

**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, **July 19, 2023** at 9:00 a.m. via Zoom Communication Media Technology and in the Starlite Ballroom, 384 Village Drive, Poinciana, Florida.

Present and constituting a quorum were:

Peggy Gregory	Chair
Roy LaRue	Vice Chairman
Dr. Maneck Master	Assistant Secretary
Mayra Skeete	Assistant Secretary

Also present were:

Tricia Adams	District Manager
Scott Clark (<i>via Zoom</i>)	District Counsel
Kathy Leo	District Engineer
Clayton Smith (<i>via Zoom</i>)	Field Manager
Cherrief Jackson	Clarke Midge Control
Don Gordon	Resident
Residents (<i>Present & via Zoom</i>)	

The following is a summary of the discussions and actions taken at the July 19, 2023 Poinciana West Community Development District's Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Adams called the meeting to order at 9:04 a.m. and called the roll. A quorum was present.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

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THIRD ORDER OF BUSINESS

Public Comment Period on Agenda Items

Ms. Adams opened the public comment period. Resident George Muller (Jasmine Creek Road) addressed the buildup of the funds, which was projected to increase with the budget, but assessments per unit remained the same. The undesignated funds per the Balance Sheet increased from \$494,283 in 2019 to \$586,234 in 2022. The net position for unrestricted funds increased from \$571,439 in 2019 to \$656,390 in 2022, yet the District was still budgeting the same amounts. At some point in time, there should be reductions. There being no further comments, Ms. Adams closed the public comment period.

Mr. Clayton Smith joined the meeting.

FOURTH ORDER OF BUSINESS

Organizational Matters

A. Acceptance of Resignation of Joseph Clark

Ms. Adams received a resignation letter from Mr. Joseph Clark, since he moved out of the District.

B. Appointment of Individual to Fulfill Board Vacancy with Term Ending November 2024

Ms. Adams explained when there was a vacancy on the Board, the seated Board Members can appoint a qualified elector to the vacant seat. They must be someone who was 18 years or older, a citizen of the United States and the State of Florida, living within the boundaries of the District and a registered voter with Polk Elections office. The Board could direct District Management to announce the vacancy via e mail blast and that resumes or Statements of Interest be submitted by a deadline. Mr. Scott Clark clarified that the only legal requirement was the qualification and selection by a majority vote of the remaining Board Members. Regardless of how the Board wanted to proceed, the Board must declare the seat vacant by officially accepting the resignation of Mr. Joseph Clark.

On MOTION by Dr. Master seconded by Ms. Gregory with all in favor accepting Mr. Joseph Clark's resignation effective immediately was approved.

Ms. Adams received a resignation letter from Ms. Skeete effective December 1, 2023, but the Board should consider an appointment soon. The Board could function with four members;

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however, there must be a quorum of three Board members present at each meeting. Mr. Scott Clark recommended that the Board declare the vacancy of Ms. Skeete at the September meeting. Dr. Master preferred an announcement of both vacancies, with the Board filling Mr. Joseph Clark’s seat at the next meeting and Ms. Skeete’s seat after December 1st. Mr. Scott Clark concurred. *There was Board consensus.*

C. Administration of Oath of Office to Newly Appointed Board Member

D. Consideration of Resolution 2023-07 Electing Officers

These items were deferred.

FIFTH ORDER OF BUSINESS

Approval of Minutes of the May 17, 2023 Meeting

Mr. LaRue noted on Page 14, Mr. Scott Clark suggested that Taylor Morrison (TM) pay \$15,000 in fees for one-year of maintenance and questioned whether TM agreed to this. Ms. Adams pointed out that the Board would be considering the conveyance for Tracts P-19A and P-19B later in the agenda and the matter could be discussed at that time instead of during review of the meeting minutes. Dr. Master asked if Board Members that were not present needed to approve the minutes. Ms. Adams explained that all Board Members present are required to vote unless there is a financial conflict. Mr. Scott Clark pointed out that failure to vote was registered as a no vote.

On MOTION by Dr. Master seconded by Mr. LaRue with all in favor the Minutes of the May 17, 2023 Meeting as presented were approved.

SIXTH ORDER OF BUSINESS

Public Hearing

On MOTION by Mr. LaRue seconded by Ms. Skeete with all in favor the public hearings for the Fiscal Year 2024 budget adoption were opened.

A. Consideration of Resolution 2023-02 Adopting the Fiscal Year 2024 Budget and Relating to the Annual Appropriations

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Ms. Adams presented Resolution 2023-02, Adopting the Fiscal Year 2024 budget, which starts on October 1, 2023 and runs through September 30, 2024. The proposed budget was properly conveyed to the local Government, posted on the District's website and the public hearing noticed in a newspaper of general circulation in accordance with Florida Statutes. The resolution included approving the budget, appropriations and a process for handling budget amendments. The Proposed Budget for Fiscal Year 2024 was attached to the resolution, which was updated to include actuals through May 31, 2023. The majority of revenues come from special assessments, which were added to the non-ad valorem section of the Polk County Property Tax Bill. The assessment was \$186.57, which was the same amount as the prior year. The budget recognized interest income and a money market account that the District had with Bank United. As of the end of June, the money market interest rate was 5.15%. It also recognized a portion of *Carry Forward Surplus*, in order to balance the budget. The total proposed revenue for Fiscal Year 2024 was \$337,571. In Fiscal Year 2023, the total administrative expenses to operate the District was \$131,388 and \$115,651 was proposed for Fiscal Year 2024. There was a decrease in professional legal and engineering fees related to property conveyance. Six meetings were proposed for Fiscal Year 2024, at the direction of the Board. There was a proposed increase in *Management Fees* of \$1,200 from \$40,000 to \$41,200.

Ms. Gregory recalled in March, the insurance premium was budgeted at \$6,025, but according to the minutes, there was supposed to be a Request for Proposal (RFP) to get the premium down to where it needed to be. Ms. Adams explained that the current budget was based on industry estimates. Ms. Adams reached out to three insurance providers that handled CDD insurance to get proposals for FY2024. Two vendors; the current provider and prior provider indicated they would provide proposals to be reviewed by the Board at the September meeting. Ms. Gregory had an issue with the *Other Current Charges* budget of \$2,400, which were based on bank charges. Ms. Adams recalled that the Board ratified the actions of the Chair to reduce bank fees, which were an ongoing challenge for accounting staff to ensure that bank fees were refunded and did not re-appear on the bank statement. The District was required to deposit their funds in the General Fund in a public depository, in accordance with Florida Statutes to safeguard the District's funds. Ms. Gregory requested that minimizing bank fees be a priority. Dr. Master recalled that \$10,000 was budgeted in *Annual Interest* beginning in October, but it should be in excess of \$25,000 based on the investments. Ms. Adams stated that all of the

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investment funds were earning more than 5% interest and there was more than \$500,000 invested, but actual earnings could be higher or lower if market conditions change. Ms. Gregory felt that they should earn as much interest as they can.

Regarding the expenses related to the maintenance of the stormwater system and tunnels, Ms. Adams noted *Field Expenses* for Fiscal Year 2023 was \$576,830 and \$662,247 was proposed for Fiscal Year 2024. Additional expenses were anticipated for the stormwater parcels to be conveyed by TM. Staff recommended keeping assessments level. Dr. Master questioned the percentage of field expenses once the two ponds were conveyed to the District. Ms. Leo confirmed that the two ponds were the last ones that the District acquired. There were wetlands, but there was no maintenance cost associated with them other than trimming back the buffer line. Ms. Gregory recalled that \$50,000 was budgeted by the HOA for invasive species to maintain the wetlands. Along with the General Fund Budget, there was a Projected Fund Balance Analysis and a budget for the Debt Service Fund, for the bond that was refunded in 2017. There were interest and principal payments due in November and May in accordance with the Amortization Schedule. Ms. Gregory questioned *Landscape Maintenance*, if the contingency was for two ponds. Ms. Adams explained that Mr. Smith worked with the District's service providers for aquatic maintenance, mowing and midge management to provide estimates for the two ponds, which were included in the budget as a contingency. Ms. Gregory stated there would be further discussion on this matter when Mr. Scott Clark presented the Acquisition Agreement, but before it was finalized, they needed something in writing. Ms. Adams pointed out that insurance costs would not change based on the addition of the two ponds. Ms. Gregory stated it either needed to be added or marked not applicable.

Ms. Adams opened the public comment period. Resident George Muller (Jasmine Creek Road) would like any excessive funds to be used to reduce assessments. There being no further comments, Ms. Adams closed the public comment period.

On MOTION by Dr. Master seconded by Ms. Skeete with all in favor Resolution 2023-02 Adopting the Fiscal Year 2024 Budget and Relating to the Annual Appropriations was adopted.

B. Consideration of Resolution 2023-03 Imposing Special Assessments and Certifying an Assessment Roll

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Ms. Adams presented Resolution 2023-03, which allowed the District to use the uniform tax collection method to impose special assessments on residents' property Tax Bills. Attached to this resolution was the Adopted Budget for Fiscal Year 2024 and Assessment Roll.

There were no public comments.

On MOTION by Ms. Gregory seconded by Mr. LaRue with all in favor Resolution 2023-03 Imposing Special Assessments and Certifying an Assessment Roll was adopted.

On MOTION by Dr. Master seconded by Mr. LaRue with all in favor the public hearings for the Fiscal Year 2024 budget adoption were closed.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2023-04
Appointing an Assistant Treasurer**

Ms. Adams presented Resolution 2023-04, appointing Mr. Darrin Mossing, Sr. as Assistant Treasurer. Mr. Mossing was the owner of GMS and served as an accountant by trade. Having him appointed as Assistant Treasurer, would allow him to assist Accounting Staff during the busiest times of year to process the District's financial and banking records. It was being recommended to all Districts as an administrative matter. Dr. Master questioned who served as Treasurer. Ms. Adams stated that Ms. Jill Burns served as Treasurer and Ms. Katie Costa as Assistant Treasurer. All Districts managed by GMS were taking this action in order to operate as efficiently as possible.

On MOTION by Dr. Master seconded by Ms. Skeete with all in favor Resolution 2023-04 Appointing Mr. Darrin Mossing, Sr. as Assistant Secretary of the District was adopted.

EIGHTH ORDER OF BUSINESS

**Consideration of Resolution 2023-05 Re-
Designating Bank Account Signatories**

Ms. Adams presented Resolution 2023-05, appointing the District's Treasurer, Assistant Treasurer and Secretary as signatories on the District's local bank account.

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On MOTION by Mr. LaRue seconded by Dr. Master with all in favor Resolution 2023-05 Re-Designating Bank Account Signatories as stated above was adopted.

NINTH ORDER OF BUSINESS Consideration of Resolution 2023-06 Approving the Conveyance of Tracts P-19A and P-19B

Ms. Adams presented Resolution 2023-06, Approving the Conveyance of Tracts P-19A and P-19B. Ms. Gregory requested this item be deferred as there were scrivener's errors in the resolution. Solivita was misspelled in two places and Westridge CDD should be Poinciana West CDD. Mr. Scott Clark recalled that the Board approved an Acquisition Agreement at the March meeting and directed the developer to make a deposit of \$15,000 and within 60 days, District Counsel and the District Engineer would bring back a recommendation to the Board. The title documents for the conveyance and title commitment were in order subject to the delivery of documents, affidavits and estoppel letters. Mr. Scott Clark recommended that the Board consider the acquisition of the two parcels, which were platted and designed to be owned and maintained by the District.

Ms. Leo pointed out that Ponds 19A and 19B were on the northeast corner of the District, along Cypress Parkway. The District did not own them, but they were well maintained and it was in the District's best interest to take them over. Information was conveyed to the District for the master files with the permit information from the South Florida Water Management District (SFWMD). In Ms. Leo's opinion, from an engineering perspective, things were in good working order and there were no concerns. At the last meeting, the Board directed Mr. Clark to request a contribution of a year's expenses for the pond maintenance from TM. Yesterday evening their counsel responded that they had not heard anything from TM regarding that request. Ms. Leo indicated after conveyance, there would be an application with the District conveying the permit to the CDD. Ms. Gregory requested this item be deferred until there was a revision to the resolution and something in writing from TM regarding the requested \$15,000 in maintenance fees. Mr. LaRue requested that the agreement be included so that the terms were known. Ms. Gregory questioned the expense that was charged to the District for copy charges. Ms. Leo explained that there were 89 pages of permits as part of the permit research for the conveyance of the parcels. Ms. Gregory requested a change in the acquisition agreement for the estimated annual insurance cost, which should either be added or marked not applicable. After further discussion, there was Board consensus to defer this matter and for staff to provide a revised

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resolution and a statement in writing from Taylor Morrison regarding the maintenance fees at the next available meeting.

TENTH ORDER OF BUSINESS**Review of Status of Investment Funds**

Ms. Adams recalled that this item was included on the agenda at the request of the Board. In March, the Board directed staff to utilize the State Board of Administration (SBA) Fund, due to the money market earning low interest in 2022. The Board previously adopted Investment Guidelines, and the SBA is an intergovernmental investment pool and is one of the four authorized investment options. There was currently \$500,000 in a Florida Prime SBA account, earning interest of 5.33% and approximately \$200,000 in a money market account, which was adjusted to 4% in 2023. However, there would be another adjustment as the Bank United money market interest rate was currently earning 5.15% as of July 13, 2023. Dr. Master recommended that a portion of the \$500,000 or \$200,000 be placed in a competitive CD money market for six or 12 months or 18 months. Ms. Gregory wanted to ensure that the District in a good financial position and asked if the money market at Bank United that paid 5% was for a specific money market. Ms. Adams would confirm it was money market account in a qualified public depository.

Ms. Gregory voiced concern that funds with Florida Prime were not insured. Dr. Master recommended US Treasuries but if Florida Prime was allowed by Statute as an investment, they should invest in it to earn more than what the money market account was earning. Ms. Adams pointed out that investing in US Treasuries required a custody account because the District was unable to directly purchase from the US Treasury but staff did provide a path forward if the Board chose to invest in US Treasuries. Ms. Gregory recalled that US Bank wanted \$1,500 for an annual custody account. Ms. Gregory questioned the portfolio items in the SBA as it included a \$77 million City Furniture demand note and other demand notes that make up about 10% of the portfolio. Dr. Master questioned how Florida Prime is an approved investment institution with their portfolio? Mr. Scott Clark explained that the SBA had their own rules and he was concerned that there were many overseas banks involved. Mr. LaRue asked if the District voted on Florida Prime and was advised the Board did take action or direct staff regarding the SBA account. Ms. Adams stated it was not uncommon for CDDs to utilize Florida Prime because it was one of the four investment authorized opportunities. Dr. Master recalled that there was a

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way for the District to purchase US Treasuries as a municipal corporation and wanted to speak to various banks about it. Ms. Gregory preferred to get a fixed rate on a 12-month CDD. Ms. Gregory reiterated she is unhappy with Truist because of fees. Ms. Gregory wanted to do further research on products out there. Dr. Maneck wanted to set up a free account with Fidelity. Ms. Gregory and Dr. Master did not want to engage a government investment advisor.

After further discussion, there was Board consensus to leave the funds in Florida Prime and Ms. Adams would work with the Chair regarding CD options. The item would be reviewed at the September meeting.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Scott Clark was looking at other options with Mr. Mossing for the investment of the debt service funds, as the monies that the Trustee had in the Debt Service Fund earned .05%.

B. Engineer

i. Review and Acceptance of Annual Engineer's Report

Ms. Adams reported as part of the Trust Indenture for the 2017 refunded bond, the District was required to provide an engineer's report on the maintenance, insurance and budgeting for District assets to the Trustee by July 1st of each year. Ms. Leo explained that the Annual Engineer's Report was self-explanatory and was completed every year. A separate report could be provided on field conditions of the stormwater system at a later time.

On MOTION by Ms. Gregory seconded by Mr. LaRue with all in favor the Annual Engineer's Report was accepted.

Ms. Leo felt that Mr. Smith was taking good care of the District assets.

C. District Manager

i. Approval of Check Register

Ms. Adams presented the Check Register for April 1, 2023 through July 7, 2023 totaling \$113,110.27. It included the register for the General Fund and payroll, as well as detailed invoices and a Check Run Summary. Mr. LaRue questioned how the invoice for SOLitude Lake Management was itemized. Ms. Adams explained that Mr. Smith reviewed the invoices to ensure

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compliance with the contracted amount. Mr. Smith indicated he is working with SOLitude to improve the presentation of the invoices as well as how they report services in general. Mr. LaRue asked if a subcontractor was used for mosquito control. Mr. Smith reported that SOLitude acquired the Clarke aquatic service portion of the company, but confirmed Clarke continued to service the midge management portion of the contract. Mr. LaRue requested that SOLitude clarify their invoices. Dr. Master questioned disclosure services. Ms. Adams explained that the Amortization Schedule was revised when there was a special call for lump sum payoffs. Ms. Gregory questioned the accounts included on the US Bank invoice. Ms. Adams would confirm that it related to the trust accounts. Ms. Gregory asked why the general ledger debits for US Bank trustee fees were split. Ms. Adams confirmed that the fees covered two different fiscal years; 2023 and 2024. Charges for October 2023 through January 2024 would be recognized in Fiscal Year 2024.

On MOTION by Dr. Master seconded by Mr. LaRue with all in favor the Check Register as stated above was approved.

ii. Balance Sheet and Income Statement

Ms. Adams presented Unaudited Financials through May 31, 2023. No Board action was required. Interest earnings were reported on the Combined Balance Sheet. The money market was with Bank United and the General Fund was with Truist. The Board did an excellent job controlling expenses and there were no issues to report to the Board. The payments due in May occurred for the Debt Service Fund. Ms. Adams noted where the debt service fund interest revenue was reported.

iii. Approving the Proposed Fiscal Year 2024 Meeting Dates

Ms. Adams presented the Fiscal Year 2024 meeting schedule, which was consistent with the prior year's meeting schedule. Meetings would be held on the third Wednesday of every other month at 9:00 a.m. in the Starlight Ballroom starting on October 1, 2023 and ending September 30, 2024.

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On MOTION by Dr. Master seconded by Ms. Gregory with all in favor the Fiscal Year 2024 meeting schedule as presented was approved.

D. Field Manager’s Report

Mr. Smith presented the Field Manager’s Report. It was the rainy season and there were times when the landscaping company did not able to mow all the way to the edge to preserve the bank and diminish further erosion to the pond bank edge when it was wet. Overall, there was satisfactory landscaping to the pond banks. Regarding aquatic maintenance, the ponds were well maintained. Shorelines looked good and plantings were doing well. There were algae blooms in some ponds due to the temperature of the water and nutrients, which were treated along with shoreline grasses. The contractor was allowing edge grasses to grow to preserve pond banks and decrease nutrient load in the water. Clearing of dry pond bleeder pipes and all action items presented at the last meeting were completed. A Conveyance Report for two ponds to be conveyed to the District was provided. Overall, the ponds were in good shape. Some algae had to be treated. There were also some edge grasses, but nothing of concern. Regarding a question at the last meeting on how midge complaints were handled by the HOA, the HOA did not retain a complaint log or provide midge services on two ponds owned by the HOA, but during their onsite review, there were no major midge issues.

i. Customer Complaint Log

Mr. Smith presented the Customer Complaint Log. There was one complaint from May 12 regarding an algae bloom on a pond that was treated.

TWELFTH ORDER OF BUSINESS

Supervisor’s Requests

There being no comments the next item followed.

THIRTEENTH ORDER OF BUSINESS

General Audience Comments

There being no comments the next item followed.

FOURTEENTH ORDER OF BUSINESS

Other Business

There being no comments the next item followed.

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FIFTEENTH ORDER OF BUSINESS

Next Meeting Date – September 20, 2023

The next meeting was scheduled for September 20, 2023 at 9:00 a.m.

SIXTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Dr. Master seconded by Ms. Skeete with all in favor the meeting was adjourned at 11:04 a.m.

DocuSigned by:

Tricia Adams

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Secretary / Assistant Secretary

DocuSigned by:

Peggy Gregory

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Chairman / Vice Chairman