

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

The Regular Meeting of the Board of Supervisors of Miromar Lakes Community Development District was held on Thursday, February 11, 2021, at 2:00 P.M. at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Present and constituting a quorum:

Alan Refkin	Chairperson
Michael Weber	Vice Chair
Doug Ballinger	Assistant Secretary
Mary LeFevre	Assistant Secretary
Patrick Reidy	Assistant Secretary

Also present were:

James P. Ward	District Manager
Greg Urbancic	District Attorney
Charlie Krebs	District Engineer
Bruce Bernard	Asset Manager
Richard Freeman	CGA

Audience:

Erin Dougherty

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

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

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

District Manager James P. Ward called the meeting to order at approximately 2:00 p.m. He conducted roll call; all Members of the Board were present constituting a quorum.

SECOND ORDER OF BUSINESS

Induction of Mr. Patrick Reidy to Seat 5

Induction of Mr. Patrick Reidy to fill Seat 5, whose term is set to expire November 2024

- I. Guide to the Sunshine Law and Code of Ethics for Public Employees**
- II. Form 1 – Statement of Financial Interests**

Mr. Ward: As you recall, Mr. Reidy was appointed to fill Dr. Herring's term which runs through November of 2024. He has already taken his oath outside of the Board Meeting. It is a part of the record and copy of it is included in your Agenda Package. We will take a moment and go through the Sunshine Law and the Code of Ethics. Mr. Greg Urbancic will review this. He is our District Attorney and he and I will guide you through any legal matters including anything related to the Sunshine Law and the Code of Ethics for Public Employees. Now that you are a public official with the State of Florida you are subject to a plethora of laws related to public officials. You hold the same title and dignity as any County or City Commissioner in the State of Florida, just for a CDD. The most prominent laws that we have are the Ethics Statutes here in Florida. They were enacted a number of years ago to ensure that the bodies that make decisions do so in public and do not do so outside of these open noticed meetings. That simply means, as a member of the Board, you may not discuss any matter that could foreseeably appear before the Board with another Member, nor may you use a member of the public or a member of staff to communicate to another Board Member on any matter that may foreseeably appear before the Board. It's important to recognize that if you violate the law, ethics violations are considered to be outside of your scope of authority, and as such your directors and officers liability insurance which we carry for the entire Board does not cover you. This means you would then defend yourself on any actions that are brought before you with respect to ethics violations. I will tell you that in all the years that I have done this, I have never had a Board Member charged with an Ethics Violation. If you have a question you are welcome to call me or Greg Urbancic and we will guide you through the process. If in any event you are uncomfortable with doing either of those, you should hold whatever discussion you want to have until one of these Board Meetings and during the meeting you would be given the opportunity to say whatever it is you would like to say. Greg, do you want to add anything?

Mr. Greg Urbancic: That was good Jim. I think you've done that once or twice before. Just adding, the three biggest things, Sunshine Law, Public Records, and if you ever have a question because you think there might be a conflict of interest for anything that you are doing, those are the really key subjects to bring up to us so we can discuss them prior to anything happening. If there is a question, I am happy to talk to you about it.

Mr. Patrick Reidy: I am assuming if any resident of Miromar who knows you're on the CDD Board comes and talks to you and asks you questions you can answer those questions.

Mr. Ward: Yes. They can talk to him ad nauseum at whatever you want to talk to him about, including what's on the CDD Agenda. What he cannot do, and what you cannot ask him to do, is take that conversation to other Members of the Board.

Mr. Reidy: And as far as I should not be speaking with other Board Members.

Mr. Ward: You may not speak to other Board Members on matters that will foreseeably appear before the Board. If you want to talk about going to dinner, golf, tennis, walking the dogs, it doesn't matter, but if the matter is going to appear before the Board for a vote, you may not talk to another Board Member about that matter. If it's a done deal, and you want to say, hey that budget we just approved – or something of that nature – those kinds of things you can do, but it's a really fine line, so you need to be careful what you talk about. I do know I mentioned to you before the meeting your Form 1. You do need to file that before March 3, 2021. It's not that hard of a form. If you need help, I'll be glad to help you with it.

THIRD ORDER OF BUSINESS

Consideration of Minutes

January 14, 2021 – Regular Meeting

Mr. Ward asked if there were any corrections or additions to the January 14, 2021 Minutes.

Mr. Doug Ballinger: On line 246, page 6, Jim, something that you said here needs to be reworded. It starts with "assuming the worst-case scenario..." That needs rewording. Then on Line 250 it says "to suit" anybody, and I think you meant "to sue" anybody. That needs to be changed. I think that's about all.

Ms. Mary LeFevre: Line 342 is Modena. There is also on Line 181, I don't know what this was supposed to be, but it's "a couple of conversations I've had with one of the Board Members" is not a sentence. (Indecipherable 7:45.)

Mr. Alan Refkin: If you put that before "I" it might make some sense.

Ms. LeFevre: It doesn't have any subject though. It doesn't tell you what you did.

Mr. Ward: What were we talking about?

Ms. LeFevre: That was the Ravenna, I think.

Mr. Ward: I know. Put Ravenna in front of the word Board. Remember to make that a comma. He was trying to move the process forward.

Mr. Mike Weber: Okay. I've got a few. 239 it says "that may not mean that you don't a responsibility..." it should say "that may not mean that you don't have a responsibility..." Then 254 states (indecipherable 9:27).

Mr. Ward: I'm having a hard time hearing you.

Mr. Mike Weber: 254 "see if the document states that states..." Remove the second "states." Then 347 "I see the stocking of the lake by the fish did occur." Okay? Delete the whole thing.

Ms. LeFevre: 544 is Tim and not Jim.

Mr. Ward: If there are no more changes a motion to approve the Minutes as amended would be in order.

On MOTION made by Ms. Mary LeFevre, seconded by Mr. Doug Ballinger, and with all in favor, the January 14, 2021 Regular Meeting Minutes were approved as amended.

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

Mr. Greg Urbancic: I didn't have anything to report unless there are specific questions for me. There were none.

II. District Engineer

Mr. Charlie Krebs: The only thing I have is Dana Hume with Johnson Engineering did call me and gave me a brief summary of the dewatering permit that they are going to bring before us, that FGCU is trying to work on. He gave me a little more information. I'm waiting to see the full package, but they are not dewatering into land that we own, the CDD. It's just that we are downstream of University lands and South Florida wants us to be aware that this action is going on. Once I have that, and I have a chance to review it, I will prepare a memo to you.

III. Asset Manager**a) Operations Report February 1, 2021**

Mr. Bruce Bernard: I've got Richard Freeman right here. He is an associate with CGA. He's my assistant on these projects. If I'm not here, he will probably be here. Our lake restoration will be completed in St. Moritz next week and we will bring in Ana Capri Cove, along with the riprap for the lake bank repair at the Volterra subdivision. We've got about \$30,000 dollars' worth of repairs we have to do to that lake bank; areas that have sunk and fallen in along those banks. But that's really it. We didn't do any repairs over there after the hurricane. Cane toad collection and lake skimming will be started back up this month. This cost will be incurred by both the CDD and Miromar Lakes. MRI, our underground drainage contractor, will be completing Phase III this month of our cyclic drainage program and once that's done, we will start back up next year again with Phase I. CGA is in the process of putting together the landscape management analysis for the existing CDD properties, plus each of the Ben Hill Griffin berm properties to the north, and also, we had a drainage problem at Lot 1 over at Tivoli. There is a berm there that comes down right onto that lot. The water runoff from that berm was going into that lot. Charlie did a design, and we had a vendor come and put in three yard-drains to drain that out to the street. We completed that last month.

Mr. Alan Refkin: You said the future berms over on Ben Hill Griffin. Are those the one near Capri?

Mr. Bernard: Yes. Starting from where ours ended, where you see all the mulch. We are just looking at that for future.

Mr. Refkin: In case it gets turned over, okay. That's good planning on your part.

Mr. Bernard: We are just looking at what we have now, and that for the future, so if we have to come up with total costs down the road, we have a number.

Mr. Refkin: How many lakes are going to be over there? I just don't know if the CDD is going to be responsible for any of those. Not the big lakes obviously, but is any part of that going to be a part of the Water Management System?

Mr. Bernard: I think the cove areas, like we have now off the big lake, those cove areas cut in –

Mr. Refkin: And those will be part of the water management system, right?

Mr. Bernard: There will be drainage going into there.

Mr. Refkin: So, we will have to see what the cost would be if we decide to take those over.

Mr. Bernard: If Miromar development wants to turn them over to the CDD, we would take those as we go. That's incremental as we add that section.

Mr. Refkin: Is there any timetable, or do you know of a timetable? A guestimate as to when those berms might be turned over? Are we talking 3 months from now or 6 months from now?

Mr. Bernard: We don't have any yet.

Ms. LeFevre: We talked last time about the cost of a permanent repair of the Ravenna shoreline.

Mr. Bernard: The cost it would take to do the riprap for the whole Ravenna shoreline to put it to the standards of the other shorelines we have?

Mr. Ward: \$115,000 dollars.

Mr. Bernard: Then on top of that the drainage portion in there for cleaning brings it to really \$123,000 dollars.

IV. District Manager

a) Financial Statements for period ending January 31, 2020 (unaudited)

Mr. Ward: I have nothing for you. I do remember Mr. Weber had asked at the last meeting for a primer on accounting and CDDs, which I would be glad to do for you if you would like to hear it.

Mr. Weber: Yes.

Mr. Ward: Okay. If you would pull your financial statements and go to page 1. I'm going to give you some basic information on how governments do accounting. In contrast to the private sector, governments use what's called fund accounting basis. That means each set of bank accounts that you have is a discrete balance sheet and income statement. That discrete balance sheet and income statement are related to specific facilities that you operate and/or maintain and are bond issues that you have. So, for Miromar, we have what's called a general fund, which is simply all of your operations and maintenance activities, the part of the District that you go through on a yearly basis and adopt your operating budget. The debt service funds, they are segregated by the two series of bonds that we have: the 2012 bonds and the 2015 bonds. They

held all of the assets and all of the liabilities with respect to the monies that come into us for payment of those bonds, and then the payment activities that go along with those bonds. As a subset of a fund, we have what are called account groups. Account groups are where we hold long-term liabilities and long-term assets that are really not balance sheet items because they are long term in the government sector. This is completely different in the private sector. In a governmental entity, we have a long-term debt account group, and we have a fixed asset account group. The long-term debt account group tells you how much money basically we have in order to pay bonds, which in this financial statement is \$2.26 million, and how much we need in order to pay the remaining debt we have, which is \$14.7 million. In our world, in the governmental world, they don't mean a whole lot, because your bonds are paid over a fixed amortization period for those bonds. There're 30-year debt from the time they were originally issued, so we don't call bonds early, we don't stretch maturities. They are a fixed schedule of when they are paid. So, it's just a number on a sheet. The \$36 million, the investment in general fixed assets, is a number that is carried from the beginning of time, to the termination of your bond date. It essentially is all of the money that you paid out to purchase or acquire all of the assets you have, less the depreciation on those assets. In government, the depreciation means nothing, because at the end of the term of the bond, when all of the assets are depreciated, the assets are still there. They are just there as a matter of course. The depreciation is just a book entry that we are required to use. What we actually have in fixed assets is probably well in excess of \$36.5 million, but that's the net number as of January 31, 2021. That is basically your balance sheet and how it works. I will take you down to page 2 and what we call the fund equity section. Fund equity, or fund balance, fund balance just means cash – how much cash do you have in the bank at the end of the period? In a general fund it is all what we call unassigned. Unassigned means it's not allocated for a specific purpose. Your general fund, if you look, you have an unassigned beginning balance of October 1, 2020 of \$265,000 dollars. That just means that's the cash we have available on 10/01/2020 to start our current fiscal year, exclusive of what we assigned for other purposes. The unassigned reserve balance, we update that in October of each year, or November, towards the end of the audit, which is nothing more than the amount of cash from the prior year assigned to specific reserves, which we call in this particular district Board's operations, and the differential is what we call results in current operations. It's just where your cash is in relation to your expenses in the current period. Your debt service funds are what we call restricted fund balances. Restricted means that you can't use them for any other purpose other than what they are assigned to pay, which is debt service on bonds. So, that's what you see in there. Then account groups do not have a fund equity section. They just don't exist in our world. So, that's what a balance sheet really is for a governmental agency. If you go on to page 3 and 4, as I said, each fund has its own discrete set of books. Its own income statement basically. So, your revenues and expenditures sheet gives you what you have spent in the current period, what you have received in the current period, and then your total year-to-date, and that's benched against your revised budget, or total budget for the year. I don't pay a huge amount of attention to the month-to-month stuff, simply because you don't spend money on an equal month basis. You spend money as needed. We don't start programs like cane toad removal until sometime in the year, but I do pay attention to the percent of budget numbers in total. A good example is, in your revenue section, as of January 31, 2021, you received 77% of the revenue that you thought you were going to get for the entire year. If you look at the revenue, you see most of that's coming from what we call on roll assessment. The amount of money that you pay each year as a part of your tax bill that comes to the CDD. That basically tells you that 83% of your existing residents within the community have paid their assessments as of January 31. That's an okay number for January 31; that's

pretty good actually. And people pay based on what they feel their taxes should be. If they want to take the discount, they pay it in November or December. It may come in a little later. It just doesn't matter. This is a really good number because what's important is that the amount of money, for example, that we receive in January isn't January money. It's December money that doesn't get transferred to us from the County until the month of January. They usually do their distributions towards the end of the month or the beginning of the following month. So, all in all, you can look at that and say we've received \$540,000 dollars over a \$699,000 budget, so we are in pretty good shape. Then the developer, they pay their assessments on a quarterly basis to us for the property they own, so that will always be 100% by the time we get to the end of the year. Then I will generally look at your last page, which is page 5, and we have a \$699,000 dollar budget and we have spent \$123,000 dollars here to date, 19% of our total expected revenues of which we have collected 83% of that number. We are on good track. The reserve number, we put in the budget for purposes of knowing that it's there, but remember we are not spending it. It is going to the unrestricted reserve balances at the end of the year, so those numbers will stay like that and then at the end of the year, once I get my final cash, I reallocate that cash down into the unrestricted reserve line items that we have on the balance sheet. Then you have exactly the same kind of analysis on your debt service fund. So, your next page, page 6, you can see where your 83% of your special assessments on roll for your 2012, it is a very good number as of this point in time. We don't have any developer assessments on this particular bond issue. That means that all of the land subject to your 2012 bonds are in private ownership, individual homeowners, there is nothing in the developers name at this point, and then you have a little bit of money coming in from interest income on a yearly basis, and then it shows you the principal and interest that is due on the bonds. There is an extraordinary item we call principal debt service early redemptions. What that is, is as cash accumulates in what we call one a revenue bank account, an excess of what we need for principal and interest. I can redeem bonds on a periodic basis. In addition to that, if a homeowner comes in and wants to prepay the debt on their lot, that money goes into a special bank account and is used to prepay bonds. That's where you will see that occurring during the year. A \$5,000 dollar increment simply means that over a couple of years we call bonds on a \$5,000 dollar increment basis, so if you pay me \$18,000 dollars, I can only call in \$15,000 dollars in bonds. A couple of people do that over a period of a year or two, and we will get another couple grand in that bank account, and then I call bonds with it once it hits the \$5,000 dollar increment. That's what you are seeing in this particular line item. Then you see the fund balance. And as I said those fund balances are all restricted. The 2012 and the 2015 bonds are exactly the same format for the analysis of those, and I make no changes in that formatting style. That's kind of a very short version of how financial statements have been prepared for decades.

Mr. Patrick Reidy: My question is on the cane toad removal, the year-to-date is \$13,000 dollars for four months, the budget is \$11,000 dollars, so my question is, as I believe I heard someone say we are going to split the cost with Miromar. So, is this already split?

Mr. Ward: This is already split. We do not pay –

Mr. Reidy: What I look at is in four months we are already over budget. Same thing with the aeration system. And again, they are not huge amounts of money per se, so, I am just pointing that out.

Mr. Ward: Okay.

Mr. Bernard: On the cane toads, if you remember, we had a discussion before. Miromar's budget for cane toads does not start until January. We picked up the first three months because that was our budget year. Miromar is going to start picking up the cane toads now on their budget. All we will be using now out of our budget is the other portion, the skimming. We will be doing the skimming part. Miromar is going to pay for the cane toad collection. If you remember, when we put this budget together, in July of last year, we did not know how expensive this cane toad problem was going to be. At first, we just had a few, now we have them in multiple communities. The total p.o.'s for the skimming contractor and the cane toad collector contractor is \$60,000 dollars. So, we are going to pay our \$30,000 by the end of this year and Miromar will pay their \$30,000 dollars. On the aerators, we usually put \$2,000 dollars a year in for diffusers and stuff, and maintenance of them, but this year, back in October we had a problem with a fountain which was a \$6,000- or \$7,000-dollar budget item, and that's where we had to go since we had nothing in this budget for fountains since we only had one fountain. And as something big went like that, well, we had to rebuild the fountain, and it came in at \$6,800 dollars. Maybe next year we will put in a line item for that one fountain, but it doesn't happen every year, so I don't know if we just want to bump up the aerator or put a fountain number in, because I don't like to put a lot of money in an item if I know I am not going to spend it, because that money is just sitting there. I would rather put it in contingencies that put it on a line item. Whatever way Jim wants to put it in the budget, we will look at it.

Mr. Ward: Your point on the cane toad, clearly that number has geometrically increased since we started that program, and clearly for Fiscal Year 2021, which is the year we are in, that number is going to be way over what we budgeted. It's going to be \$30,000 dollars.

Discussion ensued regarding the cane toad budget amount and contingency funds.

Mr. Reidy: On page 2, in the general fund column. I've read the past two meeting's minutes, and it appears to me the Board has wanted to set aside funds for disaster relief and water management system, but setup money aside in case in 5 years, 7 years, 10 years from now another Irma comes along. So, you show the \$265,000 in unassigned balance which rolled over from September 30, and you have the 50 45. That 50 45, does that relate to 9/30/20 or does that relate to this year?

Mr. Ward: 9/30/20

Mr. Reidy: So, for financial purposes, the \$265,802, should be minus the 95, and \$321,951 should be \$416,959.

Mr. Ward: What would be the proportions here are the 50 and 45 for the current fiscal year, but I don't show it that way.

Mr. Reidy: I understand that. I'm just saying that this \$321,951, would you say is the current operations. The number if you go to page 5 is \$416,959. So, I think that's what number should go there and the 95 should come out at the 265 for presentation purposes, because the 95 comes out of the 265.

Mr. Ward: I understand what you are saying, but I don't do it in mid-year. I do it at the end of the fiscal year.

Mr. Reidy: The \$265,802 is what the number was and includes the 95, is what my point is. So, when you take the 95 out you've got to reduce the 265. And the 321 is the current operations which is really 416. You took it out of the current operations as if you used –

Mr. Ward: No, let me go back. The 265 is the net of the 95. It is not including the 95. Your actual cash at 10/01/2020 was 265 plus 50 plus 45. What I do is, once I get the final fund balance, I make the adjustment downwards to reflect this.

Mr. Reidy: I couldn't find the September 30 statement.

Mr. Ward: Yeah. I can send them to you, but I don't make those adjustments until November or December because we are not through making the adjusting entries for the prior year until late November. I usually don't do that until December. And I think I was late this year. I did it in January, if my memory serves, but I usually do it after.

Mr. Reidy: Another question, the 95 is the setup reserves? And you mentioned this is unassigned cash. Why wouldn't we show it as a separate fund so that we take the money out of the cash account and put it in a separate account, so we don't spend it? My point is, we can call it unassigned, and we can just call it a reserve. We don't have to say water management or disaster relief because as soon as I see water management and disaster, I'm thinking you are not going to spend that money for anything but that.

Mr. Ward: In the governmental world, you can put it in another bank account, and we can call it general fund II, but at the end of the day, legally, it's unassigned. You can then do whatever you like with it.

Mr. Reidy: So, you are saying legally we can't set up a separate account?

Mr. Ward: I can set up a separate bank account, but the board always has the discretion to do what they want with that money, no matter what you call it on a piece of paper.

Mr. Weber: So, the next Board that comes in can say "I like that money, I think I'll spend it."

Mr. Ward: Right. And the funds where you can't do that, like our debt service funds for payment of bonds, or if we have what we call a capital project fund, but these are all a general fund and legally you do whatever you want with it, whenever you want.

Mr. Weber: I guess a good way of expressing that too is, yeah, this is what we would like to reserve it for; however, if something comes along that we didn't anticipate, then we have to have a source. And a great example of that is the lawsuit a few years ago. I mean, there was nothing. We had to invade the reserves.

Mr. Doug Ballinger: Is that 265, is that the money that you were talking about because it's October 1 and you had to have funds available for October, November and December until you got your money as the tax roll funds started coming in?

Mr. Ward: Yes. You need on average 3 months of operating cash in order to fund the first 3 months of the fiscal year because remember, you don't get your bill until November, you pay it November 30, we don't get the money until usually the week after New Year's. Sometimes we get it in December, but most of the time we get it in January. So, you're operating on your cash from last year in order to fund it.

Mr. Alan Refkin: We are over-funded in that a little bit. From what you've told me.

Mr. Ward: Personally, I will tell you, you are over funded in terms of cash requirements for October, November, and December, but in terms of what we call reserves, it is extremely minimal.

Mr. Alan Refkin: Weren't we talking about increasing the reserves? I mean, that's been the discussion for a while.

Mr. Mike Weber: We were bouncing around numbers because we ended up with \$100,000 dollar year.

Mr. Alan Refkin: How do we get to a determination of what we really need to have as a good reserve?

Mr. Ward: Okay. Let's go back and understand what happened. If my memory serves me, and it is fading these days, but if my memory serves me, we had roughly \$300,000 or \$350,000 or maybe a little more than that four or five years ago. Then we went through hell with Irma, we went through hell with this litigation. Our reserve cash dropped to under \$100,000 dollars. I barely could make it through the first three months. So, then we changed the budget. We moved the landscaping over to the HOA. We got this back on track again, and over a 3-year period, whenever Irma finished, we got our balances back up to something where I think we can all breathe at this point. This is a decent number to have. It meets our obligations, and we have got a little bit of money stuck in disaster relief. \$45,000 dollars in petty cash. It's like let's go buy coffee at 7-11 kind of money. So, does it need to be increased? Yes. I will tell you honestly that whatever you put in a disaster relief fund you are going to be told it's too much, it's too little, it might be enough, it just is what it is, because you can't predict what a storm is going to do to any one of these communities. So, if you are saying could I take whatever I don't need in the fund balance, the cash piece that's not reserved for either of those two, and move it into this disaster place? I would go yeah, that's cool, let's do that, but it is still probably never going to be enough. It's just going to give you maybe \$100,000 dollars on a multimillion-dollar system. It is what it is at this point in time. Landscaping, I think, honestly, we got all caught up in the reserve number and what that should be, and probably we should have done that a whole lot differently than I did that, but that is what it is. But I think on a going forward basis we can hone these numbers a little bit. The \$50,000 dollars for reserve for drainage, if that increases a little bit every year we are still in good shape. The disaster relief, it's anybody's call what you make it. I will tell you the hundreds of governments I see in this state in 40 years all have a different opinion on what they should do with the disaster relief. It's just all over the board.

Mr. Mike Weber: I think there is a fine line between not having a reserve at all, and having one, but one that isn't going to be material from a standpoint of fees the community has to pay on an

annual basis. So, you want to build a reserve, but you don't want to have it so that the community feels it. That's the tough part. What's that number? And we've got \$100,000 dollars, so over ten years we will have \$1 million dollars.

Mr. Alan Refkin: You're right. And Miromar hasn't taken over the landscaping like they did, we would have had to make an assessment because we were that short of the cash. That's what we are trying to come up with because Miromar is going to be turning more and more over to us. We are going to be getting berms, we are going to be getting new water management systems. What Bruce is going to be doing in the storm drainage, that's going to increase as we get these sections turned over to us, so our demands are likely to increase. Our reserves are likely to need to be increased at some point, but I hear what you're saying Mike, which makes perfect sense. What is that number, so we don't inflict pain, but then again, so we have enough so that people won't get an assessment.

Mr. Ward: Here's a good way to think about it: Every hundred thousand dollars costs \$59 dollars per year, per resident. So, \$60 bucks gets you \$100 grand. We are now basically saying, of your total assessment, \$60 dollars of that goes toward your reserve. That's not an unreasonable number, and in light of trying to be cognizant of what people have to pay, that's a good number right now.

Mr. Mike Weber: The only other options we really have, if we really want to protect ourselves would be to hire an outside firm to come in and do a full assessment and say from our professional opinion, this is what we should be reserving. And now you've got something to fall back on as a Board saying well, we hired a company, we've got this number, and this is what we are using, so nobody can really discredit you. However, what we're doing is just picking a number, so we are kind of open for criticism because we don't really have anything to base it on. So, we might want to think about getting an outside firm to actually give us a number so we at least know what it is, and we can see if it is realistic to try and pursue it.

Mr. Ward: I think, if we are going to reevaluate this landscaping, that is exactly what we need to do on the reserve side of this. The drainage is easier, but that clearly is a very big nut to crack.

Mr. Bernard: Just from Irma, which was a 1, we had as much repair in riprap, as we did in landscaping. We spent \$330,000 dollars on riprap lake bank. We spent \$368,000 on landscaping. You guys are saying go out and do this. Now, you've got to work the worst-case scenario if a category 4 storm hits. You can see these numbers are going to – even without the landscaping, just the riprap alone I think would be up to \$1 million dollars. Because with a category 1 storm we spent \$330,000 dollars.

Mr. Mike Weber: That's a good point, those are serious numbers. I for one would like to find out what it would cost us to have an analysis done and come back with an expert opinion. If it's a reasonable number I think we should do it. And maybe we don't use that number ultimately because it is going to inflict too much pain, but at least we know if we are close to it, if we are far from it, and if we are far from it maybe we want to modify this a little bit. I think just sitting here without any independent professional input leaves us open for criticism.

Mr. Ward: I think those independent people who do that are under \$10,000 dollars for that kind of a reserve study to be done. I think the hard part is I'm not sure many of them do these for

governments. I'm used to seeing them for homeowner's associations, but not governments. I think you probably have a good point. I think we probably ought to do this as part of the budget process this year, clearly for the drainage system. We are going to need some help from CGA clearly to put numbers together for this entire drainage system and landscaping in the same way. We can work on that over the next couple of months.

The Board agreed this was a good idea.

Mr. Mike Weber: I think the important part of the reserve minimally is that you have enough in there that when there is a hurricane, that you minimally have enough money to do what needs to be done immediately, and then if you need to do a special assessment, you have time to do a special assessment. But at least have enough money to cover the initial output because you will be immediately be hit with some pretty big bills.

Mr. Ward: We will get started on that. It's February, so I'll probably be producing a budget in April or May anyway. It probably won't be ready in time for the initial budget, but let's get started with it and see where we get to.

Mr. Weber: This study that we want to investigate, does that require waiting until the budget is done?

Mr. Ward: No. I would like to do it in concert, but we will get it started ahead of time. My budget will probably be a little behind the times, but that's okay.

Mr. Weber: We would like to know the results of that study for when we are putting together next year's budget. We can look at the results of it and say, okay, do we need to boost the reserve? And if we do, we can put that in play.

Mr. Ward: We can try to get that done for you. We can't promise that one because we have very specific timelines on that budget for presentation and adoption, so these companies are usually long lead times, so we will see what we can do for you.

Mr. Alan Refkin: Who is giving us the landscaping estimate?

Mr. Bernard: Our landscaping division. That and I've also told them I wanted a worst-case scenario for hurricanes and such.

Mr. Weber: Jim, thanks for going through that. It was long overdue. We should probably do this once a Year. And speaking of that, I noticed in Form 1, it says we are supposed to do ethics training once a year?

Mr. Ward: It's not required. It's only required for county commissions.

FIFTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Ward asked if there were any Supervisor's requests.

Ms. LeFevre: Can we talk more about the landscaping from last month?

Mr. Alan Refkin: Bruce is going to get us an estimate on that and that's what I was just asking. Bruce has gone to his team on that.

Mr. Bernard: We are going to get a whole price book put together.

Ms. LeFevre: I was just a little concerned about exactly what they are doing with our property too because, I'll tell you, meanwhile, when we drove down from the Ben Hill Griffin side. There are plants missing and it doesn't look like –

Mr. Alan Refkin: You need to remember Mary, when we had it, we were like, anal retentive on that because we were talking about when they took the trees out – but the point is they haven't kept that up to the standard that I think is Miromar's standard. But I think it really revolves around Mike's point: Let's find out from somebody other than Miromar what the cost is to see what the burden is because I think we got tattooed by Miromar because of that big increase in our dues from 14 something to 16 something which is supposed to be the landscaping and all that, and all we were talking about was a one-time assessment of like \$300 dollars or something.

Ms. LeFevre: I don't know about that. All I know is, what are they doing with the money given to them for landscaping our property? It clearly is not being spent on Ben Hill Griffin. The medians are not kept up.

Mr. Refkin: We have one firm doing theirs and "ours" and that was always a problem last time, because as Bruce will tell you, they gave a little more priority to Miromar than they did to ours until ours looked a little bit less than perfect in some areas.

Ms. LeFevre: And they were also all over us about the medians and wanting the medians pristine and I sat in meetings that were all about making sure when we took over the medians – well, how come they are not doing that now?

Mr. Bernard: I can definitely say I have driven around here and from what they used to get on us about, they are not even keeping it up. If you go down 75, the berm is all full of weeds, the big 2-mile berm we have on Ben Hill Griffin is not to the standard they used to have. If there was a brown spot, I used to get a call from Miromar Lakes, and now there are weeds growing in there. It's not what they held us up to, let's just say.

Mr. Refkin: It was landscaped to a higher standard when we had it, but here is the overall question, and I'm not advocating this, I'm just throwing this out there. If we take it back over here, do you think Miromar is going to drop the dues over there for that delta? I guess I'm just trying to figure out what's best for the community. But you are right, the standard they have is lower than the standard we had, and lower than the standard they applied to us to maintain.

Mr. Weber: When Tim came and offered to take over the responsibility of maintaining all the berms and everything for the CDD, and then talked about the benefits as far as the reserves, and also supposedly getting the benefit of a larger contract which could result in a less expensive cost, overall, when you put the two together, so there should have been a benefit there. And we liked what we heard and obviously we went with it. But my understanding is that it's still our responsibility. We have the ability to go to

Tim and say we want it back, and this isn't like a one-time deal where we give it to him and it's over. We can take it back if we don't like the results. So, then the issue is, do we go to Miromar and say we don't like the standards to which you are maintaining the CDD property and if you can't get it up to speed, then we would like it back. Then see what they say to that. That might trigger a "wait a minute, we'll fix it" or they might say "okay, take it back." But anyway, at least we have an option then for pursuing it and getting it to the standards it should be at.

Ms. LeFevre: I think we should be managing that, whether it's the state or with Tim and Miromar, whatever, we should be saying to them, look, just like they did to us, "you are our vendor, we've given this to you, but it's our property, we want you to keep it up to our standards. Go fix it."

Mr. Refkin: The whole problem is, they should want the same standards. We should all want those same standards. But that's a good suggestion.

Mr. Weber: Maybe the first step would be to go to Tim and say we are not happy with the quality of work they are doing and see how he responds. If he says he will put somebody on it right away, then okay, great. If it's like oh, too bad, then we need to talk about it.

Mr. Ward asked if there were any Supervisor's requests; there were none. He asked if there were any audience comments; there were none.

SIXTH ORDER OF BUSINESS

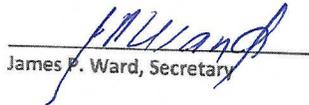
Adjournment

Mr. Ward adjourned the meeting at 2:58 p.m.

On MOTION made by Mr. Alan Refkin, seconded by Ms. Mary LeFevre, and with all in favor, the meeting was adjourned.

ATTEST:

Miromar Lakes Community Development District


James P. Ward, Secretary


Alan Refkin, Chairman