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The Villages of Lake Lucie *CDD Board of Supervisors meeting* *June 21, 2017*

A roll call for a quorum was met by the following persons being present: Tony Rodriguez, Morris Daniel, Jeff Brodzinski, and George Niarchos. The meeting was turned over to Roger Miller, the district manager. He stated that so far since the last meeting there has not been an appointment of officers. He wanted the supervisors to discuss who was going to be in which position; chairman secretary and treasurer. He asked does anybody want to serve as chair. Morris said he would do that. Tony will be the treasurer, and Jeff will be the secretary. Morris mentioned that the meeting was being recorded for accuracy of the minutes. Roger asked Tony if he was taking notes for the minutes, he answered he would not because the meeting was being recorded. Roger Miller asked Tony if the September minutes was sent out, they hadn't. You cannot approve minutes that have not been read, no one wanted to read them so Roger asked if the supervisors wanted to waive the approval. Morris answered, yes we can waive that approval. George motioned to waive approving the minutes, Jeff 2nd. All were in favor.

This meeting we are required to come up with a preliminary budget in order for it to get to the tax assessor by the end of June for them to come up with the trim notice. The final budget would be done in September. Morris asked why would we do that, it could all be done today. Roger agreed. Morris spoke and said, he and Jeff have invited our attorney, because we know we are in transition. For the community's knowledge, this year Morris prepared the budget along with the other supervisors input. We have one glitch we need to work out with the swimming pool. Our HOA dues are \$200 a year and I don't see that going up. We have concerns about the pool. We cannot afford the repairs. We understand that the pool is 20 years old, pipes are settling, pipes are rusting, straps are breaking. Not counting the water bill, we are into the repairs for at least \$4000.00. We do not have enough money coming into this community to properly take care of our community. We have changed vendors and saved on all our bills, but the prices are going up past the budget. When we went through the budget, after looking at all our expenses, the taxes will have to go up. We also have found out we have we have dry wood termites in the cabana. It will cost us \$1200 to tent. The reason they are there is because the roof was never sealed or painted or they never would have gotten in there according to the exterminator.

Morris stated the issue with reserve funds are not clear to us. We would like to know how much money is required for us to have as a reserve fund. Roger Miller answered, that is for us to decide. When we go over budget, where does that money come from? Roger answered, we have been



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lucky so far because of the excess money from the series A bonds (business park), series B bonds from unit 2 (Lake Lucie) to the tune of roughly \$120,000. That enabled us to be able to use additional monies over ancillary budget of the bare maintenance over that last 3- 4 years. Roger proceeded to tell how during the recent years past, how bills were always over budget. The money had to come from somewhere and it came from that \$120,000 surplus that they had. The 1st year we had a lot of repairs was in 2014, we went over budget by \$40,000. In 2015, we spent \$30,000 in repairs. In 2016, it was \$16,000 for additional repairs. My point has always been, as supervisors, is we should always have a budget to prepare for a rainy day here. There should be a cushion. So the question for the supervisors is, what is the fair reserves? After all his recommendations, what is the proper reserve number? There is work to be done at the business park and some of the monies used here was from the bonds of the business park. At the end of the year there will be out \$25,000 left in the funds. Should we build the reserves back up?

Morris told Roger what he would like to see, especially during the transition next year.. Figure out what belongs to the business park, I would like to see bank accounts for just the business park set up. Also, for the tracts, and for Lake Lucie. Lake Lucie will take care of Lake Lucie. We don't want to steal anything from the business park, or anywhere else, but when funds come into this district, we need to know what we have to work with. Jeff and I have been working on this budget for the past month, and we wondered how is this going to impact our neighbors. We all know we are blessed with our low HOA fees. My main goal is to make sure we don't hurt our neighbors. Bottom line is we need to increase the taxes from \$430 last year to \$510. With the HOA fees together, that comes to \$53 a month to live in a nice community. That is what it will take to run and take care of this community. We are doing some sidewalks this year that will cost a little under \$5,000. We will come back next year and do one driveway a year. This will be an ongoing thing for us. Jeff added that we are trying to save as much money as we can by doing a lot of the work in the community ourselves (fixed the fountain numerous times, weed spray, pressure washing). We had a list of big projects that needed to be done, and we are getting close to completing it. After 20 years of neglect, we are almost done fixing what should have been done all along. We just want get to a point where we have a maintenance plan, step back and let people maintain. We are trying to figure out how to get to the maintenance point. Roger said he appreciates the level of work and detail that has been done to keep the cost down and he hopes that the community also appreciates it as well. There is no doubt that your assessments are real low for the maintenance that is required. Roger asked about the front entrance (landscaped entryway, is that in the budget? Morris said we have diseased plants out there so it needs to be taken care of. Jeff added that the stack stone will have to wait, we will paint the columns and fix the stucco even if we have to do it ourselves. Roger asked if that is a good number, Morris answered yes. The number includes the five tier hedges (landscaping) and the irrigation is in the budget. Tony asked if there was an issue with the lake pumping system. Was it because of the drop in water in the lake? Morris said no that



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wasn't it, that we are fortunate enough to have a man in the community who is very knowledgeable, that repaired the pump for a small amount of dollars for parts. It will be all right for now.

We are in a fight with Savannah Club about the maintenance of the road from US 1 all the way back. We are working with SFWM. They worked it into the Racetrack permit that they would rework the swale all the way back to Bella Vista apartments. As of yesterday, the water is running into our lake from out front because Rich Brothers have a temporary road in and the elevation is too high so the water is bottling up and coming into our lake. Right now that is ok because our lake is low, but if we had a hurricane or tropical storm we will have flooding issues again. SFWM will shoot elevations again. Rich Brothers is looking at a \$5,000 fine. Tony asked, why is there a temporary road there? Morris answered because he has an office trailer there. Morris also told the community that the Walmart deal fell through. They are going back to the drawing board over there.

Tony we have not covered any expenses relating to repairs on the pool; that has been a discussion many times over the years concerning ownership; community has use of the pool, community is responsible to maintain the pool. That is what the arrangement has been in the past. We have not figured how to bridge to ownership/deed. Jacob can probably speak to this, it is an expensive proposition to undertake. Roger said, it has been discussed before, check the minutes. You reached out to me on this issue whether it's an agreement or a deed. Morris added this association writes a \$6000 check for insurance. So because we do not own this, if we have a hurricane and this building blows down, there is nothing that says you are required to build it back up. The insurance will send the check to the CDD not to the HOA. We need to do something about this; either we do a lease on it or a deed however a lease would have to be for the exclusive use of the 156 lots platted in the community.

Morris said we have got to get signage because we have gators in the lakes now. We have a trapper trying to get them out of there. After the child was eaten by the gator at Disney, we will be sued if someone gets hurt or killed by these gators. So, we have to have the signage. Tony said that is one of the reasons for a reserve fund, for the unexpected occurrences.

Roger said our job has always been to facilitate what the community wants and hopefully this is what the community wants. I hope the budget is not a big issue so let's vote on it. Morris wants 3 separate reserve funds, one for each community (the tracts, business and Lake Lucie). The pool is the one that will hurt us. This is settling so bad you can look with a flashlight and see all the way to the other end.

Morris mentioned he has looked at the taxes since 2005 and that Lake Lucie has put more money into the CDD than the business park and the tracts. Now that we dipped into theirs, we will stand on our feet. The business park needs work over there. Who is going to determine what needs to be done or what is spent over there? There should be an HOA over there. The owners have not been really attentive over there, because of economics; they know if they maintain it,



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their assessments will go up. It was recommended in the past that the business park have a \$5000-\$7000 reserve fund. We have never heard the number \$120,000 before today. We heard \$59,000. When I requested the bank statements from you through Jacob, it was because I'm trying to wrap my hands around where this money is going. Roger explained, 3 audits shows the money coming and in the money going out. It shows the \$60,000 from the business park, and then the \$60,000 from unit 3, going back. I'm going to watch these people's monies like I said I was trying to do these past years. The state does not require us to do an audit every year now that the bond is paid off. It is every 3 years, so that will save us \$11,000 every 3 years (\$5500 yearly). Roger said it might be more than the \$5500 because it will be every 3 years but he is not sure.

Roger said "let's vote on the assessments. Unit 1 \$284.70, unit 2a and 2b (both single dwellings) \$509.62, and the acreage across the street is \$593.00. Morris motioned; Tony 2nd. All aye. Tony will prepare that in a form 1701, which is the final resolution. The next thing we need is the date for the final budget which could be today. He had 2 things on his agenda. One was the discussion on the audit, which we approved the budget without the audit, and second one I am asking the supervisors for some direction. We need to have a records custodian within St Lucie County. That might work well with the transition. With your records, it showed that it does require the records to be kept and maintained in St Lucie County. Our council has never advised us of that, but I read the statute and it is there. We need to be compliant, and sooner or later, those records will have to be transitioned here. If there is someone in the community that would like to do that, maybe we can pay them \$100 year to do that, I don't know but we can check. We have all the records in our office, and I am happy to house them there in the office, however, we are not in compliance according to the statutes. I am also willing to give all information but I am concerned how to do it." Morris said he spoke to Jacob concerning the custodianship. For Jeff and myself, for our protection, I do not mind assuming responsibility for our records. I am just not sure how we know that we are protected if we were audited, that I have everything that is supposed to be here. I have no confidence. Roger suggested a \$25 storage unit across the street to hold all the records, and someone is in charge of getting the records at the appropriate time. I believe that they are talking about a record book with the minutes, the bank records and not every piece of paper relating to the district. Morris asked how many records are we talking about. Roger answered, between 5 - 7 years. George Rowe and I discussed getting a \$300 floor safe to lock it in the cabana. Then we can pass it along. It will be cheaper than paying \$25 monthly. We can comply now by putting it online, or in the cloud but I do not know if that is in compliance. The website has been updated, the audit is on there as well as the supervisors. Morris said he would take responsibility for the records again.

The floor opened for questions.

Our future with these trees, Are they going to cut these tree roots so they stop destroying our neighborhood sidewalks and driveways? Otherwise, the whole neighborhood is going to break up. Jeff and Morris answered, as we go through to make the repairs, they do cut and remove the



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roots. We cannot do all of them in one year. Morris said the trees should have been root trimmed when they were 5 years old. He reminded Claudia that she is not the only one in the community with a root problem. The roots are too deep to be controlled now and we cannot assume control of this community until the asphalt roads are taken care of.

Barbara Daume has a couple of questions. She thought that each one of the units were autonomous. I thought we didn't do anything for them; they didn't do anything for us, but now I maybe hearing it wrong but I am getting mixed messages. Roger answered again that the district has responsibility for all 3 units. She also asked about the bonds. We should have gotten all the money back and not borrowed anything from the other unit. How much did we get back?

Editor's note: Since this was discussed fully less than an hour ago, I don't understand why it is being brought up again. This is past history and has no bearing on the present board.

Roger answered this again saying, \$60,000. Both units got back \$60,000 which went back to the district. She asked how much of that is left. Tony answered of the \$60k, nothing. Of the 120k, \$25k is left. Roger said he has a fiduciary responsibility as manager, to do what is right for the business park. We were very lucky that this money came in and was there or everybody would have had to pay assessments for the repairs that were needed.

Her 2nd question was about the pipes into the lakes are all rusty and broken and it should be in the budget sometime for these to be repaired. Morris answered her. Those pipes are 20 ft long that goes under the roads. We are getting pricing for corrugated polyethylene piping. I have been talking with the guy that did the infrastructure for the Racetrack. She asked isn't that for the taxing district to do? He said, yes and I am on the taxing district, which is why I am trying to price it out the best I can.

Morris asked a question. I do not understand the taxes. Some people pay the taxes early; some wait till the last day. I do not understand how that number can fluctuate because it is a non-ad valorem number. Tony answered, it's the taxes and you get a discount depending on when you pay them. Morris told him you do not get a discount on the non-ad valorem. We should look into that with the tax collector because those numbers do not change. Roger said they would look into it, he thought everything was discounted on the taxes. Which is it, the ad-valorem or the non-ad valorem?

Terry Glab asked how many houses have not paid their taxes as for the previous year. Roger answered there is about \$4000 not paid; some from here, and 1 or 2 from the business park. We do not have an accurate number for you. Tony matches the collections with the receipts, I just don't think he has the number right now. That is easy to track.

Resident asked, with the \$80 increase in our taxes, is that going into the big fund now and then you will figure out what the reserve is? Or is the \$80 going to us now? Roger answered the intention is to build up the reserves. Morris answered the \$80 is our budget for money to be spent in our community. He told Roger he does not want this money comingled up. Roger said going forward, once it becomes a resident turnover, it makes sense and is appropriate to keep separate



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books for the 3 units. A resident said after he looked and figured out the numbers of what was gross collected and what is in the gross billed and there are 7 homes that have not paid their taxes. So, it is not the business park it is residents here in the community.

Morris made a motion to adjourn, and Jeff 2nd that. The meeting was adjourned.

Respectively submitted,

Jeff Brodzinski

Jeff Brodzinski Recording Secretary

A handwritten signature in cursive script, appearing to read "Jeff Brodzinski".

A second handwritten signature in cursive script, also appearing to read "Jeff Brodzinski".