

**MINUTES OF MEETING OF THE
STONEBROOK AT VENICE
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the STONEYBROOK AT VENICE Community Development District's Board of Supervisors was held on **Thursday, May 3, 2018, at 12:00 p.m.**, at the **Stoneybrook Activity Center, 2365 Estuary Drive, Venice, Florida 34292.**

Present and constituting a quorum were:

Dan Minnick	Chairman
Gary Compton	Assistant Secretary
James Crawford	Assistant Secretary
Andy Grogoza	Assistant Secretary

Absent were:

Carl Jones	Vice Chairman
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Also present were:

James P. Ward	District Manager
Jere Earlywine	District Counsel

Audience:

Gregory Yatzyshyn	Resident
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1. Call to Order & Roll Call

Mr. Ward called the meeting to order at 12:00 p.m. and roll call determined that all members of the Board were present, with the exception of Mr. Jones.

2. Consideration of Minutes

a) Regular Meeting – August 3, 2017

Mr. Ward asked if there was any discussion of the minutes. Hearing none, a motion was made to approve the minutes.

Motion was made by Mr. Minnick and seconded by Mr. Crawford to approve the minutes of the regular meeting on August 3, 2017, as described above, and with all in favor, the motion was approved.

3. Consideration of Resolution 2018-1 Approving the Proposed Budget for Fiscal Year 2019 and Setting a Public Hearing for Thursday, September 6, 2018

Mr. Ward explained Item 3 was the beginning of the process related to the adoption of the Fiscal Year 2019 Budget. He said the proposed budget was included in the agenda packet, and he would ask them to approve the budget and set the Public Hearing date. The approval of the budget would not bind the Board to any of the programs or services in the budget or any of the rates which were contemplated as a result of the preparation of the budget. He continued that at the Public Hearing, the adoption of the budget and rate setting would take place.

However, Mr. Ward pointed out that since there would not be another Board meeting prior to the Public Hearing, it would be appropriate to put any comments the Board might have to the record today, and then changes could be made accordingly.

Mr. Ward began on Page 5, Tab 4, which was the Debt Service Fund Budget for the Series 2017 Bonds. He said at the bottom of the page was the Assessment Comparison, which indicated the rate changes which would go into effect in Fiscal Year 2019 as a result of the refinancing that was done this past year. He said this had resulted in a relatively significant change in the assessment level for the betterment of the entire community. He added other than that, this particular budget had stayed the same. He called for questions.

Mr. Minnick asked if there were any substantial changes which should be noted.

Mr. Ward responded the General Fund was basically the same as it had been for a number of years. He said the assessment rate was \$74.53 per unit; it had been \$74.69 last year. He said there was a slight decrease in the General Fund and a relatively good decrease in the Debt Service Fund.

Mr. Ward was asked if there was any place in the budget where more money could be saved, and he responded negatively. There followed a short discussion on computer services and the cost of the CDD website.

It was suggested this might be a good time to ask if the refinancing had been delayed, would it have been a mistake to do so, and did Mr. Ward think the Board had made a good decision.

Mr. Ward responded this was a great decision. He said their rates of 3.1% were better than the last closing he had done at 4.5% on a 20-year bond.

A question was asked about insurance which had increased, and Mr. Ward responded the slight increase was just a function of time. It was suggested this might be the result of recent storms in the area.

Mr. Earlywine stated there were not many insurance companies which insured CDDs, so risk tolerance just went up and down depending on what was happening.

Mr. Minnick said since there were no buildings owned by the CDD, what were they insuring. Mr. Ward responded it was general liability and directors' and officers' liability.

Mr. Ward said the Public Hearing date would have to be changed to September 6, 2018, because the County had a requirement that the hearing be 20 days following the TRIM notices, which were scheduled to go out August 20, 2018.

Motion was made by Mr. Minnick and seconded by Mr. Compton to adopt Resolution 2018-1 with the date of Thursday, September 6, 2018, and with all in favor, the motion was approved.

4. Consideration of Audit Proposals for the Fiscal Years Ending September 30, 2018 through September 30, 2022

Mr. Ward explained there was a laborious selection process for auditors in the State. He said a set of specifications needed to be prepared, advertisement in the newspapers, and then technical and price-based proposals needed to be considered. He said the Board became the Audit Committee and were required to evaluate the proposals received, and based on that analysis, a firm would be selected.

A general discussion ensued on the difficulty of understanding the process and the proposals submitted.

Mr. Ward agreed with the inconsistency in the answers provided by the firms. He said the document that he sent them consisted of internal information telling the firms what he would provide to them and how the audit would be done. He told the Board they had the option to interpret the answers and fill out the analysis form as they saw fit.

A discussion of answers given in the proposals and the Board's ranking of them ensued.

Mr. Earlywine explained to the Board there were two ways to score the proposals. He said each Board member could score and give this to Mr. Ward,

and he would add the scores and rank the proposals. Alternatively, the Board could score them together and then rank them.

The Board discussed the fees proposed in the proposals, and it was determined that Mauldin's fees were much higher than the other two. Mr. Ward said this firm had not done any prior CDD work. Mr. Ward said Grau & Associates and Berger did a great deal of CDD work in the State, and he had worked with both for many years. He said both did good work, irrespective of answers given in their proposals.

The Board discussed the three proposals and made the decision to score them collectively. The scores totaled 24 points for Grau Associates, 12 for Mauldin & Jenkins, and 16 for Berger Toombs. The Board selected Grau Associates.

Motion was made by Mr. Minnick and seconded by Mr. Grogza to select Grau Associates as auditors for Fiscal Years 2018-2022, as described above, and with all in favor, the motion was approved.

5. Staff Reports

- a) **Attorney** – No report given.
- b) **Engineer** – No report given.
- c) **Manager**

I. Report of Number of Registered Voters in the District

Mr. Ward reported that there were 1,457 registered voters in the District as of April 15, 2018. He stated there was no action required by the Board. He pointed out that in November the terms will be up for Seat 2 Mr. Compton, Seat 3 Mr. Minnick and Seat 5 Mr. Jones. He said these individuals would have to qualify again for those seats in June, and the qualifying dates were available in the agenda packet. He asked for them to call with questions and to not miss the deadlines.

6. Supervisor's Requests and Audience Comments

Mr. Ward asked if there were any comments from the Board or the audience.

Gregory Yatzyshyn from the audience clarified that the refinancing interest difference was 1% between now and earlier and asked how that factored into the penalty.

Mr. Ward stated it was included. Mr. Yatzyshyn said he was asking how the penalty, which had been paid, diluted the 1%. Mr. Ward responded that there had been no penalty paid for refinancing the bonds, and he had done an escrow to pay the bonds out to a certain date. He said the "all in" cost, including the cost of the refinancing, which included the escrow, looking at today's rates, was still 1% lower than if it had been done today. Mr. Yatzyshyn was given further clarification of this information.

Mr. Yatzyshyn said it was his understanding that if the Board had not moved forward last year, nobody would have gotten paid. Mr. Ward said that sum had already been included, and it still resulted in a gain of 1%.

Mr. Minnick commented that the legal fees and broker fees would have been incurred this year.

Mr. Yatzyshyn asked what percentage the District had been paying. The response was about 6%, and the new rate was 3 1/4 %. He concluded then the net gain was about 3%. He asked simply if it had paid to do this last year. It was said that the gain to each resident was about nine dollars a month, which Mr. Yatzyshyn felt was insignificant.

Mr. Ward stated it was not insignificant when considering the aggregate of 1,000 units. He said the amount when averaged to \$100 a ~~month~~ ^{YEAR} per unit became \$100,000 a year for the next 20 years. *JPW*

A discussion of the significance of this number ensued.

7. Adjournment

Motion was made by Mr. Minnick and seconded by Mr. Grogosza to adjourn the meeting, and with all in favor the motion was approved.

The meeting was adjourned at 12:48 p.m.

Stoneybrook at Venice Community Development District

JPWard

James P. Ward, Secretary

[Signature]

Dan Minnick, Chairman

Stoneybrook at Venice Community Development District

Analysis of Auditor Proposals

Firm Names:

Berger Tooms Mauldin Grau _____

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the District.
- c. The firm adheres to the instructions in the Request for Proposal on preparing and submitting the proposal.
- d. The firm submitted a copy of its last external quality control review report and the firm has a record of quality audit work.
- e. The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

	Berger Tooms	Mauldin	Grau		
a.	Y	Y	Y		
b.	Y	Y	Y		
c.	Y	Y	Y		
d.	N	N	Y		
e.	N	N	Y		

Legend for Mandatory Elements:
 Y = Meets Criteria
 N = Does Not Meet Criteria

2. Technical Qualifications:

**Point
Range**

a. Expertise and Experience

- (1)The firm's past experience and performance on comparable government engagements.
- (2)The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- (3)The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

	Berger Tooms	Mauldin	Grau		
(1)	3	3	5		
(2)	3	3	5		
(3)	2	2	5		

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures

	Berger Tooms	Mauldin	Grau		
(1)	3	3	5		
(2)	0	0	0		
(3)	0	0	0		

**Sub-Total: Technical
Total Points: Technical**

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3. Price:

	5	1	4		
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Total Points: Price

Total Points: Technical/Price:

	5	1	4		
	16	12	24		