed today. He was unsure what precipitated Mr. Brougham's introduction of this item.

Mr. Brougham stated that, while touring the property over the past week, he observed line-of-sight issues in the medians, etc.

Mr. Peterson asked if Ms. Crismond was responsible for overseeing the landscaping.

Ms. Crismond indicated that she spoke with LandCare, over the last few weeks, took photographs several times, emailed Mr. Cook and advised of what needed to be completed. She was directed by Mr. Brougham to have LandCare attend the meeting.

Mr. Peterson asked Ms. Crismond if she spoke to Mr. Brougham about these issues prior to today. Ms. Crismond replied affirmatively. Mr. Brougham added that, when he informed Ms. Crismond of his concerns, all of the other issues came out.

Mr. Cook noted that numerous plants in the center median must be removed and replaced; trimming would not be sufficient. The sidewalk issues were addressed. He advised that Mr. Swanson had authority to grant overtime, when needed. Mr. Cook reiterated that it was

Mr. Cook's first year and LandCare believed that the work could be completed with the normal amount of labor but hired subcontractors for hard cutting. He pointed out that, due to the age of the community, the hard cutting process required chainsaws, for the first time. Mr. Cook understood the District's conditions when the contract was awarded; however, when work fell behind, it could not be caught up within a few days.

Mr. Turner asked if LandCare would accept the conditions, if this was their property.

Mr. Cook replied "today, yes; two weeks ago, probably not". He explained that bougainvilleas are finicky and never look good this time of year. Mr. Cook stated that trimming was on a two or three-week cycle.

Mr. Brougham interjected that LandCare knew this when it bid the contract. He reiterated that the Board was not satisfied with the quality of LandCare's service. Mr. Brougham felt that it was incumbent upon LandCare to identify areas of concern, relay the information and recommendations to Ms. Crismond and for Ms. Crismond to present it to the Board for consideration.

Mr. Peterson pointed out that safety was an issue and urged LandCare to address those areas.

Mr. Brougham asked LandCare to prepare a report related to the Board's concerns, what would be done to address those concerns and make recommendations. He stated, if the current conditions continue for the next month or two, he would motion to terminate LandCare's contract. Mr. Brougham directed LandCare to provide the requested report to Management within ten days.

Mr. Pires indicated that, under the existing contract, the District can issue defective work notices and, if the issue was not resolved within seven days, payment could be withheld and another contractor could be hired to perform the work. Under the payment provisions, the District would pay the amounts due and payable, subject to setoffs but no payments shall be due or payable for work not performed or materials not finished and, in no event shall the District be required to make payments for defective or incomplete work or other expenses not approved by the District. He stated that, to the extent that the District could quantify the amount attributable to the work not performed, it could refuse to make payment, deduct it from invoice amount and never pay that amount. Mr. Pires noted that, per the contract, monthly sums, in gross amounts, broken down by categories, are invoiced.

Mr. Pires pointed out that those issues concerning traffic hazards create exposure for the District and LandCare. He felt that LandCare would be wise to comply with the contract terms and maintain the roads and sidewalks in a safe manner.

Mr. Cook asked if the District planned to withhold funds now. Mr. Brougham replied no but "that's certainly where we could be next week".

Mr. Brougham directed Management to include this as a discussion item on the next agenda.

Mr. Adams suggested that Ms. Crismond copy the Board on her emails to LandCare.

Mr. Slater asked if LandCare inspects communities if a storm occurs on Friday night or over the weekend. Mr. Cook replied affirmatively. Mr. Slater contended that, when there were Friday night storms, nothing was done until Monday; he felt that the community should look its best on the weekends. Mr. Cook noted that it can be difficult to assemble a large enough crew to attend to the community on the weekend, when an unexpected event occurs; however, people are on call and a crew was typically in the community on Saturday.

Mr. Brougham questioned how LandCare would know that work was necessary, over the weekend. Mr. Swanson stated that he received numerous calls from security.

******Ms. Robinson joined the meeting, via telephone.******

▪ **Special Counsel Update**

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

Ms. Robinson indicated that U.S. Bank, individually, was served with the amended counter claim and responses are due on August 3, 2015. She anticipated that motions to dismiss would be filed, with hearings on those motions in September, 2015.

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

FIFTH ORDER OF BUSINESS

Engineer's Report

Mr. Jones presented Draw #96 for approximately \$50,000, for the Series 2005 A/B bonds, for work related, primarily, to the traffic signal.

Regarding the SR 951 traffic signal, Mr. Jones advised that the hole for the pole on the west side of the road collapsed, twice, so the Florida Department of Transportation (FDOT) allowed the pole to be moved 30' north, which put the project behind schedule. Discussion ensued regarding the signal locations; Mr. Jones will provide the updated design. Mr. Brougham

asked if the change would cost the District. Mr. Adams confirmed that the District would incur additional costs; the contractor submitted an addendum to the agreement for the redesign.

In response to a question from Mr. Brougham, Mr. Jones explained that, if the new location collapses, he would consult with the contractor's design engineer and, if the issue was repetitive, a steel casing could be installed within the hole to maintain it; however, the cost would increase. Mr. Brougham questioned the cost difference between relocating the hole and installing a steel casing in the current location. Mr. Jones suspected that relocation would cost less than the steel casing.

Mr. Brougham preferred that the contractor maintain the current location and install the steel casing, rather than incurring costs to relocate it with no guarantee that the new location would not collapse, as well. He felt that the contractor should "solve the problem rather than continue to experiment".

Mr. Brougham directed Mr. Adams to obtain the cost estimates for each scenario, prior to the contractor proceeding, as he was not sure he wanted the contractor or District Engineer to make the decision.

Mr. Adams wondered if installation of a steel casing would require more significant changes to the permit than simply relocating the hole. Mr. Jones pointed out that, once a hole collapses, the ground might not provide the same structural "in place" qualities as it would if a steel casing was initially installed. In response to Mr. Brougham's question, Mr. Jones estimated a delay of approximately two to four weeks. Mr. Adams indicated that the redesign and re-permit cost was a not-to-exceed amount of \$5,500; there was no change in the contract for relocating the hole or for the second hole attempted at the original location. Mr. Adams received no invoices related to relocation, other than the redesign and re-permitting costs.

Mr. Adams confirmed that the District would incur additional costs if the Board demanded the steel casing option.

Discussion ensued regarding the permitting process.

*****Mr. Cole joined the meeting, via telephone.*****

Mr. Jones asked Mr. Cole if a geotechnical investigation was conducted on the proposed alternate location for the pole. Mr. Cole indicated that he had no additional information, other than the original soil boring reports. Mr. Jones asked if a steel casing was included in the original contract cost. Mr. Cole stated that it would likely require a change order but did not know the amount. Mr. Jones noted that FDOT had not stamped the revised design but asked if

the contractor was cleared to proceed, based on verbal approval. Mr. Cole replied no; the redesign was submitted to FDOT for review and was still under review. Mr. Cole confirmed that the change was expected to delay the project two to four weeks.

In response to Mr. Bergmoser's question, Mr. Cole advised that the hole being relocated was not the hole that required a permit from the South Florida Water Management District (SFWMD).

Mr. Jones questioned if the contractor would submit a change order for boring in the new location. Mr. Cole heard nothing from the contractor regarding any cost for the new boring.

Mr. Jones indicated that the lake bank erosion project was progressing.

Mr. Cole advised that additional areas were identified when the lakes were inspected. He recalled that Mr. Slater identified erosion on Lake 7A; Mr. Cole was able to locate the area and requested a change order from the contractor to include that area and other additional areas. The additions could add several weeks to the scope of work.

Mr. Brougham asked if a backhoe digging south of the main entrance on the east side of SR 951 was related to the traffic signal installation. Mr. Jones or Mr. Cole would research what it was related to.

Regarding the paving repairs, Mr. Jones indicated that Preferred Materials, Inc., agreed to honor the prices quoted for the work in CDD #2. Mr. Adams had the contract for execution by the Chair. Mr. Jones advised that work should commence in August and be completed within 60 days.

SIXTH ORDER OF BUSINESS

Update: SR 951 Traffic Signal Installation

This item was discussed during the Fifth Order of Business.

SEVENTH ORDER OF BUSINESS

Discussion/Consideration of 951 Commercial Tracts Operation and Maintenance Assessment Protest Settlement Agreement

Mr. Brougham asked if it would lead to formal memorandum of understanding if the Board agreed to the "deal points" in the letter from Fiddler's Creek LLC. Mr. Adams replied affirmatively.

Mr. Adams reviewed the assessment protest letter and supporting documentation from Fishkind & Associates (Fishkind) regarding the protesting party's position that the CDD was imposing excessive operation and maintenance (O&M) assessments on the two 951 commercial parcels outside of the main gate. He stated that the prior Assessment Methodology levied 265 combined equivalent residential units (ERUs) on those parcels, which equated to \$325,000 in O&M assessments in Fiscal Year 2015. Mr. Adams indicated that the protesting party believed the O&M assessments were excessive compared to the O&M benefits received.

Mr. Adams and Mr. Brougham met with the protesting party to discuss an appropriate assessment, such as 75 combined ERUs, which would equate to approximately \$100,000, for the current fiscal year. He noted that the change would result in an assessment revenue shortfall of approximately \$245,000 during Fiscal Year 2015. Mr. Adams pointed out that the excess revenue, over the years, amounted to a subsidy to the District, as the parcels assessed did not receive benefits comparable to the O&M assessments imposed. He felt that this action was a "true-up" rectifying the situation.

Mr. Adams advised that, at the request of the Board, he consulted with Bush Ross, Attorneys at Law (Bush Ross), for an opinion, as District Counsel had a conflict of interest because his partner represents the protesting party. Bush Ross' opinion was that the Board had authority and discretion to settle the dispute, short of litigation. Mr. Adams was confident that the protesting party would initiate litigation if the District did not settle. He explained that, since this matter involved off-roll assessments, the first step would be for either party to file a claim in court and the court would likely recommend mediation. Mr. Adams felt that the parties would probably not successfully mediate the matter, which would lead to litigation, with both parties incurring legal costs, with no guarantee of the outcome. He was sure that, if the matter were litigated, the protesting party would include the five years of "over assessments" and seek \$833,000. Mr. Adams recommended that the Board settle the matter.

Mr. Brougham asked if the proposed Fiscal Year 2016 budget presumed assessment on 75 ERUs. Mr. Adams replied affirmatively.

Mr. Adams indicated that another component of the proposed agreement was to accept a realignment of Fiddler's Creek Parkway, as it comes in from SR 951, which would better serve the commercial properties and the community, as it eliminates the secondary entrance into the commercial property and flows traffic through the traffic signal currently under construction. He stated that the cost would be incurred by the developer.

Mr. Brougham asked the meaning of the “(to approve in advance)” portion of CDD #1 Concessions, Item 2. Mr. Adams believed that it meant for CDD #1 to approve, conceptually, as part of the permitting process; he felt that it would not necessitate a change to the Engineer’s Report, as he did not anticipate that any costs would be paid with construction funds. Mr. Adams indicated it would not be a deterioration of the CDD asset but would be a reconfiguration of the asset.

Mr. Brougham read the “Developer’s Proposed Agreement with CDD #1” terms:

“Developer Concessions:

1. *Will agree not to pursue refund of over-assessment 2010 – 2015 and resulting overpayment in excess of \$830,000+*
2. *Will accept an assessment for commercial property on State Road 951 of 75 ERUs*

CDD #1 Concessions:

1. *Accept assessment of commercial parcel at 75 ERUs*
2. *Accept future commercial access to Fiddler’s Creek and proposed plan for commercial frontage on State Road 951 (to approve in advance)*
3. *Accept ownership and obligation to maintain portion of Cherry Oaks Trail*
4. *Agree to areas of change in district boundaries”*

Mr. Brougham explained that the second concession by the CDD would straighten the bend on Fiddler’s Creek Parkway, near the Sales Center, around the lake; the road would go straight into the commercial property, cutting off part of the lake, and there would be a stop sign coming in or out from the Fiddler’s Creek gatehouse. The third concession by the CDD would mean that the developer would convey ownership of Cherry Oaks “Lane” to the CDD, for maintenance, as well as the spur on Club Center Drive.

A resident pointed out that the spur belongs to Cherry Oaks.

Mr. Slater asked if the developer must obtain approval from SFWMD because a portion of the lake would be eliminated, with the reconfiguration. Mr. Adams replied affirmatively; capacity would need to be added to another lake within the drainage basin. Mr. Slater did not like that a stop sign would be installed coming out of Fiddler’s Creek Parkway to get onto the road to access SR 951; he preferred that the stop sign be placed at the entrance of South Commercial Center. Mr. Slater believed that the CDD should have the right-of-way at Fiddler’s Creek Parkway.

Mr. Adams was unsure if Mr. Slater's preference could be implemented, as it was a matter of traffic engineering; the proposed scenario was typical for traffic flow.

Mr. Slater discussed relocating the entire entrance. Mr. Brougham noted that it would require moving many items and questioned if anyone would buy into that approach. Mr. Slater pointed out that Mr. Brougham discussed this with Mr. DiNardo and Mr. Adams and asked about doing something at the proposed entrance, with a cut through at SR 951. Mr. Adams stated that traffic signals cannot be stacked that close together and this option would be safest.

Mr. Adams pointed out that the developer must obtain the Board's consent to the reconfiguration, as the CDD owns the asset.

Mr. Slater noted that the parcel was designated as a commercial center but questioned what would prevent the developer from trying to rezone it for a different use. Mr. Brougham advised that there was nothing preventing it. Mr. Adams noted that a zoning change request would entail a process with much public input.

Mr. Peterson recalled that the developer previously agreed to reimburse the District \$57,000 in costs related to restructuring the bonds but the developer refused to pay it, in lieu of the ERU issue. He questioned if the \$57,000 should be a part of the final agreement.

Mr. Adams indicated that the subject of the \$57,000 reimbursement "did not come up in any of our discussions with Mr. DiNardo". He stated that the subject could be broached with Mr. DiNardo but suspected that Mr. DiNardo's reaction would be that reimbursement of the \$57,000 would be "off the table" in light of the over assessment. Mr. Adams noted that the record reflected Mr. DiNardo's commitment to reimburse the District for payment to Holland and Knight, who represented US Bank in the trustee transition, which was \$12,500 of the \$57,000 amount; therefore, the District should be able to recover \$12,500. He recalled that Mr. DiNardo would not agree to the bond exchange until the District agreed to transition to a new trustee, which was why the District wanted the developer to pay the costs related to the transition. Mr. Peterson voiced his opinion that the full reimbursement and ERU matters were separate issues.

Mr. Adams will discuss that item with Mr. DiNardo. Mr. Brougham agreed that this matter should be discussed but did not want the issue to stand in the way of the agreement, as the District would have much more at risk, financially, if the Board pushed this. Mr. Peterson asked if Mr. Brougham believed litigation would occur, if the District has the audacity to ask for reimbursement. Mr. Brougham could not predict what the developer or Mr. DiNardo would do but, reflecting on past events, suggested that the District did "not want to test that water". Mr.

Brougham pointed out that the District had, potentially, over \$800,000, plus litigation costs, at risk; therefore, he preferred to “not muddy this particular water with that”. Mr. Peterson voiced his opinion that the District’s invoice was submitted to the developer, in good faith, with the understanding that the funds would be reimbursed. Mr. Brougham did not dispute Mr. Peterson’s point. Mr. Peterson noted that the District did not connect the trustee transition costs to the ERU matter; the developer connected the matters by virtue of not paying the costs that they agreed to pay. Mr. Peterson asked if the \$57,000 was part of the discussion with Mr. DiNardo. Mr. Brougham replied no. Mr. Peterson believed that it should have been discussed. Mr. Brougham stated that the developer would not discuss it until the District agreed on the protest, which was what the Board was trying to do now; then, the \$57,000 issue would be addressed. Mr. Peterson questioned if the \$57,000 amount was part of the ERU agreement terms. Mr. Brougham stated “I don’t believe it is”. Mr. Peterson noted that the District did not make it part of the ERU matter but the developer did. Mr. Brougham reiterated that the developer would not consider paying the \$57,000 invoice until the ERU disagreement was resolved.

Mr. Slater felt that pursuing the \$57,000 reimbursement could “torpedo” the agreement negotiated by Mr. Brougham and Mr. Adams. He believed that it was better to forget about reimbursement of the \$40,000 to \$57,000 due to the potential loss of \$800,000. Mr. Slater voiced his opinion that the agreement was clean up.

Mr. Brougham clarified that he did not say to forget the \$57,000; he wanted to resolve the ERU issue and then discuss the legitimate legal expenses that the District incurred, in good faith that the developer would reimburse the costs.

Mr. Bergmoser asked what services would be derived from CDD #1, once the commercial area is developed. Mr. Adams indicated that the commercial area would benefit from the roving patrol, landscaping, the storm water management system and O&M. Mr. Adams felt that assessment on 75 ERUs was reasonable, based on the services that the commercial area would receive. Mr. Adams discussed how ERU numbers are calculated and stressed that the assessment levy must not exceed the benefit received.

Mr. Bergmoser asked if the District would be required to maintain the spur, when it is developed. Mr. Adams indicated that the District would maintain to the edge of the parcel and from the edge of the parcel to SR 951.

Mr. Bergmoser voiced his opinion that the issues could have been resolved, amicably, if Mr. DiNardo had brought his issues to the Board but, instead, tied the \$57,000 legal invoices to

the ERU issue and now wants to separate them. He hoped that the issue would be discussed with Mr. DiNardo; however, he did not want to scuttle the agreement. Mr. Bergmoser reiterated that the matter should not have come to the District being required to make concessions, when it did nothing wrong.

Mr. Bergmoser questioned why the District would assume maintenance of Cherry Oaks Lane when it has an HOA. Mr. Brougham stated that the developer still owned Cherry Oaks Lane; it was never turned over to the HOA. A resident pointed out that two communities are on Cherry Oaks Lane and questioned which HOA it would be turned over to. It was clarified that the CDD is responsible for Cherry Oaks Trail and that they want to make Cherry Oaks Lane a part of it.

Mr. Peterson asked where the original ERUs originated. Mr. Adams indicated that the number came from the Assessment Methodology number on the construction debt service side, prepared by Fishkind.

Mr. Turner felt that the District should resolve the ERU matter first, since the \$57,000 amount only represents 6% of the \$830,000. He noted that the ERU agreement would not prohibit the District from seeking reimbursement of the \$57,000.

On MOTION by Mr. Slater and seconded by Mr. Brougham, with Mr. Slater, Mr. Brougham, Mr. Bergmoser and Mr. Turner in favor and Mr. Peterson dissenting, the 951 Commercial Tracts Operation and Maintenance Assessment Protest Settlement Agreement, and directing Staff to formalize the Agreement, in conjunction with a memorandum of understanding, were approved. (Motion passed 4-1)

EIGHTH ORDER OF BUSINESS

Continued Discussion/Consideration of Documents Related to Line of Credit with Iberia Bank (to be provided under separate cover)

Mr. Brougham reported that he and Mr. Pires continue working with Iberia Bank and its attorneys. He was advised that Iberia Bank's attorneys suggested that the District deposit \$500,000 in an account, rather than the previously discussed 25% of the General Fund. Mr. Brougham was against a deposit of that amount, as the District should not concede anything upfront.

regarding increasing the Fiscal Year 2016 “on-roll” assessment amount to \$1,600 per unit, which would be an overall increase of \$275, from Fiscal Year 2015 to Fiscal Year 2016.

A resident voiced her preference for the Iberia Bank line of credit.

Mr. Brougham stated that he would explain to residents that the proposed Fiscal Year 2016 “Fund balance – ending (projected)” was \$651,165, with a cash flow projection of under \$40,000, at the end of Fiscal Year 2015. The infrastructure is aging and the District continues encountering unexpected expenses related to landscaping, irrigation, pumps, etc.; the assessment increase would be to facilitate unexpected expenses that have become consistent.

The resident speculated that, if the District’s agreement with the developer, related to the \$830,000 amount, fell through, residents would be required to somehow pay the amount. Mr. Brougham pointed out that the Board approved the agreement today. The resident reiterated her opinion that the proposed assessment increase was large for a single year. Discussion ensued regarding the District’s increased expenses, year-after-year.

On MOTION by Mr. Brougham and seconded by Mr. Bergmoser, with Mr. Brougham, Mr. Bergmoser, Mr. Peterson and Mr. Turner in favor and Mr. Slater dissenting, increasing the Fiscal Year 2016 “on-roll” assessment amount to \$1,600, per unit, for Fiscal Year 2016, was approved. (Motion passed 4-1)

Mr. Slater questioned why “Roadway maintenance”, on Page 2, increased to \$110,000. Mr. Adams indicated that the amount was increased to recover the out-of-pocket paving expenses that would be incurred during Fiscal Year 2015.

TENTH ORDER OF BUSINESS

Discussion: Park Bench Paver Repairs

This item was discussed during Item 14.C.

ELEVENTH ORDER OF BUSINESS

Approval of June 24, 2015 Regular Meeting Minutes

Mr. Brougham presented the June 24, 2015 Regular Meeting Minutes and asked for any additions, deletions or corrections.

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TENTH ORDER OF BUSINESS

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This item was discussed during Item 14.C.

ELEVENTH ORDER OF BUSINESS

Approval of June 24, 2015 Regular Meeting Minutes

Mr. Brougham presented the June 24, 2015 Regular 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 June 24, 2015 Regular Meeting Minutes, as presented, were approved.

TWELFTH ORDER OF BUSINESS

Action Items

Mr. Brougham referred to Item 7 and recalled that most of the security equipment is new; however, the District pays a monthly service fee. He questioned if TEM would consider a reduction to the monthly service fee and asked Mr. Adams about the status of his discussions with TEM.

Mr. Adams stated that he will discuss it with TEM; he was approaching the subject with regard to the new equipment and what would normally be added.

Mr. Brougham indicated that the District had old equipment and TEM's service contract fee was based on the old equipment. He felt that, since the District replaced equipment, logically, the service contract should not be as expensive, as it should not be as expensive to maintain the new equipment.

Mr. Adams advised that the new equipment would not be covered in the service agreement because it will be under warranty but the District still has some old equipment. Mr. Brougham directed Mr. Adams to specifically ask for a reduction to the annual service fee amount and inform the Board of TEM's formal response. Mr. Slater asked if old equipment was replaced with new. Mr. Adams replied "a little bit" but it was primarily an enhanced package. Mr. Slater agreed that, if old equipment was replaced with new, the service fee should reduce. Mr. Adams felt that the fee was reduced in some cases but, not all of the old equipment was replaced. Mr. Brougham reiterated his request for a new quote from TEM.

In response to a question, Mr. Brougham stated that the Tenth Order of Business should be deleted, as it would be discussed during the Operations Manager's Report.

THIRTEENTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

FOURTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

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

B. District Manager

Mr. Brougham asked if Mr. Adams had an updated cash flow analysis. Mr. Adams did not. Mr. Brougham stressed that it must be provided each month and directed Mr. Adams to prepare one and email it to the Board.

i. Approval of Unaudited Financial Statements as of June 30, 2015

Mr. Brougham presented the Unaudited Financial Statements as of June 30, 2015.

Mr. Brougham questioned how \$5,453 was incurred for "Repairs and maintenance - parts", on Page 3. Mr. Adams indicated that money was spent to repair the old security vehicle before it was "retired". Mr. Slater asked why "Street lighting" "Contractual services", on Page 2, was at 151%. Mr. Adams advised that it was due to a very active and intense lightning season.

ii. NEXT MEETING DATE: August 26, 2015 at 8:00 A.M.

The next meeting will be on August 26, 2015 at 8:00 a.m.

C. Operations Manager

Ms. Crismond presented the Operations Report. She recalled that, at the last meeting, the Board discussed bulrush issues and directed her to determine the areas where removal was necessary due to drainage issues and obtain quotes to perform the work in phases and proceed with those areas. Ms. Crismond obtained a \$6,500 proposal from LakeMasters Aquatic Weed Control (LakeMasters) and another was pending, from a different contractor.

On MOTION by Mr. Brougham and seconded by Mr. Slater, with Mr. Brougham, Mr. Slater, Mr. Peterson and Mr. Turner in favor and Mr. Bergmoser dissenting, the LakeMasters Aquatic Weed Control proposal, in a total not-to-exceed amount of \$6,500, was approved. (Motion passed 4-1)

Ms. Crismond indicated that she obtained a \$700 proposal to install root barriers and reset the park bench pavers. The project will commence.

Ms. Crismond reported that Management recently obtained approval to remove and replace Xanadu with pink dwarf Bougainvillea in the Fiddler's Creek Parkway center median between Club Center Drive and Championship Drive. Mr. Brougham questioned installation of more bougainvillea, as it is difficult to maintain. Mr. Brougham directed Ms. Crismond to seek other alternatives to bougainvillea.

Ms. Crismond obtained contract information for the pressure cleaning equipment purchased by The Foundation and contacted the vendor and another party that purchased the equipment; responses were pending. In the interim, Ms. Crismond contracted with the current pressure cleaning contractor for the same cost and specifications as before. Mr. Brougham stated that he directed Ms. Crismond to “lock in” with the current contractor while still pursuing other companies that purchased the same machine purchased by The Foundation.

Ms. Crismond obtained a \$930 proposal to repaint the stucco columns of the Sandpiper Bridge and asked if the Board wanted to proceed now, as the line item was over budget. The Board directed Ms. Crismond to proceed.

Ms. Crismond reported that, in anticipation of the upcoming striping and reflector replacement project, an area of asphalt required a root barrier; the project was completed for \$2,600.

FIFTEENTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Brougham reported that the county would likely paint the remaining fire hydrants in early fall.

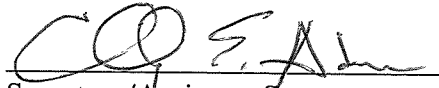
SIXTEENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, the meeting adjourned at approximately 10:02 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair