

**MINUTES OF MEETING  
ARTISAN LAKES EAST  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Artisan Lakes East Community Development District was held on Thursday, May 4, 2023, at 4:00 P.M., at the Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221.

**Present and constituting a quorum:**

Travis Stagnitta	Chairperson
Robert Lee	Vice Chairperson
Michael Piendel	Assistant Secretary

**Absent:**

Brandon Gallagher	Assistant Secretary
Matthew Sawyer	Assistant Secretary

**Also present were:**

James P. Ward	District Manager
Jere Earlywine	District Counsel
David Caplivski	Grau and Associates

**Audience:**

All residents' names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS WERE  
TRANSCRIBED IN *ITALICS*.**

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. James Ward called the meeting to order at approximately 4:00 p.m. He called roll and all Members of the Board were present, with the exception of Supervisor Gallagher and Supervisor Sawyer, constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Notice of Advertisement**

**Notice of Advertisement of Public Hearing**

**THIRD ORDER OF BUSINESS**

**Consideration of Minutes**

**March 2, 2023 – Regular Meeting**

Mr. Ward asked if there were any corrections or deletions to the Minutes; hearing none, he called for a motion.

**On MOTION made by Robert Lee, seconded by Michael Piendel, and with all in favor, the March 2, 2023 Regular Meeting Minutes were approved.**

#### **FOURTH ORDER OF BUSINESS**

#### **Public Hearing**

#### **PUBLIC HEARINGS – FY 2024 BUDGET AND SPECIAL ASSESSMENTS**

Mr. Ward explained the Public Hearing process noting there were two public hearings, the first related to the Fiscal Year 2024 Budget which would start on October 1, 2023 and end on September 30, 2024. He indicated the second public hearing put the assessment on the properties within the District.

#### **a) FISCAL YEAR 2024 BUDGET**

##### **I. Public Comment and Testimony**

Mr. Ward called for a motion to open the Public Hearing.

**On MOTION made by Travis Stagnitta, seconded by Robert Lee, and with all in favor, the Public Hearing was opened.**

Mr. Ward noted there were two parts of the Budget, and this public hearing was related to the administrative, or operational portion of the budget, which was the subject of the letter of mailed notice sent to the residents. He explained on a homeowner's tax bill there were two parts of the CDD assessment, one was the administrative or operations part of the assessment, and this was what was being discussed today. He indicated the second part of the assessment was the fixed capital assessment which was for the infrastructure constructed by the primary developer; this was paid on a fixed fee basis for the life of the financing. He explained the fixed capital assessment amount never changed; it was the same annually; however, the operational assessment could change annually. He stated for this current fiscal year, 2023, the current assessment was \$97.42 and was proposed to go up to \$129.10 to accommodate a \$50,000 dollar hurricane/disaster relief reserve fund which the Artisan Lakes East did not have. He stated the reason for this reserve fund was, this past year, with Hurricane Ian, he noticed significant damage to a lot of infrastructure in communities with CDDs without disaster relief reserve funds. He stated he also discovered, as a general rule, HOAs did not have reserve funds for infrastructure such as lake bank, lake bank restoration, pipe repair, reserve maintenance or landscaping. He explained the \$50,000 dollars was a first step in establishing a reserve fund over a period of time. He indicated the goal was to reach approximately \$500,000 dollars over a period of years. He stated he was uncertain if \$500,000 dollars was the right amount, but it was a reasonable goal and could be revisited in 5 or 6 years.

An Unidentified Audience member asked a question about trees damaged during the last hurricane which was partially (indecipherable). *Are you quite sure we do not have an expenditure for hurricane or damages due to storm in our HOA reserves?*

*Mr. Ward: I'm talking about the Master HOA.*

*The Same Audience member: So, you're saying the Master, for the trees that were damaged on the main parkway were not covered by the Master Association?*

*Mr. Ward: In Hurricane Ian, either the Master HOA or the developer paid for one of the two. I'm guessing the developer paid for all of that work. Generally speaking, in HOAs that are transitioning from developer to regular homeowners, and even those that are resident controlled HOAs, I very rarely see a specific reserve for this kind of damage. I see it for buildings, and pools, and lights, and tennis courts, or whatever you may have in the community, but not much for this kind of stuff. These are assets of the District and if you don't have it within the HOA, the District should try to begin to establish some kind of reserve. What I have seen this past year is HOAs that were in that very same predicament, and didn't have the money, and Districts were asked to pay for it, and we didn't have the money either. So, it was a major problem.*

*Unidentified Audience member: (Indecipherable).*

*Mr. Ward: Correct. And even if they did, the District and the Master, on a going forward basis, should work together. If we are asked to do something, we need to have money to do it, and if we don't, the Master needs to know it. And if they don't want to, that's their decision, but we kind of should work together at some point, but it is a way to at least start this process on the current year that we are in. So, that's really reason for the increase on a going forward basis. It will stay in place as long as the Board wants it to stay in place. We will segregate it, not in terms of a separate bank account, but in terms of noting it on a balance sheet that we are accumulating these funds over a period of years, so we always know that we will keep it in place. That's really the summary of the change in the budget itself and that was the subject of the mailed notice.*

*Unidentified Audience member: this would protect us from that sort of thing, and it's going from \$100 to \$130, so a 30 percent increase, but that is just for this fiscal year, and then there is potential for this amount to increase again next year?*

*Mr. Ward: What I recommended to the Board is that they leave it at \$50,000 dollars a year, accumulating over a period of years, so after next year you will have \$100,000, and the next year \$150,000 dollars. When you get to another number, I've been saying \$500,000 dollars, when you get to it you should reevaluate. That's ten years out. So, maybe five years or six years into the plan, you take a look at it and determine if it's too much, your HOA will be a little more turned over at that point, and so you might know better what they are doing at the HOA. As Travis mentioned to you, Taylor Morrison paid for all of the hurricane damage from Hurricane Ian, so the whole community will need to wean itself off that process over time. This is just a very small start to that process.*

Unidentified Audience member: *And the funds not used year to year? In other words, this is a fund specifically used for hurricane damage or to repair resources. Again, if we have no damages one year and then we want to revisit it in one year, there would be no reason for an increase because we haven't touched those funds.*

Mr. Jere Earlywine: *I just wanted to point out too, a CDD is a little different than a homeowner's association because it has more powers and authority. If you sat through the Artisan Lakes meeting that was an hour ago, I made these same comments. What Jim is doing, rather than creating a reserve where you set aside an amount that is necessary to repair and replace the entire system which would be a lot of money, Jim is setting aside some emergency money. CDDs are unlike HOAs in that they can get FEMA reimbursement. They are part of the statewide mutual aid program, so we have access to emergency funding. Typically, we also have access to the tax-exempt bond market. I had a district take out a tax-exempt loan because they had hurricane damage this last year. As you can imagine there were a lot of communities affected this past year from that. And then they can also put assessments on the tax rolls, so they've got a lot of ways to fund things that HOAs wouldn't, but even some of the communities that we've had, that went through this experience over the last year, and in prior years, not all the money is reimbursable. You can apply to FEMA, maybe get \$400,000 dollars back out of a \$600,000 or \$700,000 dollar program, because you've got to hire a FEMA consultant and some other things that aren't fully reimbursable. So, what Jim is proposing, which I think is reasonable and something you should seriously consider, is setting aside a little bit of emergency money to help you so you are not flat footed if an emergency event occurs. It can also help you because even if you are able to tax exempt financing and stretch some payments over time through your tax-exempt loans or get FEMA funding back, there is still going to some money you are going to have to set aside and have, and you don't want to just get hit with that flat cold. I don't think this is meant for any given year, it's really an emergency fund if you get in trouble. I had a district that just went through this in the last year, and they had about \$700,000 in expenses and they are pretty similarly sized to you all and they were in the process of applying for FEMA funding, so they think they're going to get about 2/3 of that back, but they got caught flat footed. They didn't have any cash on hand. So, they had to go out and take out a tax-exempt loan and were forced into those terms, whereas if they had had a little more cash on hand that would have put them in a better position. And then there is some money that they won't be getting back from FEMA and that emergency funding would have been helpful as well. So, I don't think this is proposed to be the entirety of a fix or anything like that, but it's a prudent thing to do in order to protect your storm water system and make sure you're not caught flat footed in the future.*

Mr. Piendel: *Will the rate be affected once Taylor Morrison is fully transitioned out of the management of the community?*

Mr. Ward: *For the purposes of the CDD, and our assessment, whether it is a homeowner or it is an undeveloped lot, Taylor Morrison pays the same for that lot. So, there are 1055 units anticipated for Artisan Lakes East CDD, so whether you own it, or Taylor Morrison owns it, they pay the same that you pay.*

Mr. Piendel: *Is this like a separate line item that is trappable on a balance sheet or that we'll be able to -- ?*

*Mr. Ward: I do create basically a general Ledger account, but basically, I keep track of it on an ongoing basis, so we know what we've got.*

*Mr. Piendel: And that is disclosed to us in some form of material on an annual basis, quarterly basis?*

*Mr. Ward: So, the district has a website called ArtisanLakesEastCDD.org . On the website there are the agendas, financial statements, audits, minutes, everything you might want to know about the district, plus my cell phone number, so if you ever need anything. If it's not there, you pick up the phone and you call me, and I'll find it for you. It's all there. Any other questions? Once I close the public hearing then the Board will go into the resolution.*

*Unidentified female Audience member: I think we're clear on it's going to be a separate item. Is it an investment, can it grow? Or is it just static?*

*Mr. Ward: Investment of public funds are pretty controlled, and there's not a lot of stuff you can do with it. I don't have the freedom to do anything. So, the answer to your question is really there isn't much there.*

*Unidentified Audience member: The question I have is, can anyone else take our money and use it, like say the other side, Artisan Lakes?*

*Mr. Ward: No.*

*Unidentified female Audience member: What's required in order to use it?*

*Mr. Ward: Legally, this is what is called a general fund. So, the board can use it for any purpose, but we are segregating it for the specific purpose. As long as I sit in this seat, I'm going to never recommend that that happens. So, it's going to be used for basically hurricane damage or something that's extraordinary that we need it for. But it's not, oh I want to go buy flowers, for example. That's not happening.*

*Unidentified female Audience member: It's kind of like a disaster fund.*

*Mr. Ward: It's kind of like a disaster fund. It's really for hurricane relief. There were so many districts along the West Coast that were so adversely impacted, and nobody had money to do all of this stuff. And we can do these borrowings, but I'm going to tell you, you do a half million dollar borrowing to do some of this stuff, it costs \$40,000 in interest and legal fees just to borrow the half million dollars.*

*Unidentified Audience member: Is it in the form of a bond?*

*Mr. Ward: These are short term financings. I don't know what Jere did, but I did one for one year, so now I have a district that has to pay back its half a million dollars, plus the \$40,000 dollars that we borrowed in the next year. It's extraordinarily expensive to do those short term borrowings. Jere, what happened to him with FEMA, is really good. I've had districts that we've had \$300,000 or \$400,000 in damage, three years later we got*

*maybe \$10,000 back from FEMA, and it cost \$15,000 to get that back. So, it's there, you can do it, but my experience has not been that kind of level of reimbursement for communities like this. I strongly recommended to boards to establish a fund, get it in place, be sufficient for yourselves, work with your home owners associations to make sure you're protected for these kinds of things and you don't get a big bill in year 3 or year 4 or have to say, well, we didn't have the money, so we had to go borrow the money, and guess what, now it's not a \$20 or \$30 increase it's a \$3,000 increase or whatever the number may be. This is really intended to try to help you through the process. This is a very small step in a very big gain here.*

Unidentified Audience member: *(Indecipherable)?*

*Mr. Ward: In terms of the amount, we have an assessment, whatever it is. The amount it's going up to is \$129.10. We will establish what we call a cap rate of \$148.47. What that means is, if we hit that number next year or two years down the road, we would have to do the mailed notice that you had this year exactly over again, so you would have the opportunity to come to a public hearing and say, yeah, we like it, or no, we don't like it, for whatever it is for. That's the cap rate you put in place to mitigate the problem you just enumerated.*

Unidentified female Audience member: *So, that's the cap for a fiscal year?*

*Mr. Ward: It's a cap over time. If in year 3, you hit the \$148.47 or \$149, then in year 3 we would do mailed notice. It's not year over year. That's it until we hit it and then when we hit it, we have to do this again.*

Unidentified female Audience member: *So, this is on top of the CDD assessment that we have. It's going to the District and not the HOA.*

*Mr. Ward: Your CDD assessment right now has two parts. One is an admin assessment, and one is a capital assessment. In that total, \$97.42 is the admin assessment. That piece of your total bill will go to \$129.10 in November. The fixed fees stay the same. That will not change year over year. You can look at your tax bills and see what that is. You can also go to the District's website, [ArtisanLakesEastCDD.org](http://ArtisanLakesEastCDD.org), and there is a property search feature on the home page, you put in your property ID number, and it gives you a printable page which tells you what your operating assessment is, what the capital assessment is, what the payoff on the capital assessment is, that kind of information. And if you want to pay it off you can, and if you don't, you don't have to. It also has my phone number on it, and you can call me if you have any questions. That information is also on the District's website.*

Unidentified female Audience member: *The things, in the event of an emergency, the things that could apply this money toward it, are what? What specific?*

*Mr. Ward: The \$50,000 dollars is intended to be used for a hurricane or natural event, something that happens to the community that's out of the ordinary. It's set up to do that on an ongoing basis. It's set up to start at \$50,000 dollars and if you get to \$500,000*

*dollars and it's not enough or it's too much you can reevaluate it, or you might evaluate it in 5 or 6 years.*

Mr. Rob Lee: *I think her question was, what can it be used to rebuild. Is it only the CDD assets it can be used for?*

Mr. Ward: *Yes, only CDD stuff. We own the water management system, all the lakes, preserves, pipework between the lakes and between the private roadways and the lakes, landscaping along Artisan Lakes Parkway, those are the general concepts of the stuff we own and could manage and do restoration work on. If the HOA says, "we want you to do some work on this building or such," it is not going to happen. It's just really for infrastructure that we own. He asked if there were any questions; hearing none, he called for a motion to close the Public Hearing.*

**On MOTION made by Michael Piendel, seconded by Travis Stagnitta, and with all in favor, the Public Hearing was closed.**

**II. Board Comment and Consideration**

Mr. Ward asked if there were any questions or comments from the Board; there were none.

**III. Consideration of Resolution 2023-8, a resolution of the Board of Supervisors adopting the Annual Appropriation and Budget for Fiscal Year 2024**

Mr. Ward called for a motion to approve the budget beginning October 1, 2023 and ending on September 30, 2024.

**On MOTION made by Travis Stagnitta, seconded by Michael Piendel, and with all in favor, Resolution 2023-8 was adopted, and the Chair was authorized to sign.**

**b) FISCAL YEAR 2024 IMPOSING SPECIAL ASSESSMENTS; ADOPTING THE ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY**

*Mr. Ward: What this second public hearing does is actually just a legal process we have to go through. The Board has to adopt the specific assessment rate and the specific cap rate by two motions. We are going to go through basically the same process. I'm going to open the public hearing and ask if you have any questions on this piece of it, which are the rates that I just enumerated during the public hearing we just finished doing.*

**I. Public Comment and Testimony**

Mr. Ward called for a motion to open the Public Hearing.

**On MOTION made by Robert Lee, seconded by Michael Piendel, and with all in favor, the Public Hearing was opened.**

Mr. Ward asked if there were any questions or comments from the public; hearing none, he called for a motion to close the Public Hearing.

**On MOTION made by Travis Stagnitta, seconded by Michael Piendel, and with all in favor, the Public Hearing was closed.**

**II. Board Comment and Consideration**

Mr. Ward asked if there were any questions or comments from the Board; there were none.

**III. Consideration of Resolution 2023-9, a resolution of the Board of Supervisors imposing special assessments, adopting an assessment roll, and approving the General Fund Special Assessment Methodology**

Mr. Ward reviewed Resolution 2023-9 and called for a motion.

**On MOTION made by Robert Lee, seconded by Michael Piendel, and with all in favor, Resolution 2023-9 was adopted, and the Chair was authorized to sign.**

**IV. Consideration of Resolution 2023-10, a resolution of the Board of Supervisors setting an operations and maintenance cap for notice purposes only**

Mr. Ward reviewed Resolution 2023-10 and called for a motion.

**On MOTION made by Travis Stagnitta, seconded by Michael Piendel, and with all in favor, Resolution 2023-10 was adopted, and the Chair was authorized to sign.**

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2023-11**

**Consideration of Resolution 2023-11, a resolution of the Board of Supervisors designating dates, time, and location for regular meeting of the Board of Supervisor’s for Fiscal Year 2023**

This Item was not discussed or voted upon.

**SIXTH ORDER OF BUSINESS**

**Continued Discussion**

**Continued Discussion on SWFWMD Permits (Status of Statements of Completion)**

*Mr. Ward: Last month residents raised some questions about the status of the regulatory permits that are overlying the Districts water management system. I understand there were a number of comments on your Facebook pages or whatever you may use, so I asked the Engineer to put together a status*

report for the Board and for the public that outlined the status of those permits. He asked Victor Barbosa, the District Engineer, to review this Item.

*Mr. Victor Barbosa: The SWFWMD permitting and statements of completion issues that were raised were primarily more related to the Artisan Lakes CDD permits; however, it does have a little bit of impact to the Artisan Lakes East CDD permits in that the statements of completions and the transfers to operations for Artisan Lakes East are reliant on those for Artisan Lakes CDD. So, as a brief background, we've submitted the statements of completion for some of the older permits for Artisan Lakes and we have been in the process for the last few years to get that finalized. We are very, very close to getting a permit modification approved. It should be approved here in the next couple of weeks. That will allow for the statement of completion for those older permits. The statement of completion should take about 30 to 45 days once that occurs and then after that, we can submit the permits that are more associated with Artisan Lakes East, those permits can be submitted for statement of completion and transfer to operations and that would be another 30 to 45 days for those to get approved, so within the next 60 to 75 days we should have all of the completed SWFWMD permits transferred to operation.*

Mr. Ward asked if there were any questions from the Board; there were none. He asked if the audience had any questions.

*Mr. Rob Lee: How many permits are we talking about?*

*Mr. Barbosa: 7 or 8. There are several. And the issue is, the original permit was approved back in 2006 and since then there have been some permits that modified that permit and then some subsequent permits that have built upon those and expanded the limits of that permit, so it's been a little bit of a convoluted mess at times, but in total, there are really 37 permits for SWFWMD, but as it relates to these initial ones and the initial statement of completion, there are about seven or eight permits that we are trying to combine and get closed out.*

Unidentified Audience member: *Once a permit is approved whatever it covers, is it going to correct any deficiencies on the Taylor Morrison portion of the responsibilities regarding these -- ?*

*Mr. Ward: Yes.*

*Mr. Barbosa: Yes. SWFWMD would not approve the statement of completion and transfer to operations unless the entire stormwater system is under compliance.*

Mr. Ward asked if there were any other questions; there were none.

**SEVENTH ORDER OF BUSINESS**

**Staff Reports**

**I. District Attorney**

No report.

**II. District Engineer**

No report.

**III. District Manager**

- a) Supervisor of Elections Qualified Elector Report dated April 15, 2023
- b) Financial Statement for period ending February 28, 2023 (unaudited)
- c) Financial Statement for period ending March 31, 2023 (unaudited)

Mr. Ward indicated Statute required the Supervisor of Elections to report the number of registered voters within the District as of April 15<sup>th</sup> of each year. He indicated the number of registered voters was 1,047. He explained no action was required of the Board; this was just for informational purposes at this point.

**EIGHTH ORDER OF BUSINESS**

**Audience Comments and Supervisor’s Requests**

Mr. Ward asked if there were any Supervisor’s requests; there were none. He asked if there were any audience members present on audio/video or in person with any comments or questions; there were none.

**NINTH ORDER OF BUSINESS**

**Adjournment**

Mr. Ward adjourned the Meeting at approximately 4:32 p.m.

**On MOTION made by Michael Piendel, seconded by Travis Stagnitta, and with all in favor, the meeting was adjourned.**

Artisan Lakes East Community Development District

  
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 James P. Ward, Secretary

  
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 Travis Stagnitta, Chairperson