

**MINUTES OF MEETING
STONEBROOK
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Stoneybrook Community Development District's Board of Supervisors was held on Tuesday, July 24, 2018 at 9:00 a.m., at the Stoneybrook Community Center, 11800 Stoneybrook Golf Drive, Estero, Florida 33928.

Present and constituting a quorum were:

John Blakeley	Vice Chair
Lewis Frith	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
Rafael Lopez	Resident and Master Association Board Member
Tammy Kerr	Property Manager
Santo Listro	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 9:05 a.m. Supervisors Blakeley, Frith, Huff and Brady were present, in person. Supervisor Harland was not present.

SECOND ORDER OF BUSINESS

Public Comments: (5 Minutes)

Mr. Santo Listro, a resident, voiced his opinion that the General Fund, on Page 1, was actually an "Operation and Management" Fund. Mr. Adams stated that is correctly called "General" Fund in governmental accounting. Mr. Listro asked about the irrigation. Mr. Adams stated that the irrigation items are referred to as the "Enterprise" Fund because they are user-fee based funds. Mr. Listro felt that the budget should be easier to interpret. Mr. Adams

stated that Pages 1 and 2 list the revenue and expenses, in summary, followed by the written descriptions of all the expenses. Each fund is treated differently in governmental accounting and presented separately. Mr. Adams stated that there will be no changes in the budget's format and the item of most interest to homeowners in is the "Proposed Assessments", on Page 12 because it contains a detailed breakdown of their upcoming tax bill and a comparison to what they paid the previous year. As to the "Plant replacement" line item, on Page 2, Mr. Adams confirmed that the \$92,938 spent on plant replacement was in response to Hurricane Irma and the "Plant replacement" and "Hurricane clean-up" line items are both for the common grounds, not the golf course.

Mr. Rafael Lopez, a resident and Master Association Board Member, stated that the safety of the community is his main priority. He would like the security guard rover and police patrols increased from two to five days per week and for the CDD to ask the HOA to approve one additional day, with the CDD funding two more additional days. As a retired police officer, Mr. Lopez felt that nothing is better than having a police officer on site observing traffic issues and safety of the community. In response to Ms. Huff's question regarding cost, Mr. Lopez stated that it would cost the CDD \$24,000 annually for the additional police patrols. Discussion ensued regarding the community, the golf course and residents. The Board's consensus was that the HOA should be responsible for the patrols and increase its fees to pay for the additional days and leave the CDD out of it. The CDD is still recovering from Hurricane Irma and could not contribute to the cost for the additional safety patrols. The HOA should revisit the issue and increase its fees to cover those costs as they are more financially stable than the CDD.

Ms. Tammy Kerr, Villa I Property Manager, asked if the petition presented at last month's meeting was on the agenda. Mr. Adams stated that it was the Fifth Order of Business.

THIRD ORDER OF BUSINESS

**Continued Discussion: Fiscal Year
2018/2019 Proposed Budget**

Mr. Adams provided an update of the changes made, resulting in the most recent version of the Fiscal Year 2018/2019 budget, as follows:

- "Hurricane clean-up" figure was trued up through June 30, at \$114,046.
- \$125,000 was transferred in, from the Irrigation Fund, to have a balance budget.

In response to a question, Mr. Adams stated that the transfer would be facilitated by a budget amendment at the September meeting and the process was a simple transfer between accounts before the new fiscal year. Mr. Vuknic stated that the common ground maintenance staff and the golf course staff are on one payroll, which is slightly over \$100,000, which comes from the General Fund to the golf course. Mr. Adams stated that transfers would be quarterly, instead of twice per year.

- Assessment levels remain the same with the transfer and adjustments he just made; however, there will be an increase from \$397.94 per unit in Fiscal Year 2018 to \$475.81 in Fiscal Year 2019; the increase was just under \$80 per unit.
- No adjustments were anticipated in the Enterprise Fund.

In response to a question regarding parabolic meters, Mr. Adams stated that the Masters Association should be responsible for the meters, under the Facilities Maintenance Agreement. The CDD must refrain from rescuing the Association in its financial obligations, under the Facilities Maintenance Agreement. Previously, the CDD had a very strong fund balance in the General Fund, which is currently depleted because of costly upgrades. Discussion ensued regarding infrastructure expenses, capital outlay items, fund balance, upgrading the main entry and financing. The CDD must rebuild its fund balance and get back to a comfortable position. Mr. Adams programmed an increase of \$99,000 to the fund balance raise it back above \$100,000. Gap funding for October, November and December must be considered and the golf course would not be able to help on the payroll side; the CDD must make sure it covers payroll and basic services in the first three months of the fiscal year, until revenues from the Tax Collector are received. In response to a question regarding the irrigation system, Mr. Adams stated that the CDD's system is fairly new. It is all C-900 and the fittings and joints will be steel duct aligner; it has a 50 to 100 year life expectancy, which could be costly, and is another reason to build the fund balance up. As to whether the Board should vote on the budget, Mr. Adams replied affirmatively, in terms of setting the assessment levels. There is no assessment increase in the irrigation fund; there is actually a slight decrease so, on the General Fund side, the assessment would be \$475.81, for noticing purposes. Management would round it up to \$480 per unit, in advance of the public hearing. Ms. Huff motioned to set the assessment amount at \$480 per unit.

In response to a resident’s question regarding the revenue increase, Mr. Adams explained that, overall, it is actually a slight decrease; however, Management must send Mailed Notices of the assessment increase because the General Fund 001 is increasing, whereas the Debt Service assessment is reduced because the reserve fund is being utilized from an older security. This will go against the final year’s revenue collection, which means a reduced per unit assessment per unit, which is being offset with an increase in the General Fund 001. Discussion ensued regarding assessments, Debt Service and Operations and Maintenance (O&M).

On MOTION by Ms. Huff and seconded by Mr. Frith, with all in favor, increasing the assessment to \$480 per unit, for noticing purposes, was approved.

FOURTH ORDER OF BUSINESS

Discussion Update: Hurricane Irma Recovery

Mr. Adams contacted a program manager regarding submittals to the Federal Management Emergency Agency (FEMA) and was advised that everything is tracking and there were no additional information requests. In checking the portal, the last entry states that the submittals are complete, pending final review by FEMA. In response to Ms. Huff’s question regarding the reimbursement amount, Mr. Adams stated that the CDD submitted for approximately \$35,000 in initial right-of-way (ROW) and sidewalk cleanup and he anticipated recouping \$25,000, which is, conservatively, programmed in the budget. Discussion ensued regarding the reimbursement amount, hurricane damages, assessments and other communities.

FIFTH ORDER OF BUSINESS

Continued Discussion: Maintenance of Certain Natural Areas

Mr. Adams stated Villas I submitted the petition but Management had other inquiries. In researching Stoneybrook’s permit history on the South Florida Water Management District (SFWMD) e-permitting site and through the permit language, the map etc., he found that a

handful of areas that are completely “hands off.” The CDD has some discretion with the natural areas, along the golf course, but he was not able to find any language in the surface water management permit or through the Development Order (DO) that indicated that the CDD did not have discretion within those areas. The CDD could not clear those areas but had the discretion to simply maintain them at a higher level. He would circulate a map and the permit file to the Board. Discussion ensued regarding maintenance costs, making upgrades and the budget. In response to a question, Mr. Adams reiterated that the CDD cannot clear any areas; it can only maintain and perform basic trimming. The different areas in Villas I that require cleanouts, the golf course, etc., were discussed. A Board Member asked if the Board should consider adding funds to the budget to maintain the golf course side. Mr. Adams stated that most of that was probably built-in labor. Mr. Vuknic stated that it would take two weeks to complete the entire area and, since the CDD did not have that kind of time, he would maintain the area behind Villas I first.

SIXTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of June 30, 2018

Mr. Blakeley presented the Unaudited Financial Statements as of June 30, 2018. The Enterprise Fund for the golf course increased from \$90,000 to \$100,000. The final payment of \$279,000 will be made on May 1, 2019 to satisfy the SunTrust loan. He reviewed the budget line item variances and cash balances in the different funds.

On MOTION by Mr. _____ and seconded by Mr. _____, with all in favor, the Unaudited Financial Statements as of June 30, 2018, were approved.

SEVENTH ORDER OF BUSINESS

Golf Course Staff Reports

A. Golf Superintendent

Mr. Vuknic provided the following report:

- Fire bush and Jasmine plants will be installed as part of the common grounds plant replacement.

Mr. Adams suggested delaying installation until October and to complete only necessary programs until the new budget is in place and revenue is flowing.

- The concrete work throughout the golf course and parts of the community and #1 and #2 Crossing, were completed, at a total cost of \$39,236.50.
- There is leak between the manual and electrical valves in Lancaster; residents were informed that the CDD is up to the meter and is not responsible. Mr. Vuknic felt that there is probably a gap and asked Management to research documentation to determine what and the point for which the CDD is responsible; in his opinion, the CDD is responsible for the valve. Mr. Adams confirmed that Lancaster is responsible for the valve into its system; it is a manual valve before the electrical valve.
- There is a discrepancy in the Unaudited Financial statements for the golf course; the reflected number is \$72,871 but should be \$84,000.
- An \$8,500 error in the irrigation was caught and corrected with the help of Management's accounting department; the CDD was double-billed one month.
- There is a \$2,000 discrepancy in equipment repair.

As previously mentioned, Mr. Vuknic stated there was a monthly health inspection last Wednesday and he was told that one of the CDD's pumps has 200 hours more than the rest of the pumps. Discussion ensued regarding loss of water, the Lancaster leak issue, the common grounds and the golf course. Mr. Adams stated that it will have no impact and the CDD will not be charged for the loss.

- The May mulch application started yesterday because two staffers quit in May. It should be completed by Thursday.
- Several bougainvilleas were replaced in the center median.
- The cul-de-sacs are completed and leftover mulch would be used to touch up the areas.
- The next mulching application will occur on schedule, in November.

B. Golf Pro

Mr. Nixon provided the follow report:

- July was better than June.

- He submitted a check to Mr. Vuknic today, from Stoneybrook Junior Golf, to help replace trees on the golf course; he wanted to install another Royal Poinciana on #16 and in other areas on the golf course.
- The Candle-Lighter Tournament event last weekend was a success; \$2,500 was raised for a charity benefitting cancer-stricken children and their parents; which is run by a 13-year-old.
- 87 solenoids must be replaced. There are issues with the solenoids, which rust and cause the carts to shut down completely; they are being replaced with silver that will not rust; the carts will be completed within the next week.
- There was an issue on July 4. Mr. Vuknic's staffers were working in the front and a resident complained that vendors should not be working on holidays. He asked the Board to create a policy for CDD staff working on holidays. Discussion ensued regarding vendors, contractors and holidays. The current Policy states that staff can work Saturdays but not Sundays. Mr. Blakely stated that, the next time, the resident should be referred to the HOA.

Mr. Nixon distributed a breakdown for the expenses of Stoneybrook Junior Golf, through the first half of the year. He stated that the CDD's bond will be paid off in 2027 and, at that point, the Board should consider renovating the golf course. Discussion ensued regarding tax exempt bonds, the Hurricane Irma fund, the CDD's cash position, acquiring a loan, renovating the golf course and golf rates.

EIGHTH ORDER OF BUSINESS

Approval of June 26, 2018 Regular Meeting Minutes

Mr. Blakeley presented the June 26, 2018 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

Line 24 and throughout: Change "Joe Micha" to "Joe Mika"

Line 54: Change "doubling the amount of annuals" to "doubling the size of annuals"

Line 128: Change "\$150" to "\$130"

Line 213: Change "October" to "June" and "Jose Chavez" to "Jose Chevez"

Line 228: Change "would commence next week." to "is pending."

On MOTION by Ms. Huff and seconded by Mr. Frith, with all in favor, the June 26, 2018 Regular Meeting Minutes, as amended, were approved.

NINTH ORDER OF BUSINESS**Staff Reports****A. District Counsel: *Dan Cox, Esquire***

In response to a Board Member's question regarding an ongoing lawsuit, Mr. Cox had not heard anything from the CDD's insurance counsel.

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 that the CDD's insurance carrier hired Roper & Roper (R&R) and R&R filed a Motion to Dismiss, on behalf of the CDD and a few other of Mr. Adams' clients. The two parties reached an agreement to stay any further action, for the next 60 days, to allow the Board to hold a Shade Meeting to discuss a settlement, which would involve the CDD bringing its website into compliance within the next 18 months. Mr. Jonathan Roper, of R&R, is requesting the Shade Meeting prior to the next Regular Meeting. Mr. Adams suggested continuing today's meeting to 5:00 p.m., on August 28, 2018, in order to hold the Shade Meeting, giving the Board the opportunity to meet with Special Counsel. The Regular Meeting would take place immediately after at 6:00 p.m., and the first item on that agenda would be consideration of any actions resulting from the Shade Meeting. The filing of the Motion to Dismiss prompted the settlement, as Mr. Cox previously indicated, and the complainant is seeking injunctive relief, which includes bringing the CDD's website into compliance and covering attorney's costs. The Board should focus on the attorney's costs during the Shade Meeting.

The Board and Staff discussed the conference call phone system and how difficult it is to hear via telephone, the HOA and microphones. The consensus was that the HOA does not experience this problem as much as the CDD and Mr. Cox; therefore the issue needs to be corrected. Mr. Adams stated that other systems require upgraded phone lines, which the

CDD's are not. He would forward the conference call information to the Board to present to the HOA.

i. High Irrigation User's Report

This report was provided for informational purposes.

ii. Irrigation Disconnect List

This report was provided for informational purposes.

Mr. Blakely stated there are 86 residents paying under \$1 and 169 residents paying nothing. He went through the list and checked off 10 to 12 who reside in the community all year with little-to-no water bills and asked if they turn their water off. Mr. Adams stated the average monthly bill, based on the monthly allocation, should be \$15 to \$16 for a single-family home and over 75% of this list is at or below that amount, which means a lot of rain sensors are interacting; when it is down to just pennies, it means the water is off. The average person only mows their lawn twice a week. That is during the dry period and this reflects a rainy month.

iii. Consideration of ADA Site Compliance Proposal for Website Compliance Shield, Accessibility Policy and One (1) Annual Technological Audit

Regarding becoming ADA-compliant, Management is working with Ms. Kim Papyrus, who is willing to convert the CDD's documents into PDF-A format, which would bring them into ADA compliance. Mr. Adams would present a cost estimate for those services, including what will cost extra. The website would be purged of all documents that are not legally required and those items that are legally required would be converted, within the time frame.

iv. NEXT MEETING DATE: August 28, 2018 at 6:00 P.M.

The next meeting will be held on August 28, 2018 at 6:00 a.m., at this location.

TENTH ORDER OF BUSINESS

Supervisors' Requests

There being no Supervisor's Request, the next item followed.

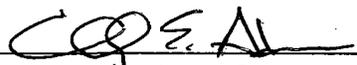
ELEVENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting was continued to August 28, 2018 at 5:00 p.m.

On MOTION by Ms. Huff and seconded by Mr. Frith, with all in favor, the meeting was continued to August 28, 2018 at 5:00 p.m., in the Library Media Room, to hold a shade meeting with the counsel for the CDD's insurance carrier, to discuss settlement negotiations related to the ADA complaint filed for lack of ADA access to the CDD's website, was approved.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair