

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

The Board of Supervisors of the Toscana Isles Community Development District held a Workshop on March 14, 2023 at 5:00 p.m., at the Toscana Isles Amenity Center, 100 Maraviya Blvd., Venice, Florida 34275.

Present were:

Bill Contardo	Vice Chair
Paul Schmitt	Assistant Secretary
Jim Collins	Assistant Secretary

Also present were:

Cindy Cerbone	District Manager
Jamie Sanchez	Wrathell, Hunt and Associates, LLC (WHA)
Andrew Kantarzhi	Wrathell, Hunt and Associates, LLC (WHA)
Vivek Babbar	District Counsel
Whitney Sousa	Straley Robin Vericker
Shawn Leins	District Engineer
Chris Simmons	Resident/HOA President

Residents present:

Eugene Coblentz	Steve Synosky	Usha Reddy	Christine Katsumaki
Jeff Hogenmiller	Paula Steinert	Mark Shantz	Constance Schmitt
Alice & Gene Smit	Janet Bohland	Janet Sasso	Mary Ellen Collins
Erica & David Lewis	Leslie Sheldon	Jim Edwards	Jim Tenney
Tony ODea	Steve Loosbrock	Stella Fishwan	Matt Scheffel
Mary Prior	Diana Bruhn	Maryann Bozworth	Liliya Bojkava

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the workshop to order at 5:05 p.m. Supervisors Contardo, Schmitt, and Collins were present. Supervisors Blaser and Traczuk were not present.

Ms. Cerbone stated, as this is a workshop no action will be directed to Staff and no decisions will be made. The purpose of the workshop is to engage in discussions regarding CDD-related items. She explained workshop protocols and how questions will be answered.

SECOND ORDER OF BUSINESS

Chairman's Opening Remarks

There were no Chairman's opening remarks.

THIRD ORDER OF BUSINESS

Discussion: CDD Background

Ms. Cerbone stated the Toscana Isles CDD is a special local governmental entity that must abide by the Florida Statutes, in terms of what the CDD should or should not be doing. The Board must work in coordination with the Statutes and in conjunction with the District Manager, District Counsel and District Engineer. Neither the City nor the County control what the CDD does. The Toscana Isles CDD was established on December 10, 2013.

Ms. Cerbone stated that CDDs are created to manage and finance public infrastructure. She discussed how the CDD was created, the petition process to the City of Venice, the difference between the Builder and Developer, bond issuance process and coordination between the Board, District Staff, Developer, Bond Underwriter, Bond Counsel and Trustee. She explained the Engineer's Report and Assessment Methodology, which address how the bonds will be repaid and how debt will be spread across all eventual individual parcels within the CDD.

Ms. Cerbone described the important aspects of the CDD Board, including its eventual conversion from being Developer-controlled to resident-controlled, how Seats are filled, General Elections and Supervisor of Elections (SOE) and Board Member term expirations. She discussed Management's duties, such as arranging and conducting meetings, preparing agendas, preparing and presenting the annual budget, calculating the General Fund, Non-ad Valorem Tax Assessment and the debt. Management works as a team with the HOA, District Engineer and District Counsel to provide data and help the Board make informed decisions on behalf of the CDD.

Mr. Leins stated, as the District Engineer, he answers engineering questions from District Management and the Board about improvements. His firm has been involved with the CDD from the beginning and he is very familiar with the CDD. Given that construction is completed, there is currently very little happening, engineering-wise.

Mr. Babbar stated his firm has been involved with the CDD from the beginning, as well. His goal, as District Counsel, is to advise the Board on how to adhere to Florida Statutes, including the Sunshine Law (SL), public records law, ethics laws and other transactional government business. His law firm, Straley Robin Vericker, deals solely with CDDs and represents over 100 residential and Developer CDDs. Since his law firm charges the CDD an

hourly rate, he tries to be as efficient as possible with respect to expenses associated with the CDD.

Ms. Cerbone stated the CDD has a website and contains the information required under Florida Statutes. Ms. Sanchez will distribute Management's business card and residents may contact the District Managers with questions or public records requests.

The website address is toscanaislescdd.net.

- **Board Member Comments**

Mr. Contardo stated he has been involved with HOAs for 30 years and has a professional background in City government and residential development and has never seen a team function as effectively and efficiently as the current District Management team. In his opinion, his role as a Board Member is to keep assessments low and avoid increases.

Asked about the CDD's assets, Ms. Cerbone stated the CDD owns the stormwater ponds, drainage, catch basins, perimeter walls, gatehouse, fencing and the initial landscape. The roads were financed with bonds so they are public roads and access cannot be restricted. The CDD owns the sidewalks in the common areas and in the Right-of-Way (ROW).

Mr. Collins stated one reason the Board requested a workshop was to enlighten residents so that there is no confusion about the roles of the CDD and the HOA. He opined that residents should ask questions and decide which entity is most accurate, the CDD or the HOA. An informed citizenry is what makes the community run the best.

- **Public Comments**

Resident Mark Shantz asked about fishing in the lakes. Ms. Cerbone stated there is a Maintenance Agreement with the HOA, which is the responsible party and can determine what should or should not be allowed along the lakes. Mr. Babbar stated his firm recommends the CDD implement a "No Fishing" policy because of liability and animals associated with the ponds; the ponds in the CDD are functional, not recreational. He discussed public roads, tax-exempt bonds and the amenity center.

In response to a resident's question, Ms. Cerbone stated the CDD owns the sidewalks and curbs. Any CDD-owned asset is covered by the maintenance agreement with the HOA; therefore, the HOA is responsible for budgeting, funding and contracting with vendors to make sure the CDD improvements are maintained appropriately.

In response to a question regarding why the west perimeter wall was modified and who paid for it, Ms. Cerbone encouraged the resident to email a public records request with specific

adjacent addresses to Management’s office and she or a member of her team will research the District Engineer construction requisitions and respond accordingly.

Asked if the CDD has input about installing a traffic signal at a nearby intersection, Mr. Babbar stated the CDD has very limited authority for decisions that do not impact CDD assets. Local governmental officials make that type of decision. It was noted that the Board previously asked the County to install a traffic signal at the intersection but the request was denied.

Ms. Cerbone, Mr. Babbar and Mr. Liens responded to questions about speeding, traffic enforcement on CDD-owned roads, signage, Florida Department of Transportation (FDOT) compliance, local law enforcement agencies, filling vacated seats, General Elections, candidates qualifying with the SOE, why infrastructure was completed prior to construction of homes, which entity is responsible for roadway damage and if there are sidewalk code requirements.

Asked for an explanation of the maintenance contract, Ms. Cerbone stated there is a legal agreement between the CDD, who is considered the customer, and the HOA, who is considered the vendor, that states the HOA will maintain all CDD improvements.

Asked about sewer maintenance responsibility, Mr. Liens stated all the water and sewer utilities were turned over to the City of Venice.

Discussion ensued regarding construction of the roads, first and second lifts of asphalt, structural integrity of the roads, Developer discretion, engaging a geotechnical engineering firm to inspect the roads and maintaining harmony between the CDD and the HOA.

- **Board Member Comments**

Mr. Contardo urged residents who want clarity about CDD matters to contact Ms. Cerbone and her team, who will coordinate with the District Engineer and District Counsel on a response.

FOURTH ORDER OF BUSINESS

Discussion: CDD Bonds

Ms. Cerbone stated the CDD was formed and, based on the Developer’s timing for constructing the infrastructure, the decision was made to issue two series of bonds; the 2014 bonds and the 2018 bonds. The term of each bond series is 30 years; the last payment of the 2014 bonds will be November 2044 and the last payment of the 2018 bonds will be November 2049. Ms. Cerbone discussed the capitalized interest period, how residents can prepay bond debt, non-ad valorem assessment responsibility, general fund, operation and maintenance

(O&M) and professional and admin fees. The amortization schedules for the 2014 and 2018 bonds are in the budget portion of the agenda packets.

- **Board Member Comments**

A Board Member asked about issuing a third bond series.

Ms. Cerbone and Mr. Babbar responded to questions about the bond issuance process, refinancing the bonds, 10-year call provision on each of the bonds and dissolution of the CDD once the bonds are paid.

- **Public Comments**

Mr. Shantz asked if there would be a cost savings if he pays off his portion of the Series 2018 bond debt. Ms. Cerbone stated he might save \$975 to \$3,291 but he would still be responsible for the annual O&M portion of the assessment. Information is on the last page of the budget in the agenda packet.

Asked if it was a bond Underwriter requirement that the roads be completed and certified complete by the District Engineer as a condition of allowing the HOA to proceed with the community walk, Mr. Leins replied no.

- **Board Member Comments**

There were no comments.

FIFTH ORDER OF BUSINESS

Discussion: CDD Budget

Referencing the Adopted Fiscal Year 2023 budget, Ms. Cerbone stated the CDD’s fiscal year started October 1, 2022 and ends September 30, 2023. Under Florida Statutes, the proposed fiscal year budget must be presented and approved each year, no later than June 15th. Once approved, a public hearing must be scheduled and held before the Board adopts the annual budget. Ms. Cerbone explained the budget preparation process, reviewed the adopted Fiscal Year 2023 budget, including General Fund line items, Debt Service funds, Amortization Schedules for the Series 2014 and Series 2018 bonds, General Fund Expenditures definitions and Assessment Summary.

- **Board Member Comments**

A Board Member urged property owners to familiarize themselves with the budget. Ms. Cerbone stated the budget is on the CDD website and it can be emailed upon request, if there are any problems accessing it on the website. Every agenda posted on the website contains the

unaudited financials, which reflects the current year budget, expenditures and year-to-date expenditures.

Asked about bond prepayment, Ms. Cerbone stated property owners can prepay right before the November and May bond payments are made. Prepayments should be sent to Management’s office and, once received, the funds would be forwarded to the Trustee.

- **Public Comments**

Ms. Cerbone responded to questions about total expenditures in the Fiscal Year 2023 budget, the Trust Indenture, refinancing, the assessment increase, tax-exempt information and the Completion Agreement.

- **Board Member Comments**

There were no additional comments.

SIXTH ORDER OF BUSINESS

Discussion: Repairs and Maintenance of CDD Improvements by The Master Association

Ms. Cerbone reiterated that the CDD has an agreement with the HOA whereby the HOA budgets, fund, manages and maintains all CDD improvements. After Hurricane Ian, the HOA had to address several items, with help from the District Engineer.

- **Board Member Comments**

Mr. Contardo asked about the condition of the bridges and if they were inspected by the City of Venice. Mr. Leins stated the bridges were designed to meet FDOT standards and the requirements of the City of Venice. Regarding inspection, Mr. Liens stated that the Structural Engineers involved signed off on the projects during construction. Asked if it is unusual that the City did not inspect the bridges, Mr. Leins stated the City-issued permits for site development and expressed that FDOT requirements should be met during construction. Ms. Cerbone stated public records requests can be submitted to the City or the County regarding bridge construction-related information.

A Board Member noted the importance of this discussion and suggested attendees pay close attention and ask questions so they can share the information with their neighbors and dispel misinformation, which causes conflict.

Ms. Cerbone noted the following advantages of a Maintenance Contract with the HOA:

- There is one point of contact and one set of vendors.

- There is usually a Property Manager on staff.
- The HOA has the flexibility to immediately fund expenses through special assessments.

- **Public Comments**

Asked if the CDD Board and Staff contact information can be emailed to each property owner, Ms. Cerbone stated contact information is on the CDD website or a request can be emailed to Ms. Sanchez.

Asked how long the maintenance agreement with the HOA has been in place, Ms. Cerbone stated since July 2016 and it was amended twice.

A resident voiced her appreciation to the Board and Staff for holding the workshop and explaining things in layman’s terms.

Discussion ensued regarding how the HOA is handling the community, the new resident-controlled CDD Board, field operations, accounting and residents becoming more involved.

- **Board Member Comments**

Mr. Contardo stated no one on the Board is beholden to the Builder or the Developer. The Board’s allegiance is to the property owners and residents. In his opinion, they should demand transparency from the HOA regarding the HOA’s budget and finances. It should be strategically planned so that property owners and residents know how HOA funds are being expended but, in his opinion, many HOAs are reluctant to disclose financial information.

SEVENTH ORDER OF BUSINESS

Public Comments: *non-agenda items*

Asked about the cost of the seawall, Ms. Cerbone stated no decisions can be made in a workshop and the District Engineer is not obligated to respond to the question.

Asked to clarify which entity is in charge of towing rules, Ms. Cerbone stated the only rules she is aware of that need to be aligned are the towing and parking rules. In order for towing to be enforced on a public road and since the CDD is the public entity that owns the roads, the CDD, not the HOA, would have to create a parking and towing policy, hold a public hearing, adopt the policy and initiate a contract.


EIGHTH ORDER OF BUSINESS

Supervisors’ Requests

There were no Supervisors’ requests.

Adjournment

The workshop adjourned at 7:43 p.m.


Secretary/Assistant Secretary


Chair/Vice Chair

