

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

A Public Hearing and Regular Meeting of the Verandah West Community Development District's Board of Supervisors was held on **Wednesday, August 10, 2016 at 1:30 p.m.**, at the **Verandah Sales Office, 11571 Verandah Blvd., Ft. Myers, Florida 33905.**

Present and constituting a quorum were:

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| Jeffrey Jordan | Chair |
| Susie McIntyre | Vice Chair |
| Donald Newman | Assistant Secretary |
| Paul Zampiceni | Assistant Secretary |
| Gerald Baldwin | Assistant Secretary |

Also present were:

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|---------------------------------------|----------------------------|
| Chuck Adams | District Manager |
| Cleo Crismond | Assistant Regional Manager |
| Dave Robson | District Engineer |
| Alyssa Cameron <i>(via telephone)</i> | District Counsel |
| 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 1:30 p.m., and noted, for the record, that all Supervisors were present, in person.

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,
2015, Prepared by Grau & Associates**

Mr. Tony Grau, of Grau & Associates, presented the Audited Financial Report for Fiscal Year 2015. The "Independent Auditor's Report", on Pages 1 and 2, reflected a clean or unmodified opinion. The Report was the same as Fiscal Year 2014; there was nothing in addition that required explanation. "Management's Discussion Analysis", on Page 3, recapped

the activity during Fiscal Year 2015. The “Net Position” table, on Page 4, compared Fiscal Years 2015 and 2014. The “Changes in Net Position” table, on Page 5, showed that “Total revenues” were about the same and “Total expenses” were about \$39,000 lower in Fiscal Year 2015 than in Fiscal Year 2014, which increased the “Change in Net Position” by about the same \$39,000. Pages 7 and 8 contained the detailed “Statement of Net Position” and “Statement of Activities”. Page 9 contained the “Balance Sheet” of the “General” and “Debt Service” funds, with a “Total fund balances” of \$67,821 in the “General” fund and \$769,159 in the “Debt Service” fund. Page 11 contained the “Statement of Revenues, Expenditures, and Changes in Fund Balances” for the “General” and “Debt Service” funds. The “Notes 5 - to Financial Statements”, on Pages 13 through 20 were, essentially, the same for Fiscal Year 2015 as in Fiscal Year 2014. “Note 5 - Capital Assets”, on Page 18 showed a “Governmental activities capital assets net” of approximately \$10.6 million. “Note 6 - Long Term Liabilities (Continued)”, on Page 19, showed activities related to the Series 2013 bonds; \$530,000 was paid in Fiscal Year 2015 and \$14,945,000 was still owed on the bond. The “Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters”, on Pages 23 and 24, “Independent Auditor’s Report on Compliance with the Requirements of Section 218.415, Florida Statutes”, on Page 25 and the “Management Letter” on Page 26, reflected no findings.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2016-4,
Accepting the Audited Financial Report
for the Fiscal Year Ended September 30,
2015**

Mr. Adams presented Resolution 2016-4 for the Board’s consideration.

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| <p>On MOTION by Mr. Jordan and seconded by Mr. Newman, with all in favor, Resolution 2016-4, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2015, was adopted.</p> |
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FIFTH ORDER OF BUSINESS

**Public Hearing to Hear Comments and
Objections on Adoption of Fiscal Year
2016/2017 Budget**

A. Proof of Publication

Mr. Adams presented the proof of publication for today’s Public Hearing and Regular Meeting.

B. Consideration of Resolution 2016-5, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2016, and Ending September 30, 2017

Mr. Adams presented Resolution 2016-5 for the Board’s consideration. There were no changes to the proposed Fiscal Year 2017 budget, since the last iteration, at the May meeting. The “Combined Assessment Summary”, on Page 2, reflected the proposed assessments for Fiscal Year 2017, with slight reductions from Fiscal Year 2016.

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

No members of the public spoke.

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

On MOTION by Mr. Jordan and seconded by Mr. Newman, with all in favor, Resolution 2016-5 Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2016, and Ending September 30, 2017, was adopted.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2016-6, 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 2016-6 for the Board’s consideration. The Resolution takes into consideration the budget, just adopted, the appropriation levels, approves the assessment levels, identifies that the benefit of the assessments being levied, per the budget, are appropriate. Assessments could be collected using the uniform method, which would be on-roll, on the property tax bills for units that have end-users living in them and for platted units. Unplatted units are billed off-roll, directly to the developer.

Mr. Jordan pointed out reference to Exhibit “A” and Exhibit “B” and that they were not attached. Mr. Adams stated Exhibit “A” was the budget that was just adopted and Exhibit “B” was the lien roll, which would identify all of the units that would go on the property tax bills, those that would be directly billed and the property that the District owns, which would not be subject to an assessment; it identified all of the folios within the boundaries of the Districts.

On MOTION by Mr. Baldwin and seconded by Mr. Zampiceni, with all in favor, Resolution 2016-6, 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.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2016-7, Adopting the Annual Meeting Schedule for Fiscal Year 2016/2017

Mr. Adams presented Resolution 2016-7 for the Board’s consideration. Fiscal Year 2017 commences October 1, 2016 and runs through September 30, 2017. Meetings would be held on October 12, 2016 and the remainder of the meetings would be revised to January 11, May 10 and August 9, 2017.

On MOTION by Mr. Jordan and seconded by Mr. Jordan, with all in favor, Resolution 2016-7, Adopting the Annual Meeting Schedule for Fiscal Year 2016/2017, as amended, was adopted.

EIGHTH ORDER OF BUSINESS

Update: Qualified Candidates for November 8, 2016 General Election

- A. Seat 1: No Qualified Candidates**
- B. Seat 3: No Qualified Candidates**
- C. Seat 5: No Qualified Candidates**

Mr. Adams stated Seats 1, 3 and 5 would be up for election at the November 8, 2016 General Election. According to the Supervisor of Elections website, no one qualified for those seats; however, Mr. Baldwin, the incumbent, did qualify for Seat 5, unopposed, during the

prequalifying period. Mr. Adams stated that the current terms of Seats 1, 3 and 5 would expire on November 22, the second Tuesday, following the election. Since no one qualified for Seats 1 and 3, the current Board Members would remain in those seats. At the January meeting, the Board may appoint each Board Member, previously in the Seat, to the new term of those Seats. Ms. Cameron confirmed the process described by Mr. Adams. The first item in January would be for the Board to consider appointing the incumbents to the new terms for those Seats. The Board Members' terms would continue until elected out, resignation or appointment of a replacement. Although the terms of those Seats officially end the second Tuesday, following the election, because no one qualified to fill the Seats, the remaining Board Members would appoint Supervisors to those Seats, for the next term.

NINTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of June 30, 2016

Mr. Adams presented the Unaudited Financial Statements as of June 30, 2016. There were no red flags. Assessment revenue collections were at 101%, which was typical, as the CDD budgets a 4% discount for early payment, resulting in a little extra revenue. Off-roll assessments are billed on a quarterly schedule, which is why the collections were at 75%. Off-roll collections would be received during the final quarter of Fiscal Year 2016. Expenses were on-target. Regarding the "Debt Service" fund, the principal and interest payments were made by May 1, 2016. There was a prepayment, likely due to a prepayment during a closing, so the District had excess revenues.

TENTH ORDER OF BUSINESS

Approval of May 11, 2016 Regular Meeting Minutes

Mr. Adams presented the May 11, 2016 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

Line 14: Change "Douglas Sinnard" to "Gerry Baldwin"

Line 28: Delete "Sinnard"

On MOTION by Mr. Jordan and seconded by Mr. Newman, with all in favor, the May 11, 2016 Regular Meeting Minutes, as amended, were approved.

ELEVENTH ORDER OF BUSINESS

Other Business

A Board Member was contact by a homeowner, in Hammock Creek, and wanted to know what is proper or improper as far as carrying on conversations. Mr. Adams advised the Board to feel free to have conversations with constituents but to also feel free to state that this matter is probably best handled by the District Manager and Staff because it is of a technical nature. Mr. Rob Schneider, the resident, wanted more water in the pond. Ms. Crismond mentioned that there was a little money available, in that line item, and some littorals were planted but that was as good as it was going to get.

Mr. Adams stated that, two to three years ago, there was a very rainy late summer and water was starting to puddle up in the backyards in that location, to the point where it was threatening Mr. Schneider’s pool cage and maybe a neighbor’s pool cage, as well. After investigation of the elevation on that control structure, in that pond, it was actually 6” higher than it could have been; it was not out of compliance but it could have been 6” lower. A contractor modified the structure; essentially, cutting it down 6”. Last year, it was not as big of an issue, as there was a wetter than normal dry season. This year, there was a dry season, once January passed, which was wetter than normal, the land dried out during spring and the water table dropped. There was also construction in the area that drew down the water table, through dewatering efforts, causing unsightly exposed lake banks. The plants would help mask the banks but the water table cannot be controlled.

Discussion ensued regarding the elevation, potential flooding issues if water was too high, etc. Mr. Robson stated that the control structure was constructed, as permitted. Lake banks would adjust, over time, especially with plantings. Ms, Crismond stated that there would always be rises and falls.

Regarding Mr. Schneider’s comments to the Board Member about the water being brown, ugly and mossy because it was not deep enough, Mr. Adams stated the brown water was due to turbidity, which could occur if there was a large rain event, particularly in the late spring or early summer, when the water level is still low, and there is not a good population of plants to slow down water runoff from lawns. As runoff hits the soil, it carries sediment into the pond and stirs it up, which cause it to become brown. Plants help lessen this. Regarding “moss”, if it is green, it would probably be algae. LakeMasters Aquatic Weed Control, Inc., (LakeMasters), would treat the algae and, generally, it would go away within a few days. Mr. Adams explained that Mr. Schneider believed the water was stagnant with a single pond discharging into the

conservation but all of the ponds are going to be stagnant at low water periods. If the water is not overflowing the control structure, whether it is one pond or six ponds that are all inter-connected, the water is not flowing.

Ms. McIntyre asked about the catch basins, Mr. Adams stated that the catch basin were, generally, part of the road except when an interconnecting pipe, between two lakes, which crosses a road and inlets are installed on the pipe crossing the road. In response to Ms. McIntyre's question of how to address the matter of catch basins, Mr. Adams stated that it would be a matter for the Association Manager. Ms. Crismond would provide the contact information. Century was the Association Manager for that subdivision. Ms. McIntyre stressed that everyone in the community must stop littering the catch basins. Mr. Adams mentioned that dog walkers dispose of bags of waste in the ponds and around the community.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Adams mentioned that Staff was still working through the consent order on the discharge into the Orange River. The District submitted some modifications and the document was sent back and left out some of the things that the District wanted, particularly, that the District did not want the consent order to indicate that the District was responsible, rather, that the District has control over the property that the discharge traveled across and that the District was part of the equation to correct the situation, along with the builder. Hopefully, the wording issues would be resolved within the next week, or so, and it would be finalized. Mr. Adams stated that the builder has been involved all the way through this process, took total responsibility and would reimburse the District for the costs that it incurred, in terms of the cost of going through this process, as well as the actual administrative fine, through the South Florida Water Management District (SFWMD), as well as SFWMD's administrative time. The SFWMD's total cost was approximately \$3,500 or \$3,700. The builders would also pay District Counsel's fees. The builder has been very good and wanted to continue to do business in the District.

B. District Engineer

There being nothing additional to report the next item followed.

C. District Manager

There being nothing additional to report the next item followed.

THIRTEENTH ORDER OF BUSINESS

Supervisors' Requests

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

FOURTEENTH ORDER OF BUSINESS

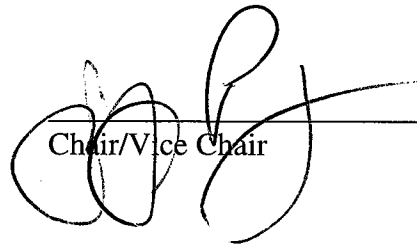
Adjournment

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

**On MOTION by Mr. Newman and seconded by Ms. McIntyre,
with all in favor, the meeting adjourned at approximately 2:04
p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair