

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, October 16, 2019 at 11:00 a.m. in the Starlight Ballroom, 384 Village Drive, Poinciana, Florida.

Present and constituting a quorum were:

Lita Epstein	Chairman
Michael Luddy	Vice Chairman
Robert Zimbardi	Assistant Secretary
Tony Reed	Assistant Secretary
Elizabeth Lambrides	Assistant Secretary

Also, present were:

George Flint	District Manager
Jan Carpenter	District Counsel
Andrew d'Adesky	District Counsel
Kathy Leo	District Engineer
Clayton Smith	Assistant Field Manager
Tricia Adams	GMS
Residents (no sign in sheet)	

The following is a summary of the discussions and actions taken at the October 16, 2019 Poinciana Community Development District's Board of Supervisors Meeting. Due to the recording starting late, discussion summary begins under Item 5.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Epstein called the meeting to order and a quorum was established.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Public Comment Period on Agenda Items

No public comments were provided.

FOURTH ORDER OF BUSINESS**Approval of Minutes of the September 18, 2019**

Ms. Epstein presented the minutes of the September 18, 2019 meeting.

On MOTION by Mr. Reed seconded by Mr. Luddy with all in favor, the Minutes of the September 18, 2019 Meeting were approved, as amended.

FIFTH ORDER OF BUSINESS**Discussion of Proposed Merger of Poinciana and Poinciana West CDDs**

The meeting recording started under Item 5.

Mr. d'Adesky began to review the process of the merger. He noted the first step in the process would be to have a joint meeting to have a discussion and get everyone on the same page. The first thing they will have to do to is submit an application to the Florida Land and Water Adjudicatory Commission. He noted that historically when they have dealt with large districts that are expanding or contracting and it has to go to the governor, it takes about a year. Mr. d'Adesky discussed how the District seats are apportioned after the districts are merged. The statute changed and now states that when two districts merge, two seats need to be from each merging district. There is one at large seat that can be someone from either district or someone who is on neither board. Mr. d'Adesky explained that if the Poinciana CDD was the surviving Board and they wanted to proceed immediately, because of the election cycle that is coming up in 2020, the Board would have to allow the people being elected to be the Board members who were going to survive. They could wait until after the election cycle and proceed with the agreement of everybody because you could go through the full year process without an election cycle being triggered. He explained there is an option of creating an entirely new district, in that case they would form a separate district that would have two board members from each side but they wouldn't have the electoral concerns.

Ms. Carpenter explained with a new district, you would run into issues with the outstanding bonds and having those assumed. Legally, it is much easier to merge than to create a new district, there are no outside questions on who assumes which debt.

Mr. Flint noted they reviewed the administrative savings. For Supervisors fees, they assumed the merged board would meet 12 times a year. The result of the merger for Supervisor fees would be a savings of around \$6,500. There would be savings on Engineering, primarily because they will have one meeting not multiple meetings. A lot of the engineering work will

continue, it will just be on a larger scale. There will be savings on travel time and meeting attendance, etc. The combined budget estimate is \$25,000 versus the two individual budgets added together totaling \$33,000. There's around an \$8,000 savings on Engineering. Regarding the Attorney, they estimated about a \$10,000 savings as a result of the merged district and that is conservative, it may be more. For dissemination agent and arbitrage, those are based on the number of bond issues and the merged district will still have the same numbers of total bond issues whether they are separate or together so there is no savings. The audit, they project around a \$2,000 savings. Trustee fees are driven by the number of bond issues, there are no savings there. For Assessment Administration, there is about \$2,500 savings there. For Management Fees, the districts added together totals \$90,000 and the combined total would be \$60,000 so that's an estimated \$30,000 savings. Liability Insurance would have savings since there's only one policy versus two. Mr. Flint noted the combination of the estimated savings totals is approximately \$72,000 for the merger. He stated the merger would pay for itself in less than a year and a half.

Ms. Epstein opened the floor for questions or comments regarding the merger. Resident (117 Torino Lane) asked if everyone would be up for re-election at the next election, Mr. d'Adesky answered yes. The resident asked if it could stay 2 Poinciana West, 2 Poinciana, and 1 at large. Mr. d'Adesky noted that after the next election cycle, all seats will be at large, and the District will be treated as fuller merged.

Another resident (unidentified) asked if it would benefit the Boards to refinance the bonds at a lower interest rate. Mr. Flint noted that they have both been refinanced in the last 6 years.

A resident (unidentified) asked when other areas had merged, did they go back and look to see if the estimated savings were actually there. The resident asked what the biggest con with the merge was as well. Mr. d'Adesky noted that the numbers provided by George regarding savings were very conservative. He stated that George did not include landscaping or other contractual items that might also come down. Mr. d'Adesky stated that the savings are from statutory pricing or professional pricing which are predictable costs. Mr. d'Adesky noted the only con he could think of was for Poinciana West, as they will have a little bit less representation overall. The resident also asked what percentage the estimated savings represented of the total expenses. Mr. Flint noted he did not have Poinciana West's budget, but his guess

would be that the savings would be around 5%. Mr. Flint noted that there weren't many examples of CDD mergers, and every CDD is different.

A resident asked if it was going to cost \$140,000 to merge and asked if that was in lawyers' fees. Mr. d'Adesky stated there were statutory filing fees, for example there is a \$15,000 filing fee you have to pay to the County. The Engineer puts together a report that is very detailed. The hearings can be in Tallahassee so there is travel expenses, etc. Mr. d'Adesky noted the number was closer to \$100,000 for the merger. Ms. Carpenter noted it was administrative costs, filing fees, Engineer costs, transcripts, etc.

Ms. Epstein asked for any more questions, and hearing none she closed the floor for discussion on the merger. She asked for comments from the Board. The Board asked what the possibility was that the merger would get done before the next election. Mr. d'Adesky stated it would not get done before then. Ms. Epstein suggested asking Poinciana West to have a joint meeting with them in December. Mr. Luddy asked if they could meet in November, and Mr. Flint noted that he could reach out to the Poinciana West Board. Ms. Epstein suggested letting Poinciana West have their December 4th meeting, and ask that they have a joint meeting on Poinciana's regularly scheduled December 18th meeting in the Ball Room.

On MOTION by Mr. Luddy seconded by Mr. Reed with all in favor, Direction of Staff to Prepare for the Poinciana West CDD and Poinciana CDD Merger, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for the Fiscal Year 2019

Mr. Flint noted that the board previously went through an RFQ process and selected Berger Toombs as the District's independent auditor. This will be their second year of engagement and the fee is a not to exceed of \$3,590. Ms. Epstein asked the Board for any questions or comments, and the Board had none.

On MOTION by Mr. Zimbardi seconded by Mr. Luddy with all in favor, the Agreement with Berger, Toombs, Elam, Gaines, & Frank to Provide Auditing Services for the Fiscal Year 2019, was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Carpenter noted that other than the merger, the work they did was generally contract extensions and the work that was delegated at the prior meeting. She stated that the Board direction at the last meeting was to set for hearing the cost motion. Counsel is in the process of sending it to the judge, and she noted it would likely be early next year for that date.

B. Engineer

Ms. Leo noted she had a discussion with Taylor Morrison before the meeting. She stated that Taylor Morrison is going to have crews out next week doing repairs to Pond B5 and B6. She requested that the company doing the repairs coordinate with onsite field management and Clayton to oversee that work. They are working on the conveyance documentation as well.

C. District Manager

Mr. Flint noted that a resident, Dr. Kessler, asked the Board to make accommodations for him for his hearing impairment. At the last meeting, Mr. Flint brought a suggested approach that is used by the Polk County Board of County Commissioners in their Board meetings. Mr. Flint noted that it is not feasible financially to have the same system the court does. Mr. Flint recommended purchasing the equipment that he provided at the prior meeting, that was around \$700. It's basically an RF transmitter, and it's a wireless receiver and earpiece. He also suggested splitting the cost with Poinciana West if they agreed to do that.

Ms. Carpenter noted that from a legal perspective, the Board needs to make reasonable accommodations.

On MOTION by Ms. Lambrides seconded by Mr. Luddy with all in favor, Direction for Mr. Flint to Acquire the Hearing System with an NTE of \$1,000, was approved.

Mr. Flint noted that videotaping the meetings had been a topic of discussion, especially for Poinciana West. He stated that Sheri has agreed to video tape the meetings and post a link on their website. There is not a separate fee for videotaping and it's not the CDD paying for the videotaping. He noted there will be a room charge going forward of \$50 a meeting and it will increase next year, and it will not be posted on the CDD website. Mr. Flint stated that they believe they will be ADA compliant that way. Mr. Flint noted that going forward after January 1st, the proposed fee is \$125 per meeting per CDD.

i. Approval of Check Register

Mr. Flint presented the Check Register, for the General Fund and Payroll it totaled \$53,479.77. The Board had no questions.

On MOTION by Mr. Zimbardi seconded by Ms. Lambrides with all in favor the Check Register, was approved.

ii. Balance Sheet and Income Statement

Ms. Epstein presented the balance sheet and income statement. He noted the actuals were under the budget by about \$47,000 on the expense side and they had a positive variance on the revenue side of \$9,900. The Board had no questions. Mr. Flint noted that in the General Fund on the balance sheet there is \$296,000. There's a money market account with \$53,000 and a CD of \$110,000. He stated that revenue starts flowing in late November and early December, and he explained they always carry a two to three-month operating reserve.

On MOTION by Mr. Luddy seconded by Mr. Zimbardi with all in favor, the Balance Sheet and Income Statement, were accepted.

iii. Presentation of Arbitrage Rebate Calculation Report

Mr. Flint explained that the IRS requires the District to do a calculation demonstrating that the CDD is not earning more interest than they are paying on the bonds. The CDD has a negative rebatable arbitrage of \$420,662. There are no arbitrage problems.

On MOTION by Mr. Reed seconded by Mr. Zimbardi with all in favor, the Balance Sheet and Income Statement, were accepted.

D. Field Manager

i. Field Manager's Report

Mr. Smith reviewed his Field Management Report for the Board. The biggest item for the month was the E-31 and D-2 dredgesox. He noted that all the initiative plans for Fiscal Year 2019 were completed and they all turned out really well. He stated that nearly all of the pond bank on E-31 was restored and it has been completely sodded over. The D-2 had an exposed liner that is now covered and protected from the sun. Moving into Fiscal Year 2020, he is doing a field review of all the ponds again. Clayton and Kathy are working on making a list of priority items for Fiscal Year 2020. So far, very few major priority repairs have been identified.

Regarding the mitered ends, he noted that Poinciana West's work on those came out really well. Mr. Smith is working to get pricing for Poinciana's mitered ends. They continue to monitor tunnels for a need to pressure wash and clean, they will likely be due to wash in the beginning of Fiscal Year 2020.

Ms. Lambrides asked Clayton if they spray anything for preventative maintenance on the tunnel, like a Clorox solution. Ms. Leo did not recommend spraying the tunnels since it was concrete. The Board discussed scheduled maintenance of the tunnel.

The Board discussed lawn mower grass clippings. Mr. Luddy brought suggestions, but Mr. Smith and Ms. Leo expressed concerns about pricing. Ms. Leo thanked Mr. Luddy for thinking about ways to solve the problem. Mr. Flint noted there was one call from a resident claimed the grass clippings were getting in the pond, and when they went out there it turned out to be algae in the pond that was mistaken for grass clippings.

Mr. Smith presented the pond list that he created at the Board's request the prior meeting and reviewed it for the Board. Ms. Epstein thanked Mr. Smith and stated that the list was great. Mr. Smith noted at the next meeting he would review any changes or updates he made to the list.

Mr. Smith briefed the Board on the algae bloom in Poinciana West. Mr. Reed expressed his concerns that this problem could be costly and asked for preventative measures to be taken. Chris explained that they could not prevent it, but they can deal with it. Ms. Leo suggested sending out a notice to residents letting them know that over fertilizing could cause the algae blooms, she noted it's an educational process and they need to make residents aware.

ii. Customer Complaint Log

Mr. Smith presented the complaint log to the Board.

EIGHTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Reed asked that an item 4A be added to the agenda to address open items that have not been resolved. Mr. Flint noted that in other communities they have an Action Items list that is placed under the District Manager's Report. The Board agreed to create an action items list.

Mr. Reed asked if anyone had looked into the solution of using dragonflies as a form of midge control. Mr. Flint noted that Pete stated at the previous meeting that he was not aware of that being a method used to control midges.

Mr. Reed asked for clarification if there is or is not wetland maintenance. He asked if they ever have interfaced with the HOA or Taylor Morrison. Mr. Flint noted they do not have standing meetings with either, but can meet on an as needed basis. Mr. Reed asked that meetings be schedule with the CDD, HOA, and Taylor Morrison. Mr. Reed also stated that he believes there should be a CDD Board member on the HOA Board. Ms. Leo suggested appointing an HOA liaison, who would go to the meetings and report back to the CDD Board. Ms. Epstein stated the HOA is not holding meetings, except for an annual meeting to discuss the budget. Mr. Reed stated again that he would like to request a meeting with the HOA, and Mr. Flint asked for a Board vote.

Mr. Reed discussed ponds E-6, E-8, E-11, and E-15. He noted they own those ponds, but they are on the golf course and they are associated with the AV Homes properties that they built before they built Poinciana. He asked the Board members to consider if they should be the ones paying for the maintenance of those ponds, or if Taylor Morrison should. Mr. Reed stated he did not believe they should be paying for the maintenance of those ponds. He acknowledged that the CDD had accepted the ponds, and in that process they accepted responsibility for the maintenance. Mr. d'Adesky noted they would have to look at the stormwater permits and whether the public stormwater from the public facilities feeds into the ponds. Ms. Leo agreed with Mr. d'Adesky that they would have to look at the permits for clarity on the situation.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TENTH ORDER OF BUSINESS

General Audience Comments

Ms. Epstein asked for any public comments or questions. A resident (unidentified) asked if there was a way to charge Floralawn for their fertilization potentially being the cause of the algae bloom. Mr. d'Adesky answered no.

A resident (unidentified) asked about the audit agreement that cost \$3,595 and noted he was surprised it was that much. Mr. d'Adesky stated that price was low. The resident stated that he believes the meetings needed to be streamed on the Internet. The resident stated he hopes that the actual being under and high revenues is taken into account for the next budget. The resident asked how much money was in the reserve account, and what percent is required. Mr. Flint explained that the Statutes provide the process that the Board has to go through in order to hire

an independent auditor. Mr. Flint noted that the cost is based on volume, there are only a handful of firms that do CDD audits. Mr. Flint addressed the livestreaming issue, he noted again that the CDD is a government entity and everything they post on their website must be ADA compliant. He explained that there have recently been a series of lawsuits regarding ADA compliance of websites. If the Board decided to video tape the meetings, they would either have to hire someone to do real time closed captioning or send it to a company to be closed captioned. He explained it is not feasible to have streaming because of the compliance issues. He did note that the HOA had agreed to video tape the meetings and place a link on the community website instead of the CDD website, and by doing that the video is not subject to the ADA laws the CDD is tied to. Mr. Flint noted that CDDs do not have specified reserve requirements. He stated that they make sure they have three months of operating reserve and going forward they are budgeting around \$50,000 per year for stormwater repairs.

ELEVENTH ORDER OF BUSINESS**Next Meeting Date – November 20, 2019**

The next meeting is scheduled to be held on November 20, 2019. Ms. Epstein asked if there was anything on the agenda and if they needed to hold the November meeting. Mr. Flint noted that there was nothing on the radar at the moment, and there was nothing statutory occurring. Ms. Epstein suggested skipping the November meeting since it was close to Thanksgiving and there was no business scheduled. The Board agreed to skip the November meeting if there was no business scheduled, but they would keep the meeting on the books. Mr. Flint stated that ten days before the meeting he would contact staff and Board and see if a meeting was necessary.

TWELTH ORDER OF BUSINESS**Adjournment**

On MOTION by Mr. Lambrides seconded by Mr. Zimbardi with all in favor the meeting was adjourned.


Secretary/Assistant Secretary
Chairman/Vice Chairman