

**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, May 8, 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
Doug Ballinger
Burnett Donoho
Alan Refkin**

**Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary**

Also present were:

**James Ward
Greg Urbancic
Charlie Krebs
Paul Cusmano**

**District Manager
District Counsel
District Engineer
Calvin Giordano & Associates**

Audience

None

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 with the exception of Supervisor Herring.

SECOND ORDER OF BUSINESS

Consideration of Minutes

a. April 10, 2014, Regular Meeting

Mr. Hendershot stated he had a few corrections: page 6, in the fourth paragraph, the word should be "built" into the contract; page 12, second to last paragraph, where he was the identified speaker, it was not him.

Mr. Ballinger indicated the comment was made by him.

On MOTION by Mr. Donoho and seconded by Mr. Refkin, with all in favor of approving the April 10, 2014, Regular Meeting minutes as amended.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2014-5, approving the Proposed Budget for Fiscal Year 2015 and setting the Public Hearing for the September 11, 2014, at 2:00 p.m. at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Mr. Ward stated the subject resolution was to start the process for the Fiscal Year (FY) 2015 Budget that would take effect October 1, 2014, to September 30, 2015. Over the summer months, the Board would continuously review the proposed budget, so by the September 11, 2015, public hearing, the Board could formally adopt the FY 2015 Budget and set the assessment rates. He noted, due to the way Florida law worked with respect to notification to property owners, TRIM notices going out at the beginning of August of each year, and by the July meeting, the Board needed to be either finished with the budget process or at least vote to accept the higher levels of assessments for the public hearing. He stated the Board could always vote to lower the assessment rate in the final budget, but the final assessment rate could not exceed the first level passed in July.

He reviewed the proposed FY 2015 Budget, stating pages one and two summarized the District's General Fund for FY 2015, and he added two columns to the worksheet from last year's budget to highlight what the Board needed to discuss. These two columns reflected the changes in the budget from the FY 2014 Budget and the contingency amounts in the line items. As with the previous fiscal year, the contingency amount included in the FY 2015 Budget was about \$30,000 in contingencies funded from cash and not from assessments. This mean that, to the extent that in FY 2015 funds from the contingency line item were spent, the District would have lowered its cash position by \$30,000 going into the following fiscal year.

Mr. Ward remarked that in FY 2014, that number was \$76,000 that the District will have lowered its cash position going into FY 2015 on October 1, 2014. He anticipated the

District would start the year out with roughly \$405,000 in cash at the beginning of FY 2015 from almost \$485,000 the District started out with in FY 2014. In terms of the overall change in the budget, he directed the Board's attention to the sideline items that showed the overall administrative budget decreased by roughly \$14,000 from the previous fiscal year. He said most of that decrease was related to reductions in the engineering, legal and the website development, as they represented primary changes in expenses for the administrative side.

Mr. Hendershot asked how the District was able to reduce those costs.

Mr. Ward responded it was heavily dependent on the amount of work that Mr. Krebs or Mr. Urbancic did for the District, so those costs tended to increase or decrease according to the needs of the District for such services. Thus, he increased or decreased the budgeted amounts for those services in FY 2015 based on projected amounts that were anticipated based on what was spent for those services in the current fiscal year.

Mr. Hendershot stated it's based on history?

Mr. Ward concurred. Next, with regard to the storm water management system, there was an increase of approximately \$42,000 over the prior fiscal year due to work in a number of areas; for example, the water control system program, the aeration program, some routine maintenance, and the aeration system were the highlighted areas. He noted the landscaping program would see a reduction of \$33,000 for FY 2015. With the changes made in the FY 2015 Budget, as illustrated on page two in the 'Assessment/Comparison' column, the assessment rates would go from \$343.74 per unit per year to \$377.22 per unit per year. He indicated this was right at the District's cap rate, and it took a monumental task to get the rate to where it was shown without exceeding the cap rate for FY 2015.

He highlighted other details, starting with page five, looking at two items: 1) the removal of the bulrush on the golf course lakes; and 2) the removal of grass in the balance of the system. They are currently not included the FY 2015 Budget, but they were highlighted as a matter the Board discussed during the present fiscal year. They were not included, as he had to make a decision on what to pull out of the budget to get a reasonable number below the cap rate.

There was a \$31,000 budget item for FY 2015 that if the Board wished it included in the next year's budget, it would raise the assessment rates by \$14.90 per unit. This was an

important number to keep in mind, so as the District moved into the next fiscal year, if someone complained, the Board could state the matter was not budgeted, and the reason was to keep the assessment rates where they were.

Mr. Ballinger asked how many units were divided into the \$31,000 to determine the amount of the increase in the assessment rate.

Mr. Ward stated 2,226 units.

Mr. Ballinger wondered if these things were on or off the tax roll or a combination of both.

Mr. Ward answered a combination of both, referring the Board to the bottom of page two where it gave a breakdown of what was on roll versus off roll.

Mr. Hendershot sought confirmation the District was using a kind of arbitrary total number, as it was still unknown what the final number would be.

Mr. Ward added the number was based upon what the developer anticipated they would bill, reminding the Board that number was just lowered somewhat by about 91 units going into the next fiscal year, and this had an ancillary adverse impact.

Mr. Ballinger mentioned attending a neighborhood meeting at which they were told the number of units was 950, wondering if this correlated to the 947 figure listed in the Budget.

Mr. Ward stated on page two, there were 1,221 platted units that the District expected to have on the tax roll in FY 2015. The units might not be sold, but the land was platted, whether it was a lot or a condominium, and the developer had 1,005 in land that had yet to be platted, on which they anticipated building that many units. He said that was the variable number in the project at present. The 950 mentioned earlier had nothing to do with that. With respect to the District's storm water program, he thought it was probably the biggest item he wished to discuss with the Board, stating it was found on page six under landscaping. It had to do with the whitefly treatment of the hedges, trees, coconut palms, etc. This expense made a significant difference in the program for FY 2015.

He reminded the Board that the District's overall budget for landscaping went down slightly, but in essence, this expense made a huge impact in terms of what the overall assessment rates would be in FY 2015 that was not in the budget in prior years. This would be a continuing item.

Mr. Donoho commented in the last Board minutes, the representative from the landscape company stated in that whitefly was the problem. He had someone look at his trees and they offered to give them a whitefly spray immediately, and he told them to go ahead, and he was then informed that the problem was yellow flies coming off the lake and not whiteflies. Nothing was said in the prior minutes about yellow flies coming off the lake, and it seemed this was an issue that the lake use group had to address.

Mr. Cusmano thought they might be referring to mite flies that were also referred to as yellow flies, and there was nothing that could be done about them, as they bred on the lakes. The whitefly treatment was specifically for Ficus trees and hedges.

Mr. Donoho asked if there was a way to spray for the yellow flies.

Mr. Cusmano responded no. The Board went through that discussion at a previous meeting, when it was mentioned that spiders had gotten into a townhome, and it was said the reason for the spiders was the yellow flies on the lake. It was determined to not be financially feasible to spray the yellow flies, as there was no way to control them.

Mr. Ward summarized the big decisions the Board had to make, noting we could do little with respect to the assessment rate, which meant for the FY 2016 Budget, the District would be over the cap rate, triggering a mailed notice to the property owners.

Mr. Hendershot stated Mr. Ward had done a very good job of building in the contingencies, while keeping the assessment rate below the cap rate, recognizing that a decision had to be made as to where to place the contingencies. However, with regard to the lake bank and aquatic weed control on page one under storm water management to which \$15,000 was allocated, he thought the carp the District put in the lakes would cut back on the number of weed treatments.

Mr. Cusmano stated there was weed control with putting in the carp, and there was a control handled by the vendor itself that was a separate expense. The District controlled the banks, ensuring the areas where the water flows in; the lakes would be kept clean and some spraying would be done, and this was done every three to five years. He stressed this had nothing to do with the carp, as they were successfully controlling the weeds in the lake.

Mr. Ward directed the Board's attention to the very last page, where they would see a single page called Aeration System Status, April of 2014, and within the context of future budgets, this page was prepared, to even out costs by fiscal year, however, noting this was

an arbitrary decision. CGA went through the District's entire system and determined what issues needed to be addressed in terms of repairs to the entire system, estimating that cost at roughly \$62,300. When he did the budget, it was clear that unless the Board wanted to go over the cap rate, which the District could not afford to do, he had to break down everything into yearly, reasonable increments in the \$10,000 range, sometimes slightly under or over. The District could, over a period of time, try to fix the entire system.

He stated the bad news was it would take until FY 2020 to complete the lengthy program, and there were no assurances that the \$63,000 would stay consistent over time, nor were there assurances that the District did not have to do something on a more immediate basis. At least there was something in writing that we all know the magnitude of the aeration system problem and there being a type of reasonable plan necessary to maintain that on an acceptable basis over time.

Mr. Hendershot commented at the last meeting when the Board discussed replacement and repair, someone indicated the District should bill the community directly, and the Board decided not to, due to the insignificant cost. In looking at the whole system, the cost was quite significant, and he questioned if there was some other equitable way of addressing the matter rather than billing everybody directly.

Mr. Ward replied, with respect to the aeration system, he did not think so, as these are underwater aeration units that were throughout the entire water management system and, in essence, benefitting the entire community.

Mr. Hendershot thought one place that could be differentiated from all others was the golf course, as that was a private enterprise, and only the private members benefited, as well as the developer who used it for selling. He asked if a number could be allocated directly to the golf course.

Mr. Ward thought if the issue being discussed was an overall storm water management system, the answer was probably no, but if it was related to landscaping, this was a different matter. He thought it was like that hidden berm that only benefitted one community, but when speaking about maintain an overall water management system, whether it was located in the golf course or next to a residential pod, this was not as significant in an assessment process.

Mr. Hendershot sought confirmation the first table dealt mainly with pumps that moved the water from one lake to another.

Mr. Ward believed the pumps were aeration units, so they were all underwater structures that put air back into the water.

Mr. Ballinger recalled at a few meetings ago, the Board approved the replacement of one pump, wondering if the new pump was expected to last six to seven years.

Mr. Cusmano responded it should last five to seven years.

Mr. Ballinger believed there was no maintenance cost, unless the pump went bad.

Mr Cusmano noted on the pumps that were electric, there was some electrical costs, and there was a line item that always covered those costs; the solar pumps had no maintenance costs.

Mr. Hendershot asked if the \$12,765 figure represented an annual cost through 2020.

Mr. Ward replied it did not, the figure represented the 2020 cost, and the \$8,600 was included in the FY 2015 proposed budget. There was no pride of authorship, in where all the number were across the board, as he did the calculations to get the numbers where they needed to be for the assessment levels. He concluded that this is essentially the FY 2015 general fund budget.

Mr. Hendershot noticed a line item for lake bank maintenance, questioning what work those funds were for.

Mr. Cusmano replied to address when the cattails grew up, along with the growth that came along the side as the lake levels decreased; once the lake levels dropped, the area near the bank had to be cleaned up.

Mr. Hendershot questioned if there was to be any beach renourishment.

Mr. Cusmano replied that had to do with the Master Association.

Mr. Ward concurred, joking stated there was a separate special assessment program for beach renourishment. This was an extraordinarily difficult budget to devise to get the assessment rates below the cap rate, and he was not happy with having to use contingencies and carry forwards, as, over time, it would devastate the District's cash position. But I do not think we have any choice in the current fiscal year or in FY 2015, but in FY 2016, the District had to pay attention to this matter going forward.

Mr. Hendershot observed the District's current cash position was a result of better than budget performance carry forwards from year to year.

Mr. Ward stated right, that was correct.

Mr. Hendershot thought it was similar to a reserve.

Mr. Ballinger wondered what that figure started out as.

Mr. Ward answered zero, as in a district just starting, that number was always zero and it built up over time.

Mr. Hendershot questioned as to what was considered an appropriate amount of cash, as it seemed very subjective.

Mr. Ward agreed it was subjective and, at the very minimum, the number was three months' worth of cash. If the District levied in November, we did not receive any revenue until January 1, so it was important for the District to cover its October, November and December expenses on an operating budget of \$900,000,

Mr. Hendershot commented the District needed at least \$350,000.

Mr. Ward answered right, and the District was at \$400,000, so if the District used all the contingency money, the District would be at its bottom number for cash going into 2016. He went on to discuss the Districts two debt service funds, noting the District was only paying principal and interest on the bonds, levying assessments necessary to do this, and this remained constant. He pointed out that the District had completed the refinancing, , so that had an important effect on the assessment levels. He stated pages 12, 13, and 14 clearly illustrated the original assessments on the lots, and the current par debt on these lots after the payments were made with the breakdown.

The final page gave the change per year on some of the lots. He reiterated there were insignificant changes from the current to the upcoming fiscal year in terms of the District's debt service fund.

Mr. Hendershot thought the table on page 14 was comprehensive in terms of showing the effect of the refinancing.

Mr. Donoho asked when the Master Association was turned over by the developer, who was it turned over to.

Mr. Ward replied it was turned over to the residents of the community.

Mr. Dohon questioned if there needed to be a structure in place to receive the Master Association.

Mr. Urbancic stated they would use the Master Association; all the directors would resign, and new directors who were residents would be elected to take control of the board. Thus, it was basically a swapping out of the board of directors, a change of control.

Mr. Donoho inquired if this would have any effect on the CDD.

Mr. Urbancic stated the change should not affect the CDD, unless the developer wanted to transfer some of their assets to the District.

Mr. Hendershot commended Mr. Ward for doing a good job keeping the assessment rate for the FY 2015 below the cap rate, particularly after the discussions at the Board's last meeting that increased some expenses in the next fiscal year. If the District was going to hit the cap rate in next fiscal year, it might be better to do so now and put the cushion in, or was it better to wait until next year.

Mr. Ward stated, normally, he would say yes to, but he explained why he chose to prepare the District's upcoming budget in the subject manner. He directed the Board's attention to page two, noting the District had to disclose what the current rate was, which was \$344 per unit, so if the cap rate was exceeded, whatever that number was, it would show residents that their number went from \$344 per year to whatever the increase would be. This was likely to cause many of the residents to attend the next public hearing in protest of the increase.

Mr. Hendershot wondered if it was better to address the situation head on when there were significant items that were justifiable and beyond the District's control.

Mr. Ward stated his experience told him that the District should stay the course for one more year, getting its cash position in a justifiable position to meet the CDD's operating expenses, and the operating expenses going into the year when the assessment rate would exceed the cap rate. This was a simpler explanation to residents as to why their assessments were going up.

Mr. Hendershot concurred, stating staff could put together a historical project that showed how the District got to where it was.

Mr. Ballinger asked about changes regarding Manatee County.

Mr. Ward assured him the changes would be made, noting the resolution would have two changes: in the first “Whereas” clause, at the end June 15 would be changed to June 15, 2014; in section four, the proposed budget submittal would be changed to Lee County.

On MOTION by Mr. Ballinger and seconded by Mr. Refkin, with all in favor of approving Resolution 2014-5 as amended.

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

Mr. Urbancic stated the legislative session was winding down, and he was aware of one CDD bill that was approved, on which he would more information to the Board. It was more of a reporting bill that would affect Mr. Ward’s duties more than the District’s day-to-day operations; the bill was awaiting the Governor’s signature for final approval. He noted that substantial changes were made to 189 in terms of reporting requirements and what happened when districts were in a dormant state, doing nothing. He was unsure if it would have much effect on the Mirormar Lakes CDD.

b. Engineer

Mr. Krebs mentioned Mike Elgin contacted him about two weeks ago, asking the CDD work with them as a representative in the public hearing with Center Place, as they were trying to put forward concerns at the public hearing. Mr. Elgin gave an oral promise via the phone, that the developer would pick up the cost for the CDD to participate. The area in question covered everything that was Alico West at the former Rinker site. They asked him to bring the matter before the Board, but he was unsure if it required authorization by the Board via a resolution to allow the District’s engineer to coordinate with the developer.

Mr. Ward stated that he did not think it required specific authorization.

Mr. Urbancic agreed and noted that he thought the developer needed to provide something in writing to indicate they would pick up the cost.

Mr. Hendershot wondered if the Board knew enough about the situation to oppose it or express any concerns.

Mr. Ward commented that we needed to frame what the District had the legal authority to do to begin with, as the District had no land use or zoning powers, so opposing

a land plan of an adjoining property was not possible for the District. The Board could provide input to the County or the developer with respect to its impact on the CDD; that was an appropriate course of action, as to whether it was an adverse or positive impact.

Mr. Hendershot thought it would affect the property values of the residents.

Mr. Ward felt Mr. Krebs and Mr. Urbancic were probably the best two persons to speak on the CDD's behalf at the public hearing.

Mr. Urbancic asked if the developer had concerns the CDD should take notice of.

Mr. Krebs stated he was aware of what the developer's concerns were after speaking with Mr. Elgin and, from his point of view, the concerns were the storm water management and the additional boat traffic that would impact the District's shore line.

A male speaker thought they did not have access to District property.

Mr. Krebs remarked the original lake use agreement with Alico allowed any landowner on the lake to go from one lake to another, so when the District opened up the two lakes in 2004/2005, they had access to the south lake, and the University had access to the north lake.

Mr. Donoho thought this was about a water taxi or something of that nature, which was mentioned at one point.

Mr. Krebs concurred, stating there were plans to build 1,000 multifamily units, with a big emphasis on commercial, so he would not be surprised if they did not set up some type of water taxi, or a marina for residents to drive their boats over the lake and take advantage of whatever they constructed. It was really a race between Miromar and OJ as to who could build the University Village first; Miromar was trying to do it south on University, and OJ was trying to do it to the north.

Mr. Urbancic commented the District could have legitimate lake and storm water concerns.

Mr. Krebs said there was no regulating agency to control the boat traffic, short of someone creating an agreement, bringing in the Sheriff, and setting guidelines. He doubted whether anyone had enforcement powers, though they might be in the lease agreement.

Mr. Hendershot mentioned there was a lake use committee.

Mr. Krebs stated that was only for Miromar residents, so it applied to neither the University nor Center Place; Mr. Elgin discussed this element as well. From the engineering

side, the additional flow of traffic was an argument for the District to increase its riprap, and the fact that this was a recreational lake, and the District would be putting additional uses there to ensure the water quality was maintained for the recreational lake.

Mr. Hendershot said the picture he saw in the newspaper made it look like they were not going to abut the lake. He asked if they were thinking about a park.

Mr. Krebs replied yes to the park, stating they would be abutting the lake closer to Alico. The only solid ground on that property was a location near the FP&L easement, and a strip that came out towards the lake. The rest of the area was all fines, and that was for their engineer to figure out and justify what they were going to do there. He commented, from an engineering point of view, if they could stabilize the fines, and it would change the characteristics of the lake, which he thought were fairly stable now. There had been no silt plumes, etc. coming off them since the Rinker operation left. It came down to additional boat traffic, and that would have an effect on the Miromar Lakes community.

Mr. Hendershot asked if this was east of where the Miromar Hotel was planned originally.

Mr. Krebs answered yes, there was a strip that ran along Alico that headed over toward the FP&L easement, and there was a section that ran from Alico along the FP&L easement all the way down to the District's property. About 40 acres of that on the other side of that east berm would be given to the University at some point in the future.

Mr. Hendershot mentioned the District was told that there would always be a good buffer between the lake and whoever owned that property, as the land was so unstable that it would not be possible to build on it by the lake.

Mr. Krebs commented that he would not say they could never build on it, but the owner would have to go through extreme engineering to justify building any type of structure there. This was about 30 plus feet of fine material that were like toothpaste with no structural characteristics, and if piles were driven into ground down to solid bedrock, it would be possible to build on the piles. He opined that the present condition of that land would not support traffic or roadways, and a developer would have to go through some engineering hurdles to mitigate and stabilize the land enough to support any type of roadway. When they were doing work in the subject area years ago, just driving a regular 250 truck was hazardous, as if the truck was left to stand, it would sink down to its body.

The mitigation to counteract all the instability of the land was possible, but it would be very costly.

Mr. Hendershot asked how the Board could acquire the plans for the area.

Mr. Krebs suggested contacting Lee County zoning staff for copies of their applications and responses, as the documents should have been scanned into the county records.

Mr. Hendershot sought confirmation of the name of the proposed development.

Mr. Krebs believed it was called Center Place, the Alico West property. He noted the only concern he had with Miromar's request was that the District had been looking for an access easement from OJ to get up that eastern berm, and that was unlikely to happen if the District worked with the developer on the subject matter. However, when the road was opened and everything was constructed in subsequent years, the District would have access to the berm, as the road would be opened to the public, but until that time, OJ's permission would be needed.

Mr. Hendershot asked if the people in Sorrento facing east would be looking at the housing across the lake.

Mr. Krebs replied, from the plan he saw and from what he could recall, the housing was mostly on the northern strip along Alico Road, plus an area centered in that developable area. With the use of a map, he pointed out the location of the existing and planned features discussed above. He stated, with regard to the lakes, as the weir was the CDD's property, the District would have to be a co-applicant on any development in the area, as it would all be going into the CDD's system. This was a matter on which to approach the South Florida Water Management System, as when the lakes were opened up, everything became a part of the same drainage basin. He said if the developer wanted to do any modifications to the weir, the CDD's consent was required.

Mr. Ballinger understood the entities that had control of the lake were the Alico Corporation, FGCU and Miromar Lakes, and those three entities sent representatives to a lake use committee meeting to set rules about the use of the waters, their preservation, etc.

Mr. Hendershot knew a representative from the University used to sit on that committee, but he did not recall Alico ever sending a representative to that meeting.

Mr. Krebs stated he knew nothing about the committee and believed the original lake use agreement was drawn up while Alico had total control of the property, and he was not aware of what transpired since that time.

Mr. Ballinger felt it appeared as though the various parties were making up their own rules.

Mr. Hendershot stated there was a lake use committee in Miromar Lakes, and Alico was invited to sit on it, but he was unsure if they ever did. A representative from the University used to attend the meetings, and residents sat on the committee, along with a representative from Miromar, and though there were guidelines and rules developed, they were never enforced, and too many variances were made.

Mr. Krebs reiterated that he thought only the original agreement was in place. He indicated he would find out more from Miromar about what they were requesting of the District and report this to the Board if there was time prior to the hearing, and the Board could make a determination at that time.

Mr. Ward asked if the Board felt Mr. Krebs had given the Board a complete update on what transpired, and as long as the Board could get something in writing from Mr. Elgin as to Miromar's agreeing to cover any costs for the District to participate in the process, this would be satisfactory. District staff would keep the Board abreast of whatever transpired and whether they needed to do anything with regard to the public hearing.

Mr. Hendershot asked if the letter from Mr. Elgin should be kept as part of the District's records.

Mr. Ward answered yes. He went on to say that he thought we needed to determine the ability of the adjoining property owner to use the weir or modify it without the CDD's direct permission.

Mr. Krebs affirmed the weir was on the CDD's land, so regardless of any approval from the South Florida Water Management District, without the District's being on the application, signing off on anything to do with the weir, there could be no modifications there. From an engineering point, it would be trespassing.

Mr. Ward stated this was not a legal position he wanted to be in, so District staff needed to figure it out up front.

c. Asset Manager

Mr. Cusmano echoed commendations to Mr. Ward on the FY 2015 Budget. He remarked everything in the field was fine for the most part, and they completed the dock, and the area over the dry retention was now cleaned up; he had pictures to circulate to the board showing the areas.

d. District Manager**I. Updated Board agenda schedule for balance of FY 2014**

Mr. Ward reiterated his desire for the Board to be in a position in July to approve the first reading of the proposed FY 2015 Budget prior to its final approval in September, and he foresaw no problems in doing that at present.

II. Financial statements for the period ending March 31, 2014

Mr. Ward stated the March financials were in good shape, and he saw nothing in them that gave him cause to believe there would be any problems as the District moved into the latter part of its fiscal year. The May 1 debt service payments were made, including the prepayment of \$1.1 million from the funds that Miromar paid to reduce the number of units in the project overall.

III. Report on number of registered voters in the District

Mr. Ward stated there was a provision in the statute that each year the District had to make a determination of qualified electors in the project; this meant individuals living within Miromar Lakes who were citizens of the United States, residents of the state, and residents of the community registered to vote in Lee County. They did not have to own property, but they had to be registered voters, and the District had 947 voters, and the Board did not have to take any action. He said there were three Board positions up for election in November 2014, those of Mr. Ballinger, Mr. Refkin and Mr. Hendershot. The second week of June was the qualifying period, from noon on Monday, June 16, 2014, to noon on June 20, 2014; they had to go down to the Supervisor of Elections' Office. Mr. Ward said there was a \$25 qualifying fee, and they could go early to get the paperwork done, which he recommended.

FIFTH ORDER OF BUSINESS

**Supervisor's
Comments Requests/Audience**

Mr. Hendershot recalled the auditor was asked at the Board's previous meeting about the auditor's remark that 70 percent of the expenses were subject to payment by the developer, possibly creating a critical issue if some adverse financial event were to happen.

Mr. Ward affirmed it was referred to as economic dependency.

Mr. Hendershot questioned if the 70 percent was based on the date that the audit was done, as the developer now owned only 40 percent.

Mr. Ward said this was correct, stating the auditor's remark was based on the records as of the last date of the audit period, which was September 30, 2013, which was when that calculation was done, and does change.

Mr. Hendershot felt it was a significant change from 600 to 1,000.

Mr. Ward agreed it was a big change, and the auditors looked at it from the perspective of the overall revenue of all three funds: the general fund, and both debt service funds. When looked at as a whole, the economic dependency was significant, but seen individually, it made a huge difference, specifically for the 2003 bonds.

Mr. Hendershot believed, as the developer built out and sold more, and more residents came to the District, the amount of debt collected would go up.

Mr. Ward stated the amount of debt would stay the same, it just came from a different source.

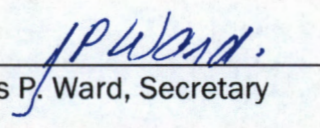
Mr. Hendershot noted the developer had a parcel that had yet to be platted on the other side of the boundary, and that was done at a lower rate than the District.

Mr. Ward explained the developer paid the same rate; the only difference was that the District billed it off the roll. The developer paid slightly less, because they could not take advantage of the four-percent discount the District received for paying in November. In the end, the developer and the District paid the same number. He noted for the record that no members of the audience were present.

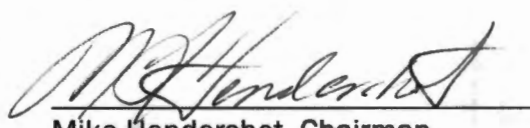
SIXTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Refkin, seconded by Mr. Ballinger, with all in favor of adjourning at 3:00 p.m.



James P. Ward, Secretary



Mike Hendershot, Chairman