

MINUTES OF MEETING
NARCOSSEE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Narcoossee Community Development District was held Tuesday, September 28, 2021 at 3:00 p.m. at the Offices of GMS-CF, LLC, 6200 Lee Vista Boulevard, Suite 300, Orlando, Florida.

Present and constituting a quorum were:

Jeffrey Smyk	Chairman
Steve Giercyk	Vice Chairman
James Gregoire	Assistant Secretary <i>by telephone</i>
Peter Wong	Assistant Secretary
Betsy Burgos	Assistant Secretary <i>by telephone</i>

Also present were:

Jason Showe	District Manager
Roy Van Wyk	District Attorney
Rey Malave	District Engineer <i>by telephone</i>
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 July 27, 2021 Meeting

On MOTION by Mr. Wong seconded by Mr. Giercyk with all in favor, the Minutes of the July 27, 2021 Meeting, were approved as presented.
--

FOURTH ORDER OF BUSINESS

Consideration of Second Amendment to Landscape Maintenance Services Agreement with SSS Down to Earth Opco, LLC

Mr. Showe stated there is no increase in price, it is just a one-year extension of their current agreement. Alan will talk about the service, and we can talk about approving the agreement as it is and where we go from here.

Mr. Scheerer stated we received an email from Mr. Gregoire today with his concerns about the trimming and dead plants and the palm trees, especially on the south end are old issues that have been communicated to Down to Earth for quite some time. Over the last four to five weeks, we have had non-performance issues with Down to Earth, lack of staffing, not mowing on a timely basis, they have not fulfilled the terms of their agreement 100%. I sent their management team two weeks ago a document that outlined 10 or 12 generic issues. On the south wall at Nona Crest there are a lot of weeds, on the north wall there are a lot of weeds and Tract H in Nona Preserve that is not getting maintained, several weeds and lack of maintenance on Dowden Road for the four communities in La Vina. The area behind the homes in Ziani hasn't been maintained consistently. I'm very dissatisfied and the answers I'm getting from Aaron Wilbanks, our account manager, is that they are having staffing issues, they had a whole crew walk off the job one week, they had a whole crew come down with Covid another week, they tried to schedule service on a Saturday and nobody showed up. I'm sure you are all aware that the service dates for this District is typically with Down to Earth on a Thursday and Friday. We may get portions of service on Thursday and people call out and they don't have enough crew members on Friday.

This has been going on for about four or five weeks. I have talked to the senior account managers with Down to Earth and told them I'm not paying their invoices and they can prorate the invoice for whatever minimal amount of service we received and it would be my recommendation that the Board consider extending the agreement for the purposes of extending it and then consider an RFP for landscape services. I did contact a new provider that is doing work in Storey Park and are doing a great job. Unfortunately, the number they gave me exceeded the bid threshold, which Roy has confirmed is \$195,000. In today's environment with labor costs and product costs, the cost of business is going up, I doubt we are going to be able to keep it under \$195,000. I wanted the Board to know that this level of frustration has been going on for quite some time and the only answer I get is they are having staffing issues.

Mr. Gregoire stated this information is helpful because now I understand why these things aren't getting done, which is why I sent that email this morning to go on record that they need to fix these items. What concerns me the most is the palm trees, but I will hold on that for now.

Mr. Scheerer stated I reached out to OmegaScapes, which is a new company comprised of senior managers from Yellowstone. If you want to see the quality of their work go to Storey Park, Dowden Road between 417 and Storeytime Drive, Storey Park Boulevard by Innovation Middle School we have a dog park in there and a few passive parks. Down to Earth was recently terminated from the HOA and they hired OmegaScapes to clean up what is going on out there. I would have loved to say we got a great price I recommend changing but the dollar amount exceeds the bid threshold. We don't have any recourse at this point if it is the Board's desire other than to draft an RFP for landscape maintenance services. That will probably impact the budget, which Jason can talk about. I know each community has their own landscape dollar amount and we already adopted a budget. If we exceed it we can probably pull from the reserve. I don't think it is going to be a lot, the number I got from them was a little under \$200,000.

Mr. Gregoire asked have we considered using the respective HOA landscapers to perform maintenance outside the communities that they service and pay them accordingly?

Mr. Scheerer stated the last time we went out to bid we reached out to the Nona Crest landscaper and he didn't provide a number. Roy is going to have to speak to that because there is a bid process and I don't know that we can go to each individual HOA and ask for a number for that since it is all under the Narcoossee CDD.

Mr. Van Wyk stated you are not authorized to do what they call bid splitting, reducing it down to separate contracts for each separate area. If you are going to do one service it has to be for the whole service.

Mr. Gregoire asked have we gone with a letter from legal putting them on notice that they are in jeopardy of going default in their contract?

Mr. Scheerer stated I have had that conversation with them directly. It is up to the Board if they want legal to send them a letter, but I have already told them that this was coming up for discussion today and that there was a good possibility we were going to bid the services.

Mr. Giercyk asked how much time is left on the contract?

Mr. Showe stated three days.

Mr. Giercyk asked how long are we talking about extending it?

Mr. Showe stated it is our recommendation that you extend their contract, authorize us to enter into the RFP process and hopefully, we will have everything for your November meeting, then we can give them the 30-day termination notice.

Mr. Scheerer stated that is my recommendation and in the interim I will continue to work as hard as I can to get them to perform. There are not a lot of dead plants, there is a palm tree and lightning strike and things like that but try to get some of these other deficiencies under control and if they don't get them under control then we give them the 30-day termination notice, at the end of that 30-days we will look at what has not been done, what still needs to be done and amend their final invoice and not pay the entire invoice.

Mr. Gregoire stated I agree.

Mr. Scheerer stated I deal with Down to Earth on a lot of properties and I don't seem to have this same issue and I don't know why.

On MOTION by Mr. Smyk seconded by Mr. Giercyk with all in favor, the Second Amendment to the Agreement with SSS Down to Earth Opco, LLC extending the term one year, was approved.

On MOTION by Mr. Wong seconded by Ms. Burgos with all in favor, Staff was Authorized to Issue an RFP for Landscape Maintenance Services using the Evaluation Criteria and Scope of Services that was previously used.

FIFTH ORDER OF BUSINESS

Discussion of Admin O&M Allocation

Mr. Wong summarized the memo he prepared on a comparison of maintenance and total O&M assessments for Nona Crest and Nona Preserve.

Mr. Van Wyk stated leave the debt out of this and do the admin only.

Mr. Showe stated I'm working on a spreadsheet and it reduces the admin portion for Nona Crest and La Vina and increases Nona Preserve, commercial and the apartments, I moved the apartments to 420 units because that is what the property appraiser said and I am assessing those at 1 each and leaving the commercial allocation as it is. The current allocation is 22% of the admin costs go to Nona Crest and under this scenario 19% would go to Nona Crest, La Vina currently pays 28% and under this they would pay 19%. The Preserve currently pays 10% under

this it would go to 16% and the remainder goes from 38% to 44%. We are talking about this for next year's budget, we can't change the current budget, but I will put that together in a table for discussion at the next meeting. Nona Crest would go from \$27,000 to \$23,000 in admin. La Vina would go from \$33,000 to \$23,000. Nona Preserve would go from \$12,000 to \$19,000 and G&H would go from \$45,000 to \$53,000. Every residential is paying equally for admin.

Mr. Smyk asked multi-family there is nothing that would preclude us from charging one unit value?

Mr. Van Wyk stated for O&M assessments we rely on our manager to come up with a calculation that is reasonable and logical.

Mr. Showe stated we have a lot of Districts that assess equally.

Mr. Van Wyk stated that is 100% defensible as long as you conclude that you have reason to do it.

Mr. Giercyk asked will you put together a chart for the next meeting showing how it will affect each community?

Mr. Showe responded yes.

Mr. Wong stated I would be curious to know the impact if we did the same calculation on the debt.

Mr. Van Wyk stated the assessment methodology and the trust documents we are not allowed to change methodologies without notifying bondholders and going through that process. I would caution the Board to be careful about what findings they make that may be inconsistent with previous findings.

Mr. Showe stated we should stick to the admin allocation.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i. Memo on Wastewater Services and Stormwater Management Needs Analysis

Mr. Van Wyk stated in your agenda package is a memo we prepared, KE Law Group, outlining some of a new laws that came into effect last year and requires that our Engineer and District manager prepare a report for yet another agency of the State of Florida. It is basically a calculation of what we have as far as improvements in surface water management, what our components are, location of outfalls, etc. and the cost of operation of those improvements over a

five-year period. We are pretty fixed, all the information should be readily available to the manager and Engineer and it is just a matter of putting together a small report and sending it in.

Mr. Wong asked do you know the motivation for this law was?

Mr. Van Wyk stated it is more of an impact for local governments to project their growth. We are a component of that overall county calculation.

Mr. Rey stated it is on every single CDD so you are not the only one, it is every government. Big cities and counties are going to have to do a lot of work to put this together.

B. Engineer

Mr. Scheerer stated I did contact Rey about a concern from Mr. Gregoire about the arrows as you exit Nona Crest and he is going to get with his traffic Engineer and let us know if there are any modifications that need to be made with right turn only, straight or left.

C. Manager

i. Approval of Check Register

On MOTION by Mr. Smyk seconded by Mr. Wong 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 being none, the next item followed.

EIGHTH ORDER OF BUSINESS

Supervisors Requests

Mr. Giercyk stated thank you for all the work that was done in the retention areas and cleaning the spreader swales. I appreciate it and I know the community does as well.


NINTH ORDER OF BUSINESS

Next Meeting Date – November 16, 2021

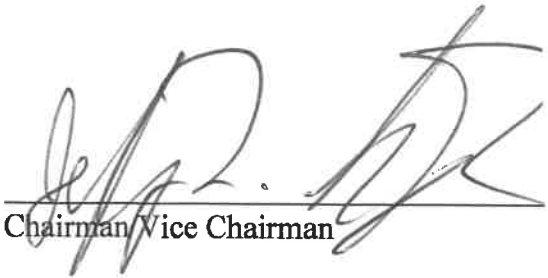
On MOTION by Mr. Giercyk seconded by Mr. Smyk with all in favor the meeting adjourned at 4:10 p.m.

TENTH ORDER OF BUSINESS

Adjournment



Secretary Assistant Secretary



Chairman Vice Chairman