

MINUTES OF MEETING
NARCOSSEE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Narcoossee Community Development District was held Tuesday, June 27, 2017 at 3:00 p.m. at the Orange County Library – Southeast Branch, 5575 South Semoran Boulevard, Orlando, Florida.

Present and constituting a quorum were:

Jeffrey Smyk	Chairman
Steve Giercyk	Vice Chairman
James Gregoire	Assistant Secretary by telephone
Chris Vinton	Assistant Secretary
Peter Wong	Supervisor

Also present were:

Jason Showe	District Manager
Roy Van Wyk	District Attorney by telephone
Alan Scheerer	Field Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the May 23, 2017 Meeting

On MOTION by Mr. Vinton seconded by Mr. Giercyk with all in favor the minutes of the May 23, 2017 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Ratification of Work Authorization 2017-02 from Dewberry Engineers, Inc. to Provide Professional Consulting Engineering Services

Mr. Showe stated the next item is ratification of work authorization 2017-02 from your Engineer and is for the annual Engineer's report that is required by the trust indenture.

Mr. Vinton asked did the price increase from last year?

Mr. Showe stated I think it is approximately the same and it is a decent cost for this size District.

On MOTION by Mr. Vinton seconded by Mr. Smyk with all in favor work authorization 2017-02 to prepare the Engineer's Report was ratified.

FIFTH ORDER OF BUSINESS

Discussion of Fencing Proposals

A. Review of Proposals

B. Discussion of Potential Assessment Increase

Mr. Showe stated we discussed this at the last meeting and it is on the agenda today to have further discussion as well as gauging the Board's interest in looking at assessments to fund that project. In terms of timing we have to get the TRIM notice to the county within the next week. We also have to send out a mailed notice at least 21 days in advance of your August meeting in order to do an assessment increase. I know there are a lot of unknowns in terms of what we want to do in terms of landscaping as well as other projects along that road that could impact it.

Mr. Vinton stated there is the per unit improvement and the current O&M per unit. Is that a one-time fee or the difference of \$38 would be the improvement?

Mr. Showe responded no, the per unit improvement would be the one-time charge per home. I included the current O&M so you could see side by side what that is. The challenge you have in this District is that you are not spreading it over a large base so the impact per home is substantial. I will also point out that the Board would need to make a determination that all these properties benefit from the improvement. As an example, I took all the property along Dowden Road and spread it over those based on the ERU count we assigned based on their assessment levels if the Board determines all these properties benefit from that. To the extent that you think certain properties do or don't benefit that would change the scope and cost as well. I think there are a lot of unknowns and you may want to consider this over the next few months,

refine the project and look at it for next year if there is a desire to do that. We would need public bids to accomplish this as well.

Mr. Van Wyk stated what you said about benefit apportionment is the key, determining how many units and lots you are going to spread the cost over and determining how many years you want to spread those costs. There is no requirement that we collect all the funds upfront you can collect half this year and half next year and then do the project. That is one method that is available to you so there are a couple of options. You need to talk about where you think the benefit is and what properties are going to receive that benefit.

Mr. Smyk stated if we were to spread it over two years then the actual start time of the project wouldn't be until after we collected all the money.

Mr. Showe stated that would probably be our recommendation. You want to have all the money because you are going to have to publicly bid it based on the dollar amount of the project and you don't want to go through a public bidding process twice and you don't want to get into a situation where you may have one vendor do half and another vendor to the other half. I think you would want the same vendor for a consistent look and consistent project.

Mr. Van Wyk stated you would need to have a funding source available to pay the bills as they came in for that type of work. You probably have to wait for the money to come in first.

Mr. Vinton asked could we start when we have half or three-fourths collected and use the remaining from reserves and replenish reserves with the final collection of the funds?

Mr. Showe stated in order to get the assessments where they are we use \$66,000 of reserves. Depending on how much reserves are left you may be getting close to using them all.

Mr. Vinton stated then the best way is to 100% fund it.

Mr. Showe responded that would be my recommendation.

Mr. Giercyk stated you are recommending to not do this project in phases. Planning the whole concept, coming up with a building material and making the decision that part of it, Plan C where you put a fence down into the water and maybe part of doing the rest of the fence in phases. Phase A would be run the fence into the wetlands and maybe two columns along Dowden Road then off that just bring two fences straight down into the water and leave that and that would remain that way and then build up from the other end maybe the same amount the first year. Then maybe one column out to Dowden Road and go into the water with a fence and the next year add another amount of fencing you could follow the same pattern and add two or

three more columns on each end and by the time you got to Phase 3 you would be closing all the fences off. You accomplish in Phase 1 blocking the community off by having a fence go into the wetlands and into the retention pond. The other phases are stretching them in and closing them up. Looking at it from that perspective you could do long term budgeting.

Mr. Showe stated I seem to recall that if you did Plan C first there may be portions that you would have to redo if you were to convert that to Plan A later but because of Plan C and the amount of money you already have in your reserves that is something we could move on at any time without an assessment increase and the Board could make that determination.

Mr. Vinton stated I think with this cost of \$17,000 if we assume four or eight columns for \$20,000 for a total project cost of an estimate of less than \$40,000 we could at least proceed with Option C without TRIM notice, mailed notice or anything like that and get it in for this budget year not waiting two or three years down the road to at least get Phase 1 complete then proceed and work on approving a budget for Phases 2 and 3, which would be Option A for example.

Mr. Giercyk stated basically the most important thing is the difference between what you see in Phase C or Plan C is they don't go into the wetlands. I'm saying you need to go into the wetlands. They just have one column that comes straight across the property and down into the water. I'm saying no, put in a couple of columns go into the wetlands put in a post and a fence and put your column fences in as well.

Mr. Vinton stated while we may have to actually redo some of Option C as we begin more of a phase approach you would have to remove less and we can reuse more of what we have already deployed.

Mr. Giercyk stated if you really wanted to do it there is no reason as you finish Option A or the end of Option A along Dowden Road and run that fence down into the water. That fence could stay in the water until you go all the way across and connect all of them and then remove that at the very end. Just closing a fence down a little bit each year would give you the ability to make it look a little bit nicer as you go along. It is a slower approach; it is more palatable to the budget maybe that is something we should look at. Would you get an exact match on each column? Probably not.

Mr. Showe stated in our experience with columns, the answer is definitely not.

Mr. Giercyk asked would you be able to get something that looked good as you go down the road? If you are doing individual columns I don't think you have a major issue unless it is a

really poor match. If you are doing a brick wall you are going to see a line right across that wall because you are comparing A to B. Maybe we should put the whole plan together and consider doing it in phases once we know the whole plan.

Mr. Smyk asked if we increase our assessment by a little such as an \$80 increase opposed to \$500 do we still need to send out a letter?

Mr. Showe responded that is why I was encouraging you to lay the plan out before you do the assessment process because you have to do a mailed notice regardless of the amount whether it is \$2 or \$500.

Mr. Van Wyk stated let me add that the reserves that we have are not necessarily earmarked for capital improvements so when you change the purpose of a previous assessment we have to go through the hearing process anyway so even if we were going to use reserves to fund a capital improvement project we would still have to have a hearing. If you are going to go through the hearing process and the notice process you might as well think about increasing assessments enough to cover the Option C if that is what you want to do in the first year and raise the assessments \$30 to \$40 so you can collect that money and still maintain your reserves and not eat away your reserve balances. We are going to have to have a hearing either way.

Mr. Showe stated I think we earmarked the funds already for the Dowden Road improvements as part of the budget.

Mr. Van Wyk asked for the upcoming year?

Mr. Showe stated in 2018 yes it is part of the proposed budget and under the LaVina fund there is a Dowden median improvements that we were planning for any improvements along Dowden Road.

Mr. Smyk asked would we want to try to get the word out to have a public hearing to discuss this with more of the residents than just us? They generally don't get a lot of turnout but you would know more.

Mr. Vinton stated we say we have provided you notice, we have provided ample information and a form to speak and raise questions in advance of making a change.

Mr. Smyk stated it is not that big of a deal to book a bigger place and advertise.

Mr. Showe stated because you already approved a proposed budget hearing, date, time and place we would have to do that as well. The last time we had an assessment increase we held the meeting at night to allow more participation so we would have to try to fit that into our

schedules. If the intent is to move on something similar to Option C at least to start with I think you have those funds available and the ability to do that now without an assessment increase. You can work with the Engineer to develop that plan the way you want it but we earmarked \$50,000 specifically for those Dowden Road improvements. If you find there is benefit to Parcels G & H you can utilize some of their funds as well. As we plan out next year's assessments you can look at \$1090 a year to build through this and make that one-time assessment increase and as you go along you will have the funds to do that in stages. The challenge in doing a mailed notice now is all the unknowns. When people come in they are going to expect to know what they are getting for this money. It sounds like there is still some work to do on Option C the way you would like it.

Mr. Scheerer stated there are a few dollars left out of the \$50,000 that is in the budget that you could work with Rey on to get what you need into the wetlands to try to keep that from being so exposed and accessible. There is some wiggle room within the \$50,000 that was allocated in the budget.

Mr. Smyk stated there was nothing earmarked this go around of the budget from G & H reserves. Is that correct?

Mr. Showe responded there is funding in there but no specific project but you haven't approved your Fiscal Year 2018 budget either. If the whole project is going to cost \$30,000 we will allocate some from G & H some from this one based on the model I put together there is a percentage basis that we use one from each then we have it earmarked in the budget for that purpose then we can move forward with the plan.

Mr. Vinton asked could the budget meeting also be the same hearing meeting to adjust the reserves to allocate for this project?

Mr. Showe stated if the Board wants to move in that direction we will just put that in the budget that way and it will be presented to you as part of your adopted budget. You do not need to have an assessment increase to utilize funds you already have it is when you are increasing and collecting more.

Mr. Vinton stated or changing the purpose from what Roy was saying.

Mr. Showe stated you have capital reserves and I think the intent is that they are designated for capital projects.

Mr. Giercyk stated I think we ought to continue to develop this get it to the point that we know exactly what we want, get whatever drawings we need to be able to explain it to people, at that point we know what we want to do and we can break it into phases and figure out how much we want to do in each phase and possibly kick something off next year so we get the ends blocked off so people can't walk around then do the center as we go along.

Mr. Smyk stated that is why I brought it up last meeting having that Plan C, what is the urgency and the necessity of not just for aesthetic purposes but for security and things like that. That does sound like a good way. Would there be any need to utilize any landscape with Option C or Plan C?

Mr. Scheerer stated I think you want to use that money in your long term plan.

Mr. Giercyk stated that would be the last phase once you get the fence completely up.

Mr. Smyk stated it would be almost like a preview so that the people who live there would get an idea, they didn't have to pay any extra to get the landscaping and start of this. This is just for discussion purposes.

Mr. Showe stated we can look at that when we are finished and see if there is some landscaping we can do.

Mr. Scheerer stated if you are going to pull it all out that is a waste of money.

Mr. Smyk stated I think we should be able to come up with a plan to utilize the existing with minimal if any loss. The columns should not be moved it would just be the fencing so there shouldn't be a big demolition of what was there.

Mr. Giercyk stated we could also do something when you get the first portion of the fence up if we have our landscape project in place and we know what we want we could buy 5 gallon plants the first year, the second year we might buy 10 gallon plants so we match them as we go along.

Mr. Vinton stated that would be part of the five year plan not necessarily the five month plan.

Mr. Smyk stated exactly, once we decide to go forward with the long term we will definitely have an idea of landscaping and additional maintenance and how it is going to impact everything. We will have to have all of that before.

Mr. Giercyk stated if you have a small increase such as \$100 then once the project is complete you have that extra money to go for the maintenance.

Mr. Vinton asked instead of a \$500 increase for one year it is a \$100 increase then next year it is \$200 and you begin that gradual approach instead of an immediate hit.

Mr. Wong asked do you have to have a hearing each year or just have one?

Mr. Showe stated as a Board you will have to approve the O&M assessments every year, you have to do a mailed notice when you increase them. If the Board says we are going to do \$100 a year for the next five years and that is how we are going to fund the project you would do \$100 increase the first year that requires a mailed notice and you would want to have another room because you are going to send a letter out to everybody and they are going to show up and ask questions. The following year you don't have to advertise that \$100 again because you are not increasing it again.

We will continue to work with Steve and the Engineer to build out Plan C the way you would like, we will build funding into your 2018 budget in the capital funds for both LaVina and G & H that utilize reserve funds already appropriated for a project like this and then we will continue to develop the full long term plan throughout the year. We have the sense of direction.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There not being any, the next item followed.

C. Manager

i. Approval of Check Register

On MOTION by Mr. Giercyk seconded by Mr. Vinton with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

SEVENTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

EIGHTH ORDER OF BUSINESS Supervisors Requests

Mr. Vinton asked where are we on the fountain quotes?

Mr. Scheerer stated we will have that for the August meeting. We have the money allocated and we will have to determine if you want to transfer the Ziani utility bills and maintenance over to the CDD as well. It is my understanding as to the direction they wanted to go.

Mr. Vinton stated that would require a letter from Counsel to transfer ownership and maintenance.

Mr. Scheerer stated normally it is just a utility account.

Mr. Giercyk stated you are taking over the pumps too.

Mr. Scheerer stated we will have to have the HOA do an inspection of the pumps and make sure they are working properly before we take them over.

Mr. Van Wyk stated the HOA will be basically donating the fountains to the CDD and we will need a bill of sale from the homeowners association to show ownership exchange.

Mr. Gregoire asked with this transfer will the CDD be assuming the electric costs?

Mr. Scheerer responded yes.

Mr. Gregoire asked do we understand that cost and do we have it covered in the budget?

Mr. Showe stated at this point we don't it will have to be come out of miscellaneous for the first year until we are able to add that to the assessments the following year and it can also be offset by the reserves.

Mr. Gregoire stated the pumps are not cheap to run. The electric bill in NonaCrest was somewhere around \$250 per month and it only runs 11 hours a day.

Mr. Giercyk stated ours typically runs 10 hours a day and the electric cost runs around \$150 per month.

Last October we did some quick work to get money approved for Solvino and a wall that was supposed to go in and I haven't seen a wall yet and I'm wondering what happened with the money. Did we spend the money?

Mr. Scheerer stated that was an HOA expense.

Mr. Giercyk stated I thought we gave them money for engineering or the permit.

Mr. Showe stated engineering and design I don't believe we have been invoiced I don't think they have gone that far in the project. It is my understanding they have changed management companies several times and it may have been moved down the road. I can follow-up and find my last contact. I have reached out to them several times.

NINTH ORDER OF BUSINESS

Audience Comments

There being none,

On MOTION by Mr. Smyk seconded by Mr. Giercyk with all in favor the meeting adjourned at 3:37 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman