

MINUTES OF MEETING
NARCOSSEE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Narcoossee Community Development District was held Tuesday, August 22, 2017 at 3:02 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
Chris Vinton	Assistant Secretary

Also present were:

Jason Showe	District Manager
Roy Van Wyk	District Attorney (by phone)
Rey Malave	District Engineer
Alan Scheerer	Field Manager

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the June 27, 2017 Meeting

On MOTION by Mr. Vinton seconded by Mr. Giercyk with all in favor the minutes of the June 27, 2017 meeting were approved.

FOURTH ORDER OF BUSINESS

Public Hearing

- A. Consideration of Resolution 2017-04 Adopting the Fiscal Year 2018 Budget and Relating to the Annual Appropriations**

On MOTION by Mr. Smyk seconded by Mr. Giercyk with all in favor the public hearing was opened.

Mr. Showe stated the first item under the public hearing is consideration of Resolution 2017-04 adopting the Fiscal Year 2018 budget. The budget has been provided as an attachment to the resolution. The assessments remain level and the expenses of each community were kept level.

Mr. Showe briefly reviewed the budget then opened the floor for public comment or input and there being none it was brought back to the Board for discussion or questions.

Mr. Van Wyk asked will you affirm that notice was provided as required?

Mr. Showe stated that is correct.

Mr. Giercyk stated we will be discussing later on a fountain in the retention pond that will be the property of the CDD.

Mr. Vinton stated there was no adjustment to the facilities line item.

Mr. Giercyk asked do we need an additional line item for electric?

Mr. Showe stated you have the full budget of \$7,800, the current expenses are about \$6,800 so there is some flexibility in that account line.

Mr. Giercyk asked do we want to break it out by itself as we do with the streetlights with Capri and Solvino?

Mr. Showe stated it would be difficult at this stage since those costs are unknown and we have to levy that assessment directly on those homeowners, which would also facilitate an increase. At this stage we can't do an increase because of the mailed notice requirements. Heading into next year if that is something you want to do for Fiscal Year 2019 we can look at that.

Mr. Giercyk stated it is something we should have looked at before this.

Mr. Showe stated without having approval for the fountain there is no way for us to even have a concept of what that would look like.

Mr. Giercyk stated maybe that is something we need to look at moving forward and get a handle on what that may cost.

Mr. Smyk asked do they have a contingency line item?

Mr. Showe responded there are some small miscellaneous common areas that are associated with each of the communities and those amounts balance the budget so there is no

assessment fluctuation. If any of the communities go over in expenses that is when you utilize those capital reserves to offset those.

On MOTION by Mr. Smyk seconded by Mr. Vinton with all in favor Resolution 2017-04 was approved.

B. Consideration of Resolution 2017-05 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Showe stated the next item is Resolution 2017-05. This is the mechanism that levies the assessments onto the tax bills for all the properties in the District. Attached to this resolution will be the adopted budget and the assessment roll.

Mr. Showe opened the floor for public comment or input and there being none, it was brought back to the Board for further discussion and action.

On MOTION by Mr. Vinton seconded by Mr. Giercyk with all in favor Resolution 2017-05 was approved.

On MOTION by Mr. Vinton seconded by Mr. Giercyk with all in favor the public hearing was closed.

FIFTH ORDER OF BUSINESS

Acceptance of the Audit Committee Recommendation and Selection of No. 1 Ranked firm to Provide Auditing Services

Mr. Showe stated, next is acceptance of the Audit Committee recommendation and selection of the number one ranked firm to provide auditing services. Just prior to this meeting, the Audit Committee met and ranked Berger Toombs number one.

On MOTION by Mr. Smyk seconded by Mr. Giercyk with all in favor the recommendation of the Audit Committee of Berger Toombs being ranked no. 1 was accepted and staff authorized obtain a three-year agreement.

SIXTH ORDER OF BUSINESS

Consideration of Agreements

A. Consideration of Second Amendment with Down to Earth, Inc. for Landscape/Grounds Maintenance Services

B. Consideration of Agreement with Applied Aquatic Management, Inc. for Aquatic Plant Management Services

Mr. Showe stated we provided you two contracts, one is the second amendment to the Down to Earth contract and they propose no increase in costs for this year and the second item is Applied Aquatics and there was no increase in their costs.

Mr. Scheerer stated we have had a few performance issues with Down to Earth and we met with one of their senior managers and they removed the crew out of Sand Lake and assigned the crew that does Lake Nona out of their Boggy Creek Road compound and they gave us one of their most senior account managers and we made some adjustments to the detail rotation and their schedule. We are just working through some of those issues right now and so far so good but they are on a short leash right now and we want to make sure they are performing under the contract. If they can get through the detail schedule every three weeks as opposed to every four weeks I think everybody will see a noticeable difference. I talked to Mr. Giercyk today on some detailing going on in front of his community and I'm going to stop by there after the meeting and look at a few things then contact them. I do meet with them on a regular basis Friday afternoons at 1:00 p.m. and do a complete ride through of the entire property.

As far as Applied Aquatic they are dealing with some of the same challenges all the aquatic vendors are right now, heat, rain, heat, rain, heat, rain, algae, algae, algae. Applied Aquatic is one of the better companies and they can come out and treat, and then they have a 14 day wait before they can reapply and they do that at no cost to us. They are also very responsive to any issues or concerns that are brought up by residents, Board members or staff.

We will continue to monitor both contracts weekly and there is a 30-day out clause on both contracts.

On MOTION by Mr. Vinton seconded by Mr. Giercyk with all in favor the second amendment to the agreement with Down to Earth and the agreement with Applied Aquatic Management, Inc. were approved.

SEVENTH ORDER OF BUSINESS

Discussion of Fountains

Mr. Scheerer stated as directed we included in your agenda package a couple of fountain quotes, the first two are from Lake Fountains, one is for a 5hp fountain and the location being considered for this fountain is Tract B stormwater retention pond that borders the Mirabella

subdivision. We need to have electrical services and a meter installed if the Board chooses to move forward with that. The 5 hp quote is included in the agenda package as well as the 7 ½ hp for your review. We also included a quote from Cascade Fountains their 7 ½ hp quote is \$23,000 and the 5 ½ hp is \$14,000.

Mr. Giercyk stated we have two fountains in Ziani, one of which has gone bad and it is currently a 2 hp system and the quote to replace that system was about \$6,000. Knowing we have this other quote coming through I got a similar quote of the same kind of fountain to go in our pond and by the time you get through everything we are looking at a quote of about \$13,000. How do we handle the fact that we were talking about transitioning over the fountains in Ziani as part of picking up this one fountain as a District fountain? I guess we would end up with three fountains that would be District but now one is broken and I know the policy is we don't accept broken or non-working hardware. I need to know if I'm spending \$13,000 or do I say to the Board do you accept the broken system? I know how to solve the problem it is easy but the whole thing gets complicated. How are we going to treat this? I also think there is a fountain in NonaCrest. If the Board is going to pick up fountain and electrical for Ziani and Mirabella then it probably ought to be making all the fountains District fountains or making that available to the community. How are we going to think of this on a broad basis? We can do one pump that is easy but are we creating a situation where we are picking and choosing and not treating communities all fairly?

Mr. Vinton asked can we increase the quote for a quantity of two?

Mr. Scheerer stated we can do that and bring it back.

Mr. Showe stated it is more of policy decision than anything else and I think Roy may want to speak to this.

Mr. Van Wyk stated the District owns and operates the surface water management system and then our benefit that each one of the parcels received is based on your assessment methodology. If the purpose of the fountains is to keep the pond aerated, etc. then it is something that should be borne by the entire District on whatever method is developed in the assessment methodology. If they are purely aesthetic and different HOAs have chosen to put in a fountain for aesthetic purposes and have chosen the quality and size of those fountains then you could probably do it on a neighborhood basis. I think you need to take a step back and see what

the purpose of the fountains is. Is it a District wide operation or is it something that is a benefit to a neighborhood independent of the surface water management system.

Mr. Giercyk stated that is the question I don't know the answer to.

Mr. Scheerer stated anybody who installs a fountain gets the benefit of aeration from the fountain but most of the fountains go in not for that, they go in for aesthetics.

Mr. Vinton stated the original request I received from the HOA is that it be done specifically for aeration, reducing the amount of algae in that one particular pond. There is one gentleman in the neighborhood who continues to call Alan and complains every week that there is an excess build up of algae. That was one of the driving factors that it should reduce the amount of algae, it should reduce the amount of work that Applied Aquatics has to perform.

Mr. Smyk asked is that reflected in Applied Aquatics in their work routine? Is there a definite difference between the pond that has no fountain and the pond that does have a fountain?

Mr. Scheerer stated I know that Mirabella pond, Tract B, tends to have a little more algae than some of the other ponds but I have plenty of ponds in the District that have no fountains and have no algae.

Mr. Malave stated the relationship between aeration and having algae or not having algae has to do a lot with the water quality, the depth and other factors and how close is it to natural areas, wetlands and the water quality that is coming into that.

Mr. Smyk stated NonaCrest has one fountain but it is completely within the neighborhood there is no aesthetic value to anyone in the District except for the homeowners that live on that retention pond. If it were a District wide type of scenario it would have to benefit the water quality only because aesthetically there would be no benefit to anyone outside those homeowners. That is my comment on that. Having fountains on the right side going east and not having one on the left side the aesthetic benefit would be to everyone within that area of the District they would gain that benefit.

Mr. Malave stated to clarify too aeration does provide value from a perspective of water quality it doesn't necessarily correlate directly with the algae.

Mr. Showe stated and the service costs that you are going to have associated with it.

Mr. Malave stated we do that at wastewater treatment plants, we aerate it, we want to get oxygen in there and oxygen definitely helps the lake and it also helps the plants too. It is a combination of other factors.

Mr. Scheerer stated if you are considering that there is also another pond at Solvino that is directly on Dowden Road as well that doesn't have a fountain. This one would only benefit the residents that are back there because nobody can see it but the residents, but you have a total of four that are directly on Dowden Road. The other question is how do you deal with the fountain that is not working. If you are looking at \$15,000 for one and \$13,000 for another where does that put you in our current budget and how would we pay for that going forward. Then the residents from Solvino come and say we want a fountain and that is another \$15,000 and the next thing you know you have utilized the majority of your reserve funds. You have to answer Mr. Giercyk's question on how do you deal with the broken one.

Mr. Vinton asked is it a District fountain?

Mr. Scheerer responded no, the District owns no fountains. I have never accepted anything broken.

Mr. Smyk stated in our previous discussion we talked about the working fountain in front of Ziani becoming part of the maintenance and utilities of the District.

Mr. Scheerer stated at the time both the fountains were working and the discussion of the request from Chris to add the fountain to Mirabella the subsequent follow-up to that was the District taking ownership, the maintenance and operation of the two fountains in Tracts A and C. Tracts A and C currently have fountains, Tract A is down and I don't know how Roy would feel about the District taking ownership and paying the expense of a fountain that it doesn't own or if the HOA pays for it and then turn it over to us. That is how the original concept started, the HOAs would pay for the fountains and the District would take it over.

Mr. Showe stated typically CDDs will only accept property in working, functional condition.

Mr. Giercyk asked how do you accept putting a fountain into Pond B, it is not broken but it is not there?

Mr. Showe stated under that scenario the HOA would pay for the fountain, put it in and we would accept that fountain in working condition.

Mr. Giercyk stated that sounds like a plan that the founders of this Board may have had in mind but that is not what we are doing with Pond B.

Mr. Showe stated no one has made a decision yet.

Mr. Giercyk stated that is not what we are talking about doing with Pond B, we are talking about paying for the fountain and also paying for the electrical connection.

Mr. Scheerer stated it is all inclusive. The proposals provided to you in the agenda package today include permitting, electrical work to get the meter set and that meter would be specific to that fountain so we would know what the ongoing costs were. It is a turnkey installation.

Mr. Van Wyk asked the costs for the fountain in Pond B then would be paid from just the reserves of that neighborhood?

Mr. Showe stated it would have to be from LaVina as a whole. That particular neighborhood doesn't have its own individual reserve.

Mr. Scheerer stated the neighborhood in LaVina is a combination of the four neighborhoods on Dowden Road. I believe Roy said depending on how you determine the benefit of the fountain would determine whether or not.

Mr. Smyk stated I believe it would be the same breakout as the administrative costs. The HOA of Mirabella do they have the ability to go forward with the purchase of this fountain and then have the CDD take over the maintenance and operation?

Mr. Vinton stated getting Mirabella HOA Board approval I don't think that would be an issue. There is the ability it just requires Board approval for that. I think that is where I was originally confused when this request came up. I thought the CDD would purchase and the HOA would maintain, own and operate it much like Ziani does.

Mr. Showe stated I think because their fountain is already there it makes it a challenge to do the same thing for everyone if you do it the other way.

Mr. Vinton stated it seems like the simplest option would be for the HOA to actually purchase the fountain based on the quotes received and then turn over ownership to the CDD.

Mr. Showe stated when the time comes if Counsel is amenable they can prepare the bill of sale or whatever agreement is needed and we would enter into that agreement and take it over from that point. We would go through an acceptance process, do a walk through make sure everything is up and running properly.

Mr. Vinton stated that solves the issue of repairing the fountain before turning it over.

Mr. Giercyk asked how do you feel about the expense?

Mr. Vinton stated I don't think there would be an issue.

Mr. Showe stated it also makes the fountains independent too so his decision even if they choose not to do it you can still go forward with yours and go through the same process.

Mr. Giercyk stated that is exactly what I needed to know.

Mr. Vinton stated we won't be pursuing these quotes through the CDD but I will make sure the Mirabella HOA is aware and we will proceed and get approval to do that then we can discuss it at the next meeting taking over ownership.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Malave stated in regard to the Econ Trail they are in the process of cleaning the property, taking all the ordnances out and it was great while it was not raining but now they are having serious trouble because the place holds a lot of water and they cannot discharge water offsite. That has slowed their process. They envisioned having that process done in two to three years and it is just going slower. In that process the developer will finalize his plans and go to the City. They have a master plan that was approved that shows the Econ Trail doing four-laning the piece north of Vista Lakes then the piece that would go through the property and developer and then the piece coming south and across 528. The order of need that they have phased that road construction is the piece north from Curry Ford to the existing terminus at Lee Vista Boulevard is the first phase. That is needed from when they open their first phase of development. Right now that is probably 2020. The City of Orlando has undertaken the design of that roadway together with Orange County. The second tier will be developed as they go so the phases are starting from Vista Lakes going south and this is the last piece that will be needed for their full development is slated for 2024-2025 depending on how fast they go through their development. That is the current stage with that and the soonest development could happen I think would be 2025 realistically 2026-2027. Design-wise they are not going to design those pieces outside the property until they really need it. Especially the fact that there is a bridge involved over the expressway it is pretty substantial and construction will take three or four years then you end up doing the last piece, which is the one next to our property. That is their general

phasing timeline but until they finish cleaning up the property that is not going anywhere. They have to get a final signoff from the DEP in Tallahassee and from the Army Corps of Engineers in D.C. to be able to go forward with developing the property.

C. Manager

i. Approval of Check Register

On MOTION by Mr. Vinton seconded by Mr. Giercyk 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.

iii. Approval of Fiscal Year 2018 Meeting Schedule

Mr. Showe stated the proposed meeting schedule is October 24th, January 23rd, March 27th, May 22nd, June 26th and August 28th here in this room at 3:00 p.m.

On MOTION by Mr. Smyk seconded by Mr. Giercyk with all in favor the Fiscal Year 2018 meeting schedule was approved.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Supervisors Requests

There being none, the meeting was adjourned.

On MOTION by Mr. Giercyk seconded by Mr. Smyk with all in favor the meeting adjourned at 4:00 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman