

**MINUTES OF MEETING
SARASOTA NATIONAL
COMMUNITY DEVELOPMENT DISTRICT**

Public Hearings and a Regular Meeting of the Sarasota National Community Development District's Board of Supervisors were held on **Tuesday, August 18, 2015 at 2:00 p.m.**, at the **Francis T. Bourne Jacaranda Library, 4143 Woodmere Park Boulevard, Venice, Florida 34293.**

Present at the meeting were:

Richard Barber
Brian Keller
Brad Soule
Joel Fedora

Chair
Assistant Secretary
Assistant Secretary
Assistant Secretary

Also present were:

Chuck Adams
Lindsay Whelan
Bill Conerly
David Caldwell
Steven Dobbs
David Lehrett
Ted Meeks
Lynn Jenson
Dave Wineberger
Lee Roswall
Walter Shepherd
Steve Doseall
Rob Engott

District Manager
District Counsel
District Engineer
WCI Communities, LLC
Resident
Resident
Resident
Resident
Resident
Resident
Resident
Resident
Resident
Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 2:05 p.m., and noted, for the record, that Supervisors Barber, Fedora, Keller and Soule were present, in person. Supervisor Ernst was not present.

Mr. Barber introduced the Board and Staff to the residents in attendance.

SECOND ORDER OF BUSINESS

Public Comments

Mr. Steven Dobbs, a resident, indicated that many residents were attending the meeting because they read on social media that WCI Communities, LLC (WCI) was proposing to do away with notice of an annual \$150 assessment increase. Residents felt that doing away with the notice was not in their best interest. The reason given was the postage cost. Mr. Dobbs suggested using bulk mail or email. He stated that a fee should never be raised without justification and the opportunity for public comment.

Mr. Adams clarified that residents were already paying the assessment in question as part of the regular tax bill. The Fiscal Year 2015 CDD assessment was approximately \$110, per unit and the Fiscal Year 2016 assessment increased to about \$150, per unit. The notice stated that, if the assessment did not exceed the \$150 noticed amount, a second notice would not be mailed to residents.

Mr. Dobbs asked if \$150 was in addition to the current assessment. Mr. Adams replied “No, sir”; the prior assessment amount was increasing by approximately \$40, for the maintenance associated with the construction of additional stormwater management facilities.

THIRD ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Adoption of the District’s Final Budget for Fiscal Year 2015/2016, Pursuant to Florida Law

A. Affidavit of Publication

Mr. Adams presented the affidavit of publication for today’s Public Hearing.

B. Consideration of Resolution 2015-9, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2015, and Ending September 30, 2016; Authorizing Budget Amendments; and Providing an Effective Date

Mr. Adams presented Resolution 2015-9 for the Board’s consideration. The on-roll assessment was \$149.64, per unit. The developer direct billed off-roll assessment was \$139.17 per unit. The difference in the assessment amounts was due to the cost of putting the on-roll assessments on the tax bill. At the May, 2015 meeting, District Counsel requested that the “Legal” line item be increased from \$6,000 to \$12,000; however, the request was overlooked in the final draft of the Fiscal Year 2016 budget. With the proposed \$150 per unit assessment cap already noticed, Mr. Adams suggested repurposing \$6,000 from “Other contractual services”, under “Water management & wetland maintenance”, to “Legal”. District Counsel and the District Engineer are compensated hourly and are currently budgeted at an anticipated cost;

actual costs will be based upon the actual hours worked. There was no change to the bottom line or the assessment level.

On MOTION by Mr. Barber and seconded by Mr. Keller, with all in favor, the Public Hearing was opened.

Mr. Dodd asked if each year’s proposed budget was published online. Mr. Adams stated that the draft budget was included in the April or May meeting agenda and posted on the District’s website four or five days before the meeting.

Mr. Barber advised that the CDD’s fiscal year runs from October 1 through September 30.

Mr. David Lehrett, a resident, asked if the debt service portion of the assessment would remain constant. Mr. Adams relied affirmatively.

On MOTION by Mr. Keller and seconded by Mr. Barber, with all in favor, the Public Hearing was closed.

On MOTION by Mr. Barber and seconded by Mr. Keller, with all in favor, Resolution 2015-9, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2015, and Ending September 30, 2016; Authorizing Budget Amendments; and Providing an Effective Date, was adopted, as amended on the record.

FOURTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Imposition of Special Assessments to Fund the Budget for Fiscal Year 2015/2016, Pursuant to Florida Law

A. Mailed Notices to Property Owner

The mailed notices were included for informational purposes.

B. Consideration of Resolution 2015-10, Imposing Special Assessments and Certifying an Assessment Roll; Providing a Severability Clause; and Providing an Effective Date

Mr. Adams presented Resolution 2015-10 for the Board's consideration. The resolution incorporates the Fiscal Year 2016 adopted budget, with the appropriation and assessment levels specified in the budget and directs Staff to certify and submit a lien roll to the Sarasota County Tax Collector for placement on the property tax bills. All platted properties, including WCI owned, are on-roll; the off-roll unplatted properties are direct billed.

Ms. Whelan indicated that 50% of the off-roll assessments are due by December 1, 2015, 25% are due by February 1, 2016 and 25% are due no later than May 1, 2016.

Mr. Adams stated that WCI pays assessments on 1,300 units.

On MOTION by Mr. Keller and seconded by Mr. Soule, with all in favor, the Public Hearing was opened.

Mr. Ted Meeks, a resident, asked if the CDD assessment could be paid off. Mr. Adams confirmed that the debt service assessments could be paid off. Management may be contacted and a payoff figure would be provided.

Mr. Meeks requested that the payoff figure be sent to the homeowners' email address. Mr. Adams stated that there is no District email database, as all CDD communications are public record. Contact information will be provided following the meeting and is available on the District's website.

Ms. Whelan advised that the operation and maintenance (O&M) portion of the assessment could not be prepaid.

Ms. Lynn Jenson, a resident, asked about the term of the bond. Ms. Whelan stated that bonds are issued in 30-year increments. Mr. Adams indicated that the District's bond will be paid off on May 1, 2039. The current bond interest rate is 5.3%. The bond may be refinanced in seven or eight years, depending upon the amount of developer owned property remaining within the District.

Mr. Lehrett commented that a website indicated that the CDD is in default. Mr. Adams confirmed that the District was not in default. Ms. Whelan indicated that some websites contain misinformation and asked Mr. Lehrett to provide the website address; she will follow up and ask to have any incorrect information corrected.

Mr. Dave Wineberger, a resident, asked for the District's website address. Mr. Adams will confirm the address and provide it after the meeting.

Mr. Lee Roswall, a resident, asked what budget items increased. Mr. Adams indicated that there was a budget increase to "Other contractual services", under "Water management & wetland maintenance", in anticipation of the construction and maintenance of new lakes in Fiscal Year 2016.

Mr. Lehrett asked if more bonds were anticipated. Mr. Barber responded that, currently, no further bonds were anticipated.

Mr. Walter Shepherd, a resident, asked if homeowners should expect the District assessment to continue to rise to \$1,000 per unit, as more lakes are developed. Mr. Adams assured Mr. Shepherd that the assessments would not rise to \$1,000 but there will be incremental increases as the stormwater management system is developed. The number of assessable units will increase, as the unplatted property is developed, helping to absorb assessment increases.

Mr. Shepherd asked if WCI planned to sell the clubhouse to the residents once it opens. Mr. Barber indicated that all Sarasota National amenities will be part of the HOA, with no capital costs to homeowners; only operating costs.

On MOTION by Mr. Keller and seconded by Mr. Fedora, with all in favor, the Public Hearing was closed.

On MOTION by Mr. Barber and seconded by Mr. Soule, with all in favor, Resolution 2015-10, Imposing Special Assessments and Certifying an Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Phase 1A and Phase 1B Plat - Lake Tract Conveyance

Mr. Adams presented a WCI letter outlining the interest to convey five lake tracts, in Phase 1A, and nine lake tracts in Phase 1B, from the HOA, to the District.

Mr. Caldwell presented the Sarasota National site plan. WCI requested that the Board consider acceptance of the lake tracts in Phase 1A and Phase 1B. The previous developer, Tuscano, LLC (Tuscano), conveyed the lake tracts to the HOA, prior to their exit. As shown on the site plan, the lake tracts are combinations of the lakes and surrounding landscape maintenance areas. There is a dual maintenance/ownership issue, which began when Tuscano was the developer. The Master Association owned the property and the District was responsible

for lake stormwater maintenance. The CDD should own the lakes as the District is responsible for the stormwater management system and aquatic weed control, while the HOA is responsible for landscape maintenance. WCI suggested that the HOA deed the lake tracts, within Phase 1A and Phase 1B, to the District and the HOA be granted an easement for landscape maintenance.

Mr. Barber asked about liability advantages for the District. Mr. Caldwell explained that the HOA could be held responsible if someone was injured or drowned in the lakes. There is no cap on the HOA's liability; however, under state statutes, there is a limit on the District's liability.

Ms. Whelan advised that both the HOA and the District are insured. If something unfortunate happened, resulting in a lawsuit, the HOA has unfettered, unlimited liability. The District, as a form of local government, has sovereign immunity, which caps liability at \$200,000 per occurrence.

Ms. Jenson inquired about the rest of the lakes. Mr. Caldwell indicated that the other lakes would be dealt with later; currently, only Phase 1A and Phase 1B lakes are being addressed.

Ms. Whelan stated that future lake tracts would be dedicated to the District on the plat. Legally, there was no issue with accepting the lakes.

On MOTION by Mr. Barber and seconded by Mr. Fedora, with all in favor, the Phase 1A and Phase 1B Plat - Lake Tract Conveyance, directing Staff to collaborate with the HOA on the form of conveyance documents and necessary easements and authorization for the Chair to execute, were approved.

In response to a resident comment, Mr. Adams indicated that Consideration of Phase 1A and Phase 1B Plat - Lake Tract Conveyance was a District business item.

Mr. Dobbs pointed out that he spent his career as an insurance defense attorney and voiced his opinion that the HOA's liability insurance would cover any accident, so there would not be a "grand assessment". He surmised that there must be another reason for the District to assume control of the lakes.

Mr. Caldwell stated that insurance was one of the issues that made District ownership advantageous but, the primary driver of the requested conveyance was pressure for Southwest Florida Water Management District (SWFWMD) and Sarasota County to name the lake tract

owners as the responsible party for the maintenance functions. Instead of arguing with the governmental authorities, the best solution is to correct what was done incorrectly by Tuscano and, going forward, all lakes will be District-owned.

Mr. Dobbs stated that residents would have greater say in the lakes, going forward. Mr. Barber noted that residents pay for maintenance whether the lakes are CDD or HOA owned.

Mr. Dobbs felt that, if the HOA owns the lakes, residents would have a greater say about the assessment amount and more control over bids for maintenance. The HOA would be more responsive to the homeowners' concerns.

Mr. Barber disagreed, as it will be eight or nine years before the homeowners will control the Master Board.

Mr. Dobbs believed that WCI was "sloughing off" responsibilities. Homeowners are concerned and want their voices heard. Mr. Barber relayed that he would happily discuss WCI's actions but the District meeting was not the appropriate forum.

Mr. Lehrett commented that there were no changes with lake maintenance; the change was in lake and lake bank ownership. Mr. Caldwell confirmed that the District was already the maintaining entity but without title to the property. The conveyance will rectify the ownership issue with the Sarasota County regulatory authorities and SWFWMD.

SIXTH ORDER OF BUSINESS

Consideration of Phase 2A and Phase 2B Plat - Lake Tract Conveyance

Mr. Caldwell indicated that WCI platted Phase 2A and Phase 2B in 2015, prior to realizing the maintenance/ownership difficulties. Unlike Phase 1, WCI owned all the common elements within the Phase 2 platted areas.

On MOTION by Mr. Barber and seconded by Mr. Keller, with all in favor, the Phase 2A and Phase 2B Plat - Lake Tract Conveyance, directing Staff to collaborate with WCI on the form of conveyance documents and necessary easements and authorization for the Chair to execute, were approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2015-11, Adopting the Annual Meeting Schedule for Fiscal Year 2015/2016

Mr. Adams presented Resolution 2015-11 for the Board’s consideration. The Landowners’ meeting will be held on November 17, 2015 at 2:00 p.m., and all landowners will receive notice. Meetings will be held on January 19, April 19, July 19 and August 16, 2016. The draft Fiscal Year 2017 budget will be presented at the April meeting and adopted at the August meeting.

Mr. Caldwell asked that the meeting schedule be amended to reflect that the CDD meetings will be held at the Sarasota National Clubhouse, 25500 National Boulevard, Venice, Florida 34293.

On MOTION by Mr. Barber and seconded by Mr. Fedora, with all in favor, Resolution 2015-11, Adopting the Annual Meeting Schedule for Fiscal Year 2015/2016, as amended, was adopted.

EIGHTH ORDER OF BUSINESS

Approval of July 21, 2015 Regular Meeting Minutes

Mr. Adams presented the July 21, 2015 Regular Meeting Minutes and asked for any additions, deletions or corrections.

Ms. Whelan provided edits via email.

On MOTION by Mr. Keller and seconded by Mr. Barber, with all in favor, the July 21, 2015 Regular Meeting Minutes, as amended, were approved.

NINTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

▪ Consideration of Modification to Form C-23

******This item is an addition to the agenda.******

Ms. Whelan spoke to Mr. Brad Bailey, Sarasota County Zoning Administrator, regarding Sarasota County Form C-23. Mr. Bailey is working with Mr. Karl Senkow, an Assistant

Sarasota County Attorney, to have District Counsel's changes to the form approved. Form C-23 sparked the concerns regarding lake ownership discussed earlier. District Counsel provided the County with comments and approval was pending Mr. Senkow's comments.

Mr. Conerly explained that Form C-23, regarding lake ownership and stormwater maintenance delegation, was required to complete certification of Phase 2A and Phase 2B.

On MOTION by Mr. Keller and seconded by Mr. Barber, with all in favor, Public Comments and Objections on modification of Form C-23, was opened.

Ms. Whelan explained that the county requires the District to sign Form 23-C, whereby, the owner of the pond ensures maintenance. The county's form did not consider that two separate entities could own and maintain the stormwater ponds. In addition to the comments about ownership, District Counsel submitted additional comments regarding attorneys' fees and the extent of District maintenance responsibilities. For example, if the lakes were not appropriately maintained, Sarasota County could maintain them and charge the District maintenance costs. There was no reason to believe that there will be issues with the provided comments. District Counsel helped the county create a revised Form C-23, especially for CDDs, as the original form did not contemplate the CDD, in context. District Counsel requested that the Chair be authorized to execute the revised form of Form C-23, upon completion.

Mr. Conerly advised that execution of Form C-23 is required by County Ordinance.

Mr. Dobbs asked which county department could confirm the information presented by District Counsel and the District Engineer. Mr. Conerly responded that Staff was working with the County Attorney's office.

On MOTION by Mr. Barber and seconded by Mr. Soule, with all in favor, the Public Comments and Objections on modification of Form C-23, was closed.

On MOTION by Mr. Barber and seconded by Mr. Soule, with all in favor, Form C-23, in substantial form, and authorization for the Chair to execute, were approved.

B. Engineer

There being no report, the next item followed.

C. Manager

i. Approval of Unaudited Financial Statements as of June 30, 2015

Mr. Adams presented the Unaudited Financial Statements as of June 30, 2015.

ELEVENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors’

Mr. Barber informed the residents that the Master Association Budget Workshop will be held on September 2, 2015 at 2:00 p.m., at Francis T. Bourne Jacaranda Library, 4143 Woodmere Park Boulevard, Venice, Florida 34293.

Mr. Steve Doseall, a resident, asked why meetings were held at 2:00 p.m. Mr. Barber indicated that meetings could be scheduled at any time. Ms. Whelan explained that, historically, developer represented CDD Boards, with little community involvement or attendance, hold afternoon meetings. As standard practice, once a CDD Board becomes resident represented, or there is more community involvement, there is a shift to evening meetings.

Mr. Doseall questioned if there was less community representation because the meetings are held in the afternoon. Mr. Adams noted that, with some CDD Boards, attendance remained the same regardless of the meeting time. The District’s sole focus is the stormwater management system, ensuring that the lakes stay clean and up to permit conditions and that water flows properly.

Mr. Doseall felt that resident participation would increase, as the community grows. His neighbors were upset that this meeting was held in the afternoon. Mr. Adams stated that the meeting notice for today was an “attention getter”. The required language can sound brash and concerning but, going forward, the Board Meetings will be held onsite and be more accessible to residents.

Mr. Rob Engott, a resident, asked what the CDD maintained. Mr. Adams indicated that the District maintains the lakes and stormwater management system. District bonds paid for construction of the stormwater management system, including digging the lakes and installing the interconnected pipes between the lakes.

Mr. Barber noted that the CDD also paid for water and sewer utilities that were dedicated to Sarasota County. Mr. Adams stated that, as a public entity, the District can transfer its assets to another public entity.

Mr. Adams advised that Chapter 190, of the Florida Statutes, is the District's charter.

Ms. Whelan explained that the state statutes provide CDDs with the ability to build, operate and maintain roadways, recreation centers, landscaping, utilities, etc.; however, Sarasota National CDD, as established in its capital improvement plan, has a very limited scope.

Mr. Shepherd stated that the HOA maintained everything else and property values fall as HOA fees rise.

Mr. Barber stated that the Master Association's budgeting was on the "build-out basis" and detail would be provided at the September 2, 2015 meeting.

TWELFTH ORDER OF BUSINESS

Adjournment

There being no other further business to discuss, the meeting adjourned.

On MOTION by Mr. Barber and seconded by Mr. Soule, with all in favor, the meeting adjourned at approximately 2:57 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair