

**MINUTES OF MEETING
BAYSIDE IMPROVEMENT AND BAY CREEK
COMMUNITY DEVELOPMENT DISTRICTS**

A Joint Budget Workshop of the Boards of Supervisors of the Bayside Improvement Community Development District and Bay Creek Community Development District was held on **Friday, July 24, 2015 at 9:00 a.m.**, at the **Pelican Landing Community Center, 24501 Walden Center Drive, Bonita Springs, Florida 34134.**

For Bayside Improvement CDD:

Walter McCarthy	Chair
John Crew	Vice Chair
James Patterson	Assistant Secretary
Bernie Cramer	Assistant Secretary
John Kaiser (<i>via telephone</i>)	Assistant Secretary

For Bay Creek CDD:

Fred McAuley	Chair
Nelson Glueck	Vice Chair
James Janek (<i>via telephone</i>)	Assistant Secretary
Jesse W. Lawrence (<i>via telephone</i>)	Assistant Secretary
Mary McVay	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Dan Cox	District Counsel
Charlotte McCarthy	UOC Liaison

FIRST ORDER OF BUSINESS

Call to Order

Mr. McCarthy called the workshop to order at 9:00 a.m.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS

Roll Call

Mr. McCarthy asked the Supervisors to state their names. For Bay Creek Community Development District, Supervisors McVay, Glueck and McAuley were present, in person. Supervisors Janek and Lawrence were attending via telephone. For Bayside Improvement Community Development District, Supervisors Cramer, Patterson, Crew and McCarthy were present, in person. Mr. Kaiser was not present at roll call.

FOURTH ORDER OF BUSINESS

Public Comments: Agenda Items

There being no public comments, the next item followed.

FIFTH ORDER OF BUSINESS

Continued Discussion: Fiscal Year 2015/2016 Joint Proposed Budget

Mr. McCarthy conveyed Mr. Patterson’s suggestion to review the assessment roll, for accuracy, following Mr. Adams’ budget overview.

Mr. Adams noted very few line item changes in the revised budget and assessment levels in the “General Fund” remained unchanged. He recalled an increase in starting salaries, in Fiscal Year 2015, and that payroll remained within budget; the same was true for Fiscal Year 2016.

Mr. Adams reported that trimming was almost up to date. The cul-de-sac renovation program will begin on August 1 and should be completed by the end of August. Palm tree pruning would begin at the end of August.

*****Mr. Kaiser joined the meeting, telephonically.*****

Ms. McVay reported that the PLCA authorized hiring several landscape architects to review the community’s landscaping and asked if there was money in the budget to address the recommendations. Mr. Knowles advised Mr. Adams that the review would take at least six months, after which, the entities would discuss the report and devise a plan for maintenance, replacement, or both, based on the architects’ recommendations.

In response to an observation from Mr. Patterson, Mr. Adams confirmed that the “2016” column was missing on Page 33.

Mr. McCarthy asked if there were changes from “2015” to “2016”. On Page 34, Mr. Adams noted a unit increase under “Multi-Family”, from 766 to 805, for “Terzetto Phase II”, adding 39 units. Mr. McCarthy pointed out that “Ponza” should be under the “Single Family” heading.

Mr. Adams referred to “Coconut Road Commercial” and explained that The Colony Sales Office would be transferred to the Master Association and, with the transfer, the association has the ability to reclassify the sales office to a common element; under state law, a common element cannot be assessed.

With regard to “Future Units”, on Page 35, Mr. Adams noted that Colony IV decreased by 21 units. He explained that Cielo (Colony V), originally planned for 75 units, increased to 96 units and was transferred to full service. From Fiscal Year 2015 to 2016, full assessment units increased by approximately 40 units and partial assessment units decreased by approximately 60 units. The “Net Increase (Decrease)” was minus 19 units.

A question arose about whether Colony Villas Parcel 1, Colony Villas Parcel 2 and Ponza were assessable to The Colony. Mr. Adams indicated that Ponza was assessable. Mr. McCarthy commented that Ponza had no debt.

Mr. Patterson recalled that, when Ponza residents asked to connect to The Colony, the CDD Boards discussed the amount residents would pay for past improvements in The Colony. Mr. Adams explained that Ponza residents do not pay debt service related to the infrastructure because Ponza was not part of the original methodology that allocated the debt; it was an out parcel, at the time.

Mr. McCarthy confirmed that Ponza would be added to the unit count.

Mr. Adams will confirm the unit counts with Ms. Carlson.

On Page 39, Mr. McCarthy pointed out that “Total General Fund 004” should be “Enterprise Fund 401/451”.

Mr. Patterson noted that, when the PLCA purchased the Marina from WCI, 200 units were excluded as future units. Mr. Adams stated that, as future units are developed, density is being reduced toward the relocation of the 200 units, from south of Coconut Road to north of Coconut Road, which is outside of the Districts’ jurisdiction. A partial assessment was charged for future units; however, as the units are developed and turned into full assessment units, the density is reduced below the number in the original plan.

Mr. McCarthy commented that there was always a discrepancy between the number of units WCI was authorized to build and the number of units on the CDD assessment rolls. He explained that WCI has development rights but ran out of land to build on.

Mr. Patterson felt that the Districts could assess on the basis of planned future units. Mr. Adams indicated that the units were assessed and are still being assessed.

With regard to “Revenues”, on Page 1, Mr. McCarthy felt that there were opportunities for higher yields for CDD funds and directed Staff to place greater focus on interest rates.

On Page 1, Mr. McAuley asked about the large decrease in “Engineering” fees. Mr. Adams explained that he did not anticipate continued “high intensity” engineering exercises, in Fiscal Year 2016, such as permit certifications and the remediation project.

Under “Field Management”, “Other contractual”, Mr. Adams confirmed that Management fees will remain the same in Fiscal Year 2016.

Discussion ensued regarding “Water management services”, “Other contractual services: wetlands” and “Other contractual services: Lakes”. Mr. Adams will combine the “Other contractual services: Lakes” line items, for Bayside Improvement and Bay Creek, into one.

In response to a question from Mr. McAuley, Mr. Adams advised that aeration was considered under “Capital outlay”. Mr. Adams suggested repurposing some of the money under “Aquascaping” for additional aeration.

Mr. McCarthy noted issues with Bayside Improvement’s lake maintenance contractor, Clarke Aquatic Services (Clarke), and suggested budgeting additional money, should the Board decide to terminate Clarke’s contract and hire a new contractor. Since LakeMasters’ bid was \$199,992, a difference of \$13,300, Mr. McCarthy recommended increasing the line item, for flexibility.

Discussion ensued regarding sharing costs for contract increases or decreases.

With regard to “Landscape services”, on Page 2, Mr. Kaiser recalled Mr. Crew’s suggestion for the Districts to complete a review of the community plantings, which the Boards did not approve. Today, he discovered that the PLCA authorized hiring several landscape architects to review the community’s landscaping and asked if there was enough money in the budget to consider Mr. Crew’s recommendation.

Mr. McCarthy stated that the consensus of the Board Members was to review the recommendations and then devise a plan. The study would take at least six months; therefore, action would not be taken until Fiscal Year 2017.

Discussion ensued regarding “Other contractual – tree trimming”. Ms. Crismond obtained two proposals: \$48,000 to trim 240 Live Oak trees in Pelican Landing and \$35,000 to trim 135 oak trees, 5 Mahogany trees and 35 Shady Ladies in The Colony.

Mr. Crew felt that more than \$10,000 was needed for tree trimming and tree removal. Mr. McAuley agreed.

With regard to the construction of a senior residence on the east side of Walden Center Drive, Mr. Cramer felt that area residents should be notified of potential line of sight issues, as many homes along Pennyroyal have pools.

Mr. Patterson inquired about tree trimming completed by CDD staff. Mr. Adams advised that District staff trims tree limbs up to 14'. He confirmed that "Other contractual – tree trimming" was related to professional tree trimming.

Mr. McAuley stressed the need to increase the tree trimming line item. Mr. Janek pointed out that the PLCA cost was \$40 per tree and Costa del Sol paid \$35 per tree.

Ms. Crismond stated that the proposal for Pelican Landing was \$48,000 for 240 trees, which was \$200 per tree, to crown thin, crown raise and crown clean.

Mr. Crew felt that Davey Tree's proposal was high and suggested obtaining proposals from local vendors.

Mr. Adams felt that \$20,000 was more realistic for the line item and suggested completing the trimming in phases. The Boards concurred.

Discussion ensued regarding "Roadway services". Mr. Patterson noted that "Repairs and maintenance - parts", was over \$10,000, year-to-date. Ms. Crismond recalled much equipment repair and refurbishing in Fiscal Year 2015. At Mr. Patterson's suggestion, the line item will be reduced to \$5,000.

With regard to the "Assessment Summary", on Page 2, Mr. Adams noted a \$5.32 increase. Mr. McCarthy indicated that a mailed notice to property owners was required if assessments are increased. Mr. Adams suggested using \$20,000 of fund balance to offset the increase. The Boards concurred.

Mr. McCarthy reviewed The Colony budget, on Page 14, and inquired about the accuracy of the assessment unit count. Mr. Adams remarked that Ponza was missing; he will verify the count with Ms. Carlson.

It was determined that fund balance would be utilized to maintain the assessment level, using \$50 less than in Fiscal Year 2015.

Mr. Patterson noted that "Flower program" and "Mulch program" were over budget. Mr. Adams explained that the total included supplemental flower planting, due to plant failure.

With regard to the Bay Creek CDD Debt Service Fund Budget for the Series 1996 A-2 Bonds, Mr. McCarthy advised that bonds will be paid off in Fiscal Year 2016, one year in advance. The Bayside Improvement Series 1998 A-2 bonds will also be paid off in Fiscal Year

2016, which will reduce the amounts owed by residents affected by the bond issues. He asked Mrs. Charlotte McCarthy, UOC Liaison and resident, to include this information in her report to the UOC.

On Page 20, “Operating Revenues”, Mr. McCarthy noted that Mr. Adams adjusted the amounts to reflect actual revenues for Fiscal Years 2014 and 2015; therefore, “Irrigation revenue” for Fiscal Year 2016 increased \$100,000.

Under “Operating Expenses”, Mr. McAuley asked if the amount budgeted for “Engineering” was realistic. Mr. Adams confirmed that routine business was anticipated.

Mr. McAuley expressed concern about the low lake levels at the South Gate and across from the maintenance facility and asked Staff to review.

Mr. Crew suggested moving the street cleaning and tree trimming under “Water management services”, as both pertain to lake health maintenance.

Mr. McCarthy commented on the enormous flow off the golf course and down the cart path, and the huge accumulation of debris in the street. He explained that the two catch basins on Goldcrest Drive flow through a pipe behind the homes on Bay Cedar Drive, into the Bay Cedar Drive drainage system, and then south, into the lakes. The pipe, which is on private property, was plugged. Mr. McCarthy suggested allocating money from the “Enterprise Fund” to remediate the situation. He pointed out that there would be less debris in the streets if trees were trimmed more often. Mr. Crew noted that this only applies to the trees on the roadways.

Mr. McCarthy explained that the pipe that connects from Goldcrest Drive, through private yards, to Bay Cedar Drive, is very small and there is an enormous amount of runoff. He asked Mr. Adams to address allocations for tree trimming and street sweeping.

Mr. Adams stated that the “General Fund” expenditure will be reduced and the assessment will be equal to, or lower than the Fiscal Year 2015 amount; therefore, there is no noticing requirement. Fund balance from the “Enterprise Fund” will be used to offset the increase and landscaping will be a shared cost between the “General” and “Enterprise” Funds.

SIXTH ORDER OF BUSINESS**UPCOMING MEETING DATES**

- A. July 27, 2015 at 2:00 P.M.**
- B. August 24, 2015 at 2:00 P.M.**

Mr. McCarthy indicated that the next meetings are scheduled for July 27 and August 24, 2015 at 2:00 p.m., at this location.

SEVENTH ORDER OF BUSINESS

Supervisors' Requests

Mr. McAuley asked if a response was received from WCI or if there was a resolution with regard to sharing the cost for the drainage modifications. Mr. Adams replied no.

Mr. McAuley inquired about a response regarding the Pelican's Nest pipe installation. Mr. Adams indicated that the responsibility to restore was acknowledged and Jason will work with Mr. Kucera to restore the area and hide the pipe work. Mr. McAuley advised that the bridge area, where half of the preserve was cut out, must also be restored, as well as the lawn beside Bay Crest.

Mr. McCarthy recalled that Mr. Caldwell indicated that he would try to provide WCI's response to the Boards prior to the last CDD meeting. Mr. McCarthy speculated that the issue was related to the disposition of the new high rise. He directed Mr. Adams to contact WCI, today, and provide a report at the July 27 meeting. The Boards must discuss funding, as WCI will not pay the entire cost of the remediation.

Mr. Janek asked if improving the fountain in the lake at the South Gate, by US 41, was a consideration. Mr. Adams advised that the existing fountain may be upsized; however, a proposal was not obtained. The Board Members concurred with upsizing the fountain.

EIGHTH ORDER OF BUSINESS

Public Comments: *Non-Agenda Items*

Mrs. McCarthy, a resident, suggested placing an article in the Pelican Landing newsletter about the Bay Creek and Bayside Improvement CDD bonds being paid off in Fiscal Year 2016, as well as a reminder to replace or repair rain gauges.

In response to a question from Mr. Janek, Mr. Adams confirmed that both bonds will be paid off on May 1, 2016. Mr. Patterson clarified that the November tax bill will contain the last assessment payment for residents.

NINTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the workshop adjourned at 10:42 a.m.

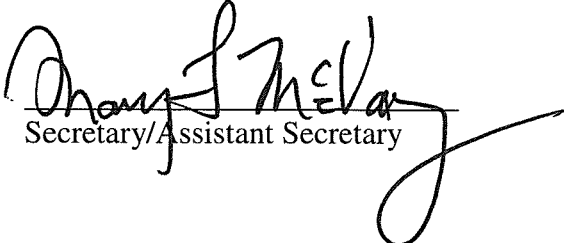
[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

FOR BAYSIDE IMPROVEMENT:


Secretary/Assistant Secretary


Chair/Vice Chair

FOR BAY CREEK:


Secretary/Assistant Secretary


Chair/Vice Chair