



Portofino Isles

Community Development District

Dan Duncan, Chairman

Ronald Willemstyn, Vice Chairman

Juan Azcona, Assistant Secretary

Earl Baker, Assistant Secretary

Brian Mamo, Assistant Secretary

January 10, 2017



Portofino Isles

Community Development District

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Phone: 954-721-8681 - Fax: 954-721-9202

January 3, 2017

Board of Supervisors
Portofino Isles
Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of **Portofino Isles Community Development District** will be held on **January 10, 2017 at 10:00 a.m. at the Newport Isles Clubhouse, 1856 SW Newport Isles Blvd., Port St. Lucie, Florida 34953.** Following is the advance agenda

1. Roll Call
2. Approval of the Minutes of the December 13, 2016 Meeting
3. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Manager
4. Financial Reports
 - A. Approval of Check Register
 - B. Balance Sheet and Income Statement
5. Supervisors Requests and Audience Comments
6. Adjournment

Enclosed for your review is a copy of the minutes from the December 13, 2016 meeting.

The financials are also enclosed. The balance of the agenda is routine in nature and staff will present their reports at the meeting. Any additional documentation will be provided under separate cover as soon as it becomes available or presented at the meeting. I look forward to seeing you at the meeting and in the meantime if you have any questions, please contact me.

Sincerely,



Paul Winkeljohn
Manager

cc: Dennis Lyles Steve Sanford Butch Terpening Roberto Cabrera Jacob Ensor

**MINUTES OF MEETING
PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Portofino Isles Community Development District was held Tuesday, December 13, 2016 at 10:00 a.m. at the Newport Isles Clubhouse, 1856 SW Newport Isles Blvd., Port St. Lucie, FL.

Present and constituting a quorum were:

Earl Baker	Chairman (by phone)
Ron Willemstyn	Vice Chairman
Dan Duncan	Assistant Secretary
Juan Azcona	Assistant Secretary
Brian Mamo	Assistant Secretary

Also present were:

Gerry Knight	District Counsel
Paul Winkeljohn	District Manager
Mike Perelli	HOA Representative
John Jado	Resident
Steve Razarro	Resident
Tony King	Resident

FIRST ORDER OF BUSINESS

**Oath of Office for Newly
Elected Supervisors at the
General Election held on
November 8, 2016 - Seat #2 and
Seat #3**

Mr. Winkeljohn: The first item is an oath of office for the newly elected supervisors. Earl we'll have to administer your oath in person or you can have a notary do it for you, if you want to do it on your own and just send it to me. My office can email you the actual oath.

Mr. Baker: Ok.

Mr. Winkeljohn: So Ron is with us today and Ron if you would, raise your right hand, and stated your name for the record after I say the word "I", and then after the oath you would just say, "I do", so "I".

Mr. Willemstyn: "Ron Willemstyn."

Mr. Winkeljohn: A resident of the State of Florida and citizen of the United States of America, being a Supervisor of the Portofino Isles Community Development District and recipient of public funds on behalf of the District, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly, and impartially discharge the duties devolving upon me in the office of Supervisor of the Portofino Isles Community Development District, St. Lucie County, Florida.

Mr. Willemstyn: "I do."

Mr. Winkeljohn: If you will sign that, I will notarize it and enter it into the District's records.

SECOND ORDER OF BUSINESS

Roll Call

Mr. Winkeljohn called the roll and stated we have a quorum.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Consideration of Resolution #2017-01 Confirming the General Election Results

Mr. Winkeljohn: Obviously there was an election and two people were on the ballot and were both unanimously elected. The effect of that, this board gets a resolution confirming the results of that election, you're basically embodying the county's results into your records and Resolution #2017-01 does that, so just a motion to approve would be in order.

On Motion by Mr. Duncan seconded by Mr. Azcona with all in favor, Resolution #2017-01 confirming the General Election Results was approved.

B. Consideration of Resolution #2017-02 Declaring a Vacancy on the Board of Supervisors and Appointing a Qualified Elector to the Vacant Seat for Seat #5

C. Oath of Office for Newly Appointed Supervisors

D. Consideration of Resolution #2017-03 Electing Officers

Mr. Winkeljohn: Then resolution #2017-03, anytime you have an election you have to reconfirm your officers. Your current slate of officers you may remember has Earl Baker as chairman, Ron Willemstyn as vice chairman, and all other board members are assistant secretaries, including myself and by contract my office provides you with a secretary and a treasurer in the name of Rich Hans and Patti Powers respectively. So a motion would sound something like that, or I move such and such a person as chairman and vice chairman, and all others as stated and that would be the cleanest and easiest way to do it. Is there a motion?

Mr. Willemstyn: Ok, do you want the motion now?

Mr. Winkeljohn: Sure.

Mr. Willemstyn: I make a motion that Dan Duncan be appointed as the chairman.

Mr. Winkeljohn: And vice chairman?

Mr. Willemstyn: And I'll stay as vice chairman.

Mr. Winkeljohn: Ok. So there's a motion for Dan Duncan to be the chairman, and Ron Willemstyn to stay as vice chairman, and all others as stated, is there a second to that motion.

On Motion by Mr. Willemstyn seconded by Mr. Azcona with all in favor, Resolution #2017-03 Electing Officers, electing Dan Duncan as chairman, Ron Willemstyn as vice chairman and all others as stated on the record by Paul Winkeljohn was approved.

FOURTH ORDER OF BUSINESS

**Approval of the Minutes of the
October 4, 2016 Meeting**

Mr. Winkeljohn: The next item are the minutes from the October 4th meeting and if those are in order a motion to accept would be in order.

On Motion by Mr. Azcona seconded by Mr. Willemstyn with all in favor, the Minutes of the October 4, 2016 Meeting were approved.

FIFTH ORDER OF BUSINESS

**Ratification of Joint
Participation Agreement
between Portofino Isles
CDD and Newport Isles
POA**

Mr. Winkeljohn: Today's agenda was originally intended for the receipt of a signed joint participation agreement with the Property Owners Association. As of today I've not received that, numerous correspondence, or emails and discussions about why it wasn't executed in this lengthy time period, we can go into that, but I don't know that it's worth any more time on your record.

Mr. Duncan: No it's worth it to be on the record.

Mr. Winkeljohn: Go ahead.

Mr. Duncan: The last two changes from the CDD's side were done October 4, 2016. This involved two legal matters, nothing related to the technical aspects. My understanding is that these were resolved shortly after with Mr. Krivok accepting them and no further changes were done, neither in the design nor in the fact that you have a redline agreement is because the legal team has to send all the previous changes for tracking. The issue that has been on the table for the last two months is actually the John Jado contract, which is considered by the HOA board to be a conflict of interest. The CDD board considered this to be an internal matter of the HOA board. So this is where we stand today. We are in a situation that it is very possible that the cost estimates in

exhibit C might not be valid in 2017 doing the negotiations with the vendors. So this is where we are today.

Mr. Winkeljohn: Thank you. So the next step for the board is how do you want to dispose of this? You have an approved joint participation agreement pending execution by the HOA so if you want to wait, that's one option. Two, you could negotiate further and go down that road further, or you could cancel your approval of that participation agreement, withdraw it basically and Gerry can put it in the right terms for us, and decide how you want to proceed at what level. I talked to and Butch could not be here today, your engineer, because it's the last Tuesday of the month and because of the holidays they moved it up and every county he works for is meeting right now, so his entire staff are in hearings. So he and I had a lengthy conversation about the particulars of this project and he felt very confident that it would be easy for the District to pick up and move forward with the areas of the project that would be on District land and proceed accordingly, and the funding we could tie to it, we could price it all out, just very quickly, just as a District project and we could phase it with how much cash we have.

Mr. Duncan: At this moment, I propose a couple of things. First I propose the termination of the agreement that was done previously that committed the board to \$400,000.

Mr. Winkeljohn: How would you like to word that Gerry, you basically understand, we have approval in form in essence, we're waiting for signed copies, and we'd like to end that with a motion.

Mr. Duncan: It's not this agreement, I'm not talking about this agreement.

Mr. Knight: The only actual agreement we have in place with the HOA is the agreement for professional services or the design of the project.

Mr. Duncan: No but originally when this project started, there was an agreement that the CDD would contribute \$400,000 to the project.

Mr. Knight: Well it wasn't in the form of a written agreement with the HOA.

Mr. Duncan: I don't know about that.

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Portofino Isles CDD

Mr. Winkeljohn: Right, and the only thing I'm saying is that this board has had motions passed that they would approve the project, approve the agreement subject to these conditions.

Mr. Knight: And it's always subject to entering into an agreement with the HOA.

Mr. Winkeljohn: So do you think it would be good to have a motion that states that is no longer authorized?

Mr. Knight: Well let's see what the board wants to do.

Mr. Winkeljohn: And that's what I'm suggesting so that there's no ambiguity as to whether there's an approval out there.

Mr. Knight: Then we'll figure out the odd manner which we should do this.

Mr. Winkeljohn: Yes sir?

A resident: Ok, I'm not speaking for the board, I'm just reporting on the offense as I have seen them since the beginning of this which was put in my email to you about a week and a half ago, which still hasn't been answered, the questions have not been answered, and the question was, the agreement that was settled here I believe it was in either June or July or whatever, and I don't believe it was August, but it was at this table that I reiterated at the last meeting of the Board of Directors with Chairman Earl that everything was set and settled and put on paper. It was then sent back and was redlined by your attorney. We said we wanted those items which were in A, B and C exhibits outlining and explaining what the expenditures were, what they were for, and the specifications for the length and the quality of the fence. So that was put back in but not the full wording, other words were put in, other words were deleted, but the wording was not put into the contract as it was originally, and that's what the board has been waiting for is to have that wording put back. My question was, who had gotten to the lawyer to have that wording changed, when our attorney said that your attorney was fully on board with it and was going to put everything back in and when it showed up, it still was not the original that was outlined and verbalized in your very thorough verbatim minutes. So that is the only thing that the Board of Directors for the homeowners association has been asking for is the original agreement that they could

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sign. They're not stonewalling, the issue Mr. Jado is none of my concern, that's another thing all together. I just look at contractually because that's what I've done all my life.

Mr. Winkeljohn: Right, I appreciate that.

A resident: So what I see contractually here to put it bluntly has been bullshit. Things were deleted and were not put back in that we asked and the wording was changed, it was not the wording that the lawyers had put in, that's it. It's just a report, it is not my handling, it is not the feelings of the board, it is just my vision of what I have seen and my expertise of 30 years of managing contracts. Thank you.

Mr. Winkeljohn: Very good. Thank you. The emails that I received and coordinated with the attorney and yourself and Joe, the characterization that you made is not accurate. The areas that we were discussing were price for engineering supervision or Joe Jado, those were the last two pieces. The items, and Dan can put in the color, the items in the contract that were changed had to do with the dispute resolution process that we did not agree with the changes that our attorney agreed with and we asked him to go back and put it back the way it was originally and there was one more that I don't remember.

Mr. Duncan: Yes, there were two things that Mr. Krivok put in. One, and our attorney agreed with it, one was the fact that after mediation we can sue each other, and the second is, actually the limitation of liability that the State of Florida awarded the District was removed, the sovereign immunity was removed from the dealing of the two parts. That I felt first, that because we are paying from the same pocket, we should go to mediation and arbitration. The second is, I don't think that any board can actually waive the limitation of liability to the state, so I didn't agree with that, and that was changed.

Mr. Winkeljohn: That was the last thing.

Mr. Duncan: Yes, that was the last one, that was October 4th, there was nothing changed, and also in the October 4th for the last time, new cost estimates related to the gates and so forth came forward so exhibit C was finalized. There was one more, exhibit B, with a thing of specification that was supposed to be written by me but since August I was not involved with the project anymore. So it was supposed to be done by the

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supervisor as part of the contract. This was delayed because of the back and forth problems with issuing a contract for the field supervision and contract negotiation.

A resident: That has nothing to do with the itemization. That animal has a head all of its own and a life of its own, I don't want to get involved in that. When I was here, it was the itemization of the actual nuts and bolts of what was going to be done because that's where I am concerned. Personalities aside, I don't care.

Mr. Winkeljohn: Very good. Yes sir?

A resident: I have one question. If Mike knows that there are certain things that should be in the contract we have we have your lawyer here, can we look at these things and resolve them with a couple of verbiage lines?

A resident: Well in the minutes that were very thorough about the fence, this and this, and it was all put down there, it was nuts and bolts. If that spec as Mr. Duncan said was changed, itemize that change, that's all.

Mr. Knight: It's our understanding that the changes that were discussed at the October 4th meeting that you stated were made in the document and subsequent to that they were sent to the HOA attorney.

Mr. Winkeljohn: Right and the two topics that came back were, ok we have the exhibits, where are the exhibits, I had plans dropped off, we had all those things coordinated.

Mr. Duncan: We got the exhibit B, that actually one of the questions was that we have a design and the HOA was concerned that this design would be changed. Therefore, in the minutes we actually stated that the design in the October 4th minutes, and I'll show you, that it's in the interest of the CDD and the HOA to maintain the design as it is. Exhibit B actually shows the size of the picket fence and all the other items, and exhibit B is in the contract, it's in the agreement.

A resident: In the August meeting, I believe it was in the minutes, was all the pricing and everything was in that first contract that was sent to the board. It was blue lined or redlined out and it was never reinstated as we were told that it would be, and it hasn't been.

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Mr. Duncan: The cost estimates were not right, there were no gates, there were no electronics, the final cost estimates came on October 4th when we brought the cost estimates we agreed what is in and out, and that was exhibit C.

Mr. Knight: Exhibit C is the budget.

Mr. Winkeljohn: Was the final budget right.

Mr. Duncan: Yes the budget, ok and that spells out each of the areas. Exhibit B that was edited shows the type of the fence, the height of the fence, the posts and everything else related to different things.

Mr. Knight: And if there are any other changes to exhibit C after that meeting we're not aware of them.

Mr. Duncan: No.

Mr. Winkeljohn: Right. Ok I think all of the facts are out, and the information is out, for you guys to make a decision of what you want to do today. Like I said, you have two choices, you can postpone and work this out, or you can move forward with the idea of you own a certain amount of property where a vast majority of the fencing would take place, you have a budget to start.

Mr. Duncan: Right we will address what to do with the money later on. At this moment, what I would like to propose to the board is to direct you to stop any expenditure legal or technical related to that. Mike put a tremendous amount of work into this and there is a \$3,700 check there, and we cannot continuously pay Pat Ferland, Greg Boggs, and meet our fiduciary responsibility. So at this moment I would like to stop all expenditures and terminate any further work on the agreement.

Mr. Winkeljohn: Right ok on the agreement side of it. Is there a motion as entertained by the chairman?

Mr. Knight: We think we do, unless there is anything else that this board wanted to put in, but we think it's all in there after the October 4th meeting, I'd be glad to look at it as one final thing, but just to circulate it.

Mr. Duncan: It was sent.

Mr. Knight: It was sent yes.

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Mr. Duncan: It was sent by Mike on November 22nd.

Mr. Knight: Right.

Mr. Duncan: Now there are 18 dates or whatever they are, the things that we got back are related to the John Jado contract. We got an email from the HOA stating that he would agree to sign the contract if John resigns. What do we have to do with that, we have nothing to do with his resignation or anything like that. Secondly, we received an email from Mr. Krivok stating that we don't need a supervisor anyway. The two issues are not connected, the CDD board in order to control costs decided that the field supervisor is needed. We looked at 3 options, a general contractor, \$200K, Pat Ferland's company to do the field supervision, \$50K, John Jado came with a proposal of \$19K including \$7K for other things including negotiation and everything else. We chose the best effective way to supervise the project.

Mr. Winkeljohn: With Dan's earlier entertained motion I would also ask that we withdraw the approval of the draft joint agreement as part of that motion, and I will take a motion at this time, if you agree with that because we did approve that draft, so I would just like to make that clear so there's no ambiguity.

Mr. Knight: Is that part of your thinking is to take the JPA agreement off the table at this point? Not continue further to try to resolve the issue?

Mr. Duncan: I do not want any more expenditures which accumulates, I actually looked carefully at each check and my concerns are twofold. Originally the CDD committed \$400,000 to the project, we spend upwards of \$40,000 on the design costs. The agreement asks for \$450,000 additional money, so our commitment went from \$400,000 to \$500,000. The design costs are increasing continuously every month and this has been going on for a year and a half. So I would like to stop this expenditure, that's my main concern as a fiduciary responsibility.

Mr. Winkeljohn: So I think we're all saying, and he's saying a lot of the same things I'm saying, so how would you like to word it?

Mr. Knight: I don't know, I'm thinking suspend any further expenditure of funds on this project as of right now.

Mr. Winkeljohn: The agreement portion of the project.

Mr. Knight: Yes, suspend any further expenditures, and do not move forward with the JPA until this comes back to the board in the future where the board would then take action to re-approve what they've approved. Otherwise the agreement is not going to be pursued further at this point. I don't think you have to withdraw it or do anything like that.

Mr. Winkeljohn: Ok, that was just my instinct.

Mr. Duncan: Even though we approved it in a previous meeting?

Mr. Knight: You approved it right, and I hear what you're saying. I would say that you want to go ahead and rescind the motion. We haven't made any motions on this agreement since October 4th right?

Mr. Winkeljohn: Correct.

Mr. Knight: So we would rescind the motion that was made on October 4th which authorized the appropriate District officials to execute the agreement.

Mr. Winkeljohn: That's what I wanted, ok.

Mr. Knight: So we rescind that, and that doesn't mean that it can't come back again, but we just can't do it until the board takes further action at this point if that motion passes.

Mr. Winkeljohn: Right, I just didn't want that hanging out there. Is there a motion?

Mr. Azonca: Ok so basically we're disposing of, and obviously we spent a tremendous amount of time and resources on this, and we just don't want to throw it in the garbage without having a plan of action. I think we all agree we need to get this done. If the HOA doesn't want to cooperate maybe we can decide as the CDD, as you mentioned, if we want to tackle some projects, but obviously I just don't want to put everything in the closet and forget about it because we all have the same agenda.

A resident: Is Joe or anybody else coming to the meeting? I know Joe's been pretty much here every time?

A resident: I don't think he's coming.

A resident: He's not coming today?

Mr. Azcona: So in October we sent the agreement to the HOA and the only feedback we got is that either you resign or not move forward. So what's your stand on that?

Mr. Jado: I told Joe, chip in another \$25,000 a piece and the next best deal would be to hire the engineer, but he won't do that.

Mr. Duncan: I would not agree to that.

Mr. Jado: Well that was a solution, it wasn't the answer. The other thing is, why would you want to spend more money sending the engineer out and spending \$12,000 to see progression payments that might be possible during this, or final payment and spend \$12,000 for him to drive out here maybe a total of 10 to 15 hours during this project and spend \$12,000 when if you hired a manager, which was me or somebody else, you could do it for \$20,000.

Mr. Azcona: No we all agreed to that, my question is, and again we want to hire you for the obvious reasons that Dan has expressed, however, I do understand as part of the HOA, I'm not a board member there, but under the guidelines it may be a conflict of interest and the other board members may think so. How does the majority of that board feel about you participating in this?

Mr. Jado: Well I actually put out phone calls to them last week in anticipation of this meeting, and I did not get a response from any one of them. Joe actually, I guess talked to Mr. Pitt so I don't know how they feel. I said, do you want me to do the job, yea or nay, just give me your opinion so I could move forward and bring it out and at least I know where the board sits. I didn't get a response from any of them.

A resident: The board was told in writing, as the board members stated that they did not want John to do the job.

Mr. Jado: Do you have a copy of that so I could show them?

A resident: I don't have it with me right now.

Mr. Jado: Because I read it, and I didn't hear that, I heard that they wanted Matt to participate with Mike to run the project.

A resident: Mike or, Mike Perelli?

Mr. Jado: Yes, that's what I heard.

Mr. Azcona: Ok so we agree that you're the most qualified, and obviously the majority of the HOA says that they're against it, obviously it's a conflict of interest and we have to deal with it, so the question would be, would you consider, if you take the job, will you consider stepping down for a period of time from the HOA or not?

Mr. Jado: I don't know if I could step down for a period of time.

Mr. Azcona: Ok but we have to make a decision here, if the majority of the HOA they have the right, and it's ok, there's a conflict of interest, even though there may be nothing wrong and you will not vote or affect any decision, it is a reasonable conflict of interest.

Mr. Duncan: Or no, if they actually pass a resolution, as Mike said, we would like that resolution to be sent to us. Secondly, if he decided to take the job, even with that resolution, the HOA board can start the action to remove him from the board, they actually have that. It is my belief, that they have say except to pass a resolution to tell him that this is a conflict of interest. This is the only thing that the board can do. I would like to see that resolution being sent to the CDD. It's a very simple thing, it's up to John to resign, it's us to John to resign or not. So with that resolution, John has a choice, he can accept the job, not resign, and the board will do whatever they decide to do, that's another option.

Mr. Winkeljohn: Go ahead Brian.

Mr. Mamo: If we suspend, they have to move forward in order for us to recognize any movement forward, but in the meantime, we can be proactive and see where we can move on the land we own.

Mr. Duncan: Sure.

Mr. Winkeljohn: It's really the same end result.

Mr. Mamo: I think the internal disagreement was a great statement, let them deal with that, let's suspend it.

Mr. Winkeljohn: Ok. Yes go ahead.

A resident: Just a point of clarification, if John Jado were to be hired by the JPA he would be over both projects, right?

Mr. Winkeljohn: It could have been, yes that was the intent, it's one project over multiple areas.

Mr. Knight: Under the JPA the CDD runs the project totally is in control of the project, once it's up and running.

Mr. Winkeljohn: Right we were going to take all the operational, financial risks obviously and we wanted to hire a supervisor for the day to day.

A resident: Ok so you're going to have to find a separate situation to handle that.

Mr. Duncan: We already did, we had three different quotes, one was \$200K, the other one was \$50K and then other one was \$19K.

A resident: Right and you chose the cheapest of the three, and you said and we're going to go with that.

Mr. Duncan: And the most qualified.

Mr. Knight: You're saying that the CDD goes its own way, does its own project, is that what you're asking?

A resident: Yes.

Mr. Knight: They could hire whoever they want.

Mr. Winkeljohn: We would still have the option. Go ahead Brian.

Mr. Mamo: Let me just ask you, or let me just clarify one thing. So the board feels if we pay the \$25,000 more for the engineer, they will move forward because John Jado is not involved in the project.

Mr. Winkeljohn: Right.

Mr. Mamo: So they said, hey we'll pay more money for the engineer.

Mr. Winkeljohn: The attorney and Joe and Mike all said all three things, they said, we don't want it because of John Jado, we don't want it because it's more expensive, and we don't want it because of a combination of both, so between all three of them that was what I got back, and the changes to the contract which were false.

Mr. Duncan: Ok let me try again. In the negotiation it was decided that the District, is not actually qualified to pay the checks and therefore, he has to have a supervision for Pat Ferland to agree for Paul to pay the checks. That is the \$12,000, and we said ok.

Mr. Winkeljohn: And that's required.

Mr. Knight: Right and that's the way it was.

Mr. Duncan: So that we understand. Now Joe wanted to sign off and you said no, and we said ok. Now, this is not \$25,000, it's \$25,000 from here, and \$25,000 from there, that's \$50,000 from the community pocket. So it's very difficult to actually give in to such a thing. Secondly, I would agree if they consider for us to pay the extra \$8,000 to fully take over the \$19,000 which is \$8,000 and \$8,000. In order to facilitate going forward, how can it be a conflict of interest when he would have recused himself from any dealings with the project? So it's a personal issue and that doesn't bode well to the future, in which as you say we have the liability of implementation, but at any given point we can actually have contractual agreement.

Mr. Winkeljohn: Right and I think just in the practical sense of the matter, is we've had this level of interaction, just to get a 4 or 6 page paper agreed upon, so just imagine what it's going to be like when the \$400,000 starts getting spent. This would be a management nightmare for you guys, that's my managerial advice to you, is simply, how is the relationship going to be healthy all of sudden, I don't see it happening in a productive way and I think your community still should get its outcome. I think you're going to get a fence if you move forward, but it's how you do it. My advice is, do it as simply as possible because trying to do it as a family isn't working.

A resident: Could I interject one thing too, also on that \$50,000 that Dan had spoken about, these people that never came in on the project without charging and any of this, it's always more money. So in other words, he adds this, and then oh we have this, and oh we have to do that, we have to write letter, and then it starts to build on top of what's there. Plus the \$50,000, plus \$12,000 is really \$60,000.

Mr. Duncan: Ok so, let's try to suspend any further money.

THIRD ORDER OF BUSINESS

**Organizational Matters
(Cont.)**

- A. Consideration of Resolution #2017-01 Confirming the General Election Results**
- B. Consideration of Resolution #2017-02 Declaring a Vacancy on the Board of Supervisors and Appointing a Qualified Elector to the Vacant Seat for Seat #5**
- C. Oath of Office for Newly Appointed Supervisors**
- D. Consideration of Resolution #2017-03 Electing Officers**

Mr. Winkeljohn: Ok I have a little bit of housekeeping and I didn't see item B on our agenda and it's really vital that we go back. Item B is resolution #2017-02 and I misspoke when I said there were only 2 seats that were elected, there was actually a third seat. Juan's seat, you didn't register to run so technically resolution #2017-02 vacates that seat, and if the board would like, right after you approve resolution #2017-02 you can elect him or someone like him right back to his seat. So I would ask that the board by motion accept resolution #2017-02.

On Motion by Mr. Willemstyn seconded by Mr. Mamo with all in favor, Resolution #2017-02 declaring a vacancy on the Board of Supervisors was approved.

Mr. Winkeljohn: Now Ron do you have another motion?

Mr. Willemstyn: I have another motion, I recommend Juan Azcona for the position of assistant secretary for seat #5.

On Motion by Mr. Willemstyn seconded by Mr. Mamo with all in favor, Resolution #2017-02 appointing Juan Azcona as a qualified elector to the vacant seat for seat #5 was approved.

Mr. Winkeljohn: Alright, so once again we need to swear you in, so you know the drill, if you would raise your right hand and after I say the word "I" just state you name for the record and at the end you would just say "I do", so "I".

Mr. Azcona: "Juan Azcona."

Mr. Winkeljohn: A resident of the State of Florida and citizen of the United States of America, being a Supervisor of the Portofino Isles Community Development District and recipient of public funds on behalf of the District, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly, and impartially discharge the duties devolving upon me in the office of Supervisor of the Portofino Isles Community Development District, St. Lucie County, Florida.

Mr. Azcona: "I do."

Mr. Winkeljohn: Thank you and congratulations. If you would sign the oath, I will notarize that and enter that into the District's records. And the next motion would be to ratify all actions in today's meeting where Juan participated by motion, just to ratify those actions. Is there a motion to ratify?

On Motion by Mr. Willemstyn seconded by Mr. Duncan with all in favor, ratifying all actions taken by Juan Azcona at today's meeting was approved.

Mr. Winkeljohn: Alright the housekeeping has been taken care of. Sorry about that, so basically I think we've come to a head and Gerry stated it very accurately, we will rescind the previous motion and suspend actions.

Mr. Knight: I've received an email from someone in the audience and it looks like an email chain between Michael, Joey and someone else that has to do with the position, they were saying it should be filled by someone else.

Mr. Winkeljohn: Like I said all 3 options were in conflict.

A resident: Yes.

Mr. Winkeljohn: They didn't want anyone doing it, and they didn't want to pay for it, so all 3 were deal killers I brought to this board.

Mr. Duncan: Let me go back, the CDD is responsible and has liabilities to bring the project on cost and budget. We decided to have a qualified field supervisor at 2% of the total cost, that's a CDD decision. There is a contract from the District to John created by the legal counsel.

Mr. Winkeljohn: That's item No. 6.

Mr. Duncan: Ok.

Mr. Winkeljohn: So let's get there. I think we need to get this motion concluded. Would somebody like to just say "so moved" what has been agreed upon loosely here that we're going to suspend, rescind and the door will be open but we're going to move forward and we're not going to spend any more money on are agreements period. Is there a motion?

On Motion by Mr. Willemstyn seconded by Mr. Mamo with all in favor, directing staff to suspend any further expenditures and terminate any further work related to the Joint Participation Agreement between Portofino Isles CDD and Newport Isles POA, also rescinding the previous motion made on October 4, 2016 authorizing the proper District officials to execute the document as stated on the record was approved.

SIXTH ORDER OF BUSINESS

Ratification of Agreement with John Jado

Mr. Winkeljohn: The next item is, moving forward on our project related to, we have an agreement in place which basically anticipated John being the site supervisor of the project, superintendent or however you want to term his role. We have that before you, it's probably not necessary, but I think it is necessary to approve it today because we could pull the trigger on getting the pricing restructured to a line around our property and John would be vital in getting that process rolling at a lower cost than if we hire or

get the engineers to do that, and the attorneys wrapped up into that, we would defeat this cost savings idea.

Mr. Duncan: Now the contract has two parts. Mr. Jado is required to do the negotiations with each vendor and actually make sure that the costs are within exhibit C, that's pre-construction, and the other part is the field supervision as the construction starts.

Mr. Mamo: Well the problem being is that if we're working with limited cash then the whole project is not going to go the way you see it.

Mr. Winkeljohn: No actually it might line up perfectly. You carried over \$400,000 from the last fiscal year, it's December now, you're going to have next year's \$200,000 to \$300,000 of available capital funds for this project by February. So that will line up nicely to a construction project.

Mr. Duncan: Right now we are ok.

Mr. Knight: But doesn't this agreement though have to be modified if the District is only going to proceed with its portion of the project?

Mr. Winkeljohn: What agreement?

Mr. Knight: The agreement with him.

Mr. Winkeljohn: Yes I think we should approve it form and have it edited as you just stated.

Mr. Duncan: Yes right.

Mr. Winkeljohn: Absolutely, and we might tweak what I just described as part of your role would be to figure out how much in the cash flow so it matches our revenue, which I'll work with you on that, it's not a big deal, but I would recommend that you approve that so we can get moving.

Mr. Azcona: Alright, just one question, did the HOA put some money forward in an escrow account?

Mr. Winkeljohn: No, the HOA previous agreement which has just ended was a design agreement, and those funds were expended on the things allowable in that agreement, and we went past it a little bit actually.

Mr. Azcona: Ok.

Mr. Duncan: My original estimate was \$55,000 for the design agreement and we are over \$80,000.

Mr. Winkeljohn: The only thing that we'll have to settle out is there as part of the budget was a \$5,000 amount for site supervision which we thought would help get us to the next stage. The accounting will prove out that we spent way past the amount in the design phase.

Mr. Azcona: Ok, I just want to, if we have to give them something back to avoid any legal actions, but it all comes back to the same pocket anyway.

Mr. Winkeljohn: Right, if there's an observation that there's money owed the District will certain any money.

Mr. Azcona: Ok.

Mr. Winkeljohn: So is there a motion to approve John's agreement in form to be amended to reflect the changes in the project?

Mr. Knight: Subject to modification as discussed and subject to approval of the chairman and the District counsel on this.

Mr. Mamo: Absolutely, I make that motion.

On Motion by Mr. Mamo seconded by Mr. Willemstyn with all in favor, accepting the agreement with John Jado in substantial form subject to modification as discussed and subject to approval of the Chairman and District Counsel was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Addendum to Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2016

Mr. Winkeljohn: Moving on, item No. 7 on the agenda is Grau & Associates addendum to their engagement letter which reflects some changes that took place in the

legislation. We've communicated to them the things Dan has asked about but that's for the next audit going forward.

Mr. Knight: This has to do with a change in the law relating to public records and the requirement.

Mr. Winkeljohn: Yes all contractors have an obligation in their contract to have public records. They've always been obligated, but they just added a little bit more language.

Mr. Duncan: I'm still concerned in the audit and the statement that was included in the last audit. Two statements are very concerning, one is that they were not able to get the paperwork, the bondholders.

Mr. Winkeljohn: Right the SPE. The auditor just say he didn't look at it, is what the auditor said, but they should have looked at it, or could have looked at it, but he just said I didn't look at it.

Mr. Duncan: Ok so that's one. The second is that it's very difficult in an audit that starts with the liabilities that we actually don't have, and basically describes the dire financial situation of the CDD in total because then it's very difficult to spend \$400,000 if you were in such a dire situation, and we are not. They basically say I don't know anything about your opinion to the other guys, their liabilities are your liabilities.

Mr. Winkeljohn: Right and we've addressed that with them and we'll see how they handle it. We can't tell them how to do an audit, we just give them that information.

Mr. Knight: I think I drafted something and sent it to the auditor.

Mr. Winkeljohn: Ok, so we worked on that.

Mr. Duncan: Ok.

Mr. Winkeljohn: I can't say what's going to happen but I think they're going to do something about it.

Mr. Duncan: Ok.

Mr. Winkeljohn: And you brought up a very interesting point, you do enough of this you kind of lose some of the minutia and caught a really interesting angle, but we got

it now. Is there a motion to approve the addendum to the engagement letter to authorize execution?

On Motion by Mr. Mamo seconded by Mr. Duncan with all in favor, accepting the Addendum to Engagement Letter with Grau & Associates to perform the audit for Fiscal Year ending September 30, 2016 was approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

Mr. Winkeljohn: That brings us to Staff Report, Gerry?

A. Attorney

Mr. Knight: I don't have anything.

B. Engineer

Mr. Winkeljohn: I already gave basically what the engineer's report was, how he felt the project could be moved forward without much headache.

C. Manager

Mr. Winkeljohn: I have nothing else for you guys today.

NINTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

B. Balance Sheet and Income Statement

Mr. Winkeljohn: Item No. 9 on your agenda is the check register, balance sheet and income statement. Is there a motion to accept?

On Motion by Mr. Willemstyn seconded by Mr. Azcona with all in favor, the Check Register, Balance Sheet and Income Statement were approved.

December 13, 2016

Portofino Isles CDD

TENTH ORDER OF BUSINESS

**Supervisors Requests and
Audience Comments**

Mr. Winkeljohn: Are there any other comments from our supervisors or audience comments? Not hearing any we can move to the next item.

ELEVENTH ORDER OF BUSINESS

Adjournment

Mr. Winkeljohn: With nothing else, we just need a motion to adjourn.

On Motion by Mr. Willemstyn seconded by Mr. Duncan with all in favor, the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

Portofino Isles
Community Development District

Check Run Summary - General Fund

January 10, 2017

Date	Check Numbers	Amount
<u>Operating Account</u> December 16, 2016	1149-1157	\$ 31,182.88
		\$ 31,182.88

*** CHECK DATES 11/19/2016 - 12/31/2016 ***

PORTOFINO ISLES - GENERAL FUND
BANK A GENERAL FUND

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
12/16/16	00026	10/31/16	137780	201610	310	51300	31500			*	3,725.10		
			SERVICE THRU-10/31/16						BILLING, COCHRAN, LYLES, MAURO			3,725.10	001149
12/16/16	00051	11/30/16	2794628	201611	320	53800	46500			*	2,190.00		
			NOV 16-IRRIGATION REPAIR										
		12/10/16	5197343	201612	320	53800	46200			*	700.00		
			DEC 16-LANDSCAPE MAINT										
		12/10/16	5197343	201612	320	53800	46200			*	220.00		
			DEC 16-AGRONOMICS										
		12/10/16	5197343	201612	320	53800	46500			*	150.00		
			DEC 16-IRRIGATION						BRIGHTVIEW LANDSCAPE SERVICES, INC.			3,260.00	001150
12/16/16	00013	9/16/16	77263	201608	310	51300	31101			*	7,024.98		
			ENGINEERING SERVICES										
		10/26/16	77485	201609	310	51300	31101			*	5,175.89		
			GENERAL ENGINEERING SVC						CULPEPPER TERPENING, INC.			12,200.87	001151
12/16/16	00025	12/09/16	27661-93	201612	320	53800	43001			*	154.34		
			2517 SW BRIGANTINE PL										
		12/09/16	61293-92	201612	320	53800	43000			*	447.87		
			1905 SW VIA ROSSA						FLORIDA POWER & LIGHT			602.21	001152
12/16/16	00020	12/01/16	148	201612	310	51300	34000			*	3,551.33		
			MANAGEMENT FEES										
		12/01/16	148	201612	310	51300	35100			*	83.33		
			COMPUTER TIME										
		12/01/16	148	201612	310	51300	44000			*	200.00		
			RENT										
		12/01/16	148	201612	310	51300	31300			*	208.33		
			DISSEMINATION										
		12/01/16	148	201612	310	51300	49500			*	41.67		
			WEBSITE ADMIN										
		12/01/16	148	201612	310	51300	42000			*	6.05		
			POSTAGE										
		12/01/16	148	201612	310	51300	42500			*	.30		
			COPIES						GOVERNMENTAL MANAGEMENT SERVICES -			4,091.01	001153
12/16/16	00021	11/29/16	14888	201611	310	51300	31200			*	1,200.00		
			ARBITRAGE SERIES 2005						GRAU AND ASSOCIATES			1,200.00	001154

PORT -PORT ISLES-- PPOWERS

*** CHECK DATES 11/19/2016 - 12/31/2016 ***

CHECK DATE	VEND#	INVOICE DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
12/16/16	00030	12/01/16	1651	2016	12	320-53800-46300			LAKE MAINTENANCE	*	1,600.00		
		12/01/16	1651	2016	12	320-53800-46400			WETLAND MAINTENANCE	*	1,275.00		
LAKE AND WETLAND MANAGEMENT, INC.											2,875.00	001155	
12/16/16	00012	12/16/16	12162016	2016	12	300-20700-10100			TAX COLLECTIONS	*	378.70		
PORTOFINO ISLES CDD											378.70	001156	
12/16/16	00014	12/16/16	12162016	2016	12	300-20700-10100			TAX COLLECTIONS	*	2,849.99		
PORTOFINO ISLES CDD											2,849.99	001157	
TOTAL FOR BANK A											31,182.88		
TOTAL FOR REGISTER											31,182.88		

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET

November 30, 2016

	<u>Governmental Fund Types</u>			<u>Totals</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u> <u>2017</u>
ASSETS:				
Cash - Assessments	\$513,138	---	---	\$513,138
Cash - Perimeter Road Project	\$40,500	---	---	\$40,500
Investments:				
<i>Series 2005</i>				
Reserve	---	\$405	---	\$405
Revenue	---	\$201,897	---	\$201,897
Deferred Cost	---	\$42,575	---	\$42,575
Construction	---	---	\$126,570	\$126,570
<i>Series 2013</i>				
Reserve	---	\$216,340	---	\$216,340
Prepayment	---	\$2,203	---	\$2,203
Revenue	---	\$65,997	---	\$65,997
Cost of Issuance	---	---	\$1,227	\$1,227
Assessments Receivable	\$61,091	\$544,422	---	\$605,513
Due from General	---	\$0	---	\$0
Prepaid Expenses	\$0	---	---	\$0
Due from Debt Service	\$0	---	---	\$0
	<u>\$614,729</u>	<u>\$1,073,838</u>	<u>\$127,798</u>	<u>\$1,816,365</u>
TOTAL ASSETS				
LIABILITIES:				
Accounts Payable	\$19,316	---	---	\$19,316
Due to Debt Service	\$89,264	---	---	\$89,264
Due to General	---	\$0	---	\$0
Due to Other	---	\$0	---	\$0
Due to Bondholders	---	\$2,399,400	---	\$2,399,400
Deferred Revenue	\$61,091	\$541,192	---	\$602,283
FUND BALANCES:				
Reserved for Debt Service	---	(\$1,866,754)	---	(\$1,866,754)
Reserved for Capital Projects	\$0	---	\$127,798	\$127,798
Unassigned	\$445,058	---	---	\$445,058
	<u>\$614,729</u>	<u>\$1,073,838</u>	<u>\$127,798</u>	<u>\$1,816,365</u>
TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS				

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues & Expenditures
For The Period Ending November 30, 2016

	ADOPTED BUDGET	PRORATED BUDGET THRU 11/30/16	ACTUAL THRU 11/30/16	VARIANCE
REVENUES:				
Maintenance Assessments	\$175,152	\$27,338	\$27,338	\$0
Stormwater Rebate	\$186,678	\$0	\$0	\$0
Misc. Income	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$361,830	\$27,338	\$27,338	\$0

EXPENDITURES:

ADMINISTRATIVE:

Engineering	\$30,000	\$5,000	\$178	\$4,822
Arbitrage	\$2,400	\$1,200	\$1,200	\$0
Dissemination	\$2,500	\$417	\$417	(\$0)
Attorney	\$25,000	\$4,167	\$3,725	\$442
Assessment Roll	\$1,001	\$1,001	\$1,001	\$0
Annual Audit	\$5,900	\$0	\$0	\$0
Management Fees	\$42,616	\$7,103	\$7,103	\$0
Computer Time	\$1,000	\$167	\$167	\$0
Telephone	\$100	\$17	\$0	\$17
Postage	\$250	\$42	\$150	(\$109)
Printing & Binding	\$1,000	\$167	\$195	(\$28)
Rentals & Leases	\$2,400	\$400	\$400	\$0
Insurance	\$6,332	\$6,332	\$5,778	\$554
Legal Advertising	\$1,100	\$183	\$0	\$183
Other Current Charges	\$1,000	\$167	\$0	\$167
Website Admin	\$500	\$83	\$83	(\$0)
Office Supplies	\$250	\$42	\$47	(\$5)
Dues, Licenses, Subscriptions	\$175	\$175	\$175	\$0
Capital Outlay	\$300	\$50	\$0	\$50

FIELD

Environmental Services	\$2,500	\$417	\$0	\$417
Landscaping - Contingency	\$20,000	\$3,333	\$0	\$3,333
Landscape Maintenance	\$20,000	\$3,333	\$1,840	\$1,493
Repairs & Maintenance	\$15,000	\$2,500	\$0	\$2,500
Contingencies	\$10,000	\$1,667	\$0	\$1,667
Lake Maintenance	\$21,120	\$3,520	\$3,200	\$320
Wetlands Maintenance	\$19,200	\$3,200	\$2,550	\$650
Stormwater Mgmt System	\$50,000	\$8,333	\$0	\$8,333
Irrigation System	\$10,000	\$1,667	\$3,601	(\$1,934)
Electric - Irrigation Pumps	\$6,000	\$1,000	\$342	\$658
Electric - Lighting	\$4,000	\$667	\$165	\$502
Chemicals	\$6,600	\$1,100	\$0	\$1,100
Capital Projects	\$150,000	\$25,000	\$0	\$25,000

TOTAL EXPENSES	\$458,244	\$82,447	\$32,316	\$50,131
EXCESS REVENUES (EXPENDITURES)	(\$96,414)		(\$4,978)	
FUND BALANCE - Beginning	\$96,816			\$450,037
FUND BALANCE - Ending	\$402			\$445,058

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2013

Statement of Revenues & Expenditures

For The Period Ending November 30, 2016

	ADOPTED BUDGET	PRORATED THRU 11/30/16	ACTUAL THRU 11/30/16	VARIANCE
<u>REVENUES:</u>				
Assessments	\$432,649	\$0	\$0	\$0
Interest Income	\$0	\$0	\$4	\$4
Prepayments	\$0	\$0	\$0	\$0
<i>TOTAL REVENUES</i>	\$432,649	\$0	\$4	\$4
<u>EXPENDITURES:</u>				
<i>Series 2013</i>				
Interest Expense - 11/1	\$107,359	\$107,241	\$107,241	\$0
Interest Expense - 05/1	\$220,000	\$0	\$0	\$0
Principal Expense	\$107,359	\$0	\$0	\$0
Special Call - 11/1	\$0	\$0	\$0	\$0
Other Debt Service Costs	\$9,183	\$0	\$0	\$0
<i>TOTAL EXPENDITURES</i>	\$443,902	\$107,241	\$107,241	\$0
EXCESS REVENUES (EXPENDITURES)	(\$11,253)		(\$107,237)	
FUND BALANCE - Beginning	\$165,404		\$394,626	
FUND BALANCE - Ending	\$154,151		\$287,390	

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2005

Statement of Revenues & Expenditures

For The Period Ending November 30, 2016

	ADOPTED BUDGET	PRORATED THRU 11/30/16	ACTUAL THRU 11/30/16	VARIANCE
<u>REVENUES:</u>				
Tax Receipts	\$440,879	\$0	\$0	\$0
Direct Assessments	\$84,500	\$0	\$0	\$0
Interest Income	\$0	\$0	\$60	\$60
TOTAL REVENUES	\$525,379	\$0	\$60	\$60
<u>EXPENDITURES:</u>				
Interest Expense - 11/1	\$147,700	\$0	\$0	\$0
Interest Expense - 05/1	\$147,700	\$0	\$0	\$0
Principal Expense - 05/01	\$145,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$440,400	\$0	\$0	\$0
<u>OTHER SOURCES/(USES):</u>				
Other Debt Service Costs	(\$8,233)	\$0	\$0	\$0
TOTAL OTHER	(\$8,233)	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$76,746		\$60	
FUND BALANCE - Beginning	\$144,499		(\$2,154,203)	
FUND BALANCE - Ending	\$221,245		(\$2,154,143)	

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL PROJECTS FUND - SERIES 2013

Statement of Revenues & Expenditures
For The Period Ending November 30, 2016

	ADOPTED BUDGET	PRORATED THRU 11/30/16	ACTUAL THRU 11/30/16	VARIANCE
<u>REVENUES:</u>				
Interest Income	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$0	\$0	\$0	\$0
<u>EXPENDITURES:</u>				
Cost of Issuance	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
<u>OTHER SOURCES/(USES):</u>				
Refunding Proceeds	\$0	\$0	\$0	\$0
TOTAL OTHER	\$0	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$0		\$0	
FUND BALANCE - Beginning			\$1,227	
FUND BALANCE - Ending			\$1,227	

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL PROJECTS FUND - SERIES 2005

Statement of Revenues & Expenditures
For The Period Ending November 30, 2016

	ADOPTED BUDGET	PRORATED THRU 11/30/16	ACTUAL THRU 11/30/16	VARIANCE
<u>REVENUES:</u>				
Interest Income	\$0	\$0	\$35	\$35
TOTAL REVENUES	\$0	\$0	\$35	\$35
<u>EXPENDITURES:</u>				
Capital Outlay	\$0	\$0	\$0	\$0
Default Expenditures	\$0	\$0	\$17,215	(\$17,215)
TOTAL EXPENDITURES	\$0	\$0	\$17,215	(\$17,215)
<u>OTHER SOURCES/(USES):</u>				
Interfund Transfer Out	\$0	\$0	\$0	\$0
<i>TOTAL OTHER</i>	\$0	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$0		(\$17,180)	
FUND BALANCE - Beginning			\$143,750	
FUND BALANCE - Ending			\$126,570	

**PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT**

Bond Issue:	<u>Series 2005 Special Assessment Bonds (Court Project)</u>	
Original Issue Amount:		\$6,375,000
Interest Rate:		5.60%
Maturity Date:		May 1, 2036
Reserve Fund Requirement:		Lesser of:
		(i) Max Annual Debt Service for Bonds Outstanding
		(ii) 125% of Average Debt Service for Bonds Outstanding
		(iii) 10% of Original proceeds
Bonds outstanding - 9/30/13		\$6,105,000
Less: 11/1/2013		\$0
5/1/2014		\$0
Current Bonds Outstanding:		<u><u>\$6,105,000</u></u>

Bond Issue:	<u>Series 2013 Special Assessment Revenue Refunding Bonds</u>	
		\$5,730,000
Interest Rate:		4.750%
Maturity Date:		May 1, 2033
Reserve Fund Requirement:		50% of Max Annual Debt Service Requirements @ date of issuance
Bonds outstanding - 9/30/13		\$5,730,000
Less: 11/1/2013		\$0
5/1/2014		(\$205,000)
11/1/2015		(\$5,000)
5/1/2016		(\$215,000)
Current Bonds Outstanding:		<u><u>\$5,305,000</u></u>

