

MINUTES OF MEETING
MONTECITO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Montecito Community Development District was held on Monday, October 25, 2021 at 5:00 p.m. at the Montecito Beach Club, 208 Montecito Drive, Satellite Beach, Florida.

Present and constituting a quorum were:

Larry Bradshaw	Chairman
Catherine LeCesne	Vice Chair
Tanja Glynn	Assistant Secretary
Ed Henson	Assistant Secretary
Roger Weinreb	Assistant Secretary

Also present were:

Jason Showe	District Manager
Ginger Wald	District Counsel
Leah Popelka <i>(by phone)</i>	Lerner Advisors
Ray Malavé <i>(by phone)</i>	District Engineer
William Viasalyers	Field Manager
Randy McGrath	Amenities Manager
Residents	

The following is a summary of the discussions and actions taken at the October 25, 2021 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order and called the roll. A quorum was present.

SECOND ORDER OF BUSINESS

Public Comment Period

Ms. Maggie Cincinnati (Ventura Drive) objected to the removal of the trees and shrubs from the back of her property as they were part of the original Development Plan when she purchased the property in 2007. Mr. Showe explained this had to do with the walking path from the Clubhouse through Ventura. Mr. Viasalyers stated the trees behind the townhomes were removed by the HOA.

Ms. LeCesne joined the meeting.

Ms. LeCesne asked if the CDD removed the trees. Mr. Viasalyers stated only the shrubs were removed. Ms. Cincinnati asked who trimmed the beautiful Sea Grapes. Mr. Henson confirmed the HOA trimmed the Sea Grapes. Ms. Cincinnati reported that sod and mulch were destroyed between two buildings. Mr. Viasalyers reported that it was replaced. Mr. Showe noted a proposal on the agenda for the mulch. Ms. Cincinnati asked how many people requested the pathway. Mr. Henson explained that the purpose of the path was so Ventura residents did not have to walk far from the extra parking spaces at the townhomes since Ventura residents only had one car garages. Ms. Cincinnati stated people walking within feet of her window to use the path were destroying the landscaping. Mr. Bradshaw stated there would be discussion on the walking path later in the agenda.

THIRD ORDER OF BUSINESS

Approval of Minutes of the September 27, 2021 Meeting

Ms. Glynn provided corrections, which would be incorporated in the final version.

On MOTION by Ms. Glynn seconded by Mr. Weinreb with all in favor the Minutes of the September 27, 2021 Meeting were approved as amended.

FOURTH ORDER OF BUSINESS

New Business Items

A. Discussion of Series 2006A Outstanding Bonds

Mr. Showe presented the Second Amendment to the Master Trust Indenture and First Supplemental Trust Indenture, which were included in the agenda package. The District had bonds that were unable to be paid because of less properties than the original bonds were intended for. The Second Amendment reflects that the bondholders paid any bonds in default, so that the remaining debt would be supported by existing homes. The District would go from being in default to being able to pay off the bonds. Then the Board could look into refinancing opportunities. Ms. Wald explained that this was a result of the litigation settled years ago. As part of the settlement, the Phase 2 property was placed into the hands of a special purpose entity requested by the bondholders. The Second Amendment was requested directly from the Trustee for the bondholders to address what happened and provide an accounting reconciliation. The documents were prepared by the attorney for the Trustee, which Ms. Wald reviewed and revised.

Mr. Bradshaw asked if the document would be filed if the Board approved it. Ms. Wald stated it would become part of the bond documents and the note from the audit would be removed. Mr. Showe noted it could take one more audit because the audit approval for this meeting was for Fiscal Year 2021. Ms. Wald suggested as part of the management comments that District Counsel confirm that the delinquency was resolved. Mr. David Burke (Montecito Drive) asked by accepting this, if residents were liable. Mr. Showe confirmed the assessment paid by every homeowner would remain the same. It was only removing Phase 2 that was originally part of the bonds. Mr. Rich Wellman (Venture Drive) asked if resident bond payments or length of time to pay would decrease. Ms. Wald stated depending on how the bonds were refinanced, if they were able to get a better interest rate with the same time period, payments should decrease. Discussion ensued.

On MOTION by Mr. Bradshaw seconded by Mr. Henson with all in favor the Second Amendment to the Master Trust Indenture and First Supplemental Trust Indenture for the 2006A outstanding bonds was approved.

B. Discussion of HOA Agreement for Amenity Room Use

Mr. Showe presented an agreement with the HOA for use of the Amenity Room, based on discussion at the last meeting. Ms. Wald referred to Section 2, for the facility and use, which addressed what they were allowed to utilize for a term of a year. All other sections were self-explanatory. Discussion ensued and the Board addressed the following:

- Mr. Henson asked what reason the CDD would allow use of the kitchen. *Mr. Bradshaw stated the agreement was based on the standard rental, which included the bathrooms and kitchen. Ms. Glynn agreed as long as the HOA cleaned after using them. Mr. Henson questioned use of the sandwich boards. Mr. Bradshaw stated as per the agreement, they must be returned within 24 hours after a meeting.*
- Ms. LeCesne requested language for the responsibility to unlock and lock the room. *Ms. Wald would add Section 2.1.3, "During normal business hours, the Amenity Room will be open, but after business hours, arrangements must be made with the Facility Manager or any other member of the CDD Board to gain access and close the facility."*

- Mr. Henson asked how long the agreement was effective. *Mr. Bradshaw replied one year and could be terminated at any time with 30 days' notice.*
- Mr. Henson asked if the HOA could use the Wi-Fi in the building. *Mr. Bradshaw noted it was a non-exclusive agreement.*

Ms. Wald will make the stated changes to the agreement and provide to Mr. Showe to distribute for execution.

On MOTION by Mr. Henson seconded by Ms. LeCesne with all in favor the HOA Agreement for use of the Amenity Room in substantial final form was approved with the changes as stated.

Mr. Bradshaw reported that the HOA Presidents and Vice Presidents met with several management companies to hire an Onsite Manager, instead of having someone off-site. The HOA is proposing to lease office space by closing off the wall, install a door like the kitchen door with a key the lessee would have access to as well as the management company. There would be a back wall with another door. The HOA set aside up to \$7,500 for construction costs. Initial costs were around \$3,000 to \$4,000 to build two walls with two doors. The doors would cost \$500 each. The Board would have a Lease Agreement with the HOA to lease the space for \$150 to \$200 per month to pay for Wi-Fi and electricity. The HOA would bring their own desk, computer and office supplies. Discussion ensued and the Board addressed the following:

- Mr. Henson questioned the hours of the Onsite Manager. *Mr. Bradshaw was waiting for prices, but there would be proposals for 20 hours, 30 hours and 40 hours per week, based on what the HOA could afford and need.*
- Mr. Henson voiced concern about what would happen to the space if it did not work out. *Mr. Bradshaw stated it would not go back to its original state and people could access it.*
- Ms. LeCesne and Mr. Henson requested a rendering. *Mr. Bradshaw may not receive one because it was a small job. Ms. Wald advised it was a public facility because public funds were used to build it. Therefore, non-residents could pay to use it, but it could not be leased out to a private entity. The benefit was having an HOA Onsite Manager.*
- Mr. Henson asked who was paying the expenditures. *Mr. Bradshaw explained the agreement would be signed by the Master Association and would be paid out of the*

Master Association budget. The money to lease the space would go into the General Fund. Ms. Wald stated the District and the Master Association would enter into a Cost Sharing Agreement to renovate a portion of the Clubhouse for those purposes.

- Ms. LeCesne asked if a resident could request the space if their organization wanted to use the space or if it solely belonged to the HOA because the office held their property. *Ms. Wald stated the Board would make that decision.*

At this time, the Board and residents walked to the space for further evaluation and discussion. It was noted that Mr. McGrath would still have access to his office and the library would be relocated. The HOA set aside funds to pay for the remodel, but the CDD would hire the contractor because it was CDD property. It must be a licensed contractor and require permits. Discussion ensued.

- Ms. LeCesne requested that there be oversight.
- Mr. Bradshaw questioned the timetable. *Mr. Viasalyers estimated at least six months for completion*

After further discussion, there was Board consensus to look into this matter further. Ms. Wald will draft a Cost Sharing Agreement between the CDD and the Master Association defining the parameters and the contribution amount and Mr. Bradshaw will bring it HOA so they understood the ramifications and costs.

C. Consideration of Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for the Fiscal Year 2021

Mr. Showe presented an agreement with Berger, Toombs, Elam, Gaines & Frank for auditing services. They were selected through the auditing bid process and the agreement was slightly less than what was originally proposal. As soon as the financials were available, they would start the audit to meet the deadlines. Mr. Bradshaw asked if this was the same auditor as prior years. Mr. Showe replied affirmatively.

On MOTION by Ms. Glynn seconded by Ms. LeCesne with all in favor the Agreement with Berger, Toombs, Elam, Gaines and Frank for Fiscal Year 2021 Auditing Services in the amount of \$4,875 was approved.

D. Consideration of Proposals

1. Clubhouse Walking Path

Mr. Viasalyers presented a verbal agreement of \$2,000 from Surfside Pavers for a 3-and-a-half-foot walking path starting from the mulch path to the hedge line. The pavers would be consistent with the driveway pavers. Ms. Maggie Cincinnati (Ventura Drive) reiterated her objection over the walking path. A hole was being cut out of the shrubs and there was a large root. Mr. Viasalyers would look at getting the root grinded. Ms. Cincinnati recommended removing a middle section of the bushes, if the path was in the middle. She also voiced concern that the paver path ended in a grassy area. Mr. Viasalyers stated it was easy to revise the scope. Ms. Cincinnati requested the Board consider if the cost of the path was warranted by the use of the path. Ms. Glynn requested a drawing. Mr. Bradshaw preferred an aerial view. Mr. Viasalyers would provide to the Board at the next meeting. Ms. LeCesne would evaluate the area with Mr. Viasalyers after the meeting, work with Ms. Cincinnati and with Mr. Henson on the landscaping.

E. Resident Requests

1. Playground Awning

Mr. Showe received a request from Mr. Doug Glass (Montecito Drive) for a playground awning, which was included in the agenda package. Proposals were not obtained, but Mr. Viasalyers had estimated costs. Ms. LeCesne did not think the slide would not get hot enough, but if the Board wanted to consider it, the material should be weatherproof, have a warranty and marine grade stainless steel rivets. She estimated \$40,000 for an awning based on prior discussions to cover the entire playground. Ms. Glynn suggested looking at the overall capital to see what was available for next year. Discussion ensued regarding the weatherproofing and longevity. Mr. Glass stated the Methodist Church purchased a large, 30'x30' or 35'x35' awning for \$35,000, which was projected to last 15 years. Another awning installed recently, a 15'x30', cost \$20,000. Mr. Showe recalled a quote from 2018 for a 40'x46' awning was \$35,000 including installation and freight. Mr. David Burke (Montecito Drive) believed having an awning would increase the use of the facility. Ms. LeCesne agreed. *There was consensus for staff to obtain quotes and look at the remaining capital.*

2. Lake Coquina Landscaping

Mr. Showe received a request from Resident Jennifer Yates for additional landscaping around Lake Coquina, which was included in the agenda package. Mr. Bradshaw recalled Lake

Coquina was listed on the pilot program for the landscaping. Only one lake would be landscaped per year, as each lake cost \$50,000. Mr. Henson and Mr. Viasalyers met with Paradise Lawns & Landscaping (Paradise) and Mr. Viasalyers hoped by the next meeting to provide a scope, rendering and proposals for sod and shrubs and shrubs all the way around Lake Sonoma. Mr. Henson preferred to do Lake Sonoma before Lake Coquina.

Ms. Glynn understood the resident was not only concerned about the lake bank, but the empty area behind the parking spaces where there were pipes sticking out of the ground. Mr. Mr. Malavé would discuss the pipes under his report. Mr. Bradshaw suggested sodding the area behind the parking pad off of Clemente Drive and Simeon Drive. Mr. Viasalyers confirmed there was irrigation. Mr. Henson voiced concern about spending \$20,000 for sod and then later on the area would be used for another use. *After further discussion ensued, there was Board consensus for Paradise to provide proposals to clean up the empty area. Mr. Bradshaw would discuss the Capital Improvement Program at the workshop. Mr. Glass and Ms. Yates would be informed that their requests were discussed by the Board and proposals would be considered at the next workshop.*

FIFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being none, the next item followed.

- **Public Comment Period (Con't)**

Mr. Bradshaw introduced Mr. and Mrs. Sykes who were new to the community and lived in the middle building of the three buildings on Montecito Drive. They submitted an ARB application to the HOA to install a fence and gate with a post abutting the District's wall. Unfortunately, the HOA approved a neighboring home installing a post next to the District wall, which was in violation of the 5-foot easement. Mr. & Mrs. Sykes informed the Board that were told when they purchased their home if they had gates and the HOA had access to it, it was permitted. Mr. Bradshaw stated it was approved by the HOA incorrectly.

Ms. Glynn asked if there was a Wall Encroachment Agreement. Mr. Showe recalled that the Board terminated the Wall Encroachment Agreement. Mr. Bradshaw stated the mowers could get through by opening the gate. Mr. Showe noted the fences encroached on CDD property. Mr. Henson was disturbed that the HOA allowed any fences to be installed. For the 11 years that he

lived there, the Board managed to keep the area open, but all of a sudden the HOA violated it. Mr. Henson asked if the Board had any recourse. Ms. Glynn was disappointed that the salespeople were providing erroneous information and asked if a permit was required for fencing. Mr. Showe explained that the city or the vendor should be aware of the property lines for the permitting, but many times this did not happen. Mr. Bradshaw suggested that District Counsel send a demand letter to the HOA to remove the other encroachment. Mr. Showe proposed Mr. Viasalyers walk the entire area on his next site visit, take pictures and provide to the HOA. *After further discussion, there was Board consensus.*

B. District Engineer

i. Review of Reporting

Mr. Malavé presented an Infrastructure Review, Street Resealing and Resurfacing Memorandum and Field Report, which were included in the agenda package. The Memorandum addressed which streets should be resealed and resurfaced and staff's conclusions. The Field Report summarized the work and how it was prioritized. The work was performed in the following areas:

1. Flat work and drainage defects. The sidewalk and driveway work were completed to remove trip hazards.
2. Erosion, pond structures and outfall pipes. Several areas needed maintenance.
3. Pavers, pavement and road markings. The roads were in very good shape. There were some issues regarding striping and pavement markings.
4. Utility and irrigation boxes. Many had safety issues. They were numbered on a map that was provided to the irrigation and landscape contractors. The most urgent ones were ranked Number 1, an emergency, which were the curb and sidewalk areas. Mr. Bradshaw asked if the utilities were contacted about their utility boxes. *Mr. Showe stated Mr. Viasalyers was working with the landscaper.*

Mr. Malavé stated the Damage Report was geared towards the contractor or homebuilder that damaged CDD property. Copies of the report were provided to the responsible parties. The Memorandum addressed which streets should be resealed and resurfaced, provided general costs by phases for budgeting purposes and staff's conclusions. Discussion ensued and the Board addressed the following:

- Mr. Bradshaw noted the sidewalk outside of the wall that was on CDD property had trip hazards. *Mr. Malavé stated since the CDD installed it, the CDD should take care of the trip hazards. He will do a full assessment but asked if they should continue all the way down the roadway.* Mr. Bradshaw would like to see them repaired.

Ms. Wald advised the CDD could not improve private property. Mr. Malavé stated there was no way to delineate ownership. It was originally supposed to be dedicated to the City but was not. If it was dedicated to the City on the plat or a deed, if it was public, Ms. Wald stated the CDD could approve it with approval from the city. If it was a public sidewalk, the CDD could utilize public funds for those repairs. Mr. Malavé would determine ownership and provide documentation to Ms. Wald for review. Ms. Wald advised if it was paid with tax exempt bonds, the sidewalk belonged to the city, but if not, it must be rectified so it goes back to the CDD. Mr. Showe reported that any concrete work was provided to the concrete vendor and all reports were in the ticket system.

- Ms. LeCesne asked if there was a ticket from the owners of 750 Simeon Drive who wanted to put pavers in their backyard abutting Lake Coquina. *Mr. Malavé was preparing a drawing showing options of how to drain the backyard. Mr. Showe would enter the ticket tomorrow.*
- Mr. Henson asked about the pipe on the south side of Lake Pacifica. *Mr. Showe stated it was buried at the recommendation of the District Engineer and staff was looking at options to sod it. Mr. Malavé explained if it was in the ground, keeping it covered was sufficient and not a hazard.* Mr. Henson voiced concern with items buried from the military base in Satellite Beach causing issues with the aquifer and asked if the pipe was a potential hazard where asbestos could enter the water as residents used the lakes to spray their lawns. *Mr. Malavé explained it would not degrade while it was buried and would coordinate with a contractor to get the cost of removal. Asbestos was an air quality issue, not a stormwater, sewer and water issue and did not apply to pipes. Removing it would create an issue.* Ms. LeCesne proposed attaching a document stating this Board was fully aware of the issue and has done its due diligence and burying the pipe was a Florida best practice. *Ms.*

Wald stated the Board was relying on the opinion from the District Engineer who had professional liability insurance.

Ms. Maggie Cincinnati (Ventura Drive) asked to meet with Ms. LeCesne at this time. *Ms. LeCesne and Mr. Malavé left the meeting.* Ms. Glynn wanted to make sure they did not lose track of all issues identified and tickets were issued. Mr. Bradshaw requested the report be reviewed in six months.

C. District Manager

i. Consideration of Check Register

On MOTION by Ms. Glynn seconded by Mr. Weinreb with all in favor the Check Register for September 1, 2021 to September 30, 2021 in the amount of \$125,707.29 was approved.

ii. Balance Sheet and Income Statement

Mr. Showe reported no action was required. Although it was through September 30th, since they were unaudited, they may change. The District was in good shape. Mr. Bradshaw asked when they would have updated numbers to include in the capital project spreadsheet. Mr. Showe anticipated most invoices by the workshop on November 10th.

D. Facility Manager

Mr. McGrath has been concentrating his efforts on the fountains. The Lake Pacifica fountain was repaired this morning and was in service. At this time, all of the lake fountains were functioning. He has been working on parking on CDD roads. There were still some violators, but for the most part, the streets were clear. Mr. Henson asked if Mr. McGrath was only concentrating on parking on his drive throughs. Mr. McGrath noted that he was looking for expired tags. Mr. Henson and Mr. Viasalyers contacted three residents that placed signs on CDD property between the sidewalk and the street. The signs were removed. Mr. Henson noticed sign violations, such as a sign on Montecito for a sale that was not going to be until November 6th and pool signs. Mr. McGrath would make a more conscious effort to see the signs.

E. Field Manager

This item was discussed later in the meeting.

SIXTH ORDER OF BUSINESS**Supervisor's Requests**

Mr. Henson questioned whether the dog signs were working as his wife witnessed a resident not picking up after their dog by the park bench across from their house. He asked what recourse the CDD Board had for residents planting on CDD property. Mr. Showe stated if it was on CDD property, the Board could request the resident remove it. Mr. Bradshaw recalled it was on a case-by-case basis. Last week, there was a notice in the newsletter regarding unauthorized use of CDD property. If the plantings were new, Mr. Bradshaw suggested knocking on the resident's door or having Mr. Showe to send a letter, taking pictures and bringing it back to the Board. Ms. Wald suggested discussing at the workshop. Mr. Showe would include on the workshopp agenda.

Ms. Glynn worked with Mr. Viasalyers on the entry fountains. They were waiting for a quote for plant material and installing tiles on the wall in the form of a mural. Some electrical boxes were blocked with landscaping. Mr. Viasalyers was working with Paradise. Residents complained about the Clubhouse furniture. Mr. Bradshaw approved of adding this item to the Capital Projects List. Ms. Glynn suggested a locked key box to access keys in Mr. McGrath's absence. Mr. Bradshaw noted all doors were on a master key, which Ms. Glynn and Mr. Henson had and asked Mr. McGrath to get a lockbox. Ms. Glynn appreciated Mr. Viasalyers providing an irrigation report.

Ms. LeCesne would enter the ticket on the stripes, crosswalk and parking spaces. She had a video of the crosswalk on Montecito Drive, which was peeling apart. Mr. Showe recalled the Board's direction was once construction was fully completed, it would be addressed. This will be added to the existing ticket. Mr. Bradshaw asked if they needed to do anything with the pavers in the roundabout from heavy trucks going over them. Mr. Showe would ask the District Engineer. Ms. LeCesne asked if someone was parked in their driveway and their vehicle abutted into the sidewalk could the Board ask the resident to move their vehicle. Mr. Bradshaw stated they should call the non-emergency number because it was a City enforcement issue. Ms. Wald recommended contacting the City of Satellite Beach to cite the person parking on the sidewalks, which was prohibited under their Parking Ordinance. Mr. Showe stated that the CDD had a rule to tow from CDD property, which included the sidewalks; however, a tow company must tow from private property. Ms. Wald noted the Board could ask the Florida Attorney General to provide an Advisory Opinion as to whether the CDD could enforce their rules and regulations pursuant to

Chapter 190 to tow off of sidewalks. In her opinion, the best course of action was to take a picture and contact the City of Satellite Beach to enforce.

Ms. LeCesne looked at the pedestrian gates today at the S. Patrick Drive and Shearwater entrances. Mr. Viasalyers was working on getting a proposal from the vendor for a multiple phase approach; removing the latch, filling in the holes, fixing the damaged wood and painting. Ms. LeCesne stated if they were going to keep the doors, they should have a maintenance schedule and felt the reminder tickets were an excellent idea but wanted the ticket to have her name since she was handling the pedestrian gates. Mr. Henson asked if the new closures on the gates must have preventative maintenance. Mr. Showe stated given the cost, it was cheaper to buy a new one versus maintaining it.

- **Field Manager** (*Item 5E*)

Mr. Viasalyers met with the resident about the paver path and would provide a picture of the area. The beach area landscaping started. They are going to remove some rocks that were buried deep. It's scheduled to be completed the week before Thanksgiving. They were also working to get the entrance spruced up this week. A few cameras were added to the Clubhouse. Mr. Showe requested the Board discuss the particulars with Mr. Viasalyers and not on the record. Mr. Viasalyers thanked Ms. Glynn for coordinating the placement of the dog waste signs. The common and beach area mulch was scheduled for the third week of November. He was getting a proposal for sod and shrubs and shrubs around Lake Sonoma. Mr. Bradshaw asked about the sidewalk pressure washing and Oak trees. Mr. Viasalyers was waiting for a proposal from GMS for the sidewalk power washing. Mr. Showe received a proposal from another vendor, but it was \$16,000. Mr. Viasalyers stated the Oak tree canopies were trimmed in conjunction with the Shearwater project.

SEVENTH ORDER OF BUSINESS

Adjournment

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



Secretary/Assistant Secretary



Chairman/Vice Chairman