

**MINUTES OF MEETING
STONEBROOK
COMMUNITY DEVELOPMENT DISTRICT**

A Special Meeting, Multiple Public Hearings and a Regular Meeting of the Stoneybrook Community Development District's Board of Supervisors were held on Tuesday, August 28, 2018 at 5:00 p.m., at the Stoneybrook Community Center, 11800 Stoneybrook Golf Drive, Estero, Florida 33928.

Present and constituting a quorum were:

Ed Harland	Chair
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
Don Roper	Special Counsel
John Vuknic	Golf Superintendent
Jeff Nixon	Golf Pro
Gail Van Baker	Resident
Keith Chazin	Resident
Lloyd Sebby	Resident
Santo Listro	Resident
Peter Comeau	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 5:04 p.m. Supervisors Brady, Harland, Frith and Huff were present in person. Supervisor Blakeley was not present at roll call. Special Counsel Don Roper was in attendance. No members of the public were present.

SECOND ORDER OF BUSINESS

Public Comments: (5 Minutes)

There were no members of the public present at this time.

THIRD ORDER OF BUSINESS

**OPEN SPECIAL MEETING/ANNOUNCE
EXECUTIVE SESSION/SPECIAL MEETING
RECESS**

Mr. Adams opened the Special Meeting at 5:04 p.m. He stated, at the last meeting, Special Counsel, Mr. Don Roper, of Roper & Roper, P.A., requested an Executive Session for the purpose of discussing pending litigation in the case of Anna Maria Defeo v. Stoneybrook Community Development District and the proposed Settlement Agreement.

Mr. Adams recessed the Special Meeting.

FOURTH ORDER OF BUSINESS

**COMMENCEMENT OF EXECUTIVE SESSION
(Closed to the Public by Law)**

- **Executive Session Regarding Anna Marie Defeo v. Stoneybrook Community Development District, Pending Litigation**

The Executive Session commenced at approximately 5:05 p.m.

The Executive Session adjourned at approximately 5:35 p.m.

FIFTH ORDER OF BUSINESS

RECONVENE SPECIAL MEETING

Mr. Adams reconvened the Special Meeting to order at 5:36 p.m. Supervisors Brady, Harland, Frith and Huff were present in person. Supervisor Blakeley was not present.

SIXTH ORDER OF BUSINESS

**Consideration of Matters Related to Anna
Marie Defeo v. Stoneybrook Community
Development District, Pending Litigation**

Mr. Adams presented the Settlement Agreement, as outlined during the Executive Session, for consideration.

On MOTION by Mr. Frith and seconded by Ms. Huff, with all in favor, the Settlement Agreement, as outlined during the Executive Session, was approved.

SEVENTH ORDER OF BUSINESS

**CLOSE SPECIAL MEETING/OPEN PUBLIC
HEARINGS AND REGULAR MEETING**

The Special Meeting was closed.

The Public Hearings and Regular Meeting convened at 6:00 p.m.

Mr. Adams called the roll. All Supervisors were present.

▪ **Public Comments (5 Minutes)**

Public Comments, previously the Second Order of Business, were taken at this time.

Ms. Gail Van Baker, a resident, asked if a maintenance plan existed for maintaining the walkways with mulch and pine straw and, specifically, when pine straw was last laid on Stoneybrook Golf Drive, since the area is sparse. Mr. Harland stated that mulching typically occurs in May and November. Mr. Vuknic stated the project mandates applications of mulch and pine straw in May and November; however, projects were delayed until June, due to being understaffed and only mulch was applied because of depleted funds related to Hurricane Irma. He and Mr. Brady toured the area and explained that, until certain areas that lack drainage are lowered and resodded, it was not cost-effective to install pine straw, as rain would eventually wash it away. When the partial bunker renovations commencing this summer are finished, excess materials will be used to resod and fill bare areas in November.

Mr. Harland also toured the area and stated the entire pathway needs to be repaved. Discussion ensued regarding aesthetically maintaining the pathways, whether to increase the amount spent on mulch or increase applications from semi-annual to quarterly, which typically cost about \$10,000 per application. Discussion ensued regarding bare areas at the main road that lack mulch or pine straw and that the contract stated not to mulch the annual beds, due to fungus buildup, which can kill the plants. Pine straw is applied annually, during season, around the golf course. Discussion ensued regarding the factors contributing to the community's aesthetic decline, heavy rain and reducing the work plan to mow, clip, etc., from seven to five days and acquiescing to resident complaints and complying with the HOA's ordinance.

Mr. Adams advised that discussions during the Executive Session remain confidential until a Final Order is filed with the Court; which will become available to the public at that time.

Mr. Keith Chazin, a resident, asked whether assessments were increasing and, if so, was it due to Hurricane Irma and the CDD having improper insurance, the CDD having no reserves, being a government entity and not allowed to have reserves or insurance costs increasing because of potential future hurricanes. If the CDD had proper hurricane insurance coverage, he wanted to know the difference between CDD and HOA insurance coverage. Mr. Harland confirmed the CDD is allowed to have reserve funds, which were depleted from Hurricane Irma expenses. The overall Operations & Maintenance (O&M) Assessments for Fiscal Year 2019

were decreasing approximately \$5.62, while still building up reserves to \$120,000; compared to Fiscal Year 2018.

Mr. Brady agreed that the verbiage in the Mailed Notices was deceiving and explained that the Board made the decision to reduce assessments only slightly, to build reserves to \$120,000, instead of reducing assessments more and raising reserves to \$100,000. In response to whether vegetation insurance is obtainable, Mr. Adams stated no; however, the CDD filed and qualified for a Federal Management Emergency Agency (FEMA) Public Assistance (PA) Grant, of which FEMA has obligated \$35,000, which covered removal of vegetation from the CDD's public right-of-ways (ROWs). Ultimately, receipt of FEMA funds is a lengthy process.

EIGHTH ORDER OF BUSINESS

Public Hearing to Consider Comments and Objections to Fiscal Year 2019 Budget

A. Affidavit/Proof of Publication

Mr. Adams presented the affidavit of publication for today's Public Hearing and Regular Meeting.

B. Consideration of Resolution 2018-04, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018, and Ending September 30, 2019; Authorizing Budget Amendments; and Providing an Effective Date

Mr. Adams presented Resolution 2018-04. There were minimal changes. The significant change was increasing fund balance to \$99,000, instead of increasing assessments or a projected fund balance of just \$3,740, even after transferring \$125,000 out of the irrigation fund. Since these figures are estimates, a budget amendment to identify actual amounts will be presented at the next meeting. Mr. Adams stated the original SunTrust Loan would be paid in full in May 2019 and the Series 2014 Bonds, regarding golf course assessments, would be paid in full in May 2023.

In response to a Board Member's question, Mr. Adams stated it was not necessary to offset the overage to the "Landscape maintenance" line item, on Page 2, as the overage was caused by offsetting revenue with insurance recovery from the parties who ran into the carts.

Mr. Lloyd Sebby, a resident, asked if the lot north of the school was owned by the CDD or HOA and if it should be purchased and used for boat storage. Mr. Adams stated it is considered one commercial lot, equivalent to 39 units; the lot owner pays those assessments.

Discussion ensued regarding whether the lot referenced by Mr. Seby was different from the lot on the lien roll that Mr. Adams mentioned. Mr. Adams explained that no assessments are placed on CDD-owned property or HOA-owned that is used as a common element.

Mr. Harland stated the Golf Course Enterprise Fund Fiscal Year 2019 budget is similar to Fiscal Year 2018, with the exception of the Lake Bank Restoration project increasing \$30,000. Discussion ensued regarding whether to complete the project before the permit expires in April 2019 or to file an extension. Mr. Adams will advise the District Engineer to file an extension at the start of Fiscal Year 2019, with the intent to complete the project within the next 12 months.

Mr. Vuknic provided highlights of the Enterprise Fund Budget:

- Sprayer \$300 monthly: Mr. Vuknic stated that, instead of receiving a purchasing agreement for the sprayer used on common grounds, Wesco Turf, Inc. (Wesco) inadvertently sent a leasing agreement of approximately \$300 a month. It will remain a lease, requiring amending the "Capital Outlay" line item for Fiscal Year 2019 for an additional \$4,000, offsetting fund balance by \$4,000.
- Bunker Renovations \$41,000: Bunker renovations are scheduled for late November 2018 for Holes #1, #18 and parts of #9.
- Staff Raises: Funds came from staff attrition.
- Tree Trimming: Mr. Vuknic stated his concerns of affecting the General Fund's cash flow during October through December, when items such as pine straw, mulch, annuals, and tree emergent fertilizer were to be purchased.

Mr. Nixon provided highlights to the Proposed Fiscal Year 2019 Enterprise Budget:

- Suggested offsetting the possible cash flow issue by using funds allocated in "Building maintenance" being used to renovate the pro shop with new floors and cabinetry, since the project start date was not determined.
- Cart Fee: Consolidated GPS lease costs into this line item.

Mr. Santo Listro, a resident, asked if a footnote could be included to the Golf monthly estimates budget, indicating the historical data for green fees, the number of paid rounds and the blended rate. Ms. Huff felt that including that data would raise more questions than answers but would work on the verbiage.

In response to Mr. Brady's question regarding pro shop salary increases, Mr. Vuknic stated the line item increased \$5,000 and consisted in a 3% salary increase for full-time employees only; the funds were taken from salaries allocated for two part-time employees that

were never hired. He hoped to eventually be able to give all employees a raise. Mr. Nixon confirmed crossovers would be continued.

Mr. Adams opened the Public Hearing.

Mr. Santo asked for clarification on how \$82.06, as the maximum O&M assessment was determined. Mr. Adams explained that the Board’s directive was to maximize and match assessments to the lowest paying category, year-over-year. In response to the question of whether the costs for hurricane clean-up and plant replacement budgeted line items were for the entire year, Mr. Harland stated Management was notified of a scrivener’s error and was in the process of correcting the plant replacement back to \$15,000, instead of \$92,938.

Mr. Adams closed the Public Hearing.

The following additional changes to the Proposed Fiscal Year 2019 Budget were made:

- General Fund “Landscape maintenance”, “Capital outlay”: Add \$4,000 to lease sprayer
- General Fund balance: Reduce \$4,000 to offset cost of sprayer

On MOTION by Ms. Huff and seconded by Mr. Frith, with all in favor, Resolution 2018-04, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018, and Ending September 30, 2019, as amended; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

NINTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Imposition of Special Assessments for Operations and Maintenance for the Fiscal Year 2018/2019, Pursuant to Florida Law

A. Affidavit/Proof of Publication

Mr. Adams presented the affidavit of publication for today’s Public Hearings and Joint Regular Meeting.

B. Mailed Notice

A copy of the Mailed Notice was provided for informational purposes.

C. Consideration of Resolution 2018-05, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2018/2019; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for

Amendments to the Assessment Roll; Providing A Severability Clause; and Providing an Effective Date

Mr. Adams presented Resolution 2018-05.

Mr. Adams opened the Public Hearing.

No members of the public spoke.

Mr. Adams closed the Public Hearing.

On MOTION by Ms. Huff and seconded by Mr. Brady, with all in favor, Resolution 2018-05, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2018/2019; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing A Severability Clause; and Providing an Effective Date, was adopted.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2018-06, Adopting an Annual Meeting Schedule for Fiscal Year 2019

Mr. Adams presented Resolution 2018-06.

On MOTION by Mr. Brady and seconded by Mr. Blakeley, with all in favor, Resolution 2018-06, Adopting the Annual Meeting Schedule for Fiscal Year 2018/2019, was adopted.

ELEVENTH ORDER OF BUSINESS

CDD/HOA Maintenance Agreement

Mr. Sebby stated the CDD’s Official District Boundary Survey, dated December 1998, regarding street lights and inline skate park, was not mentioned in the CDD covenants for turnover to the HOA. Discussion ensued regarding the HOA spending \$12 to \$13 per street light per month. Mr. Frith requested a copy of the utility bill, which contains items broken. In response to Mr. Frith’s question, Mr. Peter Comeau, a resident, stated their FPL bill decreased slightly; however, their Engineer stated the standards were revised which required adding more fixtures; resulting in costs increasing. Mr. Brady noted that this is not a CDD matter.

TWELFTH ORDER OF BUSINESS

Business Interruption Insurance

Mr. Harland asked whether the CDD’s insurance carrier offers coverage for lost revenue from golf rounds due to hurricanes. Mr. Adams stated coverage is not offered by the CDD’s insurance carrier since the loss is weather-related rather than loss of an actual building or equipment; he would check with other carriers to see if it is available.

THIRTEENTH ORDER OF BUSINESS

Infrastructure Life Expectancy Analysis

Mr. Harland asked whether an analysis was already performed. Mr. Adams stated that the life expectancy for most of the CDD’s infrastructure, the golf course and roadways is 15 to 20 years before incurring any significant repair or renovation costs. The storm water system life expectancy is 50 to 100 years, not including lake bank erosion. If the desire is to perform a reserve study and create a long-term capital reinvestment schedule, the CDD only has a few items to include: the maintenance facility, golf course bridges, cart paths, main feeder roadway and landscaping. It was noted that the HOA recently completed a reserve study.

FOURTEENTH ORDER OF BUSINESS

U.S. Cost of Living Data in Consideration of Golf Rates and Staff Increases

Mr. Harland suggested setting a baseline for rates and increasing them yearly to coincide with the U.S. Bureau of Labor Statistics and U.S. Cost of Living rates, when planning the Fiscal Year 2020 budget, instead of just increasing rates every few years. Mr. Nixon stated membership rates increased 2.2% which coincided with the cost of living rate. It was noted that golf course staff raises were typically 3%. This item will be continued.

FIFTEENTH ORDER OF BUSINESS

Discussion/Update: Hurricane Irma Recovery

Mr. Adams stated the grant is in FEMA’S queue awaiting final approval and, once approved, it is then reviewed at the State level. The State noted that their forms differ from the FEMA forms, which could require entering data into the State’s forms.

SIXTEENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of July 31, 2018

Mr. Harland presented the Unaudited Financial Statements as of July 31, 2018. In response to Mr. Vuknic's request, Mr. Adams stated he has discussed transferring payroll amounts more frequently with Mr. Pinder, which should help. He would also contact the current payroll provider to obtain costs associated with having payroll remain in the General Fund and out of the golf course; as well as contact other payroll firms that specifically handle smaller groups.

▪ **Approval of July 24, 2018 Regular Meeting Minutes**

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

Mr. Blakeley presented the July 24, 2018 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

Lines 22 and throughout: Change "Brock" to "Raphael"

Line 110: Change "Mr." to "Ms."

Line 201: Change "replaced" to "repaired"

Lines 225 and 287: Change " _____ " to "Frith"

On MOTION by Mr. Frith and seconded by Mr. Brady, with all in favor, the July 24, 2018 Regular Meeting Minutes, as amended, were approved.

SEVENTEENTH ORDER OF BUSINESS

Golf Course Staff Reports

A. Golf Superintendent

Mr. Vuknic provided the following report:

- A palm and a pine tree at Hole #14 were being removed.
- Several new trees were planted at Holes #3, 11, and 16.
- Aerification scheduled for next week.

In response to a question, Mr. Vuknic stated the dead pine tree, at Hole #2, would be removed. A Board Member stated the condition of the sand traps was unfavorable and others were complaining to the point of presenting a motion to the men's league. Mr. Vuknic explained the process and tools used to rake sand traps and that bunker centers are tilled, not level, each one bearing its own issues of holding water or debris. He suggested either tackling each one on a case by case basis or renovate all of them.

B. Golf Pro

Mr. Nixon provided the follow report:

➤ August was a decent month; specials were run and rates were reduced to \$30 and \$25 for the outside public and \$25 and \$20 for residents. A review, placed in Golf Now Answers, stated “for the prices, this is the best golf course I’ve ever played.”

Mr. Nixon is coordinating with Ms. Valentine, an HOA Board Member, a Ladies Special within Stoneybrook only, beginning October, holding a Chip-n-Sip planned event every first and third Tuesday of every month, from 5:00 p.m. to 6:00 p.m., followed by Happy Hour at Duffy’s for \$20. Flyers will be posted in the next couple of weeks.

- Signage: “Beware of Alligators” signs were installed today.
- The Pro Shop bathrooms were painted and the golf course ones are scheduled for next week.
- Mr. Chazin donated framed pictures that were hung in the restrooms.
Mr. Nixon requested replacing the urinals during the Pro Shop renovations.
- An invitational golf tournament today took in \$3,000.

EIGHTEENTH ORDER OF BUSINESS

Approval of July 24, 2018 Regular Meeting Minutes

This item was presented following the Sixteenth Order of Business.

NINETEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Dan Cox, Esquire*

There being no report, the next item followed.

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

Mr. Vuknic stated he received a resident complaint about high usage, which was only 3,000 over the Equivalent Residential Connection (ERC), and that the meter was read incorrectly. He advised the resident that his meter was double-stacked with start times and then conducted a test and confirmed it was not a meter issue. Other residents had high usage issues due to multiple start times or broken meters.

ii. Irrigation Disconnect List

This report was provided for informational purposes.

iii. NEXT MEETING DATE: September 25, 2018 at 6:00 P.M.

The next meeting will be held on September 25, 2018 at 9:00 a.m., rather than 6:00 p.m.

TWENTIETH ORDER OF BUSINESS

Supervisors' Requests

Mr. Brady asked if there were any updates to turning the Preserve over to the County since it was an item of concern at the HOA meeting he attended. Mr. Adams stated, according to Commissioner Pendergrass' office, there is a misunderstanding as to the County's role in preserving lands, under the Conservation 20/20 program, specifically, since the property is already in perpetual preservation under the CDD, as part of the Development Order, and being maintained by the CDD. This will be conveyed to Commissioner Pendergrass. A Board Member stated that, according to Mayor Boesch, Commissioner Pendergrass was waiting to hear from the CDD. Discussion ensued regarding various discussions held with County Staff and Mr. Pendergrass' office regarding the Preserves. Mr. Adams provided Ms. Kerr a copy of a Contractor's proposal of \$25,000 for a one-time clean up.

Mr. Adams will obtain proposals from Johnson Engineering for milling and paving secondary roads. He explained the life expectancy differences between micro-surface sealant and milling and paving.

Mr. Brady stated he continues to have discussions with a resident regarding the area near Hole #13. He and Mr. Vuknic toured the area and agreed the water backs up pretty close to the resident's home. The HOA was informed and he suggested that the HOA build a land barrier on their land to hold the water from backing into her land. Discussion ensued regarding water collecting due to roof runoff. He will continue to provide any updates.

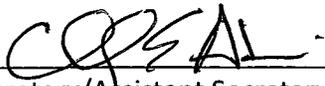
In response to a question of the status of discussions with the School Board, Mr. Adams has not heard back from them regarding sharing costs to repair roadway.

TWENTY-FIRST ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Ms. Huff and seconded by Mr. Brady, with all in favor, the meeting adjourned at 8:22 p.m.


Secretary/Assistant Secretary


Chair/Vice Chair