

**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, April 3, 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
John Flaherty	Assistant Secretary
Steve Ratkowski	Assistant Secretary

Also present were:

Cindy Cerbone	Wrathell, Hunt and Associates, LLC
Ginger Wald	District Counsel
Jim Fotis	Resident
Ken Naim	Resident
Michelle Gerstein	Resident
Jeff Fuchs	Resident
Ben Sirof	Resident
Ken Revilla	Resident
Dale Schley	Resident
Arthur Shippee	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Naim called the meeting to order at 6:22 p.m., and noted, for the record, that Supervisors Naim, Flaherty and Ratkowski were present, in person. Supervisor Gielda was not present at roll call. Supervisor Smith was not present. One seat remained vacant.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

*****Supervisor Gielda arrived at the meeting at 6:30 p.m.*****

THIRD ORDER OF BUSINESS

Acceptance of Resignation of Supervisor Michael Smith

Ms. Cerbone presented Supervisor Smith’s letter of resignation for consideration.

On MOTION by Mr. Gielda and seconded by Mr. Ratkowski, with all in favor, the resignation of Mr. Michael Smith, dated March 7, 2017, was accepted.

FOURTH ORDER OF BUSINESS

Discussion/Consideration of Appointment of Qualified Elector to Seat 4, Vacated by Supervisor Michael Smith; *Term Expires November 2018*

Ms. Cerbone stated that, when a vacancy occurs, the Board should consider appointing a new Board Member. Candidates must be registered voters and reside within the CDD. In response to Mr. Flaherty’s question about the nomination process, Ms. Cerbone explained that the Board could vote for one nominated candidate, at a time; appointment could be deferred to the next meeting, if all votes failed. Ms. Wald stated that, in the event of a tie, the motion would fail. The Board was encouraged to discuss the candidates’ backgrounds, prior to making nominations.

Mr. Flaherty nominated Mr. Ben Blair and Mr. Jeff Berman. Mrs. Naim nominated Mr. Jeff Fuchs. Mr. Ratkowski nominated Mr. Dale Schley. Discussion ensued about the candidates and whether the Chair could legally make a motion for a vote.

On MOTION by Mr. Ratkowski and seconded by Mr. Flaherty, with Mr. Ratkowski and Mr. Flaherty in favor and Mrs. Naim and Mr. Gielda dissenting, the appointment of Mr. Dale Schley to Seat 4, was not approved. (Motion failed 2-2)

On MOTION by Mrs. Naim and seconded by Mr. Gielda, with Mrs. Naim and Mr. Gielda in favor and Mr. Ratkowski and Mr. Flaherty dissenting, the appointment of Mr. Jeff Fuchs to Seat 4, was not approved. (Motion failed 2-2)

On MOTION by Mr. Flaherty and seconded by Mr. Ratkowski, with Mr. Flaherty and Mr. Ratkowski in favor and Mrs. Naim and Mr. Giolda dissenting, the appointment of Mr. Ben Blair to Seat 4, was not approved. (Motion failed 2-2)

On MOTION by Mr. Flaherty and seconded by Mr. Ratkowski, with Mr. Flaherty in favor and Mrs. Naim and Mr. Giolda and Mr. Ratkowski dissenting, the appointment of Mr. John Berman to Seat 4, was not approved. (Motion failed 1-3)

Mrs. Naim favored candidates who were conscientious, ethical, community-minded and made an effort to attend meetings; Mr. Fuchs’ and Mr. Schley’s attendance worked in their favor. The goal was to be as ethically, morally and legally responsible, as possible. Mr. Flaherty agreed that potential candidates should possess high moral and ethical values, and be active in the community; both Mr. Fuchs and Mr. Schley were great candidates and it was difficult to choose between the two. Mr. Fuchs served on the HOA as a Committee Chair. Mr. Schley, an attorney, was knowledgeable about case law and was familiar with the inner workings of the HOA. To avoid potential conflicts of interest, Ms. Cerbone asked whether Mr. Schley was the current HOA attorney. Mr. Fotis, a resident and the HOA President, stated that Mr. Schley was no longer the HOA’s attorney. Mrs. Naim stated that the appointment should be tabled to the next meeting, since the Board was unsuccessful in filling the vacancy.

FIFTH ORDER OF BUSINESS

Discussion/Consideration: District Manager’s Revised Operating Procedures

A. Consideration of Resolution 2017-5, Electing Officers of the District

Ms. Cerbone presented Resolution 2017-5 for the Board’s consideration. To better serve the District, Management would add Mr. Jeff Pinder, Wrathell, Hunt and Associates, LLC (WHA) Controller, to the slate of officers, as Assistant Treasurer, to facilitate bank transactions. Mr. Wrathell would retain authority to counter-sign all bank transactions. In response to a question, Ms. Cerbone stated that adding Mr. Pinder to the slate of officers would not increase management fees.

A motion was made and later retracted. Resolution 2017-5 was deferred to the next meeting.

B. Consideration of Resolution 2017-6, Designating the Authorized Signatories for the District's Operating Bank Account(s)

Ms. Cerbone presented Resolution 2017-6 for the Board's consideration. In response to Mr. Ratkowski's question, Ms. Cerbone stated that Mr. Wrathell signed the CDD's checks; however, in Mr. Wrathell's absence, or if another signature was needed, the Assistant Treasurer, Chair and Vice Chair would be authorized to sign checks. Mr. Flaherty stated that all Supervisors should have the authority to sign checks. Mrs. Naim stated that, if the Board failed to agree on Resolutions 2017-5 and 2017-6, the Treasurer would have sole authority to execute bank transactions. Ms. Cerbone stated that it would be fine to defer Resolutions 2017-5 and 2017-6, since the CDD had minimal activities. Mr. Flaherty suggested amending the Resolutions, authorizing only the Treasurer and Assistant Treasurer to sign checks. Ms. Wald stated that, with Resolution 2017-6, if the District Management contract was terminated and there was a lapse in management companies, the Chair and Vice Chair could sign checks and execute transactions. Mr. Flaherty felt that the Board should research other management companies and compare rates.

Mr. Jim Fotis, a resident, asked why only two individuals were authorized to sign checks. Mrs. Naim stated that it was customary for CDDs to hire a management company to handle financial transactions, while the Board focused on discussing and governing the District. Ms. Cerbone stated that, if the Board wished, Management would provide the invoices and a check register, on a monthly basis. The Board was receptive to Ms. Cerbone's suggestion.

This item was deferred to the next meeting.

SIXTH ORDER OF BUSINESS**Discussion: District Policy – Rules of Procedure/Decorum**

Ms. Cerbone recalled that, at a previous meeting, there was interest in developing policies or rules to assist in conducting meetings and presented a sample excerpt of meeting rules and procedures related to decorum. Mr. Flaherty presented the Palm Beach County Rules of Procedure for the County Commission, which was written by County Attorneys and was tried and proven. Discussion ensued about which policy to adopt. Mrs. Naim directed District Staff to review both documents for further discussion, at the next meeting.

SEVENTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of February 28, 2017

Ms. Cerbone presented the Unaudited Financial Statements as of February 28, 2017. Management’s monthly fee is usually \$3,500; however, it was reduced to \$1,074, for February, to account for legal fees associated with the General Election issue. The total credit would be \$4,852.50, with the remainder of the credit reflected in the March Financials. The District would not incur those legal fees related to the General Election issue. Discussion ensued regarding the desired level of detail and explanation of the financial statements.

In response to Mr. Flaherty’s question, Ms. Cerbone confirmed that \$27 was the amount that remained in the Capital Projects fund. In response to Mrs. Naim’s question regarding moving the \$27, Ms. Cerbone would request that the Trustee move the \$27 and apply it to pay down principal.

On MOTION by Mr. Ratkowski and seconded by Mr. Flaherty, with all in favor, the Unaudited Financial Statements as of February 28, 2017, were approved.

EIGHTH ORDER OF BUSINESS

Approval of Minutes

A. December 14, 2016 Regular Meeting

Mrs. Naim presented the December 14, 2016 Regular Meeting Minutes and asked for any additions deletions or corrections. The following changes were made:

Line 64: Insert “not” after “could”

Lines 283 and 284: Change “was not possible” to “may not be possible”

B. January 9, 2017 Regular Meeting

Mrs. Naim presented the January 9, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following change was made:

Line 24: Change “Ken Nain” to “Ken Naim”

On MOTION by Mr. Flaherty and seconded by Mrs. Naim, with all in favor, the December 14, 2016 and January 9, 2017 Regular Meeting Minutes, as amended, were approved.

In response to Mr. Flaherty's question regarding whether a letter of welcome was sent to the HOA President and members of the community in his absence, Ms. Cerbone sent a congratulatory email to the President of the HOA and posted a letter, addressing the new Board Members of the CDD and the HOA, listing contact information and remaining meeting dates for Fiscal Year 2017, on the CDD Website.

NINTH ORDER OF BUSINESS**Update: Paver Maintenance**

Ms. Cerbone recalled that, at a previous meeting, the Board directed Management to follow up with the HOA regarding the pavers. A letter, along with a copy of the Engineer's Report was sent to the Property Manager. The then President of the HOA, was copied and, subsequently, forwarded it to the current HOA President. In late January, Ms. Cerbone received a response from Mr. Dale Schley, former HOA attorney. She read a key paragraph from the attorney's letter into the record:

"The issues identified in your prior correspondence are but a few of a long list of items that need to be corrected, repaired, rectified, or otherwise addressed by JKM at the Osprey Oaks Community. Given the scope of work that will be the subject of JKM's turnover responsibilities, until Osprey Oaks' turnover is completed with JKM, Osprey Oaks will not be taking any maintenance, repair, or replacement measures of any kind for any item at the District's request."

Ms. Cerbone interpreted that the District was in a holding pattern, with regard to the pavers. Mrs. Naim suggested tabling the paver issue from the agenda, pending an update from the HOA. Mr. Ratkowski opposed deferring the pavers. He referenced a letter, from Schnars Engineering, dated September 13, 2016, and read the following into the record:

"The personal property and improvements conveyed to the District were installed and constructed to the extent required in substantial conformity with its approved permits, plans and specifications and to the time of transfer, improvements thereof were fully operational, tested, inspected and found to be satisfactory, requirements all permitting authorities were transferred to an ultimate operating entity. In my opinion, based on information knowledge and belief, the personal property improvements conveyed were in good condition and reasonably free from defects at the time of transfer."

Ms. Cerbone stated that September 13, 2016 was not meant to be the Time of Transfer; it was, instead meant to be at the time of turnover. Discussion ensued regarding the time of turnover, the date of transfer and construction defects. Mr. Flaherty agreed with an assertion by Mr. Ratkowski that the CDD was sold “bad goods” and requested a copy of the deficiency report. It was his duty to question improvements, as well as the invoices, and he wanted to know what recourse the District had against the Developer for the subpar installation of the irrigation system, the pavers and lake bank sloping. Mrs. Naim questioned whether the list of deficiencies pertained more to the CDD than the HOA. Ms. Wald stated that, if the CDD wished to hold the Developer accountable for the deficiencies, more information was required. If it was not a CDD-owned improvement or the CDD’s responsibility, then it would be a more appropriate and productive conversation for the HOA Board. Mrs. Naim stated that, until Mr. Schnars could address the letter and the Board’s questions, the item should be deferred. Ms. Cerbone asked the Board Members to email all questions to her, for transmittal to the District Engineer, in advance of the next meeting.

Mr. Ratkowski recalled that, at a previous meeting, Mr. Schnars stated that the CDD was responsible for the pavers, not the HOA. Discussion ensued regarding the damages and/or deficiencies and which entity was responsible. Mrs. Naim asked Mr. Fotis how he felt about the Board requesting a copy of the deficiency report from the new HOA attorney. Mr. Fotis preferred holding off since the HOA was in the middle of negotiations. Mr. Ratkowski felt that, whatever was happening with the HOA should not stop the CDD from pursuing answers and taking action, with regard to the deficiency report. Ms. Cerbone stated that, while she would not request a copy of the deficiency report, she would furnish the Board’s questions to the District Engineer in advance of the next meeting.

TENTH ORDER OF BUSINESS

**Discussion Public Records Request(s)
from Board Members**

Ms. Cerbone addressed the Public Records Requests from a previous meeting.

A. Insurance Policy

i. Auto Coverage

Ms. Cerbone stated that the CDD was not paying additional fees for the automobile coverage; it was standard and necessary.

B. Maintenance Agreement

Ms. Cerbone distributed copies of the Maintenance Agreements and stated that a copy was sent to the new HOA president.

C. Check Registers

Ms. Cerbone stated that most of the check registers pertained to legal expenses, which were addressed when she presented the Unaudited Financial Statements. Going forward, the check register and copies of invoices would be included in the agendas. Check registers for January, February and March were available if the Board wanted them.

D. Legal Invoices for 2016**i. Update: Legal Fees Associated with Qualifying Period for General Election**

In response to Ms. Cerbone's question regarding whether there were any further adjustments to the legal fees incurred, in relation to the election, Ms. Wald replied no.

E. District Staff Agreements**i. District Counsel: Billing, Cochran, Lyles, Mauro & Ramsey, P.A.****ii. District Engineer: Schnars Engineering Corporation****iii. District Manager: Wrathell, Hunt & Associates, LLC**

Ms. Cerbone previously furnished copies of the District Counsel, District Engineer and District Management Agreements and asked if these items could be removed from future agendas. Ms. Cerbone would remove the public request items from future agendas.

F. Bills of Sale

In response to Ms. Cerbone's question, the Board chose to keep the Bills of Sale item on the agenda for the next meeting. Mr. Flaherty stated that the District Engineer must clarify certain charges, such as the buffer irrigation invoice, which totaled \$714,000.

Ms. Cerbone addressed questions about other items, not listed on the agenda. In response to a previous request for the July 12, 2016 Regular Meeting Minutes, Ms. Cerbone provided the agenda from September 13, 2016, which included the July 12 minutes and the motion to approve. Regarding who served on the Board during different time frames, Ms. Cerbone sent e-mails showing date intervals and detailing Board Member attendance. In response to a question about website updates, Ms. Cerbone corrected the email address and ensured that the Board Members were correct. Supervisor Smith's name would be removed from the website and a vacancy would be reflected. In response to a request to view all Resolutions, Ms. Cerbone emailed copies

of all Resolutions. In response to a previous question regarding whether there would be a fee to include additional agenda items, such as the District Engineer’s Report, on the website, Ms. Cerbone stated, if there was a fee, it would be nominal. Discussion ensued regarding which documents to post on the website and the amount the Board was willing to pay to have additional information posted.

On MOTION by Mr. Flaherty and seconded by Mrs. Naim, with all in favor, authorization for the District Manager to have all District Engineer’s Reports posted on the CDD website, at a not-too-exceed cost of \$500, was approved.

ELEVENTH ORDER OF BUSINESS

Consideration of Resolution 2017-7, Approving the District’s Proposed Budget for Fiscal Year 2018 and Setting a Public Hearing Thereon Pursuant to Florida Law

Ms. Cerbone presented Resolution 2017-7 for the Board’s consideration. The purpose was to set forth the proposed Fiscal Year 2018 budget in order to set the budget public hearing. In response to Mr. Flaherty’s question regarding the when to notify the Tax Collector, Ms. Cerbone stated twice, in Palm Beach County. One was the proposed budget, in June, relating to the Truth in Millage (TRIM) notices. The second, or final, must be submitted by September 15. This meant that the Board had to meet prior to September 15, 2017 to adopt the Fiscal Year 2018 budget.

On Page 1 of the Budget, the projected professional and administrative expenses through September 30, 2017 was blank; however she projected the cost to be \$3,000 taking into account five Board Members attending five Board Meetings, once each quarter. The figure could be adjusted, if needed. Mrs. Naim felt that the Board should hold off on a decision until a new Board member was appointed, since there should be an adjustment period. Ms. Cerbone stated that there would be a 3% increase for insurance. In response to Mr. Flaherty’s question regarding putting forth a Request for Qualifications (RFQ) for a new insurance carrier, Ms. Cerbone stated that, although management had a good working relationship with the broker, she would research other insurance carriers and compare what other Districts paid for insurance. Mr. Flaherty emphasized his desire and goal to examine the cost of every line item to prevent the

CDD and its residents from overpayment. Ms. Cerbone stated that cost effectiveness was a priority to District Management, as well. Mr. Flaherty questioned the total expenditures amount of \$77,652 in the General Fund and asked for a 20% discount off the proposed District Management fee. Ms. Cerbone would ask if Management’s fee was negotiable.

Mr. Flaherty wanted to know why 37 units would not be assessed under the General and Debt Service funds. Ms. Cerbone stated that it was not unusual for CDDs to have a carve out, and it could be workforce housing that was removed from any debt requirements. Discussion ensued regarding the proposed Fiscal Year 2018 budget, increasing the number of meetings per year from four to eight, increasing the supervisor and legal fees line items.

Mrs. Naim stated that this item would be deferred to the May 1, 2017 meeting and polled the Board. Discussion ensued regarding the date of the next meeting. There was hesitancy to adopt the proposed budget because the Board wanted a reduction in the management accounting fee and closer examination of the number of meetings scheduled for Fiscal Year 2018. Further discussion ensued regarding the September meeting date, which would be the Public Hearing and adoption of the Fiscal Year 2018 budget.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

i. Update: Legal Process for Removal of Supervisor from the Board

Ms. Wald stated that a request was made, at the last meeting, regarding the process to remove a District Supervisor. Florida statute 112.52 defined Supervisor removal. There was nothing, specifically, under Chapter 190, or other related statute, that provided for what was asked before, which was a referendum.

B. District Engineer

There being no report, the next item followed.

C. District Manager

i. Update: Delinquent Assessments and Tax Certificate Sales

Ms. Cerbone recalled that, at the last meeting, there was a question about delinquent assessments and tax certificate sales. As of 8:00 a.m., this morning, there were two parcels with unpaid assessments. There was a tax certificate on each parcel. Two previous tax certificate sales were resolved and cleared. In response to Mr. Flaherty’s question regarding the amount

owed, Ms. Cerbone stated \$1,146.04 was owed to the District, for each parcel. The names of the listed owners were a matter of public record.

ii. Discussion Draft RFQ for District Engineering Services and Related Costs

Ms. Cerbone recalled that, at the last meeting, the Board inquired about the cost of advertising for District Engineering services. The Daily Business News could not give an exact quote without the advertisement. A sample advertisement and ranking sheet were presented for review. Discussion ensued regarding the advertising cost, changes to the draft, the bid process and fee schedules. Mr. Flaherty suggested that the potential engineers submit a letter of interest and fee schedule. Mr. Giolda stated that an Annual Report would be required and general district services, as requested. The changes would be incorporated into the last paragraph.

On MOTION by Mr. Giolda and seconded by Mrs. Naim, with all in favor, authorization for the District Manager to advertise a Request for Qualifications for District Engineering Services, including general services, production of an Annual Report and a fee schedule, in a not-too-exceed amount of \$500, was approved.

iii NEXT MEETING DATE: May 1, 2017 at 6:15 P.M.

Mrs. Naim stated that the next meeting will be held on May 1, 2017 at 6:15 p.m., at this location.

THIRTEENTH ORDER OF BUSINESS

Audience Requests

Comments/Supervisors'

Mr. Fuchs stated that, during construction, he witnessed and photographed contractors making multiple u-turns dragging cement, which created cement drips.

Mr. Ratkowski asked to revisit Item 4. Mr. Ratkowski nominated Mr. Fuchs to Seat 4.

On MOTION by Mr. Ratkowski and seconded by Mr. Giolda, with all in favor, the appointment of Mr. Fuchs to Seat 4, term expires November 2018, was approved.

Ms. Cerbone would administer the Oath of Office to Mr. Fuchs, after adjournment, and provide him with the Supervisor packet.

FOURTEENTH ORDER OF BUSINESS Adjournment

There being nothing further to discuss, the meeting adjourned.

**On MOTION by Ms. Naim and seconded by Mr. Ratkowski,
with all in favor, the meeting adjourned at 9:12 p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

Cindy Carbone

Secretary/Assistant Secretary

Mantha Ghis

Chair/Vice Chair