

**MINUTES OF MEETING  
STONEBROOK AT VENICE  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Board Meeting of the Stoneybrook at Venice Community Development District's Board of Supervisors was held on **Thursday, September 5, 2013**, at 12:00 p.m., at the **Stoneybrook Activity Center, 2365 Estuary Drive, Venice, Florida 34292**.

**Present and constituting a quorum were:**

Anthony Burdett	Chairman
William Riley	Vice Chairman
Jason Hamilton	Assistant Secretary

**Also present were:**

James P. Ward	District Manager
Stephen Riggs	Carr, Riggs & Ingram

Members of the Public

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Ward called the meeting to order at 12:00 p.m. and announced that all Board members were present at roll call with the exception of Supervisor Morris.

**SECOND ORDER OF BUSINESS**

**Consideration Of The Acceptance Of The Resignation Of Warren Davis And The Appointment Of A Replacement Individual To Fill The Unexpired Term Of Office For Seat 3, Which Term Is Set To Expire November 2014**

**a) Acceptance of the Resignation of Mr. Warren Davis**

Mr. Ward stated Mr. Davis has resigned from the Board effective June 30, 2013; it's effective as a matter of law on the date identified in the letter which is June 30, 2013, but just for the purposes of the record, generally, I will ask the Board to accept for purposes of inclusion in the record.

On MOTION by Mr. Burdett and seconded by Mr. Hamilton, with all in favor of approving the acceptance of the resignation of Mr. Warren Davis.

b) Discussion of the Replacement of an Individual to Fill the Unexpired Term of Office for Seat 3

Mr. Ward stated Mr. Davis' seat was set to expire in November of 2014. The Board, by statute, has the sole responsibility of appointing an individual to fill that term. You may do that any way you would like. You may advertise for the position, you may send out notices, you may just say, "I want, as a Board, to pick this person," and then you do it simply by a motion, second, and a majority vote of those members present will appoint an individual to serve on the Board. If you choose to do that today, I certainly can swear them in and get them started. If not, we can continue this item to your next meeting, or you guys decide how you want to handle this.

Mr. Burdett stated well, I'll be honest with you, I knew this was an agenda item but didn't have anybody in mind. I would suggest that for my purposes, I would like to pass this on, push this to the next meeting.

Mr. Hamilton stated I'll agree with that, and I second the idea simply because I think when my seat was initially vacated by the previous secretary, there was a notice sent out, I think, within the community, for interested parties. I'm sure we can probably do something similar again.

Mr. Burdett stated we can do that now. Is next year we go to a general election for the expired seats?

Mr. Ward stated yes, November of next year you would go to a general election. The only down side is I actually don't have any items probably till May of next year, other than this particular item, so if you want, we can send notices out; if you just want to pick somebody and have a meeting next month to deal with that issue, we can. But I will actually have no items for you until probably we do our budget again next year for this District.

Mr. Burdett stated if it's okay with you two, then I'll get with management as far as possibly advertising or possibly finding someone who may be interested in the interim, because the seat expires the end of next year anyway.

Mr. Ward stated there's no requirement to fill the seat. You may leave it vacant if you wanted to.

Mr. Burdett stated we've got a little time; we've only got a couple of meetings before the seat is up for election anyway. I'll try to work with management, and I wouldn't to the Board of Directors, I'll say the management to see if there's anybody out there who might be interested, and see if they will hold a meeting too.

A resident asked and that would be just for the unexpired term, which is just nine months, right?

Mr. Ward stated a little more than nine; it will be November of next year. So we'll leave it vacant, and if we're able to identify someone, we'll have a meeting. If not, then we'll probably just go to May of next year. So that item is deferred.

**c) Oath of Office for Newly Appointed Supervisor (If Appointed By the Board of Supervisors)**

- I. Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees
- II. Form 1 -- Statement of Financial Statements (Filing Requirements)

Deferred.

**THIRD ORDER OF BUSINESS**

**Consideration of Minutes**

**a) May 2, 2013, Regular Meeting**

Mr. Ward stated you've all been previously distributed a copy. If there are any additions, corrections or deletions, it would be appropriate at this time to so indicate, otherwise a motion for their approval would be in order.

On MOTION by Mr. Hamilton and seconded by Mr. Riley, with all in favor of approving the May 2, 2013, regular meeting minutes.
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**FOURTH ORDER OF BUSINESS**

**Public Hearing**

**a) Fiscal Year 2014 Budget**

## I. Public Comment and Testimony

Mr. Ward stated the primary purpose of your meeting today is to hold two public hearings. The first is relative to the adoption of your Fiscal Year 2014. The first thing that I will do is ask that you, by motion, open the public hearing.

**On MOTION made by Mr. Riley and seconded by Mr. Hamilton, with all in favor of approving opening the discussion to public comment.**

Mr. Ward stated first thing we do is take public comment or testimony.

Mr. Minnick stated I do have a question. What turned out to be the impact of your seeking computer resource for a website and all that kind of stuff, and is that in the budget?

Mr. Ward stated yes, it is in the budget. I didn't bring my notes from what I broke it down. I didn't break it down, but I remember the number, I think about \$4,000 to put that in place, and I think we'll be able to get that done for probably somewhere under that.

Mr. Minnick asked and that would be a one-time cost? One time then maintenance?

Mr. Ward stated right, I mean the total \$4,000 was intended to cover the one time build it, and then the maintenance for next year. I'm assuming we're going to be able to get the one-time cost done for probably well under \$3,000, since I'm bundling this with a number of other CDDs when I do them this coming October.

Mr. Minnick asked so the ongoing maintenance would be like a grand a year or something like that?

Mr. Ward stated I hope it will not be that much.

Mr. Minnick stated that's why I'm asking the question; it shouldn't be that large of a number.

Mr. Ward stated yes, I'm kind of hoping it will be less than that.

Mr. Minnick stated yes, okay. Thank you.

Mr. Ward asked any other questions from the public? Mr. Minnick?

Mr. Minnick stated no.

Mr. Ward stated a motion to close your public hearing would be in order.

**On MOTION made by Mr. Riley and seconded by Mr. Hamilton, with all in favor of approving closing the discussion to public comment.**

**II. Board Comment and Consideration**

Mr. Ward asked are there any comments from the Board relative to the budget?

**III. Consideration of Resolution 2013-4, the Annual Appropriation and Budget for Fiscal Year 2014**

Mr. Ward stated hearing none, then a motion to adopt Resolution 2013-4, which is the annual appropriation resolution adopting the budget for Fiscal Year 2014 would be in order.

**On MOTION made by Mr. Hamilton and seconded by Mr. Riley, with all in favor of approving Resolution 2013-4.**

**b) Fiscal Year 2014 Imposing Special Assessments; Adopting an Assessment Roll and Approving the General Fund Special Assessment Methodology**

**I. Public Comment**

Mr. Ward stated I'll ask that you open your public hearing.

**On MOTION made by Mr. Riley and seconded by Mr. Hamilton, with all in favor of opening the discussion to public comment.**

Mr. Ward asked anything from the public, any questions or comments?

Mr. Minnick asked give me a description of what we're talking about?

Mr. Ward stated this simply puts in place the assessment levels for Fiscal Year 2014. It adopts an assessment roll, which just means it gets levied on specific parcels, which is the same as what we've done in the past. It adopts what we call an assessment methodology, which tells the Board how we will levy that assessment, which, in this project, it's a uniform assessment across all projects for the operation side of the District.

A male speaker asked does that assessment change every year?

Mr. Ward stated let me answer one question at a time, and then we'll get back. Is there any questions, Mr. Minnick?

Mr. Minnick stated no, I'm fine.

Mr. Ward stated sir, if you could just put your name of record and ask you question, we'll be glad to answer it.

Mr. Vetilli stated Vincent Vetilli, V-E-T-I-L-L-I. Does the assessment change every year or does it remain the same?

Mr. Ward stated the administration portion of the assessment does vary each year. It's at \$77.36 per unit per year. For next year, it was slightly lower. It's slightly lower this coming year than it was, and then the debt service assessments were ranged from \$297 a unit upwards to \$719; that remains consistent through the term of the bonds. Any other questions? Hearing none, a motion to close your public hearing?

**On MOTION made by Mr. Hamilton and seconded by Mr. Burdett, with all in favor of closing the discussion to public comment.**

## **II. Board Comment and Consideration**

Mr. Ward stated any Board comment?

Their were no Board comments.

## **III. Consideration of Resolution 2013-5 Imposing Special Assessments, Adopting an Assessment Roll and Approving the General Fund Special Assessment Methodology**

Mr. Ward stated hearing none, a motion and a final action on your budget for next year, is the Resolution 2013-5, which imposes the special assessments, it certifies an assessment roll, and it approves the general fund methodology. That resolution is in order and recommended for your consideration.

**On MOTION made by Mr. Burdett and seconded by Mr. Hamilton, with all in favor of approving Resolution 2013-5.**

## **FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2013-6 Designating The Dates, Time And Location For The Regular Meetings Of The Board Of Supervisors Of The District For Fiscal Year 2014**

Mr. Ward stated we traditionally set them the first Thursday of each month at 12:00 p.m. here at the Stoneybrook Activity Center. As I indicated to you a few minutes ago, I don't actually have anything for you for next year other than your budget, and probably your audit consideration. If we do have meetings next year, we'd only plan them probably either in January or February for your audit, and then May and September for your budget purposes. We'll advertise it, and then, generally, as you know we'll cancel them as needed.

If you have any questions, I'll be glad to answer them, otherwise the resolution is in order.

**On MOTION by Mr. Riley and seconded by Mr. Hamilton with all in favor of approving Resolution 2013-6.**

**SIXTH ORDER OF BUSINESS****Consideration of Acceptance of the  
Audited Financial Statements for the  
Fiscal Year ended September 30, 2012**

Mr. Ward stated of you recall, we deferred this item from your May meeting. On the phone with us today is Mr. Stephen Riggs with the firm of Carl Riggs & Ingram, and it has already been filed as a matter of law with the appropriate state agencies, but I'll still ask Mr. Riggs to take a few moments and go through this with you, and then I'll ask that you accept them for purposes of inclusion in the record.

Mr. Riggs stated I believe in your Board package you have a copy of the audited financial statements. I'm going to walk you through what I think is important and is more consistent on what you see on a regular basis in terms of the financials. On page one is our opinion. We have to attach whether we believe the financial statements are materially correct, and that opinion will be considered a clean opinion. There's nothing really to go or disclose. It's a whole lot of language to say everything is okay. Starting on page two is management discussion analysis, and I'm going to skip over that, because I'll discuss every issue in there as we get through the financial statements in the notes.

In the governmental financial statements, you have two different sets of financials. On page seven and eight, we have what's called the government wide, and I like to think of it as this is more similar to a for-profit accounting presentation. The traditional government

fund level presentation begins on page nine, and this is for the closer towards they're accustomed to getting. If we went to page nine on the balance sheet, you don't have a lot going on there. Your general fund, you have \$65,000 in cash, you're up on your liabilities at yearend. Then the debt service fund, you have some investments of around \$700,000; of course, that is primarily related to debt service reserve requirements.

Page 11 is the profit and loss, so we can see during the year, the District was taking revenue in assessments in about the level sufficient to cover expenses. Within the debt service fund, sometimes you're up a little bit, sometimes you're down a little bit, it kind of depends on the timing of payment of assessments and any interest you may earn through your tax collector, but everything there looks perfectly normal.

The notes and the financial statements begin on page 13. Notes one and two are typical standard language that are in almost every set of CDD financial statements. Note three, we go through investments, and the only thing of importance to note there is your credit risk, you're in relatively safe investments. The goal there is to take care of the capital you have, as opposed to spending a lot of money. Note four begins the capital assets; right now you're not adding anything, you're just accumulating more depreciation based on the assets that you already constructed. Note five, bonds payable; this is kind of a summary of bonds, and during the year you pay down in accordance with your bond amortization schedule. You paid down \$160,000. I see there are also some additional prepayments in that amount.

At the bottom of page 19, this just gives you a little schedule of your future payout obligations. Page 20, there's some general accounting items, some risk management concentration and related party transaction. There's nothing in there that I'm worried about or I think I need to bring significant attention to. You have some concentration with the developer, about 20 percent or so, which doesn't lead you to a lot of risk at this point. Page 21 is your budget actual schedule and, again, everything in here looks great. You're taking in what you're supposed to be taking in, and you're actually spending a little bit less than you intended to spend. We like to see that number close to your budgeted amount, and if it's less, then that's good as well.

Starting page 22 through the rest of the report ending on page 25, there are three reports that we are required to present to you. One of them is a report on internal control.



That report, if there was anything that we thought you need to know about, we would really spell it out for you, but, currently, there are no deficiencies, no internal weaknesses **Unclear 17:21** through your District, and your District has done a pretty good job there. The last report is the management letter. The State of Florida Auditor General requires that we address certain things by statute, and the format of this is driven by then. Again, if there was anything in there, we would it spelled out pretty clearly but, again, this is relatively standard, because it did not have any unusual items or any findings from our standpoint that would need to be addressed.

I know that was quick, but you have a very clean district, and the accounting function is doing what they're supposed to be doing. So, with that, I'll turn it over to Jim. I'll answer any questions if you have any.

Mr. Ward asked anything from the Board? If there are no questions, a motion to accept your audited financial statements for the year ending September 30, 2012, would be in order.

**On MOTION by Mr. Burdett and seconded by Mr. Hamilton with all in favor of accepting of the Audited Financial Statements for the Fiscal Year ended September 30, 2012.**

**SEVENTH ORDER OF BUSINESS****Consideration of Requests For Proposals To Provide Required Independent Auditing Services To The District For Fiscal Year 2013 Through Fiscal Year 2017**

Mr. Ward stated the statute requires that we go through this rather laborious process to advertise for proposals. We received them; we have to go through a formal ranking of them based upon the criteria that was in the RFP itself, which I provided to you. Then from that ranking, we'll be in a position to award that to whomever the vendor is that you deem most appropriate. If you've had a chance to go through that ranking and want to disclose that now, that would be appropriate, or you're welcome to discuss the ranking amongst yourselves and then come up with a generalized ranking for the three firms based on that criteria. I'll open it up for your discussion at this point.

Mr. Burdett stated I'm pretty familiar with the accountants here, and they're all capable in my opinion. so I think it comes down to price, and I think with the information that Jim provided to us, I think there's a pretty clear leader in that regard.

Mr. Hamilton stated I'll agree with that.

Mr. Hamilton stated I would add that there was one particular vendor that seemed to do more work with CDDs than anybody else, and that was the same as the lowest priced vendor, and maybe there's synergies, that they're realizing that regardless, that's immaterial, my choice would be the same as that lowest priced vendor.

Mr. Riley stated I concur. There's a substantial cost savings there and they're more than qualified to handle the District.

Mr. Ward stated okay, so we have a consensus. I'll ask that you go ahead and rank the lowest price and as most qualified as Grau & Associates, the form of agreement was in the RFP, which I provided to you also, so they'll be your auditor for the next five years. We'll enter into the agreement that was in the RFP itself. A motion to that effect would be in order.

**On MOTION by Mr. Hamilton and seconded by Mr. Riley with all in favor of approving the selection Grau & Associates to provide auditing services to the District for the next five years.**

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

There being no report, the next item followed.

**b. Engineer**

There being no report, the next item followed.

**c. Manager**

There being no report, the next item followed.

**NINTH ORDER OF BUSINESS****Supervisor's Requests and Audience Comments**

Mr. Ward asked anything from the Board, from our audience? Mr. Minnick.

Mr. Minnick stated a couple of questions. In the gentleman's remarks on the phone, there was a page 19, maybe, he mentioned a percentage of 20 percent, and it was unclear to me what he was talking about. Yet it seemed to be one of the few items that raised the question with them.

Mr. Burdett stated developer's assessment, developer's involvement, as far as the amount of assessment the developer paid, which is common in the community. But as we grow out of this, where saw your credit rating is very good, which means if the District ever had to issue new bonds, you shouldn't have an issue. A lot of times, as a developer's role shrinks in the community, usually the community is better off. Most of the failed districts out there are still developer controlled.

Mr. Minnick stated got, okay.

Mr. Ward stated actually all of them are.

Mr. Burdett stated I don't want to give the developer a black eye.

Mr. Ward stated well it's not you, but it is others.

Mr. Minnick asked but they aren't any that are resident controlled?

Mr. Ward stated no.

Mr. Minnick asked this will be the first?

Mr. Ward stated no, no, no. What Tony was saying is there's no failed districts out there.

Mr. Minnick stated next question, when is the opportunity where the bond could be reissued? Is it ten years?

Mr. Ward stated ten years.

Mr. Minnick asked when is that.

Mr. Burdett stated 2017, because they were issued in 2007.

Mr. Minnick stated I thought it was 2005, or we might have a chance.

Mr. Burdett stated no, the District was establish. We didn't float the bonds until '07.

Mr. Minnick asked how much savings on the new auditor, roughly? Like ten grand or hundreds?

Mr. Ward asked from these bonds?

Mr. Minnick stated no, no, no. We hired a new auditor.

A male speaker stated the number in the budget, currently what we're paying Carl Riggs, that's about \$3,000 a year, which is about 40 percent, 45 percent.

Mr. Minnick asked so you're saying we're going to save \$1,500 a year.

A male speaker stated we're currently budgeted for about \$7,500 a year. The first year through Grau, \$3,800.

Mr. Minnick stated well that's good.

Mr. Ward asked any other questions.

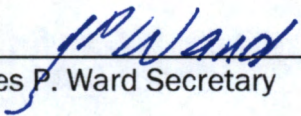
Mr. Minnick stated I'm done.

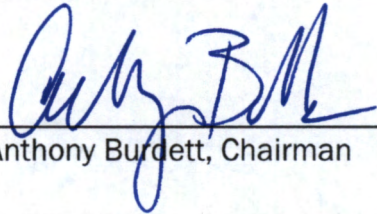
TENTH ORDER OF BUSINESS

Adjournment

Mr. Ward stated a motion to adjourn would be in order.

On MOTION by Mr. Hamilton and seconded by Mr. Riley with all in favor of adjourning at 12:26 p.m.

  
James P. Ward Secretary

  
Anthony Burdett, Chairman