

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

The Regular Meeting of the Miromar Lakes Community Development District's Board of Supervisors was held on Thursday, April 10, 2014, at 2:00 p.m., at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Present and constituting a quorum were:

Mike Hendershot	Chairman
David Herring	Vice Chairman
Doug Ballinger	Assistant Secretary
Burnett Donoho	Assistant Secretary
Alan Refkin	Assistant Secretary

Also present were:

James P Ward	District Manager
Greg Urbancic	District Counsel
Charlie Krebs	District Engineer
Paul Cusmano	Calvin Giordano & Associates
Elden McDermitt	McDermitt Davis (Telephonic)

Others present were:

Kevin Coleman	Estate Landscaping
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FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order at 2:00 p.m. and the record reflected all members of the Board were present at roll call.

SECOND ORDER OF BUSINESS

Consideration of Minutes

a. March 11, 2014, Regular Meeting

On MOTION by Mr. Donoho and seconded by Mr. Ballinger, with all in favor of approving the March 11, 2014, Regular Meeting minutes as presented.

THIRD ORDER OF BUSINESS**Consideration of the acceptance of
the Audited Financial Statements
for the yearend September 30,
2013**

Mr. Ward stated the District selected the firm of McDirmitt Davis to conduct the subject audit, noting Elden McDirmitt was on the phone to review the audit and take any questions the Board might have.

Mr. Elden McDirmitt of McDirmitt Davis reviewed the subject audit report, beginning with pages one and two, the auditor's Independent Audit Report, on which the auditors gave an unqualified opinion, the cleanest or best opinion they could give the financial statements of the District. The formatting was somewhat different than previous audits, and this was a required change in the formatting as to the wording and what the auditors were communicating.

He moved onto pages seven and eight, stating page seven showed the District's net position or net assets, highlighting that the District's net position decreased in the subject fiscal year by about \$448,000. Towards the bottom of page eight, it showed an actual increase during the fiscal year of \$276,000, which was the District's revenue over expenses. He said, due to some changes in the governmental accounting rules, there was an adjustment to the net assets of \$724,000, and that was a change that represented the bond issue as cost that had been amortized over the years. In the past, that cost was amortized over the life of the bonds, a portion of that expense over the period of time that the bonds were outstanding. He remarked, because of this accounting change, the bond issuance costs were now going to be an expense, and the change was represented on the District's net position.

Mr. McDirmitt moved onto page nine that focused on the financial statements. On the general fund and the debt service fund, the significance was that the general fund broke even as compared to the previous year, and this was a due to the debt service fund of about \$112,000 in the previous year that was repaid during the current year. He mentioned the debt service fund had an increase of about \$278,000 over the year, excess assessments over expenses for the year, and this was very positive. Page 12 showed the budgeted reports, and on the general fund, the District had expenditures that were less than the budgeted amounts, which auditors liked to see.

He moved to pages 26 and 27 where it showed the last two reports; one was related to any areas of noncompliance or issues related to internal control, and the report stated there were no material weaknesses or deficiencies in internal control, and there were no areas of noncompliance as they related to financial related matters. The final report was the report the auditors sent to the Auditor General, and there was nothing that was highlighted, no comments in the previous year, nor did the auditors have in the current reporting year any recommendations. He felt the audit was a very positive one, in light of what was taking place with other CDDs.

Mr. Ward referred to page eight, the Statement of Activities and noted in the expense column for operations and maintenance (O&M) it stated \$1,275,000, asking Mr. McDermitt to elaborate on the number to the Board.

Mr. McDermitt directed the Board to page ten, the line stating O&M, where it showed a figure of \$610,000. The difference between the two statements was that the final statement on page ten did not include expenses that would normally be seen on an business operation, such as depreciation. He said the \$610,000, the O&M on the fund statements, it was necessary to add to that number depreciation, which was about \$665,000; the total of those two numbers came close to \$1,275,000 on page eight.

Mr. Hendershot referred to page six where it mentioned that the District experienced an unfavorable variance in expenditures as compared to the budget in the amount of \$5,691. However, when he was unable to find the number on page 12.

Mr. McDermitt replied he was unsure, though he observed there was an unfavorable variance in revenue but it matched up with the \$5,000.

Mr. Ward stated he caught the line item in the initial review, and believed the line should not be in the report; there was no unfavorable variance. As he filed the audit report electronically and had yet to do so, he requested Mr. McDermitt make the necessary corrections and send him a revised PDF audit report for him to file.

Mr. McDermitt responded he would do so accordingly.

Mr. Hendershot referred to page 23, in the third paragraph where it spoke about the proceeds of any assessments that were prepaid or if certain events occurred, there was a number of \$1.16 million for total special assessments under Capital Improvement Revenue for the 2012 Bond Series. There was also a \$2,152,092 for the capital improvement

revenue bonds, giving a total of \$3,166,395, and he was unable to get the number to reconcile with any of the other tables. He then found the reconciling number on page ten.

Mr. Ward said it was also detailed on page eight.

Mr. McDermitt affirmed the number was located in the service column.

Mr. Hendershot mentioned on page 25 in the last paragraph, it spoke about the amount the developer was assessed and that number represented 78 percent of the total assessment revenue for the year. He asked if this was on the basis of unfinished units or undeveloped lots.

Mr. McDermitt replied of the straight \$3.9 million in assessments that were received by the District between O&M and debt service assessments, 78 percent or \$3 million of that came from the developer.

Mr. Hendershot asked if this reconciled with the unit numbers the District had.

Mr. Ward answered yes, it did reconcile with the unit numbers.

Mr. Hendershot assumed that on page 29, second bullet point, where it stated the District met none of the conditions described in section 218503, this referred to negative triggers.

Mr. Ward affirmed this to be the case.

Mr. McDermitt concurred that that was a positive statement. The wording was required by the Auditor General.

Dr. Herring went back to page 25, referring to the paragraph with the last statement: ... the loss of which could have a material adverse effects on the District's operation. He asked for the reasoning behind including such a comment in the report.

Mr. McDermitt responded the reason for the statement was to put the reader on notice, particularly in the current CDD environment, that a significant concentration, that is, \$3 million out of \$3.9 million, of revenue in the CDD was coming from one entity. This meant that if this one entity were to go into some kind of economic crisis, it could cause a similar crisis for the CDD, as seen with other CDDs. He indicated it was not uncommon, as it related to a commercial entity that they would audit that had one or two significant customers, so they added a comment alluding to that potential risk.

Dr. Herring commented it could be assumed that, in the event such a crisis occurred, that the unsold properties would have a certain value to the entity that took them over, and they would be responsible to make up some of that revenue.

Mr. Ward said correct, if another entity took them over; in the current CDD environment, \$3 million was a large amount of property the developer still owns in the District, so if they left the project, the bond issue would go into default and there would be a serious adverse financial effect on the District's overall general operations.

Mr. McDirmitt reiterated the auditors were not saying this was a likely outcome, rather they were just putting the reader on notice.

Mr. Ward stated, as there were no further questions from the Board, a motion to accept the subject audited financial statements with the removal of the abovementioned sentence from page six was in order.

<p>On MOTION by Mr. Refkin and seconded by Mr. Hendershot, with all in favor of accepting the Audited Financial Statements for the yearend September 30, 2013, with the removal of the sentence from page six as discussed.</p>
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FOURTH ORDER OF BUSINESS

Consideration of Resolution 2014-3 amending the General Fund Budget for Fiscal Year (FY) 2014 to provide for the for the maintenance of the retention areas in the District

Mr. Ward stated in the exhibit to the resolution, page two showed the changes reducing three line items to account for that expenditure, and a line item had been added in the wetland system maintenance to account for that. He pointed out that in this budget, when the Board and staff discussed the subject matter, there was \$26,350 that was carried forward that was cash the Board agreed to budget as a carry forward. The budget amendment the Board approved last month, and the subject budget amendment would use up most of that contingency. Thus, when the Board saw the budget next month, the District's cash position would be lower by about \$21,000 due to those two budget amendments.

Although he was able to move line items around, they were not “freebie” changes in the budget, they were an actual cash loss, as the numbers were coming from contingencies already built into the budget.

Mr. Hendershot understood, after reading the minutes from the last meeting, that it appeared the Board was asked to approve a contract with Estate Landscaping, as well as other items that came up for consideration in sequence to that approval. Those items including getting rid of weeds, etc., all of which increased the budget by about \$31,000.

Mr. Ward affirmed this to be the case.

Mr. Hendershot asked why the District had not built such work into the contract negotiations with Estate, wondering if it were possible to hire another vendor to do the work.

Mr. Ward stated the contract that was amended at the Board’s last meeting was with Lake Masters, and that contract was extended for a set number of years. The items referred to above were beyond the scope of their existing contract, but when work began on the District’s next fiscal year’s budget, the contract with Lake Masters would be amended to include those items as part of the regular contract once the funding for the additional items were approved by the Board in the 2015 budget.

Mr. Hendershot believed the additional items were handled before without the subject incremental costs, and it might be that Miromar picked up part of the cost and the work was done on an *ad hoc* basis. The latter might be a better way to manage the work rather than to give the vendor an additional \$30,000 to do the work. He recalled in reading the documents that Mike Elgin was able to do the work for \$2,600, and another time for \$3,800.

Mr. Ward agreed, stating he thought, moving into the next fiscal year, the business model the District needed to follow was to have a better handle on all of the larger expenses. He recalled one thing that was discussed when CGA was hired was that the Board would go through a learning curve over the next year, simply due to the fact that the District was taking on all of these maintenance responsibilities. Some of the work might be things Miromar had done and paid the cost to do them but not informing the District of what they were doing. He thought in the coming year, the District would do it differently, whether as an *ad hoc* or just add it to the Lake Masters contract or Estate Landscaping’s contract.

Mr. Donoho asked if Miromar would show in their records where the unbudgeted work was done and paid for by them in previous years.

Mr. Ward replied they might, but knowing the way Mr. Elgin worked, he might have gone ahead and just had the work done and it was not a big issue and Miromar paid for it without notifying the District.

Mr. Refkin noted another possibility was for the District to do a special assessment to each neighborhood.

Mr. Ward remarked the subject work was a part of the District's Master System, so he was unsure such action was possible. The retention areas were for the entire community, so that would be a benefit; however, the issue with the berm area was a more specific issue for the subject community, and it might be possible to do a special assessment to address that issue. He felt that would be an inappropriate use of doing it that way. Regarding the Master System, he was more concerned with trying to levy an assessment on a specific neighborhood when the work would benefit the entire community.

Mr. Hendershot concurred.

On MOTION by Dr. Herring and seconded by Mr. Ballinger, with all in favor of approving Resolution 2014-3.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2014-4 the execution of certain NPDES Reports relative to the interlocal agreement providing joint control of pollutants

Mr. Ward stated, from a higher-level review of the subject item, the reports were due by March 31st of each year, and last year when the District did the reports, the submission was very late. As this was a very ministerial process at this point, the proposed resolution was to authorize the District Manager to sign these reports and then provide them; he thought the District Manager had the authority to do that, but some government agencies did not agree. The proposed resolution was being executed on top of it, just so both the resolution and NPDES Reports could be sent to the appropriate agencies when needed.

Mr. Hendershot questioned, to the extent that there was any material change in the reporting in the interim since the last report, or what other CDDs reported to the County, would Mr. Ward bring such changes back to the Board, as most of it was zero.

Mr. Ward answered yes, any substantive changes would come back to the Board automatically.

On MOTION by Mr. Donoho and seconded by Mr. Ballinger, with all in favor of approving Resolution 2014-4.

SIXTH ORDER OF BUSINESS**Staff Reports****a. Attorney**

No report.

b. Engineer

Mr. Ward asked if there were any FGCU issues, such as regarding the pools.

Mr. Urbancic noted the District provided the consent to FGCU; that is, as a follow-up item, the Board approved the consent letter, and he delivered the letter to FGCU the day after the last meeting. He was unsure of the status of the pool,

Mr. Krebs indicated he had not contacted them since the last meeting about the pool repairs.

c. Asset Manager

Mr. Cusmano noted, regarding the District's storm water system, he had been looking at the structure to determine which ones needed a contractor to look at them; thus far, his staff and he found not much of any problems. On the issue of the berm access, he sent all the information to Estate Landscaping and their subcontractor for the cut. He spoke to them the previous night and was told that the cut was canceled, so he continued to work with Estate, and they came up with what he thought was a viable solution; the District would continue to do the cutting and not deal with the other property. He asked Mr. Coleman, the Estate Landscaping representative present to elaborate.

He met Mike Elgin at the site earlier in the day, and everyone was on the same page, and he spoke with Mr. Krebs, and they all agreed this was a viable solution.

Mr. Kevin Coleman of Estate Landscaping recapped the access issues at the subject berm, as was discussed at previous Board meetings, noting they wished to move forward with resolving the issue. They walked the rear of the subject property, and there was a weir that was a part of the CDD property on the south of the lake that ran next to FGCU on which the District could put a floating deck across the weir in order for Estate to transport their mowers and utility vehicles to gain access to maintaining the berm. He noted they could purchase the floating deck and rig it to go back and forth, and after meeting with Mr. Elgin earlier, and he agreed to give Estate access to the abovementioned area, they had only to work out which part of the weir they would utilize.

This would eliminate the District's worry about access, as Estate had to get over to the berm to do mowing, pruning, mulching, irrigation, repairs, whitefly treatment and other pest control, etc. that was critical for the present time of year.

Mr. Refkin believed during the extensive discussions the Board had on the issues surrounding the subject berm at previous meetings, he was assured that by FGCU this would not be an issue, and that there were a number of ways to get to the berm.

Mr. Cusmano explained the staff had gone through all the areas and walked back there, and during the rainy season the District did not have access, and there were some South Florida Water Management issues if the District went too close.

Mr. Refkin wished to focus on the issue of access.

Mr. Ward felt the question being asked was whether the District could get access to the subject berm through property owned by FGCU.

Mr. Cusmano answered no.

Mr. Refkin thought this was not the impression communicated at the Board's last meeting.

Mr. Krebs commented FGCU had yet to take down the property, so it was still owned by OJ, and this was part of the reason the District could not get access to the berm from FGCU. He was unsure when FGCU would take over ownership, as this should have been done several months ago.

Mr. Cusmano believed FGCU should have taken ownership of the property in December 2013.

He continued the District needed access, and there were three ways to do so: one, across the berm; two, through the other school property and MIromar Lakes property; and three, the property owner behind the berm. The latter was not cooperating; the other second option got wet, and the District had no access through that area.

Mr. Refkin pointed out the rainy season did not happen 24 hours a day, seven days a week, agreeing during the rainy season it was an issue. He asked if, at present, there were any impediments to Estate accessing the subject berm, such as rain.

Mr. Coleman affirmed there was; Estate was being blocked by the owners of the Alico West property from accessing the berm, so coming through the MIromar property was the solution.

Mr. Refkin asked if this was the land of which the FGCU was going to take over ownership.

Mr. Krebs affirmed a portion of that land would be taken over by FGCU.

Dr. Herring believed Mr. Refkin was referring more to the surface of the ground rather than access to gates and permission, whether that surface was impassable; if Estate had access, could they run their equipment over that area.

Mr. Coleman replied, coming from the south through MIromar's property he felt it was impassible, as there was no road that came from the power line from the south over to the berm.

Dr. Herring clarified they were speaking about the future FGCU property.

Mr. Coleman indicated the workers still had to cross the Alico West property.

Mr. Refkin inquired if when the land was turned over to FGCU, would Alico West retain ownership of a portion of the property that would make it inaccessible for the District, because Alico West would not grant access, or was all the property going to FGCU.

Mr. Coleman believed they would always have land preventing the District from accessing FGCU's property.

Mr. Krebs believed at the last Board meeting he commented the District might have access to land further down owned by the CDD, but when staff went back and looked at the area, they discovered it was a South Florida Water Management District issue. Thus, MIromar Lakes had to mitigate the haul road, and when it was mitigated, it took out the access he thought was available to the District.

Mr. Refkin recalled someone saying the District had FPL access.

Mr. Krebs concurred, stating the District could take the FPL access down to a portion of land that the CDD owned and come back up, but he thought the District still had access to a haul road that was mitigated as part of the development with the South Florida Water Management District with the subject property. This had become a mitigation area and a preserve, so the District no longer had use of that area.

Mr. Cusmano noted the other area he mentioned was coming down the FPL, coming through Miromar Lakes, and there was no access.

Mr. Refkin found the situation maddening, as the residents of Miromar got no benefit for that berm, as only residents that faced the berm head on got any benefit.

Mr. Krebs remarked a portion of the subject berm satisfied a County buffer requirement the District must have; the berm was way in excess of the County's requirement; there had be a buffer between residential and, at the time, industrial.

Dr. Herring added it was originally a requirement that Miromar Lakes, when they owned that property, had to have, not the CDD.

Mr. Krebs concurred, but stated the berm benefited the community, as did the I-75 berm and the other berms, that it was a requirement of the County code.

Mr. Refkin believed the District took over the maintenance of all the berms.

Mr. Krebs concurred.

Mr. Urbancic mentioned having conversations with the developer, and they were ready to develop the peninsula, so how the berm looked was meaningful to them, and they asked him to express this position to the Board.

Mr. Refkin commented the developer received the tangible monetary benefit from that, not the CDD, as the better the berm looked, the higher the premium the developer would charge.

Dr. Herring asked if in the conversations with the developer was the possibility discussed of them picking up the charges for maintaining the subject berm. He felt this was a perfect example of an improvement that benefited one small area.

Mr. Refkin agreed, stating because the CDD owned the berms, it was being asked to pick up the cost to maintain the particular berm, when it was not a benefit to the entire community, rather it was to a small portion of the community and to the developer.

Mr. Coleman reviewed the solution Estate proposed, as indicated in the backup and illustrated by the diagrams he presented to the Board. He believed this to be a very inexpensive endeavor, estimating it to cost a maximum of \$4,500.

Dr. Herring asked if the floating barge could be secured.

Mr. Coleman answered yes, stating the ramp would be placed on a winch that they would lock.

Mr. Hendershot was unsure the District wanted to own a barge.

Dr. Herring asked if there was disapproval of the existing dirt bridge that went across, it seemed the people buying houses in nearby subject area would complain about the presence of the barge.

Mr. Cusmano commented it would not be visible, as it would be located on the other side of the weir, downstream on the school side.

Mr. Ward inquired as to where the District was with regard to communicating with adjoining property owner.

Mr. Cusmano replied they sent the representatives of OJ emails for their subcontractor to let Estate onto the berm to cut and price it out, but no response had been forthcoming from the subcontractor.

Mr. Urbancic intimated the District was basically told by OJ not to come onto their property without permission, and the only way they would approve the District coming onto their property was if the District used their contractor to cut the berm.

Mr. Cusmano said he had a cut scheduled and to meet with the subcontractor to review the specs, and Estate was supposed to be onsite at seven o'clock to get in and cut. At 9:00 p.m. the previous night, he received a call from the subcontractor that he was unable to make the morning meeting, as he had something else to do. He noted this was after a week of calls, emails, setting appointments, getting Estate workers ready, and suddenly the subcontractor canceled the night before. The subcontractor had yet to look at the specs supplied by Estate to give the District a price, do the berm remained uncut, and if the subcontractor was so nonresponsive in getting a quote to the District, it questioned the reliability of the subcontractor to do the actual work.

Mr. Krebs spoke with a representative at SWFWMD who was familiar with Miromar, explaining what was being proposed, and the representative thought it was doable, their

thought being a letter of modification could be drafted or a submittal. This was to address the possibility of someone questioning the presence of the structure and them being told it was in place so the District could gain access to maintain the berm

Mr. Ward asked what the cost would be to maintain the berm within the context of the existing contract.

Mr. Cusmano replied about \$40,000, so it was a big-ticket item.

Mr. Cusmano commented, as Mr. Coleman already spoke to the reviewers, the barge could be pushed further back towards the school side away from the berm, so it would not be as visible. The other issue was the price the subcontractor would come back with. He thought the easiest and cheapest solution was to put in the barge, as it could be installed right away, and so gain access to maintain the berm.

Mr. Krebs remarked it was important to keep in mind that the property would be developed, and he expected at some point they would need something from the District, such as a signature on an application, etc., where the District could then barter. The developer's land discharged into the large lake that went through the District's weir. For them to develop that lake, they would have to modify the permit that is owned by the CDD, which meant the CDD had to be a co-applicant.

Mr. Hendershot wondered what it cost to cut a road back there, as the District did not have access to land it could build over.

Mr. Krebs said building a road would be much more expensive than a barge, even it was just a gravel road.

Dr. Herring thought the dialog up to now angered the Board, as the District had to cut down the dirt road just to appease the landowner. Now the District was being presented with a solution for \$4,500 that was very reasonable, and the original problem was being allowed to affect the resolution. Thus, the subject situation was a result of a residual resentment of the District having to do anything.

Mr. Refkin agreed the barge was a great, economical solution, and at some point, if the Board was in agreement, it would be necessary for the Board to discuss passing the cost of maintaining the berm to a specific geographical area of Miromar that visually benefited from looking at the berm, and not passing that burden onto the entire community.

Dr. Herring agreed, stating the discussion should take place sooner than later.

Mr. Ward mentioned in May the District's budget process commenced, so the subject issue would be worked into the context of the budget process.

Mr. Hendershot thought Miromar might interject itself, as, to some extent, if it became too controversial, they had no wish for anything to happen that would impair the selling of the lots or houses in the subject area.

Mr. Refkin was unsure of the cost if the incremental cost would be there for them, but it was okay to spread the large dollar amount to every resident, despite the fact that every resident would not benefit.

Mr. Donoho felt it seemed to be a very good time for the CDD to make a step in the right direction. If the CDD kept adding costs, however, the District would be assessing on the upside, as there were several things in the last two or three meetings that totaled high amounts. He wished to know how much the CDD was taking home before the District had to raise the CDD to the people.

Mr. Ward indicated that discussion would be held later in the meeting, as the matter was mentioned in Mr. Cusmano's report.

Dr. Herring wondered if there needed to be a motion to proceed, as the number was below Mr. Ward's threshold.

Mr. Ward affirmed it was below his threshold, but there was no line item for it. The amount was in the region of \$4,500, and if at some point we would need a budget amendment, he would do a budget amendment if necessary in May. Thus, at some point, the Board would see him over a line item budget, and this was due to the \$4,500.

Mr. Hendershot reiterated his failure to understand where the costs were absorbed.

Mr. Ward replied the \$40,000 was in the existing Estate contract.

<p>On MOTION by Dr. Herring and seconded by Mr. Donoho, with all in favor of approving the installation of a floating barge as discussed above.</p>
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I. Status Report on Operations

Mr. Cusmano discussed landscape and irrigation. There was currently an issue with whitefly that had been around for some time and was getting worse. There had been controls in the interior. The Master Association that was now affecting the CDD had been

taking care of it, but the District needed to take care of its own. There was an additional cost to do it, and the District was budgeting \$50,000, and the District needed them to start out now, not next year. He noted, from henceforth, this would be a yearly cost, then the District could stay abreast of what the Master was doing, with Estate doing the work for them.

Mr. Refkin asked how the whitefly treatment was applied.

Mr. Coleman responded with the present treatment, they had to go to a drench, where they drenched the material into the soil, and use a lot more product, and this took care of the issue systemically.

Mr. Refkin sought clarification it was not airborne, rather it went into the ground..

Mr. Coleman affirmed the chemical went into the ground, taken up by the roots.

Dr. Herring asked what was the reason this is getting the District up to \$50,000.

Mr. Cusmano indicated he could send him the information, stating there was the whitefly treatment for the hedges, there was 8,260 linear feet, which was \$23,625, and 670 trees or \$19,202, and the whitefly on the coconut palms, there were \$6,239 to spray everything out there. He did not have a tree count on that.

Dr. Herring asked if the treatment would be irrigated.

Mr. Cusmano replied the treatment would be injected. The whiteflies made its way into the District and it was new to the area, so it was important to catch it in the beginning.

Mr. Coleman felt the real problem was the whitefly had been creeping up to the area for some time, but in the last year it came in full force, and they battled with the HOA, and Miromar spent a considerable amount of money getting it under control. This had not been done on the CDD, which was what they were attempting to do now, as they could see signs of the whitefly, and they had no wish to lose the planting around the community. He believed the maintenance went up due to the whitefly infestation; last year a spray technique was used, but in the current year they would do a full drench, as the infestation was a lot heavier.

Mr. Ward remarked this would require a budget amendment, so he had to do a resolution, but he could conceptualize the budget resolution for the Board. But before we to that, he directed the Board's attention to the Excel sheet Mr. Cusmano prepared that was located in the backup. With the last budget amendment the Board approved, he mentioned

with that the District was close to the cash reduction totaling \$26,000 being at \$20,000. With the amendment to accommodate the \$4,500, this would wipe out the \$26,000 contingency, and this meant the District's cash balance was reduced by \$26,000 going into the next fiscal year. This problem raises that number up another \$50,000, so the Board had now reduced the District's cash balance going into the next fiscal year by \$75,000, which was a considerable amount of money going into next year.

If you compounded that, looking at the far right column, of all those so far, all of the new programs added to the budget, it was a \$223,000 problem so far, \$100 more per unit for the next fiscal year than what owners were now being assessed. He said this would be over 30 percent more in assessments in the next fiscal year, and he asked CGA to prepare an analysis of the detail of all of the numbers; that is, was it a one-year program number, could the work be done over a period of time, if not, how could that be phased out to avoid such increases. He was not of the opinion that raising the District's assessment levels 33 percent going into the next fiscal year was a reasonable thing to begin with, but the District had a big financial problem to deal with moving into 2015, including the whitefly problem if the District had to spend \$50,000 a year on whitefly; this was a major issue. He said that would raise the District's assessment levels about \$25 per unit per year, a very significant increase.

Mr. Hendershot asked if it were possible to increase the assessments some to cover a part of the cost.

Mr. Ward thought the District would have to increase the assessments in any event.

Mr. Hendershot suggested spreading the cost over a three or four-year period.

Mr. Ward indicated it would be dependent upon the cost; the Board knew the whitefly was a continuing issue, so that was automatically about \$25 or \$30 per unit over what it was currently. This would throw the District over its cap rate, which meant the District had to do individual notices to unit owners, and the question was how much over the cap rate the District would be for the next fiscal year. He would not know the answer to that question, until CGA provided him with the details of what these programs were and whether the District could stretch them out over a set number of years, which he hoped was possible.

On MOTION by Dr. Herring and seconded by Mr. Ballinger, with all in favor of approving Resolution 2014-5, amending the District's General Fund Budget for 2015, to provide for the inclusion of a line item for whitefly maintenance in the amount of \$50,000, and a reduction in the cash balance of \$50,000 in order to fund the project.

Mr. Cusmano mentioned the cleanup of the retention area that was the ongoing maintenance, and this was a one deal, \$10,500 to come and cut everything down, clean that out, so the retention area was where it should be. This was the one over in Verona Lago.

Mr. Hendershot thought the District completed that work.

Mr. Cusmano responded he got two prices, as indicated in the backup, and when the area was cut, he added to Estate's contract the responsibility for maintaining the area. It was a one-time clear, and it was necessary to do it before the rain began, and they would be maintaining it within their cuts from this point on. He believed \$2,200 was the added for their yearly cuts, to be in their cutting and maintaining that area.

Mr. Ward asked if this was an additional retention area maintenance program over the one just completed.

Mr. Cusmano replied there was no retention areas.

Mr. Ward stated the Board just approved a budget amendment for \$10,500, questioning if this was another one.

Mr. Cusmano replied no, the same one.

d. District Manager

Mr. Ward reiterated that the District would begin its budget process next month, noting he was not particularly optimistic, as he knew where the numbers would begin to fall already, and the budget was almost finished. The Board needed to take a very hard look at some of these programs and how to stretch them out and make the program work for the next fiscal year. He indicated this would require a lot of number crunching in a very short period of time, as in order to make the September public hearing with mailed notice and a

public hearing advertisements, the budgets had to be done by the first of July for him to get through all the advertising necessary.

I. Financial Statement – February 28, 2014

Mr. Ward stated the District was doing very well, and they received the \$1.1 million from Miromar for the pay down of the District's bonds. This was already scheduled for payment on May 1, so everything was in order.

Mr. Hendershot asked how big was the District's fund balance.

Mr. Ward replied \$535,000 was the District's opening cash balance, and that would go down by \$75,000 at present..

Mr. Urbancic asked if this was an election year for the District, as he was concerned that the qualifying periods were creeping up on the District.

Mr. Ward responded it was an election year.

Mr. Urbancic stated the qualifying period was in June.

Mr. Ward affirmed.

II. Fiscal Year 2014 – Agenda Schedule

Mr. Ward stated Mr. Ballinger, Mr. Refkin and Mr. Hendershot were up for reelection.

Mr. Urbancic stated there was a five-day period in which the Board members seeking reelection had to do over the packet to the Supervisor of Elections .

Mr. Ward suggested coordinating getting the information to the Board members up for reelection.

Mr. Urbancic gave assurances that the process was a very easy one.

Mr. Ward stated the qualifying process was very simple, it was just a matter of going down to the Supervisor of Elections where the staff was very helpful.

Dr. Herring asked what were the multicolored stakes of different heights outside of Miromar along Ben Hill Griffin; there were no flags attached to the stakes.

Mr. Refkin concurred, stating they were in groups of threes.

Mr. Krebs thought it was likely they were surveying the road. It might be that the vendor had done tests for the District to find utilities in the right of ways, and the different

colors reflected the utilities that had been found. They stuck a PVC pipe on whatever they found and cover it back up. The surveyor could then come in and tap it.

Dr. Herring asked if the pump the District was going to put into the pond on the golf course off of sixth hole would ever be done and when. He asked if the District agreed to maintain that.

Mr. Ward answered yes, the District agreed to take ownership and maintain the pump that had yet to be installed, and he was unaware of the timing.

Mr. Cusmano responded he sent an email the previous week to the gentlemen at Miromar, and he had yet to receive a response.

Mr. Hendershot asked if this was a part of the \$50,000 number.

Mr. Cusmano replied it was not.

Mr. Ward said they were paying for it: selecting the pump, paying for its installment, etc.

Dr. Herring noted the people in the subject community would not hear the road noise from the street, and this might be another issue to be added to an assessment to an individual community, as this did not benefit anybody but them.

Mr. Ward agreed, but he thought a member of the Board that cost of maintenance was in the area of hundreds of dollars a year versus anything else.

Mr. Cusmano answered yes, it was a very small area.

Dr. Herring mentioned the weatherman from Channel 2 died right outside of Miromar; it was said that he hit a sign, wondering which sign this was.

Mr. Hendershot responded he hit the stop sign by outlet mall.

Dr. Herring asked if the District had any responsibility for any signs along that area the District maintained.

Mr. Cusmano believed they belonged to the Department of Transportation (DOT).

Mr. Krebs said not along Ben Hill Griffin.

Dr. Herring stated that the District did not have to worry about some day in the future the weatherman's family might complain that the sign was not properly placed.

Mr. Ward pointed out the District did not place the sign there.

Mr. Krebs commented the CDD property ends before the sidewalk and the sign was not on the District's property.

Mr. Krebs clarified the District's property ended before the sidewalk, and the person was on the sidewalk.

Mr. Ballinger asked if the bridge across Ben Hill Griffin was the CDD's.

Mr. Krebs answered no, as he received a clarification from Mike Elgin, who told him that was still a Master Association of Miromar, LLC, but it's not the CDD.

Mr. Ballinger wondered, if it were not for the golf club, this would not be needed.

Mr. Krebs stated if it was not for the golf course holes on this side of Ben Hill Griffin.

Mr. Hendershot said the maintenance crew used it, as well as the golfers, and they needed it the golf course of its current design in order to sell many houses, so it was appropriate with Miromar.

Mr. Ward felt Dr. Herring brought up a good point and noted that if the District's maintenance adversely impacted or there was an accident as a result of the District's maintenance: a tree in the road, etc., the District would end up being sued or have an insurance claim filed. The District did carry insurance for such occurrences..

SEVENTH ORDER OF BUSINESS

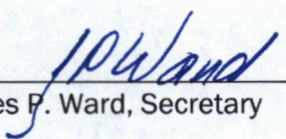
**Supervisor's Requests/Audience
Comments**

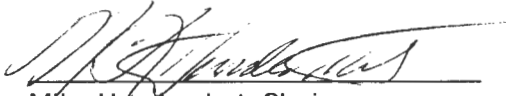
No discussion.

EIGHTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Refkin, seconded by Mr. Ballinger, with all in favor of adjourning at 3:10 p.m.


James F. Ward, Secretary


Mike Hendershot, Chairman