

**MINUTES OF MEETING  
OSPREY OAKS  
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Osprey Oaks Community Development District's Board of Supervisors was held on **Monday, January 9, 2017 at 6:15 p.m.**, at the **Clubhouse of Osprey Oaks, located at 7054 Muscovy Court, Lake Worth, Florida 33463.**

**Present and constituting a quorum were:**

Meredith Naim	Chair
James Gielda	Vice Chair
Michael Smith	Assistant Secretary
John Flaherty	Assistant Secretary
Steve Ratkowski	Assistant Secretary

**Also present were:**

Cindy Cerbone	Wrathell, Hunt and Associates, LLC
Ginger Wald	District Counsel
Joi Canton	Resident
Jonathan Berman	Resident
Jim Fotis	Resident
Ken Naim	Resident
Robert Harding	Resident
Jeff Fuchs	Resident
Ralph Lanni	Resident
Ken Revilla	Resident
Mahyar Nouri-Shirazi	Resident
Nathan Houtsma	Resident
Marilia Rahde	Resident

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Ms. Cerbone called the meeting to order at 6:15 p.m., and noted, for the record, that all Supervisors were present, in person.

**SECOND ORDER OF BUSINESS**

**Public Comments**

There being no public comments, the next item followed.

**THIRD ORDER OF BUSINESS**

**Update: Pavers**

Ms. Cerbone did not have an update on the pavers and asked if this item should remain on future agendas. Ms. Cerbone previously sent information prepared by District Counsel to the President of the HOA, per the direction of the Board of Supervisors in place prior to the General Election. Mr. Flaherty asked what would cause the CDD to hire an inspector to inspect a deficiency. Ms. Cerbone stated, that a resident could notice something and bring it to the CDD's attention. Mrs. Naim stated, that, until the CDD was contacted by the HOA, the pavers should be excluded from future agendas, unless there was something to discuss. The Board should wait for the HOA to address the pavers. Ms. Cerbone was aware that there were new HOA Board Members and asked if she should resend a letter to the Property Manager and the new HOA President.

Mr. Flaherty wanted the District to send a letter of goodwill to the HOA, welcoming the Board and inviting them to a CDD meeting to establish a line of communication, with the hope of working as a team to improve the community. The letter should include the CDD Board of Supervisors' names and email addresses.

Ms. Wald stated that each Supervisor had the same powers and responsibilities but did not have individual authority to act, on behalf of the District, unless the Board took action on a matter or appointed a Board Member to do something.

The Board directed the District Manager to draft an introductory letter to residents explaining the CDD and its role. The letter should include the Board Members' contact information, congratulate the newly elected HOA Board Members, include ideas of how the HOA and the CDD could work together in support of the community, a reminder that CDD information was on the website and invite them to attend CDD meetings and provide feedback. Ms. Cerbone would draft a letter and forward it to the Property Manager to be distributed to the residents.

**On MOTION by Mr. Flaherty and seconded by Mrs. Naim, with all in favor, preparation of a letter to the HOA including why the CDD exists, how it operates, contact information, acknowledging the new HOA Board and offering to work together, by the District Manager, was approved.**

**FOURTH ORDER OF BUSINESS**

**Approval of Unaudited Financial Statements as of November 30, 2016**

Ms. Cerbone presented the Unaudited Financial Statements as of November 30, 2016.

Mr. Jonathan Berman, a resident, asked for a brief explanation of the financial statements. Ms. Cerbone stated that a CDD is a governmental entity and must follow Governmental Accounting Standards (GAS). The Debt Service fund was specifically for repayment of the bonds. With regard to the Capital Projects fund, all projects were completed, leaving a \$27 balance.

Ms. Cerbone stated that the District Manager’s office prepares the financial statements. Meetings for the fiscal year were advertised. The meetings were not republished every month but are posted on the CDD website. Ms. Cerbone would check with the Tax Collector’s office for any tax certificates or unpaid assessments related to homes in foreclosure and add it as an action item to be discussed at the next meeting. Ms. Wald stated that, if the lender does not pay, the tax certificate would be passed on to the District.

In response to a question, Ms. Cerbone stated that the Arbitrage Rebate Calculation was related to the outstanding bonds. Ms. Wald stated that it was part of the bond issuance and a requirement of the Trustee that must be completed annually; it was usually a flat fee and the same amount, every year.

In response to a question, Ms. Cerbone stated that the annual Engineering Report was available online.

**On MOTION by Mr. Giolda and seconded by Mr. Ratkowski, with all in favor, posting the Annual Engineer’s Report on the CDD website, was approved.**

**On MOTION by Mr. Flaherty and seconded by Mr. Ratkowski, with all in favor, the Unaudited Financial Statements as of November 30, 2016, were approved.**

**FIFTH ORDER OF BUSINESS**

**Discussion: Public Records Request from Board Members**

Ms. Cerbone stated that, in response to Board Members' public records requests, at the previous meeting, she e-mailed the information to all of the Board Members and copied District Counsel.

**A. Insurance Policy**

In response to Mr. Flaherty's question of why a liability auto policy was required, Ms. Wald stated that it depended on the policy and how that it was packaged as part of that bundling deal. It could be that it was anticipated that the District would require it, in the future.

**B. Maintenance Agreement**

Mr. Flaherty asked if the Maintenance Agreement could be terminated, at any time, for any reason. Ms. Wald stated that the District must provide 90 days, as recorded in the February 5, 2014 Maintenance Agreement between the CDD and HOA. Mr. Flaherty asked who approved the Agreement. Ms. Wald stated that the Board approved it. As to whether the Maintenance Agreement is the only agreement between the CDD and the HOA on record, Ms. Cerbone stated that it was the only one in her files. Mr. Giolda and Mr. Smith were not aware of any other Agreements between the HOA and the CDD.

Mr. Flaherty was uncomfortable that Mr. Giolda executed the Maintenance Agreement, on behalf of the CDD and the HOA, as its President, and asked how to rectify that. Ms. Cerbone stated that, with any changes to an agreement, there must be a majority agreement of the Board to proceed with seeking other maintenance alternatives and considering termination of the Agreement. In response to Ms. Cerbone's question of whether he wanted to make a motion to explore other maintenance opportunities, Mr. Flaherty stated that he wanted a new agreement. In response to Ms. Wald's question of the specific terms of the Agreement that he wanted changed, Mr. Flaherty stated that he was unhappy with the timeline and felt that the Agreement was unfair.

Ms. Cerbone stated that, oftentimes, Districts use the HOA to perform maintenance activities, as it streamlines it and enhances the community and the transparency was worthwhile. Mr. Flaherty voiced his opinion that part of the Agreement was written with the perspective that there was a Developer-controlled HOA and CDD, so the Agreement contained verbiage that alleviated the Developer from any recourse; therefore, the wording needed to be changed. Ms. Wald stated that an amended Agreement was required, instead of terminating the Agreement with the HOA; the District would engage the HOA and have discussions to amend the language of certain provisions of the Agreement. If the Board voted for the changes and the HOA agreed,

there would be a first-amended Maintenance Agreement, with a new date, and those would be the proper terms of the Agreement.

Regarding Mr. Flaherty's desire for an amended Maintenance Agreement with the HOA, Ms Wald stated that the first step should be for the District Manager to provide a courtesy copy of the Agreement to the HOA, followed by a joint meeting or workshop with both entities.

Mrs. Naim wanted to hear from current HOA Board members. Ms. Wald stated that the District had a public comment policy that was adopted by the Board, which she would explain, at the end of the meeting.

Mr. Jim Fotis, a resident, requested a copy of the Maintenance Agreement.

Mr. Berman wanted to know what the Maintenance Agreement covered, why it was not reflected in the budget and whether he could obtain a copy. Ms. Wald stated that the Maintenance Agreement was a public record and copies were readily available. With regard to payment, Ms. Wald stated that the Agreement was between the CDD and the HOA, with the HOA providing the services; therefore, the HOA charged the residents. The Agreement covered the improvements that the District was responsible for, which were part of its infrastructure, such as the lakes, the wet and dry retention areas, the littoral shelves, the wetland mitigation areas, lake banks, irrigation pumps, water flow meters, etc.

Mr. Ralph Lanni, a resident, stated that the HOA was undergoing repairs, which were approved by local government. As to whether those repairs were subject to CDD approval, as well, Ms. Wald stated that it depended on whether they were simple repairs or capital improvements; she would research that.

In response to a resident question, Ms. Wald stated that the Maintenance Agreement did not cover roadways.

Mr. Flaherty asked why the District Engineer was involved with the pavers, in the roads, if the CDD was not responsible for the roads. He wanted to evaluate all expenditures.

### **Check Registers**

In response to Mr. Flaherty's question, Ms. Cerbone stated the matter with the status of Supervisor elections was resolved. In response to Mr. Flaherty's question, Ms. Cerbone stated that District Management was at fault for not posting or making the proper notification of the original election.

### **C. Legal Invoices for 2016**

With regard to Mr. Flaherty's request for a closer examination of legal fees incurred in the latter part of June and in July, Ms. Cerbone would research the matter with District Management and District Counsel and advise at the next meeting. In response to Mr. Flaherty's question about legal fees relative to the Supervisor of Elections, Ms. Wald stated the fees covered her research of case law regarding whether one had to resign their seat to run for a different seat. Ms. Cerbone contacted Mr. Flaherty, via e-mail, to explain the steps taken with the Supervisor of Elections to remediate and resolve the error. District Counsel and the Supervisor of Elections agreed to republish the meeting and extend the time period to submit applications. Mr. Flaherty stated that, because of the election issue, residents would be charged for the legal fees incurred. Mrs. Naim stated that she spoke to the Supervisor of Elections regarding the mix-up and was informed that District Management posted several notices, at the same time, for different districts holding upcoming elections and one of them may have been left off. In response to Mr. Flaherty's question about why there was no documentation on the CDD website about a meeting that was held on July 12, 2016, where a resolution was passed on the election issue, Ms. Cerbone would research it and advise at the next meeting.

With regard to the check registers and legal invoices, Ms. Cerbone would include a line item on the next agenda, under "Legal invoices," regarding what the outcome would be for election related District expenses. As to review of any type of expense to rectify the election issue, Ms. Cerbone stated that there would be no date constraints on her review or the requests; the main concern was what District Management could do to stop the District from having to pay those expenses; whether through insurance or another means.

In response to a question, Ms. Cerbone and Ms. Wald explained why Supervisor seats were numbered. Numbered seats made it easier to keep track of seats during the election process.

In response to Mr. Berman's question, Ms. Cerbone stated that a list of the current Board Members and their term lengths would be on the CDD website. Seats 1, 2 and 5 were held by Mr. Flaherty, Mr. Ratkowski and Mrs. Naim, respectively, and would expire November, 2020. Seats 3 and 4 were held by Mr. Giolda and Mr. Smith, respectively, and would expire November, 2018.

#### **D. District Staff Agreements**

- **District Counsel – Billing, Cochran, Lyles, Mauro & Ramsey, PA**

This item was not discussed.

- **District Engineer – Schnars Engineering Corporation**

Mr. Flaherty wanted to replace the District Engineer. Ms. Cerbone stated that it was a costly process. District Management would prepare the Request for Qualifications (RFQ); the Board would review, approve and make a motion to publish the RFQ. Respondents would submit their responses; the District Manager would arrange interviews with the Board and the Board would have discussions and provide rankings. Ms. Cerbone stated that fees would be incurred for legal advertising.

In response to Mrs. Naim’s questions about how long and how expensive the process was, Ms. Wald stated that it would take approximately three months and it would cost \$2,000 to \$4,000 for advertising.

**On MOTION by Mr. Flaherty and seconded by Mrs. Naim, with all in favor, authorization for the District Manager to prepare a draft RFQ for District Engineering Services and provide estimates of advertising, legal and other costs, was approved.**

Mr. Ken Naim, a resident, stated that \$2,000 was budgeted, annually, for District Engineer and asked why the Board was ready to expend additional funds to hire a new District Engineer. Mrs. Naim stated that it was agreed that the Board would do the due diligence, and, once the draft for the RFQ and accompanying information was submitted, the Board would make a decision.

- **District Manager – Wrathell, Hunt & Associates, LLC**

This item was not discussed.

**E. Bills of Sale**

This item would be included them on the next agenda.

**SIXTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel**

- **BOS Attendance via Conference Call**

Regarding the District’s policies and procedures, Ms. Wald stated that, related to allowance of public participation, the Board adopted Resolution 2014-6, which was a public comment policy and the length of the comments was at the Board’s discretion. Telephone participation by the public was not addressed in Florida Statute 286.0114. There was no policy in place as to whether the Board could adopt a policy requiring Board Members to appear in person in order to participate in Board meetings; however, the meeting advertisements disclose that members may participate by telephone. If the Board adopts a different policy, that information must be removed from future advertisements.

Mr. Flaherty wanted to prohibit Supervisors from attending meetings, via telephone, as he felt that Supervisors had an obligation to physically attend.

**On MOTION by Mr. Flaherty and seconded by Mr. Ratkowski, with Mr. Flaherty and Mr. Ratkowski in favor and Mrs. Naim, Mr. Smith, and Mr. Giolda dissenting, prohibiting Board Member attendance by conference call, was not approved. (Motion Failed 3-2)**

**B. District Engineer**

There being no report, the next item followed.

**C. District Manager**

Ms. Cerbone stated that the agenda is prepared and published seven days prior to each meeting and a copy would be e-mailed to all Board Members in advance. Each Board Member had 48 hours to respond with any changes or comments.

**i. NEXT MEETING DATE: February 6, 2017 at 6:15 P.M.**

Ms. Cerbone stated that the next meeting will be held on February 6, 2017 at 6:15 p.m., at this location.

**SEVENTH ORDER OF BUSINESS**

**Audience  
Requests**

**Comments/Supervisors’**

In response to about question how meetings should be conducted, Ms. Cerbone stated that she sent a draft about meeting policies. Typically, only one person should speak at a time. If a controversy arose and the Chair was presiding, he or she had the right to stop the conversation,



temporarily, regroup and continue. If the Chair asked the District Manager to lead, he or she would ask the Chair if a recess or reset was necessary to regain control over the meeting.

Ms. Joi Canton, a resident, stated that she noticed sidebar conversations during the meeting and asked if there was a policy to discourage them, as it gave the impression of division among the Board Members and made her feel uncomfortable. Ms. Cerbone stated that Rules of Decorum during meetings would be a good idea but there were no policies currently in place.

Mr. Fotis stated that, because the District Manager and District Counsel led the meeting, his impression was that there was dissension within the Board and he wanted to know if the CDD's intention was to assist or assess the HOA. Ms. Cerbone stated that, depending on the topics, the Chair oftentimes chooses not to lead in order to focus more on the discussions, rather than following the agenda and making sure the appropriate steps are followed. Mrs. Naim stated that she asked the District Manager and District Counsel to run the first few meetings, as she was new to the Board and needed to focus on the discussions; however, and as she demonstrated, as the Chair, she stepped in whenever she felt it was necessary. With regard to whether the CDD's role was to assess or assist the HOA, Mrs. Naim stated that it was about wearing "different hats" and that the Board needed to be courteous and respectful to everyone. Another reason she enlisted the help of District Management and District Counsel was to help in streamlining the meetings so that they do not last for the entire two hours allotted. In response to Mr. Fotis' question about her credentials, Ms. Cerbone stated that she is employed by Wrathell, Hunt and Associates, LLC, the District Management firm, and she manages over ten Districts, throughout the State of Florida, and one in Georgia.

In response to a resident's questions involving infrastructure, Mr. Giolda stated that two separate conduits were installed within the community and one might have been used by Comcast and there might be two sets of empty conduits in the community. As to whether HOA residents could obtain additional information about them, Mr. Giolda stated they were on file with the District Engineer and Palm Beach County. Regarding whether the Board or JKM Developers signed agreements with Comcast for exclusivity, Mr. Giolda stated there were no exclusive agreements signed for telecom; and both AT&T and Comcast were brought in at the time of development. AT&T was not interested because the CDD would not sign an exclusive agreement. Comcast agreed to install their infrastructure, throughout the community, without any exclusive agreements. Typically, Comcast's terms were not very good for bulk agreements,

whereas, in bulk agreements, with a third-party service provider, the terms are better, the infrastructure is more up-to-date, and these providers are better at running fiber optics through the community and to homes.

Ms. Canton, a resident, asked Mrs. Naim how she planned to prepare herself to serve as Chair of the Board and if she considered taking classes to educate herself. Mrs. Naim's intention was to learn from those who came before her and to listen carefully during the meetings to get up-to-speed with any and all information discussed. She is open and transparent, in and out of the meetings and she wanted the record to reflect that she received phone calls from the District Manager in preparation for today's meeting. Ms. Cerbone stated that classes were unnecessary and that, in time, Mrs. Naim should feel more comfortable. Ms. Cerbone and Mrs. Naim reviewed every line item on the agenda before the meeting. Mrs. Naim stated that, although she familiarized herself beforehand, she felt more comfortable and more respectful to the residents in attendance to hear the information as accurately as possible as explained by the District Manager and District Counsel, since they had more experience. She planned to lead the meetings in the near future, as she becomes more comfortable with the information.

Mr. Flaherty stated that one of the differences between the CDD and the HOA was that the CDD abides by the Sunshine Law and the HOA does not; it was governed by certain State Statutes. CDD Board Members cannot meet and discuss CCD business unless it is in an official, advertised Board meeting. A distinct difference between a CDD and an HOA was that a CDD had staff to facilitate discussions and devise policy, with etiquette in place. Everything was still new to the current Board and the District Manager and District Counsel were the guides.

Ms. Canton reiterated her opinion about sidebar conversations and noticed that the Chair did not address them. Mrs. Naim stated that Board Members should be respectful and courteous and she would be more mindful of that.

Mr. Jeff Fuchs, a resident, asked where he could find documents related to bond issuance, "Master Engineering" and Special Assessments and Methodology. Ms. Cerbone stated that most of these public documents were easily accessible online, through the Electronic Municipal Market Access (EMMA) website, managed by the Municipal Securities Exchange.

In response to a question about a recall process for the elected Board Members, Ms. Wald would research it. Mr. Flaherty wanted District Counsel to contact the Supervisor of Elections about the recall process, as it was a General Election Seat. Ms. Wald stated that, although it was

a General Election Seat, Chapter 190 was still in place and she would research it. In response to the question of when the Landowners'-elected seats would change to General Election, Ms. Cerbone stated 2020. It was reiterated that Seats, 1, 2, and 5 would expire in 2020 and Seats 3 and 4 would expire in 2018.

In response to a resident's request for a copy of the draft procedures memo, Ms. Cerbone stated that there were many requests for information. She urged attendees who needed reports to contact her.

In response to a question about whether the Americans with Disabilities Act (ADA) covered Board Members, Ms. Wald replied affirmatively. Mr. Flaherty wanted the CDD to adopt the policies of the County, as far as rules and regulations.

In response to a question about whether the \$200 Board Member payment per meeting was a requirement, Ms. Cerbone stated payment cannot exceed \$200 per meeting and the Board Members could accept or decline the payment.

In response to Mrs. Naim's question regarding how soon the CDD website would be updated, Ms. Cerbone stated that the request was submitted and she informed the webmaster to prioritize this District.

It was noted that the Board Member information and the links should also be updated. Ms. Cerbone stated that all documents sent to Board Members would be via FedEx, because of the urgency and time sensitivity.

**EIGHTH ORDER OF BUSINESS**

**Adjournment**

There being nothing further to discuss, the meeting adjourned.

**On MOTION by Ms. Naim and seconded by Mr. Giolda, with all in favor, the meeting adjourned at 8:46 p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

  
Secretary/Assistant Secretary

  
Chair/Vice Chair