

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

Multiple Public Hearings and a Regular Meeting of the Verandah East Community Development District's Board of Supervisors were held on Wednesday, August 8, 2018 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
David Langhout	Vice Chair
Nikolai Kerpchar	Assistant Secretary
David Moore	Assistant Secretary
David Truxton	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Jason Olson	Assistant Regional Manager
Alyssa Willson (<i>via telephone</i>)	District Counsel
Mallory Clancy	District Engineer
Tony Grau (<i>via telephone</i>)	Grau & Associates
Mark Santasiero	Resident and Supervisor-Elect

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mrs. Adams called the meeting to order at 1:00 p.m. 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

Administration of Oath of Office to Newly Appointed Supervisor, David Truxton (the following will be provided in a separate package)

Mrs. Adams, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. David Truxton. Mrs. Adams provided and briefly explained the following items:

- 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

Presentation of Audited Financial Report for the Fiscal Year Ended September 30, 2017, Prepared by Grau & Associates

Mr. Grau presented the Audited Financial Report for Fiscal Year Ending September 30, 2017 and described the information that could be found on each page. The audit was consistent with past audits. This was a clean, unqualified audit; there were no findings or instances of noncompliance. The bond issue costs increased the CDD’s expenses compared to the prior year.

Mr. Kerpchar asked for clarification of Note 11-Risk Management, on Page 20, and the types of situations that would result in the District not being covered. Mr. Adams stated the phrase was standard and it applied to nothing specific and, since the CDD has sovereign immunity protection, there was nothing specific that the General Liability coverage would not cover, for operating the storm water management system, lakes and wetlands.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2018-04, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2017

Mr. Adams presented Resolution 2018-04.

On MOTION by Mr. Martin and seconded by Mr. Moore, with all in favor, Resolution 2018-04, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2017, was adopted.

Mr. Grau left the meeting at 1:12 p.m.

SIXTH ORDER OF BUSINESS

**Public Hearing to Hear Comments and
Objections on Adoption of Fiscal Year
2018/2019 Budget**

A. Proof/Affidavit of Publication

Mrs. Adams presented the affidavit of publication.

**B. Consideration of Resolution 2018-05, Relating to the Annual Appropriations and
Adopting the Budget for the Fiscal Year Beginning October 1, 2018, and Ending
September 30, 2019**

Mrs. Adams presented Resolution 2018-05. Mr. Adams recalled that, to avoid increasing assessments in Fiscal Year 2018, surplus fund balances were used to offset an increase. As a result of Hurricane Irma, approximately \$12,000 in expenses were incurred, which decreased the remaining fund balance significantly such that there was no longer enough to cover the first three months of the CDD's Fiscal Year 2019 operating costs. To offset the unforecasted, unbudgeted expenses and to rebuild the fund balance, the "Contingencies" line item was increased to \$15,000, for Fiscal Year 2019, which resulted in assessments increasing slightly, necessitating sending Mailed Notices to property owners. On-roll assessments increased from \$216.94 in Fiscal Year 2018 to \$233.18 per unit in Fiscal Year 2019 and off-roll assessments increased \$203.41 to \$219.16 per unit.

Mr. Kerpchar commented that renewal of the Lake and Wetland Maintenance contract with the current contractor would result in savings of approximately \$12,000, over the next two years, compared to the high bids received. Mr. Adams stated that, during the competitive bid process, the CDD exercised its option to extend the existing contract with SOLitude Lake Management (SOLitude), for an additional year, with a one year option, at the current price.

Mr. Moore asked about the hurricane cleanup expenses. Mr. Adams stated that contingencies were also expended on hurricane cleanup. Mr. Moore asked if an itemized list of expenditures relating to the "Hurricane Cleanup" line item was available. Mr. Adams stated they were associated mostly with the lakes and wetlands, as reflected on the inventory map. Mrs. Adams confirmed, as part of the hurricane cleanup expenses, approximately \$6,300, went

towards repairing the golf cart bridge, which were shared with the HOA and other costs were shared with Verandah West CDD.

Mr. Moore asked why the District’s total revenues were being reduced. Mr. Adams explained it was because the CDD prior year’s \$33,559 loss was being projected through to Fiscal Year 2019; because prepayment and interest was due, it caused the proposed fund balance to be negative.

Mr. Adams opened the Public Hearing.

No members of the public spoke.

On MOTION by Mr. Langhout and seconded by Mr. Martin, with all in favor, the Public Hearing was closed.

On MOTION by Mr. Moore and seconded by Mr. Kerpchar, with all in favor, Resolution 2018-05, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018, and Ending September 30, 2019, were adopted.

SEVENTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Imposition of Maintenance and Operation Assessments to Fund the Budget for Fiscal Year 2018/2019, Pursuant to Florida Law

A. Proof/Affidavit of Publication

Mrs. Adams presented the affidavit of publication.

B. Mailed Notice(s) to Property Owner(s)

A copy of the Mailed Notice was included for informational purposes.

C. Consideration of Resolution 2018-06, 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

Mrs. Adams presented Resolution 2018-06.

On MOTION by Mr. Langhout and seconded by Mr. Martin, with all in favor, the Public Hearing was opened.

No members of the public spoke.

On MOTION by Mr. Langhout and seconded by Mr. Martin, with all in favor, the Public Hearing was closed.

On MOTION by Mr. Langhout and seconded by Mr. Kerpchar, with all in favor, Resolution 2018-06, 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.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2018-07; Adopting the Annual Meeting Schedule for Fiscal Year 2018/2019

Mrs. Adams presented Resolution 2018-07. Mrs. Adams stated any changes to this schedule will be advertised, accordingly.

On MOTION by Mr. Moore and seconded by Mr. Kerpchar, with all in favor, Resolution 2018-07; Adopting the Annual Meeting Schedule for Fiscal Year 2018/2019, was adopted.

NINTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of June 30, 2018

Mrs. Adams presented the Unaudited Financial Statements as of June 30, 2018. Mr. Adams explained that Special on-roll assessment revenues were at 142%, which was mostly because of timing, as a number of off-roll units transferred to on-roll between the time the budget was adopted and the lien roll was transferred. Expenditures were at 76%, on target from the 75% prorated projections.

Mr. Adams presented the May 9, 2018 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Martin and seconded by Mr. Kerpchar, with all in favor, the May 9, 2018 Regular Meeting Minutes, as presented, were approved.

ELEVENTH ORDER OF BUSINESS

Staff Reports

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

There being no report, the next item followed.

B. District Engineer: *Johnson Engineering, Inc.*

There being no report, the next item followed.

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

i. Consideration of ADA Site Compliance Proposal for Website Compliance Shield, Accessibility Policy and One (1) Annual Technological Audit

Mr. Adams stated that numerous CDDs and governmental entities were recently sued because their websites were not compliant with the Americans with Disabilities Act (ADA) website requirements. Egis, the CDD's insurance carrier, referred ADA Site Compliance (ADASC), which Management engaged, on behalf of the Districts it manages, at an annual cost of \$199 per District, to update the websites with an ADA Compliance Seal and links to the Accessibility Compliance Policy. Going forward, all legally required documents will be posted using the proper formatting and all outdated information will be removed. Any outdated items that the Board wants to remain on the website can be converted for an additional cost, which would be high. Management is negotiating the cost to perform a human audit on one website and carry over the findings to the other CDD websites. Egis engaged, Roper & Roper, P.A, (R&R) to defend these lawsuits. R&R filed a Motion to Dismiss and a settlement was reached on behalf of the sued CDDs.

Mr. Truxton asked if the entire agenda is posted to the CDD website. Mr. Adams replied affirmatively. He would distribute the Special District Website Compliance List listing the

documents statutorily required to be posted to CDD websites. The website will link to the Auditor General’s website, for those that want to view the annual audits.

TWELFTH ORDER OF BUSINESS

Supervisors’ Requests

Mr. Moore asked if RCS owns the two ponds that irrigation water is pumped from, as an owner asked him if a right of first refusal exists or if CDDs have some other form of protection, should RCS go bankrupt. Mr. Langhout could not specifically recall the RCS Agreement details but thought it unlikely that a right of refusal option was available and that, if RCS filed bankruptcy, RCS would reorganize or have to sell assets and the CDD or HOA would likely be first in line to bid on the asset. Mr. Adams stated the CDD, as a governmental entity, should acquire and operate the asset. Discussion ensued regarding Kolter’s current process of installing infrastructure assets and then dedicating them to RCS.

A Board Member introduced Mr. Mark Santasiero, as Supervisor-Elect, who ran unopposed and will be sworn in during the January 2019 meeting.

THIRTEENTH ORDER OF BUSINESS

Adjournment

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

On MOTION by Mr. Kerpchar and seconded by Mr. Martin, with all in favor, the meeting adjourned at 1:36 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair