

MINUTES OF THE JULY 13, 2017 CORAL BAY COMMUNITY DEVELOPMENT DISTRICT BOARD OF SUPERVISORS MEETING

Thursday, July 13, 2017
7:00 p.m.

Coral Bay Recreation Center
3101 South Bay Drive, Margate, Florida

Call to Order

The meeting was called to order at 7:00 p.m. in the Coral Bay Recreation Center.

<u>Attendee Name</u>	<u>Title</u>	<u>Status</u>
Tony Spavento	Chairman	Present
Daniel Dean	Vice Chairman	Present
John Hall	Supervisor	Present
Tina Hagen	Treasurer	Present
Ronald Gallucci	Supervisor	Present

Also in attendance were Michael Pawelczyk, District Counsel, Jake Ozyman, District Engineer, Dennis Baldis, GMS, Julio Padilla, GMS, and 8 residents (copy of sign in sheet attached hereto and made a part hereof)

1. Roll Call and Pledge of Allegiance

Mr. Spavento called the meeting to order, Mr. Baldis called the roll and led the pledge of allegiance.

2. Audience Comments/Supervisors Responses

Mr. Spavento asked for comments from the audience.

Mr. Zwickel: Jeff Zwickel of Mallory Harbor. I am here about the lake easement. I'm curious if there's Section 8 housing in the community.

Mr. Spavento: Does anyone on Staff know about the rules and if we have Section 8 housing in here?

Ms. Hagen: There's nothing to prevent it.

Mr. Zwickel: I'm just curious because property became available.

Ms. Hagen: I don't think so. Are you in Mallory Harbor?

Mr. Zwickel: Yes.

Ms. Hagen: I believe that the guy behind you (Fred Bourdin) is on that Board. Are you still on the Board Fred?

Mr. Bourdin: Unfortunately, yes. I never heard of Section 8 before. I don't know what it is.

Mr. Hall: I live in Fay's Cove. There was one Section 8 house. There's no legal way of avoiding it. When the community was built, unless the HOA prevented any renters, you are going to have to allow Section 8. There are Section 8 homes in Parkland, all through Coral Springs and Margate. The reason why I said that we had one, is because the woman that owned a Section 8 house in our community, wouldn't fix the roof, and when the woman who was living there with her kids, got sick from mold, she moved out. The Section 8 program inspected the house and wouldn't let her rent it again, so it's now in foreclosure. A lot of these Section 8 homes appeared in communities like Coral Bay, after the real estate market collapsed. The only people that were buying homes, were investors. If there's a community that allows rentals, such as Coral Bay, and none of the village's documents allow the HOA to prevent rentals, then you cannot prevent Section 8. It's the law. You would be discriminatory. Unfortunately, there are some in here. I'm glad the one in my community is gone. It's in foreclosure, right now. We just hired a company that comes in and takes possession of them. They put a tenant in there until the bank forecloses. It is either a Police Officer, firefighter or military person.

Mr. Zwickel: Does Section 8 apply to renters?

Mr. Hall: Yes. Section 8 is a County program. Where people qualify for the program, the County pays a portion of the rent. It could be 10%, 90% or 100%. People

have to register their home with the County, it has to meet the Section 8 criteria, and once it does, whoever the County assigns to that home, there's nothing the community can do to stop it.

Mr. Spavento: I am going to stop this discussion, because Mr. Hall gave the limited amount of information that he knows. We are not going to delve into things that are out of our purview. Where you don't know the law, and are not experienced in the law, you should get your answers from reliable sources. Does anyone else have a question for the Board?

Ms. Philipp: Nadia, Fay's Cove. What is the CDD cost? I just found out that I'm paying \$1,320 for the CDD fee, and \$125 a year for the HOA fee. What does the CDD fee cover and what does the HOA fee cover?

Mr. Spavento: I will tell you, but you can go to our website, CoralBayCDD.com to get the long answer. The short answer is everything is public area in Coral Bay. You don't have any public common areas in your HOA. Those belong to the CDD. The roads, pools, parks, gates and cameras all belong to the Coral Bay CDD. Your HOA deals with your home; what color it is, your neighbor's lawn, etc. We deal with the public. This is a publicly elected office. Your HOA is full of volunteers. We are all on HOA Boards, as well, but this is for the entire community. The assessment that you are talking about, unlike your HOA, will come out of your tax bill. It's a tax. If you have your mortgage set up, it will be pulled out automatically. That's what we do.

Ms. Philipp: Does it cover the pool area?

Mr. Dean: The pool, roads, gates, parks, and any public area are covered by the CDD.

Ms. Philipp: Usually there is only an HOA that covers your pool and common area.

Mr. Dean: The HOAs in Coral Bay own no common property.

Ms. Philipp: Why are we paying \$125?

Mr. Dean: The Association follows the declarations and covenants of the HOA. They don't manage any property.

Ms. Philipp: I'm still wondering why we are paying \$125, because if my house needed to be painted, I have to paint it and cut my own grass. Why is it \$125?

Mr. Spavento: That's an HOA question. There are some people that won't repaint their house, unless they get a notice to paint it. Some people won't fix their broken fence, unless they get a notice to fix it. That's what the Village Association is for. They make sure that each home is maintained, so it's not an eyesore to the rest of the community.

Ms. Philipp: So, basically its \$125 to maintain my property?

Mr. Spavento: It's for all of the houses, not just yours.

Ms. Philipp: Just to assess it.

Mr. Spavento: Not to assess it. Do you own your home?

Ms. Philipp: Yes.

Mr. Spavento: So you are the homeowner. You are the HOA. With all of the homes in your HOA, you are one of those voices. It's you that's assessing you. If you don't like what they are assessing you, go to your HOA meeting.

Ms. Philipp: That money should go to me to maintain my property.

Mr. Spavento: That is an HOA issue. This is the CDD meeting. I explained what the CDD does. We are going to be talking about raising those rates later tonight.

Ms. Philipp: How long do we pay the CDD? Until we sell the property?

Mr. Spavento: Yes. It's just like condo maintenance.

Ms. Philipp: I just purchased the house.

Mr. Pawelczyk: It would have been on your closing statement and on your title paperwork.

Ms. Philipp: I wondered why they were charging so much. What does that CDD fee cover besides the pool and common area?

Mr. Spavento: I told you what it covers.

Ms. Philipp: I'm allowed to ask questions.

Mr. Spavento: You do. That's why I directed you to our webpage that shows you the Chapter 190 articles of the Florida Statutes. It covers CDDs, what they can do and what they can't do. It's too big to go into. It's like showing up at college and asking why we have college. We have a CDD here. I explained to you what we basically do, but there are a lot of resources to find out the where's and with of how it came to be. It is a strange form of government that is unique to this area.

Ms. Philipp: I understand what you are saying, but I came here especially for that question, so listen. It's like you said, its college and you go to college to get an Associate's Degree to get a job, but with a CDD that I'm paying for, I want to know what it covers. Does it pay you and every member? What does it cover? I want to know what I'm paying for.

Mr. Dean: Thank you. Mr. Attorney, if you would?

Mr. Pawelczyk: I'm going to try to answer the question, very quickly. What the Chairman is trying to refer you to is the website. There is a detailed budget on the website that is very clear. In there, it will tell you exactly what the CDD is in charge of and what your \$1,300 assessment is paying for. Go to the website, check that out and it's clear as day. It's not like trying to track down financial documents from an HOA. The financials are audited for the CDD, so they are at a better level for you to understand and provide the information you need to answer all of those questions. If not, the District Manager's phone number is on the website. You can call them and they will answer your questions. It's a local unit of special purpose government. We are required by law to have that website.

Ms. Philipp: I wish they told me about the CDD fee when I purchased my property.

Mr. Pawelczyk: Your lawyer, real estate or title agent should have pointed that out to you when you purchased the home. I guarantee you that it's in the title work that you should've reviewed before you signed the documents to purchase the home.

Ms. Philipp: Where is it in the documents?

Mr. Spavento: There is a line that says taxes.

Mr. Pawelczyk: It's also listed in your property tax bill.

Ms. Philipp: That's where I found it.

Mr. Pawelczyk: It has said "Coral Bay CDD" since 1997.

Ms. Philipp: I just purchased the property.

Mr. Pawelczyk: I think you will find that it's a better deal to have the CDD manage this, than have the multiple subdivision sub-HOAs trying to manage it. It's much more efficient this way and it's convenient.

Mr. Spavento: Two things. Number one, just so you know, there are people that lived here 15 years and don't know the difference between the CDD and HOA, so don't feel bad. I'm just telling you. It's a strange animal that most people in most of the country has no idea exists. Somebody came in, found a part of land that no one was developing, and said to the City, *"Let me develop this. I will put in the drains. I'll put in the plants. I will put in everything for you. You will get 1,000 homes of taxpayers and I will get the money back from them someday."* I live in this section. That's how the CDD was created. Again, lots of people don't understand CDDs.

Ms. Philipp: It's new to me.

Mr. Spavento: I didn't know what an HOA was until I came to Florida.

Mr. Pawelczyk: I didn't know what a CDD was either.

Mr. Spavento: It's a strange animal.

Mr. Dean: If you can pay off the Condo Association dues, it's a better deal.

Ms. Philipp: I used to pay \$200 a month, but it covered everything that the CDD fee covered.

Ms. Hagen: If you take the CDD fee and add in the HOA fee, it's less than \$200 a month.

Ms. Philipp: It covered the water bill.

Ms. Hagen: Each one is different. You are getting a lot of amenities here that other places don't give you.

Mr. Spavento: We are going to move on. We are going to be talking about the tax assessment later in the meeting, because it is that time of year that we approve the budget. Is there anyone else? Not hearing any,

Mr. Spavento attended the July 5 Margate City Commission meeting and thanked the City for their assistance during the flooding event. (Tape time: 15:28)

3. Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Ozyman drove through the community with Julio Padilla and observed several potholes in the pavement. Quotes were provided by Stanford Construction and Atlantic Southern Paving. Las Brisas has two potholes and The Cape and Port Antigua, have one pothole, each.

Mr. Dean asked if the potholes could be cold patched. Mr. Ozyman explained that the potholes could be cold patched until the Board approved a permanent repair. Mr. Padilla noted that the potholes were cold patched today. Atlantic quoted \$5,600 for the repair of 13 potholes and Stanford quoted \$6,200. Mr. Padilla used Atlantic before. Mr. Ozyman stated that Atlantic was responsive on other jobs, but they were smaller than Stanford, which listed Century Village in Pembroke Pines as a client. Ms. Hagen said that she was more concerned about quality than size of company. She asked Mr. Ozyman which company he would recommend based on his experience with them. Mr. Ozyman recommended both companies.

Mr. Ozyman suggested asking Stanford to match Atlantic's quote. Since this was within Mr. Padilla's spending authority, Mr. Padilla will ask Stanford to reduce their price; if not, Atlantic would be engaged. (Tape time: 20:00)

Mr. Gallucci asked if the potholes were there before the flooding or pre-dated. Mr. Padilla noticed the potholes after the flooding, but according to the District Engineer, they weren't created by the flooding. The flooding made it worse.

C. Treasurer

1) **Approval of Check Run Summary and Invoices**

Mr. Hall motioned to approve the Check Run Summary and Ms. Hagen seconded the motion. (Tape time: 21:23)

Mr. Spavento stated that Lake and Wetland was paid to remove the fish grate, but spent a day-and-a-half pulling weeds that should not have been there and for May, June and July lake maintenance. If the maintenance was done, the fish grate removal would not be needed. Mr. Spavento asked if \$11,000 was fair for the fish grate removal and lake maintenance, due to all of the problems. Mr. Baldis explained that \$8,300 was for Industrial Divers to dive under the water to clean the fish grate, which didn't work because of pressure. There was no additional cost for work completed during the flooding and no increase in their contract for next year. Weeds would be removed mechanically. Mr. Dean wanted to discuss the weed problems later in the meeting. (Tape time: 24:41)

Mr. Spavento asked if the pest control contractor was paid. Mr. Padilla recalled that the Board approved changing pest control companies and there were some disputed charges. Mr. Padilla was trying to contract with another company and tried to contact someone last week. He just heard back. Mr. Spavento noticed vermin by the pool and ants around a light switch. Mr. Baldis stated that a pest control proposal was requested from the lake fertilization contractor.

ACTION:	Approve Check Run Summary
RESULT:	Check Run Summary approved
MOVER:	Dan Dean
SECONDER:	Tina Hagen
AYES:	All in favor
Tape time: 25:57	

2) Combined Balance Sheet, Statement of Revenues and Expenditures

A copy of the Combined Balance Sheet and Statement of Revenues and Expenditures were enclosed.

D. Field Manager

1) Monthly Report

Mr. Padilla reviewed the items listed on the Field Manager's Report, which was included in the agenda package.

Item 6 – *FY2016 Capital Projects Irrigation Pump Replacement*: FPL completed the installation of the power. The next step was creating an account, which was being handled today, connecting the irrigation to the pump, and directional boring.

Mr. Baldis stated that there was a situation with the new irrigation pump. According to the as-built specification, the main line was supposed to be on one side of the road ... but it was not, so directional boring in two locations was necessary. Mr. Spavento requested prices for alternatives to direction boring. (Tape time: 28:14)

Item 7 - *Southbound accident damage to District property*: A check for \$4,014.82, was received.

Item 8 - *Northbound exit gate median vehicle damage*: In process. Letters sent to the violator were returned, but Mr. Padilla had an email address.

Item 9 - *Northbound wall vehicle damage*: The vendor did not have the time or space to do the work. They reviewed the agreement and made minor changes, prior to the meeting, which was provided to the Chairman for execution. District Counsel reviewed and approved it. The work will be scheduled. Mr. Padilla would work with the violator's insurance company for reimbursement. The case was still under advisement. Mr. Padilla received subpoenas. Mr. Spavento stated that two wall panels would be replaced.

Item 10 - *Pool signage*: Mr. Padilla had a price, but wanted to meet with the vendor, to ensure that there was sufficient space. The meeting will be next week.

Item 12 – *Street sign removal*: The Las Brisas HOA's property management company requested a replacement street sign at Duval Drive and Sunset Lane. The sign was hit and no one was taking responsibility. Mr. Padilla asked if the Board wanted to remove the sign. Mr. Baldis stated that it was not a traffic control sign and was used for identification.

Mr. Dean voiced concern that every HOA was going to request the removal of street signs because residents hit them. Mr. Pawelczyk asked if the sign was required because the District could not remove a required sign. Mr. Baldis replied affirmatively. Mr. Spavento suggested moving the sign across the street, if the homeowner was willing, if not, this matter would be referred back to the HOA.

Upon further Discussion, Mr. Spavento denied the request, and referred the homeowner to the HOA. Once all the legalities were resolved, this matter could return to the Board. (Tape time: 35:30)

Mr. Padilla recalled discussion at the last meeting, regarding the reimbursement of a coach light that was hit on North Bay Drive. A request for reimbursement was submitted to the driver's insurance company, which settled for \$4,717.00, due to depreciation of the light. The check should be received in five business days.

Mr. Hall reported that kids were smoking marijuana at the pool, and requested that the pool sign include language for no smoking at the pool. Mr. Spavento requested that this item would be placed on a future agenda. (Tape time: 38:30)

Mr. Pawelczyk verified that smoking was prohibited within the Clubhouse and any other enclosed District facility; however, cigarettes, cigars, pipes and other sundry products were permitted at the pool, but must be disposed of in appropriate receptacles. Changing the sign would require making a rule change. Mr. Pawelczyk suggested reviewing all rules for any other policy changes to make at the same time, if the District wanted to change this policy. (Tape time: 41:23)

2) *Lake Report*

This item was discussed after the Gate Report.

3) Gate Report

a) Kathleen Wheeler Gate Hit Video Review and Request for Fee to be Waived

Mr. Padilla stated that the Kathleen Wheeler video was reviewed. Ms. Wheeler claimed that the gate arm hit her, but the video showed that she hit the gate arm and knocked the gate arm off. There was Board consensus to deny Ms. Wheeler's request and request \$125. (Tape time: 42:37)

Mr. Padilla presented the Envera gate report, noting that there were 14 incidents.

Mr. Hall noted that many residents have not paid, and if Ms. Wheeler had to pay, Mr. Hall wanted other residents to pay or transponders would be deactivated. (Tape time: 44:08)

Mr. Pawelczyk asked if the Board was following the rule of deactivating the transponder of a resident who did not pay for damaging the gate. Mr. Padilla stated that final demand letters were sent. Most residents paid, but one or two did not pay. In some cases, the properties were sold. Ragerio paid \$125. Ms. Wheeler will be notified that she was responsible for paying \$125. Choisil and Silva were receiving final emails. Silva hit the gate twice on the same day.

Mr. Dean noted no problems with the camera reading tags in eight years; therefore, the camera grade was sufficient. Tags were captured from cars driving 55 miles-per-hour. Mr. Dean asked Mr. Padilla to identify residents owing money to the District that had moved, and remove from the books. (Tape time: 48:39)

Ms. Hagen asked Mr. Padilla about the status of her previous request to send out a transponder list to the HOA Management Companies to track new residents. Mr. Padilla said that he was completing the list and would send it out next week (Tape time: 49:44)

Mr. Spavento voiced concern about the circulation of public information to private companies. Mr. Pawelczyk advised that the list was a public record. In response to Mr. Hall's question, Mr. Padilla said that he was now asking new residents if they were a new homeowner, requesting their name and driver's license to crosscheck against the Property Appraiser records, and requiring Renters to provide a copy of their lease. The transponder for rentals would be deactivated on the lease expiration.

Mr. Hall requested a list of prior gate incidents in the next agenda package. (Tape time: 52:10)

Mr. Gallucci asked why three residents were listed on both sides of the gate report. Mr. Padilla stated that this was a typo. They should be listed under the resident gate report. (Tape time: 53:03)

b) Windshield Damage Request for Payment

Mr. Padilla stated that when a guest was driving out of the community, the gate arm fell on the windshield and damaged it. In reviewing the camera recording, he saw that prior to this incident, a skateboarder hit the gate, causing the gate arm to become loose. The guest requested reimbursement by the CDD, instead of their insurance company. Mr. Padilla was working with the CDD insurance company. The amount of the damage was \$307. Mr. Spavento recalled a Florida Law where windshields were repaired for free. Mr. Pawelczyk advised that the free repair was only for policies with comprehensive insurance coverage.

After further discussion, and review of the video, there was Board consensus to pay \$307, if the District's insurance did not pay. Mr. Pawelczyk requested that the guest sign a Release Form, so the guest could not claim further damages at a later time. (Tape time: 57:31)

Mr. Dean recalled that the breakaway arms were supposed to be fail safe and it should have failed when the skateboarder hit the gate, not several minutes later.

c) Other Items

Mr. Spavento asked if the lawn next to the weir was replaced. Mr. Padilla will verify. (Tape time: 59:40)

Mr. Dean stated that the canals were full of weeds and asked what Lake & Wetland was doing to remove them. Mr. Baldis reported that Lake & Wetland was mechanically removing weeds with a new machine. Mr. Padilla recalled that the mechanical removal started after the flooding and now Lake & Wetland was spraying chemicals. Mr. Baldis stated that Lake & Wetland inherited a mess when they were engaged and it was being handled by mechanical removal and spraying. He also stated

that some people believe weeds are beneficial and do not restrict drainage. Very few vendors have the ability to perform mechanical removal. Mr. Baldis suggested increasing the frequency of lake maintenance. (Tape time: 1:04:30)

Mr. Baldis stated that he would asked the landscaper, IGM, if they could assist with raking up any collected debris that collects around the lakes and will also ask IGM to pull the weeds out with lawn rakes. (Tape time: 1:06:08)

Mr. Baldis spoke to the South Florida Water Management District about why this District and Turtle Run, were identified as water control and drainage districts. He was told that it was because the District operated a weir, and was surprised that the South Florida Water Management District didn't know that we actually have no control over that weir. They are researching why these were designated as drainage districts. Mr. Pawelczyk's office was erroneously listed as an emergency contact.

Mr. Spavento stated that the weir was supposed to be controlled by the South Florida Water Management District, and the flooding occurred because they did not open the weir. Mr. Baldis spoke with the Director of Broward County Water Management at a different District CDD meeting. In certain areas, pumps could not pump into the C-14 canal, prior to the rain event, because the C-14 was too high. Mr. Spavento asked Mr. Baldis to keep the Board posted on the weed issue and resolve prior to hurricane season. (Tape time: 1:09:10)

Mr. Padilla stated that staff will hold the check for Stanford for the curb repairs. It would be released upon the District Engineer's approval.

E. CDD Manager

1) *Approval of the Minutes of the June 8, 2017 Meeting*

ACTION:	Approve minutes of June 8, 2017 meeting
RESULT:	June 8, 2017 meeting minutes approved
MOVER:	Tina Hagen
SECONDER:	John Hall
AYES:	All in favor
Tape time: 1:10:02	

2) Consideration of Proposed Fiscal Year 2018 Meeting Schedule

In response to Mr. Dean’s question, Mr. Spavento verified that no meetings fell on Jewish Holidays.

ACTION:	Approve Fiscal Year 2018 Meeting Schedule
RESULT:	Fiscal Year 2018 Meeting Schedule approved
MOVER:	Tina Hagen
SECONDER:	John Hall
AYES:	All in favor
Tape time: 1:23:30	

3) Discussion of Financial Disclosure Report from the Commission on Ethics

All Supervisors filed their Financial Disclosure Report

The meeting was recessed at approximately 8:09 p.m. (Tape time: 1:11:41)

The meeting was reconvened at approximately 8:11 p.m. (Tape time: 1:11:42)

The Public Hearing was opened at approximately 8:14 p.m. (Tape time: 1:11:47)

4. New Business

A. Public Hearing to Adopt the Fiscal Year 2018 Budget

1) *Motion to Open the Public Hearing*

ACTION:	Open Public Hearing
RESULT:	Public Hearing opened at 8:11 p.m.
MOVER:	Dan Dean
SECONDER:	Tina Hagen
AYES:	All in favor
Tape time: 1:12:13	

2) *Public Comment and Discussion*

Mr. Spavento asked Ms. Hagen, as Treasurer, to chair this portion of the meeting.

Mr. Hall asked for public comments before the board began its comments.

Residents requested copies of the budget. Mr. Pawelczyk stated that the budget was posted on the website.

Ms. Hagen explained that the District had maintained the same non ad valorem tax assessment for 10 years, while managing all necessary maintenance and implementing a number of enhancements, and that this had been accomplished through careful financial management of both tax assessment income and reserves.

For the benefit of the audience, she explained that the District's fiscal year runs from October 1 of one year to September 30 of the following year, and that the District must maintain a sufficient level of reserves to operate for the first three months of each new fiscal year, until the assessments began to be collected in December. She also explained that there are two large payments being made as part of the budget; a bond for the wall, which will be paid off in May, 2020 and a low interest loan for the roads, which will be paid off in 2029. As a result, in order to provide ongoing necessary services and improvements through 2021 (the first year that one of the two payments will drop off) it is necessary to raise the annual assessment. Since the District must notify all owners of

ANY increase prior to the Public Hearing and since that letter must contain the HIGHEST amount that was being considered, the assessment letter was sent stating \$120 annually, or \$10 per month, as the assessment increase. That amount can be lowered at this meeting, but not raised.

Ms. Hagen presented a spreadsheet that she developed to analyze what the minimum increase needed to be to not only support the expenses in the FY 2018, but also to carry us through to FY 2021, without another increase being necessary. (Tape time: 1:18:49). Based on the projections, Ms. Hagen recommended that a \$90 increase would be both safe and sufficient to support those objectives. (Tape time: 1:26:40).

Mr. Dean asked how the \$339,000 first quarter operating was determined. Ms. Hagen stated that it was based on one-quarter of the annual budget.

The floor was open to resident questions and comments.

Mr. Bourdin asked about the anticipated amount, once the bond was paid off. Ms. Hagen stated that the District would then have the \$173,000 bond repayment amount available. Mr. Dean stated he believed that, at the time that the loan for the roads had been taken, the Board had committed to accelerating the payment on the road bond once the wall bond was paid off. Mr. Pawelczyk stated that once the wall bond paid off in FY 2020, the District would receive \$173 per unit, which could be used for other projects, to keep assessments level, pay off the road bond, or some combination of those. Ms. Hagen stated that the Board, in the future, should discuss what projects/purposes the additional funds should/would be used for. (Tape time: 1:33:52)

Ms. Hagen explained the pros and cons of taking a loan to pay for a large project like the roads versus saving up for the future project. For example, if the road needed to be done every 20 years, we could either take out a loan at the time of the project or we could take one-twentieth of the estimated cost of the road out of the budget each year and place it into a savings account, to be used for the future road project. (Tape time: 1:35:25).

Mr. Baldis stated that we were currently putting money aside for the next wall painting.

Ms. Hagen again noted that the additional money available, once the wall bond was paid off could be used to pay off the loan for the roads in a shorter period of time or to fund some large projects. Mr. Dean gave an example of a project for enhanced lighting on the perimeter road that had been suggested by a number of owners in the district; he stated that it was anticipated that the lighting project could exceed \$300,000.

In response to Mr. Bourdin's question, Mr. Hall stated that the bond matured in 2020, but the money was not available to the CDD for spending until FY 2021. Mr. Bourdin wanted to use the funds for the potholes.

Mr. Zwickel voiced concerns about depleting reserves and a budget shortfall. Ms. Hagen agreed with Mr. Zwickel's concerns as a fellow homeowner, and stated her commitment, as Treasurer, to serve the best interests of the community and protect the District's financial well-being to the best of her ability. She further stated that there is a separate line item in the budget that allowed for implementing major projects. For 2018, the budgeted amount is \$120,000.

Mr. Dean recalled that the last time there was an assessment increase was after Hurricane Wilma, which was a \$203 one-time increase. \$200,000 was needed for the District's portion of the expense, and the District received approximately \$1 million from FEMA. Ms. Hagen pointed out that the CDD was eligible to receive FEMA funding, and that among the work required was headwall repair, boat ramp repair, replacement of the fence (now white) on South Bay Drive, and replacement of many lights and every street sign.

Mr. Dean stated that the stated assessment letter increase was \$120, and asked Ms. Hagen what amount she was comfortable with. Ms. Hagen again stated that she was comfortable with an assessment increase of \$90. (Tape time: 1:51:40)

Mr. Bourdin agreed with raising assessments by \$90. Mr. Zwickel suggested earmarking excess funds in the Reserve Fund for improvements.

Mr. Spavento again pointed out that the District had not raised assessments in 10 years, and had put in new roads, new gates, camera system, reinforced and re-did tennis and basketball courts replaced the lighting, installed new weight equipment, new

landscaping and holiday lights, while not raising taxes, so you don't have to raise taxes to make improvements you have to find funds and not waste money.

Ms. Zwickel asked about the damage caused by Hurricane Wilma. Mr. Dean stated that the District was in the path of the destruction of the hurricane and the FEMA amount was about \$1 million.

ACTION:	Approve assessment increase of \$90 for FY 2018
RESULT:	Assessment increase of \$90 for FY 2018 approved
MOVER:	John Hall
SECONDER:	Dan Dean
AYES:	All in favor
Tape time: 2:02:15	

3) Consideration of Resolution #2017-05 Annual Appropriation Resolution

Mr. Pawelczyk presented Resolution 2017-05, which approved the budget. It was the same document as provided for prior year resolutions. The resolution needs to be approved, as amended, providing for a \$90 per unit increase.

ACTION:	Approve Resolution 2017-05 the annual appropriation resolution, as amended
RESULT:	Resolution 2017-05 approved as amended
MOVER:	John Hall
SECONDER:	Tina Hagen
AYES:	All in favor
Tape time: 2:04:00	

4) Consideration of Resolution #2017-06 Levy of Non Ad Valorem Assessments

Mr. Pawelczyk presented Resolution 2017-06, adopting the Assessment Roll, and authorizing the District to collect the assessments, pursuant to the uniform method on the Tax Roll. The resolution needs to be approved, as amended, providing for a \$90 per unit increase.

ACTION:	Approve Resolution 2017-06 levy of non-ad valorem assessments, as amended
RESULT:	Resolution 2017-06 approved as amended
MOVER:	John Hall
SECONDER:	Dan Dean
AYES:	All in favor
Tape time: 2:05:00	

5) Motion to Close the Public Hearing

ACTION:	Close Public Hearing
RESULT:	Public Hearing closed at 9:07 p.m.
MOVER:	John Hall
SECONDER:	Dan Dean
AYES:	All in favor
Tape time: 2:05:20	

The Public Hearing was closed at approximately 9:07 p.m. (Tape time: 2:06:02)

The meeting was reconvened at approximately 9:15 p.m. (Tape time: 2:06:35)

B. Acceptance of Audit for Fiscal Year Ending September 30, 2016

Mr. Spavento explained that the District's books were audited by external auditors. Mr. Dean noted that we received a clean audit, i.e., no issues, recommendations, or errors.

ACTION:	Accepting audit for fiscal year ending September 30, 2016
RESULT:	Accepting audit for fiscal year ending September 30, 2016 approved
MOVER:	Tina Hagen
SECONDER:	John Hall
AYES:	All in favor
Tape time: 2:07:35	

5. Old Business

A. Discussion of Lake Easement Report

Mr. Padilla presented easement encroachment estimates for Coral Bay. (Tape time: 2:08:20). Ms. Hagen noted for clarification that there were 144 homes in violation of the 20-foot easement, and 131 homes in violation of the 10-foot easement. Mr. Padilla noted 31 properties encroaching on CDD property. Trees planted and structures on CDD property could be cleared by the CDD. An owner in Indian Key planted vegetable beds on the canal bank, which was CDD property. Mr. Padilla identified properties with seawalls on CDD property. Mr. Dean voiced concern about the seawalls not having the required 4:1 slope.

Mr. Zwickel questioned the purpose of the easement and the benefit of removing the material, especially where the encroachment occurred because of erosion. Mr. Hall stated that the 20-foot easement was there so that if something happened in the lake and the District had to take action, there was a 20-foot buffer zone around the lake to place equipment on. Mr. Spavento stated that some properties have 12.5 feet between houses and the lake bank for drainage purposes. Mr. Gallucci suggested that residents sign

releases allowing the structure to remain, but if the CDD must remove it, it would be at the resident's cost. (Tape time: 2:26:15)

Ms. Hagen asked whether a property that had the 20 feet of its area closest to the shoreline under water, was in violation of the 20-foot easement, if there was a tree or structure. Mr. Pawelczyk advised that if the easement was under water, the owner was not in violation. Ms. Hagen pointed out that, per the maps and charts provided, three units had 10 feet of their property at the shoreline side under water, and in violation of the 10-foot easement. Mr. Spavento proposed to have staff email the report to the Board for review of the documentation to identify problems. (Tape time: 2:34:41).

Mr. Padilla explained that the 20' and 10' underwater easement in the report, was not necessarily the entire 20' or 10' underwater, but also highlighted part underwater within the 20' or 10' easement.

Mr. Spavento asked if someone breaks their leg in the easement, or falls into the canal and the District allowed a structure without a permit, if the District was liable. Mr. Pawelczyk advised that the District wasn't liable, but could be part of a lawsuit. Mr. Pawelczyk stated that it was not healthy for the lake banks to have trees growing on the lake bank, because the grass that holds the lake bank together cannot grow, causing erosion. Several Districts have had lake bank erosion programs and established different criteria.

Mr. Baldis clarified that the Board was considering reducing the 20-foot easement clearance to 10 feet clearance within the easement. Mr. Dean did not want to reduce the easement, but to set a policy for the District to have 10 feet of clearance, and preferred an easement of 20 feet from the water line. If the water line no longer existed, there was no easement and the District cannot repair the lank bank.

Mr. Pawelczyk clarified that the easement is not from the water line, therefore the easement does not move. Just like the property line does not move. It's also possible for the easement or part of the easement to be under water. (Tape time: 2:45:18)

Ms. Hagen felt that there should be enough clearance and a policy enacted to satisfy the District's need for access (versus taking on a case-by-case basis), while trying to limit if possible, disturbance to properties. Discussion ensued. Mr. Dean suggested

differentiating between owners who were in violation of having trees on the lake bank, versus the owner who had structures. (Tape time: 2:54:45).

Mr. Hall proposed that the Board consider a policy, defining what the District would allow, such as a 10-foot easement within the 20-foot easement. (Tape time: 2:55:08).

Mr. Pawelczyk will modify a policy from another CDD, work with Mr. Padilla and the District Engineer, and provide the resultant draft document to the Board. (Tape time: 3:01:43)

B. Discussion of Speed Hump Map and Traffic Study

1) *Update from District Counsel on Right-of-Way*

2) *Update from District Engineer on Separating Internal Speed Humps from Perimeter Speed Humps*

Mr. Pawelczyk researched the right-of-way issue and recommended taking each request on a case-by-case basis.

Discussion ensued. Mr. Hall believed that the biggest issues were on the perimeter roads and three-way stop intersections.

Ms. Hagen requested a roll call vote to authorize the District Engineer to review the current Traffic Study and bring back a recommendation to the Board on placement of speed humps. (Tape time: 3:08:48)

Due to a technical issue with the audio, the remainder of the meeting was based on District Manager notes.

ACTION:	District Engineer to review the current Traffic Study and bring back a recommendation to the Board for speed humps on the perimeter roads
RESULT:	District Engineer reviewing the current Traffic Study and bringing back a recommendation to the Board for speed humps on the perimeter roads approved
MOVER:	Dan Dean
SECONDER:	Tina Hagen
AYES:	Four in favor and Mr. Spavento voting no
Tape time: 3:09:38	

6. Adjournment

ACTION:	Adjourn the meeting
RESULT:	Meeting adjourned.
MOVER:	John Hall
SECONDER:	Tina Hagen
AYES:	All in favor
Tape time: 3:10:00	

Secretary/Assistant Secretary

Chairman/Vice Chairman