

**MINUTES OF MEETING
STONEBROOK
COMMUNITY DEVELOPMENT DISTRICT**

A Virtual Public Meeting of the Board of Supervisors of the Stoneybrook Community Development District was held April 28, 2020 at 9:00 a.m., at <https://us02web.zoom.us/j/85906069902> and at 1-929-205-6099, MEETING NUMBER 859 0606 9902.

Present, via telephone, were:

Eileen Huff	Chair
Chris Brady	Vice Chair
Ed Harland	Assistant Secretary
John Blakeley	Assistant Secretary
Mike DeBrino	Assistant Secretary

Also present, via telephone, were:

Chuck Adams	District Manager
Dan Cox	District Counsel
Jeff Nixon	Golf Pro
John Vuknic	Golf Superintendent

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 9:01 a.m. Supervisors Huff, Harland, Blakeley and DeBrino were attending via telephone. Supervisor Brady was not present at roll call. Due to the COVID-19 pandemic, the meeting was being held virtually and telephonically, as permitted under the Florida Governor's Executive Order 20-69, which allows local governmental public meetings to occur via telephone.

SECOND ORDER OF BUSINESS

Public Comments (5 Minutes)

Mr. Adams asked the members of the public attending virtually or via telephone to announce themselves so their name could be entered into the record.

No members of the public spoke.

THIRD ORDER OF BUSINESS

Golf Course Staff Reports

A. Golf Superintendent

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Mr. Nixon reported the following:

- The golf course opened for business April 20th; the results have been satisfactory.
- Since opening, the golf course had been busy, with approximately 170 players on Saturday and 160 on Sunday.
- The beverage cart would open on May 5th, followed by the range and the Pro Shop.
- Enforcement of social distancing measures would continue and residents and players would be encouraged to continue wearing masks.
- Mr. Nixon was optimistic that revenues would improve by summer.

A Board Member asked about the April revenues. Mr. Nixon stated that revenues were down \$200,000 to \$250,000. April would yield \$55,000 to \$60,000 in revenue on a \$300,000 budget; the rounds of golf could be more than expected in May. Asked about the rates, Mr. Nixon recommended offering the public rate of \$70 before noon, \$50 from noon to 3:00 p.m., and \$30 after 3:00 p.m., for the summer for published and online rates. Discussion ensued regarding group and resident rates, passes, online payments, golf course operational staff and beverage cart sales. Mr. Nixon stated that several beverage cart employees were no longer available so additional staff must be hired. Mr. Nixon's fiancé was a potential new hire, as she has beverage cart and restaurant management experience. Ms. Huff asked who Mr. Nixon's fiancé would report to. Mr. Nixon stated that she would report to Ben Demmel, the Beverage Cart/Concession Stand Manager.

Regarding operations, in relation to the starters and professional staff, Mr. Nixon stated more support staff is needed. He, along with the starters and evening cart operators, were working 50 hours per week and Bobby and Ben were working 52 hours per week.

Mr. Brady joined the meeting at 9:05 a.m.

The Board and Staff discussed the following items:

- Opening the Pro Shop on May 15th and resuming beverage cart service on May 5th.
- Communicating the new restrictions to players and other information, such as that no water would be available on the golf course.
- A \$10 cup promotion; players must bring their own cups.
- Keeping the ice machine closed for as long as possible.
- Not Hosting Broward and Dade County golfers until golf courses open in South Florida.
- No longer providing complimentary range balls to the men's and women's leagues and the Tuesday groups.

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- Investing in a ball machine; estimated cost \$6,000.
- Elimination of the water machine placing added pressure on the snack shop.
- Maintaining sanitary standards in the wake of the COVID-19 crisis.

B. Golf Pro

In response to Mr. Vuknic's question regarding his current payroll status, Mr. Adams stated that Lucy and Roui, at Management's office, could better assist him, as they handle the accounting and payroll records.

Mr. Vuknic reported the following:

- Pine straw application and the tree-trimming were scheduled for May 12th and 13th.
- Staff was being vigilant in avoiding unnecessary purchases and not incurring overtime hours, to stave off the revenue losses.
- The golf course was in great shape, despite the greens being a little bumpy; players have complimented staff.
- There was no response from TCF regarding the leases.

Mr. Nixon stated he received a text message from a TCF representative; lease payments would be suspended once the modifications to the agreement are completed. Regarding the future functioning of the greens and fairways, Mr. Vuknic stated the greens were aging, which should be taken into consideration when drafting the budget. He proposed scheduling four treatments per year, as opposed to three. Discussion ensued regarding the chipping green, cart paths, closing the golf course to upgrade the greens, aerification schedule, cost of sand, fuel and labor. The Board's consensus was to keep the putting green closed for maintenance repairs and upgrades until September.

FOURTH ORDER OF BUSINESS**Update: Golf Course Operations During COVID-10 Pandemic**

Mr. Cox gave the following update:

- Staff approached TAQ about evading rent for a few months.
- Staff was told that Duffy's was not able to pay rent in April or May, so the District must continue to pay rent while it can.
- Duffy's should be operational and able to resume rent payments by July.
- It must be a collaborative effort between the CDD and TAQ. If the District funds start to dwindle, a dialogue would commence.

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➤ The District must make a \$45,000 interest payment by May 1st but the \$105,000 principal would be abated. The cash would remain in the sinking fund and the District would not have to make a sinking fund payment until October.

Discussion ensued regarding keeping the terms of the loan the same versus extending the loan to 2029, the current sinking fund payments, the Debt Service Reserve Fund of approximately \$200,000, a Defeasement Account, putting off green renovations for another year etc. Mr. Brady asked what would happen if no payments are made. Mr. Cox stated the District would go into default and the bondholder would have the right to take over the golf course. Asked if the bondholders would operate the golf course until the bond is paid, Mr. Cox stated, once the bond is paid, the bondholders' obligations and rights evaporate and they would no longer have the authority to manage the golf course. If the District defaults, it would be difficult to secure loans to make improvements. The Board and Staff discussed the options, including utilizing Debt Service Reserve funds, keeping an open dialogue with creditors, PPP loans and whether CDDs would be granted loans from the Federal government.

Mr. DeBrino left the meeting at 10:24 a.m.

Mr. Harland felt that it best to defer payment for one year and evaluate this in a few months. Mr. Cox stated the best course of action would be for the District to extend for one year, continue to streamline its operations, possibly double the payments and get out a year early; this would trigger the defeasance and the District would no longer have that obligation.

On MOTION by Mr. Blakeley and seconded by Mr. Harland, with all in favor, making the May and November 2020 bond interest payments, deferring the principal payment until May 2021 and extending the term for one year, resulting in a 2029 maturity, was approved.

In response to Ms. Huff's questions, Mr. Cox stated that new paperwork must be filed, which would be presented by the next meeting. The term would be extended and a new amortization schedule would be produced, showing what the new sinking fund payments will be; the primary focus is to stop the principal payment. Mr. Adams requested a memo on the bondholders' letterhead confirming that the payments would be deferred.

Mr. Cox reported the following legislative changes:

➤ The principal payment would affect the District, as of January 1, 2021.

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- The e-verify system must be used for all new hires, contractors and subcontractors working on District projects.
- Changes were made to surface water management and basin management action plans for all contributing entities. Mr. Vuknic is well-versed in the best practices for golf courses.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2020-04, Adopting an Internal Controls Policy Consistent with Section 218.33, Florida Statutes; Providing an Effective

Mr. Adams presented Resolution 2020-04 and read the title. Management has employed internal controls since inception and, one year ago, the legislature required governmental entities to formally adopt internal controls, by resolution

On MOTION by Mr. Brady and seconded by Mr. Blakeley, with all in favor, Resolution 2020-04, Adopting an Internal Controls Policy Consistent with Section 218.33, Florida Statutes; Providing an Effective, was adopted.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2020-05, Implementing Section 190.006(3), Florida Statutes, and Requesting that the Lee County Supervisor of Elections Begin Conducting the District’s General Elections; Providing for Compensation; Setting for the Terms of Office; Authorizing Notice of the Qualifying Period; and Providing for Severability and an Effective Date

Mr. Adams presented Resolution 2020-05 and read the title. Seats 1, 2 and 3, currently held by Supervisors Blakeley, Brady and Harland, respectively, would be up for election; the qualifying period will be the second week in June.

On MOTION by Mr. Harland and seconded by Mr. Blakeley, with all in favor, Resolution 2020-05, Implementing Section 190.006(3), Florida Statutes, and Requesting that the Lee County Supervisor of Elections Begin Conducting the District’s General Elections; Providing for Compensation; Setting for the Terms of Office; Authorizing Notice of the Qualifying Period; and Providing for Severability and an Effective Date, was adopted.

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Ms. Huff asked if an e-blast could be sent to the community. Mr. Adams replied affirmatively and suggested attaching Exhibit A, relating to the qualifying period.

SEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of March 31, 2020

Mr. Harland presented the Unaudited Financial Statements as of March 31, 2020.

On MOTION by Mr. Brady and seconded by Mr. Blakeley, with all in favor, the Unaudited Financial Statements as of March 31, 2020, were accepted

EIGHTH ORDER OF BUSINESS

Approval of April 13, 2020 Emergency Telephonic Public Meeting Minutes

Mr. Adams presented the April 13, 2020 Emergency Telephonic Public Meeting Minutes.

The following changes were made:

Line 169: Change "Brickstone" to "Brixham"

Lines 83 and 84: Change "and league players" to "and leagues and groups"

On MOTION by Mr. Harland and seconded by Mr. Brady, with all in favor, the April 13, 2020 Emergency Telephonic Public Meeting Minutes, as amended, were approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Dan Cox, Esquire*

This item was presented following the Fourth Order of Business.

B. District Engineer: *Johnson Engineering, Inc.*

There being no report, the next item followed.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

Mr. Adams stated it was necessary to address Mr. Joe Mika's questions that were previously emailed to the Chair. Ms. Huff stated that Mr. Mika would like to implement a fining program for golf course trespassers. A Board Member noted that only the HOA can impose fines. Mr. Nixon stated, other than a damaged mirror on Hole #5, damages had been minimal. Mr. Vuknic and Mr. Nixon were directed to inform the Board when damage occurs and any

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costs incurred. Discussion ensued regarding the greens, trespassing incidents, potential hot spots, engaging a rover and collecting fines through court action.

- I. Irrigation Reports**
 - a. High Irrigation Users**
 - b. Irrigation Disconnect**

These reports were provided for informational purposes.

Mr. Cox asked about the District's utility bill collections and stated, due to the current crisis, municipal utilities are not charging late fees or shutting off service. Mr. Adams stated that service is not being interrupted and late notices have only been mailed out in an effort to prompt payment. The Board and Staff discussed delinquent utility payments.

II. NEXT MEETING DATE: May 26, 2020 at 6:00 P.M.

Mr. Adams stated that the proposed Fiscal Year 2021 budget and the audit would be presented at the next meeting.

- QUORUM CHECK**

This item was not addressed.

TENTH ORDER OF BUSINESS

Supervisors' Requests

Board Members commended Mr. Nixon and Mr. Vuknic for their dedication and efficiency in managing the golf course in light of the current crisis.

Ms. Huff asked for the tax on the leases and the Christmas bonuses to be included on the payroll.

Mr. Brady stated the Tees on #7 and #17 need maintenance. Mr. Vuknic stated those areas would be re-sodded during the summer.

Mr. Harland asked for the mats to be replaced. Mr. Vuknic would inspect the mats, determine which mats should be replaced and research the costs.

ELEVENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Harland and seconded by Mr. Brady, with all in favor, the meeting adjourned at approximately 11:12 a.m.

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DocuSigned by:
Chuck Adams
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Secretary/Assistant Secretary

DocuSigned by:
W. Hoff
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Chair/Vice Chair