

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

A Regular Meeting of the Verandah West Community Development District's Board of Supervisors was held on **Wednesday, May 13, 2015 at 1:30 p.m.**, at the **Verandah Sales Office, 11571 Verandah Blvd., Ft. Myers, Florida 33905.**

Present and constituting a quorum were:

Jeffrey Jordan	Chair
Donald Newman	Assistant Secretary
Douglas Sinnard	Assistant Secretary
Paul Zampiceni	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 1:45 p.m., and noted, for the record, that Supervisors Jordan, Newman, Sinnard, and Zampiceni were present, in person. Supervisor McIntyre was 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; there was no significant change. He noted that the “Changes in Net Position” table, on Page 5, reflected a “Change in Net Position” of (\$25,577), for Fiscal Year 2014.

Mr. Grau explained that the “Balance Sheet” for the “Governmental Funds”, on Page 9, reflected the activity for the “General” and “Debt Service” funds. The “General” fund had an “Unassigned” fund balance of \$79,554, which could be utilized for any purpose deemed necessary by the District. The “Debt Service Fund” had a “Restricted” fund balance of \$749,628, which could be used to pay down bond debt.

Mr. Grau referred to the “Statement of Revenues, Expenditures, and Changes in Fund Balances” for the “Governmental Funds”, on Page 11, which reflected the “Revenues”, including “Assessments”, “Developer assessments” and “Interest”, as well as “Expenditures”, including “Maintenance and operations”, “Principal” and “Interest”. There was a loss of \$154,930 in the “General” fund, which reduced the “Fund balance - ending” to \$87,019”.

On Page 18, “Note 5 – Capital Assets”, Mr. Grau noted a reduction in capital assets, due to depreciation of the maintenance and operations. “Note 6 – Long Term Liabilities”, on Pages 18 and 19, addressed the Series 2013 bonds. The bonds were reduced by \$445,000 and the total outstanding debt was \$15,475,000; the Fiscal Year 2016 payment would be \$530,000 towards the principal.

Mr. Grau advised that the “Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance”, on Pages 23 and 24, is 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 year findings or recommendations.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2015-3
Accepting the Audited Financial Report
for the Fiscal Year Ended September 30,
2014**

Mr. Adams presented Resolution 2015-3 for the Board's consideration.

On MOTION by Mr. Newman and seconded by Mr. Zampiceni, with all in favor, Resolution 2015-3 Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2014, was adopted.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2015-4,
Approving the District's Proposed
Budgets for Fiscal Year 2015/2016 and
Setting a Public Hearing Thereon
Pursuant to Florida Law**

Mr. Adams presented Resolution 2015-4 for the Board's consideration. He explained that, each year, the Board is required to approve a draft budget, prior to June 15. The Board had the opportunity to modify the proposed budget prior to the public hearing scheduled for August 12, 2015 at 1:30 p.m., at this location.

Mr. Adams noted no significant changes to the proposed budget but the on-roll and off-roll assessments were slightly lower than Fiscal Year 2015, as noted in the "Combined Assessment Summary" on Page 2.

Mr. Adams referred to the "Debt Service Fund" budget, on Pages 12 and 13, which 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, with slight fluctuations in principal and interest.

On MOTION by Mr. Jordan and seconded by Mr. Sinnard, with all in favor, Resolution 2015-4, 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 1:30 p.m., at this location, was adopted.

SIXTH ORDER OF BUSINESS

**Update/Discussion: Conservation
Easement Impacts Adjacent to 3371
Cypress Marsh Drive**

Mr. Adams reported that the District Engineer's on-staff Ecologist, examined the impact area and prepared a Habitat Restoration Plan (HRP), as an impact of this size required self-reporting to the Southwest Florida Water Management District (SWFWMD). The HRP was provided, along with the cost to implement the plan. He pointed out that the initial evaluation and preparation of the plan was \$3,000, plus the re-vegetation proposal from Woods and Wetlands, Inc., for \$6,027.50.

Since this is a restoration project and the monitoring period for this wetland closed out several years ago, Mr. Adams indicated that the District is required to re-monitor each year, for the next five years. This involves photographing from set locations and submitting a report to the SWFWMD, which, hopefully, would show that the District had a high success rate of establishing plants. He noted that, at the end of five years, the final report will be submitted to SWFWMD to determine whether the monitoring was satisfactorily completed and, if so, SWFWMD will sign the report and close the case. Mr. Adams pointed out that, the SWFWMD will issue a Notice of Violation to the District but believed that they would be receptive to the fact that the District self-reported and prepared a HRP, which would be the only means for SWFWMD to track restoration, over the next five years and would be part of the official record.

Mr. Adams reported that the owner of 3371 Cypress Marsh Drive was an offending party. He pointed out that a 'For Sale' sign was in the front yard, which he and Ms. Crismond noticed, upon receiving the violation notice from SWFWMD. Mr. Adams indicated that the owners admitted to entering property and clear cut it, to create a view of the golf course. He stated that the property owners never had a golf course view before, although they claimed that they did. He indicated that District Counsel prepared a letter, which was sent to the owners on March 11, 2015, providing formal notice that the District was holding them accountable for all damages associated with the conservation area.

Mr. Adams pointed out that, at the time, the anticipated expense was \$18,000; a formal estimate could not be provided because the property was for sale and the notice to the owner was expedited to put them on notice for the record, and in the position to disclose this matter to potential buyers, which they did. He noted that a potential buyer showed interest in the property,

towards the end of April and contacted him; they understood that there was an issue with the conservation area, with a financial impact and wanted to ensure that, if they purchased the property, they would not be held responsible. Mr. Adams reported that District Counsel prepared a Settlement Agreement between the District and the seller, which, if executed, would not hold the buyers responsible to reimburse the District. As of earlier this week, Mr. Adams had not heard from the sellers.

Ms. Cameron contacted the seller's attorney and provided a copy of the Settlement Agreement but did not hear from either the seller or the attorney.

Mr. Adams reported that a member of the Verandah East Board, who sells homes in the community, indicated that the property closed several weeks ago. Mr. Adams recommended contacting either the seller's attorney or the buyer and for the Board to authorize the District Manager and Chair to work with District Counsel to take the appropriate steps to pursue recovery of the funds, to offset the restoration cost. Ms. Cameron agreed.

Mr. Jordan pointed out that the Settlement Agreement was not executed. Mr. Adams explained that the agreement was sent via FedEx to the sellers 20 days ago; he had a return receipt confirming that they received and signed for it. Mr. Adams believed that the closing was held after receipt of the agreement. Mr. Jordan asked if any notice was provided to the new owners of record. Mr. Adams replied no but noted that the buyers were aware of the situation and this matter may have been settled at the closing.

Mr. Zampiceni noted that no lien was imposed because this issue happened very quickly. Mr. Adams concurred and pointed out that District Counsel ensured, early in the process, that any steps taken by the District did not become something seen as legally adverse to the owner's ability to sell the property.

In response to Mr. Zampiceni's question, Mr. Adams indicated that the owner was only responsible for the restoration cost, as the SWFWMD was not interested in levying a fine; Staff was working diligently with the offending party to restore the conservation area. Mr. Adams pointed out that Staff will continue pursuing the offending party for recovery costs, as the District has an obligation to restore the conservation area. Mr. Sinnard questioned whether there would be ongoing expenses. Mr. Adams did not anticipate any unless there was litigation but, for such a small amount, it did not make sense to litigate.

Mr. Zampiceni expressed concern about other residents clearing conservation areas. Mr. Adams advised that a Verandah East Board Member reported that residents noticed what occurred and expressed the same concern. Mr. Adams referred them to the documentation in the Verandah East CDD agenda package. Ms. Crismond confirmed that information was provided to the Association to post on their website but two residents were caught illegally spraying portions of wetlands abutting their homes. Letters were sent, placing the residents on notice that they will be assessed for damages if this occurs again.

On MOTION by Mr. Sinnard seconded by Mr. Zampiceni, with all in favor, authorization for the District Manager and Chair to work with District Counsel to pursue recovery of funds from the former owner of 3371 Cypress Marsh Drive, to offset the restoration cost of the conservation area behind the property, was approved.

SEVENTH 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. Jordan seconded by Mr. Newman, with all in favor, the January 14, 2015 Regular Meeting Minutes, as presented, were approved.

EIGHTH ORDER OF BUSINESS

Other Business

Ms. Crismond provided the LakeMasters Aquatic Weed Control, Inc., (LakeMasters) lake and wetland maintenance contract. She recalled that, last year, the Board approved a one-year contract renewal. The second year option was being considered this year, based upon LakeMasters holding the same price of \$111,535, which was agreed to.

In response to Mr. Zampiceni’s question, Ms. Crismond indicated that there were no changes to the contract.

Mr. Sinnard asked how much of the lake was maintained. Ms. Crismond indicated that LakeMasters maintains from the top of the high water mark and the District maintains where the

St. Augustine stops. Mr. Adams explained that there is an easement on the property for access purposes and a lake tract extending 10’ or 15’ beyond the edge of the lake; adjacent property owners, through the covenants and deed restrictions, must maintain to the water’s edge.

On MOTION by Mr. Sinnard and seconded by Mr. Zampiceni, 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.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being no report, the next item followed.

B. Engineer

With regard to fines levied by the SWFWMD, Mr. Tilton reported that the only fine he ever received was from the Florida Department of Environmental Protection (FDEP), when a resident cut vegetation to gain access to a waterway.

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. He reported that assessments were at 87%. Some property owners wait until the last week in March to pay their assessments, which would be reflected on future financial statements.

Mr. Adams explained that the overage of appropriations and reduction in the unassigned fund balance for operations was due to the use of fund balance to complete the lake bank erosion restoration project, which was fully completed.

Mr. Newman inquired about the newer lakes in the newer developments. Mr. Adams indicated that those lakes were slowly being restored. The SWFWMD has been lenient, as long as the District continued making positive strides. Mr. Adams pointed out that the District benefitted by proceeding slowly because, as development occurred along the edge of the lake, the builders were restoring the lake banks. Overall, SWFWMD was satisfied with the pace of the entire Verandah community.

ii. **722 Registered Voters in District as of April 15, 2015**

Mr. Adams reported that there were 722 registered voters residing within the boundaries of the District as of April 15, 2015.

iii. **NEXT MEETING DATE: August 12, 2015 at 1:30 P.M.**

Mr. Adams stated that the next meeting will be held on August 12, 2015 at 1:30 p.m., which will be the budget Public Hearing.

TENTH ORDER OF BUSINESS

Supervisors' Requests

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

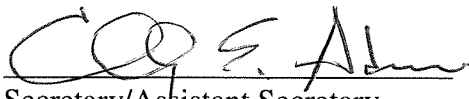
ELEVENTH ORDER OF BUSINESS

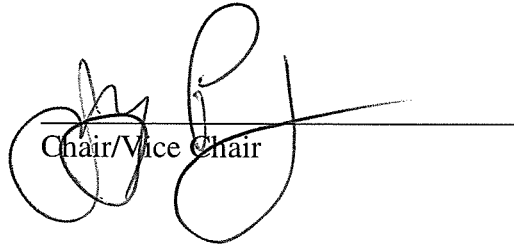
Adjournment

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

**On MOTION by Mr. Jordan and seconded by Mr. Newman,
with all in favor, the meeting adjourned at 2:15 p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair