

**MINUTES OF MEETING  
MEDITERRA SOUTH  
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Mediterra South Community Development District's Board of Supervisors was held on **Wednesday, February 15, 2017 at 9:00 a.m.**, at **The Club at Mediterra (Board Room), 15755 Corso Mediterra Circle, Naples, Florida 34110.**

**Present and constituting a quorum were:**

Robert Greenberg	Chair
Ken Tarr	Vice Chair
Mike Bishko	Assistant Secretary
Dallas Luby ( <i>via telephone and in person</i> )	Assistant Secretary
John Henry	Assistant Secretary/Assistant Treasurer

**Also present were:**

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Andrew Tilton	District Engineer
Jonathan Johnson ( <i>via telephone</i> )	District Counsel
Alyssa Willson ( <i>via telephone</i> )	Hopping Green & Sams
Greg Pick	MCA General Manager
Alice Carlson	AJC Associates

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Adams called the meeting to order at 9:07 a.m., and noted, for the record, that Supervisors Greenberg, Tarr, Henry and Bishko were present, in person. Supervisor Luby was attending via telephone.

**SECOND ORDER OF BUSINESS**

**Chairman's Opening Remarks**

Mr. Greenberg thanked the District Manager, District Engineer and District Counsel for their efforts on the merger. Although he was disappointed with the lack of participation from the community, it should not deter the merger from proceeding.

**THIRD ORDER OF BUSINESS**

**Public Comments [3 minutes per person]**

There being no public comments, the next item followed.

▪ **Consideration of RFPs Received for Assessment Roll Management Services**

***\*\*\*This item, previously the Sixth Order of Business, was presented out of order.\*\*\****

Mr. Greenberg recalled Mr. Tarr's concern about whether AJC Associates, Inc., (AJC), was properly licensed with State and local agencies. Mr. Tarr stated that AJC's website was informative and Ms. Alice Carlson, of AJC, was responsive; however, AJC had a set price structure. During a Severn Trent Services (STS) training program for new CDD Board Members, he discovered that Ms. Carlson was an advisor to STS and overseeing their operations. Mr. Tarr was concerned about AJC's business address and that AJC did not file a business tax receipt, as required in Collier County.

Mr. Tarr asked Mr. Adams to explain Ms. Carlson's contract, when it begins and ends. Mr. Greenberg asked how the calendar requirements tied into the contract. Mr. Adams stated that AJC's contract end date would be April 1. The majority of the activity, such as updating lien rolls, would occur in the April/May timeframe and in the fall, before transmittal of the lien rolls to the Tax Collector. Payment was on a calendar year basis. Throughout the year, there were prepayments and estoppel letters. In response to Mr. Tarr's question, Mr. Adams stated that AJC was paid once per year.

Ms. Carlson stated that the majority of her scope of services, with the exception of estoppel letters and inquiries, were completed by October 15. Services commence at the start of the budget process, on April 1. Lien rolls were prepared and required, by State Statute, to be submitted by September 15; however, Collier County allows updating into October for prepayments. The final lien roll was submitted to Management around October 15 or October 30. The AJC website was updated prior to property owners receiving their tax bill, which was on or around November 1. The remaining services were answering calls, assisting realtors, title companies, lawyers and property owners. The contract would be renewed on April 1, for the next fiscal year, and payment was made in a lump sum, in December or January but could be negotiated. As written in the contract, services would be provided through September 30 of the fiscal year, going forward; in the event the contract was not renewed by April 1, she would not participate in the upcoming budget process.

Mr. Bishko asked if the December payment covered services in the same year. Ms. Carlson stated that it appeared as if the District was paying in advance but the work was

completed in the prior fiscal year. Mr. Greenberg asked if Ms. Carlson was a “one person shop” and worked out of her home. Ms. Carlson replied affirmatively. Mr. Greenberg stated that, according to Collier County, Ms. Carlson was not allowed to run a business out of her home for tax purposes. Ms. Carlson stated that the City allowed residents to work out of their home, and did not require an occupational license, if the office was not in a commercial area. She worked out her home for 19 years and used a post office box as her address, so her home address was not public. Mr. Greenberg’s major concern was that Ms. Carlson worked alone.

In response to Mr. Greenberg’s question, Ms. Carlson listed the services provided to the District:

- On April 1, Management provides the preliminary budget and the County provides the equivalent residential units (ERUs). Since the County does not provide updated information until June 1, Ms. Carlson uses the prior year’s information to update the Amortization Schedule, performs calculations to determine the maximum annual debt service and provides information for summary neighborhood schedules.

In response to Mr. Greenberg’s question, Ms. Carlson stated that Collier County emailed a text file and Lee County emailed an Excel file.

- In June, when information was provided electronically, by the County, it was input into a database that she created. If there were missing parcels, Ms. Carlson must determine why the parcels were deleted from the tax roll. Test files were created, based on the proposed budget, to ensure that the format was to County standards and all parcels were included. Lee County sends a test file, in August, and Collier County sends a test file once each month, and once per week, in September.
- All prepayments were posted; there were six for this District.
- When the assessments were certified, in September, the final certification was sent to the County, along with a list of every tax ID number and the amount to be placed on the tax bill, which tied into the budget.
- An assessment roll, tied to the certification, was prepared, which included the tax ID number, property owner and the assessment for the General and Debt Service Funds. There are three bond issues in Mediterra South. Outstanding balances were added.
- Ms. Carlson works with the Trustee and Management on the bond payment, after September 15, in preparation for the next payment, on November 1. If there was a

balance in the prepayment account or reduction in the debt service reserve account, every property owner received a credit.

Mr. Greenberg asked Ms. Carlson how many hours were spent on Mediterra, with the exception of answering calls and preparing estoppel letters. Ms. Carlson did not know the exact amount; however, she represents 18 clients and one Municipal Services Benefit Unit (MSBU).

Discussion ensued regarding Ms. Carlson's services.

Mr. Greenberg felt that, for \$20,000, Ms. Carlson should know the number of hours per year spent on Mediterra. A \$5,000 proposal was provided by Wrathell, Hunt and Associates, LLC (WHA), which Ms. Carlson stated was not comparable because she had a website, which was a valuable tool. Mr. Henry stated that the website was not worth \$19,000. Ms. Carlson offered to negotiate her contract. Mr. Greenberg asked if she would meet the \$5,000 bid from WHA. Ms. Carlson replied no.

In anticipation of the merger, Mr. Bishko asked Mr. Adams what the charge was, per community, for management services. Mr. Adams stated that the standard fee for CDDs was \$48,000 and \$15,000 for accounting services. Field management services remained at \$80,000 per year. The fee for management services was adjusted to the standard fee to be offset with the accounting.

**\*\*\*Mr. Luby arrived at the meeting, in person, at 9:45 a.m.\*\*\***

Regarding Management's proposal, Mr. Adams stated that WHA had economies of scale, which was why \$5,000 was proposed. For a new District, WHA's fee schedule was similar, if not identical, to other companies; once a District was established, there were economies of scale and opportunities to reduce the management fee.

Mr. Greenberg stated that AJC did a good job; however, saving the District \$15,000 per year, with the assurance that Management could perform the job, as part of the merger process, made economic sense. Mr. Bishko asked when the transition would occur. Mr. Adams stated that all files would be transferred in March, for a start date of April 1, and he would present the same proposal to the Mediterra North CDD Board. Mr. Bishko asked about the budget for AJC. Mr. Adams stated that Ms. Carlson was paid for Fiscal Year 2017 and WHA would include the \$5,000 amount, going forward, as a part of the monthly management fee. No further charges were forthcoming from AJC; however, Ms. Carlson would continue to monitor through

September 1. Starting on April 1, WHA would complete the lien rolls. Mr. Greenberg offered to provide a recommendation to AJC.

**On MOTION by Mr. Greenberg and seconded by Mr. Henry, with all in favor, the Wrathell, Hunt and Associates, LLC proposal for Assessment Roll Management Services, in the amount of \$5,000 per year, was approved.**

*\*\*\*Ms. Carlson left the meeting.\*\*\**

- **Reconsideration of Motion at January 18, 2017 Meeting to Move Operating Fund Banking Services to First Florida Integrity Bank**

*\*\*\*This item, previously the Eighth Order of Business, was presented out of order.\*\*\**

Mr. Greenberg requested reconsideration of moving the Operating Fund banking services to First Florida Integrity Bank and deferring it until after the merger.

**On MOTION by Mr. Bishko and seconded by Mr. Luby, with all in favor, moving the Operating Fund banking services to First Florida Integrity Bank and deferring it until after the merger, was approved.**

- **Consideration of Bids Received for Aeration Installation Services**

*\*\*\*This item, previously the Fifth Order of Business, was presented out of order.\*\*\**

Mr. Greenberg asked if the Mediterra North CDD Board was informed that the District was considering aeration services. Mr. Adams stated that it was discussed at a workshop and the Mediterra North CDD Board recognized that it was a shared cost; all aeration systems, up to this point, were a shared cost. Mr. Greenberg asked Mr. Henry to research the best way to fund this project, such as operating or surplus funds or securing a loan, and suggested deferring this matter to the next meeting. Mr. Bishko suggested borrowing a finite amount, on a five-year loan, with no penalty for pre-payment and saving \$75,000 to \$85,000 per year by reducing aeration from \$50,000 to \$35,000 and aquascaping from \$70,000 to \$25,000.

Discussion ensued regarding borrowing versus self-funding.

Mr. Greenberg stated that the Mediterra North CDD's lakes were aerated; however, the District had 38 unaerated lakes. It was a quality of life issue to have aeration in the lakes. Mr.

Tarr referred to the award of contract Memorandum and asked why LakeMasters Aquatic Weed Control, Inc., (LakeMasters), subcontracted the work. Mrs. Adams stated that, due to the size of the contract, a General Contractor (GC) must perform the work.

Discussion ensued regarding piecemealing the work. Mr. Adams stated that, by piecemealing, the costs would increase 5% to 10%, due to multiple mobilizations. Mrs. Adams stated that the contract was for 180 days with a requirement for the contractor to obtain a performance bond. One contractor withdrew due to the performance bond requirement.

There was Board consensus to award the contract to TSI Disaster Recovery, LLC (TSI). Mr. Greenberg asked Mr. Henry and Mr. Bishko to discuss the financing and provide a cost analysis. Mrs. Adams would email the TSI contract to the Board. This item was deferred to the next meeting.

***\*\*\*The meeting recessed at 10:15 a.m.\*\*\****

***\*\*\*The meeting reconvened at 10:19 a.m.\*\*\****

**FOURTH ORDER OF BUSINESS**

**Continued Discussion/Consideration of  
Required Actions Resulting from Joint  
Public Workshops**

**A. February 1, 2017: [Districts Merger]**

Mr. Greenberg stated that the merger presentation, which demonstrated the facts, return on investment and savings, went extremely well. The consensus of the Mediterra North CDD Board was to proceed; however, one main obstacle was the composition of the Transition Board. Mediterra South CDD previously discussed having two seats open to the Mediterra North CDD Board, which was unacceptable and the Mediterra North CDD Board’s compromise was to pull a name out of a hat, which was not well received by the Mediterra South CDD Board. Mr. Greenberg proposed approving the Merger Agreement today, including the Board configuration of a 3:2 Board, in favor of Mediterra South CDD, because it comprised the majority of residents, has the most lakes and controls the majority of the budget.

Mr. Luby asked if there was flexibility in the number of Board Members. Mr. Greenberg stated that there was a minimum number requirement in the Statutes, which would be changed, after the merger. Mr. Johnson stated that the District was limited, by Statute, to five Board Members. Mr. Greenberg stated that the District could campaign for five Board seats; however,

there could be political ramifications. To guarantee that the merger proceeds, Mr. Greenberg offered to resign.

Mr. Henry proposed approving the merger, as is, allowing the Mediterra North CDD Board to approve it and, if the merger failed, due to the number of Board Members issue, the agreement could be amended, later. Based on the workshop, Mr. Henry believed that the Mediterra North CDD Board would approve the merger. In response to Mr. Bishko's question, Mr. Greenberg stated that the number of Board Members would be included in the agreement and presented to the Mediterra North CDD Board. Mr. Tarr proposed that the terms of the seats of resigning Mediterra North CDD Board Members remain the same.

Discussion ensued regarding Mr. Henry's seat. Mr. Greenberg recalled that Mr. Henry replaced Mr. Bill Rowe and asked if an election must be held, since no one qualified for Mr. Rowe's seat and it was vacant. Mr. Johnson advised that, if there was a vacant seat because no one qualified and the Board filled the vacancy, the appointee would serve a full term of office. Mr. Greenberg suggested that the Board approve the merger, allow the Mediterra North CDD Board to discuss the nuances of the appointments and term lengths, and asked that no Board Members attend the Mediterra North CDD Board meeting. Mr. Henry suggested attaching a transmittal letter to the agreement to state the Board's rationale.

Mr. Tarr voiced his opinion that it would be a loss to Mediterra if Mr. Greenberg resigned and was against the Mediterra North CDD Board potentially taking control, due to their lack of initiative.

Mr. Greenberg asked for consensus to approve the Merger Resolution, attaching the Merger Agreement, with a composition of a 3:2 Board, in favor of the Mediterra South CDD, and allocation of expenses. Mr. Greenberg would write a cover letter to include with the agreement that the Mediterra North CDD Board would consider on March 1. Mr. Greenberg asked Mr. Adams to provide the number of lakes and residents in the District.

**On MOTION by Mr. Luby and seconded by Mr. Bishko, with all in favor, the Merger Agreement between the Mediterra South Community Development District and the Mediterra North Community Development District, as amended, was approved.**

**B. February 9, 2017: [Wildfire Management]**

Mr. Greenberg stated that an underwhelming number of residents attended the Wildfire Management Workshop; the District Manager's and District Engineer's presentation was well done. Mr. Greenberg suggested that The Club at Mediterra (The Club) and the Mediterra Community Association (MCA) be included. The following areas could be affected by fire:

- The preserves, which the District controlled
- The common areas, which the MCA controlled
- The Club and amenities
- \$200 million in real estate within Mediterra

Mr. Greenberg stated that reducing the fire risk would result in insurance savings to homeowners. Some insurance companies offer a discount for certification under a Community Wildfire Protection Plan (CWPP). Mr. Greenberg would discuss this matter at the MCA meeting this month and suggested proceeding with certifying the community. Mr. Greenberg recommended the following:

- Assessing all homes in Mediterra for risk of a preserve fire.
- Certifying the community as a wildfire prevention community.
- Amending the conservation easement to allow controlled burns.
- Updating and continuously sharing data with the professional firefighting services, including mapping the golf course.

Mr. Greenberg heard that a nature trail would reduce fire risk. Mr. Tarr suggested a nature trail, several years ago, which was well received by the Mediterra South CDD Board but not the Mediterra North CDD Board. The District might not receive certification if pine straw was adjacent to houses. Mr. Greenberg addressed this with Mr. Greg Pick, of the MCA, when they were placing pine straw at the entrance and designated Mr. Tarr to oversee fire prevention. If he was elected President, at the next MCA meeting, Mr. Greenberg planned to appoint Mr. Tarr to lead the Task Force for the MCA, and designate MCA meetings as CDD workshops and minutes would be posted on the CDD website. Mr. Johnson requested that notices of workshops be provided to Mr. Adams. Mr. Tilton stated that his environmental staff would prepare the CWPP for the controlled burns. In response to Mr. Greenberg's question, Mr. Tilton stated that the conservation easement must be amended to allow a nature trail, if it did not allow passive recreation.



**On MOTION by Mr. Bishko and seconded by Mr. Luby, with all in favor, authorization for the District Engineer to prepare a conservation easement, allowing for controlled burns and a passive nature trail, was approved.**

Mr. Henry recommended speaking to residents before installing a nature trail. Mr. Greenberg stated that the Board was not committing to build a nature trail but he wanted the ability to have one if it was approved by the merged Board. Mr. Tilton stated that, once the nature trail was included in the conservation easement, as an allowance, there was no time frame to build it. Mr. Tarr asked if the golf cart paths and bridges, within the preserves, were included in the conservation easement. Mr. Tilton would verify. Mr. Tarr asked if entry into preserve areas was included in the conservation easement. Mr. Adams stated that the South Florida Water Management District (SFWMD) permit discouraged general public entry. Mr. Greenberg requested circulation of the recorded conservation easement, for Mr. Tarr to report on the certification process, ensure that the mapping data to fire services was up-to-date and furnish weight limits of the bridges and golf cart paths to Mr. Adams. Mr. Adams stated that data would be added to the existing Geographic Information System (GIS).

**FIFTH ORDER OF BUSINESS**

**Consideration of Bids Received for Aeration Installation Services**

This item was discussed following the Third Order of Business.

**SIXTH ORDER OF BUSINESS**

**Consideration of RFPs Received for Assessment Roll Management Services**

This item was discussed following the Third Order of Business.

**SEVENTH ORDER OF BUSINESS**

**Discussion: CDD “Orphaned” Lake Bank Plant Replacement**

Mr. Tarr stated that the CDD owned orphaned lake banks, which were berms and other land strips created by the Developer that were planted and irrigated; however, the CDDs did not have the ability to maintain the banks to the standard that existed in Mediterra for man-made planted areas. Mr. Bishko asked if the orphaned lake banks should have been owned by the

MCA. Mr. Tarr replied affirmatively. Mr. Greenberg suggested granting a maintenance easement to the MCA. Mr. Adams stated that there was an existing Maintenance Agreement with the MCA for lake bank maintenance. Mr. Greenberg proposed modifying the Agreement for the MCA to replace dead plants and bill the District; if there were upgrades, approval from the District must be granted.

Discussion ensued regarding what the Maintenance Agreement included. Mr. Greenberg requested a map with lake numbers. Mr. Adams stated that the coordinates would be added to the GIS. Mr. Greenberg directed District Counsel to amend the Agreement.

**On MOTION by Mr. Tarr and seconded by Mr. Luby, with all in favor, amending the Maintenance Agreement between the Mediterra South Community Development District, Mediterra North Community Development District and the Mediterra Community Association, to enable the Mediterra Community Association to replace plant material on lake banks and bill the Districts, as needed, was approved.**

**EIGHTH ORDER OF BUSINESS**

**Reconsideration of Motion at January 18, 2017 Meeting to Move Operating Fund Banking Services to First Florida Integrity Bank**

This item was discussed following the Third Order of Business.

**NINTH ORDER OF BUSINESS**

**Approval of January 18, 2017 Regular Meeting Minutes**

Mr. Greenberg presented the January 18, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

Line 555: Insert “after the close of the fiscal year to which the item applies” after “months”

Line 60: Change “Mr. Greenberg and Mr. Henry” to “MCA Executive Committee”

Line 98: Change “Mr. Greenberg” to “Mr. Adams”

Line 108: Change “notes” to “notices”

Line 163: Change “Mr. Greenberg” to “Mr. Bishko”

Line 216: Change “could provide” to “typically provides”

Line 253: Change “burning” to “berming”

**On MOTION by Mr. Tarr and seconded by Mr. Bishko, with all in favor, the January 18, 2017 Regular Meeting Minutes, in substance, as amended, were approved.**

**TENTH ORDER OF BUSINESS**

**Action Items**

Items 4, 7, 9, 11, 12, 13, 15, 16, 19 and 21 were completed.

**ELEVENTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial Statements as of December 31, 2016**

Mr. Adams presented the Unaudited Financial Statements as of December 31, 2016. Mr. Tarr asked about the money transferred to the Bond Trustee. Mr. Adams received the January 31 trust statements, and would circulate them. Collected funds were transferred to the General Fund and Debt Service funds were transferred to the Trustee. Mr. Henry asked about the \$40,000 in undeposited funds. Mr. Adams stated that funds transmitted from the Tax Collector were not deposited; a portion could be related to the Debt Service Fund.

**On MOTION by Mr. Henry and seconded by Mr. Luby, with all in favor, the Unaudited Financial Statements as of December 31, 2016, were approved.**

**TWELFTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel**

There being nothing additional to report, the next item followed.

**B. District Engineer**

There being nothing additional to report, the next item followed.

**C. District Manager**

- **Next Meeting Date: Wednesday, March 15, 2017 at 9:00 A.M. (*The Club at Mediterra, Board Room*)**

Mr. Adams stated that the next meeting will be held on March 15, 2017 at 9:00 a.m., at this location.

**D. Operations Manager**

Mrs. Adams spoke to London Bay about cleaning trash from the construction site on the Lucarno side of the ponds. A crew was immediately on site and London Bay promised to pick up trash, in the future.

Mr. Greenberg stated that there was an algae bloom in the pond adjacent to the South 7 tee box. Mrs. Adams would inform LakeMasters. Mr. Greenberg received compliments from residents on the east side about the lake bank clearing; however, ponds were shallow. Mrs. Adams stated that ponds were low, due to the lack of rain.

Mr. Adams stated that all records were pulled for the "Book of Records" and placed in binders. Mr. Greenberg asked if a hard copy "Book of Records" must be legally retained in the County of the District. Ms. Willson stated that there was no Attorney General Opinion but the District's risk was minimal, as there was no research defining or penalizing any District for having an e-book, versus a hard copy book. Mr. Greenberg preferred to have the "Book of Records" on a thumb drive, updated regularly and enter into an agreement with the MCA. Mr. Adams stated that the District could purchase a laptop for the MCA.

**On MOTION by Mr. Tarr and seconded by Mr. Bishko, with all in favor, authorization for the CDD to purchase a laptop for the Mediterra Community Association to utilize and to house a thumb drive of the District's Records of Proceedings, at the MCA office, for public access, were approved.**

**THIRTEENTH ORDER OF BUSINESS**

**Supervisors' Requests**

Mr. Tarr was pleased that the District was paid for 36 coach homes in Caminetto, since the number of units decreased to 15. Mr. Adams stated that the District was paid \$502.58 per unit, for 36 coach homes, since 2003, when the initial bond was issued, since 36 homes were assigned to that parcel. This year, due to the replat, a different product was offered than originally planned, resulting in a loss of 21 units, or \$10,000 in assessments. Mr. Henry stated that it was not a loss but a reallocation. Mr. Tarr asked how the capital assessment would be trued up. Mr. Adams stated that, on June 1, the District would receive a new lien roll from the Property Appraiser, reflecting that this was no longer a parcel and platted into 15 units.

**FOURTEENTH ORDER OF BUSINESS**

**Public Comments**

There being no public comments, the next item followed.

**FIFTEENTH ORDER OF BUSINESS**

**Adjournment**

There being nothing further to discuss, the meeting adjourned.

**On MOTION by Mr. Luby and seconded by Mr. Bishko, with all in favor, the meeting adjourned at 11:32 a.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

  
Secretary/Assistant Secretary

  
Chair/Vice Chair