

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

The Regular Meeting of the Miromar Lakes Community Development District's Board of Supervisors was held on Thursday, May 12, 2016, at 2:00 p.m. at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

**Board members present and constituting a quorum were:**

<b>Michael Hendershot</b>	<b>Chairman</b>
<b>David Herring</b>	<b>Vice Chairman</b>
<b>Doug Ballinger</b>	<b>Assistant Secretary</b>
<b>Burnett Donoho</b>	<b>Assistant Secretary</b>
<b>Alan Refkin</b>	<b>Assistant Secretary</b>

**Staff present:**

<b>James Ward</b>	<b>District Manager</b>
<b>Greg Urbancic</b>	<b>District Counsel</b>
<b>Paul Cusmano</b>	<b>Calvin Giordano &amp; Associates</b>
<b>Bruce Bernard</b>	<b>Calvin Giordano &amp; Associates</b>
<b>Charlie Krebs</b>	<b>District Engineer</b>

**Others Present:**

<b>Tim Byal</b>	<b>Miromar Development Corporation</b>
<b>Residents</b>	

**1. Call to Order & Roll Call**

Mr. Ward called the meeting to order at 2:00 p.m. A roll call determined that all members of the Board were present.

**2. Consideration of Minutes**

a) April 14, 2016 Regular Meeting

Referring to page 5, in the second line of first paragraph, Mr. Hendershot asked who the person was whose name was omitted. Mr. Ballinger identified himself as the person. On page 5, it's missing a name, Mr. Ward stated it should be him. On page 6, mid-page, Mr. Ballinger asked to clarify the word "halt," and Mr. Ward said it should read

“homes.” Mr. Ballinger pointed out that “not” was used twice in one sentence in the next to last line on page 6, and it was suggested that the second “not” be deleted.

**On Motion was made by Mr. Ballinger and seconded by Mr. Donoho, to approve the Minutes as described above, and with all in favor the motion was approved.**

**3. Consideration of Resolution 2016-1 of the Board of Supervisors of Miromar Lakes Community Development District approving the proposed Budget for Fiscal Year 2017 and setting a public hearing thereon pursuant to Florida law; providing for severability, providing for conflict, and providing for an effective date**

Mr. Ward stated that the Resolution represented the start of the 2017 budgeting process. He explained that they would be asked to approve the Budget solely for the purpose of setting the Public Hearing. Approval of the Resolution and the proposed Budget did not bind the Board to anything whatsoever in the Budget. Approval would merely allow things to move forward, so that by the date of the Public Hearing, the Board would be in a position to adopt the Budget. It did set an upper limit that they could not go above, but they could go below the figure at the time the Public Hearing. The Public Hearing had been moved up to August 11<sup>th</sup>, though it could be changed to a date in September, to deal with certifications by the County, but they are lenient, so either date is acceptable.

Dr. Herring asked for clarification regarding the Budget not binding them. He pointed out that it was binding with respect to the higher numbers. Mr. Ward stated yes he was correct and he would address that later.

Mr. Ward stated that turning his attention to the Debt Service Funds of the Series 2012 and 2015 Bonds, Mr. Ward directed them to page 8. As the Assessment Chart showed, the 2012 Bonds covered a majority of developed lands within Miromar Lakes itself. A portion of the Budget accounted for here are the principal and interest payments due on the Bonds for the ensuing fiscal year. The total expenditures were \$1,037,000, as compared with \$1,033,000 the previous year. Concurrently, the Assessment Level Chart illustrated that the assessment rates for the 2012 Bonds would remain relatively constant, being dependent on the total expenditures. Pages 8 and 9 provided the Amortization Chart for the 2012 Bonds. After 2017, there would be \$10,235,000 in remaining debt on the property to 2032. On page 10 were the 2015 Bonds, a majority of which covered by undeveloped land, and which was paid primarily by the developer, Miromar Development Company. Mr. Ward noted that the total budget had gone down slightly from the prior year and the total debt service due was relatively the same going into 2017. On page 11 could be found the amortization of the 2015 Bonds. On September 30, 2017, after the principal payments were made, there would be \$18,555,000 in outstanding debt on those properties.

In answer to an earlier question by Dr. Herring, Mr. Ward explained that regarding the 2015 Series of Bonds, they could find the few communities subject to the

debt on page 13. The balance was paid by Miromar Development. With regard to the 2012 Bonds, on the previous page they could see that most everything was developed and paid for by residents living within the community. He observed that from year to year the assessments remained relatively constant.

Mr. Ward turned their attention back to page 7, declaring that it was the core of the 2017 Budget, whereas everything else had stayed relatively consistent. Over the past few months, he recalled, they had had a relatively long discussion on the shoreline improvement program as presented by Mr. Bernard a few months before. They had come up with an original Budget of roughly \$1,100,000 in total cost, associated with that Capital Improvement Program. Originally they talked about a three-year program to address that Capital Improvement project. Mr. Ward stated that with respect to the current Budget, he had asked Mr. Bernard prioritize it over a four-year period. The sole reason was to keep the General Fund assessment rates within a few dollars of what they were currently, without going to the cap rate. Referring to an earlier remark by Dr. Herring, Mr. Ward pointed out that if they wanted to go up, at that point, to the cap rate, they could do move projects up to an earlier timetable and increase the cost a little bit. Conversely, they could keep projects to be addressed within the four-year program, keeping the assessment rates relatively level to what they were, over the next four years. Mr. Ward recalled that at the last meeting they had decided to include a couple of projects in the 2016 Budget, since there was some additional capital left over. Those would basically be considered in the year-end expenditures for 2016.

Mr. Ward stated that the balance of the General Fund Budget was relatively consistent with what they had seen over the past few years. What drove the Budget was the Capital Improvement Program. On page 2, at the bottom, the Board could see that the current assessment rate was \$672.71; at the four-year mark, the assessment rate would become \$672.77, which was a very little change. Mr. Donoho turned the focus to page 7, asking whether they accounted for everything that they would need in 2020, because the projection so much less than the preceding three years. Mr. Ward said he was correct. It represented the balance of the projects that would left, and that it was so much less was the point. Mr. Bernard commented that the program was relating to properties they had under CDD jurisdiction. Although some areas had not been turned over yet to the CDD, but they would have wiggle room to add them in the last year, if need be. Mr. Ward referred to page 2, citing the cap rate is \$739.78, and noting we are currently at \$672. As he stated earlier, he was presenting it in such a way as to keep basically the same rate it was, and keep the assessments level over time. As Dr. Herring observed, it would allow them to build reserves, as well. They could go up to the cap rate and garner some additional cash over the shorter period of time. The difference would be about \$130,000 coming into the District in the next year, if they went up to the cap rate. The question to consider was what they wanted to do in terms of the assessment rate, before the Public Hearing in August. The one important issue to keep in mind was that the cash they estimated going into September 30<sup>th</sup> was just anticipated, based, basically, on expenditures in March. They still had six months in the year to see if they would make it, and hopefully we would.

They were using some of the cash in order to fund the Capital Program, because they were out of the litigation, and the balance was to pay operating expenses for October, November and December. Dr. Herring asked for confirmation that they did not foresee more dealings regarding Center Place in the current year. Mr. Ward replied that he didn't know that, but they were going about it in such a way that there would be no real construction October through December, being that they only had money for the regular bills. If they wanted to accelerate the timeframe for it a little, they would have to do as Dr. Herring had intimated, which was to build some cash in the early part of the year. Otherwise, they would be waiting until January 2017 when they were in receipt of some real revenue to do Capital Improvement projects. In response to a question on the current status of the surplus funds, Mr. Ward replied that those funds do not really do much. He kept the excess funds invested in an overnight cash management account, under 1%. The Bond funds, however, were invested in longer term Municipal Securities. He explained that if you looked at the Debt Service Funds, where the real money was, those funds were earning 3% or 4% return, which was significant interest. They were non-callable Securities, to be sure.

**On Motion was made by Mr. Donoho and seconded by Mr. Refkin to adopt Resolution 2016-1, and with all in favor the motion was approved.**

#### 4. Staff Reports

##### a) District Attorney

Mr. Urbancic stated that the only thing he had to report was that they had been responding to Public Record requests. Whether it was a matter of non-compliance in good or in bad faith, the Courts were making the offenders liable for huge attorney's fees. They had had some issues with Public Records requests and the attorneys for Center Place. The repeated requests for records were becoming onerous. The District was trying to pass some of the gathering costs on to them because the volume of records they were being asked to go through was becoming ridiculous, especially in light of the fact that they were asking again and again for the same information that had already been provided to them. Hopefully, the Legislature would enact legislation to provide relief.

##### b) District Engineer

Mr. Krebs stated that he had nothing to report.

##### c) Asset Manager

Mr. Bernard reported that at Ben Hill Griffin, 490 plants had been put in and the fill-in of the berms and the median was executed. Starting on Monday, they would be

putting in plants at the berm on the west side, where the grass failed to grow because of deep shade, and they would “sculpt” it with mulch to fill in the rest.

Mr. Bernard said he had sent them photos of the fire that had broken out across from Portofino and Murano. The fire department, Miromar Lakes people and school security were there, since students were suspected of trespassing on private property and starting the fire. They would seek to secure the adjoining private property better so that the young people could not get over to Miromar’s side. Mr. Hendershot asked if there was any signage indicating “no trespassing,” on the other side of the berm. He was informed that there were no signs to that effect. Mr. Bernard confirmed that it was thought that the palm trees would survive, but they lost all the plantings and would have to contact the vendor about replacing them. Mr. Hendershot asked how much it would cost to put some warning signs up and staff said they would get to work on pricing and installing them. Mr. Ward stated that no insurance would cover landscaping at the site. Mr. Byal stated that in a full replacement situation there might be an insurance claim there. Mr. Ward said they would look into that.

Mr. Bernard reported that planting in the barrier littoral shelves had been delayed and the contractor said it would begin on June 19<sup>th</sup>, taking four weeks to complete. Staff was requested to stake out the area a week beforehand.

The NPDES meeting was set for the July 12<sup>th</sup>. There would be a 2-hour meeting prior, then one of the five places to be audited would be selected. He had just received an email from the State saying that they were going to sponsor the Lee County Report that was sent in by everybody, and it was a job well done, so there was nothing the District had to do on the NPDES Report. The audit would be a site visit, entailing showing them the drainage structures, retention areas, etc., and it should go well.

d) District Manager

I. Report on the number of registered voters residing in the District

Mr. Ward said he had in hand the standard report that was put out each year, revealing the number of registered voters within the District. According to the report, there were 2,002 as of April 15, 2016. The figure was provided as a matter of record and no action by the Board was required.

II. Financial Statements for the period ending March 31, 2016

Mr. Ward said that he would be happy to answer any questions with reference to the Financial Statements. Dr. Herring commented that the 66<sup>th</sup> Precinct encompassed a lot more than just the Miromar Lakes CDD. Mr. Ward said that yes, he would think so.

**4. Supervisor's Requests and Audience Comment**

Mr. Ward said he had no requests and there were no requests from the Board.

A member of the audience introduced herself, saying that the reason she was there was to get a feel for the CDD and how it and the Board of Directors worked. In particular, she was concerned with beautification of the east side of the entrance to Miromar, generally, from the gate to the golf course crossing, corresponding to the inside of the berm that ran along Ben Hill Griffin. It is a very unattractive area at present, where the shade had prevented grass and plants from growing. She and her husband had some ideas on how to bring it up to Miromar-quality landscaping and they wished to enlist the District's help. She said that they would return with a plan for the District to consider.

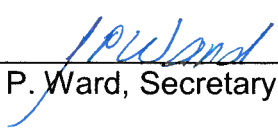
A resident observed that in the Shoreline Management Report, there was a differentiation between the property owner cost and the CDD cost. Looking at the 2017 Budget it seemed like all the costs were now moved to the CDD. Mr. Ward replied that the Board had been having a discussion on that for a couple of months, but generally, a lot of the erosion problems we have are caused by some problems along the lake bank or directly above it. The Board looked at it from an overall community perspective and essentially decided that it would undertake a program to handle all the outstanding erosion problems. Mr. Hendershot commented that the responsibility had not changed and Mr. Ward said that was correct, as he, himself, was about to say. Mr. Hendershot went on to say that they had to address a number of those as a result of the violations cited in the Center Place litigation. Mr. Hendershot explained that the matter pertained to a lake maintenance easement. South Florida Water Management District (SFWMD) was going to the CDD to enforce repair of the lake banks. The homeowner's associations had not been fixing their own lake banks. The CDD could not fix their underwater erosion until the banks were fixed. Mr. Refkin pointed out that he thought the SFWMD had mandated it to them. Mr. Urbancic said they had permit requirements and they were trying to be proactive and comply with the requirements.

## 5. Adjournment

With no further comments or questions from the Board Mr. Ward asked for a motion to adjourn.

**On Motion was made by Mr. Hendershot and seconded by Mr. Ballinger to adjourn the meeting, and with all in favor the motion was approved.**

The meeting was adjourned at 3:00 p.m.

  
James P. Ward, Secretary

  
Michael Hendershot, Chairman