

MINUTES OF MEETING
MONTECITO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Montecito Community Development District was held Wednesday, September 25, 2017 at 10:30 a.m. at the Montecito Beach Club, 208 Montecito Drive, Satellite Beach, Florida.

Present and constituting a quorum were:

Richard Wellman	Chairman
Ed Henson	Vice Chairman
James E. Bourdeau	Assistant Secretary
Tanja Glynn	Assistant Secretary

Also present were:

Jason Showe	District Manager
Ginger Wald	District Counsel
Ray Malave	District Engineer
Randy McGrath	Amenities Manager
Katie Costa	GMS
Alan Scheerer	GMS
Larry Bradshaw	Resident
Residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order at 10:30 a.m. and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

Ms. Angela Mendoza, of 719 Ventura Drive, questioned the purpose of the \$360,000 generated from assessments. Mr. Showe indicated that a portion of the \$360,000 would be utilized until assessment revenues were received and then replenished.

Mr. Robert Mendoza, of 719 Ventura Drive, referred to emails he sent to the Board on June 26th regarding the HOA loaning money to the CDD. Mr. Wellman noted that no request was made to the HOA; although emails went back and forth, asking the HOA to consider it. Mr. Mendoza felt that Mr. Wellman was dishonest and opposed his leadership.

THIRD ORDER OF BUSINESS

Approval of Minutes of the June 26, 2017 and August 2, 2017 Meetings

Mr. Showe stated that summarized minutes were provided at the Board’s request. District Counsel and Ms. Bagley provided comments, which were incorporated.

Dr. Bourdeau noted that on Page 1 of the June 26, 2017 minutes, “*stated*” should be “*state*”. On Page 12, “*pgs*” should be “*tgs*”. On Page 15, “*Mike Neff*” should be “*Mike Knapp*”. On Page 43, “*H₂O*” should be “*Blue H₂O*”. On Page 3 of the August 2, 2017 minutes, in the second paragraph, Dr. Bourdeau’s comments should be attributed to Mr. Henson.

On MOTION by Mr. Wellman, seconded by Mr. Henson, with all in favor, the minutes of the June 26, 2017 and August 2, 2017 meetings, were approved, as amended.

FIFTH ORDER OF BUSINESS

New Business Items

A. Consideration of Agreement with American Ecosystems, Inc. to Provide Aquatic Maintenance Services

Mr. Showe stated that the original contract with American Ecosystems, Inc. was outdated. Based on discussion, at the last meeting, using blue dye to prevent evaporation on the ponds was added as a new service and Pond 5 was re-sized. The new contract was \$425 per month.

Dr. Bourdeau recalled that the original contract was entered into two years ago, at the rate of \$219 per month and recommended approving the new contract, which at \$425 per month was reasonable. He favored the blue dye, as it slowed the growth of vegetation and the resizing of Pond 5. There was significant growth of Hydrilla and vegetation, due to the drought and the hurricane. Mr. Showe agreed that it was a fair price, compared to contracts in other Districts for lake maintenance services, and recommended approval of the contract in substantial form, so District Counsel could include additional contract language.

Discussion ensued regarding the contract. Dr. Bourdeau stated that the contract was for one year, with a two-year extension if both parties were agreeable. Mr. Henson questioned if there was an automatic renewal. Mr. Showe indicated that there was termination language. Mr. Henson questioned if Staff contacted other companies for comparison purposes. Mr. Showe stated that if the Board chose to look at other vendors, additional proposals could be requested. Dr. Bourdeau recommended American Ecosystems, based on prior history and reliability.

Mr. Mendoza asked if the budget would be adjusted for the amended cost. Mr. Showe stated that, next year, the budget would be amended.

On MOTION by Dr. Bourdeau, seconded by Mr. Henson, with all in favor, the agreement with American Ecosystems, Inc. for lake maintenance services, in the amount of \$425 per month, was approved in substantial form.

B. Discussion of Field Management Services

Mr. Showe recalled that, at the last meeting, the Board requested a proposal from GMS for field services. A draft scope of service and pricing were submitted. For twice per month service, the cost would be \$18,000 and \$32,000, annually for weekly services, which would be billed in monthly increments.

Mr. Showe introduced Mr. Alan Scheerer, who would serve as Field Manager. Mr. Scheerer reviewed his experience with the Baytree CDD, such as meeting with contractors and vendors and performing site visits, specifically on the landscaping and ponds. Mr. Scheerer responded to Board and audience questions and discussion ensued.

Mr. Scheerer would provide an Action Item List to the Board at the next meeting and work with Mr. McGrath on finding dependable vendors.

On MOTION by Mr. Wellman, seconded by Dr. Bourdeau, with all in favor, approving the first amendment to the agreement with Governmental Management Services – Central Florida, LLC for field management services, effective October 1, 2017, for four times per month service for the first two months and twice per month service, thereafter, for Fiscal Year 2018, was approved.

C. Discussion of District Rules

- i. Parking and Towing**
- ii. Amenity Center Rules**

Mr. Showe presented revised parking and towing and Amenity Center rules, based on comments provided by Ms. Glynn. Ms. Glynn reviewed the changes and recommended scheduling the public hearing to adopt the rules. At the request of a resident, Mr. Showe will post the rules on the District's website.

Discussion ensued regarding on street parking and towing. Mr. Doug Glass, a resident and Ms. Glynn requested parking enforcement from 12:00 a.m. to 5:00 a.m. Mr. Wellman and Mr. Glass, will speak to the Satellite Beach Police Department about providing parking enforcement. Ms. Wald suggested engaging off-duty detail and that Mr. Wellman and Mr. Glass speak to the Police Chief or City Manager.

Mr. Wellman proposed holding a workshop to discuss this matter further, having Mr. Showe make a presentation on CDDs and Mr. Wellman to discuss Nextdoor. Ms. Wald advised that the Board cannot take action at the workshop and that the advertising for the rulemaking hearing would be considered at the next meeting.

There was Board consensus to schedule the workshop for October 5, 2017, at 7:00 p.m. Mr. Showe suggested adding the workshop to the Fiscal Year 2018 meeting schedule.

D. Consideration of Requisitions #903 - #909

Mr. Showe reviewed the requisitions, indicating that the expenditures were related to the construction of Phase 2C. Mr. Wellman was pleased to see invoices with the requisitions.

On MOTION by Ms. Glynn, seconded by Dr. Bourdeau, with all in favor, Requisitions #903 through #909, were approved.

E. Consideration of Resolution 2017-07 Authorizing the Establishment of a State Board of Administration (SBA) Account

Mr. Showe presented Resolution 2017-07, which was included in anticipation of receiving additional revenues. Placing the funds into a State Board of Administration (SBA) Account would generate interest of 1.32%. In response to Ms. Glynn's question, Mr. Showe indicated that the funds were not FDIC insured, but were higher than what the FDIC would insure. Mr. Henson was in favor, but Ms. Glynn felt that it was not worth the risk to earn \$2,500 per year, if the funds were not FDIC insured. The Board Members concurred with Ms. Glynn and no action was taken.

F. Consideration of Transfer of Environmental Resource Permit

Mr. Showe indicated that, due to construction on the new phase, the Environmental Resource Permit was ready to be turned over to the CDD for operational purposes. Mr. Malave requested authorization to execute the application to transfer the permit. A letter issued by the

St. Johns River Water Management District, confirmed receipt of the as-builts and acceptance of the project, which was in compliance.

Mr. Wellman noticed that an area adjacent to the pond, had weeds and required maintenance. The developer was supposed to rebuild the pond banks. Mr. Malave explained that there was a Landscape Plan, which would be completed prior to transfer of the pond. Mr. Wellman questioned if there were changes to the pond, due to the hurricane, since the acceptance letter was from June. Mr. Malave indicated substantial completion of the pond. The pond would be inspected to ensure that everything was completed, prior to final turnover.

Mr. Malave would ask the developer if the original plan changed, as Mr. Wellman recalled that the project was broken into three sections, starting with the construction of the back section first.

On MOTION by Mr. Wellman, seconded by Dr. Bourdeau, with all in favor, the transfer of the Environmental Resource Permit to the CDD and execution of the request for the transfer, was approved.

G. Approval of Fiscal Year 2018 Meeting Schedule

Mr. Showe presented the Fiscal Year 2018 meeting schedule. The October 5, 2017 workshop, at 10:30 a.m., would be included in the following meeting schedule:

- October 23, 2017 – 10:30 a.m.
- December 6, 2017 – 5:00 p.m.
- February 26, 2018 – 10:30 a.m.
- May 2, 2018 – 5:00 p.m.
- June 25, 2018 – 10:30 a.m.
- August 1, 2018 – 5:00 p.m.
- September 24, 2018 – 10:30 a.m.

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

H. Discussion of Potential CIP Projects for Fiscal Year 2018

Mr. Showe suggested that Mr. Scheerer evaluate the District provide recommendations at the next meeting. Ms. Glynn inquired about transferring \$50,000 into a Capital Reserve Account. Mr. Showe indicated that the funds would be received in January and there would be discussion at the next meeting.

FIFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

1. Presentation of 2017 Legislative Session

Ms. Wald presented a memorandum regarding recently approved legislation at the 2017 Legislative Session. Two items would impact CDDs. One dealt with Public Records Laws and lawsuits, making it difficult for frivolous lawsuits to occur. Five business days before the filing of a lawsuit, the custodian of the public records must receive a written request. The court would determine whether the request was for a proper purpose, and if frivolous, the Governmental entity was entitled to receive attorney’s fees from the requesting party. The second law dealt with public works contracts, which would not affect the CDD.

B. District Engineer

Mr. Malave was monitoring the construction to ensure that everything was complete before it was turned over to the District.

Mr. Wellman reported that two porta-potties were submerged at the end of the pond. Mr. Showe stated the District did not have sufficient equipment to remove them. It was suggested to send a demand letter to the developer informing them that if they did not remove the porta-potties, the District would remove them, and the developer must remit \$300 within 30 days. Mr. Showe would call the porta-potty company. A resident voiced concern about a sanitation issue with fecal matter entering in the pond. Mr. Malave explained that a liquid was used to stabilize the material, which would not affect the water quality of the pond.

A resident inquired if the District was responsible for damages, if a tree belonging to the CDD fell on a fence or a house. Ms. Wald indicated that there could be multiple hypothetical situations in which there would be different legal responses and therefore could not provide a simple answer.

C. District Manager

Mr. Showe stated that in response to a request from a resident at 768 Monterey Drive, the contractor provided a price of \$864 to eradicate Bermuda grass from a CDD strip, applying three applications of Round-Up and replanting with St. Augustine. Dr. Bourdeau understood that Bermuda grass could not be killed; however, if the homeowner was willing to pay for re-sodding their property, the District would re-sod the CDD strip.

Mr. Showe discussed erosion issues on the playground. BrightView could re-stabilize the bank and place riprap for \$3,825, or address the erosion without applying the riprap for \$300. Mr. Showe would look at the condition at the playground equipment and provide recommendations at the next meeting. Dr. Bourdeau suggested allocating funds for hardware to repair the equipment. Mr. Malave noted rust problems with the superstructure and recommended that the equipment either be refurbished or replaced.

Mr. Scheerer believed that stabilizing the lake bank would minimize the erosion. If there was a problem with the superstructure, the total replacement cost would be in the \$20,000 range. Mr. Scheerer would meet with Mr. McGrath for an assessment. It would take eight weeks upon approval to remove and replace the playground equipment. Mr. McGrath advised not allowing kids to play on the playground equipment, because it was unsafe. Mr. Wellman asked each Board Member to look at the playground equipment after the meeting. Mr. Scheerer suggested closing the structure, repairing the lake bank erosion and soliciting proposals from qualified playground vendors. Proposals would be provided to the Board at the next meeting.

On MOTION by Dr. Bourdeau, seconded by Mr. Wellman, with all in favor, the BrightView proposal for repairing the playground washout by re-stabilizing the lake bank and installing riprap, in an amount not-to-exceed \$4,000, was approved.

Mr. Wellman proposed sending an e-blast to residents informing them that the playground was closed. A resident suggested blocking off the entrance with a piece of plywood. Ms. Wald recommended taping the area off and installing signs

1. Consideration of Check Register

Mr. Showe reviewed the checks from July 1, 2017 to August 31, 2017 totaling \$38,674.36, and checks from August 1, 2017 to August 31, 2017 totaling \$34,032.13.

Ms. Glynn was surprised to see electric bills of \$3,000 per month, for six different areas, and asked if the bills could be consolidated and that a Field Representative discuss a different type of rate. Mr. Showe stated that a representative was coming out tomorrow.

Ms. Glynn questioned why the Spectrum Business bill was \$89 per month for internet at each gate. Mr. McGrath indicated that Spectrum was treating the guardhouse like a residence. Mr. Showe would contact Spectrum.

On MOTION by Mr. Wellman, seconded by Mr. Henson, with all in favor, the July and August Check Registers were approved.

2. Balance Sheet and Income Statement

Mr. Showe presented the Balance Sheet and Income Statement, which did not require any action from the Board. All items were in line; however, there would be additional landscaping expenses from the storm cleanup. All assessments for Fiscal Year 2017 were collected.

Dr. Bourdeau spoke with Mr. Jason Pilon of BrightView last night. In some areas, after the first pass, residents placed personal items at the curb. Mr. Showe explained that the grapple truck would make a second sweep, which the CDD would pay for, but anything beyond that was the responsibility of the residents and their trash provider. Dr. Bourdeau wanted all CDD debris to be picked up today. Ms. Wald advised that the CDD, as a Governmental entity, could not pay for a private contractor, and recommended that the CDD inform residents via email, or on the District website, that residents were responsible for disposing of further debris. Mr. Showe confirmed that an email was sent to residents last week. Mr. Wellman wanted further communication with residents.

In response to a resident's question, Mr. Showe was waiting for all invoices before calculating the total cost of the storm cleanup. The grapple truck was \$500 per load and there were five or six loads. \$4,000 was spent for clearing roads immediately after the storm. Mr. Wellman recalled that the District received a credit. Mr. Showe indicated that the \$4,000 was reduced from the total cost because of service they didn't provide earlier in the week, due to the weather. Ms. Wald stated that the District could apply to FEMA for a 75% reimbursement, after filing an insurance claim. Mr. Wellman spoke to the City about sand in the street. Street sweeping would occur today or tomorrow to remove sand and dirt from the road that was accumulated by the developer.

Mr. Wellman voiced concern about communication with residents and vendors. Mr. McGrath sent out an e-blast on Friday asking residents to place their recycle bin on their driveway, not in the street, but Mr. McGrath had to remove bins off of the streets. Mr. Wellman asked Waste Management to put trash and recycle cans on the grass or driveway, versus in the street, but this was not done. Dr. Bourdeau heard that many residents did not receive the e-blast. A resident stated that residents ignore them.

Ms. Glynn asked if there was \$440,000 in the Operating Account. Mr. Showe replied affirmatively. Mr. Wellman suggested that Ms. Glynn review the monthly run rate over the past year and prior years. Ms. Glynn was looking for trends.

D. Facility Manager

Mr. McGrath reported that Hurricane Irma caused the following issues:

- The gate at South Patrick Drive entrance gate, which was recently repaired, was inoperable, due to high winds. Mr. McGrath was waiting for a proposal. He expected a discount, because the prior repair should have held up.
- Street light fixtures were removed from poles. Gault Electric removed one pole and would match it with another pole. Light fixtures may have to be replaced because lenses for the lights could not be located.
- An Oak tree must be removed because it was leaning over a fence in the backyard of a home in Monterrey. Two prices were received; \$1,000 from Tree Tech Pros to cut and remove the tree and to stump grind and \$1,100 from BrightView.
- Downed street signs. The developer will be reset the signs in Phase 3. Mr. McGrath requested a price to replace seven downed signs in the single-family homes and townhomes.

Mr. McGrath would place plywood at the gate to the playground and send out an e-blast after the meeting.

Dr. Bourdeau asked if the street lights would be the same for the new construction. Mr. Wellman replied no, as the original vendor was no longer in business, and proposed combining them, rather than modifying them with unmatched lights. Mr. McGrath spoke with Mr. Wellman about painting poles and light fixtures.

Dr. Bourdeau questioned if the Oak tree belonged to the CDD. Mr. McGrath indicated that it was on a CDD strip. A resident noted that a company called Neon Tree Services from

Titusville, removed a 30-foot Magnolia tree from his front yard for \$250 and charged \$75 for stump grinding. Ms. Wald advised that the company must meet certain insurance requirements. Mr. Wellman asked Staff to evaluate the tree.

On MOTION by Dr. Bourdeau, seconded by Mr. Wellman, with all in favor, approving an amount not-to-exceed \$1,000 to engage a vendor to remove an Oak tree in Monterey, was approved.

Mr. Wellman noted that several ponds were not working at the level they were supposed to, and asked if American Ecosystems was contacted to perform maintenance repairs under the current maintenance contract. Mr. McGrath indicated that the employee assigned to maintain the District's ponds quit. Work was ongoing on Pond 2. Mr. Showe stated that American Ecosystems was looking for a suitable subcontractor. Mr. Wellman asked Mr. Showe to inform American Ecosystems about the Board's concern.

Ms. Glynn stated that several residents questioned the no swimming signs. Mr. Wellman requested temporary signs around the ponds until permanent signs were approved. A resident pointed out that kids were playing in the pond. Ms. Glynn stated that the Amenity Rules had a provision for no swimming in the ponds. Ms. Wald pointed out that the District did not have police powers to stop swimming in the ponds. Mr. Showe would obtain proposals and provide at the next meeting.

A resident inquired about the fountain, which has not been working for two months. Mr. McGrath explained that the cable coming from the fountain was bad. The individual who submitted the proposal went on vacation and then quit. The company promised that someone would start the job. Dr. Bourdeau stated that it was difficult to find vendors.

SIXTH ORDER OF BUSINESS

Organizational Matters

A. Acceptance of Resignation of James Bourdeau

Mr. Showe received a resignation from Dr. Bourdeau, who was in Seat 3.

Dr. Bourdeau explained that his resignation was for personal reasons and it was his honor and privilege to serve on the Board. He complimented Mr. Wellman on his accomplishments to the community.

On MOTION by Mr. Wellman, seconded by Ms. Glynn, with Dr. Bourdeau, Ms. Glynn and Mr. Wellman voting aye, and Mr. Henson dissenting, accepting Dr. Bourdeau's resignation, in Seat 3, effective immediately, was approved. (Motion Passed 3-1)

B. Discussion of Fulfilling Board Vacancy with a Term Ending November 2020

Mr. Showe received a resume from Mr. Larry Bradshaw. Mr. Wellman proposed commencing the application process for consideration at the next meeting. Mr. Showe would include information on the website and ask Mr. McGrath to send out an e-blast. Ms. Wald advised the Board Members that posting on Nextdoor could be considered a violation of the Sunshine Law if a Board Member was attempting to communicate with another Board Member about CDD business and therefore should be avoided. Dr. Bourdeau supported Mr. Bradshaw filling his seat; however, due to residents accusing the Board of non-transparency, agreed with opening it up to the community.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Wellman proposed that Mr. McGrath receive a raise in salary from \$15.00 to \$17.50 per hour.

Mr. Wellman moved to increase the Facility Attendant's salary from \$15.00 to \$17.50 per hour, and Mr. Henson seconded the motion.

Ms. Glynn preferred to wait to vote until there was a full Board. Mr. Wellman wanted the increase to be included in the Fiscal Year 2018 budget. Mr. Showe stated that \$37,000 was budgeted for Facility Attendant, and the raise equated to \$36,400.

On VOICE VOTE with all in favor, increasing the Facility Attendant's salary from \$15.00 to \$17.50 per hour, effective October 1, 2017, was approved.

EIGHTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Wellman seconded by Ms. Glynn with all in favor the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman