MINUTES OF MEETING

CROSS CREEK COMMUNITY DEVELOPMENT DISTRICT
BOARD OF SUPERVISORS' MEETING
Tuesday, August 22, 2023, at 11:00 a.m.
Holiday Inn Sarasota - Airport
8009 15th Stret East, Sarasota, FL, 34243

Board Members Present were:

Charlie Tokarz	Chairperson
Connor Chambers	Vice Chairperson
Kathy Beccia	Assistant Secretary
Bruce Stolarz	Assistant Secretary
Lianna Litwin	Assistant Secretary

Also present were:

Venessa Ripoll	District Manager - PFM Group Consulting LLC	
Kwame Jackson	PFM Group Consulting LLC	
Jennifer Glasgow	PFM Group Consulting LLC	(via phone)
Andy Cohen	District Counsel- Persson Cohen & Mooney, P.A.	
Charlie McKinnies	Medallion Home	
Chris Chavez	Medallion Home	

Various audience members via WebEx and in-person.

FIRST ORDER OF BUSINESS **Organizational Matters**

Call to Order and Roll Call

Ms. Ripoll called the meeting to order at 11:19 a.m. and confirmed quorum.

Public Comment Period

No Public Comments.

Consideration of the Minutes of the May 23, 2023, Board of Supervisors' Meeting

This item was tabled.

Consideration of the Minutes of the June 27, 2023, Board of Supervisors' Meeting

The Board reviewed the minutes of the June 27, 2023, Board of Supervisors' Meeting. Ms. Ripoll noted the changes received by the members of the Board have been incorporated, and the edits from Counsel will also be incorporated.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board accepted the minutes of the June 27, 2023, Board of Supervisors' meeting.

Consideration of the Minutes of the July 25, 2023, Board of Supervisors' Meeting

The Board reviewed the minutes of the July 25, 2023, Board of Supervisors' Meeting. Ms. Ripoll noted the changes received by the members of the Board have been incorporated, and the edits recently received from Counsel will also be incorporated. Ms. Ripoll also noted she will have the updated minutes added to the website.

Mr. Stolarz asked for a status update with Davis Construction.

Mr. Chavez stated Davis Construction will be taking over their areas within 30 days, and the District has two choices, which would be reimbursement or have LMP leave out that area and Davis Construction will maintain it.

Mr. Cohen stated this is up to the Board but it would be his recommendation to do a contract amendment with LMP and remove the property and then Davis can maintain their properties.

Discussion ensued regarding the District having irrigation lines running through that area.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board accepted the minutes of the July 25, 2023, Board of Supervisors' meeting with changes.

<u>SECOND ORDER OF BUSINESS</u> **Business Matters**

Review of Auditor Selection Committee Rankings & Selection of Auditor

Ms. Ripoll stated the committee chose Berger, Toombs, Elam, Gaines & Frank as ranking number one and Grau and Associates as number two.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board accepted the Auditor Selection Committee's recommendation of having Berger, Toombs, Elam, Gaines & Frank as the District's auditor.

Public Hearing on the Adoption of the District's Annual Budget & Imposition of Special Assessments

a. **Public Comments and Testimony**
b. **Board Comments**
c. **Consideration of Resolution 2023-05, Adopting the Fiscal Year 2024 Budget and Appropriating Funds**

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board opened the public hearing.

Ms. Ripoll stated before the Board is the proposed Fiscal Year 2024 budget that has been reviewed multiple times by the Supervisors, by District Staff and Counsel, and has been sent out to the residents as well.

The meeting was recessed at 11:30 a.m.
The meeting continued at 12:07 p.m.

Ms. Peterson asked can it be explained why the total number of homes with the CO is 317 this year compared to 287 last year, and then without the CO, there's a difference of 317 less homes. Overall last year it was divided by 627 properties, and based on what was sent out in the mail a few weeks ago was only 340, so how does the District establish who pays into the CDD?

Mr. Cohen mentioned that the District was reduced in size, so properties were removed from the District.

Ms. Litwin stated what happened was the methodology was changed. Originally everyone contributed builders lots and homeowners contributed the same amount, then the Board at that time switched it so that the CO owned properties which were homeowners, closed on their houses. Homeowners contribute a much greater expense than the non-CO, which is the builders lots. Now, the neighborhood is sold out, so pretty much everything is CO owned now.

Discussion ensued regarding the number of properties that was listed on the notice sent out to homeowners.

Ms. Peterson asked about the line item for the contingency and property improvements, and what the $250,000.00 increase includes.

Ms. Ripoll stated the reason that the District increased that was because the District is going to be paying for a pump that's currently being installed. So, the Board chose to increase and approve that amount for the contingency.

Discussion ensued regarding the budget being able to be decreased.

Mr. Stolarz stated he would like to set up a separate account for capital equipment replacement and capture that, capture the pump, capture when the District takes the pool, when the District captures the paving of the Basketball courts. He noted he would like to see all that dollar amount in a separate account.

The Board agreed to do that so that those funds are tracked.

The Board agreed to name that line-item Major Repairs and Replacements and put $220,000.00 for that line-item from the contingency.

A resident asked if the District just signed a contract with LMP is this number based on the new contract?

Ms. Ripoll answered yes and LMP will not be increasing for Cross Creek CDD.

Mr. Stolarz asked if with the new pump installed, there will be any time restrictions for irrigation.

The Board decided to discuss that later in the agenda.

Ms. Litwin stated everyone is shocked about the budget going up. She stated the pool has to be resurfaced, and the Health Department closed down the pool again so that has to get done.

Ms. Ripoll stated this has to be done within a year or it gets shut down. She also noted she has seen quotes for around $70,000.00.

Discussion ensued in regard to how much of the budget is going toward the new pump since the pump purchase is in the current Fiscal Year.

Ms. Ripoll went over the options the Board previously discussed.

Mr. Tokarz stated the District is going to pay the vendor what the District has now, then borrow the rest of the money and pay that back when the District has the money.

Mr. Chavez asked if the District is able to use the $41,000.00 that came over from the HOA.

The Board decided to use the $41,000.00 to start.

Mr. Tokarz asked if the District has a surplus in the CDD that can be used to help pay for this pump to make it until November 30th.

Ms. Glasgow stated about $30,00.00 is available.

Mr. Tokarz stated let's look through the numbers, on June 30th the District had $198,000 in the checking account, round it and say $200,000.00. He asked how much it takes the District a month to fund the CDD.

After looking at the numbers the Board stated it takes about $35,000.00 a month to fund the District.

Ms. Glasgow stated after pulling a report from the system and the District is averaging about $25,000.00 a month.

Discussion ensued regarding the budget for the remainder of the Fiscal Year.

Ms. Litwin asked about money from the sale of the sliver of land.

Mr. Chambers stated the District may need to extend the Hoover agreement by adding the amount of money needed to make that augmentation well run automatically as it's supposed to do by permit, which if nothing else would extend the time of the contract.

Mr. Chavez stated what Mr. Chambers is referring to is the well that recharges the lake when the water drops on the lake, the well is turned on manually to refill the lake. There's supposed to be a float on the lake that would turn it on and off automatically. He noted it doesn't work and he was quoted around $5000.00 or $6000.00 to fix that.

The Board agreed that would be a good idea to have that done.

Discussion ensued regarding the repair and replacement numbers to get a total.

The total for repair and replacement cost was rounded to $190,000.00.

Discussion ensued regarding what the $89,000.00 in contingency is set for.

The Board decided to put $190,000.00 in for Repairs and Replacement, $25,000.00 in for Contingency Property Improvements, and an additional line-item in for Income for $41,000.00.

Ms. Glasgow stated this bring the District total budget to $575, 245.00.

Mr. Cohen asked what the increase in assessments would be year to year.

Ms. Glasgow stated for the assessment with the CO, the District is looking at $1,934.32 which is an increase in last year of $425.01, and without the CO, its $233.26 which is a decrease of $34.79 over the last year.

The Board asked about the lot count with the CO.

Ms. Glasgow answered 317.

Ms. Beccia asked if the $41,000.00 from the HOA is a loan.

Ms. Litwin stated what happened was in 2020 was that a deal was signed with Spectrum to provide cable services and internet to the homes. In return, and at the time it was just a few houses that were there, the Developer, Mr. Beruff came to the homeowners and said we'll exchange for you guys signing over this 10 year deal the District was given $64,000.0 and $24,00.00 of it was used to build that mailbox structure for some of the houses and then that was what was left.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board closed the public hearing.

Ms. Ripoll stated before the Board is consideration of Resolution 2023-05 Adopting the Fiscal Year 2024 budget and appropriating funds, the District has decreased the budget to $575,245.00 from the previous amount that was sent to the residents and the changes were made to the line items.

Discussion ensued regarding items being expensed in the current year that are added to next year's budget.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board approved Resolution 2023-05, Adopting the Fiscal Year 2024 Budget and Appropriating Funds, decreasing the budget to $575,245.00.

Public Hearing on the Imposition of Special Assessments

a. **Public Comments and Testimony**
b. **Board Comments**
c. **Consideration of Resolution 2023-06, Imposing Special Assessments and**

Certifying an Assessment Roll

Ms. Ripoll requested a motion to Open the Public Hearing.

> On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board opened the public hearing.

Ms. Ripoll stated the Board just made the adjustments to the Budget and changes to the District's assessments and tax roll.

Ms. Ripoll requested a motion to Close the Public Hearing.

> On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board closed the public hearing.

Ripoll requested a motion to approve Resolution 2023-06, Imposing Special Assessment and Certifying an Assessment Roll.

> On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board approved Resolution 2023-06, Imposing Special Assessments and Certifying an Assessment Roll.

Consideration of Resolution 2023-07, Adopting the Annual Meeting Schedule for Fiscal Year 2023-2024

Ms. Ripoll stated the next scheduled meeting date is October 24, 2023, at this location and District staff is opting to move the meeting time to11:30 a.m. for all meetings moving forward.

Ms. Ripoll noted changes can be made as long as it's seven days before the meeting.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board approved Resolution 2023-07, Adopting the Annual Meeting Schedule for Fiscal Year2023-2024, with the next meeting being October 24, 2023, at the Holiday Inn Sarasota – Airport 8009 15th Stret East, Sarasota, FL, 34243, and the meeting time being moved to 11:30 a.m. going forward.

Review & Acceptance of Fiscal Year 2022 Audit Report

Ms. Ripoll stated the audit report came back clean, and it has been reviewed by District Staff, Counsel and the Chairman.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board accepted the Fiscal Year 2022 audit subject to Board member changes.

Review and Acceptance of Termination Letter to S&G Pools, LLC

Ms. Ripoll stated the District did fire the current pool vendor for nonperformance, and that has been taken care of already.

On MOTION by Mr. Chambers, seconded by Ms. Beccia, with all in favor, the Board ratified the termination letter to S&G Pools, LLC.

Discussion of Pool Maintenance Agreement

Ms. Ripoll stated this agreement is with Starner Brothers Pools, Inc. This vendor is currently working on the District's pools and got the District up to code. He has met with the Health Department multiple times, and is working to get proposals to resurface the pool.

Ms. Ripoll noted the contract was prepared by Counsel, and the vendor has done a phenomenal job.

Mr. Stolarz asked about the part of the contract that states the vendor is to do the work in the morning or evening outside of business hours.

Mr. Cohen stated that part of the contract, he believes, came over from the proposal or from the scope.

On MOTION by Mr. Chambers, seconded by Ms. Beccia, with all in favor, the Board approved the Pool Maintenance agreement with Starner Brothers Pools, Inc. and authorized the Chair to execute.

Discussion of the Irrigation, Pump System and Landscaping

Mr. Chavez stated what he proposes the District do is keep the pumps on every day from 6:00 p.m. to 6:00 a.m. District staff will email-blast the community with the recommended watering hours for the individual homeowners. Manatee County stipulates two or three days a week. However, for the Board and homeowners' knowledge, while the pumps on between 6:00 p.m. and 6:00 a.m., water is available, so it would be up to the homeowners to adhere to the rules. They can't be enforced because the system is not set up for zones. The system is zoned for the common area with those nodes that were installed, but it's not zoned for the homes. If every home has sprinklers on in Phase A, if every home turns on at once, the District will lose pressure.

Mr. Chavez noted LMP has requested that they stay on for 24 hours a day. Tuesdays and Wednesdays are the days LMP is present doing their cutting. It's a two-pump system; a 25-horsepower jockey pump which will pressurize the system to about 100 or 200 gallons per minute and then the main 75 horsepower pump will kick on anything above that up to 750 gallons per minute. That's a lot of water. The Hoover system that existed, the old system, had fairly new VFD's variable frequency drives. Those drive the pump and motors. Those were not replaced and those costs may be $10,000.00 a piece, but they're in good condition and they should last between three and seven more years. The District has one extra VFD which is not being used because the pump station was originally two 75-horsepower pumps and one 25-horsepower pump. So there's an extra VFD that's not being used right now and can be used if the original VFD dies.

He noted that the Willows and Laurels aren't on this pump, and Medallion Homes or affiliates will not be managing the pump, that will be done by Hoover through a maintenance agreement.

Ms. Litwin noted the Willows and Laurels are off of the pump inside of their subdivision, but there is still an area on the outside which the Cross Creek irrigation still runs through.

Mr. Chavez showed the Board the area that was referenced.

Discussion ensued regarding what can be done to get the area re-piped.

On MOTION by Mr. Chambers, seconded by Ms. Beccia, with all in favor, the Board ratified the Irrigation, Hoover Pump System.

Discussion Pertaining to Addition of a Gym to the Amenities Center

Ms. Litwin stated this doesn't have to be done right now. She of a key fob, just like for the pool, to open up that door. She noted the District is not purchasing any big equipment or anything, and some homeowners donated simple things like weights just to utilize that room.

Mr. Cohen stated if the District is going to have a fitness center, that's the CDD, and the Board needs to come up with not only some rules for use of it, but releases that people would be executing as well, just to make sure the CDD is protected.

This item was tabled.

Update on Landowner's Offer to Purchase of CDD Slivers and Other Property

Ms. Ripoll stated the District did get another appraisal, and District staff reached out to several other appraisal companies. A few declined, and a few gave quotes. The District went with Riverside Appraisal Service, and that appraisal is in the packet.

Mr. Cohen stated for the record, that after thinking about it, he wasn't comfortable negotiating a deal between the CCD and Medallion Homes. He felt that there was a conflict of interest. He stated Ms. Ripoll has handled all of this. He noted moving forward if there are other items, hopefully this will be resolved, but if not, or if there are other items, he did speak with another CCD attorney that he works with as Special Counsel, and he would be willing to provide services when the District has this kind of conflict of interest. He noted he got them to agree to $300.00 an hour.

The appraisal came at $17,500.00.

Mr. Stolarz stated the $17,500.00 seems too be a cheap price.
He also noted that the appraisals stated that it is wetlands, and he isn't sure how Medallion Homes could have covered up those wetlands without approval from Southwest Florida Water Management District or EPA, and asked if that is legal. He suggested the District should be receiving more than $17,500.00

Ms. Ripoll stated that the Board at the previous meeting did approve going with the original appraisal and the District was given a check based on that approval.

Discussion ensued regarding the approval of the appraisal from the previous meeting.

Ms. Litwin asked Mr. Tokarz is there no negotiation of the price based on the second appraisal?

Mr. Tokarz stated sure and asked Ms. Litwin if she would like to do the negotiating.

Ms. Litwin answered yes.

Discussion ensued regarding how much money was expected from the appraisal.

Mr. Cohen stated someone needs to negotiate this price with the Developer. The Board can hash this out at a meeting, the District can hire special counsel, or designate one Board member to meet with the representative of Medallion.

The Board agreed to have Ms. Litwin negotiate a potential increase in the appraisal with a Medallion Homes representative.

This item was tabled.

Consideration of Turner Pest Control Price Increase

Ms. Ripoll stated the current vendor did increase $9.80 per quarter.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board approved the Turner Pest Control increase of $9.80 per quarter.

Ratification of Payment Authorization Nos. 211-218

Ms. Ripoll stated these are contractual and have been signed by the Chair.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board ratified payment authorization Nos. 211-218.

Review of District Financial Statements

The Board revied the financials.

THIRD ORDER OF BUSINESS **Other Business**

Staff Reports

District Counsel- No report.

District Engineer- Not present.

District Manager- Ms. Ripoll stated the next meeting is September 26, 2023, at 11:00 a.m. at Holiday Inn Sarasota – Airport 8009 15th Stret East, Sarasota, FL, 34243.

FOURTH ORDER OF BUSINESS **Supervisor Requests and Audience Comments**

Ms. Litwin stated on Creekside Park, the District has non-stop traffic coming down that road. She contacted Manatee County and they can do a traffic study to see if they can lower the speed limit on there or other traffic-calming measures. There just has to be a letter from the CDD manager stating that they have permission to go out there and do a traffic study and they will come back with the results.

Ms. Ripoll stated she will get with the Board members to work on that letter.

Ms. Litwin asked can the Board please by the next meeting figure out what the District is going to do with these parcels with regard to who they belong to.

Mr. Chavez stated he spoke with LMP about it and the CDD is still going to mow the pond banks. He stated LMP is taking that area out of their scope and the Developer will mow it.

FIFTH ORDER OF BUSINESS **Adjournment**

Ms. Ripoll requested a motion to adjourn the meeting.

On MOTION by Ms. Beccia, seconded by Mr. Chambers, with all in favor, the Board adjourned the August 22, 2023, Board of Supervisors' Meeting for Cross Creek Community Development District.

Vanessa Ripoll
Secretary/Assistant Secretary

Charles Tobar
Chairperson/ Vice Chairperson