

**MYRTLE CREEK IMPROVEMENT DISTRICT
BOARD OF SUPERVISORS' MEETING MINUTES**

FIRST ORDER OF BUSINESS

The Board of Supervisors' Meeting for the Myrtle Creek Improvement District was called to order on Tuesday, April 16, 2019 at 5:00 p.m. at 6900 Tavistock Lakes Blvd, Suite 200, Orlando, FL 32827. Board Members listed below constituted a quorum.

Jeff Macre	Chair
Bob da Silva	Vice-Chair
Kam Shenai	Assistant Secretary
Donald Tubbs	Assistant Secretary
Kyle Scholl	Assistant Secretary (via phone)

Also present were:

Lynne Mullins	PFM
Jennifer Walden	PFM
Jeff Newton	Donald W. McIntosh Associates
Larry Kaufmann	Construction Supervisor
Scott Thacker	Construction Committee
Steven Flint	Tavistock
Pail Stephens	Tavistock
Tucker Mackie	Hopping Green & Sams
Amanda Lane	PFM (via phone)

SECOND ORDER OF BUSINESS

Public Comment Period

Ms. Walden noted for the record that there were no public comments at this time.

THIRD ORDER OF BUSINESS

**Consideration of the Minutes
of the March 19, 2019 Board of
Supervisors' Meeting**

Board Members reviewed the minutes from the March 19, 2019 Board of Supervisors' Meeting.

On Motion by Mr. da Silva second by Mr. D. Tubbs, with all in favor, the Board of Supervisors of the Myrtle Creek Improvement District approved the Minutes of the March 19, 2019 Board of Supervisors' Meeting.

FOURTH ORDER OF BUSINESS

Discussion of the Fiscal Year 2020 Budget

Ms. Walden stated that the Board will not be approving the preliminary budget until next month. There is no action required today. She did provide the FY 2020 Proposed Budget (Minutes Exhibit A) to the Board for discussion in preparation for the Board preliminarily approving the budget at the May Board Meeting.

Mr. Macre discussed some of the expenses including additional expenses for landscape maintenance and material. Ms. Walden explained that the District budgeted \$110,000.00 for flower and plant replacement. She explained that some of it is based on the calculation and not what is really anticipated. The Wellspring Drive expenses are offset up at the top in the revenue as a Developer contribution. Ms. Walden stated that District staff decided to break out the expenses for Wellspring Drive for Fiscal Year 2020.

Mr. Shenai stated that he has a concern regarding the trail repair line item and the high increase to the new budget. He stated that if he just goes by the projected numbers that means the assessments are going to go up. Ms. Walden stated that he should be looking at the 2019 adopted budget and added that the residents will be paying more next year.

Mr. Shenai asked if the crosswalk improvement is related. Mr. Kaufmann replied no because that was based on the inspection that was done six months ago. Mr. Macre stated that there is a lot of construction up there but it is everyone, not just KPMG. Mr. Kaufmann stated that the District needs to make sure they document all the damages to whatever is in Lake Nona Boulevard that has to be repaired so the District can assign proper cost to the parties responsible. Various Board Members noted that they have seen BrightView trucks with trailers on the median and others park over in the bushes to sit in the shade. Mr. Macre asked if there is anything in the contract that allows for the District to penalize any vendor that is seen in areas where they are not allowed. Mr. Shenai asked what action the Board can take. Mr. Macre asked if the Board can request an action item that the team could look into the current contracts that can be modified and any language that can be added to future contracts. Ms. Mackie stated that this would only be particular to landscape maintenance and that language can be added in there. The District cannot do anything with respect to any other vendors as it will be difficult to assess what the damages are as a result of the work. She noted that the area was filmed to record the condition of the area before the Orange County Utilities contract started. The District can evaluate the damages to the District's improvements that may have been the result of the work done within the right-of-way, which are limited to landscaping, irrigation, and the trails.

Mr. D. Tubbs asked if the District has anyone physically monitoring the projects going on and what the County's contractor is going to do to put the area back into the condition that it was in before they started. Mr. Kaufmann stated that the District should be relying on the City, which is permitting that work for the County, and they would make them repair things within the right-of-way before they approve the project. Ms. Mackie stated that there are meetings and suggested continuing those meetings and not waiting until the end but putting the vendors on notice that at the conclusion of the project the District is going to be doing an assessment of its damages to the extent they remain after completion. It is not a District owned right-of-way and the District has no control over the project right now but hopefully with the video and staff's eyes on the ground do have an understanding of what the condition of the property was prior to and staff can come up with a list of damages at the end. Mr. Da Silva asked if any damages have been documented so far. Mr. Thacker responded that Mr. Flint and Mr. Stephens are documenting with photos of the damages that occur. Mr. Flint added that pictures are best to send to him so he can follow up with that vendor and his team is working to hold the vendors accountable.

Discussion was brought back to the budget. Mr. Shenai discussed the irrigation, landscaping and reclaimed water expenses in Fiscal Year 2018 and Fiscal Year 2019. Ms. Walden stated that the scope of work has changed for some of those. Mr. Thacker noted that some of the expenses were pulled out of the maintenance contract because the District was able to reduce the cost by doing those things direct with other contractors and there are additional lines in other areas of the budget that would compensate for that. Mr. Shenai would like to go through the budget another time and make a list of questions to send to the District Accountant. Ms. Walden said he could send questions to her. Mr. Thacker stated that the way the budget is currently set up there is not another category for the Wellspring expenses and some of those show up in the regular line for irrigation for reclaimed water. There is a credit for those through the Developer contributions but it is hard to see in the budget. As regards the reclaimed water usage for this fiscal year compared to prior years, the District started to change over the irrigation controllers and they saw a 55% drop in usage once those new control systems were installed so the rest of the year the usage should be significantly less. Prior to that there were so many components of those control systems that had failed, they were able to water the landscape materials but they were not able to control the amount of water appropriately so usage was too high. It is currently under control now and the usage will be down going forward. Mr. Shenai stated that March the water usage was lower so we are starting to see that take place in the expenses.

Mr. Da Silva asked if the Board should be concerned about the damage the Developer's contractor is doing crossing the street because he is going to be paying for all the repair on Wellspring Drive. Mr. Thacker stated they should not be concerned as the Developer will be paying for that.

Ms. Walden stated that there are a few line items that she wanted to bring to the Board's attention. The first is the crosswalk improvements are able to be installed again. Mr. Newton stated that there was a patent issue which has been resolved. The Board discussed future signalization and preliminary studies that were done. Ms. Walden stated that she kept the line item in the budget in case the Board wanted to do the crosswalk again. The Board discussed that it is an option but if they do the crosswalk it may be more than what was allocated. Mr. Kaufmann will look into that amount. Ms. Walden stated the second item is for the trail repair. Mr. Shenai stated that he thought the total cost of the trail repair was over \$100,000.00. Other Board Members commented that the cost depended on who was doing the work and how it would be done. Mr. Kaufmann recommended spot repairing the worst areas and then go from there and maybe next year finish it up. Ms. Walden stated the third item is the landscape line item. Landscaping RFP is out for bid and those numbers will be received by staff in a couple weeks and then they can put actual numbers into the budget. Ms. Walden stated the fourth item is for website maintenance. It will be increasing a bit due to the work for the ADA compliance. Staff received word from the insurance company, who would like everyone to be doing quarterly audits that will check on the website to make sure that everything is in compliance. Mr. Macre asked what the violation is if the District website is out of compliance in the future. Ms. Mackie explained that it is significant. She explained various lawsuits and settlements and noted that it is worth the cost of the audits.

Mr. Shenai asked what the legal advertising line item is for. Ms. Walden explained that it is for the District's advertisements in the newspaper for the meetings. He noted that the District did not spend \$6,000.00 on ads in the past. Ms. Walden explained that if there are assessment notices the District can spend thousands to run those ads. Ms. Mullins noted that the RFP ad alone cost the District \$1,200.00.

Mr. Macre asked if any action is required today by the Board. Ms. Walden stated there is not but she reminded the Board that next month they will need to adopt the preliminary budget and between then and the adoption of the final budget they cannot increase the overall, they can only change line items around.

Ms. Mackie added that if the budget stayed the same as last year they would still be going out for an assessment increase as a result of not using the money market reserves so the District will be holding a public hearing on assessments regardless for this District. Ms. Walden stated that the District can keep the budget as is for May and relook into things to bring line items down. Ms. Mackie added that when staff does the legal notice they will probably bring it for the Board to review at the next meeting. There are legal requirements regarding that notice but describing it simply and letting residents know that the District has been using a carry forward surplus from the prior year will prepare them for why the increase is occurring.

Mr. Macre asked District staff to compare the 2017 actual expenses vs. the 2017 budget, the 2018 actual expenses vs. 2018 budget and the projected actuals for 2019 vs. the budget and bring it back to the next meeting for quick feedback. Mr. Shenai asked for it to be available a week prior to the next meeting. Ms. Walden noted that the section for interchange maintenance expenses are based on a calculation. Myrtle Creek pays for 31.5% of the total expenses.

Mr. Shenai asked if there is a rule of thumb that says “for every \$50,000.00 the budget goes up that the assessment goes up by \$X”. Ms. Mackie stated that the information presented at the next meeting will include the assessment per unit.

FIFTH ORDER OF BUSINESS

**Review and Acceptance of
Fiscal Year 2018 Audit**

Ms. Walden noted that it was a standard and clean audit. There were no deficiencies in internal controls that were considered to be material weaknesses. Ms. Mackie provided changes which have been incorporated. Ms. Walden requested a motion from the Board to accept the Fiscal Year 2018 Audit.

Mr. Macre asked if District staff was happy with the firm. Ms. Mackie explained that they are content but noted that they have had issues with timeliness of the audit submittal to the District from the firm in the past. A lot of language has been added to the engagement letter that requires it to be submitted by a certain deadline, otherwise a penalty will be assessed against a late audit in draft form received from the District. That has helped with that issue. Ms. Walden requested a motion to accept.

On Motion by Mr. Macre, second by Mr. D. Tubbs, with all in favor, the Board of Supervisors of the Myrtle Creek Improvement District accepted the Fiscal Year 2018 Audit.

SIXTH ORDER OF BUSINESS

**Ratification of Operation and
Maintenance Expenditures
Paid in March 2019 in an
amount totaling \$69,053.58**

Board Members reviewed the Operation and Maintenance Expenditures paid in March 2019 in an amount totaling \$69,053.58

Ms. Walden noted that these have already been approved and paid and just needs to be ratified by the Board.

Mr. Macre asked about the status of the lighting reviews. Mr. Flint stated that they were looking at having Vernon do it. They can do it cheaper and be more consistent.

On Motion by D. Tubbs, second by Mr. da Silva with all in favor, the Board of Supervisors of the Myrtle Creek Improvement District ratified the Operation and Maintenance Expenditures Paid in March 2019 in an amount totaling \$69,053.58.

SEVENTH ORDER OF BUSINESS

**Recommended Work
Authorization/Proposed
Services**

Mr. Kaufmann stated that there were no work authorizations for this Board.

EIGHTH ORDER OF BUSINESS

**Review of District's Financial
Position and Budget to Actual
YTD**

Ms. Walden noted that the District has expenses of \$305,000.00 vs. a budget of \$377,000.00 the District is currently under budget by \$72,000.00 through the month of March. There was no action required.

NINTH ORDER OF BUSINESS

Staff Reports

District Counsel – No Report

District Manager – Ms. Walden noted that the next meeting is Tuesday May 21, 2019. The Board will adopt the preliminary budget at the May meeting.

District Engineer – Mr. Newton stated that Performance Drive Phase 3 work has not started yet and that is because staff is working through maintenance traffic issues with Felix and the County.

Construction Supervisor – Mr. Kaufmann discussed the repairs to the trails. There was a proposal presented to the Board on July 8, 2018. It was for \$250,000.00 and the thought was to go into a short term contract with the company and do spot repairs rather than doing all the trail repairs at one time. Mr. Macre asked Mr. Kaufmann to negotiate the right price for the right scope of work. Mr. Kaufmann asked if the board wants to do spot work or wait until the road finishes and then do a full blown MOT plan. Ms. Walden stated that this is not included in the budget for Fiscal Year 2019. Ms. Mackie stated that it would start in October 2019. Mr. Shenai suggested waiting a year to see how things are. The Board discussed various reasons for and against fixing the trail now.

Mr. Macre stated that the District should expect to fix no less than 30 spots at this moment or more. Mr. Macre asked Mr. Kaufmann to go back and clarify with the contractor why they would come up with double the number of spots the District originally identified.

Irrigation Specialist - Not present.

TENTH ORDER OF BUSINESS

**Supervisor Requests,
Audience Comments
& Adjournment**

There was no other business to discuss. Ms. Walden requested a motion to adjourn.

On Motion by Mr. Macre second by Mr. Tubbs, with all in favor, the April 16, 2019 Meeting of the Board of Supervisors of the Myrtle Creek Improvement District was adjourned.


Secretary/Assistant Secretary


Chair/Vice Chair

Myrtle Creek Improvement District
 FY 2020 Proposed O&M Budget

EXHIBIT A

	Actuals Through 03/31/2019	Anticipated 04/2019 - 09/2019	Anticipated FY 2019 Totals	FY 2019 Adopted Budget	FY 2020 Proposed Budget
Revenues					
On-Roll Assessments	\$ 474,934.46	\$ 17,781.70	\$ 492,716.16	\$ 492,716.16	\$ 865,610.20
Developer Contributions	26,651.50	26,651.50	53,303.00	-	42,956.00
Other Income & Other Financing Sources	1.32	-	1.32	-	-
Money Market Reserve	-	207,053.12	207,053.12	260,357.44	-
Net Revenues	\$ 501,587.28	\$ 251,486.32	\$ 753,073.60	\$ 753,073.60	\$ 908,566.20
General & Administrative Expenses					
Legislative					
Supervisor Fees	\$ 5,200.00	\$ 6,000.00	\$ 11,200.00	\$ 12,000.00	\$ 12,000.00
Financial & Administrative					
Public Officials' Liability Insurance	3,250.00	-	3,250.00	3,575.00	3,575.00
Trustee Services	8,072.63	-	8,072.63	2,000.00	10,000.00
Management	19,999.98	20,000.02	40,000.00	40,000.00	40,000.00
Engineering	2,729.50	2,270.50	5,000.00	5,000.00	7,500.00
Dissemination Agent	1,500.00	3,500.00	5,000.00	5,000.00	7,000.00
Property Appraiser	1,432.00	-	1,432.00	3,000.00	2,000.00
District Counsel	9,745.62	10,254.38	20,000.00	20,000.00	25,000.00
Assessment Administration	7,500.00	-	7,500.00	7,500.00	7,500.00
Reamortization Schedules	-	-	-	-	250.00
Audit	3,923.00	-	3,923.00	3,975.00	4,000.00
Arbitrage Calculation	-	900.00	900.00	900.00	900.00
Travel and Per Diem	69.90	69.90	139.80	500.00	200.00
Telephone	86.02	86.02	172.04	500.00	500.00
Postage & Shipping	90.24	90.24	180.48	500.00	1,000.00
Copies	391.50	391.50	783.00	2,000.00	2,000.00
Legal Advertising	1,431.34	1,431.34	2,862.68	5,000.00	6,000.00
Bank Fees	-	-	-	50.00	-
Miscellaneous	-	2,500.00	2,500.00	5,000.00	5,000.00
Property Taxes	123.22	-	123.22	75.00	150.00
Web Site Maintenance	649.99	630.00	1,279.99	1,250.00	1,500.00
Holiday Decorations	1,246.00	-	1,246.00	-	1,250.00
Dues, Licenses, and Fees	175.00	-	175.00	175.00	175.00
Total General & Administrative Expenses	\$ 67,615.94	\$ 48,123.90	\$ 115,739.84	\$ 118,000.00	\$ 137,500.00

Myrtle Creek Improvement District
FY 2020 Proposed O&M Budget

	Actuals Through 03/31/2019	Anticipated 04/2019 - 09/2019	Anticipated FY 2019 Totals	FY 2019 Adopted Budget	FY 2020 Proposed Budget
<u>Field Operations</u>					
Electric Utility Services					
Electric	\$ 396.00	\$ 396.00	\$ 792.00	\$ 1,000.00	\$ 1,000.00
Entry Lighting	83.88	83.88	167.76	500.00	500.00
Water-Sewer Combination Services					
Water Reclaimed	14,595.49	14,595.49	29,190.98	10,000.00	25,000.00 15
Stormwater Control					
Aquatic Contract	1,200.00	1,200.00	2,400.00	5,160.00	5,160.00
Lake/Pond Repair Reserve	-	2,500.00	2,500.00	5,000.00	5,000.00
Other Physical Environment					
General Liability Insurance	3,723.00	-	3,723.00	5,000.00	4,250.00
Property & Casualty Insurance	-	-	-	1,500.00	1,500.00
Auto Insurance	-	-	-	750.00	750.00
Irrigation Repairs	24,128.48	24,128.48	48,256.96	30,000.00	50,000.00 20
Landscaping Maintenance & Material	110,220.00	110,220.00	220,440.00	182,484.00	225,000.00 4
Other Landscape Maintenance	-	-	-	-	40,000.00 40
Tree Trimming	-	20,000.00	20,000.00	40,000.00	- 7
Flower & Plant Replacement	28,726.00	28,726.00	57,452.00	110,000.00	110,000.00
Contingency	2,950.00	2,950.00	5,900.00	23,426.31	10,000.00 ?
Hurricane Cleanup	-	7,500.00	7,500.00	15,000.00	15,000.00
Wellspring Blvd./Performance Drive Expenses					
WSPD - Irrigation Repairs	-	-	-	-	5,000.00
WSPD - Landscaping	-	-	-	-	37,956.00
WSPD - Lighting	-	-	-	-	-
WSPD - Miscellaneous	-	-	-	-	-
WSPD - Water Reclaimed	-	-	-	-	-
Interchange Maintenance Expenses					
IME - Aquatics Maintenance	1,578.17	1,578.17	3,156.34	3,339.00	3,339.00
IME - Irrigation Repairs	821.19	821.19	1,642.38	31,500.00	9,450.00 (20)
IME - Landscaping	39,904.23	39,904.23	79,808.46	77,221.62	82,372.50)
IME - Lighting	1,603.70	1,603.70	3,207.40	20,000.00	19,384.61
IME - Miscellaneous	1,335.92	1,335.92	2,671.84	-	1,453.73
IME - Water Reclaimed	413.40	413.40	826.80	3,150.00	2,907.69
New Operational Field Expenses					
Crosswalk Improvements	-	8,258.00	8,258.00	16,516.00	16,516.00
Trail Repair	-	-	-	-	50,000.00 50
Road & Street Facilities					
Entry and Wall Maintenance	-	5,000.00	5,000.00	10,000.00	10,000.00
Streetlights	5,618.98	5,618.98	11,237.96	12,000.00	15,000.00 3
Parks & Recreation					
Personnel Leasing Agreement	-	10,000.00	10,000.00	20,000.00	20,000.00
Reserves					
Infrastructure Capital Reserve	-	10,166.67	10,166.67	10,166.67	10,166.67
Interchange Maintenance Reserve	-	2,360.00	2,360.00	2,360.00	2,360.00
Total Field Operations Expenses	\$ 237,298.44	\$ 299,360.11	\$ 536,658.55	\$ 636,073.60	\$ 779,066.20
Total Expenses	\$ 304,914.38	\$ 347,484.01	\$ 652,398.39	\$ 754,073.60	\$ 916,566.20 180
Income (Loss) from Operations	\$ 196,672.90	\$ (95,997.69)	\$ 100,675.21	\$ (1,000.00)	\$ (8,000.00)
<u>Other Income (Expense)</u>					
Interest Income	\$ 3,972.39	\$ 3,972.39	\$ 7,944.78	\$ 1,000.00	\$ 8,000.00
Total Other Income (Expense)	\$ 3,972.39	\$ 3,972.39	\$ 7,944.78	\$ 1,000.00	\$ 8,000.00
Net Income (Loss)	\$ 200,645.29	\$ (92,025.30)	\$ 108,619.99	\$ -	\$ -