

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

The Regular Meeting of the Board of Supervisors of the Miromar Lakes Community Development District was held on Thursday, March 9, 2023, at 2:00 P.M. in the Library at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Present and constituting a quorum:

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

Absent:

Alan Refkin	Chair
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Also present were:

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

Audience:

Erin Dougherty
David Salko

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.

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, with the exception of Supervisor Refkin, constituting a quorum.

SECOND ORDER OF BUSINESS

Consideration of Minutes

February 9, 2023 – Regular Meeting Minutes

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

On MOTION made by Mary LeFevre, seconded by Doug Ballinger, and with all in favor, the February 9, 2023, Regular Meeting Minutes were approved.

THIRD ORDER OF BUSINESS

Consideration of Proposals

Consideration of Proposals to provide Audit Services to the District for the Fiscal Years 2023-2027

Mr. Ward indicated Audit Services were bid on a five year basis, and the existing contract expired as of the September 2022 audit. He indicated the process of advertising for new auditors as required by State Law was completed and two bids were received: Grau and Berger Toombs. He indicated the current auditor was Grau and Associates; the prices were essentially the same for each: \$20,000 dollars for Grau and \$20,070 dollars for Berger Toombs. He explained the CDD was required to rank the two companies and the contract would be awarded to the number one ranked company. He stated Staff ranked Grau number one and Berger Toombs number two; however, the Board could change this ranking or by motion accept the ranking as proposed.

The Board discussed the two bids and the ranking of the two firms.

On MOTION made by Mary LeFevre, seconded by Doug Ballinger, and with all in favor, Grau and Associates was ranked number one, and Berger Toombs was ranked number two.

Discussion ensued regarding the extremely reasonable cost of Audit Services.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2023-1

Consideration of Resolution 2023-1, a resolution of the Board of Supervisors approving the Proposed Budget for Fiscal Year 2024 and Setting a Public Hearing for Thursday, July 13, 2023, at 2:00 P.M. at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913 on the Proposed Budget

Mr. Ward indicated the public hearing was not scheduled until July. He noted he would review the budget and changes and the Board could decide whether to continue Resolution 2023-1 or approve it. He indicated this budget pushed the assessment up to the cap rate of \$739.98. He explained he put the differential into the capital and operations reserve number, basically increasing reserves while keeping operations the same. He noted on page 2 there was lake bank restoration and erosion restoration which were essentially the same thing; therefore, he was going to move erosion restoration into capital operations thereby further increasing the reserves. He noted the intent was to keep the assessment rate at \$739 dollars and change. He indicated the three detention areas were included in the capital at \$12,000 dollars for all three detention areas in 2024 and another \$12,000 dollars for all three in 2025. He stated the CDD was not going to spend \$40,000 dollars on one detention area. He noted Bruce, Charlie and the team would figure out a solution which fit in with the budget for the detention areas. He pointed out a couple of places in which he would make necessary corrections. He reported the debt service fund remained relatively consistent and the outstanding par debt and assessment rate for each

community was provided. He noted Miromar was not going to reduce unit counts going into 2024; therefore, the units would remain at 1,617 units overall, with both on roll (1,362 units) and undeveloped property (255 units).

Ms. LeFevre indicated she did not like funds being put into the budget for the detention areas and erosion restoration without having a plan in place for improvement. She stated she understood the plans were not approved at this point, time was getting short, and it was important not to delay the improvements for another year; however, the budget should reflect this.

Mr. Ward stated funds had been spent over the past four or five years to fix the shorelines and rip rap, installing GeoTube. He explained Miromar Lakes was getting to the point where these repairs were done, which was a good thing, but now the shorelines needed to be maintained. He stated the District could not ignore erosion. He stated whether Board used the word enhancement or not did not matter; the system needed continual improvement and maintenance on an ongoing basis.

Ms. LeFevre stated she did not have a problem with this; however, the Board had not yet discussed the matter thoroughly. She asked for further discussion.

Mr. Ward explained as part of the budget process, this would indeed be discussed. He noted at some point this would have to be included in the budget and planned. He stated if the Board wished to further discuss the matter, then it should further discuss the matter. He stated this was the plan he was recommending; however, the Board was free to make changes. He noted the name "plan" or "enhancement" was not material; the maintenance of the shoreline was material. He indicated as the system aged; it was going to need maintenance.

Ms. LeFevre stated she had a problem essentially with the process; Mr. Ward was making a recommendation which was included in the Budget, but the Board had not discussed or approved the recommendation. She noted she did not wish to approve the budget as it now stood.

Mr. Ballinger asked if the recommended amount for shoreline maintenance could be changed to contingency. He noted if the funds were included in the budget as a contingency it meant the funds would only get spent if the Board approved the plan later.

Mr. Ward responded in the affirmative.

Mr. Pat Reidy noted there was \$108,000 dollars in the budget for erosion restoration, with \$18,000 dollars for Isola Bella, \$58,000 dollars for Bellini, and \$14,000 dollars for contingencies, as recommended by Mr. Ward. He stated he would use the word maintenance as opposed to restoration for clarity purposes. He asked for an explanation of the specific plan for use of these funds. He asked if there was an existing identified need.

Mr. Ward explained problem areas were identified by Bruce Bernard and Richard Freeman, using the map of rip rap locations provided by Charlie Krebs, and prioritized according to severity of need. He noted this plan could not be created two months ago as the Budget had not yet been created and the amount of potential available funds was unknown; now the Board could decide what it wanted to do or not do within the Budget. He noted this was the typical process of consideration and approval. He stated if the Board wished to revisit the rip rap areas and choose which areas should be prioritized this was fine as well.

Mr. Reidy asked if he was correct in stating the numbers were based upon information gathered by management regarding what needed to be done when the rip rap was examined and based upon the rip rap needing to be located a certain height above the water level.

Mr. Ward agreed noting Mr. Bernard created the plan and produced the numbers.

Mr. Reidy noted the Board was unable to do special assessments; therefore, it had to plan ahead for future needs. He noted if it was discovered something was missed in the budget in January, nothing could be done about it until the next fiscal year.

Ms. LeFevre asked what happened if there was a hurricane and other rip rap was damaged, whose rip rap would be fixed first.

Mr. Reidy explained if a hurricane hit, then the damage would be assessed, and the budget would be adjusted.

Mr. Ward agreed. He stated the maintenance program would not begin until after hurricane season was over to ensure the funds were appropriately spent. He stated shoreline maintenance always began after hurricane season for this reason.

Ms. LeFevre stated she did not wish to be locked into spending a specific amount of funds on a specific lakeshore; the funds needed to be flexible.

Mr. Weber stated the way things were done in the past was, a Budget was put together, the Board approved the Budget; however, the Board could always change the Budget after the fact. He stated it was impossible to predict the future and flexibility was necessary. He stated if the Budget was approved, yes the dollars were approved; however, the Board could modify where funds were spent.

Ms. LeFevre noted the problem was, in the past, funds were spent without review or discussion because the spending of the funds had been approved through the budget approval.

Mr. Ward stated a CDD could not operate coming back to the Board for approval of every spend. He stated the Board was free to discuss and review the plan before budget approval, and the funds for lakeshore maintenance were always subject to storm damage; if storm damage occurred the funds set aside for shoreline maintenance would be used for storm damage repair. He stated shoreline maintenance was important, and the plan was reviewed, prioritized, and recommended to the Board for consideration. He noted the plan would not go into action until January, February, or March of next year, after the rainy season. He stated if the Board wished he could move the funds into a single line item as one lump sum, without specifying which lakes would be maintained in the budget. He noted the plan would not be implemented until the Board had the opportunity to review the plan thoroughly.

Mr. Weber asked if a presentation could be made at the next meeting regarding the details specifically behind this recommendation.

Mr. Ward responded in the affirmative.

Mr. Weber noted this would address Ms. LeFevre's concerns prior to budget approval.

Ms. LeFevre agreed. She asked about a detention area restoration line item.

Mr. Ward stated he would ask Mr. Bernard about this line item.

Ms. LeFevre stated the Board had been discussing the detention areas, and all of a sudden funds were spent, and the Board had not yet approved any spending.

Mr. Ward indicated no funds had been spent on detention areas.

Mr. Reidy stated the funds were included in the budget because the need was there, but no funds had been spent as of yet.

Mr. Weber asked if the Board could receive a monthly report prior to funds being spent on the items specific to page 5 of the budget, to enable the Board to determine whether funds should be spent. He noted things changed, needs changed, and dollar amounts could change. He stated a document showing the spending plan for the upcoming month would be beneficial. He noted general operations would not need to be included in the spending plan, only upcoming capital projects.

Mr. Ward responded in the affirmative; this could be done.

Discussion ensued regarding presentation of a monthly capital project spending plan for consideration by the Board; it was decided this would be done.

Discussion ensued regarding the budget; the intended increase in reserves with this budget; the need for a healthy reserve; and how the Miromar Lakes CDD held its reserves as general cash.

Mr. Reidy asked if Staff was aware of a hole in the parking lot.

Mr. Krebs responded in the affirmative.

Mr. Ward stated after September 30, 2024, the CDD should have over \$800,000 dollars in reserves. He stated the reserves should be around \$1.2 million dollars.

Discussion continued regarding reserves; how much was enough; how reserves could be used; various situations which could call for reserve use including storm damage or a change in HOA/CDD responsibilities.

Discussion ensued regarding budget items and cost increases; vendor price increases; shifting funds from over-budgeted items into the reserves; midge fly control cost increases which included additional spraying services; and the overall budget reflecting a 19 percent increase.

Mr. Ward indicated these increases were consistent with the increases seen in his other CDDs. He explained costs were increased everywhere; however, this particular budget was increased up to the cap rate specifically to add funds to the reserves.

Discussion ensued regarding continuing this Item until next month; the Board decided to continue this Item.

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

Mr. Greg Urbancic reported he was still monitoring the State Legislation's upcoming bills. He noted it was still early in the session. He noted the bill he was watching regarding ethics training requirements was withdrawn. He stated he would keep the Board updated.

II. District Engineer

Mr. Krebs stated discussions were still underway with Lugano regarding shoreline erosion and where CDD easements were located; however, nothing proposed would impact the CDD. He stated the Master HOA was working to create a unified plan to promote consistency in this area.

Mr. Ward asked about the status of drainage system turnovers.

Mr. Krebs responded he was waiting for construction to be completed at which point the turnover would happen all at once.

Mr. Ward asked if there was a time schedule.

Mr. Krebs indicated he would speak to Mark and find out.

Mr. Weber asked if there had been any conversation with the Master Association regarding plans for turning any property over to the CDD in the next year or so, because if there were, this needed to be included in the budget.

Mr. Ward stated with respect to the drainage system, the budget assumed it would be turned over, and maintenance of those areas was included in the budget.

Discussion ensued regarding turnover of the remainder of the drainage system to the CDD; the HOA replacing missing trees; and San Marino's drainage system.

Mr. Ward explained San Marino was in contact and provided a copy of the condominium documents which he gave to Mr. Urbancic to review and prepare a document for turnover if turnover of the drainage system was possible. He explained typically the CDD would take the underlying land where the drainage system was located by fee simple deed; however, condo associations required 51 percent or a 100 percent vote to approve this type of turnover, and the mortgage companies also had to agree, so it became very difficult for condo associations to turnover anything by deed to the CDD. He stated it could be accomplished by easements sometimes, and this was being reviewed and considered by Mr. Urbancic.

Mr. Urbancic stated in his first pass of the documents he did not see express right for San Marino to sever by deed. He indicated he was going through the documents again to see if he could find an argument, but it might have to be worked through differently.

Mr. Reidy stated if Bella Vista had damage to its stormwater system, it was CDD's position that the responsibility of fixing said damage felt to Bella Vista; however, if a complaint was made to the SFWMD, the SFWMD could say the CDD was responsible for the repair. He stated he feared the CDD would be held responsible for any damage to the Bella Vista stormwater system even though Bella Vista had not turned over the stormwater system to the CDD.

Mr. Ward agreed this was a possibility.

Discussion ensued regarding Bella Vista's stormwater system.

Mr. Urbancic stated the lawyers for Bella Vista wanted the CDD to have the threat of eminent domain and recite this in the documents in terms of Bella Vista being able to convey to the CDD.

Mr. Ward agreed stating, however, he was unsure how to fix the problem. He stated the easy way to fix the problem on the CDD's side was to do easements as opposed to fee simple deeds. He stated San Marino had been good about providing the necessary documents and working with Charlie, and he felt the easements would be established over the next four to five months.

Discussion ensued regarding the condition of Ravenna's rip rap which looked awful and had excessive erosion; the incorrect type of rip rap installed by Ravenna; the possibility of the CDD being held responsible for repair of Ravenna's rip rap; and the CDD being on the permit, but the landowner being Ravenna.

Mr. Charlie Krebs stated even if the CDD was on the permit, it could not do anything if it did not have access to the land.

Mr. Ward stated in litigation the CDD was told it was responsible for the water management system as indicated by permit, and the government did not care whether the CDD owned the land; if the CDD was listed on the permit as the responsible party, then the CDD was the responsible party.

Mr. Bernard asked if Ravenna had its own separate permit at this point.

Mr. Krebs responded in the affirmative. He stated he did not believe Ravenna had transferred the permit over to the CDD. He indicated he would double check. He explained the process or permit and land transfer.

Discussion ensued regarding Ravenna and the problems with its rip rap and lake erosion.

Mr. Reidy stated the CDD existed to maintain the lake banks and stormwater system throughout Miromar Lakes and it should not ignore this problem.

Mr. Krebs stated the CDD told Ravenna's developer and attorney to transfer the land and the permit to the CDD when it was new; however, for whatever reason, they chose not to make the transfer.

Mr. Urbancic stated the developer created those aspects of the water management system as part of the common elements of the condominium of which each owner owned an undivided interest, and severing that interest was problematic. He stated there were development reasons why that

property was included within the bounds of the condominium; the areas could have been excluded from the design, but this was not done.

Discussion continued regarding Ravenna; the Board needing to understand its responsibilities and if it was responsible to repair Ravenna's lakeshore it needed to be prepared to do so.

Mr. Krebs stated other than the areas which were still under construction, only the multifamily areas have not been transferred: Ravenna, San Marino, and Bella Vista.

Mr. Ballinger asked Mr. Krebs to determine where the CDD stood in regard to Ravenna.

Mr. Krebs indicated he would do so.

Mr. Reidy asked why the Master Association was not approaching Ravenna requiring repair of the erosion.

Discussion ensued regarding the Master Association possibly approaching Ravenna.

Mr. Krebs indicated he would check the permits for Ravenna, San Marino, and Bella Vista to see where responsibilities fell.

Discussion continued regarding Ravenna, San Marino, and Bella Vista.

III. Asset Manager

a) Operations Report March 1, 2023

Mr. Freeman stated he met with Solitude who planned to start the lake plantings in the next couple of the weeks. He stated he walked the perimeter of the CDD berms to determine the damage incurred during Hurricane Ian. He indicated he would continue taking pictures and would followup with the HOA to ensure it was making the necessary repairs. He stated he would put together a report for the Board.

IV. District Manager

a) Important Board Meeting Dates for Balance of Fiscal Year 2023:

- 1. Public Hearings: Fiscal Year 2024 Budget Adoption – July 13, 2023, at 2:00 P.M.**
- 2. June 8, 2023, meeting moved to June 5, 2023, at 2:00 P.M.**

b) Financial Statements for period ending February 28, 2023 (unaudited)

No report.

SIXTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Ward asked if there were any Supervisor's Requests; there were none. He asked if there were any audience members present in person, or on audio/video with any questions or comments; there were none.

SEVENTH ORDER OF BUSINESS

Adjournment

Mr. Ward noted the next meeting was April 13, 2023. He adjourned the meeting at approximately 3:08 p.m.

On MOTION made by Mike Weber, seconded by Doug Ballinger, and with all in favor, the meeting was adjourned.

Miromar Lakes Community Development District


James P. Ward, Secretary


Alan Refkin, Chairman