

TURNBULL CREEK
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Turnbull Creek Community Development District was held Tuesday, June 13, 2017 at 6:00 p.m. at the Murabella Amenity Center, 101 Positano Avenue, St. Augustine, Florida.

Present and constituting a quorum were:

Chuck Labanowski	Chairman
Brian J. Wing	Vice Chairman
Aage G. Schroder, III	Supervisor
Lee Clabots	Supervisor
Wil Simmons	Supervisor

Also Present were:

David deNagy	District Manager
Mike Eckert	District Counsel
Mike Yuro	District Engineer
Mark Insel	Vesta/Amenity Services Group
Matt Krabill	Vesta/Amenity Services Group
Dan Fagen	Vesta/Amenity Services Group
Lourens Erasmus	Vesta/Amenity Services Group
Daniel Laughlin	GMS, LLC
18 Residents	

The following is a summary of the actions taken at the June 13, 2017 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 6:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

Mr. deNagy stated we have a Facebook page where residents who cannot make it to the meeting can leave their comments and I will read those into the record. Kathy O'Conner Courter asked who is responsible for cleaning up the dog waste stations, the one on Porta Rosa is overflowing. Theresa Patch asked who cleans the pool, we were there tonight and it is really dirty with a ton of junk on the bottom of it and it also has several cracks and stains. I know that

is more expensive to repair but if you stand on the bridge or pool deck it looks really dirty. Is there anyone specific we can bring this to? Thanks. Chris DelBene, can the CDD please consider scheduling all 2018 meetings at 7:30 p.m. I believe it will result in increased attendance. Worst case scenario nothing changes and the following year the time can go back to 6:00 p.m. The sprinkler may not be functioning properly behind the mail kiosk by San Giacomo about 25 feet left into the grass area all of the sprinklers have long arching throws and this one is low and not covering a similar area. Matt Stephens, great job on the basketball courts they look great. Chris DelBene, thank you to the CDD board for deciding to bid out the law firm contract this year and the management company contract next year. I really appreciate that our community voices are heard. I have two more comment cards both from Chris DelBene, what is the objective/reason to changing the guest policy and we will be talking about that later today and our budget has increased 26%, \$274,000 since 2015 what added value do we have for that money?

Mr. Firth stated I have a race company and we are proposing a race September 23rd where you dress up as Madonna or Ghost Busters or whatever and it is a 5K race and if you have any questions I can give you a course map for that. We have been doing it for years and it is a good way to raise funds for charity. We have done these in a number of neighboring communities and this is the only community we haven't done one in.

THIRD ORDER OF BUSINESS

Staff Reports (Part 1)

A. Landscape Manager (Presenter: Duval Landscape)

There being none, the next item followed.

B. Engineer (Presenter: Mike Yuro)

1. Engineer Report

A copy of the report was included in the agenda package.

2. Pond Banks

Mr. Yuro stated I finalized the plans for the critical areas and submitted that to five contractors unfortunately, I haven't received any good responses. I have responses that they are very busy and would need more time to put together a bid. If the board can wait until the next

meeting I feel that several will come in with pricing. I submitted the plans without the full spec package we did last time and one of the contractors wanted to know if the board wanted a payment and performance bond, maintenance bond or as-builts. My recommendation would be that you would want a maintenance bond for it and probably as-builts. The payment and performance bond they would have to factor into the pricing. The payment and performance bond covers the cost of the contract so if they walk off the job you would have a bond that you could then get another contractor to finish the job. The maintenance bond is what we had exercised that basically gives you a one year warranty on the work and they post a bond so if it needs to be repaired and they aren't going to do it you can go after the bond. The as-builts are to confirm that it was built per the plan. They would have to get a surveyor to survey it to demonstrate that it was built with four to one slopes and so forth.

Mr. Eckert stated the payment and performance bond also assures that they pay their subs so you don't have to deal with that issue. It depends on the amount of the contract whether or not you even have the discretion to waive that requirement and I think we are operating under the competitive bid threshold, which is in the \$300,000 range. What price range are we talking about?

Mr. Yuro stated my estimate for all of this was about \$140,000.

Mr. Eckert stated I will look at the statute but it is discretionary below \$150,000 or \$200,000.

Mr. Yuro stated I have asked them to price it by line item so if it comes in over what the board has to spend now you can pick the five, six or seven areas but I can ask them to put the amounts in and include it as a line item and the board can choose. I will reach back out to all of them ask them to put them into line items and provide it in time for our next meeting. Given the amount of time I believe they can they are just all busy.

Mr. Wing stated next time you are on the property on Verona as you come in off of 60 the first pond on your right it is not part of Murabella it is the small development over there, they just did some repairs on those banks that were very badly eroded and very steep and all they did was put in some kind of fill, with an orange color and the put sod on it. They did it a couple weeks ago and it looks like it is holding up pretty good at this point. That was a pretty cheap fix.

Mr. Yuro stated it sounds like it is probably a clay material and if you have surface erosion you get a clay/sand material because it will compact and hold in place. I followed the

recommendations from the geo tech from the original set of repairs and I think the difference was the bulk of our issues was the surficial ground water coming from underneath and I'm not sure that would hold up in the long term. I will take a look at it.

Mr. Eckert stated the threshold is \$200,000 so if you are under \$200,000 you have the discretion to require a payment and performance bond.

Mr. Yuro stated hopefully at the next meeting you will have several bids to choose from. Dave notified me that there is an engineer's report that is due by July and I'm working on that and I will have it in the agenda package for the next meeting.

Mr. Schroder stated that is required by July 1st. Are there any consequences if it is a little late?

Mr. deNagy responded no, we notified the trustee and they are flexible with that report.

Mr. Yuro stated the stormwater pond no. 8 with the silt mound that we have been trying to understand the best way to address it and my understanding is that we are now trying to get pricing on disbursing the silt out into the pond. I have had some communication with the water management district and they said as long as we demonstrate that there is sufficient volume and we do it at a time that pond is not discharging. I requested something in writing and they said they don't recommend that so I'm playing phone tag with the engineer at the water management district and will continue to try to get a firm yes or no from them if we can do that, be forced to remove it if we are going to address it at all. They have backed down on what they initially said. When we first approached them with this they said demonstrate there is sufficient volume and we pulled the permit calculations and it is three times the amount of volume than is required for that pond. The pond is 15 acre feet of volume and you are only required to have 5 or something along those lines.

3. Consideration of Requisition No. 60

Mr. Yuro stated the pay requisition is the final effort to wrap up the plans to get the bidding done and is in the amount of \$2,900.

On MOTION by Mr. Clabots seconded by Mr. Labanowski with all in favor requisition no. 60 for Yuro & Associates, LLC in the amount of \$2,900 was approved.

C. Attorney (Presenter: Mike Eckert)

Mr. Eckert stated there was a new law passed over this last legislative session to try to curb some of the abuses in the public records law that your staff and our office have been dealing with. We have been getting lots of public records requests for every district we represent in terms of, give us the receipts for mandates for the last ten years and silly things like that, which are purely designed to see if they can catch a district staff member slipping up and then they would file suit and get attorney's fees for it. It has become somewhat of a cottage industry. The legislature has recognized that and finally put a law into place that will help curb some of that because it used to be that the judges had no discretion they had to award attorney's fees if a document wasn't produced and this law now allows the judge some discretion that if the purpose of the request was not for a proper purpose that the court can refuse to award attorney's fees and hopefully deter those folks from taking up a lot of valuable staff time dealing with issues such as that. Along those lines in order to get the protections of that new statute we have to make two changes. One is we have to prominently post on our district website the name, address and contact information for the district's records custodian so that somebody can go on the website and immediately find out who the records custodian is and you also have to post at your main administrative office a posting of who that is and the contact information. Internally we are debating right now if the board needs to designate an office or does staff guess at what that is. Ultimately I think you should designate an office so there is no question later on and it would either be here or at Dave's office, one of those two.

Mr. Clabots asked who keeps the official records now?

Mr. Eckert responded Dave does. The secretary is appointed by resolution as our records custodian and it has to be prominently posted in that office. In order for us to take advantage of that we have to post that information in those two places. We can give that to Dave right now and do that at the staff level and if we want you to adopt a resolution that we will bring back to you.

D. Manager – (Presenter: David deNagy) - Discussion of Legal Ad for Attorney

Mr. deNagy stated in your agenda package is the legal ad that we prepared for district counsel representation. Upon your approval tonight that ad will start running tomorrow and we

are asking for proposals to be back to our office by August 1st so we can present those to the board at their August meeting.

Mr. Clabots asked the ad will run where?

Mr. deNagy stated we will run ads in the St. Augustine Record, the Times Union and we will also provide this to other attorneys that we work with.

Mr. Clabots asked if there is a small firm that wants to bid on it they would have to find it in the Times Union?

Mr. deNagy stated there are firms that provide ads to businesses such as engineering firms.

Mr. Clabots stated there is a resident who is an attorney that was interested.

Mr. Wing stated under the scope it says review district financial statements and requisitions. Do you review all those?

Mr. Eckert responded yes.

Mr. Wing asked is it necessary to have a lawyer do that?

Mr. Eckert stated in terms of requisitions when you are in construction then yes, we would want to do that in terms of did I review the requisition from Mike Yuro, I did that in accordance with my agenda preparation because it was \$2,900 so I reviewed it but there is no separate charge to you for me doing that.

Mr. Wing asked and the financial statements, which financial statements are we talking about?

Mr. Eckert stated whatever is in the agenda package and we also get a draft copy of the audit to review, which includes financial statements in it and we oftentimes provide comments on the audit, not comments that would change any findings or anything like that but it would not surprise me to see an audit change we made because they said all the board members were appointed by the developer. We pick that up and make sure that they are aware that all five supervisors are actually residents so those types of things. We are not sitting there with a calculator on your financial statements every month.

Mr. Wing asked can we change the wording on that because if I'm not familiar with it and think you want me to do all these financial statements and requisitions, can we add the word "certain"?

Mr. deNagy stated we can revise this any way you like.

Mr. Wing stated I want something to the effect to review those as needed.

Mr. Clabots stated I don't want someone to get the idea they have to pour through every bit.

Mr. deNagy stated review financials as needed.

Mr. Wing stated and requisitions.

On MOTION by Mr. Clabots seconded by Mr. Labanowski with all in favor the notice for legal services was approved as amended.

Mr. Eckert stated I serve at your pleasure if you are ever uncomfortable with me then that is something we can work out the transition on. I'm just going to ask and be direct because that is the way that I like to be. If the board would prefer that we not bid on this proposal please just tell me now and we won't put you through that uncomfortable situation. That is fine if that is what the concern is about the quality or the candor with which we provide representation if that is a concern we certainly would refrain from submitting a proposal but if the board wants us to submit a proposal that is fine as well too. I'm talking to you because I do serve at your pleasure and if your intent is to absolutely go in a different direction then we would respect that and not submit a proposal.

Mr. Clabots stated I think you should submit a proposal and feel comfortable doing that.

All board members agreed.

A resident stated there are probably firms that will not see this in the St. Augustine Times. I'm wondering at the reach since there are not that many government practices in St. Johns County. The Florida Bar has their own publication and I'm wondering why the notice would not be sent to the Florida Bar for their publication.

Mr. deNagy stated we can send it to anyone you like.

Mr. Clabots stated I would leave it to your discretion but I would look at the Florida Bar if it is a couple hundred bucks I'm not going to worry about that if it is \$1,000 or \$1,500 or \$2,000, which I seriously doubt use your judgment.

Mr. deNagy stated we will do a test of reasonableness.

E. Operation Manager (ASG) - Report (Presenter: Lourens Erasmus)

Mr. Erasmus reviewed the operation manager's report and stated in response to the comment made earlier our pool is not dirty, the discoloration is because our Marcite is wearing thin. We are working on getting bids for resurfacing the pool that I will bring to you at a later date.

F. Amenity Center Update – Report (Presenter: Mark Insel)

Mr. Insel gave an overview of the amenity center report, copy of which was provided in the agenda package.

FOURTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the May 9, 2017 Meeting**

- B. Balance Sheet as of April 30, 2017 and Statement of Revenues & Expenditures for the Period Ending April 30, 2017**

- C. Month-by-Month Income Statement**

- D. Assessment Receipt Schedule**

- E. Approval of Check Register**

On MOTION by Mr. Clabots seconded by Mr. Simmons with all in favor the consent agenda items were approved to include amendments to the minutes.

FIFTH ORDER OF BUSINESS

Consideration of Acceptance of the 2017/18 Reserve Study (Presenter: Dreux Isaac)

Mr. deNagy stated this study did have an impact on our budget. On page 4 is the cash flow plan that was put together by Dreux Isaac we had in our budget reserve study funding in FY 2018 of about \$63,000 the new study shows a reserve funding contribution of \$184,000 and that is an increase of \$120,000. We had inquired about the increase and I copied you on his response that indicated there were a couple areas not included in the original study.

Mr. deNagy read into the record the response: I completely understand the higher funding recommendation was a result of several factors, our study has a higher overall higher replacement cost, we identified more components the previous report was also three years old. Two neighborhoods did not appear to be in the old study, San Marino and Viscarra and each has a monument, playground, gazebo, two hard shade shelters, lighting, parking and an asphalt walking trail. San Marino also has a fitness course and Pescara has an irrigation pump station. Some of the previous life cycles were off such as the 42 years for roof replacement, there were also some minimal allowances for items like pool furniture at \$3,000 annually, which is high end stuff and we had it all being replaced as a lump sum total. Also the old study did not include the pool paver deck these are just a few examples that are cumulative.

I was hoping Dreux would be here tonight to elaborate on that a little more.

Mr. Clabots stated we had some miscellaneous site improvement items and lake embankment stabilization allowance of just \$10,000 again. Where is the rest of anything related to pond bank stabilization?

Mr. deNagy stated we had that also in our previous study \$10,000 a year and we took that out and put it in our O&M budget and that was purely a guess, we were contemplating that the pond banks would have been refurbished with money other than what was in our reserve study. The \$10,000 was a placeholder for smaller repairs on the pond banks and not major repairs.

Mr. Clabots stated my concern still is that I do not think we had adequately budgeted for that. We approved \$100,000 recently and Mike was looking at \$145,000 this time around and we constantly rob Peter to pay Paul. Taking out another bond issue is bad conservative management, we can have special assessments but that would be huge, the best way is to plan for it in the capital reserve budget and look at realistic numbers. The problem I have with the capital reserve budgets since I have lived here is the numbers didn't seem realistic to me. The number in the budget to re-marcite the pool doesn't even come close and I thought these guys would at least take a better look at what we are doing, what we need to do, how do we plan that out and I just didn't see it in the study.

Mr. deNagy stated which is why we are talking about the draft.

Mr. Schroder stated part of the problem could be what we communicated to them I don't know how much detail we provided to them about our pond bank issue. Once we get these failures fixed that \$10,000 might be a reasonable amount. I would like to see if we can in the

next year or two include more in our budget that means we have to take something out and reduce some other things but I would like to see if we can finance some of those repairs in the budget.

Mr. Wing stated up to this year we have had a reserve study from the other firm then how is it that two neighborhoods were never included.

Mr. Labanowski stated same as missing the irrigation pump or replacement of the slide. There was a lot that was missed in the reserve study and the prices were not right. The first year we are looking at 185% increase, second year 13% increase, the third year is a 51% decrease, year four is a 457% increase. Why can't the increases be balanced? Do we need all the gym equipment replaced or could it be put off to another year and other things that could be shifted around to other years that don't need to be replaced right now. We need to have a more balanced reserve study.

Mr. Simmons stated there seems to be a general sentiment that we have some omissions regarding this study. We need to communicate our concerns about the omissions.

Mr. deNagy stated I can follow-up with Mr. Isaac. I also heard that you want Mr. Isaac to talk with the engineer and that would be the first step then we would arrange some time to get back with Mr. Isaac.

Mr. Eckert stated you do have a deadline that you have today to set the high number. When you approve your budget I think it has the recommendation in what is in front of you from the reserve study but you start talking about pond banks and numbers that aren't in there for that. You do need to set the high water mark.

Mr. Clabots stated I always understand that we are up against some time to get the budget approved by the beginning of the fiscal year. I have a problem approving an artificial budget that I may have to come back to the residents and say we missed the mark. I don't know what we need to do to the schedule but this needs to be updated, they need to talk to Mike Yuro, I am uncomfortable approving a budget proposed for the next meeting because it has an unrealistic number in it.

Mr. Eckert stated understood and the June 15th deadline is set by statute that you have to approve something and today is June 13th. There is a way we can work out the timing if we adjust the meeting schedule to give you another meeting to decide whether to raise it or not. That just starts the process. The real reason why you can't go above the high mark that you

approve is because you send assessment notices out to people and you have to have your high mark before you send those notices out and in this community they are 20 day notices, if you do a direct collect it is a 30 day notice but here you do 20 days. We could possibly push it to the next meeting to set that high water mark but you are not going to be able to go beyond that because then you are going to run into the deadline of having your budget adopted by the first of September. It is a two step process and what I'm suggesting is today you approve the budget, make whatever changes you want to, you met the statutory deadline, they can mail it, post it, do what they have to do. At our next meeting then you can set the high water mark a little bit higher but that is pretty much your last opportunity to do that for this fiscal year.

Mr. deNagy stated we have the budget approval by June 15th that would be tonight. Our budget adoption has to happen before September 15th. We were setting our budget adoption for the August meeting we can move that to our September meeting, which is September 12th and still meet the statutory deadline. If we approve the budget tonight at the next meeting in July we will not have sent out mailed notices to everybody we can still modify our budget and then move forward with adoption.

Mr. Clabots stated it makes sense but if I approve the budget I have to approve the budget saying I don't know whether it is realistic but I can approve it to keep the time table going.

Mr. deNagy stated what I'm saying is if we approve the budget as presented tonight in July we can come back and approve it at a more realistic number.

Mr. Eckert stated it is a second approval because you have some extra time but you have to look at your meetings and make sure they are scheduled out enough and because you have a 20 day notice and not a 30 day notice you should have the flexibility to do that.

Mr. Labanowski stated at the next meeting we can go up or down.

Mr. Eckert stated if you do it in July you can go up or down because we are not going to mail the notices until 20 days before the September meeting.

Mr. deNagy stated you have time and that will give us time over the next month to work with Dreux Issac and with Mike Yuro.

Mr. Schroder stated there are two other important issues since we have been surprised on them before and that is the cost of irrigation system, the amount of time, effort and money you spend on that and the pool. I'm asking staff to look real careful at those two items and make sure

just as we are going to talk to Mike we need to talk to you to make sure we are realistic on what we are putting in there for the pool and the irrigation system.

Mr. Erasmus stated that is why I'm getting quotes right now for the resurfacing of the pool and that will come back to the board. Some of these things we talk about are things that should have been done but they were still hanging there. The a/c system was supposed to be replaced in 2015 but you can't remove that from here because what if that a/c system goes out tomorrow. I asked Dreux Issac about that when he was here I told him there were certain things that we did not do to save money and the a/c unit is running fine but tomorrow it can break and we would have to replace it. I think that is why the first year looks so shocking in regards to the study.

Mr. Clabots stated I saw he put in \$184,000 from the capital reserve study and then it went back up and last year we budgeted over \$60,000 for repairs and replacement and that was cut in half if I understand to artificially come up with a new amount per home to reduce the amount of increase. If we were going to have more irrigation repairs and things like that why do we reduce a repairs and replacement budget just because we increased the capital reserve portion of the budget. It makes no sense to me.

Mr. deNagy stated that is a fair question. If you take a look at the repairs and replacement budget we did artificially increase that somewhat last year, the thinking was and the recommendation was and the board approved moving forward with an increase in our O&M budget to try to keep it at a static level for a couple of years. When I looked at the repairs and replacement budget in light of what we got from the reserve study this year if you take a look at the actuals and dole that out on a straight line factor for the remainder of the year you are not going to come up with \$61,000 you are going to come up with something less than \$25,000 so we are still budgeting something higher than what the straight line is but it is less than what we had in there originally. That is the number we were working with to keep assessment levels steady for a couple of years.

Mr. Clabots stated I understand that but we just bought a pump for \$50,000 and took it out of capital reserve. Under repairs and maintenance we had \$30,000 left over, one could have moved some of those moneys over to do that. It gives you flexibility. I look at repairs and maintenance if you don't spend it all drop it down to the capital reserve and quit robbing Peter to

pay Paul because it is a 10 year old community. It is going to need more repairs and replacement as time goes on.

Mr. deNagy stated we can push it back up that is entirely up to the board.

Mr. Clabots stated I think you need to look at that issue and I think you need to look at what is a more realistic number for our capital reserve contribution. I don't want to keep coming back to people year after year two or three years in a row saying we have to bump this again because we didn't get it right in the first place.

Mr. deNagy stated I agree with you.

Mr. Schroder stated I have comments on certain pages that I would like to bring up at some point if we have a workshop over the phone or something. I think we need to go through this almost page by page.

Mr. deNagy stated I recommend we have Dreux Isaac get with Mike Yuro then we take it from there and see where the board wants to go with it.

Mr. Simmons stated it is not just Mike, there are other issues outside of Mike.

Mr. deNagy stated I understand that is just our starting point.

Mr. Schroder stated I have a lot of comments and questions I want to raise at some point I'm not sure tonight is the night.

Mr. deNagy stated if you would like to get with me one on one we can do that and any of the board members can do that. You can call and talk to me about anything.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2017-03
Approving the Proposed Budget for Fiscal
Year 2018 and Setting a Public Hearing Date
for Adoption**

Mr. deNagy stated Resolution 2017-03 would approve our proposed fiscal year 2018 budget and set a public hearing date for adoption and I recommend the hearing date be September 12, 2017. As we discussed on the reserve study the primary impact on our budget is the capital reserves. As Mr. Clabots mentioned in an effort to somewhat mitigate the increase we did reduce the repairs and replacements and that budget is now \$34,398 it was \$69,610. The overall budget as presented is a \$100 a year increase in O&M assessments. On page 19 is a summary of both the debt and O&M assessments and roughly 58% of your assessment goes to pay off debt, the remaining is O&M. We did have a decrease in our debt service assessments a

couple of years ago and there is a net savings overall of \$31 for the original Turnbull Creek, which is the Series 2005 Bonds and \$54 for the San Marino/Pescara areas if you take into account the debt savings that we had. The overall increase of \$100 is less when you take that into account.

Ms. Browning stated we all have to live within budgets and the board should also, this budget needs to be gone through line by line.

Mr. Clabots stated we are going out to bid on legal fees. How do I know that legal fees aren't going to come back and we can reduce legal fees by 50% to help pay for some of this? Are there places in this budget that you can see this is the realistic number for repairs and replacement, there is a realistic number for capital reserves, is there someplace in this budget that we can help reduce that to some degree that is realistic and I think legal expenses will probably be one of them but we don't know that yet. I will approve a budget to go forward so we can keep the timeframe but we really need to go through this line by line and see where we can achieve what we need to achieve and pay for it somewhere rather than being arbitrary. Maybe people won't like it going up for a year but I want to be able to say to residents that what we have in the budget is realistic and if there is a little increase maybe people won't be happy but at least they will understand and know that we went through the budget in some detail and say we have reduced where we can we have other opportunities to reduce here but we have to increase some things here.

Mr. Schroder stated we have a landscape contingency of \$25,000.

Mr. deNagy stated \$10,000 of that is earmarked for potential tree removal.

Mr. Labanowski stated my concern was we haven't been doing it because we didn't have the funds to do it, which means this number is probably going to get blown way out when we get around to start removing them because trees are dying.

Mr. Schroder stated our pond bank reserves are zero.

Mr. deNagy stated we took that out it is in the reserve study. We just talked about the capital reserve and there is money in the capital reserve study for the pond banks that was in the O&M budget. For everyone's reference if you want to sit down with me and go through the budget I will be happy to meet with anyone.

Ms. Browning stated maybe we should have a meeting. I know my husband would come to that if you had a special meeting for everyone who was interested in that.

Mr. Simmons stated I feel uncomfortable from the standpoint of we have two days to approve this. Why didn't we address this, why did we wait until June 13th and say we have to accept this proposal by the 15th? We should be proactive in terms of the budget we can't wait until two days before, it is just not right.

Mr. deNagy stated in all fairness the thinking was that we weren't going to see that dramatic of increase in the reserve study. Had that not happened it would not have been an issue.

Mr. Simmons stated that is good but unfortunately it is an issue and now our owners is relying on us to try to mitigate this and try to adjust these issues the best we can and I think moving forward at least for me we have to be more proactive in our approach to this. We have to do better. It may be a rash decision based on inaccurate information and now we are forced to make a decision that I don't think a couple of us are comfortable with even though we get to correct it further down the line. That is not the way we should be doing this.

Mr. Wing stated clearly the reserve study was a shock I never expected anything along that line. The thing I find most troubling is we relied on that old one so much and it appears to be so wrong. It looks now that in order to get it right it is going to take a big increase.

In the revenues we have the asterisk for Comcast revenues, which we already decided we would place in the capital reserve but there is no estimate for that.

Mr. deNagy stated we received \$4,500 initially we got \$2,600 this time around. I can take an average of those two it is going to be difficult to estimate but I can do that.

Mr. Wing stated the other piece of revenue seems to be missing is the FEMA reimbursements.

Mr. deNagy stated that would go to offset our expenses and go back into the expense lines. We paid for certain things and when we get that money back it will go into those lines to offset those actuals.

Mr. Wing stated I will continue to try to scrub this budget to find some savings wherever I can. Originally I was against the program director at \$5,500 it is roughly half of what we spend on special events I don't know if we need that or at least reduce it by a fair amount. It is outrageous to spend 50% of what we spend on events to pay the coordinator to do it.

Mr. Schroder stated help me understand the telephone and internet costs. We budgeted in the current year zero and now we are budgeting \$4,900.

Mr. deNagy stated if you will recall last year when we adopted our budget we were under the understanding that we were supposed to get from Comcast free services for cable, telephone and internet. It ended up that the free service was for the cable so we are putting back into our budget internet and telephone.

Mr. Labanowski stated we have these increases we had the reserve study, which enlightened all of us. I expected an increase but not to the extent it is now for repair and replacement. I know Supervisor Clabots does not like bond issues but with the work we have to do that is left on the pond banks as well as all the repairs and replacements maybe we should float a bond to cover all of that. If I'm correct it can be earmarked for specific things that are on the reserve study. This would give us the funding and if something should break down early then we are able to replace it earlier than called for in the reserve study. I hate to issue another bond but we are looking at probably 15 years out we wouldn't have to do any other increases.

Mr. Eckert stated I have to understand what you are talking about because you wouldn't want to sell a bond now and get that money for something you are not going to spend for another four or five years.

Mr. Labanowski stated the only thing I'm looking at is the homeowners are seeing these increases all the time over and over again this would be a one time increase that takes care of the pond bank work as well as all the repairs and replacements that will have to be done.

Mr. Clabots stated you are right I don't like debt. We did a refinancing of the bonds and took out some additional bonds this last time around and we happened to hit the bond market when the bond market was good so we got a lower interest rate and we took out more debt and people saw some decrease in that portion going forward. I don't see the bond market giving us that kind of advantage again. If taking out a bond means your payment is going up \$10 to \$12 a month to pay off the bond you may as well do a realistic budget and let it go up \$10 to \$12 a month rather than increasing the debt on this property.

Mr. Labanowski stated I was looking at possible alternatives than going back to the homeowners every year.

Mr. Eckert stated to follow-up on that if you had a reconstruction project, the ponds, pools, things like that you could do that and sell a bond for that. I just didn't want anybody to think it would make sense to sell a bond and not use that money for four or five years because there is a three year requirement that is built into the bond law.

Mr. DelBene stated I made a comment about this item earlier. Since 2015 we have seen a 27% increase in our operations budget, \$275,000 and now you are saying we haven't budgeted properly. It is insane that you requested \$275,000 in the last two or three years and now you are telling us you need additional money. The last three budgets have had no cuts not a single item. Mr. Wing proposed cuts last year to half what ASG who does a phenomenal job he tried to half it and the board voted four to one against him to give them 50% increase instead of 100% increases. Now you are coming again and \$100 isn't a lot of money and spread over every house it is not a lot and I understand it is absolutely necessary for the capital reserves, while we think it is necessary no one really knows because we have no idea what the capital reserve study actually says because it was apparently provided to you this week for a meeting to discuss it and the person who did it doesn't show up. There are no cuts in this budget. I come here asking money for the 4th of July event. How are you going to have parties if you cut the event budget in half? You can't half it if you increase the budget for necessary repairs, you can't have both. The HOA is fully funded they have \$200,000 if they want to have special events then kick in some money but you can't double dip you can't raise \$98,000 for necessary repairs and still be having optional items in your budget. Mr. Simmons said at the last meeting how you could potentially cut it and this is not against Mr. Eckert's firm. Is it necessary to spend \$1,800 every time he comes here? It is \$18,000 in our budget for him to be here just for this meeting on top of the \$300 that he has in expenses for every meeting for coming here. That is over \$21,000 that can be cut or if he shows up at six meetings and you can use that as a consulting service. There are ways to cut things that may be inconvenient you may not have an immediate answer like he is able to provide tonight on some items but some cuts have to be made.

Ms. Browning stated I agree with everything he said. There goes our fun until this is paid off because that is what typically gets cut when things are going crazy. It would be nice to replace something but if you don't have the money for it you don't have the money. Sometimes hard decisions have to be made.

Mr. Labanowski stated we can take away the \$11,000 plus the \$5,500 and have no activities whatsoever and give it back to the HOA.

Mr. Clabots stated then you don't need an events planner.

Mr. Abush stated I'm on the HOA with Chuck and one of the things we just voted for was to put covers for \$45,000 over the playgrounds. When you balance what you are going to

spend money on is that really a priority versus some of the major expenses we are talking about and the HOA voted to give that money to the CDD an invoice is generated but why don't we just think about that now that we know what the reserve study shows. Maybe we should hold off spending that \$50,000 for the covers over the playgrounds versus taking care of the problem. I think you should entertain that because you have control over it, you already invoiced the HOA for it, we already approved your invoice, that money is now probably somewhere in your budget I don't know if you are spending it or committing to.

Mr. Labanowski stated it is already committed to and the equipment has been ordered and we are waiting for it to come in now.

Mr. Schroder asked is there any opportunities for the HOA to assist us with asset replacement, repairs and maintenance? One of the things that happen is the HOA has strings on those dollars, you can use it for this but you can't use it for that.

Mr. Abush stated there are legal restraints on how the HOA can give money.

Mr. Schroder stated it is healthy for us to have dialog between the two entities.

A resident stated I was here when Comcast committed to certain things so how did that get missed?

Mr. Eckert stated I would have to go back and look at the minutes to see what was actually said. Our understanding was that the contract was consistent with what the presentation was, there was some misunderstanding in terms of the internet and whether or not that was included and the phone as well.

A resident stated Mr. Eckert said at the last meeting there is no law that requires him to be here that would not be a good decision on our part to not have representation in any capacity but we have to start looking for savings somewhere. They are able to review the meetings from Tallahassee by approved minutes just as they are able to hear it in person, it will take another meeting to get an answer to your question so you may not be able to move forward but it will save us \$21,000 a year. Is there any way we can reduce and have them show up at six meetings versus 12 meetings? There has to be a compromise.

Mr. Labanowski stated there does and if we make a wrong decision up here as a board member against law then we are in trouble we committed the community to that. I would much rather have them on a conference call or here in person because of legal issues.

A resident stated you still consult with him privately because I saw the last bill via email. You go back and forth all the time and he bills us hourly so you are still consulting with him and you bring up these questions but you are emailing him privately then you are double paying them to be here and you email them on the same issue.

Mr. Eckert stated if you don't want us here and you want to go it alone don't reduce your legal budget because we have been here since 2005 and have any of the board members here had any knowledge of any litigation that this district has gotten involved in that you didn't start for bond validation proceedings. You get one piece of litigation in because you are not doing what you should be doing then forget about whatever your budget is your budget is going to be six figures no matter what. That is the first thing I would say. The second thing I would say and again this is totally your business decision but our firm will not be counsel for any district unless we are attending the meetings either by phone or in person because we don't want the liability either. If you want to go in that direction that is fine that is your business decision but we would not be a candidate for that moving forward.

A resident stated I reviewed the CDD budgets for 12 different communities and other communities have half our budget for attorneys fees so what are we requesting of your firm that other communities don't request the same of. For instance the only comparable market that I found was Nocatee the only other area that exceed our attorney budget and there are 7,000 homes. Do we over utilize your firm compared to other neighborhoods is what I'm asking.

Mr. Eckert stated there are many other communities with a higher budget so I would say you were pretty selective in what you looked at. Durbin Crossing their budget is \$60,000 a year and you and I have exchanged emails in the past and they haven't always been the most forthright emails that I receive so if you want to get into this debate we can get into this debate. I work for them I don't work for you. If they have questions I will answer the questions but I'm not going to be grilled by you.

Ms. Browning asked why not a conference call? Would that be cheaper would that be a savings?

Mr. Labanowski stated he just said it could be either way here in person or conference call. That is up to the board.

Ms. Browning stated also I dropped Comcast after my second year of living here because they have horrible customer service. Why are we still dealing with them? Can we not do something else?

Mr. Labanowski stated we are getting some revenue from Comcast and we do have a contract with them prior to us having a contract the developer was getting the money. We are getting some back so it is worth it right now.

Mr. deNagy stated the proposed budget is an increase of \$100 pre year per unit, there is no change in the debt assessment, the debt assessment stays fixed for the life of the bonds. Unless there are any questions I would look for a motion approving Resolution 2017-03 approving the FY 18 budget as presented, setting a public hearing for September 12, 2017. We will come back in July with a revised budget for board consideration after we have had some due diligence with our reserve study.

On MOTION by Mr. Wing seconded by Mr. Labanowski with four in favor and Mr. Simmons voting no Resolution 2017-03 approving the proposed fiscal year 2018 budget and setting a public hearing for September 12, 2017 was approved and staff will bring a revised budget to the July meeting.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2017-04
Recognizing the HOA for their Joint Efforts
in Helping the CDD in Funding
Improvements for the Community**

Mr. Labanowski stated this is a simple resolution putting on the record thanking them for supporting the community in helping us become a better community by providing funds for the shade structures for the playgrounds and the piece of equipment in the gym as well as resurfacing the basketball court.

Mr. Schroder stated they changed the name to the Murabella Owners Association not the Murabella Homeowners Association. You may want to remove "home".

On MOTION by Mr. Wing seconded by Mr. Simmons with all in favor Resolution 2017-04 was approved subject to changing the name to Murabella Owners Association.

EIGHTH ORDER OF BUSINESS

Comcast Revenue Sharing

A. Update on Comcast Revenue Sharing Receipts 2nd Quarter FY 17 (Presenter David deNagy)

Mr. deNagy stated we did receive funds for the second quarter in the amount of \$2,872.27 and that money has been earmarked and deposited in our capital reserve fund.

B. Consideration of Approving HOA Request to Have 15% of the Comcast Revenue Sharing Funds Allocated to the HOA (Presenter: Chuck Labanowski)

Mr. deNagy stated the HOA would like to have 15% of the Comcast revenue sharing funds allocated to the Murabella Owners Association. This would be a board motion to approve the 15%.

Mr. Labanowski stated at the last HOA meeting they voted to request from the CDD 15% of the revenue we are receiving since they are also included in the contract with Comcast. Since we are getting support from the HOA on other things I recommend we give them 15%.

Mr. Schroder stated I hate to see us take that money out of our budget at this point. Is it more a matter of principle from the HOA's perspective?

Mr. Labanowski stated principle and to control some of the funds.

Mr. Simmons asked based on the contract what is our obligation?

Mr. Eckert stated the contract with Comcast because the HOA owned real property and the CDD owns property both of them had to be in the agreement and basically the contract says it is paid to the CDD and the HOA. I recommend to the board that you work with the HOA and if the HOA thinks 15% is reasonable that is not inconsistent with the contract.

Mr. Wing asked you said the HOA owns property?

Mr. Eckert stated there was something that the HOA had that they had to get their permission to go with the lines through there. I will have to ask Carl Eldred of my office who did that but the HOA had to be on the agreement.

Mr. Labanowski stated it was to prevent the HOA from going out and advertising AT&T.

Mr. Eckert stated that's what it was. There was a marketing component to the contract.

<p>On MOTION by Mr. Labanowski seconded by Mr. Simmons with all in favor the request from the HOA for 15% of the Comcast revenue was approved.</p>

Mr. deNagy stated we have received some moneys. Do we want to go back and tap those moneys or moneys going forward?

Mr. Labanowski stated going forward starting with the one we just received.

Mr. Labanowski amended the prior motion to have a start date of the 15% share with the HOA be with the current check and going forward and Mr. Simmons seconded the amendment and on voice vote with all in favor the amended motion passed.

NINTH ORDER OF BUSINESS

Consideration of Approving Gym Equipment to be Funded by the HOA (Presenter: Chuck Labanowski)

Mr. Labanowski stated the HOA has approved funding of one piece of gym equipment. We had to go back to the company and have them change their shipping costs and so forth and the total cost is \$4,428.09. The HOA is funding this equipment and there is room over there right now. The only thing is we do not get this piece of equipment unless we can mount it. If you look at the second page this particular model requires that it be mounted, which means we have to drill holes in the floor and it has to be a 4 1/2" slab and I don't know the exact thickness of the slab. I reached out to the gentleman and he said it is possible if we made a bracket and attached it to the wall that it can be anchored that way and this is to prevent the equipment from tipping over. That is an additional cost we would have but it is not a lot of money a bracket would have to be made specifically for that unit.

Mr. Schroder stated I'm not sure a bracket in the wall would work there may be some way to reinforce the floor. I'm not sure the wall is as strong as the floor.

Mr. Labanowski stated we have to buy the bracket that mounts into the floor, which is an extra charge.

Mr. Schroder stated I would like to know what the total cost is.

On MOTION by Mr. Simmons seconded by Mr. Labanowski with all in favor the gym equipment funded by the HOA in the amount of \$4,428.90 was approved.

TENTH ORDER OF BUSINESS

Discussion of Special Events and VESTA's Role in Making Decisions on Event Components (Presenter: Brian Wing)

Mr. Wing stated I have seen a number of comments by homeowners regarding the Memorial Day event. Prior to this year it has always been some type of entertainment and hamburgers on deck and we switched this year to the food trucks and I saw in the newsletter that they were not going to be serving food but then they got a number of complaints and because that was a major component and change from what we normally do it seems that the board should be getting a heads up on this.

Mr. Erasmus stated we had many talks about our budget going from \$15,000 down to \$11,000 and then giving you a preapproved list of events and then coming back saying you didn't want preapproved events that we should just do it on the fly so that is almost a \$3,000 ticket so when I have a reduced budget by \$4,000 and people requesting more food trucks it was kind of a no brainer to say okay we can keep this event, which everybody heavily attends and remove the food and give them food trucks, which is what they wanted and be within budget at that event. That was the theory behind that. Maybe you got comments and complaints but I solicited everybody, it went out a couple times and I didn't hear anything.

Mr. Wing asked did anyone else on the board get comments or complaints about it?

Mr. Clabots stated I got a couple.

Mr. Labanowski stated there were just a few on the facebook page, which is less than 1% of households and that was it.

Mr. Simmons stated I think we should be in control of our events and maybe there are things that we could do that are smaller in terms of the budget. Maybe a Halloween parade for the kids up here how much would that cost. I think we have to be more creative in terms of our budget. Ultimately we get to decide what we want and how much it is going to cost us but ultimately it falls with us. I think Vesta has to get with their division cost it out and ultimately we say yea or nay.

Mr. Schroder stated I don't have a problem but we gave them a different direction in the past that we didn't want to get involved.

Mr. Simmons stated we want to direct it because the implication was that we got rid of the food trucks and I will take ownership of it because it was \$500 for the DJ and the food trucks and there wasn't a great turn out for it and we got the money and took the money from the food truck and DJ and we would try to fund fireworks. We never took no money from the luau, we never took money from the other events we just got rid of the food trucks and the DJ because the

DJ was getting whatever he was getting but there wasn't a real turnout to me it was a waste of money and the board agreed to it and we did something else with the money. The budget has decreased but the luau money didn't decrease or the other things didn't decrease the only thing we took out was the food trucks.

Mr. Insel stated food trucks don't cost anything that is the beauty of them. Correct me if I'm wrong but we were reduced from \$15,000, which the HOA gave us and we went from our \$9,000 and pumped it up to \$11,000 so we still were down \$4,000 and the BluTek money didn't come from special events we still have that there. So, nothing from special events with BluTek. We were offering some of that money to go to fireworks but that just didn't happen. We still have our \$11,000 budget but our thinking after meeting and discussing with you guys you wanted more events with a less dollar amount so I have a smaller budget what do I take away, I have to take fun or food away. That is a huge dollar ticket and we base everything on the level of interest and participation and I have never heard in the six years I have been here, you have to have free food. I heard many years that we need to have events with alcohol and maybe six people showed up for it. I spent a lot of money for that and that was requested and wanted but it didn't work. I can give you the same list that I get and give you ideas and a fake price tag but the luau I have to book them a year in advance. Are you going to approve that before the luau and what if the price goes up? Christmas the same thing I have to book the Santa six to eight months ahead of time. We would have to have many meetings prior to an event in order to even speculate what it could be, how much it could cost and who we may even get and that is the beauty of my program director and that is a tiny bit of the budget but to do that legwork and get out there and get those prices and get the people and line these things up ahead of time that is the beauty of what she does and the entire events committee that works for our company. We still have our \$11,000 budget.

Mr. Clabots stated I think the real issue was the surprise. If it was this way last year and it is now going to be a different way this year just give the board a heads up then the board can say maybe we would like to do it like it was last year and you can say where are you going to get the money then that is on us.

Mr. Insel stated I go through every report and preempt the next event and things may change because you don't come in my office and meet with my event coordinator and committee

and sit down and plan an event. Within our company there are 8 to 10 people around this community.

Mr. Fagan stated within Vesta a committee may not be the right term but it is our team of event coordinators. We have vendors come in and tell us what we have, what's hot and what's not, what kind of economies can you extend to us as and we are able to leverage our volume as well as our contacts and relationships with some of these vendors. We are also able to talk amongst ourselves and say this guy is great, this guy don't do business with him so we have a team that we work in concert with that provides good value to the community as well.

Mr. Labanowski stated we have given Vesta a budget of \$11,000 and I don't think we need to be micromanaging the activities. They know more of what is going on than anybody on this board. I have done it before in other organizations and it takes a lot of time to do that and I don't think any of the board members want to volunteer to take an activity and run with it. We give them a budget and let them run with it. Maybe a heads up so we can give a heads up to the community would help but we don't need to get into micromanaging.

ELEVENTH ORDER OF BUSINESS

Consideration of Revised Amenity Center Policies Reducing the Number of Allowed Guests (Presenter: David deNagy)

Mr. deNagy stated this was a carry over from our last meeting. Mr. Simmons had brought it up. You have in your agenda package some revisions to the policies that essentially changes the number of guests for patrons 18 years of age and older limited to five guests patrons under the age of 18 have a maximum of three guests, there are caveats depending on the area and the swimming pool area had different age restrictions.

Mr. Schroder stated I do want to thank Clark and Michael for doing this and I appreciate the way you presented it.

Mr. Simmons stated we are hoping it will mitigate some of the incidents we had with the number of teenagers in the area and it is a uniform policy.

Ms. Courter asked is it limiting the number of guests for the whole year?

Mr. Simmons stated no, we had that discussion and that is something I wanted to address as well. We can't enforce the policy because in order to enforce it you would need another fulltime staff person.

Ms. Courter stated I don't see enough attendance or overcrowding that there would be a necessity for a constant cap. Is there a way to have an exception?

Mr. Simmons stated that could probably be worked out but in terms of the general policy I think we are going in the right direction.

Ms. Browning stated I want to clarify this because I was not told this the last time that I went to use the baseball facility for my sons team of 12 kids to go to the baseball diamond I was told the policy was about to change and that there was going to be a cap of the yearly amount of guests. I was only allowed to have five at a time to have a baseball team out there if there are 12 people because their parents were also included in that, that there had to be multiple residents involved in that. I understand certain caps but I understand we don't want someone bringing 20 people to the pool, I don't understand why 12 kids and their parents can't come and use the baseball diamond if you go about legally reserving it through the amenity center.

Mr. Wing stated that is the existing policy you can reserve the baseball diamond.

Mr. Erasmus stated a patron can have one rental for as many people, there is no cap to a field reservation it is a three hour reservation you can only hold one at a time and nothing in the policy states how many people you can bring now. You could have a team but within your three hour one reservation per week. That is what we go by. We have a soccer team that is out there every Wednesday night and I think there are 20+ guys out there but they do reserve it.

Ms. Browning asked will the thing be taken out of the 25 residents per year?

Mr. Labanowski stated we have to vote on it we have to come up with the motion for what changes to be done.

Mr. deNagy stated that alternate section is not in this policy.

Mr. Simmons stated it wasn't in there yet. We have to address that.

Mr. Wing asked if we adopt this can we also say drop that annual business?

Mr. deNagy stated it is not in here anyway.

Mr. Labanowski asked can we put that in the motion to drop that?

Mr. deNagy stated absolutely.

On MOTION by Mr. Simmons seconded by Mr. Wing with four in favor and Mr. Labanowski voting no the amended amenity center policies were approved as submitted and staff authorized to take out the annual limit of 25 guests.

TWELFTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Labanowski stated for the next meeting I would like to bring up a topic as far as fishing in ponds. Since we are not having issues at the ponds where we have fishing now I would like to open it up to all ponds except for the two at the amenity center and some restricted so the homeowner can go out his backdoor and be able to fish there but other people cannot go behind someone else's house.

Mr. deNagy stated we will add that to the agenda.

Mr. Eckert stated in response to that if you are going to do that I recommend that you include the ponds within the definition of your amenities and it may provide some protection for the residents in terms of who can be fishing in the ponds. I think that would be a policy change you would want to make. My concern is I think you want that covered within your annual user fee for non-residents.

Mr. Abush stated there was some discussion about FP&L putting additional lighting around the circle. Can you give us an update?

Mr. Labanowski stated FP&L will determine exactly what our cost is going to be to put them in because they are not free anymore. I have gone a step further and Duval Landscaping has come back and said they can run the conduit. According to FP&L it was supposed to have been free if we put it in certain locations but it is not free we have to pay to have a conduit run from the box over to where the light posts are going to be. I'm waiting for them to get back to me with exactly what needs to be done.

Ms. Browning stated I didn't catch the actual numbers of allowed guests for each thing.

Mr. deNagy stated essentially it is five unless you are under age 18 then you are limited to three guests but there are specific policies with the swimming area there are different provisions.

Mr. Labanowski stated it is in the agenda package on the website so you can go to the website for that information.

Ms. Browning asked does that mean I get five guests and my children get three guests?

Mr. Simmons stated it is per household, there would be five guests for the whole household you can't have five and your children have five.

A resident asked when did the board first receive a copy of the proposed budget and a copy of the reserve study? When did you have access to both documents?

Mr. Labanowski stated the budget was two meetings ago. The reserve study wasn't until recently, it just came in two days ago.

A resident asked when was the budget amended prior to tonight's meeting to reflect the reserve study?

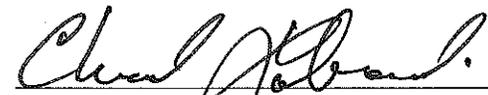
Mr. deNagy stated when the reserve study came in last week.

FOURTEENTH ORDER OF BUSINESS

Next Scheduled Meeting – July 11, 2017 at 6:00 p.m. at the Murabella Amenity Center

On MOTION by Mr. Labanowski seconded by Mr. Clabots with all in favor the meeting adjourned at 8:49 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman