

**MINUTES OF MEETING
TOSCANA ISLES
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Toscana Isles Community Development District held a Public Hearing and Regular Meeting on March 20, 2019, at 10:00 a.m., at the offices of Vanguard Land, LLC, located at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238.

Present at the meeting were:

Samantha Hays	Chair
Brian Watson	Vice Chair
Daniel Peshkin	Assistant Secretary

Also present were:

Cindy Cerbone	District Manager
Lisa Dao	Wrathell, Hunt and Associates, LLC
John Vericker (via telephone)	District Counsel
Dr. Barry Zelesnick, OD	Resident
Joe Farinello	Resident
Jim Collins	Resident
William Moore	Resident
Duane Wohlgemuth	Resident
Richard Daitch	Resident
Thomas Hart	Resident
Lisa Hart	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 10:02 a.m. Supervisors Samantha Hays, Brian Watson and Daniel Peshkin were present, in person. Supervisors Alexander Hays and John Peshkin were not present.

Ms. Cerbone explained the process involved with hearing and addressing public comments and her duties, as District Manager. She reminded residents to contact her, as she is readily available to answer questions and/or address their concerns. Because of misinformation dispersed amongst residents as to an additional bond issue, she provided an overview of the types of assessments that are placed on the property tax bill and the process. The 2014 bond debt assessments were not changing; however, the "Professional & administrative", also called

“Operating and Maintenance”, budget line items can fluctuate and would reduce, on a per unit basis, when additional property is added to the community.

Ms. Cerbone stated that the 2018 Bond debt shows that assessments were placed solely on Developer-owned property and not on any of the current residents of Toscana Isles. The upside to the 2018 Bond issuance was a reduction in the resident’s assessments, in relation to the “Professional & administrative”, also called “Operating and Maintenance”, budget line items, as those expenses were now spread out across more properties within the District. The reason for today’s Public Hearing was to assess a small portion of land referred to as Unit 3, which the Developer purchased in December.

Ms. Cerbone stated another reason residents could be confused or misinformed is due to the City of Venice sending a letter about a hearing, set for last night, pertaining to a preliminary plat amendment. She reviewed each parcel identification number listed in the letter and verified they were all Developer-owned and she then cross-referenced each parcel identified number against the names of the Developer companies in the Notice from the City of Venice. She contacted the City of Venice for clarification and found that meeting pertained to platting or re-platting and, since the District does not own the property, neither she, as District Staff, or the District, had any involvement in the meeting. Her interpretation of what the City told her was that the Notices were sent to notify adjacent property owners and the terms “Unit 1, Unit 2 and Unit 3” were used in the letter by the City and the County, for their purposes and under their definitions.

Ms. Cerbone explained that the District also uses the same terms for its own purposes and definitions; however, what matters is the parcel’s I.D. She believed those letters and notices were sent to the residents because they are adjacent property owners. Even though the residents were not part of the assessments related to Unit 3, to provide transparency, the District sent a cover letter explaining to residents of Unit 1 that they were not affected and that only the Developers were affected. Since another letter containing inaccurate information was distributed within the community, she prepared an additional letter yesterday reiterating that residents of Unit 1 are not impacted by the 2018 Bond issue.

Ms. Cerbone provided the following answers to questions posed in previous meetings:

- Public records reflect that the actual costs for Unit 1 were \$11,306,042, of which, \$9,200,000 was allocated from the bond proceeds construction account and the Developer funded the difference. That amount was not the \$94,000 amount mentioned at the last meeting. Besides that, the Developer also funded numerous private community improvements including, but not limited to, the Clubhouse and associated amenities and the central irrigation system. Since the District is not required to have that information they only have requisitions that were used to draw down the funds from the 2014 and 2018 Bond issues.
- Regarding any monetary compensation from the owner of the apartment complex adjacent to CDD, since the easement existed before the District, the District is required to adhere to the requirement of that easement and it did not contemplate monetary compensation. Numerous other properties, comprised of several hundred acres, have drainage rights through the Toscana Isles stormwater system without any monetary compensation. The District has the advantage in other areas where there is an easement that it can and does have connections.
- For additional information on the easement between property owners that was recorded January 4, 2013, and, since the CDD was not a party to those transactions, residents should visit the Sarasota County Clerk of the Court's website.
- The Board declined the request to change the meeting location to the Clubhouse, unless conditions warrant or require a change. If necessary, additional chairs would be provided in the current location. Residents with special needs or conditions should contact her in advance of a meeting.
- A proposed amended budget was distributed at the last meeting, which differed from the one in the agenda package. As was explained at the meeting, the change had to do with the information being displayed properly.
- Regarding whether the 2018 bond debt and related assessments stay the same for the duration of the bond life and if there was any potential for it to increase, the total bond debt was not going to change; however, later in the meeting, they would discuss the bond debt associated with the Developer-owned properties and that the total bond debt would not change but the actual bond debt on each individual parcel would be reduced because of the addition to the Developer-owned parcels, allowing that debt to be spread over those other

parcels that they did not own in December. After the conversation with the resident, he again asked whether there was any potential of increasing the 2014 bond and the answer was no; the only piece on the resident's assessments that could potentially change was on the following "Operations & Maintenance", also known as "Professional & administrative", line items, which would be a reduction because those expenses would be spread among more parcels. Typically, the Board has the option to Direct Staff to investigate other matters related to other bond issues; however, nothing was discussed at a Board meeting and District Staff was not given any direction to do anything related to bonds.

➤ Regarding the costs covered by bonds and how property owners are assured they are reasonable and to the questions of how are they derived, how are the Board Members comfortable with the amounts, was there or will there be an audit and what other assurances are available, Ms. Cerbone stated that, when the Board is preparing to issue bonds, several parties are involved in a lengthy process, including District Counsel, Bond Counsel, Underwriters Counsel, etc., with specific expertise, and the District Engineer. They provide assurances before the bonds are issued, as well as Wrathell, Hunt and Associates, LLC (WHA) assuring, after the bonds are issued, that all expenses are verified before funds are drawn, and submitted to the Trustee. An external annual audit is performed, which is a standard requirement for governmental entities with outstanding bonds.

➤ A resident's request, at a prior meeting, to assign their three minutes of public comments time to another member of the public was denied. The Board's goal is to run efficient governmental meetings, which is why they choose not to reply to public comments or requests but preferred to listen, take notes, move on to agenda items that the Board needs to discuss and make decisions on so that everyone has equal time.

➤ Regarding an increase on the budget amendment for the Trustee and Debt Service accounting and the overall impact, when bond funds exist, Trustees must be involved and the Trustees charge fees by the bond issue. The budget was amended to include additional Trustee, Dissemination and Debt Service Fund Accounting costs because, originally, the Board did not budget for a second bond issue. The District Manager acts as the Dissemination Agent, which involves quarterly and annual reporting.

➤ Regarding the Second Amendment to the Maintenance Agreement and what the Habitat for Humanity and Caribbean Bay easement areas are, where they are located, whether

assessments cover the maintenance for those and how much the maintenance costs, she stated that the Habitat for Humanity and Caribbean Bay easement areas are private easements, in mortgage assessment areas, that were recorded in the public records, on October 28, 2014 and April 8, 2016, respectively. The District is not a party to these easements, has no maintenance obligations associated with such and does not assess for it; the easements are disclosed only for transparency.

- Regarding how the budget amendment would affect next year's budget, as explained earlier, since line items increased, next year's budget will also increase; however, that budget was not prepared yet. Next year, because there are now more units to spread those expenses over, the per unit "Operations & Maintenance" assessments would most likely decrease and the Debt Service assessments would remain the same.
- Regarding audits, when the CDD's infrastructure is completed, a recommendation was made to perform a HUD-type audit. Florida Statute requires the District to undergo an annual, external audit, performed by a licensed Public Accounting firm who oversees various aspects of the Financial Statements and related controls. There is no final audit of the money spent since audits are done every year.
- Regarding accessibility of the room to the handicapped, the room is accessible, without constraints, and provides handicap parking and ramp access. The chairs could be repositioned to accommodate those in a wheel chair or using a walker. Those needing assistance should contact her in advance of the meeting, so the room can be prepared.

Ms. Cerbone stated she wanted to clarify a question that arose during a telephone conversation but not during the meeting. The Toscana Isles Master Association owns the clubhouse and is not assessed for Debt Service or Operations & Maintenance.

Ms. Cerbone stated she wanted to clarify any lack of complete information or misinformation. The Board and Staff want to clarify that the CDD 2014 Debt allocation, for residents of Unit 1, had not changed and changing it was never going to be considered. The 2018 Series bond assessment is what was going to be distributed over the Developer-owned properties. There was no savings that the Unit 1 property owners were eligible for, going to have, or anything like that with the Debt assessment. The 2014 bond issue and the 2018 bond issue are related to separate properties, with separate parcel I.D.s.

THIRD ORDER OF BUSINESS**Public Comments**

Ms. Cerbone stated answers to questions posed during the public comments section would be answered either before the next meeting, via telephone, or by the next meeting.

Dr. Barry Zelesnick, a resident, asked if the terrace homes that the Developer is building in Unit 3, which faces his home in Unit 1, are row homes connected with common wall, and if they are high density housing, would residents be looking at a building that extends three-quarters of a mile down that fence and how would the addition of the extra residents impact the community.

Mr. Jim Collins, a resident, asked if the District knows if there are enough funds in the two bonds to take care of the improvements or would it necessitate issuing other bonds. Ms. Cerbone stated that, for each bond series, the Developer is required to sign a Completion Agreement, which binds them to complete the District improvements, no matter what. Typically, bonds issued only cover a portion of the District improvements, not 100% of them.

Mr. Collins stated his understanding that the District cannot really overspend on the bond for instance, if the bond is \$9.4 million and it was \$20 million, the Developer is obligated to finish it within that and that is the Developer's cost. He asked what happens to those extra costs, as, with the second bond, or the third bond, it could keep rolling on and on. He thought that unit owners ought to want to know because, in his opinion, even though that specific cost does not necessarily affect them in their tax bills right now, down the road, if it is part of the community, it definitely would affect them.

Mr. Tom Hart, a resident, stated his understanding of what Ms. Cerbone stated, was the CDD does not have anything to do with the stormwater maintenance from the parcels that are outside of Toscana Isles but he read in the documents that the Homeowner's Association (HOA), which will be the residents, has the maintenance responsibility. He asked, so, if it is not the CDD's responsibility, would it be the HOA's responsibility, forever.

In response to the question from Ms. Lisa Hart, a resident, Ms. Cerbone stated, right now, living in Unit 1, residents are subject to the 2014 Debt Service assessment and asked Ms. Hart if her question was could another debt assessment be placed on her property. Ms. Hart replied, yes.

FOURTH ORDER OF BUSINESS

Approval of Requisition(s)

There were no requisitions to approve.

FIFTH ORDER OF BUSINESS

Ratification of Contract/Change Order(s)/Purchase Order(s)

There was nothing to ratify.

SIXTH ORDER OF BUSINESS

Discussion: RFP for Construction Services and Materials

Ms. Cerbone stated that the Request for Proposal (RFP) for Construction Services and Materials was comprised of Units 2 and 3 and, perhaps, seven parcels within Unit 1. The reason for the 2018 bond series was for additional improvements that needed to be constructed or completed in the District.

Mr. Watson stated there is a threshold amount for services; if the threshold will be exceeded, an RFP is necessary.

On MOTION by Mr. Watson and seconded by Ms. Hays, with all in favor, authorizing the District Manager to work with the District Engineer and District Counsel to create an RFP template for Construction Services and Materials, was approved.

SEVENTH ORDER OF BUSINESS

Public Hearing to Consider the Adoption of an Assessment Roll and the Imposition of Special Assessments Relating to the Financing and Securing of Certain Public Improvements

Ms. Cerbone stated that the Resolution is related to the Unit 3 property, which specially benefits from the improvements that the Developer did not own prior to the end of December. The Board previously approved the supporting documents to this Resolution, which were the First Addendum to the Master Special Assessment Methodology Report dated October 17, 2018, the Final Second Supplemental Special Assessment Methodology Report dated November 13, 2018 and the Addendum to the Second Supplemental Special Assessment Methodology Report dated January 30, 2019.

The following questions were asked and answered:

Mr. Watson: Has the amount of bonds changed with respect to this?

Ms. Cerbone: No.

Mr. Watson: Has the amount of bonds that is going to be charged to different types of lots changed on a per unit basis, with respect to this?

Ms. Cerbone: No.

Mr. Watson: On a per unit basis, if a 50' lot was charged \$100 before, it was still being charged \$100?

Ms. Cerbone: Yes.

- *Hear testimony from the affected property owners as to the propriety and advisability of making the improvements and funding them with special assessments on the property.*
- *Thereafter, the govern authority shall meet as an equalizing board to hear any and all complaints as to the special assessments on a basis of justice and right.*

On MOTION by Ms. Hays and seconded by Mr. Daniel Peshkin, with all in favor, the Public Hearing was opened.

No members of the public spoke.

On MOTION by Mr. Watson and seconded by Ms. Hays, with all in favor, the Public Hearing was closed.

A. Affidavit of Publication

The affidavit of publication was provided for informational purposes. She noted an email was sent to the affected property owners, who were the Developer companies.

B. Consideration of Resolution 2019-10, Authorizing the Construction and Acquisition of Certain Capital Improvements; Equalizing, Approving, Confirming and Levying Special Assessments on the Unit 3 Property Specially Benefited By Such Improvements to Pay the Cost Thereof; Providing a Method for Allocating the Total Assessments Among the Benefited Parcels Within the District; Confirming the District’s Intention to Issue its Special Assessment

Revenue Bonds, Series 2018; Setting Forth the Final Terms of the Special Assessments Which Secure the Series 2018 Bonds; Adopting a Final Second Supplemental Special Assessment Methodology Report; Providing for Severability, Conflicts and an Effective Date

Ms. Cerbone presented Resolution 2019-10 and read the title.

On MOTION by Ms. Hays and seconded by Mr. Daniel Peshkin, with all in favor, Resolution 2019-10, Authorizing the Construction and Acquisition of Certain Capital Improvements; Equalizing, Approving, Confirming and Levying Special Assessments on the Unit 3 Property Specially Benefited By Such Improvements to Pay the Cost Thereof; Providing a Method for Allocating the Total Assessments Among the Benefited Parcels Within the District; Confirming the District's Intention to Issue its Special Assessment Revenue Bonds, Series 2018; Setting Forth the Final Terms of the Special Assessments Which Secure the Series 2018 Bonds; Adopting a Final Second Supplemental Special Assessment Methodology Report; Providing for Severability, Conflicts and an Effective Date, was adopted.

EIGHTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements

A. as of December 31, 2018

Ms. Cerbone presented the revised Unaudited Financial Statements as of December 31, 2018, in compliance with Mr. Watson's request to include the Trustee's statements related to the 2018 bond issuance. Due to a formatting error, she presented each individual statement, identifying the correct page number.

B. as of January 31, 2019

Ms. Cerbone presented the Unaudited Financial Statements as of January 31, 2019, which reflected the original Fiscal Year 2019 budget, since the amended budget was not approved until February. She offered several options to zero out the balance in the Capital Project Fund Series 2014.

On MOTION by Mr. Watson and seconded by Mr. Daniel Peshkin, with all in favor, the Unaudited Financial Statements as of the December 31, 2018, as amended to incorporate the correct page numbers, and the Unaudited Financial Statements as of the January 31, 2019, were approved.

NINTH ORDER OF BUSINESS

Approval of February 6, 2019 Regular Meeting Minutes

Ms. Cerbone presented the February 6, 2019 Regular Meeting Minutes.

On MOTION by Mr. Watson and seconded by Ms. Hays, with all in favor, the February 6, 2019 Regular Meeting Minutes, as presented, were approved.

TENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Straley Robin Vericker*

There being no report, the next item followed.

B. District Engineer: *AM Engineering, Inc.*

There being no report, the next item followed.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

- **NEXT MEETING DATE: April 3, 2019 at 10:00 A.M.**

The next meeting will be held on April 3, 2019 at 10:00 a.m. If the Board cancels the meeting, the cancellation notice would be posted to the District’s website.

ELEVENTH ORDER OF BUSINESS

Board Members’ Comments/Requests

There being no Board Members’ comments or requests, the next item followed.

TWELFTH ORDER OF BUSINESS

Public Comments

Mr. Collins asked for the name of the agreement used by the Developer once the work associated with the bond is completed, whether an agreement is required for each bond issued, if cost overruns occur and when would the District know whether they intend to issue other bonds, so that residents have a full financial picture of the development costs for the District. Ms. Cerbone stated that the Developer Completion Agreement is submitted for each bond issued, once work is completed. The District Manager would provide answers to resident questions via telephone and at the subsequent meeting.

Dr. Zelesnick, a resident, asked for further clarification regarding the easements that were in place before Toscana was sold to the current residents, whether there could or would

be special assessments assigned that would affect certain property owners and the emails that went out with that information.

The Board directed Ms. Cerbone to reply to Dr. Zelesnick’s question. Ms. Cerbone stated, under Florida Statute, the District Manager’s office is required to send affected property owners a letter regarding today’s public hearing regarding debt assessments. The letters were sent to the Developer companies who own 100% of the Unit 3 properties and not to Unit 1 property owners. Because there was a large amount of interest, misinformation or incomplete information being circulated within the community, she, as District Manager, prepared a cover letter to attach to the letter that was sent to the Developer companies, which explained that this did not impact the residential owners. It was also sent to residents in order to be transparent, answer questions, provide complete and accurate information, let residents know that only the Developers were impacted, and to respond to questions and concerns raised today, on the record at the next meeting.

THIRTEENTH ORDER OF BUSINESS


Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Watson and seconded by Mr. Daniel Peshkin, with all in favor, the meeting adjourned at 11:20 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair