

**MINUTES OF WORKSHOP  
VISTA LAKES  
COMMUNITY DEVELOPMENT DISTRICT**

A workshop of the Board of Supervisors of the Vista Lakes Community Development District was held Thursday, August 10, 2017 at 9:00 a.m. at the Vista Lakes Clubhouse, located at 8841 Lee Vista Boulevard, Orlando, Florida 32829.

Present were:

Ronald Cumello  
Frank Sebestyen  
Gary Schuett  
Jason McCright  
William Pass  
Chuck Walter  
Gary Moyer

Chairman  
Vice Chairman  
Assistant Secretary  
Assistant Secretary  
Assistant Secretary  
District Manager, Severn Trent Services  
District Manager, Moyer Management Group

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Moyer called the Workshop to order. All Board members were present.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

There being no audience members present, the next order of business followed.

**THIRD ORDER OF BUSINESS**

**Discussion of the Proposed Fiscal Year  
2018 Budget**

Mr. Moyer stated the purpose of the meeting, of course, is to consider the adoption of our budget for Fiscal Year 2018, which commences on October 1, 2017 through September 30, 2018. The one item I gave to the Board which we will discuss frequently as part of a regular agenda, is the debt service budget because we are refinancing the bonds, so I gave you a schedule which will be included in the budget which shows savings of all types of units within this community. As you go through these documents noting, and I will not read every word of them, there is a whole lot of legalese as part of a bond refinancing, but the thing you need to be aware of you will see is a 2017A-1 Bond and a 2017A-2 Bond. You might ask, "why are we doing that?" The District, in 2002 disbursed bonds for the first phase of the project, and they also issued the second bonds, so there are two separate and distinct areas which are covered by bonds and assessment

methodologies. Rather than trying to go back and re-combining all of that and have separate Public Hearings on reallocating that, the easiest way was just to keep those two units separate. That is one of the explanations. The other is they mature at different times. One matures in 2032 and the other matures in 2034, and the structure is slightly different. If you decide to proceed with the bond refinancing, this chart will be included in the operating budget showing what each unit pays in the statements. In terms of operation and maintenance, you all have been through this many times, but there are not many changes to the budget. We are not proposing to increase the non-ad valorem assessment. We continue to follow the Reserve Study by funding reserves as recommended in that study. I believe there are minimal changes. One of them is under *Field* for the *Water & Sewer*. Last year we budgeted \$60,000 and this year we are budgeting \$70,000, which represents one increase.

Mr. Cumello stated you had an increase in assessment collection costs on Page 1 of approximately \$1,200 to \$14,000.

Mr. Moyer stated that is what we budgeted last year under the 2017 Budget. You and I have had this discussion, and that represents 2% of what we levy, and the Property Appraiser is entitled to that by law. In Orange County, they do it by parcels. They charge a flat fee per parcel which they bill. We know we are not going to spend \$13,000. As you can see, this Fiscal Year we are going to spend \$1,183 because there are 183 parcels basically. That almost ends up being a guaranteed fund balance forward at the end of the year which goes to our reserves and reallocates in October, based on the amounts of money we spend.

Mr. Cumello stated you are just carrying it over.

Mr. Moyer stated that is correct.

Mr. Cumello stated the other increase I saw was under *Landscape Services*. You carried over the \$80,000 again even though we are under-spending it considerably on planting of trees.

Mr. Moyer stated that is correct.

Mr. Cumello stated I just have a question on the Assessment Summary. With regards to the 2018 Budget without the refinancing, are these the numbers which are in the book?

Mr. Moyer responded correct.

Mr. Cumello stated once the refinancing is completed, these will be the new numbers, which is your handout. I thought we were going to see a 10% reduction. This looks more like a 5% reduction. Is that the offset for the cost of the refinancing?

Mr. Walter responded I believe you are looking at the O&M and debt service combined.

Mr. Moyer stated there is a change on the O&M.

Mr. Cumello stated I see, it is 10%.

Mr. Moyer stated it would be a proportion of what the operating budget is versus what the debt service is going to be.

Mr. Schuett stated we have to obviously submit to the Property Appraiser's Office what the assessments are going to be for the year, and when the tax bills come out this year, the figures are not going to be what we have set.

Mr. Moyer stated it will be these items.

Mr. Schuett asked will they revise it?

Mr. Moyer responded that is the purpose of the Public Hearing we will have at 10:00 a.m. After that, those are the numbers which we send to the Property Appraiser and the Tax Collector.

Mr. Schuett asked will you include that revision?

Mr. Moyer responded yes, that is why I brought that with us so that we make sure to get it revised. Our residents will see these savings on debt service which I distributed.

Mr. Sebestyen stated I have a small item. On the *Miscellaneous Revenue*, what was that \$10,000 we are not projecting in 2018? It is the left item on the revenue side.

Mr. Moyer responded that was not a budgeted amount. That is what we collected during the period and, therefore, we do not anticipate collecting that.

Mr. McCright asked was that the FEMA money?

Mr. Moyer responded no, that was more. I will have to get our accountant to tell us.

Mr. Sebestyen asked why are the legal services at half? What is the actual projected amount for this year?

Mr. Moyer responded hopefully we do not have to worry about the legal work Mr. Clark did with Mockingbird. There is no guarantee that is going to happen.

Mr. Cumello stated we were running *Temp. Field Labor*, and for the new budget are we going to have this item? Did the individual we were using become an employee? What happened?

Mr. Moyer responded yes.

Mr. Sebestyen asked are we going to discuss at the next meeting what we are going to do with the savings on the refinancing? Was that still an open item?

Mr. Moyer responded no, at the last meeting I think you brought that question up in which the District was needing that money.

Mr. Sebestyen stated correct.

Mr. Moyer stated the decision was based on the Public Hearings which Mr. Cumello went through in 2007, when that same question came up. The residents say no, we do not want you to do that. We want the benefit of all those savings. All of the savings on this refinancing go to the District.

Mr. Sebestyen stated maybe I am missing something, but I thought the idea was we were not going to increase assessments this year. We were going to be lowering them.

Mr. Moyer stated overall, we are going to be lowering them.

Mr. Cumello asked is that reflected in the handout?

Mr. Moyer responded yes.

Mr. Cumello stated if I remember correctly too, Mr. Clark said we would have to identify how we were going to use that investment as part of the refinancing action. He said that based on the time period, we could not do it that quickly.

Mr. Sebestyen stated yes, to my knowledge he said not to do anything about it. I know there were some issues about perhaps having to restate the prospectus or the information we are providing to the lender if we were to retain that money. There are some technical difficulties if we do that, correct?

Mr. Moyer responded yes, there are some. It is more complex. If we consider that new money for this bond issue, that solely has to be used for capital projects. It cannot be used for operational maintenance.

Mr. Sebestyen stated it could not have been used for some sort of contingency. I am just thinking forward if we run into difficult financial times again if there was some kind of a contingency reserve we could use to keep our assessments flat going into the future, but you do not think that is something we could have done.

Mr. Sebestyen stated we will put into a contingency to pay interest on the bonds should we ever have a problem going forward. That is all in their favor if we were to do that, right?

Mr. Moyer responded yes.

Mr. Sebestyen asked is that not permitted?

Mr. Moyer responded part of the savings comes from reduction to your accounts for the bondholders because this is now a private placement with a bank, so the bank now is taking that risk and they are comfortable with the credit for Vista Lakes to build out the community. We have a good track record of collections and we are in a strong credit position with them, so they are willing to take that risk and lower the amount of those types of reserves, which ended up resulting in some savings, but not all the savings we have seen with this refinancing. You have been very diligent with approval of at least two reserves starting probably in the next year or two and we will go back and do another Reserve Study, but we have been following those reserves and putting reserve funds away just to cover these items.

Mr. Sebestyen asked what happened in 2009 and 2010 during the financial decline with regards to our debt service capability? Was that impacted to any significant extent during that period?

Mr. Moyer responded the reason for that is because your community is built out. Their work is in really bad financial shape. Most of the property was still owned by the developer. The best thing that happens to a community over time is you get homes, you get people and you are going to pay your taxes generally because you do not want to lose your home and so our collections really were not affected at all during 2008, 2009 and 2010.

Mr. Sebestyen stated this is even with the number of vacant homes, sales, foreclosures and all of that.

Mr. Cumello asked do the banks pay the taxes?

Mr. Moyer responded yes. The strength to Community Development Districts over HOAs is that putting us on the tax bills is the best collection method in the world. We get what we levy pretty much on a regular basis.

Mr. Walter stated I do need to draw your attention to that. I am looking at an error in which they are not charging through this year, and those we are basically considering that we were going to take over in the *Temp. Service* line was the actual from 2016 because that is history and we were going to move that into the *Field Services* line since we are basically absorbing that person and they are continuing in that roll, but both that line for this year is shown as zero and that \$26,000 had not been moved.

Mr. Moyer stated the reason for that is those costs have been allocated down for other line items and is called, *Contracts-On Site Maintenance*, probably not the correct description for what

that is. At one time we contracted with the HOA for those services. A couple of years ago, we broke away from them and used Temp. Labor in 2016 and then last year, we hired the person, so the expenditures you see under Temp Labor, which are actuals through March 2017, that we expect another \$30,000, so this year would be \$50,000, that is the transition from Temp. Labor to full-time employee. There is no template.

Mr. Cumello asked do we have a fixed rate for the Field Management in the contract?

Mr. Moyer responded yes.

Mr. Cumello stated we got a fixed rate for the on-site maintenance, so do we need to adjust the contract if we are raising that line item, which I think would answer your question?

Mr. Moyer responded I think it can be structured better to make it more obvious in terms of what we are doing, so I would agree with that, but in terms of changing the numbers, I think the numbers are acceptable.

Mr. Cumello stated if I remember correctly, we had a contract with Leland Management and we got rid of them and we brought you guys on and that was a fixed rate. That was the on-site management number originally because that is what we paid them as a contractor. If you are going to be charging an additional full-time equivalent on that line item, you may want to look at the contract and see if you need to make the adjustment there. Do you need a motion to approve it?

Mr. Moyer responded no, not at this meeting. This is a workshop.

**FOURTH ORDER OF BUSINESS            Field Services**

Mr. Walter stated before you proceed, let us see if we can get Mr. Simmons out here. We would like to discuss field services, if you do not mind.

Mr. Cumello asked can we do this?

Mr. Walter responded we can discuss it. Again, it is on the agenda for later. If no one from the public shows up, we will be able to cover it quickly.

Mr. Moyer stated any actions necessary in the Field Manager Report will have to do at the 10:00 a.m. meeting. We cannot do that now.

Mr. Walter stated we are not asking for action, but for conversation.

Mr. Moyer stated we need to have a formally advertised meeting.

Mr. McCright asked do we need to adjourn the budget workshop before going on to the Field Services?

Mr. Moyer responded no. We are going to have to wait until 10:00 a.m.

Mr. Simmons stated I received a few proposals for Servello regarding mulching. I do not think we have had mulching done for quite some time. It is bad behind the Home Depot wall, and the area near the homes has not been touched for quite some time. It is solely up to the Board. We received proposals for all of Chickasaw and Lee Vista.

Mr. Moyer asked how much?

Mr. Simmons responded we can do it in sections. For Chickasaw, it is \$13,110 and Lee Vista is \$14,260. The entire berm would be with pine straw because it is where the wall is behind the homes. We would rather not put mulch there. The berm costs \$18,000 for 3,000 bales of pine straw.

Mr. Walter stated just explain where this is in your budget. We have a line item in the budget which is per unit, per month with zero quantity. You have a separate line item in your budget for mulch at \$30,000 per year. We are coming up at a good time of year where we can roll one Fiscal Year into the next, then we can do all three of these and leave you with a balance in the mulch line of \$12,000 to \$14,000. If you have additional mulch you would like to do later in the year, as far as this, we can work on it. We had some calls from people along the Home Depot wall and they were legitimate calls for request for service. Servello is giving us a price which is not in the bid for the pine straw. His prices are reasonable. We checked it against other vendors and they are about right compared to anyone else.

Mr. Moyer stated we will do the first two because it will cost \$27,000 to \$28,000. In October, when we are the in the new Fiscal Year, we will circle back and do the pine straw.

Mr. Walter stated we would like to do it the other way around. We would like to get the wall done with Pine Straw first. We have had quite a few calls on it. They have a point. The rest of it is cosmetic. We have \$18,000 and \$13,000 so it might be a little over.

Mr. Cumello asked what do you think we are going to end the year with, as far as the surplus goes in operating cash? I am looking at it right now. It looks like we are at \$144,000.

Mr. Moyer stated correct.

Mr. Cumello asked does it include the Reserve Funding for this Fiscal Year in the amount of \$87,000 or \$88,000?

Mr. Moyer responded the \$88,000 would have to come out of that amount.

Mr. Cumello asked is this only through March?

Mr. Moyer responded good point. Through June, we still have not received monies from the City for \$44,000 and still have not collected \$17,000 from the Tax Collector. Overall, we were \$35,000 under revenue. We will collect that amount. This needs to be added to the \$68,000. Then again, your point is, if we spend another \$30,000 on mulch, you are going back to the \$68,000 which is a little bit over what we need for Reserves.

Mr. Cumello asked you are looking at \$87,500 in Fund Reserves, right?

Mr. Moyer responded correct.

Mr. Cumello stated it seems to me, right now, anything you spend Is questionable.

Mr. Moyer asked what is the one you keep saying people are calling about?

Mr. Simmons responded it is the 18<sup>th</sup>, the pine straw.

Mr. Moyer asked where is it going?

Mr. Simmons responded along the wall, next to Home Depot, running parallel to it.

Mr. Cumello asked is this the berm at the perimcter wall? Is this on the south side?

Mr. Simmons responded yes.

Mr. Schuett asked when the last time it was replaced?

Mr. Simmons responded I do not recall it ever being mulched.

Mr. Cumello stated it was years ago. We put the irrigation system in, and I think that is when we did it. They were complaining there was no irrigation and everything was dead.

Mr. Schuett asked who actually sees this area?

Mr. Cumello responded the homeowners at the back of their homes.

Mr. Simmons stated it is not on the Home Depot side.

Mr. Cumello stated it is on Carlyle and Waverly.

Mr. Walter stated we know what the issue is.

Mr. Cumello stated we have to wait for the meeting, right?

Mr. Walter responded, no, we can actually move on that now. We are still in the meeting.

Mr. Moyer stated, no, you cannot take action at a workshop.

Mr. Walter stated but the action is already within an existing budget.

Mr. Moyer stated I think the Board wants to discuss this as part of the meeting to determine if we want to spend any of it, or whether we spend part of it, given the concerns about the Reserve Fund.



Mr. Simmons stated there are a couple of more items which are not nearly as expensive. The planter in Avon was broken by a vehicle. We have a company who has done work for us before, and who does excellent work. We have a photo of the vehicle we are trying to research. It was nice enough for residents to send us the photo, which shows the side of the vehicle, but not the tag. We are going to see if there is a police report. They gave us a quote of \$3,450 to replace the planter, which is the bottom part, but they broke the entire planter.

Mr. Cumello asked what is our insurance deductible?

Mr. Simmons responded if I had to guess, probably more than \$3,400.

Mr. Pass asked can you put a strong pipe or cement it in, so if it does anything it will be to the car and not to the back?

Mr. Simmons responded for some reason, at the corner, we have had the fence torn up, we have had light poles taken out, and Oak Trees damaged. It is just another couple of hundred feet. I do not know what they do there other than speeding.

Mr. Cumello stated they drag race. They come from 417. It is a straight run and then it makes the turn, and that is where they lose control. That is why they take out the fence. The road is chewed up, so they do not get good traction.

Mr. Simmons stated I want to apologize for the delay. We still have the weather stations to install for the irrigation system. That is \$12,800 in electric to put a little fence around so the kids cannot climb. It is going to be approximately seven feet tall. It is very expensive and I would like to create a six-foot fence, about six feet wide to contain it. We can put some screen around it if possible.

Mr. Pass asked where is it actually going up?

Mr. Simmons responded I would actually like to put in the open area. The open area is ultimately the best place. It cannot be too far away from the storage area where we have the antenna. The electric puts us in two places; the eastbound and the westbound. I would like to get it out in the open and as much as possible. I do not want to put it underneath the Pine Trees because the pine needles will clog it.

Mr. Cumello stated that is reserve money, so it should not be an issue. That is replacement of an existing system at the end of its life.

Mr. Pass asked is it going to be out in the open where everybody sees it?

Mr. Simmons responded it will work better because it is all factoring in with the rainfall, sunlight and wind speed. There is a brick wall over there, which I want to lift a little higher than normal to get good wind flow.

Mr. Pass stated yes, but we are not going to get complaints about being an eyesore are we? This is what I am looking at.

Mr. Moyer asked are we putting out the storage unit?

Mr. Simmons responded I have thought about it, but am leery about putting it there because I do not know what goes on after hours. I would hate to come in one morning and find it gone. I will try and put it in the best place I think it can go.

Mr. Cumello asked how about over here?

Mr. Simmons responded it might be a CDD/HOA item again. I do not know if it would be a problem.

Mr. Cumello stated Chickasaw is all CDD land.

Mr. Simmons stated I think we need power.

Mr. Cumello stated is the staff gauge all worked out now as far as the water is concerned?

Mr. Simmons responded it has been taking readings.

Mr. Cumello asked do we have any view of what is happening?

Mr. Simmons stated before the next meeting, I will have them for you. The readings have been taken diligently. We have had plenty of rain too.

Mr. Cumello asked is that it?

Mr. Simmons responded I believe so.

Mr. Cumello asked are you going to attend the regular meeting?

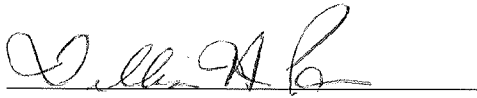
Mr. Simmons responded I can stay for it.

**FIFTH ORDER OF BUSINESS**

**Adjournment**

There being no further business,

On MOTION by Mr. Cumello seconded by Mr. McCright with all in favor, the workshop was adjourned.



Secretary/Assistant Secretary



Chairperson