

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

The Regular Meeting of the Board of Supervisors of the Artisan Lakes Community Development District was held on Thursday, February 2, 2023, at 3:00 P.M., at the Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221.

Present and constituting a quorum:

Travis Stagnitta	Chairperson
Vincent Sciarrabba	Vice Chairperson
Dee Zaenglein	Assistant Secretary
Peter Latessa	Assistant Secretary (phone)
Carol Sciarrabba	Assistant Secretary

Also present were:

James P. Ward	District Manager
Ashley Ligas	District Counsel
Victor Barbosa	District Engineer

Audience:

Mat Sawyer

All resident's 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 P. Ward called the meeting to order at approximately 3:00 p.m. He conducted roll call; all Members of the Board were present, constituting a quorum.

SECOND ORDER OF BUSINESS

Consideration of Resolution 2023-3

Consideration of Resolution 2023-3, a resolution of the Board of Supervisors appointing a qualified elector to fill the vacancy in Seat (1) on the Board of Supervisors pursuant to Section 190.004 (4) Florida Statutes. If the Board appoints an individual to fill the seat, the following items will also be considered for the newly appointed members

I. Administration of the Oath of Office

II. Administration Guide to the Sunshine Amendment and Code of Ethics for Public Employees

III. Form 1 – Statement of Financial Interests

Mr. Ward: The last landowner election seat, Seat 1, the seat Travis holds, was up for qualified elector this past November. No one qualified for that seat and I believe in December we adopted a resolution that said on or before February something we have to choose another person to fill this Seat 1 for a 4-year term, but it has to be a qualified elector: they have to be a citizen of the U.S., resident of the state of Florida, live in Artisan Lakes and be registered to vote in Manatee County, and not be a convicted felon. Now it's February and it's time to choose. It's up to the four of you.

Discussion ensued regarding who would fill Seat 1; the Board appointed Deborah Reynolds to fill Seat 1 with a term ending November 2026.

On MOTION made by Carol Sciarrabba, seconded by Vincent Sciarrabba, and with all in favor, Resolution 2023-3 was adopted, and the Chair was authorized to sign.

Mr. Ward: At the next meeting you will redesignate the officers of the Board. Now that she's appointed I can actually swear her in outside of the meeting, or I will swear her in at the next Board Meeting.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2023-4

Consideration of Resolution 2023-4, a Resolution Re-Designating the Officers of the Artisan Lakes Community Development District

Mr. Ward indicated Resolution 2023-4 would be done at the next meeting.

FOURTH ORDER OF BUSINESS

Consideration of Minutes

December 1, 2022 – Regular Meeting Minutes

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

On MOTION made by Vincent Sciarrabba, seconded by Dee Zaenglein, and with all in favor, the December 1, 2022, Regular Meeting Minutes were approved.

FIFTH ORDER OF BUSINESS

Consideration of Audited Financial Statements

Consideration of the Acceptance of the Audited Financial Statements for the Fiscal Year ended September 30, 2022

Mr. Ward introduced Ben Steets with Grau and Associates.

Mr. Ben Steets reviewed the Audited Financial Statements indicating the first two pages declared the auditor's opinion which was clean and fair. He stated page 3 was the Management's Discussion and Analysis which was a recap of the financial activity for the year; page 4 was the condensed Statement of Net Position, or the balance sheet, and was consistent with the prior year; page 5 was the Statement of Changes in Net Position, or condensed income statement, which was consistent with the prior year, except the prior year had a large conveyance of infrastructure and there was none in the current year. He reported beginning page 7 was the Financial Statements including statement of net position; balance sheet; statement of activities; fund balance sheet; and statement of revenues, expenditures, and changes in fund balance. He noted the fund balance total was \$1,262,708 dollars with \$128,000 dollars in the general fund and \$1.1 million dollars in the debt service fund. He reported page 13 began the notes to the financial statements which were standard disclosures. He noted the District had three bond series, 2013 A1, 2013 A3 and 2018, with a total balance of \$10.5 million dollars and the bonds would be fully paid off in 2049. He reported page 23 showed the Budget to Actuals. He discussed the remainder of the Audited Financial Statements which included various reports required by the Florida Auditor General. He indicated the District was in compliance, and there were no findings.

Mr. Ward asked if there were any questions; hearing none, he called for a motion.

On MOTION made by Carol Sciarrabba, seconded by Vincent Sciarrabba, and with all in favor, the Audited Financial Statements for the Fiscal Year ended September 30, 2022 were accepted.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2023-5

Consideration of Resolution 2023-5, a resolution of the Board of Supervisors approving the Proposed Fiscal Year 2024 Budget and setting the Public Hearing on Thursday, May 4, 2023, at 3:00 P.M. at the Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221

Mr. Ward: Resolution 2023-5 approves your budget for the purposes of setting your public hearing. It is scheduled for Thursday, May 4, 2023, at 3:00 P.M. at the Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221. It does not bind you to any of the costs or the assessment rate included in the budget. It does set the cap that you cannot go over. I do want to take a moment and go through this with you because I have made a substantive change. The reason is, following Hurricane Ian a lot of my Districts had substantive damage, in the quarter million dollar or more range. All of those districts also had agreements with the master homeowner's associations to maintain those assets, but on those I got pushback a lot this year that they wanted the District to maintain the assets. We are not funded for that. You are a small district, as is Artisan Lakes East, and what I did this year is I started a very small capital improvement reserve for you to the tune of \$50,000 dollars, understanding that for most of my Districts I put in over \$200,000 dollars in these budgets for next year. Between this one and Artisan Lakes East, you will have \$100,000 dollars in reserves that we will continue to keep in the budget on a going forward basis in order to provide some long term capital planning needs for this particular district. If you choose not to do that, that is certainly your right. I am not going to recommend that to you, however, just because of the difficulties I know I've had on this coast with hurricanes. What that does to your assessment rate is it raises it from \$101 dollars a year to \$160 dollars a year. So, it's \$60 per unit for the entire year, which is under \$10 a month as an increase in the assessment. I will tell you, going

forward, as we go into 2025 and 2026, we may see a need to try to increase the \$50,000 dollars to another number in order to keep these reserves up a little bit for these natural events, but the District is starting to get mature. Most of the infrastructure is completed, and now we have had sitting here to fix things for us, but that's not going to be true on a long term basis. So, we need to do some planning on a going forward basis on how to deal with some of these issues. This will gradually accumulate money until we have enough. I'm guessing we should get to the \$300,000 or \$400,000 dollar range at some point to be able to help deal with a natural disaster in the event that the homeowner's association does not want to. If you look at it on the other side of coin, what I'm seeing with the homeowner's associations is, they are not funded for this stuff either. So, what's happening is, you've got an HOA who is not funded for capital reserves in a sufficient amount to deal with these kinds of disasters and now they've got to fix all their assets which can run into the millions of dollars and they are trying to say they need the District's help. I'm not saying they don't want to do it, sometimes they can't do it. He discussed how he was handling the reserve funds in his other Districts and the importance of having a reserve fund.

Discussion ensued regarding informing and educating the residents about the increase in the assessment.

Mr. Ward explained the reserve was designed to stay in place to be used in the event of a natural disaster to restore CDD assets such as lake banks, preserves, etc. He stated in addition, the funds could be used in the future for capital restoration of the lake banks which would be needed eventually.

Mr. Peter Latessa: Our HOA are doing some reserves. The reserve we want to establish in the CDD is it for storms of that nature or what would happen if the HOA decided they needed to replace the streetlights and they decided to raise money by special assessment. Can they come to the CDD Board and ask for money based upon this money that we're going to reserve?

Mr. Ward: These reserves are for stormwater management and preserves only, so they wouldn't cover streetlights. And no, the HOA cannot ask the CDD for money to fund their capital infrastructure. This is reserves for infrastructure that we own, and they just happen to maintain at the moment.

Ms. Carol Couse: So, we are building this up till we have a solid max of \$300,000 or \$500,000 dollars?

Mr. Travis Stagnitta: Yes, you stop when you reach a certain amount.

Ms. Couse: So, would residents see that reduction in their assessment rate once this was reached?

Mr. Ward: Yes. You have to see where you are in 3 years, 4 years or 5 years. The only bad thing is, if it goes over our cap rate, we have to do mailed notice to all residents; therefore, this is going to trigger a mailed notice to all residents this year 30 days before the public hearing date, so they will get to come. I did this once with this District in the early stages and I think 5 or 7 people showed up. You will get questions as board members from the community when the letter comes out. My office will keep you posted when the letter goes out. They will go out about 35 days before the public hearing.

On MOTION made by Vincent Sciarrabba, seconded by Dee Zaenglein, and with all in favor, Resolution 2023-5 was adopted, and the Chair was authorized to sign.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2023-6

Consideration of Resolution 2023-6, a resolution of the Board of Supervisors of Artisan Lakes Community Development District ratifying, confirming, and approving the acceptance of conveyance of Phase V Property and Improvements; and addressing severability and an effective date

Mr. Ward indicated Victor Barbosa and Ashely Ligas would discuss this Resolution.

Mr. Victor Barbosa: I did not realize I was presenting this.

Mr. Ward: Okay, I'll do this. All this is really doing is transferring certain permits that are more specifically identified in the fourth whereas clause of the resolution to tell you certain infrastructure and certain regulatory permits, primarily Southwest Florida Water Management District permits to the District for infrastructure that we have purchased over time from the developer. As a part of the process, what we are doing with you now, since we are nearing the end of the development phase of this project, is infrastructure that we have acquired comes with it, not only the land and the ability to finance that and pay for that, but at some point now we have to transfer certain parts of the infrastructure and primarily the regulatory permits that go with it to the CDD. So, for the next meeting or two we are going to continue to do these kinds of resolutions with you. You can look at the document and see what facilities we are doing. It also grants easements to the District on certain tracts of land that we need in order to operate and maintain the facilities within the District itself.

Ms. Ashley Ligas: You had a great explanation. I was just going to say you are accepting conveyance of the fee title of certain tracts for part of that stormwater system as well. And establishing the easements for drainage and access in order to maintain that in the areas of the District in which you don't own the underlying land, but there may be pipes and that sort of thing that feed into the system.

Mr. Ward: As we finish this process up, Atwell Engineering will prepare for us maps that show all of the assets that we own, so we will provide those to you in the next three to four months also, so you kind of get a flavor of the assets that come into the District, the permitting status of all of these things and how we will be transferring those to you over the next couple of months. He asked if there were any questions; hearing none, he called for a motion.

On MOTION made by Vincent Sciarrabba, seconded by Carol Sciarrabba, and with all in favor, Resolution 2023-6 was adopted, and the Chair was authorized to sign.

EIGHTH ORDER OF BUSINESS

Consideration of Amended Agreement

Consideration of a Second Amended & Restated Agreement between the Artisan Lakes Master Association, Inc., Artisan Lakes Community Development District, Artisan Lakes East Community Development District, and Esplanade at Artisan Lakes Community Association, Inc., to operate and maintain infrastructure improvements within the Districts

Ms. Ligas: This second amended and restated agreement amends the maintenance agreement we previously had with Artisan Lakes Community Development District and the Esplanade at Artisan Lakes Community Association for maintenance services. So, now we are updating this to reflect that there are two sister districts and a master association that are coordinating for the operation and maintenance of District improvements throughout those two Districts. This is acknowledged by the prior association which is Esplanade at Artisan Lakes Community Association. If you take a look at the end of the agreement it outlines the scope of work of what district improvements will be maintained under this agreement and a maintenance program and the timing of different types of activity that would take place.

Mr. Ward: As Victor prepares the maps of what we do own, and what belongs to the District to maintain, we can kind of make that an auxiliary document that more definitively shows you where all of these assets are located that belong to the CDD.

Ms. Dee Zaenglein: I have a question about Moccasin Wallow Road. So, they've taken down the landscaping, all the palm trees, and it's just scalped out there. They are going to increase it to four lanes temporarily and then go six lanes for the future. So, as I'm reading this, everything is gone now, but we are on the hook for replacing all of the beautification of Moccasin Wallow Road from here down to I-75? How is that going to work?

Mr. Travis Stagnitta: As far as we are responsible for outside of the right-of-way (indecipherable).

Ms. Zaenglein: But the median we were responsible for is coming out and I'm asking, when they put something else in, is that ours to take care of in perpetuity again?

Mr. Stagnitta: As far as the median goes, I don't think any landscaping is going back into place.

Mr. Ward: Generally, on a County road, if you want to do landscaping above and beyond the standard county maintenance program, you would have to enter into an agreement with the County so you could maintain that. If you choose not to enter into an agreement with the County for that, you'd just get sod.

Ms. Zaenglein: But that's what we did. We entered into an agreement with the County to beautify from here down to 75. Now that all that's been ripped out, do we need a new agreement because I remember quite vividly when they said we were on the hook in perpetuity to maintain the beautification of that median.

Mr. Latessa: Was the CDD on the hook or was the Master Association on the hook?

Mr. Ward: Generally, the County will only enter into agreements with another government. They generally don't do that with HOAs. That being said, that was before my time, so what I think we should do is let me reach out and find out if there is an agreement that exists and who it's with and I'll come back to you. Ashley, could you put that as a note to do please?

Ms. Ligas: Will do.

Mr. Victor Barbosa: Just for clarification, when there are agreements like that, and I haven't read this one completely, but typically, it gives the District or whoever, the authorization to go into the right-of-

way and make improvements, maintain, but not the obligation. So, you're not on the hook for it, you are just allowed to do it if you choose to maintain it at a level higher than what the County typically does.

Ms. Zaenglein: That's not how it was explained to us. I was at the meeting, and we were clearly told that the maintenance of that was our responsibility and I remember clearly the words were in perpetuity, and I was like well that means forever.

Mr. Ward: I have no recollection at all, so we will find out. He called for a motion.

Discussion ensued regarding the motion.

On MOTION made by Vincent Sciarrabba, seconded by Dee Zaenglein, and with all in favor, the Second Amended & Restated Agreement was approved excluding Moccasin Wallow Road.

Mr. Ward: Ashley, I'm looking at the tenth order of business which is the Moccasin Wallow Road. Can you explain what we were all just in the dark about?

Ms. Ligas: It sounded like you were talking about something historical, and I too don't have an answer on whether there were prior agreements dating back, but Items 9 and 10 are maintenance agreements that are between the Districts regarding the maintenance of any landscaping, lighting, irrigation, signs, and structures that are located in those medians in the Manatee County right-of-way. And those agreements are a requirement of the County if you are installing any additional improvements above and beyond what's there.

Mr. Ward: So, do you know what you're doing in improvements on Artisan Lakes because Jere has an agreement in here for the District to maintain the stuff.

Mr. Travis Stagnitta: For Moccasin Wallow? Yes.

Mr. Ward: So, let's do this because I'm a little confused and I think Travis is confused too, so we are going to pull the maintenance agreement for Moccasin Wallow Road, which is Item 10, and that will come back to you at your next meeting.

Ms. Ligas: Are you also pulling the one for Artisan Lakes Parkway?

Mr. Ward: I think the Parkway is fine. So, we are going to go on to Item 9 then.

NINTH ORDER OF BUSINESS

Consideration of Agreement

Consideration of Maintenance Agreement for Right-of-Way Improvements [Artisan Lakes Parkway] between Artisan Lakes Community Development District, Artisan Lakes Ease Community Development District and Manatee County

Ms. Ligas: This is an agreement between Artisan Lakes and Artisan Lakes East CDD along with Manatee County for maintenance of landscaping, lighting, irrigation, signs and structures that the District may put in the County's right-of-way.

Mr. Ward: This is along the Parkway and dovetails into the maintenance agreement with HOA. This is now included in there.

Mr. Sciarrabba: I do have a question about the lighting. We have a lot of issues with the lighting at the corner of Artisan Lakes and Moccasin Wallow Road. It is very dark and very dangerous there.

Mr. Ward: Victor, if you could take a look at that, that would be great.

Mr. Barbosa: Will do.

Ms. Zaenglein: When the three traffic circles are put in, then whatever landscaping emerges from that, then we maintain that as well?

Mr. Ward: Correct.

Mr. Latessa: Does the CDD receive an invoice from Down to Earth for maintaining the middle of the common area up and down Artisan Lakes Parkway?

Mr. Ward: The agreement we have with the Master Association indicates that they will maintain it and pay the bills for that. So, that goes directly to the HOA. Nothing comes to the CDD.

Mr. Latessa: Does the CDD then pay the Master HOA?

Mr. Ward: No, absolutely not.

Mr. Latessa: If we are not paying for this, then why is this listed here for us as a CDD?

Mr. Ward: Because it's a public road right-of-way that the County, as I was saying earlier –

Mr. Latessa: Oh, now I got it. Thank you.

Mr. Ward asked if there were any other questions; hearing none, he called for a motion.

On MOTION made by Vincent Sciarrabba, seconded by Peter Latessa, and with all in favor, the Maintenance Agreement for Right-of-Way Improvements [Artisan Lakes Parkway] between Artisan Lakes Community Development District, Artisan Lakes Ease Community Development District and Manatee County was approved.

Consideration of Maintenance Agreement for Right-of-Way Improvements [Moccasin Wallow] between Artisan Lakes Community Development District and Manatee County

Mr. Ward indicated this would be reviewed at the next meeting.

ELEVENTH ORDER OF BUSINESS**Staff Reports****I. District Attorney**

Ms. Ligas: We will get answers on the Moccasin Wallow history and get back to you all.

II. District Engineer

Mr. Barbosa: Whereas Resolution 2023-6 conveyed all of the land and the easements associated with the ponds and the wetland areas within the District, we are working with SWFMD to get the permits for all of the areas within Artisan Lakes, mainly Esplanade, transferred to operations. So, we have been working on that for the last couple of years. There have been some issues with some of the infrastructure being constructed based on the original Wilson Miller permits which go back to 2008. Just trying to reconcile all of the improvements with the permits. It's taking us a little bit longer than we anticipated, but we anticipate that the first phase of Artisan Lakes will be transferred to operations here in the next couple of months. Once that is done, we will be able to transfer all of the subsequent permits, so that all improvements will be conveyed to the District and under their operation and maintenance responsibility. That's ongoing work, we anticipate that to take another two to three months, at which time those conveyances will be brought back to the Board for approval. Other than that, I will look into the issues with lighting at Moccasin Wallow and Artisan Lakes Parkway.

III. District Manager**a) Important Board Meeting Dates for Balance of Fiscal Year 2023**

i. Public Hearings: FY2024 Budget Adoption – May 4, 2023, 3:00 P.M.

b) Financial Statement for period ending November 30, 2022 (unaudited)

c) Financial Statement for period ending December 31, 2022 (unaudited)

Mr. Ward: Just remember May 4 is your public hearing. You will be here at 3:00 p.m., so be ready and prepared.

TWELFTH ORDER OF BUSINESS**Audience Comments and Supervisor's Requests**

Mr. Ward asked if there were any members of the audience present in person or by audio or video with any questions or comments; there were none. He asked if there were any Supervisor's requests; there were none.

THIRTEENTH ORDER OF BUSINESS**Adjournment**


Mr. Ward adjourned the meeting at approximately 3:53 p.m.

On MOTION made by Peter Latessa, seconded by Dee Zaenglein, and with all in favor, the meeting was adjourned.

Artisan Lakes Community Development District



James P. Ward, Secretary



Name: VINCENT J. SCIARRABBA
Chairperson / Vice-Chairperson