

MINUTES OF MEETING
POINCIANA WEST
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Poinciana West Community Development District was held on Wednesday, January 15, 2020 at 9:00 a.m. in the Starlite Ballroom, 384 Village Drive, Poinciana, Florida.

Present and constituting a quorum were:

Peggy Gregory	Chairman
Roy LaRue	Vice Chairman by phone
Charles W. Case	Assistant Secretary
Maneck Master	Assistant Secretary
Joseph Clark	Assistant Secretary

Also present were:

George Flint	District Manager
Scott Clark	District Counsel
Kathy Leo	District Engineer
Clayton Smith	Field Manager
Pete Deglomine	Clarke Environmental
Tricia Adams	GMS
Residents	

The following is a summary of the discussions and actions taken at the January 15, 2020 Poinciana West Community Development District's Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Gregory called the meeting to order and called the roll. A quorum was established.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Public Comment Period on Agenda Items

Mr. Norm Gundel (419 Fountain Valley Ln), a Florida attorney and resident of Solivita, urged the Board to settle for \$14,000 on the motion for tax costs.

FOURTH ORDER OF BUSINESS**Approval of Minutes of the December 4, 2019 Meeting**

Mr. Flint provided corrections to the December 4, 2019 meeting minutes. Ms. Gregory questioned who appointed the Audit Committee business. Mr. Flint explained the Board appointed themselves as the Audit Committee under a statutory requirement. Mr. Case stated on Page 11, both Boards directed Mr. Eckert to negotiate.

On MOTION by Dr. Master seconded by Mr. Joseph Clark with all in favor the Minutes of the December 4, 2019 Meeting were approved, as amended.

FIFTH ORDER OF BUSINESS**Review and Acceptance of Draft Fiscal Year 2019 Audit Report**

Mr. Flint stated as a Government entity, the District was required by statute to have an annual independent audit performed. The Board selected Berger, Toombs, Elam, Gaines & Frank as the independent auditor through the Request for Qualifications (RFQ) process and a draft audit was provided to the Board. There were no findings or recommendations, and this was a clean audit.

On MOTION by Mr. Joseph Clark seconded by Ms. Gregory with all in favor the Fiscal Year 2019 Audit Report was accepted and staff authorized to transmit to the State of Florida was approved.

SIXTH ORDER OF BUSINESS**Consideration of Contract Agreement with Polk County Property Appraiser for Assessment Administration**

Mr. Flint stated under Chapter 197, Florida Statutes, the District was obligated to utilize the uniform collection method for collecting debt service and operation and maintenance assessments (O&M) and enter into an annual agreement with the Property Appraiser for placing assessments on the tax roll. The fees were consistent with what was charged in the past, as specified in the statutes.

On MOTION by Ms. Gregory seconded by Dr. Master with all in favor the Contract Agreement with the Polk County Property Appraiser for Assessment Administration was approved.

SEVENTH ORDER OF BUSINESS**Ratification of Data Sharing and Usage Agreement with Polk County Property Appraiser**

Mr. Flint reported for the first time, taxing entities were required to enter into Data Sharing and Usage Agreements, stating they would not disseminate confidential information. Staff was comfortable with the agreement, as the District needed to use the tax bill as a collection method. Ms. Gregory asked if there was liability on behalf of the CDD if any confidential information was shared. Mr. Scott Clark advised there were fines and potential court actions to remove the information.

On MOTION by Mr. Joseph Clark seconded by Dr. Master with all in favor the Data Sharing and Usage Agreement with the Polk County Property Appraiser was ratified.

EIGHTH ORDER OF BUSINESS**Discussion of Settlement Offer for Motion to Tax Costs**

Mr. LaRue recalled the District received a settlement offer of \$15,967.85 on the Motion to Tax Costs and last year, the former attorney, Mr. Eckert was authorized to spend up to \$10,000 for legal fees, but the District was only liable for \$2,000. Therefore, Mr. LaRue proposed the District settle for \$14,000.

Mr. LaRue MOVED to accept the offer of \$14,000 to settle on the Motion to Tax Costs.

Mr. Case noted this was an ongoing process with numerous requests for fees and inquired if Mr. Scott Clark spoke to Mr. Eckert. Mr. Scott Clark replied that he spoke to Mr. Eckert and reviewed the documents. His opinion was for the District to settle, as it was easy to spend another \$10,000 and the judge was inclined to rule against the District, due to the history of the case. The only outstanding issue was for Mr. Clark to review the Interlocal Agreement between the two CDDs to ensure the District does not have liability to the Poinciana CDD. Ms. Gregory felt this matter had continued for too long and agreed to settle. Discussion ensued.

Ms. Gregory MOVED to accept the offer of \$14,000 to settle on the motion to tax costs and Mr. LaRue seconded the motion.

Mr. Case approved of the offer to settle, based on the attorney's recommendation and the fact that the District would spend additional costs to arbitrate. Mr. Scott Clark requested a caveat that there be a full complete settlement with no potential of joint liability with the Poinciana CDD. Ms. Gregory reviewed the Interlocal Agreement and did not believe there were any issues. Mr. LaRue felt it was travesty to allow an attorney to spend \$10,000 and do nothing significant in the discovery phase. Dr. Master felt what Mr. Scott proposed sounded reasonable and was in favor of settling for \$14,000.

On VOICE VOTE with all in favor accepting the offer of \$14,000 to settle on the Motion to Tax Costs and enter into an agreement with the Poinciana CDD, subject to District Counsel's review was approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Scott Clark reviewed the proposed Merger Agreement and the merger would possibly be completed prior to the next election. The agreement calls for the Board to fill one seat on the surviving Board, which did not comply with the statute. The merger could take approximately 18 months from the filing of the petition to the final order, but could be delayed due to a Bill that was filed on Friday in the legislature.

Mr. Flint explained the intent was to have three seats from the Poinciana CDD and two seats from the Poinciana West CDD. Resident Tony Reid (1764 San Rafeal Way), acknowledged this was the first he ever heard of this, as in his opinion, they were one community. Mr. Scott Clark stated the transaction needed the consent of the bondholder, and although this matter was discussed with Mr. Eckert, he did not agree. Mr. Scott Clark felt it was prudent to seek bondholder approval before completing the transaction. Ms. Gregory agreed. Discussion ensued and the following was addressed:

- Mr. Joseph Clark asked if there significant difference between seeking approval of the bondholders and notifying the bondholders. Mr. Scott Clark advised the Board must seek approval under the covenants and there must be majority consent; however, since the bonds were investment grade rated bonds, the number of bondholders were unknown and must be investigated.

- To be cautious, Ms. Gregory wanted the document to be reviewed so the District did not receive a Notice of Default. Mr. Scott Clark stated the possibility of merging was discussed in the disclosure documents for the 2017 bonds.
- Dr. Master recalled Mr. Scott Clark mentioning that the prior attorney did not feel it was prudent to go through this process. Mr. Scott Clark stated Mr. Eckert did not address it specifically to the CDD, but his firm had completed prior mergers by giving notice. He was willing to be talked into a position that made sense. Dr. Master felt it made sense to seek approval.
- Mr. Case voiced concern about the timing. If it takes more than 10 months, there would be new Board Members that could change the number of seats available from each District. Ms. Gregory agreed, noting the Board should be extremely cautious and should know how much money the District would save for combined expenses, so money was spent wisely. Mr. LaRue proposed not paying for any attorney's fees until after the election.

B. Engineer

Ms. Leo presented the Pond Inspection Report for 2019. Two ponds should be examined, and onsite staff will adjust weirs.

C. District Manager

i. Approval of Check Register

Mr. Flint presented the Check Register from November 26, 2019 through January 8, 2020 for the General Fund and Board payroll totaling \$968,066.04. Ms. Gregory questioned the following:

- Requested that Mr. Flint not pay the invoice for a \$50 room fee until Ms. Gregory resolved this matter. Mr. Flint received a bill for the special meeting on January 7th, which was processed, but based on Ms. Gregory's direction, he would withhold the bill for this meeting.
- Questioned why the District paid \$7,000 for Trustee fees. Mr. Flint explained when the bonds were issued, the Trustee was named in the Trust Indenture to manage and account for all funds in the Trust account and handle the May and November bond calls.

- Questioned the \$5,000 charge for a dissemination fee. Mr. Flint explained when the bonds were issued, there were certain disclosure requirements and an obligation for quarterly and annual reporting. GMS served as Dissemination Agent and charged a fixed fee.
- Asked why \$10,883 was budgeted for insurance when the bill was \$7,000. Mr. Flint stated the District switched insurance companies and received a lower premium. Ms. Gregory questioned any past claims. Mr. Flint was unaware of any past claims. Ms. Gregory wondered why the District was carrying a \$1 million policy for the Treasurer and Assistant Treasurer since they were GMS employees. Mr. Flint explained GMS carried those coverages and protections under their agreement and it protected Board Members that served as Treasurer or Assistant Treasurer. No costs were passed onto the District. For the new policy starting on October 1st, Mr. Flint would obtain proposals from other insurers under a merged scenario.

Mr. Flint offered to answer Ms. Gregory's questions regarding the invoices prior to a meeting or after.

On MOTION by Mr. Joseph Clark seconded by Ms. Gregory with all in favor the Check Register for November 26, 2019 through January 8, 2020 in the amount of \$968,066.04 was approved.

ii. Balance Sheet and Income Statement

Mr. Flint presented the Unaudited Financial Statements through December 31, 2020.

D. Field Manager

i. Field Manager's Report

Mr. Smith presented the Field Manager's Report and provided a handout on aquatic weed control for the ponds, specifically algae, herbicides, chemicals used, how they were used and the process. Mr. LaRue requested handouts ahead of time and in the future, provide a deadline of a week before the meeting. Mr. Flint explained the handout was provided by the contractor and not staff. It was not available when the agenda package was distributed. So the most recent information would be provided to the Board. Dr. Master requested all handouts be included in the agenda package and not distributed at meetings. If something was received after the agenda

distribution, it would be held until the following meeting. Mr. LaRue suggested adjusting deadlines.

Mr. Flint presented a letter from Clarke Environmental, based on a request from Mr. LaRue, at the last meeting, of the chemicals used. Mr. Deglomine tried to provide documentation to Mr. Smith as quickly as possible. They performed pond maintenance throughout Poinciana West. There were weeds throughout the property, which were treated. Two thousand Gambusia fish, the most highly recommended fish for eliminating midge and mosquito larva, were added to Pond 6, which was sufficient. Mr. Flint stated the cost of the fish was billed to the District, but there was no charge from GMS to place them into the ponds. It was also noted that there were some Hydrilla issues. A treatment did not take effect as the contractor wanted, so the ponds were retreated. The next systemic treatment would be in April.

ii. Customer Complaint Log

Mr. Smith presented the Customer Complaint Log. 1331 Bonita Canyon Drive was treated for duckweed. There was an inquiry about whether the CDD would add plantings behind homes. Typically, the CDD did not add plantings. They maintained the current ones.

TENTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Case believed the decisions of the Board regarding the litigation were made in good faith and agreed with Mr. Reid that it was time to move on. Discussion ensued and residents addressed the following:

- Mr. Gundel voiced concern about potential liability to the Poinciana CDD, and requested the Board revisit Item 8 and make a motion not to recover any monies from the Poinciana CDD Board for the taxation of costs.
- Mr. Deglomine announced his retirement and introduced Tim Gardner who would be taking over the account. He enjoyed working with the Board. Ms. Gregory wished Mr. Deglomine good luck and thanked him for his assistance.

• Discussion of Settlement Offer for Motion to Tax Costs (*Item 8 – Continued*)

Mr. Scott Clark suggested a motion in conjunction with the CDD's settlement of the fee action in the litigation, with the District entering into an agreement with the Poinciana CDD that the CDD would not seek costs from the Poinciana CDD and vice versa. Dr. Master recalled the Board agreed for District Counsel to speak to Poinciana CDD's attorney, and no motion was necessary. Mr. Flint felt a motion would give the Poinciana CDD Board reassurance that the

CDD would not seek fees from them. Ms. Gregory did not want to spend thousands of dollars for a two-page document. Mr. Scott Clark stated he would work with Poinciana CDD's attorney.

On MOTION by Mr. Joseph Clark seconded by Dr. Masters with all in favor entering into an agreement with the Poinciana CDD for the Poinciana West CDD to not seek costs related to their settlement of tax costs and the Poinciana West CDD not seeking costs from the Poinciana CDD was approved.

ELEVENTH ORDER OF BUSINESS

General Audience Comments

There were no additional audience comments.

TWELFTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Next Meeting Date – March 18, 2020

Ms. Gregory announced that the next meeting was on March 18, 2020 at 9:30 a.m. Mr. Flint confirmed it would be in this room, but would notify the Board if there was a change. There was a joint meeting with the Poinciana CDD at 11:00 a.m. today.

FOURTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Dr. Masters seconded by Mr. Joseph Clark with all in favor the meeting was adjourned.



Secretary/Assistant Secretary



Chairman/Vice Chairman