

MINUTES OF MEETING
POINCIANA
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Poinciana Community Development District was held on Wednesday, May 16, 2018 at 11:00 a.m. in the Starlite Ballroom, 384 Village Drive, Poinciana, Florida.

Present and constituting a quorum were:

Robert Zimbardi	Chairman
LeRue "Skip" Stellfox	Vice Chairman
Lita Epstein	Assistant Secretary
David Lane	Assistant Secretary
William Land	Assistant Secretary

Also present were:

George Flint	District Manager
Michael Eckert	District Counsel
Kathy Leo	District Engineer
Brian Smith	Field Manager
Pete Deglomine	Clarke
Residents	

The following is a summary of the discussions and actions taken at the May 16, 2018 Poinciana Community Development District's Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Zimbardi called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Public Comment Period

A resident noted that the current midge control was not solving the problem and that there were not enough units to cover the entire lake and cul-de-sacs. Mr. Zimbardi stated that this item would be discussed under the Field Manager's Report.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the March 21, 2018 and April 18, 2018 Meetings

Mr. Zimbardi presented the minutes of the March 21, 2018 meeting. Mr. Flint received comments from District Counsel, which would be incorporated.

On MOTION by Mr. Stellfox, seconded by Ms. Epstein, with all in favor, the Minutes of the March 21, 2018 Meeting were approved, as amended.

Mr. Zimbardi presented the minutes of the April 18, 2018 meeting, noting that COA should be HOA on Page 8. Mr. Eckert stated that, according to deeds, the Solivita community was a COA, and would verify this. It was noted that the terms “COA” and “HOA” were used interchangeably. The change from Mr. Zimbardi would be incorporated.

On MOTION by Mr. Lane, seconded by Mr. Land, with all in favor, the Minutes of the April 18, 2018 Meeting were approved, as amended.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2018-10 Approving the Proposed Fiscal Year 2019 Budget and Setting a Public Hearing

Mr. Eckert presented Resolution 2018-10, approving the Proposed Budget, noting a change on the first page of the Resolution, to declare direct collect assessments on the undeveloped land from Avatar.

Mr. Flint presented the budget, which was based on the same assessment level as the prior year. The following was highlighted:

- *Administrative Expenses* decreased by \$13,000, primarily by bidding management services and a reduction in the District Management fee
- Operations and Maintenance (O&M) Expenses:
 - *Aquatic Control Maintenance* would remain at \$98,000; however, additional ponds may be conveyed to the District from AV Homes, which should be accounted for
 - \$20,000 was added for *Aquatic Midge Management*

- \$50,000 was added for *Storm Structure Repair*
- \$20,000 was added into *Capital Outlay*, for additional aeration
- In the Debt Service Fund, there was \$57,000 of *Carry Forward Surplus* to balance the budget
- At the end of the fiscal year, \$339,000 in *Fund Balance* was projected
- By subtracting the \$57,000 and *First Quarter Operating*, there would be an excess revenue of \$111,338

Mr. Flint recommended approving the Proposed Budget, to meet the June 15th deadline for sending the budget to the County, and considering a second draft at the June meeting.

Mr. Land asked if the purpose of the *Carry Forward Surplus* was to balance revenues and expenditures. Mr. Flint confirmed that \$57,000 of *Carry Forward Surplus* was being used to balance the budget. At the June meeting, Mr. Flint would recommend transferring out cash beyond the operating reserve, setting three months aside as First Quarter Operating, which would be moved into the Capital Reserve Fund. Stormwater repairs and aeration projects would be funded out of the capital reserve. Mr. Eckert noted that the increase was due to the RFP process for a new District Manager and RFQ process for a new District Engineer. The Legal fees budget in Poinciana West was \$20,000 more, and recommended meeting every other month, in the next fiscal year, to keep costs down.

Mr. Zimbardi requested an analysis of the changes in the description of the accounts, to explain significant changes in the dollar amounts. Mr. Flint noted that District Attorney and District Engineer's fees were based on demand and time and not fixed, and he would add a column for notes to address significant variances. Mr. Zimbardi requested a copy of the partial Funding Agreement with the developer, and asked why there was a contingency for *Aquatic Midge Management*. Mr. Smith explained that \$10,000 was added for chemical treatments and \$20,000 for aeration. Mr. Land suggested budgeting an additional amount for Aquatic Midge Management. Mr. Smith stated that funds were available for additional units.

Mr. Stellfox asked why \$50,000 was added for *Storm Structure Repair*. Mr. Smith explained that there were current repairs to the storm system, which was a small portion of the overall list of items, and there may be additional repairs during the summer, due to hurricane season and ongoing maintenance.

Mr. Land asked why there was a difference in the interest for the 2012A-2 bonds in the Debt Service Fund. Mr. Flint believed that the difference was due to prepayments and a revised Amortization Schedule, but would verify this. Mr. Land noted that *Special Assessments – Tax Collector* should increase with additional homes being sold, but was steady from 2018 to 2019. Mr. Flint explained that the assessments were placed on all property, including platted lots, whether or not homes were sold. Mr. Eckert noted that 10 plats were not yet recorded, and he would bring back information on whether additional units were platted in June. Mr. Stellfox requested a Fiscal Year 2019 budget the assessment schedule. Mr. Flint would include it in the next draft.

Mr. Lane asked why electric was \$30 per month in one tunnel and \$125 for another tunnel. Mr. Smith explained that there was size difference and would look into this matter further. At Mr. Stellfox’ request, Mr. Smith would perform a meter audit.

On MOTION by Mr. Lane, seconded by Ms. Epstein, with all in favor, Resolution 2018-10 Approving the Proposed Budget for Fiscal Year 2019 and Setting the Public Hearing for August 15, 2018 at 11:00 a.m., at this location, was adopted.

SIXTH ORDER OF BUSINESS

Consideration of Amended Fiscal Year 2018 Meeting Schedule

Mr. Flint presented an amended Fiscal Year 2018 meeting schedule. Ms. Epstein requested changing the September meeting, due to the Yom Kippur holiday, meeting in alternating months and cancelling the July meeting. Mr. Flint stated that the purpose of the July meeting was to discuss items from the June meeting and could be cancelled by the Chairman. Special meetings could be called.

On MOTION by Mr. Lane, seconded by Mr. Stellfox, with all in favor, the amended Fiscal Year 2018 meeting schedule was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Proposal from AMTEC to Provide Arbitrage Rebate Calculation Services

Mr. Flint reported that the District was required to perform an arbitrage rebate calculation, every five years, to ensure that the District was not earning more interest than it was paying on their bond issues. The cost for an annual arbitrage rebate calculation was the same as performing one every five years, so, the recommendation was to perform one every year. AMTEC provided a proposal to perform arbitrage rebate calculations for the Series 2012A-1 and A-2 bonds. Mr. Flint would confirm that the arbitrage rebate calculations for 2016 and 2017 were no longer necessary and requested that the Board approve the one for 2018 only.

On MOTION by Mr. Stellfox, seconded by Mr. Lane, with all in favor, the AMTEC Proposal for Arbitrage Rebate Calculation Services, in a not-to-exceed amount of \$600, for April 30, 2018 only, subject to Mr. Flint confirming that the 2016 and 2017 Arbitrage Rebate Calculations were necessary, was approved.

EIGHTH ORDER OF BUSINESS

Presentation of Proposed New Website Design

Mr. Flint presented the new website design. It was developed in-house and was a work in progress. Changes could be made as needed. The website would have the following:

- News
- Tunnel information
- Board Member information with pictures of each Board Member and a District directory with contact information
- Meeting schedule
- CDD information
- County and State requirements
- Agenda and minutes for this fiscal year. Ms. Epstein requested additional years.
- Budgets and audits going back to 2014
- Information on the amenity acquisition process
- *Contact Us* tab for residents to submit questions by phone, fax or email

Mr. Flint noted that the website was not live, but based on Board member comments and changes, the website could be operational within the week. Mr. Zimbardi stated that items were missing, such as a midge control hotline. Mr. Flint would add another contact page.

ELEVENTH ORDER OF BUSINESS**Staff Reports****A. Attorney****i. Litigation Update**

Mr. Eckert confirmed that Solivita could be commonly known as an HOA, even though the official name was Solivita Community Association, Inc.

Regarding the litigation, Mr. Eckert reported that there would be a Show Cause Hearing for the second Bond Validation on June 8th. The purpose of the hearing was for the judge to decide who would participate in the trial, set a trial date and deal with legal procedural issues.

B. Engineer

Ms. Leo presented updated maps. She stated that this was a work in progress and over the next month, she would be working with the District Manager's office. When they met with the developer in mid-March, 10 plats had ponds. At that point, the ponds were supposed to be turned over in the next 18 months. Ms. Leo would identify the ponds that would be turned over within the next budget year, and get budgets from the contractors.

Mr. Stellfox recalled discussion at the last meeting about renaming the ponds. Ms. Epstein wanted the pond names to be related to the street that the pond was near. Ms. Leo would bring an exhibit to the next meeting.

C. District Manager**i. Action Items List**

Mr. Flint presented the Action Items List. The only items were the aeration system project and stormwater system repairs, which would be covered under the Field Manager's Report.

ii. Approval of Check Register

Mr. Flint presented the Check Register from April 1st through April 30, 2018 in the amount of \$96,173.87. It included Check #2628 through Check #2641 for the General Fund, in the amount of \$94,880.97, and payroll checks in the amount of \$923.50. The detail was behind the Check Register.

Mr. Lane requested a breakdown of legal and engineering charges on the Check Register, and asked about an Amortization Schedule charge. Mr. Flint stated that the amortization charge was for Disclosure Services to revise the Amortization Schedule for the District, based on prepayments. A subtotal on each printout of the check runs was suggested.

Mr. Zimbardi asked if the clearing of debris and dead fish were completed by GMS. Mr. Smith indicated that the District was paying an hourly rate of \$35, which was below the labor rate cost. GMS used a tax exemption to try to maximize the budget and complete the work for a lesser amount, versus hiring a contractor. Mr. Stellfox stated that the District was receiving better service from GMS than the prior company. Mr. Smith would provide their labor rate.

Mr. Land asked if it would make sense to sort the report by account numbers, versus the check run. Mr. Flint felt that would be complicated and it was easier to address questions with the current format.

On MOTION by Mr. Lane, seconded by Mr. Stellfox, with all in favor, approval of the April Check Register was approved.

iii. Balance Sheet and Income Statement

Mr. Flint presented the Unaudited Financial Statements through April 30, 2018. In the General Fund, assessments were 100% collected and on-roll assessments were within \$3,700; however, there may be additional revenue from tax bills going to tax certificate sales. “*Assessments – Developer*” would be changed to “*Assessments –Contribution*”. Expenses were slightly over budget, due to professional fees.

On MOTION by Mr. Lane, seconded by Mr. Stellfox, with all in favor, the Financial Statements were accepted.

iv. Consideration of Funding Request #2

Mr. Flint presented Funding Request #2, in the amount of \$17,599.41, for costs associated with the Developer Funding Agreement, related to project construction and the amenity acquisition project. Mr. Land asked if the developer paid promptly. Mr. Flint noted some delinquent payments around the transition and personnel changes at AV Homes. He would appraise the Board about any future concerns regarding the timing of payments. Mr. Eckert completed work related to the amenities and pond transfers, which were the responsibility of the developer.

On MOTION by Mr. Zimbardi, seconded by Mr. Lane, with all in favor, Funding Request #2, in the amount of \$17,599.41, was approved.

v. Presentation of Number of Registered Voters – 4,247

Mr. Flint reported that the District was required each year to publicly announce the number of registered voters as of April 15th. According to the Supervisor of Elections, there were 4,247 registered voters, as of April 17, 2018. No action was required by the Board.

D. Field Manager

i. Field Manager's Report

Mr. Smith presented the Field Manager's Report. All aerators were installed and work was performed on the storm structures. Rip rap was placed on mitered end sections, which was a good solution to the problem.

Mr. Lane asked what fence was repaired. Mr. Smith stated that a black chain link fence, between a structure and a roadway was in disrepair. Mr. Land asked if it was better to ask developers to put in rip rap, versus concrete. Ms. Leo noted that mitered end sections were typical in the industry and wear well. The method of restoration depends on the life cycle of the pond. Discussion ensued. Mr. Zimbardi asked about pond mowing and pond bank maintenance. Mr. Smith was working with Floralawn to use the proper equipment and hand mow, particularly around tree beds and mulch. Clarke's Monthly Treatment Report was included in the Field Manager's Report.

ii. Consideration of Proposal for Stocking Fish in Ponds for Midge Control

Mr. Smith presented a proposal from Clarke, to stock Blue Gill, Large Mouth Bass and Channel Catfish in the ponds for midge control, in the estimated amount of \$2,350. Mr. Smith recommended Pond E-3, which was a 10-acre pond, if the fish stocking was a pilot program. Gambusia was expensive and not much more effective.

Mr. Deglomine, of Clarke, concurred with stocking the pond with Blue Gill, Large Mouth Bass and Channel Catfish. Blue Gill was the best weapon for killing the midge larvae and Catfish would kill the shoreline midges, versus Gambusia. There was not much research on Gambusia and midge larvae. Pond E-3 was the worst pond for midges, but Pond C-10 could also use fish stocking.

Ms. Epstein suggested having aeration in one pond with and fish in the other, to see which method was more effective. Mr. Smith stated that it would take a long time for the aeration to change the condition of the pond. Mr. Deglomine noted a quicker result from the fish. Mr. Smith recommended fish and aeration in Pond E-3 and fish only in Pond C-10. Mr. Deglomine stated that midge control treatment in Pond C-10 was requested by residents. Discussion ensued.

On MOTION by Mr. Land, seconded by Mr. Stellfox, with all in favor, adding Pond C-10 to the Clarke midge control contract at \$10,000 per year, was approved.

Discussion ensued regarding stocking Ponds E-3 and C-10 with fish.

On MOTION by Mr. Zimbardi, seconded by Mr. Lane, with all in favor, the Proposal from Clarke for stocking Blue Gill, Large Mouth Bass and Channel Catfish in Ponds C-10 and E-3 for midge control was approved.

iii. Customer Complaint Log

Mr. Smith presented the Customer Complaint Log and a Priority Checklist. Several items were completed and the remaining were underway or completed. The checklist will be included in future agenda packages.

Mr. Flint provided a brief article on the boating policy, at the Board’s request, which would be published in the newsletter.

TENTH ORDER OF BUSINESS

Supervisor’s Requests

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Audience Comments

Dr. Martin Kessler, a resident, was in favor of stopping the Bond Validation and provided suggestions to the Board regarding the amenities. Mr. Eckert advised that this matter was in litigation and that the District did not own the land under which the proposed amenities were to

be built. The complaint was filed as required. Mr. Zimbardi thanked the resident for providing this information. It would be discussed at the next joint meeting.

TWELFTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

**Next Meeting Date – June 20, 2018 @
11:00 A.M.**

Mr. Zimbardi announced that the next meeting was on June 20, 2018 at 11:00 a.m.

FOURTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Epstein, seconded by Mr. Lane, with all in favor, the meeting was adjourned.



Secretary / Assistant Secretary



Chairman / Vice Chairman