

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

The Board of Supervisors of the Sarasota National Community Development District held a Regular Meeting on Tuesday, January 15, 2019, 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
Terry Kirschner	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Michael Eckert	District Counsel
Patrick Healy	District Engineer
Dave Caldwell	Lennar/WCI Communities, LLC
Michael Brown	Resident
Nestor Holdersnick	Resident
Mike Schlosko	Resident
Cynthia Moustaka	Resident
James O'Connor	Resident
Jim Hammond	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 2:06 p.m. Supervisors Smith, Ernst and Kirschner were present, in person. Supervisor Koratich was not present. One seat was vacant.

SECOND ORDER OF BUSINESS

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

Mr. Michael Brown, a resident, was concerned about the notice stating that the CDD intends to turn over some lakes. Approximately 13 properties are being built and several of

them have swimming pools, which affects the lake bank on the south side because there is very little space between the houses and the lake. Mr. Adams stated that it is not uncommon for the stormwater facilities to be turned over to the District prior to an adjacent development being completely completed. In the case referenced, there is a partial completion with approximately 13 homes yet to be developed. During the course of development, there is a requirement for the builder to restore the lake bank to its original condition; Management is comfortable that will occur and the Building Department will also ensure that that occurs, as part of the sign off and completion process.

Mr. Nestor Holdersnicky, a resident, asked about the forms which will be provided in a separate package, as part of the Third Order of Business. Mr. Adams stated those items are strictly for the new Supervisor but, since he is an incumbent, he does not need to receive all the forms.

Mr. Michael Schlosko, a resident, asked who currently maintains the lakes and surrounding properties that will be turned over. Mr. Adams stated that the CDD maintains a portion, Lennar maintains another portion and the Association maintains a few lakes that were dedicated to the Association earlier in the development process. As to whether there is a financial impact on the CDD, Mr. Adams stated this was covered in his presentation of the Fiscal Year 2019 budget last Spring; assessment levels would increase in anticipation of another phase of lakes being added.

THIRD ORDER OF BUSINESS

Administration of Oath of Office to Newly Elected Supervisor Russell Smith [SEAT 4]
(the following to be provided in separate package)

Mr. Adams, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Smith. Mr. Smith is an incumbent and was reminded that he is still subject to the provisions of the Sunshine Law.

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. 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
- D. Form 8B – Memorandum of Voting Conflict

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2019-01, Canvassing and Certifying the Results of the Landowners’ Election of Supervisors Held Pursuant to Section 190.006(2), Florida Statutes

Mr. Adams presented Resolution 2019-01 and read the title. The results of the Landowners’ Election were:

Seat 4	Russell Smith	947 votes	Two-year Term
--------	---------------	-----------	---------------

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, Resolution 2019-01, Canvassing and Certifying the Results of the Landowners’ Election of Supervisors Held Pursuant to Section 190.006(2), Florida Statutes, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2019-02, Declaring Vacancies in Seats 1 and 5 of the Board of Supervisors Pursuant to Section 190.006(3)(b), *Florida Statutes*; and Providing an Effective Date (*Seat 1, currently held by Supervisor Matthew Koratich and Seat 5, currently Vacant*)

Mr. Adams presented Resolution 2019-02 and read the title. Seats 1 and 5 were to have been elected in the November General Election; however, no one qualified to run for the seats during the June candidate qualifying period; those seats can now be declared vacant. Statutorily, the Board has 90 days from November 20th to appoint qualified replacements to fill the vacancies. The qualifications are that interested parties must be registered voters residing within the boundaries of the CDD.

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, Resolution 2019-02, Declaring Vacancies in Seats 1 and 5 of the Board of Supervisors Pursuant to Section 190.006(3)(b), *Florida Statutes*; and Providing an Effective Date, was adopted.

• **Discussion/Consideration of Qualified Elector Candidates for Vacancies**

Mr. Smith urged attendees with an interest in joining the Board to forward their resumes to Mr. Adams. An additional meeting will be scheduled in February to assemble and review all nominations and resumes and nominate two individuals for appointment to the Board. The special meeting will be scheduled prior to February 20.

○ **Administration of Oath of Office to Newly Appointed Supervisors**

This item was deferred.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2019-03, Electing the Officers of the District, and Providing for an Effective Date

Mr. Adams presented Resolution 2019-03. He suggested keeping same slate of officers as prior to the General Election and reflecting one vacant seat. Mr. Smith nominated the existing slate of officers as follows:

Chair	Russell Smith
Vice Chair	Barry Ernst
Secretary	Chuck Adams
Treasurer	Craig Wrathell
Assistant Secretary	Terry Kirschner
Assistant Secretary	Matthew Koratich
Assistant Secretary	Craig Wrathell
Assistant Secretary	Vacant
Assistant Treasurer	Jeff Pinder

No other nominations were made.

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, Resolution 2019-03, Electing the Officers of the District, and Providing for an Effective Date, as nominated, was adopted.

SEVENTH ORDER OF BUSINESS

Consideration of WCI's Request for Conveyance of 37 Platted Lake Tracts to the CDD

Mr. David Caldwell, of Lennar, stated that Lennar/WCI Communities requested consideration of acceptance of various lake tracts throughout the CDD. Referencing a map, he highlighted the 37 lakes that were part of the deeding of the properties. The lakes were completed and some homes around them were still being constructed but the lakes were built in accordance with approved plans and inspected by the District Engineer. Whether by County Code or by the bonds, when the homes around the lakes are fully constructed, the Builder will go back and reshape the lake bank, install sod, etc., so the District is protected in the cases where the lakes are yet to be built. Several homes at the north end of the community and in Phases 2A, 2B and 3 were already constructed and the lakes were completed. Staff recommended acceptance of the conveyance and the deed. There are two platted tracts with dedications shown on the plats that were done from Plats 2a through Phase 8; eight different plats. In a couple of instances, the plat dedication was contrary to the intention of the Developer and it was not caught until Lennar realized that the dedication was to a different party and not to the District; in the Phase 2a and 2b areas, the lakes were originally dedicated on the plat to the Master Association and not to the District, so Lennar is facilitating a quit-claim deed from the Association to the District to resolve the discrepancy. In another instance in the Phase 3 Plat, there are two tracts of land, where the intention was to give the dedication to the District; however, it was more appropriate to dedicate those tracts to the Master Association. There are grass strips between homes that go between the street and areas back to the lakes that are maintained by the Master Association. In this case, the Board should consider a quit-claim deed from the District back to the Master Association to release the interest that the District had, under the plat dedication. A lake in the golf course area has an imperfect plat line, versus what was built, and there is a 100' square area of lake that is actually

outside of the plat area, which must be addressed. In the future, the District will probably request a quit-claim deed or granted easement from Lennar to deal with the conveyance of the lake that falls outside the platted tract of Lake #436.

Mr. Eckert stated that the Board should be aware that he confirmed that the District has access to all ponds to perform lake maintenance; the Developer made sure that there is access to all tracts. Additionally, since this is a conveyance from Lennar to the District, even though Chapter 190 has a conflict exclusion allowing individuals affiliated with the Developer to serve on CDD Boards, in an abundance of caution, he recommended that all Board Members who fall into that category declare a conflict and fill out a Form 8B conflict of interest form.

Mr. Eckert recommended approval the Quit Claim Deed from the CDD to the HOA for the tracts in the agenda package, acceptance of the 37 platted lake tracts and the other two issues presented, along with approval of the conveyance, subject to final review by District Counsel, the District Engineer and the Chair. He contacted the Developer's attorney to discuss a few items that were in the Title Report that call for further clarification. In response to Mr. Adams' question regarding declarations of conflict, Mr. Smith, Mr. Ernst and Mr. Kirschner stated that they each serve on the CDD Board and are employees of Lennar.

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, the Board 1) authorized acceptance of the Special Warranty Deed from the developer for 37 identified platted lake tracts; 2) authorized acceptance of a Quit Claim Deed from the HOA to the CDD for Tracts 428 and 429 in Phase 2A and Tracts 423, 424 and 425 in Phase 2B; and, 3) authorized the execution and delivery of a quit claim deed from the CDD to the HOA for Tracts 433 and 434 in Phase 3; all subject to final review by District Counsel, the District Engineer and the Chair.

EIGHTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of November 30, 2018

Mr. Adams presented the Unaudited Financial Statements as of November 30, 2018. Assessment revenue collections were at 14% and expenditures were at 7%.

NINTH ORDER OF BUSINESS

**Approval of November 20, 2018
Landowners' Meeting Minutes**

Mr. Adams presented the November 20, 2018 Landowners' 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 November 20, 2018 Landowners' Meeting Minutes, as presented, were approved.

TENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Hopping Green & Sams, P.A.*

There being no report, the next item followed.

B. District Engineer: *Kimley Horn and Associates, Inc.*

Mr. Healy stated the CDD recently received a notice from the South Florida Water Management District (SFWMD) to recertify its stormwater management system associated with the Phase 1B permit and he is working on satisfying the request and submitting the required reports within the next few weeks.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

Mr. Adams stated that the Board will be polled regarding scheduling a special meeting, prior to the February 20 deadline, to consider any resumes or letters of interest received from candidates to fill the two open seats.

- **NEXT MEETING DATE: April 16, 2019 at 2:00 P.M.**

The next scheduled meeting was April 16, 2019, at 2:00 p.m.

ELEVENTH ORDER OF BUSINESS

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

Ms. Cynthia Moustaka, a resident, stated that she closed on her home on July 31, 2018 and, when she received her tax bill, it was almost \$1,200 for the five remaining five months of 2018, which seemed incorrect. She asked if the CDD charges \$1,500 for the year. Mr. Adams

stated it depends on the product type; the CDD assessment amount consists of the operation and maintenance (O&M) assessment and the Debt Service assessment, which differs depending on the product type. He offered to review the budget with her.

Mr. James O'Connor, a resident, stated that he was completely unfamiliar with CDDs when he purchased his property in 2007. He asked for a brief synopsis of the history and the formation of the CDD, including what happened when the first Developer did not pay interest, got foreclosed on and the property was purchased by Lennar. Mr. Adams recalled that, originally, the bond sizing on the project was for \$16 million and the builder was Toscana LLC. The timing of the project was unfortunately as the recession hit and Toscana defaulted and the CDD took over the assets and established a Special Purpose Entity (SPE) to keep the golf course playable, cleaned up the right-of-ways (ROWs), maintained the lakes and, eventually, WCI bought down some of the debt and eventually sold their interest, which is where things stand today. Those who originally bought have the debt as it was originally. The goal was to absorb the debt, remarket the community and lower the assessment levels. The CDD has always managed as it was anticipated, which was to own the stormwater system and to finance water and sewer and utility lines and convey them to Sarasota County Utilities. Those were the primary parts of the financing but to own and retain the stormwater system, which it continues to do. Mr. Smith stated that, unlike Developers who may come and go, CDDs are perpetual entities that are permanent. The initial Developer had issues and went away and the CDD then negotiated the project through the downturn, found purchasers for the property and was involved in bringing the community back.

Mr. Jim Hammond, a resident, asked if all the lakes were excavated. Mr. Caldwell stated that at least 90% have been excavated. As to whether the Fiscal Year 2019 budget takes into account the O&M of what is currently being conveyed, Mr. Adams replied affirmatively and reiterated that, when he presented the draft budget, he acknowledged that there would be one more phase to the project, which would result in a slight increase in assessments.

TWELFTH ORDER OF BUSINESS**Supervisors' Requests**

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

THIRTEENTH ORDER OF BUSINESS

Adjournment

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

On MOTION by Mr. Ernst and seconded by Mr. Kirschner, with all in favor, the meeting adjourned at 2:34 p.m.

Secretary/Assistant Secretary

Chair/Vice Chair