

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

The Regular Meeting of the Board of Supervisors of the Stoneybrook at Venice Community Development District was held on Thursday, May 2, 2019 at 12:00 P.M. at the Stoneybrook Activity Center, 2365 Estuary Drive, Venice, Florida 34292.

Present and constituting a quorum:

Daniel Minnick	Chairperson
James Crawford	Vice Chairperson
Jerry Lee Olinger	Assistant Secretary
Andy Grogoza	Assistant Secretary
Gary Compton	Assistant Secretary

Also present were:

James P. Ward	District Manager
Jere Earlywine	District Counsel
Tony Grau	Grau & Associates

Audience:

Paul Web

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

Mr. James P. Ward called the meeting to order at approximately 12:00 p.m. and all Members of the Board were present at roll call including Mr. Jerry Lee Olinger who was elected in the November 2018 Election.

SECOND ORDER OF BUSINESS

Consideration of Minutes

Regular Meeting – September 6, 2018.

Mr. Ward asked if there were any additions, corrections or deletions to the Minutes. Hearing none, he called for a motion to approve the September 6, 2018 Regular Meeting Minutes.

On MOTION made by Mr. Daniel Minnick, seconded by Mr. Andy Grogoza, and with all in favor, the September 6, 2018 Regular Meeting Minutes were approved.

THIRD ORDER OF BUSINESS**Consideration of Acceptance of the Audited Financial Statements****Consideration of acceptance of the Audited Financial Statements for Fiscal Year ended September 30, 2018.**

Mr. Ward introduced Mr. Tony Grau who would review the Audit. He noted the Audited Financial Statements for Fiscal Year ended September 30, 2018 had been filed as a matter of law with the appropriate regulatory agencies.

Mr. Tony Grau with Grau & Associates noted the Opinion was a Clean Opinion which meant Grau & Associates believed the Financial Statements were fairly stated. He reported page 4 showed a condensed statement net position of a little more than \$5.3 million dollars and page 5 showed the condensed income statement with revenues of \$450,000 dollars, as well as a change in net position as a loss of \$140,000. He noted the financial statements began on page 7 and the balance sheet began on page 9. He noted the Fund Balance total was \$337,000 dollars. He stated on page 11 was the income statement for the Governmental Funds; he briefly reviewed page 11. He reported footnotes began on page 13 and were generally the same as in the prior year. He stated Capital Assets were listed on page 19 with Long Term Debts on page 20. He noted \$195,000 was taken out of principal; therefore, the CDD owed \$5,310,000 dollars as of the balance sheet date. He indicated Budget to Actual was on page 21. He reported there were no findings for the three required reports (which was a positive).

Discussion ensued regarding page 21 of the Financial Statement, budgeting for assessments, and how the wording on page 27 sounded negative, but was actually positive.

On MOTION made by Mr. Daniel Minnick, seconded by Mr. Jerry Olinger, and with all in favor, the Audited Financial Statements for Fiscal Year ended September 30, 2018 were accepted.

FOURTH ORDER OF BUSINESS**Consideration of Resolution 2019-1****Consideration of Resolution 2019-1 Approving the Proposed Budget for Fiscal Year 2020 and Setting a Public Hearing for Thursday, September 5, 2019 on the Proposed Budget.**

Mr. Ward explained Resolution 2019-1 approved the Budget for the purpose of setting a Public Hearing date. He explained approval of the Budget did not bind the Board to any of the budget numbers contained in the General Fund Budget or any of the programs, it simply allowed the Board to move forward in the process enabling the Board to adopt the Budget for purposes of putting in place the General Fund Assessments for Fiscal Year 2020. He stated at the moment the assessment rates were slightly higher than in the prior year (\$74.53 in the prior year versus \$91.23 for FY 2020). He explained included was \$20,000 dollars for lake bank erosion repair.

Mr. Daniel Minnick suggested the CDD invest monies to secure a survey of erosion on all lakes for which the CDD was responsible. He explained his reasoning for this request and his past experience in this regard. He stated failure to take action when necessary would cause further difficulties and possible

finances from regulatory governmental agencies. He stated he believed a survey of lake erosion would enable the Board to make decisions regarding necessary action. Discussion ensued regarding Mr. Paul Web and his expertise regarding lake environments and protocols, as well as the CDD needing to assess the lake situation and make decisions accordingly.

Mr. Paul Web asked if the CDD was responsible for all 42 lakes throughout Stoneybrook at Venice. Mr. Ward responded in the affirmative. Discussion ensued regarding the CDD being responsible for all assets, maintenance being the responsibility of the HOAs, the CDD's purpose being to identify problems and bring said problems to the attention of the HOA, Lennar having a responsibility for a couple of lakes.

Mr. Ward stated there were some significant erosion problems occurring on the lake banks which required immediate action. He noted the District's budget contained sufficient funds to complete a survey report, as well as some minor lake bank repairs if needed. He explained if the report indicated the necessary repairs exceeded the budgeted amount then repairs could be completed over time. He stated the report could be completed in 2019 and money could be added to the 2020 budget to complete repairs, or alternatively the CDD could pass the responsibility to the Master Home Owners Association. He noted the Master Home Owners Association was responsible for maintenance of the entire water management system. He stated if the District took responsibility for the lake bank repair an assessment would be levied across the board from all within the Stoneybrook CDD, which included the townhouses, on an equal basis per home. He stated the quickest route to repair should be taken as the pictures he had seen demonstrated extensive erosion. He indicated the report should cost approximately \$9,500 dollars; however, the cost to fix the lake bank erosion problems could be quite costly. He noted another of his Districts had approximately \$1.2 million dollars in bank erosion repairs following Hurricane Irma. Discussion ensued regarding the age of the lakes and the age of the bonds and capital investments.

Mr. Ward suggested doing the survey report within the next six weeks, raising the assessment up to approximately \$400 dollars per unit with a placeholder number which would allow for collection of approximately \$400,000 dollars if needed. He explained if the survey report indicated repairs would be less, the budget and assessment amount could then be adjusted to a lower number. He explained numbers could be lowered, not raised, following approval. He stated the other option would be to hand the situation to the Master Home Owners Association. Discussion ensued regarding the cost of fixing lake erosion problems, the extent of Stoneybrook's lake damage, possible causes of bank erosion, phasing repairs if necessary, and regulatory agencies expecting action towards solutions, funds being available for the survey report, the cost of the survey report being approximately \$10,000 dollars.

Mr. Minnick noted documentation indicated maintenance was the responsibility of the HOA. He stated he felt the CDD should perform the survey report and if the cost was excessive enough to require a bond then the CDD should take responsibility; otherwise, the HOA should take responsibility for the repairs. He asked why the CDD should take responsibility for the repairs. Discussion ensued regarding the CDD's responsibility to ensure projects were completed to code, loss of control of the process once passed to the MHOA, liability issues, what would happen if the HOA did not complete the repairs to code, the need for engineer involvement, contractor involvement, project certification, and residents concerns regarding lake aesthetics.

A Board Member 34:30 asked if there was any financial benefit to having the HOA undertake the responsibility versus the CDD. Mr. Ward responded in the negative. Mr. Earlywine concurred and added legally there was an advantage to the CDD taking responsibility for the repairs.

Mr. Minnick stated he was uncomfortable with the CDD taking responsibility for maintenance issues. He stated he felt the HOA had better capability to complete repairs quickly; the HOA met more regularly and were more in touch with resident's desires. He stated the CDD was a bond driven entity and delegated responsibility of maintenance to the HOA. Mr. Ward explained this was not a maintenance obligation; this was a re-construction or asset restoration obligation. He explained there was a huge difference between this type of bank repair work and spraying the lake or planting foliage type maintenance. Mr. Minnick suggested if the cost was significant perhaps the CDD could float a bond for 10 years to enable quick completion of repairs without burdening the residents. Discussion continued regarding cost of repair, capital investment repair versus maintenance, advantages of bonds, waiting to see the survey report, writing the assessment rate high now as once the budget was approved the assessment rate could be decreased, but not increased, budget timelines and public hearing dates.

Mr. Minnick proposed completing the lake survey report with 2019 funds and writing the assessment amount as \$200 dollars rather than \$400 dollars. He stated he believed this was more appropriate as it was only important for the CDD to take initial action and begin the process; he believed the CDD had time to make further decisions and make necessary repairs. Discussion ensued regarding erosion restoration versus prevention of further erosion and costs of each. Mr. Earlywine stated he believed the assessment number should be higher than \$200 dollars. He explained if it was too low problems could arise. He noted the assessment number would be revisited once the survey was completed and the CDD met again. Discussion ensued regarding the \$400 dollar assessment and it being a place holder only; the number would be adjusted as necessary.

On MOTION made by Mr. Daniel Minnick, seconded by Mr. Jerry Olinger, and with all in favor, the proposition to complete a lake survey report this year with 2019 funds was approved and the district manager was authorized to hire appropriate professionals for this purpose.

Mr. Ward stated the second motion was to approve Resolution 2019-1 with the amended assessment amount of \$400 dollars per unit per year (with a place holder). He explained the CDD would meet in six to eight weeks, once the lake survey report was completed, prior to the Public Hearing, to reevaluate the assessment amount.

Discussion ensued regarding a salary typo in the budget. Mr. Ward indicated he would make the correction. Discussion ensued regarding Aqua Terra, the lakes Aqua Terra was involved with and Aqua Terra not being financially responsible for Stoneybrook lakes. Mr. Ward noted he was scheduled to meet with Aqua Terra and would keep Aqua Terra informed.

On MOTION made by Mr. Daniel Minnick, seconded by Mr. Jerry Olinger, and with all in favor, Resolution 2019-1 was adopted as presented and the Chair was authorized to sign.

FIFTH ORDER OF BUSINESS

Staff Reports

I. Attorney

There was no Attorney Staff Report.

II. Engineer

There was no Engineer Staff Report.

III. Manager

a. Resolution 2019-2.

Mr. Ward reported the CDD was required to appoint Mr. Olinger to one of the officer positions of the District. He noted Daniel Minnick was Chairperson, and all others served as Assistant Secretaries; the Vice Chairperson position was open. Mr. Minnick nominated Jim Crawford as Vice Chairperson with all others to serve as Assistant Secretaries and himself to continue as Chairperson. Mr. Ward indicated this would be considered and approved as Resolution 2019-2.

On MOTION made by Mr. Daniel Minnick, seconded by Mr. Andy Grogoza, and with all in favor, Resolution 2019-2 was adopted as presented and the Chair was authorized to sign.

b. Report on the Number of Registered Voters in the District.

Mr. Ward noted although the CDD Board Members were all qualified electors within the District, Statute required a report on the number of registered voters in the District. He noted at this time no action was required by the Board; this information was being provided as a matter of law.

c. Financial Statements for the period ending March 31, 2019.

There were no questions regarding the Financial Statements for the period ending March 31, 2019.

Mr. Ward stated the CDD traditionally employed a company called Fishkind & Associates to complete the assessment roles each year; however, Fishkind & Associates sold to a larger conglomerate and as a result the contract with Fishkind & Associates was terminated. He indicated his firm could handle the responsibilities of Fishkind & Associates for half the cost (\$5,000 dollars as opposed to \$10,000 dollars). He stated the budget currently reflected the old Fishkind fees of \$10,000 dollars, but this would be corrected. Mr. Minnick stated he approved.

SIXTH ORDER OF BUSINESS

Audience Comments and Supervisor's Requests

There were no Audience Comments or Supervisor's Requests.

SEVENTH ORDER OF BUSINESS

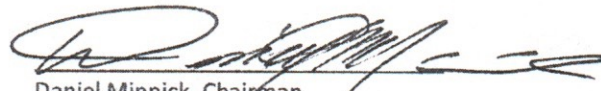
Adjournment

Mr. Ward adjourned the meeting at approximately 1:03 p.m.

On MOTION made by Mr. Daniel Minnick, seconded by Mr. James Crawford, and with all in favor, the meeting was adjourned.

Stoneybrook at Venice Community Development District


James P. Ward, Secretary


Daniel Minnick, Chairman