

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

A Public Hearing and Regular Meeting of the Sarasota National Community Development District's Board of Supervisors were held on **Tuesday, August 15, 2017, at 2:00 p.m.**, at the **Sarasota National Clubhouse, 25500 National Boulevard, Venice, Florida 34293.**

Present at the meeting were:

Russell Smith	Chair
Barry Ernst	Vice Chair
Mathew Koratich	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Robert Rebey	Assistant District Manager
Michael Eckert (<i>via telephone</i>)	District Counsel
Rhonda Brewer	Supervisor-Elect
Joe DiCapio	Resident
Robert Armstrong	Resident
Peter Duffy	Resident
Jim Hammer	Resident
Renata DeAngelo	Resident
Martha Open	Resident
Wayne Larson	Resident
Ted Jansen	Resident
Pat Shubert	Resident
Residents	

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 2:00 p.m. Supervisors Smith, Ernst and Koratich were present, in person. Supervisor Kirschner was not present. One seat was vacant.

SECOND ORDER OF BUSINESS

Public Comments – Agenda Items [3-Minute Time Limit]

Mr. Joe DiCapio, a resident, requested introductions from Board Members and Staff. The Board Members and Staff introduced themselves. Mr. Adams welcomed everyone to the meeting and noted that it was, by far, the best turnout the District ever had.

Mr. Robert Armstrong, a resident, asked if there were additional handouts. Mr. Adams stated that he ran out of copies and urged residents to visit the CDD's website, www.sarasotationalcdd.net, where items such as agendas, audits, meeting schedules and other general information were posted.

Mr. Peter Duffy, a resident, inquired about Board Member responsibilities other than paying the principal and interest on the bonds. Mr. Smith stated that the CDD was established to oversee maintenance of the infrastructure owned and operated by the District, such as drainage facilities. As the community progressed and the Developer appointees vacated the Board, members of the community could participate in General Elections and run for a seat on the Board. In response to Mr. Duffy's question regarding pond maintenance, Mr. Adams stated that the ponds were addressed in the Fiscal Year 2018 budget and most of the maintenance expense on Page 1, under "Water management & wetland maintenance", included not only maintaining the ponds and keeping the Preserves free of noxious and exotic vegetation but also facilitated routine monitoring and submission of monitoring reports to Sarasota County and the South Florida Water Management District (SFWMD). \$154,000 of the annual budget was for Operation and Maintenance (O&M) and, in the previous year, the Board increased assessments to address additional ponds and Preserves that came on line.

Mr. Jim Hammer, a resident, inquired about the requirements for Board Membership. Mr. Adams stated those interested in serving on the Board must be qualified electors in Sarasota County, residing within the boundaries of the District. The thresholds for transition from a landowner-elected Board to a resident-elected Board were that the District must be in existence for six years and have at least 250 qualified electors residing within the boundaries in the District. In 2018, the transition to a resident-based Board would commence and the candidate qualifying period would be in May.

THIRD ORDER OF BUSINESS

Administration of Oath of Office to Newly Appointed Supervisors, Rhonda Brewer, Seat 5 [Term Expires November, 2018] (the following to be provided in a separate package)

Mr. Adams, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Ms. Brewer. Mr. Adams stated that since Ms. Brewer previously served on other CDD Boards, there was no need to explain the following documents:

- A. **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. **Membership, Obligations and Responsibilities**
- C. **Chapter 190, Florida Statutes**
- D. **Financial Disclosure Forms**
 - i. **Form 1: Statement of Financial Interests**
 - ii. **Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - iii. **Form 1F: Final Statement of Financial Interests**
- E. **Form 8B: Memorandum of Voting Conflict**

The slate of officers was considered at the last meeting and included Ms. Brewer as an Assistant Secretary.

FOURTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on Adoption of Fiscal Year 2017/2018 Budget

- A. **Affidavit/Proof of Publication**

Mr. Adams presented the affidavit of publication for today's Public Hearing and Regular Meeting.

- B. **Consideration of Resolution 2017-10, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2017, and Ending September 30, 2018**

Mr. Adams presented Resolution 2017-10. No changes were made since the draft presented at the May meeting. The assessments were not expected to increase in the operating portion of the budget.

******Mr. Adams opened the Public Hearing******

Mr. Hammer asked if the new lakes being built in Lake Village and Waverly were accounted for in the Fiscal Year 2018 budget. Mr. Adams replied affirmatively.

******Mr. Adams closed the Public Hearing******

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, Resolution 2017-10, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2017, and Ending September 30, 2018, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2017-11, Making a Determination of Benefit; Imposing Special Assessments; Providing for the Collection and Enforcement of Special Assessments, Including But Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll

Mr. Adams presented Resolution 2017-11.

On MOTION by Mr. Ernst and seconded by Mr. Smith, with all in favor, Resolution 2017-11, Making a Determination of Benefit; Imposing Special Assessments; Providing for the Collection and Enforcement of Special Assessments, Including But Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll, was adopted.

Mr. Adams explained that the budget year was not based on a calendar year; it was a fiscal year budget that commenced on October 1 and ended September 30, annually.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2017-12, Adopting the Annual Meeting Schedule for Fiscal Year 2017/2018

Mr. Adams presented Resolution 2017-12. The schedule remained unchanged from Fiscal Year 2017.

On MOTION by Mr. Smith and seconded by Ms. Brewer, with all in favor, Resolution 2017-12, Adopting the Annual Meeting Schedule for Fiscal Year 2017/2018, as presented, was adopted.

SEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of June 30, 2017

Mr. Adams presented the Unaudited Financial Statements as of June 30, 2017.

EIGHTH ORDER OF BUSINESS

Approval of July 18, 2017 Regular Meeting Minutes

Mr. Adams presented the July 18, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, the July 18, 2017 Regular Meeting Minutes, as presented, were approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being no report, the next item followed.

B. District Engineer

There being no report, the next item followed.

C. District Manager

Mr. Adams stated that the next Regular Meeting will be on January 16, 2018 at 2:00 p.m., at this location.

TENTH ORDER OF BUSINESS

**Public Comments – Non-Agenda Items
[3-Minute Time Limit]**

In response to Mr. DiCapio's question regarding the link between the Board, the Developer and the lakes, Mr. Adams stated that the District continued to maintain assets that were conveyed by the Developer, such as the stormwater management system, and would continue to work with the Developer, as the community was developed further.

Ms. Renata DeAngelo, a resident, asked if the District was responsible for repairing cracked sidewalks. Mr. Adams stated that the HOA was responsible for sidewalk repairs; however, newer neighborhoods might not have been conveyed to the HOA yet.

Ms. Martha Open, a resident, asked if there was a maintenance schedule for the lakes and who was in charge, as the lake near her residence was shrinking due to plant growth and construction rubbish. Mr. Adams stated that lake maintenance was performed as the contractor treated the lakes; the contractor was on site every Friday depending on the weather. The maintenance program for lakes and water bodies, in general, was a target type of program where

algae etc., were treated with chemicals, as they emerged but not before. Certain plant species were required to improve water quality, as their root masses provided aid in safeguarding against erosion in the dry season and provided habitat for fish and birds. Mr. Adams would plan a site visit.

Mr. Duffy stated that the ponds were extremely unsightly around the edges in the dry season and asked if the District planned to establish vegetation with a better appearance than dirt and dead vegetation. Mr. Adams stated that, through the permitting process, there were certain requirements in terms of planting littorals, etc., to meet the permit requirements of the regulatory agencies. Over time, the plants would seed and naturally vegetate around the entire perimeter of the lake and, ultimately, if properly maintained by the contractor, the population would grow, which was the desired result.

In response to Mr. Duffy's question regarding the Bond Amortization Schedule, Mr. Adams clarified that the original bond was approximately \$61 million; the recession prompted many Developers to abandon projects and the District was one of them. Ultimately, investment groups bought the bonds for a fraction of the price and resold them to other entities. In this case, an investment group bought the original failing bonds and sold them to WCI, which subsequently sold them back into the market. Mr. Duffy understood that the District currently owed approximately \$22 million and had no borrowing capacity left under the initial bond. Mr. Adams stated that there was still borrowing capacity but not very much and, in the event of an emergency or natural catastrophe, the District could apply for a private placement loan with a lender.

Mr. Wayne Larson, a resident, asked for the current interest rate on the bonds and whether he could pay off his portion. Mr. Adams stated that the current interest rate was at 5.3% and homeowners could pay off the Debt Service assessment at any time, by calling Management's office and requesting their payoff amounts.

Mr. Armstrong asked whether there was a discount for paying off the bond debt early and if the number of people residing in the community affected the interest rate. Mr. Adams stated that, by paying off their bond early, homeowners would avoid paying future interest and, generally, there was a concentration of risk that bondholders would look at and, typically, the interest rate was higher, as a result. In this case, the original bonds were issued in 2007, refinanced in 2012 or 2013 and, since there was usually a ten-year no-call provision, the District could not seek a reduction on the bonds for at least ten years; therefore, the next opportunity to

refinance would be in 2022 or 2023.

Mr. Duffy referred to the Amortization Schedule and pointed out that the Series 2007 bonds were refinanced in 2012. Mr. Adams would have the title of the Debt Service Schedule amended from Series 2007 to Series 2012.

Mr. Ted Jansen, a resident, asked for a description of the relationship, if any, between the District's function and the Audubon designation. Mr. Adams stated that the District was not directly involved but its operations with regard to maintaining the ponds and Preserves were part of the consideration for Audubon certification. Generally, golf course superintendents spearhead those efforts in golf communities and the District periodically provided updates of its functions and responsibilities for Audubon certification. The District currently employed an effective lake maintenance company that works throughout Florida and on these kinds of projects; therefore, issues with the CDD's participation were not anticipated.

Ms. Pat Shubert, a resident, asked if the ponds and lakes were interconnected. Mr. Adams replied affirmatively. Generally, it was a basin with a direct interconnect of several ponds and a control structure that held water in the basin and ponds to a certain elevation and, when the ponds rose above that elevation, they spilled over the catch basin and moved downstream into the next drainage basin, which could be another series of lakes. As to whether water bodies flowed naturally or were controlled, Mr. Adams stated that the locations were fixed and the water management districts typically rejected man getting involved with operating weirs and making judgment calls. Using hydrology reviews and modeling, Engineers were required to determine what the elevation should be and when lakes should release water. In response to Ms. Shubert's question regarding water testing, Mr. Adams stated that there was no water quality testing conducted and, generally, nothing was done in terms of chemistry, unless there was a fish kill event.

A resident asked if any of the overflow culverts discharged into the Conservation Area. Mr. Adams replied affirmatively. Since some Preserves were adjacent to ponds, the ponds would rise and flow into them; the elevations were designed to have water over the plants for a period of time and then eventually deplete. In response to Mr. Armstrong's question regarding whether water could be drawn from any of the lakes, Mr. Adams stated there were a couple of irrigation holding ponds, particularly the reclaimed water holding pond. There were two pump stations, one for the residential and the other for the golf course, since they operated on different pressure levels. Mr. Adams stated that there was an Agreement to bring reclaimed water in from Sarasota

County and believed that partially reclaimed water was augmented into on-site wells.

ELEVENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors'

There being no audience comments or Supervisors' requests, the next item followed.

TWELFTH ORDER OF BUSINESS

Adjournment

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

**On MOTION by Mr. Smith and seconded by Mr. Ernst, with
all in favor, the meeting adjourned at 2:40 p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/~~Assistant Secretary~~


Chair/Vice Chair