

**MINUTES OF MEETING
STONEYBROOK
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Stoneybrook Community Development District's Board of Supervisors was held on Tuesday, June 26, 2018 at 6:00 p.m., at the Stoneybrook Community Center, 11800 Stoneybrook Golf Drive, Estero, Florida 33928.

Present and constituting a quorum were:

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| Ed Harland | Chair |
| John Blakeley | Vice Chair |
| Lewis Frith (<i>via telephone</i>) | Assistant Secretary |
| Eileen Huff | Assistant Secretary |
| Chris Brady | Assistant Secretary |

Also present were:

| | |
|----------------------------------|----------------------------|
| Chuck Adams | District Manager |
| Dan Cox (<i>via telephone</i>) | District Counsel |
| John Vuknic | Golf Superintendent |
| Jeff Nixon | Golf Pro |
| Bill Reynolds | Resident and HOA President |
| Joe Mika | Resident |
| Lou Fria | Resident |
| Santo Listro | Resident |
| Lloyd Sebbby | Resident |
| Tom Fisher | Resident |

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 6:02 p.m. Supervisors Harland, Blakeley, Huff and Brady were present, in person. Supervisor Frith was attending via telephone.

On MOTION by Ms. Huff and seconded by Mr. Blakeley, with all in favor, authorizing Mr. Frith's attendance and full participation, via telephone, due to exceptional circumstances, was approved.

SECOND ORDER OF BUSINESS

Public Comments: (5 Minutes)

Mr. Bill Reynolds, a resident and HOA President, asked when sidewalk repairs, to the pathway between the first green and second tee, would begin. Mr. Harland confirmed the area was on the projects list. Mr. Reynolds provided several potential dates for a CDD and HOA Joint Workshop. The Joint Workshop will be held on Tuesday, July 24, 2018 at 6:00 p.m. Notices of the Workshop will be posted and, as requested, summary minutes sent to Mr. Adams.

Mr. Joe Mika, a resident, congratulated the Board and staff on a great job and made the following suggestion:

➤ **Landscape:** Increase the budget to install trees and landscaping in front of the wall when exiting the community, in locations to hide resident backyards when entering the community and around the shed at the end of the ball park. It was noted that the shed is used by maintenance and is an HOA issue. Mr. Mika suggested doubling the size of annuals so they are clearly seen.

A Board Member asked if the land, in front of the wall, was considered common grounds and if the golf course would fund that expense; he agreed it would be an improvement but the benefit lies more within the community than with the golfers. It was noted that enough space to power wash the wall must be considered when determining the plant varieties. Mr. Vuknic will check for irrigation in the area and obtain pricing to determine what specifically to plant. Mr. Reynolds stated that the HOA Board approved an Agreement to maintain the wall.

THIRD ORDER OF BUSINESS**Discussion: Petition from Stoneybrook Villa I Association**

Mr. Harland stated this item would be deferred to the next meeting since not all Board Members received a copy. Mr. Adams stated he and Mr. Cox would work towards confirming whether the tract of land was part of a conservation area or the preserve, what, if any, restrictions were placed on them, whether the work performed was under a jurisdictional permit and what type of work, if any, was allowed. Their findings would be submitted to Mr. Harland. Mr. Harland will send Mr. Adams a copy of the map exhibit and mark the other areas he mentioned, which were not noted in the exhibit. Mr. Adams will pull maps from the South Florida Water Management District (SFWMD) and the County Clerk of the Court websites. It was noted that a similar area, parallel to the 15th fairway, was also cleared. Mr. Harland affirmed all discussion items would be addressed at the next meeting.

FOURTH ORDER OF BUSINESS

Continued Discussion: Fiscal Year
2018/2019 Proposed Budget

Mr. Harland reviewed the proposed Fiscal Year 2018/2019 budget, including line item increases and decreases. The following comments were made:

- Page 1, Assessments: Mr. Harland asked why assessments increased by \$47,000. Mr. Adams explained that Fund Balance was not being used to offset expenditures, as in Fiscal Year 2018, and additional funds were budgeted to increase the Fund Balance.
- Security: Mr. Lou Fria, a resident, asked which General Fund line item was related to security. Mr. Adams stated prior discussions were that security was related more to the golf course and would be discussed later in the meeting.
- Page 6, SunTrust Loan: The final Debt Service payment will be made in May 2019 using the projected surplus funds and any surplus remaining would be transferred to the General Fund. Mr. Cox stated, if the excess collected is from non-ad valorem special assessments, those excess funds could be used to prepay some of the resident portion of the Golf Course Fund.
- Page 8, Series 2014 Bonds: Discussions about using a portion of the surplus funds towards paying off the principal balance and that it would take effect in 2023 were recalled. Mr. Adams affirmed the final payment would be made using the projected surplus funds and explained that the surplus is currently being used as the CDD's reserves. Any funds remaining after the final payment can be used to pay down the principal portion, in \$5,000 increments.
- Page 12, Proposed Assessments. The proposed Fiscal Year 2019 budget showed an assessment decrease; however, Mr. Harland stated his preference to keep the 2019 General Fund Assessments the same as in Fiscal Year 2018 because of the low reserves and the scheduled upcoming projects. Mr. Adams also supported increasing the General Fund assessments. Mr. Adams will increase the General Fund Assessment figures to match with the cumulative one in Fiscal Year 2018.

On MOTION by Mr. Harland and seconded by Mr. Blakeley, with Mr. Harland, Mr. Blakeley, Mr. Frith and Ms. Huff in favor and Mr. Brady dissenting, keeping the Fiscal Year 2019 overall assessments the same as the Fiscal Year 2018 overall assessments, was approved. [Motion passed 4-1]

Mr. Adams stated he expects to prepare a budget amendment to transfer surplus funds from the Enterprise Fund – Golf Irrigation line item to the General Fund. Mr. Harland requested adding a cash balance to the Golf Fund, because it is so low.

Mr. Santo Listro, a resident, asked if another assessment for what Mr. Harland mentioned, keeping the Fiscal Year 2019 assessments the same as Fiscal Year 2018, after the 2008 Debt Service funds are eliminated. Mr. Adams explained that the decision to keep the Fiscal Year 2019 assessments the same as in Fiscal Year 2018 was to build fund balance in the General Fund, since it was depleted due to Hurricane Irma Recovery expenses; instead of lowering assessments, even though the 2008 Debt Service assessment matures in Fiscal Year 2019 and reserves in the Debt Service Fund would be used to make the final payment.

Mr. Mika stated that residents were told at the HOA meeting to expect assessments to decrease and suggested notifying residents, via the newsletter, that assessments would not decrease. Mr. Adams noted the CDD is required to send Mailed Notices because of the increase in the General Fund assessment. Mr. Brady affirmed that, at the HOA meeting, he stated that CDD assessments would decrease once the bond is paid off; however, residents were given no guarantee that assessments would be reduced.

➤ Page 16, Enterprise Fund – Golf: Mr. Harland stated that as a result of analyzing the 2014 through 2018 golf course financials, he proposed the following changes:

- Increase rack rates from \$125 to \$130 and keep the \$2 Hurricane Irma recovery fee.
- Reductions of \$3 per round, from January through March, to avoid over forecasting and total rounds were forecasted down from 47,000 rounds to 45,070 rounds.

Discussion ensued regarding the ability or inability to reach the projected revenues. Pro Shop was increased \$10,000 for renovations; Concession is purchasing a new cabinet, Lake Bank erosion repairs and salaries increased. With a current staff member resigning, their position will not be filled, and the person next in line will receive a promotion with a salary increase.

In response to the question of whether the CDD received income from Duffy's, Mr. Harland replied no. Mr. Vuknic stated the building is not owed by the golf course. Duffy's supports certain events.

➤ Mr. Harland stated revenue will be deducted \$6,000 for disposal of fixed assets.

Mr. Adams recalculated the assessment to the smallest product type in the General Fund, increasing the proposed assessments to match with the Fiscal Year 2018 assessments, would immediately increase the General Fund balance to \$98,150; adjustments to the remaining categories will be made.

In response to Ms. Huffs' question, Mr. Harland stated he received the interest expense from Mr. Pinder, at Management's office, and was able to make a \$6,000 adjustment against the salary.

The following changes to the proposed Fiscal Year 2018/2019 budget would be made:

Page 12: Change the Fiscal Year 2019 assessments to match the Fiscal Year 2018 assessments.

FIFTH ORDER OF BUSINESS

Discussion/Update: Hurricane Irma Recovery

Mr. Adams stated he received a request for additional information regarding the action taken for emergency procurement at The Brooks and Pelican Landing to justify why the District moved forward with issuing contracts and completing the work, versus going through a competitive selection process. His response was copied to certain Board Members; FEMA has not responded.

SIXTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of May 31, 2018

Mr. Harland presented the Unaudited Financial Statements as of May 31, 2018. A suggestion was made to open a separate (SOI) account in the General Fund instead of entering payroll as a line item in the "Enterprise Fund: golf course" and "Unassigned Fund Balance". A cost analysis would be performed to determine if it is beneficial to open another account. Regarding Page 8, "Service/permit monitoring contracts", unexpected costs arose when renewing the effluent contract turned into requiring a permit and recalibration certifications to the production meters for the wells and pump houses were due; which is required every five years.

Mr. Brady asked how long the CDD could survive based on its current cash issue. Mr. Harland stated that the District would get through it but must use some of the irrigation fund to do so. Mr. Brady understood and noted that assessments are not received until November. Mr. Harland stated the \$350,000 cash reserve will be used until then. Mr. Adams explained that,

besides using the \$87,000, irrigation funds would be transferred to the General Fund to aid in funding golf course needs.

In response to a suggestion, the newsletter would contain a separate article addressing the financial impact of Hurricane Irma and an explanation as to why assessments increased.

On MOTION by Mr. Blakeley and seconded by Mr. Brady, with all in favor, the Unaudited Financial Statements as of May 31, 2018, were approved.

Ms. Huff would write the article.

SEVENTH ORDER OF BUSINESS

Golf Course Staff Reports

A. Golf Superintendent

Mr. Vuknic provided the following report:

- Lake Bank Repairs: A revised proposal was pending. Several repairs were underway near the cart paths; however, repairing the one near the stop sign was not recommended.
- Bunker Repairs: Per discussions with the Contractor, the project will be completed by late August or early September and take over a week to complete.
- Tree Installation: Pricing for the Royal Oak tree and confirmation of whether a warranty was available were pending. Installation near Hole #3 was not yet determined. The new Palm Cypress, on Hole #16, will be installed next to the deceased Japanese pine tree.
- Vacation Payout: Mr. Vuknic's Assistant's last day is mid July and he requested payout of his three weeks of unused vacation time. Discussion ensued regarding what terms were written in the vacation policy, if any. It was determined that the policy was revised and accruals deleted because tenured employees were not taking vacation and expecting a payout. Ms. Huff suggested coinciding vacation accruals with the CDD's fiscal year dates, instead of calculating accruals using the employee's anniversary date. The original policy stated, at Management's discretion, vacation could be used or deferred. The employee vacation policy will be reviewed and readdressed. The decision was made to make the Assistant's true employment end date three weeks after his last physical day of work on July 15, 2018. A "Good Bye" luncheon is scheduled for July 10, 2018.

- Common Grounds: Sod is being installed in the area mentioned by Mr. Mika, within the next two weeks, and additional turf would be installed in areas that are thinning.
- Flower Installation: Waiting for certain flowers to arrive.
- Sprayer: The new sprayer is being calibrated and use was expected to begin next week.
- Common Grounds Staff: The common grounds crew has been fully staffed since mid-June and staff is doing a good job. Mr. Jose Chevez, the new Supervisor, is knowledgeable about landscaping, spraying and mixing techniques. The entire course is mowed in two days, weather permitting, leaving the remainder of the time to trim hardwoods and spray the area.

Mr. Blakeley asked if the budget remained the same, even with the \$7,000. Mr. Vuknic stated the common grounds were reduced by about \$2,000, from Fiscal Year 2018, and were offset with employee costs and salaries.

B. Golf Pro

Mr. Nixon provided the follow report:

- Golf Course Closure: June revenues were below budget due to ongoing aerification and discounts being given. Revenues were expected to increase, weather permitting, with the upcoming holiday and tournament, until the next aerification scheduled for August 1, 2018. A profitable summer was expected, if weather holds up.
- Junior Golf: The Junior Golf tax filing was distributed. The course is being well recognized, staff is doing a great job and group is growing. A mid-year Financial Report will be presented at the next meeting.
- Credit Card Handler: Transition to a new vendor is pending.
- Southwest Florida Junior Golf Organization (SWFJGO): Mr. Nixon reminded the Board he serves as acting President of the SWFJGO and that the organization was in the process of searching for a home course. The City of Cape Coral decided to go forward with a \$60 million bond to purchase land to develop and build a multiple recreational center that offers golf and, with that, SWFJGO might rent office space from the City. The purchase must still go to a vote.
- 20th Anniversary – January 1, 2019. In celebration of the 20th Anniversary, golf bags, t-shirts and other items will be given away. A community day of golfing is also being planned.

Mr. Blakeley asked to work with Mr. Nixon to review the Fiscal Year 2019 golf course budget, specifically Phase 1. Mr. Harland will revise certain items and forward to Mr. Adams for distribution. Mr. Harland stated that the rounds were better in some months than others and, when looking at the Golf Channel, asked if they still get turns everyday to join their daily season

and asked Mr. Nixon to inquire about discounts during slower months; he should ask the same for Tee Times.

EIGHTH ORDER OF BUSINESS

Approval of May 22, 2018 Regular Meeting Minutes

Mr. Harland presented the May 22, 2018 Regular Meeting Minutes and asked for any additions, deletions or corrections.

Mr. Harland referred to Line 94, and confirmed the lake bank erosion repairs, identified as washouts, would begin in the fall. Discussion ensued regarding timing those repairs for when water levels are down and “out of season”, during the first half of January or after Easter. There was concern about completing the project before the LDR expires on April 19, 2019. Mr. Adams will find out the details to file for an extension to the LDR. The project would begin between October and December.

The following change was made:

Line 138: Change “arrives” to “graduates”

On MOTION by Ms. Huff and seconded by Mr. Blakeley, with all in favor, the May 22, 2018 Regular Meeting Minutes, as amended, were approved.

▪ **High Irrigation User’s Report**

****This item, previously 9Ci, was presented out of order.****

This report was provided for informational purposes. Mr. Blakeley noted the meters were performing properly.

▪ **Irrigation Disconnect List**

****This item, previously 9Cii, was presented out of order.****

This report was provided for informational purposes. Additional names were added to the previous list.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Dan Cox, Esquire*

Mr. Cox discussed a new litigation trend of suing local governments for their websites not being compliant with the Americans with Disabilities Act (ADA). The District was being sued and the complaint was turned over to the District's insurance company for an appropriate response. The District must meet the insurance deductible. Besides injunctive relief, personnel were being hired and plans were in place to complement the solution. The Florida Association of Special Districts (FASD) memo unfortunately stated that it may not be good enough for Districts to show that federal jurisdiction did not adopt the rules relative to accessibility of websites. The Petition is seeking injunctive relief that will cause the District to use funds to implement procedures and pay legal fees.

Mr. Adams stated Management has engaged ADA Sight Compliance (ADASC) to work with staff to get the CDD's website compliant and ADASC was training staff regarding what must be done, in terms of saving and posting documents correctly, so that they are ADA compliant. It involves formatting PDF files to enable users to select using the text-to-speech program that will read the document to the person opening it. Going forward Management is initiating the new procedures and, if prior documents were requested, they would only go as far back as the documents that the District is legally required to post; outdated information will be removed from the website and remaining documents will be converted to the proper format.

Mr. Adams provided a copy of the complaint and an acknowledgement letter from the insurance carrier and stated that other districts were waiting on a response to their Motion to Dismiss. Updates will be provided.

Mr. Cox stated he does not believe the insurance company will cover the cost to remedy the issue but will cover litigation costs that exceed the District's deductible. He was uncertain about the costs that insurance would cover, if the District is not successful in remedying the issue.

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

There being no report, the next item followed.

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

i. High Irrigation User's Report

This item was presented following the Eighth Order of Business.

ii. Irrigation Disconnect List

This item was presented following the Eighth Order of Business.

iii. NEXT MEETING DATE: July 24, 2018 at 9:00 A.M.

The next meeting will be held on July 24, 2018 at 9:00 a.m., at this location.

TENTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Frith providing the following information:

- **Encroachment on Golf Course:** After discussions with Mr. Steve Warden, of The Village of Estero Zoning Division, regarding the playground infringement, both he and Ms. Mary Gibbs were investigating the issue since they believe the located structure is violating not only the set-back infringement but zoning, as well, since the residents did not obtain a permit. Upon completion of the investigation, the Zoning Board would make the determination of whether the resident would be required to remove the structure or if they would just be fined.
- **Security Personnel:** In response to Mr. Reynolds' prior request for the CDD to pay for two days of security to have the Lee County Sheriff's office patrol the golf course, Mr. Frith suggested that the CDD consider paying for one day. If they provide and use their own transportation on the entire golf course, the District could benefit by paying for one day, at a cost of less than \$10,000, and receiving four additional days of coverage, since they are not allowed now to go onto the golf course. The Sherriff's Department is making a determination regarding the transportation they will use.

Mr. Harland asked what the patrol hours would be. Mr. Frith stated that each shift is four hours, equating to 16 hours per week, as opposed to the current 12 hour; however, the patrol time is random and must be discussed before a decision is made, along with whether to cite people for trespassing.

Mr. Frith stated the \$10,000 expense to protect not only resident property but the golf course would be a lot less than the amount spent repairing the vandalized golf course. Discussion ensued regarding what hours patrols were needed, whether the vehicle must be housed and where to store it.

Mr. Cox stated that this issue could be addressed now by setting up language in an Agreement and authorizing patrols to access the golf course property on any given day, once a decision is made regarding use of the vehicle.

Mr. Adams clarified that the Regular Meeting will be held on July 24, 2018 at 9:00 a.m., and the HOA and CDD Joint Workshop was scheduled for 6:00 p.m.

ELEVENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Ms. Huff and seconded by Mr. Blakeley, with all in favor, the meeting adjourned at 7:59 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair