

**MINUTES OF MEETING
VERANDAH EAST
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Verandah East Community Development District’s Board of Supervisors was held on **Wednesday, May 13, 2015** at **1:00 p.m.**, at the **Verandah Sales Office, 11571 Verandah Blvd., Ft. Myers, Florida 33905.**

Present and constituting a quorum were:

Paul Martin	Chair
Steve Benson	Assistant Secretary
Harvey Congdon, II	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Alyssa Cameron (<i>via telephone</i>)	Hopping Green & Sams
Andrew Tilton	District Engineer
Tony Grau (<i>via telephone</i>)	Grau & Associates

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 1:27 p.m., and noted, for the record, that Supervisors Martin, Congdon and Benson were present, in person. Supervisors Langhout and Harvey were not present.

SECOND ORDER OF BUSINESS

Public Comments [3 minutes per person]

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

**Presentation of Audited Financial Report
for Fiscal Year Ended September 30,
2014, Prepared by Grau & Associates**

Mr. Tony Grau, of Grau & Associates, presented the “Independent Auditor’s Report” and reported a clean opinion with respect to the financial statements of the District. Mr. Grau referred to the “Management’s Discussion and Analysis”, on Pages 3 through 6, which recapped

the financial activities for the District, including the “Net Position” table, on Page 4, comparing the “Total net position” for Fiscal Years 2013 and 2014 and the “Changes in Net Position” table, on Page 5, showed a “Change in Net Position” of \$177,731, for Fiscal Year 2014, and \$167,714 for Fiscal Year 2013; depreciation was not included.

Mr. Grau explained that the “Balance Sheet” for the “Governmental Funds”, on Page 9, reflected the activity for the “General”, “Debt Service” and “Capital Projects” funds, with “Total fund balances of \$18,007, \$1,955,615 and \$136,450, respectively.

Mr. Grau referred to the “Statement of Revenues, Expenditures, and Changes in Fund Balances” for the “Governmental Funds”, on Page 11, which reflected “Total fund balances” of (\$50,000), \$339 and \$14,740 in the “General”, “Debt Service” and “Capital Projects” funds, respectively.

With regard to “Note 5 – Capital Assets”, on Page 18, Mr. Grau noted approximately \$55,000 in capital outlay, that was not capitalized and called attention to a comment about whether a liability existed in the “deferred cost account”, which was money set aside for the “Capital Projects” fund. A transfer of \$27,348 was made from the “Debt Service” fund.

Mr. Grau explained the purpose of “Note 7 – Long Term Liabilities”, on Page 19, and noted that \$420,000 was paid during Fiscal Year 2014; in Fiscal Year 2015, the principal portion would be \$445,000. He indicated that all footnotes were consistent with the Fiscal Year 2013 footnotes.

Mr. Grau advised that the “Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance”, on Pages 23 and 24, was required by government auditing standards; no instances of noncompliance or other matters were identified. He noted that the “Independent Auditor’s Report on Compliance with the Requirements of Section 218.415, Florida Statutes, Required by Rule 10.556(10) of the Auditor General of the State of Florida”, on Page 25, reflected that the District was in compliance with investment requirements.

Mr. Grau indicated that the “Management Letter” and “Report to Management”, on Pages 26 and 27, were required by the Auditor General and reflected no current or prior year findings or recommendations.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2015-4
Accepting the Audited Financial Report
for the Fiscal Year Ended September 30,
2014**

Mr. Adams presented Resolution 2015-4 for the Board's consideration.

**On MOTION by Mr. Martin and seconded by Mr. Benson,
with all in favor, Resolution 2015-4 Accepting the Audited
Financial Report for the Fiscal Year Ended September 30,
2014, was adopted.**

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2015-5,
Approving the District's Proposed
Budgets for Fiscal Year 2015/2016 and
Setting a Public Hearing Thereon
Pursuant to Florida Law; Addressing
Transmittal, Posting and Publication
Requirements; and Providing An
Effective Date**

Mr. Adams presented Resolution 2015-5 for the Board's consideration. He explained that, each year, the District is required to approve a draft budget prior to June 15, for the purpose of transmittal to the local municipality and setting a public hearing. The Public Hearing was scheduled for August 12, 2015 at 1:00 p.m., at this location.

Mr. Congdon reported that he would not be present for the public hearing. Mr. Martin and Benson confirmed that they would attend. Mr. Adams will confirm Mr. Langhout and Mr. Harvey's availability.

Mr. Adams pointed out that the proposed budget contained no significant changes, other than that the assessment amount was slightly lower than Fiscal Year 2015, due to an adjustment in the number of units.

Mr. Adams reported that the "Debt Service Fund" budget was a product of the amortization schedule, outlining the repayment obligations for the annual principal and interest payments. He noted that assessments were the same amount each year.

Mr. Adams stated that the Board had the opportunity to modify the proposed budget prior to the public hearing; however, increasing assessments necessitated a letter to the property owners 30 days prior to the public hearing.

On MOTION by Mr. Martin and seconded by Mr. Congdon, with all in favor, Resolution 2015-5, Approving the District's Proposed Budgets for Fiscal Year 2015/2016 and Setting a Public Hearing Thereon Pursuant to Florida Law for August 12, 2015 at 1:00 p.m., at this location, was adopted.

Mr. Martin questioned if the top box, on Page 14, reflected the operation and maintenance (O&M) assessment from Fiscal Year 2015. Mr. Adams explained that the top box was the proposed assessment amount for Fiscal Year 2016 and the lower box was the comparison to Fiscal Year 2015. Mr. Adams pointed out an adjustment to the O&M assessment, only, as the debt service assessment amount does not change.

SIXTH ORDER OF BUSINESS

Approval of January 14, 2015 Regular Meeting Minutes

Mr. Adams presented the January 14, 2015 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Martin and seconded by Mr. Benson, with all in favor, the January 14, 2015 Regular Meeting Minutes, as presented, were approved.

SEVENTH ORDER OF BUSINESS

Other Business

Mr. Adams reported that Ms. Crismond provided the LakeMasters Aquatic Weed Control, Inc., (LakeMasters), lake and wetland maintenance contract. He recalled that, last year, the Board approved a one-year renewal, versus exercising the second year option, based upon LakeMasters holding the same price and performing adequately.

Ms. Crismond recommended approval of the contract, as LakeMasters was performing adequately and agreed to renew at the same contract amount, which was \$111,535.

On MOTION by Mr. Martin and seconded by Mr. Benson, with all in favor, authorization for Staff to enter into the optional second year LakeMasters Lake and Wetland Maintenance contract, in an amount not-to-exceed \$111,535, was approved.

In response to Mr. Martin’s question, Mr. Adams indicated that LakeMasters performed lake maintenance services for the majority of the Districts under his management. Mr. Martin asked if LakeMasters provided discounts for multiple contracts. Mr. Adams indicated that contracts were individually tailored to the needs of each District, based on chemical costs and the amount of labor.

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

i. Approval of Unaudited Financial Statements as of March 31, 2015

Mr. Adams presented the Unaudited Financial Statements as of March 31, 2015.

ii. 295 Registered Voters in District as of April 15, 2015

Mr. Adams indicated that there were 295 registered voters residing within the boundaries of the District as of April 15, 2015, which triggered the requirements to transition into the General Election process. He advised that two general election seats and one landowner elected seat will be elected to the Board in November, 2016.

iii. NEXT MEETING DATE: August 12, 2015 at 1:00 P.M.

Mr. Adams stated that the next meeting will be held on August 12, 2015 at 1:00 p.m.

NINTH ORDER OF BUSINESS

Supervisors’ Requests

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

TENTH ORDER OF BUSINESS

Adjournment

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


Secretary/Assistant Secretary


Chair/Vice Chair