

MINUTES OF MEETING
SHINGLE CREEK
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Shingle Creek Community Development District was held on Monday, May 1, 2017 at 12:30 p.m. at the Oasis Club at ChampionsGate, 1520 Oasis Club Blvd., ChampionsGate, Florida.

Present and constituting a quorum:

Matt Cuarta	Chairman
Greg Ray	Vice Chairman
Michael Bundy	Assistant Secretary
Benjamin Goldstein	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	District Counsel
David Reid	District Engineer
Brian Smith	Field Manager
Michelle Barr	Lennar Homes
Rob Bonin	Lennar Homes
Rob Miller	Main Street by phone

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint 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

Organizational Matters

- A. Appointment of Individual to Fulfill the Board Vacancy with a Term Ending November 2019**
- B. Administration of Oath of Office to Newly Appointed Board Member**

Mr. Flint: We had a resignation from the Board, which created a vacancy in Seat 3. The term expires in November 2019. Are there any nominations, at this time, to fill that vacancy?

Mr. Ray: No.

Mr. Flint: We can continue to operate with four Board members and will place this item on the next agenda. The Board can think about a candidate for the next 30 days.

C. Election of Officers

D. Consideration of Resolution 2017-06 Electing Officers

Mr. Flint: The only issue under electing officers is that Mr. Ray is Vice Chairman but you do not have a Chairman. We could wait until you fill that appointment and reconstitute the Board, or in the absence of a Chairman, since Greg is Vice Chairman, he could execute any documents that are necessary, or we can deal with the Resolution now.

Mr. Ray: We can deal with it now.

Mr. Flint: The Resolution elects a Chairman, Vice Chairman, Secretary, Assistant Secretaries, Treasurer and Assistant Treasurer. Currently, Mr. Ray is Vice Chairman, Mr. Bundy and Mr. Goldstein are Assistant Secretaries, Mr. Cuarta does not have a designated office, I am the Secretary, Mr. Ariel Lovera, the District Accountant, is Treasurer and Ms. Teresa Viscarra in the Accounting Group is Assistant Treasurer. We can take each office individually or the Board could elect a slate of officers. Typically, the Chairman and Vice Chairman are required to be Board members. Usually the District Manager is Secretary, the District Accountant is Treasurer and the remaining Board members would be Assistant Secretaries. You don't have to do it that way, but that is the typical approach. What is the preference of the Board?

Mr. Ray: I would rather have a slate of officers.

Mr. Flint: Greg, do you want to make a motion with the slate?

Mr. Ray: Sure, I nominate Matt as Chairman and I would remain as Vice Chairman.

Mr. Flint: Do you want to keep the other two Board members as Assistant Secretaries?

Mr. Ray: Yes.

Mr. Flint: Mike Bundy and Ben Goldstein will be Assistant Secretaries. I'm the current Secretary. Is the Board amenable to keeping that?

Mr. Ray: Yes.

Mr. Flint: Ariel Lovera is Treasurer and Teresa Viscarra is Assistant Treasurer. Is the Board okay with that?

Mr. Ray: yes.

Mr. Flint: Resolution 2017-06 would have Mr. Cuarta as Chairman, Mr. Ray as Vice Chairman, myself as Secretary, Mr. Goldstein and Mr. Bundy as Assistant Secretaries, Ariel Lovera as Treasurer and Teresa Viscarra as Assistant Treasurer.

On MOTION by Mr. Goldstein, seconded by Mr. Bundy, with all in favor, Resolution 2017-06 Electing Officers, designating Mr. Matt Cuarta as Chairman, Mr. Greg Ray as Vice Chairman, Mr. George Flint as Secretary, Mr. Benjamin Goldstein and Mr. Michael Bundy as Assistant Secretaries, Mr. Ariel Lovera as Treasurer and Ms. Teresa Viscarra as Assistant Treasurer was adopted.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the April 3, 2017 Meeting

Mr. Flint: You have the minutes from April 3, 2017. Are there any additions, deletions, or corrections to those minutes? Not hearing any,

On MOTION by Mr. Bundy, seconded by Mr. Goldstein, with all in favor, the minutes of the April 3, 2017 meeting, as presented, was approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2017-07 Approving the Proposed Fiscal Year 2018 Budget and Setting a Public Hearing

Mr. Flint: Resolution 2017-07 approves the proposed budget and sets the date, place and time of the public hearing, which we are suggesting for August 7, 2017, at 12:30 p.m., in this location. Exhibit A is the proposed budget, which has the same per unit assessments, as the prior year. The admin and maintenance expenses decreased slightly. When we set the current 2017 budget, we estimated build out numbers for landscape and lake maintenance. Those numbers should be okay going forward, and should accommodate the next section of roadway. Under the public comment period, I neglected to announce that Mr. Miller is here. Mr. Miller, did you have any comments to provide to the Board?

Mr. Miller: No, I'm good today.

Mr. Flint: Are there any questions on the Resolution or the exhibit?

Mr. Reid: Has anyone talked about irrigation costs, like we had at Stoneybrook? Based on the new fees from Toho, I don't know if it impacted this CDD yet, but they almost doubled at Stoneybrook. I had some discussions with Toho and they may be reducing them, next fiscal year. It's still going to be higher than this year, so we might want to research some irrigation numbers.

Mr. Flint: We looked at that and I can get with field management staff if we need to adjust the irrigation number. We should have adequate carry forward, so we won't have to modify our assessments if the irrigation amount increases.

Mr. Reid: We will be bringing more online, so you might end up in a different tier and different pricing.

Mr. Ray: What is it, Dave, that Toho wants?

Mr. Reid: They raised the rates or lowered the gallonage tier for bulk users. In Stoneybrook, it nearly doubled their irrigation costs.

Mr. Ray: What is it about the size of the meter?

Mr. Reid: It's tied to the size of the meter. It wasn't intended to be tied to the size of the meter, but it works out that way. They changed your allocation per meter, and depending on the size of the meter, you have so many gallons. It's more economical now to have larger meters, because you're allowed more volume under that meter. We have a lot of 2 and 3 inch meters and they lowered the volume, so you go from a Tier 1, to a 2 or 3 inch meter, which puts you up into Tier 2 or 3 pricing. Tier 1 used to cover everything from Tier 2 to 3. Now you're stuck in Tier 3, which is a higher rate. It's hurt the CDDs and the bulk user. They are going to re-address it this fiscal year, on September 1 and I will try to go back to revisit it. Right now, it's pretty significant, which is why I'm suggesting this. As we bring more landscaping online, with the roads completed and everything else, we might want to anticipate the higher irrigation fees.

Mr. Ray: When were they implementing those new rates?

Mr. Reid: They were implemented last October 1.

Ms. Barr: Is that their fiscal year also?

Mr. Flint: Yes.

Mr. Ray: As far as financials, we are in good shape. It looks like we spent \$4,000 of a \$12,000 budget for utilities.

Mr. Flint: We have \$17,000, next year, in a contingency. To the extent that those rates increase, we will look at it between now and the public hearing. Hopefully we can refine that number because we're going to have some additional irrigated areas coming online. We think we've anticipated it on the maintenance side, but we need to re-look at irrigation. That's a good point.

Ms. Barr: George, for the landscape maintenance, does the budget reflect the Down to Earth April numbers?

Mr. Flint: Yes. The contract with Down to Earth was the same as Brightview, but it's not for the entire area. There's still additional landscaping that we're anticipating in this budget that hasn't come online yet. That contract is about \$73,000 and we've got \$125,000 in this budget. We can re-look at that based on that Down to Earth contract, and what is remaining to come online, and ask Down to Earth to give us an estimate to see if that \$125,000 is still the right number.

Ms. Barr: What about plant replacement? Do we have any money for this year for that and also, do we need to push that into 2018 or can we use this year's budget for that?

Mr. Flint: We have a landscape contingency, next year, of \$7,500. We don't have a separate plant replacement line item.

Mr. Reid: We spent most of ours for this year.

Ms. Barr: We may want to increase that for next year, because there are going to be significant expenses.

Mr. Reid: If you don't bring on the extra areas, you should be all right.

Mr. Flint: In conjunction with looking at the maintenance number of \$125,000, if that \$125,000 is high, we could potentially reduce that slightly and move it into a plant replacement line item, or move money from the contingency line item into a plant replacement line item.

Mr. Ray: Are you talking about annuals?

Ms. Barr: Some trees and ground cover.

Mr. Flint: It's out of warranty.

Mr. Reid: There would be palm trees, a Magnolia and some plants. You will eat into that \$125,000.

Ms. Barr: Quickly. We also need mulch.

Mr. Reid: So far this year, we spent contingency funds of \$5,000.

Ms. Barr: We may just want to look at how we can incorporate that into the budget.

Mr. Reid: You still have \$22,000 in landscaping. It will cover the plant replacement, but what are we going to do for next year's budget, depending on how much improvement you have coming online?

Mr. Flint: If we cover that out of this year's budget, I don't anticipate that we would spend that again next year. It's kind of one of those situations where, once you get caught up, typically you don't have a plant replacement cost that high on an ongoing basis. If we get those issues addressed now, we have \$125,000 budgeted this year, but our projected expenses are \$87,000. We have some room in that \$125,000 this year, if we need to do plant replacements now and it would be under warranty for a year. I think some of that landscaping should have been replaced under the warranty and it wasn't, while the warranty was in place. I think that was prior to us coming on board. I think we are okay, under the current per unit assessment amount, but we may have to juggle some of the numbers around between line items. I don't foresee a need, at this point, to increase the unit amounts but we will look at the irrigation and plant replacement issues, to see if we need to refine this budget before the public hearing.

Ms. Barr: Thank you!

Mr. Flint: Is there any other discussion on the proposed budget? Not hearing any,

On MOTION by Mr. Goldstein, seconded by Mr. Bundy, with all in favor, Resolution 2017-07 Approving the Proposed Fiscal Year 2018 Budget and Setting the Public Hearing for August 7, 2017 at 12:30 p.m., at this location was adopted.

SIXTH ORDER OF BUSINESS

Consideration of Agreement with Down to Earth Landscape to Provide Landscape Maintenance Services

Mr. Flint: The agreement is to replace the contract with Brightview. At the last meeting, the Board authorized us to send a letter to Brightview, initiating the 30-day notice requirement under their contract. That was done and the 30-days are up. This new agreement would replace the prior one with Brightview, in the amount of \$94,668. I believe that Down to Earth is slated to start on May 4. Is that right, Brian?

Mr. Smith: That is correct.

Mr. Reid: It's the same contract that I used with Down to Earth in other Districts. How long has Down to Earth been out there?

Ms. Barr: 30 days.

Mr. Flint: On the POA side.

Mr. Reid: Is there a list of replacements that they requested?

Ms. Barr: They are working on an assessment for the HOA but they provided proposals already for the exterior wall. We just received the Town Hall replacements this Friday.

Mr. Reid: So the Board has not seen these numbers yet?

Ms. Barr: They are for the wall replacements at the main entry.

Mr. Ray: Are these Brightview expenses? Was Brightview paid in full? How much money are we holding for Brightview?

Ms. Barr: About \$1,500.

Mr. Ray: Does this cover that?

Ms. Barr: Not at all. All of the communications and emails with Brightview are being analyzed to show that they withheld their end of the contract.

Mr. Flint: Mulching is included, initially. It said that mulch would be included and all beds or otherwise bare ground areas and tree rings would be maintained with a layer of mulch, sufficient to cover the bare ground. In the event that the District chose to purchase additional mulching, a number was provided per cubic yard.

Mr. Ray: Do these proposals distinguish between what is HOA area and what is CDD area?

Mr. Flint: Yes. This agreement only covers CDD areas.

Ms. Barr: I'm not sure if they were paid in full on the CDD side.

Mr. Ray: Is \$15,000 for the HOA?

Ms. Barr: Yes.

Mr. Ray: Are they paid in full on the CDD side?

Mr. Flint: I would have to check. I wasn't aware that there was any discussion about withholding monies from Brightview. I would have put that in the final letter to them when we terminated the agreement.

Mr. Ray: If we are buying them out, that usually means that they are letting things die and get out of hand. That should be the first thing that comes to anyone's attention, which is

how much money we are withholding from them, before they leave us with a \$100,000 replacement bill.

Mr. Flint: We terminated them under the contract without cause, which is a 30-day notice requirement.

Mr. Ray: On the CDD side, we don't have that much replacement, probably \$12,000.

Ms. Barr: It's significant on the HOA side.

Mr. Flint: Are there any other questions on the contract? Not hearing any,

On MOTION by Mr. Cuarta, seconded by Mr. Bundy, with all in favor, the Agreement with Down to Earth Landscape for Landscape Maintenance Services in the amount of \$94,668.00 was approved.

Mr. Bonin: Was the agreement that was just approved the maintenance agreement?

Mr. Flint: Yes, with Down to Earth for the CDD areas.

Mr. Bonin: Regarding the proposals that they are providing, what are we comparing their numbers with?

Mr. Smith: I think the idea was to have them match Brightview's contract, to get the replacements done. At some point, we can go back to them. This is not a hard bid. We can negotiate with them.

Mr. Bonin: The reason that I am saying this, is Down to Earth has been notoriously high on their installation numbers but their maintenance numbers have been high. We stopped bidding with them because their numbers were so bad. I want to make sure that we are not getting into a situation where we are accepting their bids, because we don't have other bids. Because we will be maintaining it, we need to have some type of check and balance on the pricing that they are giving us on these proposals.

Mr. Flint: At the last meeting was, because the HOA had already made the decision to change landscape contractors, there was the desire to have the same contractor maintaining the HOA and CDD areas. The direction was to approve the contract, as long as Down to Earth could match the cost of the existing Brightview contract, from a maintenance standpoint.

Mr. Bonin: I'm talking about the installation.

Mr. Flint: This agreement only covers maintenance.

Mr. Bonin: I understand. That's why I wanted clarification before we choose and agree to go ahead with the replacements.

Mr. Flint: We will get prices.

Mr. Smith: Did Brightview originally go through a competitive bid?

Mr. Bonin: I believe that they did.

Mr. Flint: Brightview was on board when we took over, so I don't know what bidding process was followed. As Rob indicated, on the maintenance side, they tend to be competitive on pricing. At some point, the Board may decide to issue an RFP and re-bid this, but I think we would want to do it in conjunction with the HOA.

Mr. Bonin: We had joint bids before.

Mr. Flint: I'm comfortable with this number, as it stands, which is a competitive number.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. d'Adesky: At the last meeting, we had the land swap. We cleared everything on our end, so there are no other CDD items. We signed all of the documents and reviewed the title. I think it's in Lennar's internal review system. It will just be a matter of their execution of documents and our recording of them. That should be processed shortly.

B. Engineer

Mr. Reid: I have nothing new.

C. District Manager's Report

i. Approval of Check Register

Mr. Flint: You have the Check Register for the General Fund, Checks 119 through 127, totaling \$39,577.25. The detail is behind the summary. If you have any questions we can discuss those.

On MOTION by Mr. Ray, seconded by Mr. Bonin, with all in favor, the Check Register was approved.
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ii. Balance Sheet and Income Statement

Mr. Flint: You have the unaudited financial statements through March 31, 2017. Are there any questions on the financials? Not hearing any,

iii. Presentation of Number of Registered Voters – 113

Mr. Flint: You have a letter from the Supervisor of Elections, indicating that there are 113 registered voters, currently within the District as of April 15th. We must announce this annually. Once it hits 250, this five member Board will begin to transition. Each year, as of April 15th, we receive a letter and monitor the number of registered voters.

iv. Designation of November 6, 2017 as Landowners’ Meeting Date

Mr. Flint: The District was created in an odd number year, so the elections for the Board Members are in odd number years. We are suggesting November 6, 2017 as the date for the Landowner’s Election. Three seats will be up for election; Mr. Cuarta, Mr. Bundy and Mr. Ray’s seats are up for election. We try to hold the Landowner’s Election in conjunction with the regular meeting. Only the landowner needs to attend, as well as myself.

On MOTION by Mr. Goldstein, seconded by Mr. Bundy, with all in favor, setting the Landowner’s Meeting for November 7, 2017 was approved.

EIGHTH ORDER OF BUSINESS

Other Business

Mr. Flint: Does the Board have any other business they would like to discuss that is not on the agenda?

Mr. Goldstein: Yes. I wasn’t at the last meeting. Was the land swap discussed and where do we stand with that?

Mr. d’Adesky: It is in Lennar’s internal sign-off. We did everything but 13 acres. We are all signed off on that.

Mr. Goldstein: Is there any Board action?

Mr. Flint: It’s already been taken.

Mr. d’Adesky: I think there was a question about splitting costs.

NINTH ORDER OF BUSINESS

Supervisor’s Requests

There being none the next item followed.

TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Goldstein, seconded by Mr. Bundy, with all in favor, the meeting was adjourned at 12:57 p.m.



Secretary / Assistant Secretary



Chairman / Vice Chairman