



Portofino Isles

Community Development District

Dan Duncan, Chairman

Ronald Willemstyn, Vice Chairman

Juan Azcona, Assistant Secretary

Earl Baker, Assistant Secretary

Brian Mamo, Assistant Secretary

March 14, 2017



Portofino Isles

Community Development District

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March 7, 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 **March 14, 2017 at 10:00 a.m. at 2160 NW Reserve Park Trace, Port St. Lucie, Florida**. Following is the advance agenda:

1. Roll Call
2. Approval of the Minutes of the February 14, 2017 Meeting
3. Update on Wall and Fence Project
4. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Manager - Discussion on Meeting Location
5. Financial Reports
 - A. Approval of Check Register
 - B. Balance Sheet and Income Statement
6. Supervisors Requests and Audience Comments
7. Adjournment

Enclosed for your review is a copy of the minutes from the February 14, 2017 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, February 14, 2017 at 10:00 a.m. at the 2160 NW Reserve Park Trace, Port St. Lucie, FL.

Present and constituting a quorum were:

Dan Duncan	Chairman
Ron Willemstyn	Vice Chairman
Juan Azcona	Assistant Secretary
Brian Mamo	Assistant Secretary

Also present were:

Gerry Knight	District Counsel (by phone)
Paul Winkeljohn	District Manager
Pat Ferland	District Engineer
John Jado	Resident
Several Residents	

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

**Approval of the Minutes of the
January 10, 2017 Meeting**

Mr. Winkeljohn: The minutes from the January 10th meeting have been circulated, if there are any corrections I can take them, or a motion to approve.

On Motion by Mr. Willemstyn seconded by Mr. Azcona with all in favor, the Minutes of the January 10, 2017 Meeting were approved.

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THIRD ORDER OF BUSINESS

Discussion of Wall and Fence Project

FOURTH ORDER OF BUSINESS

Discussion of HOA Request for use of Alternate Wall System on CDD Property

Mr. Winkeljohn: Not a lot pressing on today's agenda but I did get notification from members of the homeowners association to ask you to consider two items, one, was adding, or an alternate idea for what would have been the picket fence which was the lower profile, lower visibility sections of the community to a wall system upgrade, so I put that on the agenda, and it's up to you if you want to talk about it frankly. Just as a courtesy to the person who asked me I put it on your agenda but the Board has the discretion to do one of two things, act on the wall program as though it stays as it is. We can lift it off the table in a manner of speaking and discuss it more, and if we are to discuss, there was a request to consider an alternate material for the picket fence should that ever be built, so it's basically a catch 22, which one do you want to start with, do you want to talk about the wall project? Do you want to talk about it in a joint agreement, which again you've acted as that has been ended, so it's an open discussion at this point?

Mr. Willemstyn: I have no interest in continuing.

Mr. Winkeljohn: Ok.

Mr. Willemstyn: Dan?

Mr. Duncan: Well, there are two issues here. Issue number one, we have an agreement with a design that was sent November 15th to the other party, to Mr. Krivok, the design that has been approved. At the last Board meeting, we actually passed a resolution not to spend any more money in design or changes. The agreement was completed, the design was approved, the language of the agreement was completed and we did not cancel anything but we were waiting for that design. Meanwhile at the last HOA meeting, a proposal of change has been presented, when we chose our combination of things, we had the landscape architect going through the requirements, the requirements of drainage, the requirements of maintenance, and the requirements of beauty. So at this moment, in order to consider a changing design it will cost money, so

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we have to pass another resolution and we have task Pat and Greg to see if that wall passes the basic requirement of construction and beauty. I mean, would you put this wall at the entrance, would I put such a wall on CDD property that's basically what it is, the way that it looks and so forth.

A resident: Wasn't there a concern from law enforcement in reference to a wall and the inability to see what's happening on the other side or something of that nature brought forth because didn't we explore the concrete wall?

Mr. Duncan: We explored the wall that was refab from the factory, that cost \$90,000 to \$95,000 that actually was somewhat maintenance free, had drainage underneath and everything else. We have not explored anything else. Meanwhile, since I was presented with this design which I insisted to be put in our pictures, I contacted a friend of mine that's in the community of law enforcement to ask if there are really benefits in the security by putting a wall versus a thick wall fence. He said, the deterrent is the same, the fence in addition to the vegetation, if you put vegetation in front of it would be a very good deterrent but the wall would also be a very good deterrent. The picket fence and the walls presented are the same cost, \$55,000 and \$45,000 are the same cost.

A resident: I had one thing, just to be brief, the pictures are what is still under construction, it's not a completed project, you know what I mean, so they were still installing that when I took those photographs, I just wanted to let you know.

Mr. Duncan: It doesn't look too appealing, even you can see that.

A resident: I thought it looked great.

Mr. Azcona: And not to replace what initially we had discussed was not have it. Obviously, I personally wouldn't put this wall on Rosser, or any place in the entrance. The gentleman here approached me and said, hey if we are going to have maybe a chain link fence or a fence somewhere else that is somewhere back in the community and this may be a cheaper option and more secure, then I'd say well we can take a look at it, and explore it.

Mr. Duncan: We don't have any chain link fence anywhere because it's very different.

Mr. Azcona: So out of courtesy I said, that we could discuss it, however not to replace the plans that we have for the main entrances, it would be maybe for more in the back or something of that nature to discuss if it's going to be the picket fence.

Mr. Duncan: Basically it's up to the Board, the procedure is to allow the engineer of record, and Greg Boggs to look at this new addition, it's the fourth change.

A resident: What do we pay Greg Boggs an hour again?

Mr. Winkeljohn: We he had various fee packages based on tasks. His whole \$30,000 or \$40,000 worth of design, but that included plans and permitting and everything.

A resident: Well you have to have plans and permitting again.

Mr. Winkeljohn: Right.

Mr. Azcona: In the event it's picket versus that, and that's the first time I've seen that, but that would be the question. To me, first of all before even talking about that, I would say, what are we going to do to move forward with the project? We know we've been going back and forth with regard to this for years now. We've been going back and forth with Newport Isles Board of Directors, and you know the whole story. So to me before we even discuss this that could be an option, if you guys like it, and the engineer says that it meets the requirements and legal requirements and the cost is cheaper than the picket fence.

Mr. Duncan: No the cost is not cheaper than the picket fence.

Mr. Azcona: Ok, and like an open discussion it will not hurt to have that discussion and it would not hurt to have that discussion.

Mr. Duncan: My problem is on November 15th we sent a package to the HOA Board, repeatedly we were told that they have not received the package and later we found out that the package was found. The package contained a complete design, a complete agreement, and now we are 3 months later, we are re-opening the design, that's basically what it is.

Mr. Azcona: Yes, I agree with you. For me, the first thing that we need to discuss, we were at the last HOA meeting and people were saying, oh we still have the chain link fence, we didn't receive the report, and we didn't have the information.

Mr. Duncan: Well in July last year a package of all drawings that is no different than today had been sent.

Mr. Azcona: You're preaching to the choir, so what I would say, listen we all agree to what's going on, so to me I'm going to throw this on the table now, if we're not moving forward and we've tried moving forward, and we tried to compromise, and as you can read in the minutes when Mr. Passerelli came and he said, well I want the better fence and all of that and in one of the minutes I say, ok guys let's compromise. Let's cut down \$100,000 on landscape which I really wanted to improve the landscape because I think it's a benefit for the community, and so I said let's compromise and go with this picket fence that is more than what we need based on the standards and the requirements but let's compromise and let's get it done. So up to that point I think we were ready to go, and the following meeting I think I was out of the country, I couldn't attend it, so then when I came back to the next meeting, all of a sudden they cut \$150,000 out of landscape and then they come up with some other bullshit about, oh if you sue us, excuse me, another discrepancy with regard to if the HOA sues the CDD, blah, blah, blah, and language that basically delayed the process more and more. So at the end of the day, we didn't get anywhere, people are battling with each other, and we paused and we halted the process. What I'll suggest now for discussion, since we're not going anywhere with the HOA, what I'll suggest is, if the CDD determines that we can move forward with the project as it was discussed initially and approved both parties in November, I would say, what can we do as the Board here, as the CDD, to move on with the project. If we agree to move with the project, at that point in time obviously we will not be completing the gates, the electronics, or other irrelevant parts that will be more relevant to the HOA, we will complete the parts that are relevant to the CDD property. If we decide to move forward at that point in time, then I will suggest if it's ok with all of you guys, to take a look at that possible option just as an option. If it's going to be

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cheaper, if it's going to meet the requirements, if it may be better to replace a picket. If you find that it is not, then we'll just go with the plan as it is but I wouldn't even look at that until we agree to move forward as a CDD. Ok so I will say first, do we agree based on what we previously had approved? Do we agree to move forward, how much money do we have in the bank, how long is it going to take?

Mr. Duncan: Before we look at that, there are again several issues. One issue is that's it's better for the community for Brigantine and Rosser to be integrated with a back fence. Again, we can only do what's on CDD property, that would not totally improve the safety because there will be gaps, so our approach last time was to wait for the new elections, see if the HOA Board will sign the package that is in front of them, that's the better of the two options. In the event that by March we would not get to an agreement, in front of the HOA there is a package, agreed by both legal and agreed by the design, if we don't get anywhere with that package, in March, we will actually go ahead and look where we can make a difference on CDD property.

Mr. Azcona: Ok, that's fine with me, but that will mean that we will have to start talking about that at April's meeting.

Mr. Duncan: No after the March meeting.

Mr. Azcona: Yes but when is the March meeting?

Mr. Duncan: It's on the 12th.

Mr. Azcona: So it will be after our meeting.

Mr. Duncan: No.

Mr. Azcona: So it will be prior to our meeting?

Mr. Duncan: Yes.

Mr. Winkeljohn: Yes our meeting is March 14th.

Mr. Duncan: The HOA has to come with an answer of this package, yes or no, we understand that they said that they have not received the package.

Mr. Azcona: But they have, so that's not an argument.

Mr. Duncan: Well, yes, so now there is no reason for them not to review the package. I'm not aware of a HOA vote on this package.

Mr. Azcona: And I agree, I don't know if you guys feel the same or not, if you're ok with that, but the new Board will be stated on the 8th for the HOA so our meeting will be on the 14th, so the new members will have to make their decision within that time period.

Mr. Duncan: Yes or no, right.

Mr. Azcona: Right, so we will have to delay it until April because they will have to make a public meeting, they require like 72 hours to make the public meeting to make that decision, so we will have to wait until April.

Mr. Duncan: Well there are still 3 members in the HOA, the majority are 3 members of the HOA.

Mr. Azcona: Yes but the majority, as of now, they have not agreed with it.

Mr. Winkeljohn: We can also move our meeting, or open it and recess it, so we have flexibility with our meeting too, we could bump it a day.

Mr. Knight: There's a way to move it out maybe a week without the advertising.

Mr. Azcona: Ok.

Mr. Knight: Or we can re-advertise.

Mr. Duncan: We want the HOA to take a vote at any time on the package that is in front of them. We worked on this package for a long time, and we just asked up and down if the HOA doesn't want that package, that's ok.

Mr. Azcona: Ok, but what I don't want is that, and I think it's better working together, but it's like how long can you beat your head against the wall, for how long? So I've been advocating for this for years and we're not getting it done, so at least if the majority wants to go that way, I agree with that, but at least I would say let's start the discussion now, so in the event they don't want to do it, let's not wait another meeting to decide, blah, blah blah.

Mr. Duncan: No we don't have to, I do not want to create an incentive or provide that might or might not change the HOA vote. So in this moment, we've done our part, we provided for more than 3 months now a package that has not been acted on. The only

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thing that we ask from the HOA, it's a vote up and down for the package. We understand they said for 3 months we have not received it and so on.

A resident: But let me very clear, we obviously know there's no chain link because I was the one that fought for the picket fence with Michele so that your backyard would have at least a picket. So I was at the meeting, so I never told anybody that there would be chain link fence. So everybody relax, take a breath.

Mr. Duncan: No you relax, now you are in the CDD meeting.

A resident: I understand that, do you mind if I speak?

Mr. Duncan: No, please.

A resident: Ok, do you mind if I speak?

Mr. Duncan: No please go ahead.

A resident: Ok so at the initial meeting that Juan was talking about when we had you guys as a CDD Board, he had chain link fence for 6,000 feet, period, that's how it was back last summer, correct, you had chain link fence that was what you guys decided on?

Mr. Duncan: No.

Mr. Azcona: There were multiple options, so we said option 1, all wall, option 2, wall and picket fence, option 3, oh people are bitching about their money, ok well if you don't have the money, and we'd like to do all wall, but if you don't have the money then we will have to go with the third option which included white picket fence.

A resident: Ok but I've asking for months and months, I've asked Mr. Duncan on several occasions for a proposal for a wall, and I've still yet to see a proposal.

Mr. Duncan: No, actually you asked me for a cost estimate.

A resident: I asked you for a proposal, I asked you, do you have something from a company that says, how much the wall will be and I have never seen it, have you ever received one?

Mr. Duncan: We didn't ask for that, and I told you in the meeting, and I'm saying again, we asked for the only company that actually returned a proposal, and we sent to many companies, but we asked the question, what would be the minimum length of the wall then if we order more, the price will not change because we did not know in the

alternatives what groups of things would be chosen. So this is why we got 500 feet, we got 600 feet, with different columns, from that point on if you put another 1,000 feet the price would not change. When you asked me, I said, not only that I provided you that, I told you that the package that is with Mike Perelli with the drawings and this cost estimate is there. When you asked me again, I looked through my documents and I actually found the package that we sent to Mike Perelli. The truth of the matter is, that none of you on the Board actually studied that package. If you had studied that package, because I had handwritten stuff on it.

A resident: Ok, that's a legit estimate? Aren't you supposed to get 3 estimates? So that's an estimate on someone's letterhead, ABC Fence or Wall Company?

Mr. Duncan: Yes.

A resident: Do you have that? I've asked you for it, I've never seen it.

Mr. Duncan: I sent it to you again.

A resident: You've never sent it to me.

Mr. Duncan: I sent it in the email.

A resident: Alright, so let me say this, the bottom line is this, you guys as the CDD were going with chain link fence when Mr. Pitt, Michele, John was there, and he was obviously arguing the CDD point, but Michele and I were fighting for a picket fence and Mr. Mamo here was at that point getting in my face, I guess because he didn't understand that I was fighting for him for a better product in his backyard, and then you thanked me repeatedly at that meeting, am I correct?

Mr. Mamo: I did, and it wasn't a matter of chain link fence, it was a higher grade of the picket fence, we were at the picket fence right?

A resident: No, we are not at a picket fence at the beginning of the meeting.

A resident: He and Michele brought up the picket fence and after you went and approved, I complimented you that it was a much better product than what we were going to go with.

Mr. Mamo: Correct.

A resident: And it was supposed to be done at that time.

A resident: What I'm saying is, the point of my speaking right now is, we never had a wall alternative that we could turn to. The people in the community of Newport Isles were promised in the beginning a wall.

Mr. Duncan: By whom?

A resident: By everybody, by the Board, by whoever was discussing the wall, it was always a wall, we've been talking about his wall for 10 years.

Mr. Azcona: It was promised by the builder 10 years ago.

A resident: Right and Juan was there at the very beginning, and you're talking about 4 years, we've been talking about this wall for 11 years.

Mr. Duncan: Your presentation, it's so faulty in so many ways.

A resident: What's faulty?

Mr. Duncan: Many ways, from the beginning we basically said, these are the alternatives, we are providing \$400,000, if you have money you can actually pick any of these alternatives but you have to pay for it, we cannot actually do 50/50.

A resident: Right, and your alternative was a \$1.2 to \$1.5 or \$1.6 million dollar wall.

Mr. Duncan: \$1.2 to \$1.3 million.

A resident: So how is that even an alternative?

Mr. Duncan: This is what the wall would cost for the 7,000 feet that was there.

A resident: That was the entire project.

Mr. Duncan: Yes that's the entire project.

A resident: No, I heard that just the wall was \$1.2 million.

Mr. Duncan: No.

A resident: Either way, the price is extravagantly over what our current price is, correct, either way, so it wasn't an option correct?

Mr. Duncan: This is why when we replace, the only combination of things that actually fit the \$800,000 was the chain link on that part, it was picket fence and the wall at the entrance. This was the only combination.

A resident: I understand.

Mr. Duncan: So when you guys said, no chain link, we actually had to take money from the landscape, we did not say anything, we didn't ask you, you said we don't have more money, we took all the landscaping saying we can make it in phase 2, so we took \$100,000 to \$150,000, and we put it in the picket fence, no chain link and leaving the wall at the two entrances.

Mr. Azcona: Excuse me, when was that agreed to?

Mr. Duncan: April or May.

Mr. Winkeljohn: Almost a year ago.

Mr. Azcona: Exactly, and in reality, we compromised not in November, we compromised and we agreed, and obviously if it was up to me, you say it's not an option well the wall is an option.

A resident: The wall as it was proposed by the CDD was not an option.

Mr. Azcona: Well it is an option but people didn't want to pay the money, so it becomes not an option.

A resident: Ok, I can go to a car lot and I can say oh, there's a Ferrari here for \$200,000 and there's a minivan for \$30,000, what am I going to be able to buy? What's my option, is my option actually the Ferrari or is it the minivan?

Mr. Azcona: No the discrepancy will be \$150,000 extra from the HOA and \$150,000 extra from our end, so it is an option.

A resident: Ok, so we can talk apples to apples here, the picket fence, and this gentleman's wall option, a wall that we were promised, is roughly over 6,000 square feet, a \$55,000 difference and that's what we're talking about.

Mr. Azcona: Ok, so let me finish my statement. So we've been really compromising since May to get it done, so we can sit down here and keep talking about oh the chain link fence, but I think we compromised in May, we've been through May, through November, talking about details and in November we pretty much agreed with the attorneys and all of that based on the requirements and the meetings that we had in May, June, July, August, September, October and November, and that representatives of Passerelli were coming here and giving the feedback and we said ok, we'll compromise

and all of that and in November we decided to move forward and now we're here waiting so I would say, there's no need to keep talking about, oh it was a chain link fence, or whatever.

Mr. Duncan: The HOA Board agreed with the present design, this is why we finished the language and we sent the package to them on November 15th.

A resident: I have a question, originally why were we not given 3 bids from each concept?

Mr. Winkeljohn: There's a lengthy multi-year history that's been lost in this conversation. We hired our engineer and a landscape architect to solicit multiple bidders, 10s, 12s in the area that were qualified. At the end of many years of getting all of their alternatives, different types of fencing, different types of pickets that could be used on his design, the only ones that could satisfy the actual requirements boiled down to 2 or 3 contractors, so we had already gone through a bidding process. We got them down to the most economical, qualified pricing already, so you're going back 2 years saying where's your bids, and we went through all that. We did that professionally because the CDD has to, we did a complete bid required specifications and the only ones that qualified are the ones we've been working with.

A resident: Ok but Mr. Duncan said you only got 1 bid for a wall.

Mr. Winkeljohn: Of all the contractors the only one that could provide the wall in our system ended up being one contractor, and that contractor held their price going on 18 months now, and every time we altered the design which was not the District's doing, we asked that contractor if they would honor their price and on average the answer was yes. So please don't ask me for bids anymore, they've been vetted out, and we spent \$40,000 on a bidding process, so I don't think that should be lost because it happened and the documents are public records and it's almost 2 years of your money that you're asking about again, and it's just mindboggling.

A resident: Because we were told you only got 1 bid.

Mr. Winkeljohn: I don't know who's telling you things but I didn't tell you.

A resident: Mr. Duncan did, that's why I posed the question to you, so you don't need to be snippy and rude, you can just answer the question.

Mr. Winkeljohn: Very well, if that's how you're taking it that's fine.

A resident: He said, you got 1 bid in front of the entire HOA, so he's misrepresenting you.

Mr. Winkeljohn: Ok.

A resident: Well that was a current bid from within the last 18 months.

A resident: That's not what he said, and that's all I needed to know, that answers a lot for me.

Mr. Azcona: Ok so moving forward, again to me I think we've had the bid wars over and over again, so I would like to see the project moving forward, I would love to work together, I think we're all in the same boat, everybody lives in the same community, the money out of the same pockets whether you say HOA or CDD or whatever, so it benefits everybody. However, if after months of compromising we're not willing to move forward, I don't mind waiting another month after years, but I would say that after next month let's just start working on the project and if they want to tag alone and they want to do the rest of the project to cover the gaps, fantastic, but at least we'll get something done.

A resident: What's the consequences to that? The CDD moves forward, the CDD starts the project, and the HOA comes along, we don't have to stall our portion?

Mr. Winkeljohn: The underlying element to this project was simply land ownership, that's what started all of this. The request from the HOA was initiated on the reality that the HOA didn't own the land that the wall wanted to be built on. The wall or systems of walls, whatever, I'm just speaking generically now, so that's where we were asked would we allow construction to take place on our property, but the District's standard was to hire professionals to make sure that the design look would be complimentary and of value rather than detract from the aesthetics of the community. Basically you have an architectural element that needed to be repeated professional versus conflicted, and the first proposal looked an awful lot like the drawings here, or the

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pictures here were not architecturally complimentary from a professional standpoint. Our engineers noticed it right away, I noticed it right away that this proposed system way back almost 2 years ago would be a complete atrocity of value to this community, and as a professional I said, time out, this is great that you guys want to improve security. Security is wonderful and it's certainly a high priority but to reduce the quality of your community by being in conflict architecturally would be a disaster, so please hire a landscape architect to come back and give an opinion on keeping the complimentary value, because you already have monuments, you have entrances, you have things that needed to be built with a professional consistency, so that's what we did. So we shared our money together, it was an excellent stepping stone to cooperation, the design came out, and the design said you're going to fit in this architectural style if you use this type of wall system, this type of picket system, and in invisible areas, if you want to save money, chain link would work. So that's how this all got done, and we all know this, most of us, and for everyone's benefit that may not have been involved, so that ala carte menu of architecturally agreeable elements had circulated based on a fixed budget of \$400,000 each party, and then the rest is history.

A resident: Ok.

Mr. Duncan: When we got all the bids, we went to Mike Perelli and said, would you suggest additional vendors that we can contact? We got the list, and we contacted all of them, when the wall came back the final list was one that met all these criteria. Sure, you get this, this and that, but they have to go to Pat and Greg in order to be filtered, so there was only one that actually got through the filters and it was not an easy one, but it was one that is located in Orlando. So when I said, you can get many things from many people, but by the time you filter them, only one of them actually passed the grade.

Mr. Azcona: Filtered by our engineering firm.

Mr. Duncan: Engineering firm and landscape architect.

A resident: And that was prefab because of the connection, ok I remember.

Mr. Duncan: And the look and maintenance and everything else.

A resident: That's right.

Mr. Winkeljohn: Right it had the ability to integrate these consistent systems and it boiled down to one contractor.

Mr. Duncan: And I had to think about columns and the way the gates are coming into the columns and everything else.

A resident: That's right, I remember, I recall.

Mr. Azcona: And sticking to the price we were working with, the budget that we were working with because with an additional budget we could go and get other options but we had to work with this specific budget.

Mr. Winkeljohn: Right.

Mr. Duncan: So there is a package that I would suggest the HOA members look at the drawings of what's in the package to look at the cost estimates associated with the package and go vote up and down that will allow us to look at different options. The risks associated to two different people working on two different parts will be mostly at the entrances and the gates that would not actually fit, and the electrical, these are the things that will be more costly.

A resident: I'd like to say something about that because if we do the gates from outside of Brigantine, and we do the wall and fence, and then we come to the inside, you're going to have to pretty much hire the same company to keep the continuity of the two projects, the CDD project and the HOA project, you'd have to hire that same company to do a small section on the inside to keep everything looking the same, which at that point in time if they came out to do a small job for the HOA, the price is going to go up versus doing a large project, that's all I have to say about that.

A resident: Ok so thank you for bringing that up because that is exactly the point, even if two entities are doing something, if they're pulling on the same rope, and doing it at the same time.

Mr. Azcona: But it's not at the same time, the problem is that the HOA is not agreeing to do it at the same time, so what we're stating, in the event the CDD got done in 2018 and the HOA decides to do it in 2019, if you do it with the same company and

they bring the truck 6 months later or a month later, or 2 years later, they have to bring the machinery and everything else.

Mr. Duncan: Ok, if there are two different contracts, one with the CDD, if a vendor has two different contracts, one with the CDD and one with the HOA, this contract cannot be written in such a way that will mesh in such a way that you bring 21 trucks because neither one of the two parties can actually agree that the other party will do it at the same time. They are two different contracts. What we suggest here is to be one contract. If we cannot do that, each party will do it separately, that's the big problem.

Mr. Winkeljohn: And philosophically it's very clear that would be less efficient, one way or another whether it is exactly on that delivery or not.

Mr. Azcona: And the reason why we've been delaying over and over again is because we feel the value of working together, we want to work together but if years go by and we are not able to get it done, then the other option is to just go at it by ourselves.

A resident: Clearly all of you don't want to work together. Mr. Mamo quite clearly said he doesn't want to, it was very clear.

Mr. Mamo: Right I don't think the relationship is there, I don't think you guys want to work with us.

A resident: Ok, so let me ask a very simple question, how much of the percentage of the population of this CDD lives in the Newport Isles community?

Mr. Duncan: All of it, everybody is in Newport Isles.

Mr. Azcona: Right, for the most part.

A resident: So what is the problem then, can't we ask for a popular vote of what people really want and I think we know that from the last meeting at the HOA, what the population wants. So you guys are representing us, why can't you come up with a solution that satisfies the residents of the CDD which happens to be a very large percentage of the Newport Isles community?

A resident: I can answer that in one word, money.

Mr. Duncan: Right money, if you want to pay we can do it, originally we said we'd give \$400,000, but we went up to \$450,000, with the design we give \$500,000.

Mr. Azcona: Ok let's give the people what they want, let's propose an assessment of \$1,000 to everybody because they're asking for the wall, so that's what it would entitle. If you guys want the wall, everybody puts \$1,000 and we get a nice wall. Ok so let me say this, here with representation of the chair of the Board that was telling you we're getting a wall, the chair of that Board we hear in meetings and he fully understood what you guys were getting.

Mr. Duncan: I don't understand, from the beginning and I can show you documents, we the CDD will provide \$400,000 and now it's \$500,000, and we said whatever the HOA wants they would have to make up the difference.

A resident: HOA wants a wall, so we want this to continue.

Mr. Duncan: Ok we will put on CDD property only something that passes both engineering and landscaping architect that we paid \$40,000, if that doesn't pass the filters that we put in place for the project, it will not be put on CDD property but you can put it on your own property at the entrances or whenever you want to do it, you have that freedom. We are in this business just to make sure that we put on CDD property appropriate things that will match the community standards.

A resident: What is the community standard?

Mr. Duncan: Look at the houses, it's the same thing like the HOA doesn't allow you to paint in a different color.

A resident: Well isn't that part of the CDD that property?

Mr. Duncan: No.

Mr. Winkeljohn: No.

A resident: It's not, ok.

Mr. Winkeljohn: The commercial properties do participate in our drainage program slightly, so there is a little bit of a relationship, so they use our drainage system and they pay for it. So one of the reasons why the District has a little bit of a cap is we have money that can only be used literally for drainage repair, so we'd have to bring in

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new money just for going past this \$450,000. So we're a little bit handcuffed with our current assessment level, and our assessment level is sufficient but we have to watch that.

Mr. Azcona: Ok so just so we move forward, and based on what I'm hearing so we don't waste more time, the majority of the HOA Board, we have two representatives right now, so would you guys go for what was discussed over the period of a year to move forward, which was the recommendation and we did the bids and the landscape architect and the engineering firm, they all came up with a base and we said ok this is the money we can contribute because we had the discussion of the budget and we said, are we willing to pay more, and I was advocating to pay a little bit more, and everybody raised their arms, or the majority of the people said no, we don't want to pay more, and we actually lowered the budget because I think we were at \$1 million or \$1.2 million so we ended up lowering it to \$400,000 each. So we did \$400,000 each and that's when we had the recommendations from the landscape architect and he said ok if you had more we could do all wall, but since you only have \$800,000 we're going to do this mix of things, including the options. Then we had to upgrade to the picket fence, reducing \$150,000 from the landscaping, so we had wall and high end commercial and upgraded picket fence, so that was discussed since I guess May and that's when we did the compromise, so that should have been already communicated to the Board and to the community, if it was not communicated, it was discussed here.

Mr. Duncan: We made the package which was sent with drawings and was sent.

Mr. Azcona: So it's the majority of the Board, would you guys go for it knowing that we have the nice wall, the columns, and everything and then in other areas, the high end commercial upgraded picket fence or the majority of the Board will say, no we don't want the picket fence anymore, we want an alternative wall.

A resident: I would say at the very least if you don't mind Mr. Pitt, and Michele, I would think it would be a disservice for us as an HOA Board to not explore another option including this gentleman's for his cement wall at literally an entire project of 6,000 plus feet, we're talking about a \$55,000 difference, I think it would be a disservice to the people of Newport Isles to not give them a wall opportunity at that very little cost.

Mr. Azcona: Alright, so how about this, would the majority of the Board agree to move forward if, with what we have right now, taking into consideration that we will explore, if you say ok we'll move forward if we explore the option that he's suggesting and then we determine, ok the option is good, it's better, we all agree, so we move forward, both parties agree, both majorities, and if both majorities say no, we stick with the picket fence, then you guys agree that we move forward and you will not hold it any longer.

A resident: Me, personally, as long as that's explored as a viable option, I personally out of the 3 would be fine with that because I think that's our only chance at doing a wall.

Mr. Azcona: Ok, alright.

A resident: This is all from Joe cutting the budget and not entering to phase 2 of this for next year, to finish the project properly and get a proper C.O. with the lighting and everything else that was involved, so now we're down to bare bones to do the wall, just to secure the outside perimeter.

A resident: Yes but he doesn't have the authority to cut the project.

A resident: Right.

Mr. Azcona: So I said, we agreed to cut down \$150,000 on landscape, which I was against to go with an upgrade of a fence that the engineer firm said, it doesn't make sense because what we are already getting was commercial grade which was more than enough, so if you guys want to go with that it's because of personal choice, not because it's going to be aesthetically different or better, or make any additional deterrent of security, it was just like a personal choice and then we had to give up \$150,000 of landscape which creates positive aesthetic and a visual impact. So I don't know if you guys are in favor or not but that's what the chair of your Board represented here on your behalf, so he was negotiating on your behalf and when you guys had your HOA meetings, if you agreed with him, that means that what he said is ok, and we negotiated that from May, June, July, August, September and October and now we're here in February, and I said ok at least could we do phase 2 and then when we're finished with

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the bare bones, phase 2 we put the landscape and we do \$75,000, and you guys do \$75,000, oh no we cannot commit to that. So we had to compromise and go with something that doesn't look as good as it should be because the person that was representing the HOA said no.

A resident: Ok I think we're pissing in the wind a little bit and we can move forward. There's no reason we can't come together, and say ok we can move forward.

Mr. Azcona: Ok, that's why we're here, and so that's why I'm asking the question, will you move forward.

A resident: Absolutely.

Mr. Azcona: I will say, the engineering firm, it's not me as a person, the engineering firm, the attorney, is it going to meet the requirements, it's going to meet the specifications, and also as a majority do we like it better aesthetically or opinion, then we all vote, and then the majority will rule, and we'll move forward either way, are we good with that?

A resident: Yes.

Mr. Duncan: So let me summarize, we will go forward, we'll pay more money, we'll task Pat and Greg Boggs to look at the wall.

Mr. Azcona: To look at the option of the picket fence, only the picket fence option.

Mr. Duncan: No they have to look at the wall as part of that, and they will give us an opinion.

Mr. Azcona: Ok.

Mr. Duncan: The CDD Board will then vote on the opinion to put it in and the opinion of the CDD will actually carry the day and at what point the agreement will be signed?

A resident: I guess when we all agree that if this gentleman's option is viable or not viable. I think if it's viable I think we move forward with that solution.

Mr. Knight: Well we need to have the engineer also give us an estimate or get the information from the HOA about what the wall is going to cost, and then we have to decide where the money is coming from.

Mr. Duncan: Right, the HOA will pay the difference.

A resident: That's why this gentleman is here, so you guys can maybe ask him questions, if you had questions about this wall.

Mr. Duncan: The engineer will do that, and the HOA will pay the difference. Remember, the electrical is also missing another \$50,000 that we put in phase 2, so there are no fixtures and everything else. So the difference would be paid by HOA.

A resident: The difference of the picket fence to the wall option?

Mr. Duncan: Yes, to the wall and plus phase 2.

A resident: Am I right in saying that without phase 2 and the lighting and all the assessments that you did on the lighting for entry and the different things that we can't C.O. on the entire project? How does the county look without landscaping, without the proper lighting, without the things that are on the plan?

Mr. Ferland: So the downside at the city is that you would lose the approval that you have to close those things.

A resident: So you'd have to start all over again.

Mr. Ferland: In 3 years, well 2 years.

Mr. Azcona: Ok, so since we are doing this right now what I will propose right now, if we're going to move forward I would like to add, or reinstate, a second phase with the specific landscape and it's already in place, we already have that right?

Mr. Duncan: We cannot do that because we do not have the money, in another way, there is a cost estimate, the cost estimate fitted the budget, the agreement requires 50/50, we cannot actually use this agreement because the total cost with phase 2 will pass the \$900,000.

Mr. Azcona: Mr. Knight, could we add an addendum, we have a close agreement, so we'll go with that if they want to go and we could add an addendum to the existing agreement that will say, we already have proposals in place for the landscape improvement, so it will say an addendum that if we agree to get this project, the second phase, we budget 50/50 that it will be for the things we already have with the

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recommendations from the landscape company and we'll run it by you, and would that be something that the HOA will be in favor of having an upgrade in landscaping?

Mr. Duncan: Well this will put on the CDD itself another \$125,000. In addition to the \$500,000 and remember, we already moved up not only \$50,000 but we moved up in the design phase. So in this moment from the promise of \$400,000 the CDD in this agreement with \$450,000 of new money, actually has to pay \$500,000. You are proposing the CDD at this moment will pass a resolution to spend \$625,000.

Mr. Azcona: No, another \$75,000, and not immediately, I'm not saying that is has to be next month, I'm saying let's have the second phase in place so there's an agreement, and whenever our financials are good and the recommendation justifies that, we can start spending that money, then we will execute it but, what I would suggest is that we already have the conversation in place if the majority of the community wants those aesthetics upgrades. So instead of just leaving it open and say, well we'll discuss it whenever, since we're working on this project I would say, it doesn't hurt us we already have the recommendation from the landscape architect, we don't have to commit the money immediately right now, we will commit the money as our finances justify that we can commit the money.

Mr. Duncan: It doesn't actually matter because the first thing that I have to commit is finishing the electrical and the irrigation.

A resident: The landscaping could come second, and I think you'll concur that we could still get a final with those two things, you don't need a permit for landscaping do you?

Mr. Ferland: Well it's all part of the site plan.

A resident: You mean if we got the irrigation and the lighting done and then the next year came in and did the landscaping, they're not going to ask us for permits to plant trees.

Mr. Ferland: Right.

Mr. Duncan: No but you guys realize that we have to go back to the city for the master plan. We have to revise the drawings, and you have to go back. I know better to think that you can get away with this or this or that.

Mr. Ferland: I believe it would be a letter approval, we don't have to go to the city council or anything, we're just saying we want to replace the fence with the wall here, and I think it could be done with a letter, but yes you would have to revise the drawings so that there would be an official document on file.

Mr. Duncan: And we also know that we might not be able to implement landscaping and everything else within the 3 year interval which creates another problem within a lot of stuff in the phase that it's in the master plan but it might not be accomplished.

Mr. Azcona: But what if we separate it, and if it's going to complicate things I don't want to complicate things, so the only thing I want is what viable option do we have just to commit to a second phase without affecting the first phase in any way. Is there any way we can draft an agreement in which we say, listen both parties agree so let's start, because if we agree now then we can start allocating a budget from both ends and say, listen moving forward each month we're going to be, let's say we're going to be doing this in 2 years, rather than say, oh well let's table this and we'll talk about it in 2 years, no let's talk about it now and say, let's put a \$1,000 away from each party so after 2 years we have \$25,000 here, and \$25,000 which is \$50,000 or put \$3,000 away and I'm just making up numbers, but it's going to be easier at that point in time to execute and move forward, rather than 2 years from now saying, oh yes let's start talking about it, do you guys have \$100,000, oh no we don't have \$100,000, oh no we didn't allocate it, so that's why I want to have that discussion so we're not financially responsible and we can keep upgrading and so my question to you and the attorneys, how do we go about it so we could say commit without affecting the existing plan that we have right now to move forward the existing project.

Mr. Duncan: I would be against changing the language of the agreement which took forever to get.

Mr. Azcona: No I'm saying, do not change the agreement.

Mr. Duncan: An addendum to that actually would change the language because there is a lot of stuff that interacts with each other so if you do that you might move phase 1 and phase 2, and it's more difficult than that.

Mr. Azcona: So Gerry what would be an option to discuss? How do we go about it without creating impediments for the existing agreement and expense, what would be the legal recourse?

Mr. Knight: Well we could put language in there, in fact there may be language in there already, I don't have it right in front of me about phase 2, and I know we talked about it at some point. For phase 2, the parties mutually agree to proceed with phase 2 improvements, the association shall contribute and pay the District, it's the association's contribution for phase 2 in the amount of one half of the phase 2 construction costs, not exceed \$50,000 pursuant to Section 2D of this agreement.

Mr. Duncan: But that was put there because you knew that it's a total of \$900,000, so we think that phase 1 would eat that up.

Mr. Knight: So this is not to cover the landscaping package?

Mr. Duncan: No, this is basically the buffer.

Mr. Knight: Right, ok.

Mr. Duncan: Basically saying, hey we'll need that and we commit only \$900,000.

Mr. Knight: Well there's a phase 2 already in here.

Mr. Duncan: Right.

Mr. Knight: So that doesn't include the landscaping, so we're talking about a phase 3 then.

Mr. Duncan: Well in that sense, yes.

Mr. Knight: So then we could put similar language in there also, we'd have to change the language, go back to Mr. Krivok.

Mr. Azcona: Would it be maybe easier to draft a separate document so it doesn't affect that document? Then we say, listen we're entering another agreement?

Mr. Knight: We could do a separate agreement.

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Mr. Azcona: And that agreement we'll call it phase 3, just for the purpose of calling it that, and that way it will be a complete separate agreement, but it's an agreement between both parties in which we agree that as we complete this, and in the next 18 months or 2 years, or whatever we consider appropriate financially, we will have in place and both parties will start adjusting their budgets or saving money accordingly to come up with the landscaping the community wants.

Mr. Duncan: Let me ask you a question, is this agreement, there will be a future HOA Board, what will stop a future HOA Board from saying, I don't have the money?

Mr. Knight: Nothing because whatever we do will be subject to the availability of funds at the time.

Mr. Duncan: So they will say, I don't have the money.

Mr. Knight: Then they could just say they don't have the money to do it, and then they won't do it.

Mr. Duncan: But I put the money away, and my priorities are different than the previous HOA Board, and therefore I don't have money for this.

Mr. Azcona: Ok, that's an opinion but at least if this Board agrees with that, they could allocate a budget toward the project, so that way we are already ahead of the game, and then the next Board comes in or two members and they'll be aware of it, there's a budget item here, there was an agreement with the Board and the community wanted this, so I think it's positive that we're thinking about the condition and the future of the community, rather than say, well yes but people may complain about it so let's not do shit then, let's not talk about this anymore because maybe the two new Board members they're going to say no, so let's just forget about it.

A resident: The current Board wants to move forward, so let's make hay while the sun shines and let's move forward.

Mr. Duncan: Well you have something in front of you at least ask the Board to vote.

A resident: I think we just had a clear understanding with Juan, I don't think there's any disagreement, we're just regurgitating the same stuff, I think we're on the same page.

Mr. Azcona: Ok, good.

Mr. Duncan: Ok so put it to a vote that it's in the minutes of the HOA meetings, we brought them a contingency of caveats, you want to put that, so just put it to a vote.

A resident: Ok fine.

Mr. Azcona: And you make it official, make official that this is what we're going to do, so there is no next Board meeting and say, oh well it failed.

A resident: Right, and we can even ask the lawyer if it's something we can do even prior to that through email.

Mr. Azcona: Ok.

A resident: So if that's fine we can do that, and let's get moving.

Mr. Azcona: Alright, so then you sew your end down.

A resident: So if the lawyer says it's ok, and if not then it will be at the next HOA meeting, but at the worst case if we wanted to move forward quicker, we make an emergency HOA meeting and so something.

Mr. Duncan: We would like to have something in writing, preferably a letter from the HOA Board to give back, to get back to Gerry, but it has to be in writing, a lot of things are being said, and so forth, but from now on communicate in writing.

A resident: Ok.

Mr. Azcona: So when can we get that?

Mr. Knight: And we would suggest that attached to this letter as an exhibit as the document they approved.

Mr. Duncan: Absolutely.

Mr. Winkeljohn: And a check.

Mr. Duncan: Yes and a check.

Mr. Knight: A check for \$400,000.

Mr. Duncan: The check is the one that will actually start the stuff moving faster.

A resident: Ok.

Mr. Winkeljohn: Right we can enter and do contracts when we have the money.

Mr. Knight: Right.

Mr. Winkeljohn: Otherwise we're still talking.

Mr. Duncan: If the check is not written, and you have to understand, no matter what the agreement says, if the check is not written, there is no agreement.

Mr. Azcona: Ok, alright, so that's the approach then, so then we have the commitment from their part and obviously they have to bring their goods and then at our next meeting ideally we should be able to move forward with this project.

Mr. Duncan: Ok so, we have to pass a resolution to rescind the previous stuff and allow Pat and Greg to move forward.

Mr. Winkeljohn: We just need a motion authorizing our professional staff to review the request for the wall alternative to picket fence.

Mr. Ferland: And I would think you'd want a written cost proposal for that wall and the proper specifications.

Mr. Duncan: Yes, you'll get in touch with Greg.

A resident: So do we have a set number of linear feet that's going to go on there because I don't want to say 6,000 feet and then it's 7,000?

Mr. Duncan: Yes do we have the drawings, and if you do it all the way, you have to look at the drawings.

Mr. Ferland: You talked about the west side and the south side right, is that what I heard?

Mr. Duncan: Right.

Mr. Ferland: And there's a footage on the drawings for that.

A resident: Ok.

Mr. Duncan: Replacing the picket with wall but not at Rosser, you know that we have about 300 feet.

A resident: Or Brigantine?

Mr. Duncan: No, this is Rosser.

Mr. Ferland: I heard a statement here that it was just the southbound and the westbound, Jamesport and Marshfield.

Mr. Duncan: That's all it is.

A resident: Ok.

Mr. Knight: So at the HOA meeting they're going to vote to decide to vote on the package, that they approve the contract, and they approve everything.

Mr. Duncan: Yes.

Mr. Knight: So how does this wall proposal going to affect that because once the engineer and the landscape architect are ok with the wall, if they say they are or whatever their conclusion is, that goes to the HOA as well as to this Board, right?

Mr. Duncan: Right.

Mr. Knight: And then they, at their meeting, are going to say, yes we want to approve this but we want the wall, and they will pay for the difference, and they'll let us know that, and then we'll make the change in the plans if the CDD approves it.

Mr. Duncan: Yes.

Mr. Knight: Ok.

Mr. Winkeljohn: Is there a motion on that as stated?

Mr. Knight: The motion is to allow the engineer and landscape architect to review the wall plans.

Mr. Winkeljohn: Right.

Mr. Duncan: Yes.

On Motion by Mr. Mamo seconded by Mr. Willemstyn with all in favor, authorizing the District engineer and landscape architect to review the perimeter wall plans as an alternative to the picket fence and the HOA agrees to pay the difference between those costs if all criteria are met as stated on the record was approved.

Mr. Winkeljohn: Ok so that resolves that for now. So Pat you have his contact information, so he can evaluate the wall?

Mr. Ferland: Yes, is it in that package there?

Mr. Winkeljohn: I think it is, but just in case. Alright, very well, anything else?

A resident: Yes I have a question.

Mr. Winkeljohn: Oh yes, what was your question I'm sorry.

A resident: Is everything on the website, like including the photos?

Mr. Duncan: Yes.

A resident: So that's on the CDD website?

Mr. Winkeljohn: Yes and anything you need, the website has an email address, just ask for it, if it's not on there I can put it up, or email it.

Mr. Azcona: I know that minutes should be there right?

Mr. Winkeljohn: All the minutes are there.

A resident: No I know the minutes are there.

Mr. Azcona: So you can go and read back 2 years and knock yourself out.

Mr. Duncan: And I asked the pictures to be put on too.

A resident: Are those quotes that we have discussed on there?

Mr. Winkeljohn: There's samples, but we don't have the quotes on the wall, but the history of the District, it's mentioned in the minutes, there are exhibits of it, and they're pretty big files so if they're not on the website just email me and I can copy you on any of those.

A resident: Because I think it's time that the community really educates itself a little bit.

Mr. Duncan: Well the community actually had access to all the drawings in the package that was sent in June, so they were in there. In Jackie's office these drawings and packages are there, so if the community wants to actually take a look at it they can.

A resident: Yes but if we don't know about it, see that's the whole thing.

Mr. Duncan: That's the HOA's, they said we haven't received anything.

Mr. Knight: You can get copies from the District manager.

Mr. Winkeljohn: Anything that's District related.

A resident: Because it would help both parties, the HOA side and the CDD side when the people are finally really getting the full picture of everything and the best way to do that is, if I can click on anything on the website and then I can, as he says, knock myself out.

Mr. Azcona: Right, that way there is no misinformation.

A resident: Exactly.

Mr. Winkeljohn: Yes ma'am?

A resident: And we had talked about some of the Board members, were put on the agenda to allow you guys back in the clubhouse for your meetings.

Mr. Winkeljohn: Oh thank you.

A resident: So at this next meeting we will take an official vote on that, so we were trying to get you to be able to be back there today.

Mr. Winkeljohn: Right and we've already advertised for this location.

A resident: Right and that's what we knew was the problem but we'll take an official vote at the meeting.

Mr. Winkeljohn: Will we have to pay?

Mr. Duncan: Right, and you have to ask yourself why did you vote in the first place?

Mr. Azcona: Ok, let's not discuss that, let's move on.

Mr. Duncan: So you sign the agreement and the only time the agreement is valid is when a check is in hand and we'll provide you within 10 days with a copy that we put a check in of the same amount in what is called the construction account.

Mr. Winkeljohn: Right we create a public account for construction.

Mr. Duncan: And you'll have access on a monthly basis to see all the expenses from that account.

Mr. Winkeljohn: Yes sir?

Mr. Ferland: Something just struck me that the agreement includes the drawings, and the drawings are going to include the wall.

Mr. Duncan: No, there are two steps, step number one if they agree, if we agree that the wall passes all the engineering and landscape architect, and if the CDD votes on putting this wall on the property, and if they will pay the difference in costs between the present and the wall, we will replace the picket fence with the wall. So I want to make sure that it's in the minutes, that approving the drawings as they are, if the engineering firm and the architect landscaper said there is no problem with the wall, it meets all filters, and if the CDD Board agrees to put it on the property, we will replace the picket fence with the wall with the HOA paying the difference in cost.

Mr. Ferland: Ok so I just wanted to make sure that somewhere, either in their vote or your vote, or you motion or whatever.

Mr. Winkeljohn: Yes we got it.

Mr. Duncan: And it's on the record now.

Mr. Knight: If they vote that they want the wall, it comes back to this Board and if the engineer and the landscape architect say ok, this Board will then vote on whether to make the change replacing the fence with the wall and then we'll make the change in the documents in order to reflect that additional change, and they send the money, and they're going to pay for the difference in the wall and we go from there.

Mr. Duncan: But Gerry, I want them to actually agree on the agreement.

Mr. Knight: I know, I left that part out but yes, right.

Mr. Duncan: Contingent because otherwise there will be no end.

Mr. Knight: Right, they have to agree to the agreement as-is and then say to us, they want the wall and then we make the wall change, if this Board agrees.

Mr. Ferland: Right, and so I wanted them to hear that.

Mr. Duncan: And we would not move forward if the agreement is not signed because it's a never ending proposition.

A resident: Can I interject one thing, that possibly if you're going to hire me that I'd like to get a price on a pre-stress wall with cables so it would be a little bit more conducive.

Mr. Duncan: Sure.

Mr. Winkeljohn: Sure, you can connect in with Pat and Greg.

Mr. Duncan: As a part of assessing at this moment, you can get with Pat on any other type of wall that might be more agreeable.

A resident: I'm talking about a cable wall, have you ever seen that with the stress cables where they stress them and they pour them?

Mr. Knight: Send it to the HOA too so when they vote on what they want, they have that in front of them also.

Mr. Azcona: Ok so let's explain that again so we are clear what we're sending to the attorney, what we need and all of that, let's all be clear.

Mr. Duncan: In the moment we are asking the HOA to sign the agreement, contingent with us evaluating the wall option. If the wall option passes the field tests of the architect landscape and the engineering, and if the CDD Board votes on putting such a wall on our property, the picket fence will be replaced by the wall with HOA paying the difference in cost between the picket fence and the wall. This is what was agreed to.

Mr. Winkeljohn: And I wouldn't be surprised if, just guessing ahead a little bit, the architectural, you know to get that wall in there or a similar wall, and if John comes up with an alternate proposal that meets that, I would not be surprised if there's a modification or something that will run that price up a little bit from the architect, so just anticipate that.

A resident: What is the consensus of the CDD if the wall is viable?

Mr. Winkeljohn: Well if it could be made to match the architectural style it would have been approved at the beginning.

A resident: Ok, I just wanted to make sure.

A resident: What do you mean made to match to architectural style?

Mr. Winkeljohn: None of these drawings are reflective of the architectural style, these are all patterned, grained, we don't have any wood, or faux wood, or stone.

A resident: So the wood there is an option, and the stone, it could also be turned on the flat side and be done flat?

Mr. Winkeljohn: I'm sure, I didn't want to get into the technical aspects of it.

A resident: Most communities have walls, they don't have fences.

A resident: Just so we're all clear, are you familiar with the actual property, Jamesport, where this either picket fence or wall is going?

Mr. Winkeljohn: We were willing to put chain link there.

A resident: And the people didn't want it, but it's behind people's homes.

Mr. Winkeljohn: Right, I understand, but from a District standpoint, it was out of sight, out of mind, and not to make light of it.

A resident: Right, I understand, but it's in their backyard, so it's in how many other people on Jamesport, 30 or 40 or 50 homes? Do you know what I mean, and you have the townhomes on the powerline.

Mr. Azcona: Ok so what's the language so you guys have it clear, what is the requirement is that we're requiring?

Mr. Winkeljohn: I think we got it.

Mr. Azcona: Ok so we got it.

A resident: Can I ask one thing?

Mr. Winkeljohn: Yes sir?

A resident: And it has nothing to do with your verbiage on what you want to do, there is a portion where that picket fence or wall would be which along the wetlands, now that might be an option where you might want to do the fence, and I don't know if those neighbors want to look into their marsh or they want a wall so they cut off of Rosser. So I would say that might an option as a transition point where it's still behind the homes and stop there, where the police station was, and then you have the marsh there.

Mr. Azcona: So that's the option of the wall where the homes are, and the rest just remain the same.

A resident: Yes, and I'm just thinking hypothetically, let's say if my home was there, I might want to see it into the marsh and the see the sandhill cranes in there and whatever, so if I'm in the marsh I see that, and I don't know where your house is, but part of Jamesport is on that marsh, and I'm thinking you're further down where the ditch is and stuff, but chances it's not so pretty there. So if you're looking at fence there, you're looking at a fence with crap behind it.

Mr. Duncan: No, the way the design is, there will be vegetation behind the fence that will actually, you will not be able to see the other side.

Mr. Winkeljohn: Right, and what you're afraid of seeing is the Vista concept, and if you put a wall somewhere your eyesight stops at the wall, it doesn't keep going, so you do retract the quality of your environment by putting walls up, that what you're looking at.

A resident: Sure, well if they're putting vegetation there that's stopping it also.

Mr. Winkeljohn: Not as bad though.

Mr. Duncan: Ok so there is one other issue, listen, guys, there is one other issue the picket fence is maintenance free for 10 years or more the way that it's made. In this moment, in the CDD I put that we share the maintenance because it's on CDD property. We actually would not be able to pay for the maintenance of the wall, a picket fence is different because you can actually replace a piece like that pretty easily and so forth. So the HOA will actually pay for the maintenance of the wall.

A resident: Yes we can discuss it but I would say, we can't make a HOA decision here, we can make a proposal and then vote on it.

Mr. Duncan: Ok, yes I'm telling you that the wall, it's a much higher maintenance than a picket fence.

Mr. Winkeljohn: Right and just the principle of it, that the HOA would have the ability to maintain the inside of the wall from the residential standpoint. You could send a letter, and you would have the ability to enforce the look of it so people couldn't paint it the wrong color, but we couldn't do that easily.

A resident: But at least let's give the people the option.

Mr. Azcona: Alright so then we're moving forward with the option, and you guys are going to send us the attorney letter, the copy of the check, and what else do they need to send?

Mr. Duncan: Nothing, just the signed agreement.

Mr. Winkeljohn: Right, as it is and we'll alter that last piece where the picket fence, wall, if it's approved.

A resident: And then I think like I said at the wetlands marsh area is an easier transition.

Mr. Winkeljohn: That's a good point, yes.

A resident: And that's behind houses, you're not seeing that up at Rosser, but behind someone's house, you're running picket or half wall, or whatever is decided to do.

Mr. Duncan: Now at this moment his task is actually two-fold, one is to look if the wall as presented passes all the field tests of the landscaping design. Then by talking to the vendor find a total cost for replacing the picket fence with the wall. With these two things you actually come back to the CDD Board.

Mr. Ferland: Right.

Mr. Azcona: Ok so what else?

Mr. Willemstyn: Let's move forward on the business that we have, and we'll talk about it.

Mr. Winkeljohn: Ok, any questions? Pat you got what you need?

Mr. Ferland: I do.

FIFTH ORDER OF BUSINESS

Staff Reports

Mr. Winkeljohn: Alright, if nothing else I guess we're moving on to staff reports, Gerry?

A. Attorney

Mr. Knight: Nothing.

B. Engineer

Mr. Winkeljohn: Pat anything?

Mr. Ferland: The stop signs are up, are there any concerns on that?

A resident: A 4-way sign on it would be good.

Mr. Winkeljohn: Is it a 4-way stop?

A resident: It's a 4-way stop.

Mr. Ferland: It is, yes.

A resident: Like the little tag on it which is 4-way would be an excellent idea.

Mr. Ferland: Ok.

Mr. Duncan: Ok we'll make it happen.

Mr. Winkeljohn: Ok what else?

Mr. Ferland: There's that 4 foot growth is still in the median there.

Mr. Winkeljohn: Yes, we we've talked about it, and I'm working on it.

Mr. Willemstyn: What's that problem Paul? They don't get it? Do one of us have to call them?

Mr. Winkeljohn: No.

A resident: You know you guys if you meddle around already and traffic stop, why don't you take care of all those people that park in the left turn lane, I'm absolutely serious, that is going on for years, every day, every school day, people are parking in the left turn lane.

A resident: Where do you mean? Where?

A resident: They are parking in there to wait on their kids, they are parking in the left turn lane so why aren't you guys doing something about that.

Mr. Winkeljohn: Sir that's outside of our capability and jurisdiction, we have no enforcement.

Mr. Duncan: Aledo is not ours.

Mr. Azcona: Aledo is out of our jurisdiction.

Mr. Knight: Brigantine is, but not Aledo.

Mr. Winkeljohn: Right Aledo is city and county.

A resident: Ok, how about a left turn when you get out of the Walmart because two nights ago, in the middle of the night somebody was coming on the northbound lane, and Brigantine, and then you know I honked and they said, well I did see you, get out of my way, he said.

Mr. Azcona: There's nothing we can do to prevent stupidity from happening.

Mr. Winkeljohn: Right, duly noted.

Mr. Azcona: Ok, let's move on.

Mr. Willemstyn: Sir, that's a public street, we have nothing to do with Aledo, we can't make anything happen there.

A resident: Well Brigantine is a public street as well isn't it?

Mr. Duncan: No.

Mr. Willemstyn: Only where there was CDD property and HOA property could we make an effect and change, we have no cause and effect on Aledo, it's a public street, can we make a change on Gatlin? I don't like getting out of Gatlin sometimes, could we get a light there, no.

A resident: But you can put up a stop sign on Brigantine.

Mr. Ferland: Because it's owned by the CDD.

Mr. Knight: Brigantine is under CDD jurisdiction.

Mr. Ferland: From just north of the guardhouse to Gatlin, and past that it's owned by the HOA.

A resident: So Aledo, with that stop sign there, that is not owned by the CDD.

Mr. Ferland: Right, we've called the city traffic engineer, I've stood there on that corner with him and I pointed that tree to him but you can call the city and ask them about that.

Mr. Mamo: Go ahead Paul.

C. Manager

Mr. Winkeljohn: Just a couple of things, we still have to pick up the maintenance on the vegetative land to the south off of Rosser from Isles Boulevard, at the entrance to the south, there's a marsh land there, that sidewalk, we actually own that. So I'm still working with the landscapers to do the trim that you're talking about.

Mr. Duncan: Towards the library?

Mr. Winkeljohn: Yes, that open tract of land is ours to maintain so we did get a code enforcement notice again on that. There's one person that rides his bike that gets hit by the bushes that complained so it's a ripple effect, so anyway I'm working on it. We just need a monthly quick snip and double checking on that, so it should be nominal, but I'll take care

of that. The other thing I have on my list is, what happens when you generate cash in a CDD is it just sits in your checking account, and the only thing available to you is to open up what's called a State Board Account, and it's basically you're regulated on the types of accounts you can put money in. I can't open that account without a motion from the Board.

Mr. Duncan: This is the \$2,500 that you'll charge for a new account?

Mr. Winkeljohn: No, that's a different one, that's for an accounting procedure, but no, this is free, and the money can move in and out, but there's a little bit of interest on it, it's the only thing you have available to you, so I would ask that the Board authorize the opening of a State Board Account by motion and we'll take care of it.

Mr. Duncan: And this is the discussion that asked you how much interest we are getting?

Mr. Winkeljohn: Right, yes. There's a little bit more interest way over on the decimal side, but you do have that option and you do have money sitting in an account now that meets what I would recommend moving to a State Board Account.

Mr. Duncan: So as I was studying the checkbook and trying to understand the finances a little more carefully, I had two questions. One related to the Portofino Court, actually how we have liabilities but we also have deferred income from there.

Mr. Winkeljohn: Potentially, yes.

Mr. Duncan: Yes potentially.

Mr. Knight: Deferred O&M you mean, deferred operating money, or deferred debt?

Mr. Duncan: Yes.

Mr. Winkeljohn: Unpaid tax certificates.

Mr. Duncan: Right, so I wanted to know if we actually keep track of this deferred because it's a part of the tax structure that eventually will be paid.

Mr. Winkeljohn: And my answer is yes we do actually. The beauty of the Portofino Court is that it is set up as its own assessment area, so all of its assessments that go on the roll are tracked specifically just for that area, they're not comingled which would have been normally the case, but luckily the county set it up that way, and when your auditors

do your audit, they actually do a test and they contact the county and ask them how much money was put on the roll, how much was received, and they do it independently of us, so you have that also, so there's two checks there.

Mr. Duncan: Because you know, in the audit, you know that I had problems with how the auditors are doing the audit, they look only at liabilities related to our bonds, even though we have the letter of agreement but, they don't look at the potential deferred income that eventually will come as the city sells the tax liabilities to a third party.

Mr. Knight: Currently, and I don't want to belabor this but currently we are on the tax roll for O&M at Portofino Court, operating and maintenance, and we have been for a few years because when the bondholders SPE didn't pay their assessments, we went back on the roll, so we'd get paid from the sale of tax certificates if they don't get paid, we don't put the debt on the roll. The debt is not on the roll, and we can't put the debt on the roll.

Mr. Winkeljohn: It's frozen, but the question I had, and it's my understanding that the way the county handled those tax certificates, is they're holding them, is that accurate?

Mr. Knight: If they don't sell them they hold them.

Mr. Winkeljohn: I think they decided not to sell them also, like they just decided to hold them.

Mr. Knight: No.

Mr. Duncan: The only thing that I ask is basically to have once a year an item saying how much money we actually received out of the comingled things that the city is sending us that belongs to Portofino Court.

Mr. Winkeljohn: And we can do that.

Mr. Knight: They can do that.

Mr. Duncan: That's my only issue with the Portofino Court.

Mr. Winkeljohn: So we'll do that, but back to my earlier request, we need a motion to add the State Board Account.

Mr. Duncan: Well we need another Board member, you know I cannot make a motion.

Mr. Azcona: Ok, I'll make the motion.

Mr. Duncan: Because I asked how much interest we are getting with the money and it was nothing, and there is a way to get a little bit of interest.

Mr. Azcona: Ok, I'll make that motion.

On Motion by Mr. Azcona seconded by Mr. Willemstyn with all in favor, authorizing staff to open a State Board Account was approved.

Mr. Winkeljohn: Thank you. That's all I have under manager.

SIXTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

B. Balance Sheet and Income Statement

Mr. Winkeljohn: Item No. 6 is the approval of the check register, balance sheet and income statement for your review and approval, is there a motion?

Mr. Duncan: I checked it so you guys can approve it.

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

SEVENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Winkeljohn: Are there any Supervisors requests or audience comments?

A resident: No we're good.

EIGHTH ORDER OF BUSINESS

Adjournment

Mr. Winkeljohn: Then if there is nothing else, just a motion to adjourn would be in order.

Mr. Duncan: I still want you to talk to the auditors.

Mr. Winkeljohn: Right you gave us a letter.

Mr. Knight: I provided them a letter that they can send to the auditor raising objections and I don't know what has been done, and not objections but points pointing out some things they may not consider in their audit.

Mr. Winkeljohn: We haven't given it to them but if you want us to we will.

Mr. Duncan: Yes, please.

Mr. Winkeljohn: We'll do that.

Mr. Duncan: Ok but did you forward that letter?

Mr. Winkeljohn: We have the letter ready for the auditor as they do their audit package we're going to present the letter so I can do that.

Mr. Duncan: Ok.

Mr. Winkeljohn: Any other requests? Yes sir?

A resident: When you guys mentioned the finances, Portofino Court, there is a lot of un-builts, they haven't fully built out each parcel there, are they being charged the same amount as those that are built?

Mr. Winkeljohn: Yes for operations and maintenance, that being billed often, and what we were talking about the county takes the unpaid bills and they sell them.

A resident: Right because we have, you know on my tax bill I have two pieces, one that is the operation and maintenance which is \$170 or whatever, or something, and then there is the \$600 or \$560.

Mr. Winkeljohn: Right Portofino Court has no debt because the bondholders have asked to hold that until it's viable again.

Mr. Knight: The developer of Portofino Court defaulted on the payment of the debt, so the bondholders took over the lots, the vacant lots, so they own the vacant lots.

Mr. Duncan: So they're charged \$170 like you are charged.

Mr. Knight: So they own the vacant lots, the bondholders, and so they don't want to pay themselves so they just asked to hold the debt, don't put the debt on the tax roll so we're just waiting for further direction from the bondholders basically on what they want to do, but O&M we are putting on the tax roll, they do pay O&M over there, so operation and maintenance is paid.

Mr. Winkeljohn: So we get the revenue from the vertical, the flat parcels go through the tax system, so potentially the District should be paid back for what's it's billed over the years, one way or another, we don't know the status of it today but eventually we will. We delegate that responsibility to the county so they're the collection agency.

A resident: Is that currently up for sale with the bondholders? Do they have it listed?

Mr. Winkeljohn: They've been marketing it, yes.

Mr. Knight: They've been trying to sell but they haven't had any luck.

A resident: And then I have one last piece, and that is regarding our last HOA meeting which was attended by at least some people here, and I really need to at least express my own dissatisfaction with even if you had good intentions by saying, hey I'm an engineer, I am the president of the CDD Board, and I go to collect some money from you guys to look over some engineering stuff, I think that is highly unethical. He said that he could do that for less money because he is qualified.

Mr. Duncan: What are you talking about? No, what I said is that HOA through Mr. Krivok, their attorney, wrote a letter stating that I'm charging \$30,000 for my services when I did everything for free.

A resident: And I know I did everything for free, he did everything for free, and we all did everything for free.

Mr. Duncan: So please, at least listen.

Mr. Azcona: That was a miscommunication there.

A resident: Well you know, in that case, that is from the other lawyer, not miscommunication, but there you see what happened.

Mr. Duncan: Well he put it as a legal opinion, he started the letter saying, based on the information that I got, which basically means he's off the hook. It doesn't say the source of the information, it doesn't say what the information is. So this is the big difference we cannot communicate with each other except in public meetings.

February 14, 2017

Portofino Isles CDD

Everything that we say is being recorded is typed word by word. So you go to a word, and you can actually find a trace of everything we've said, everything that we've done.

Mr. Willemstyn: It's extremely civilized sir.

Mr. Duncan: This has nothing to do with, if you actually say untruths many times, no matter how many time you say it, it becomes true. You heard Mike Perelli saying that they have not received anything, we actually found the email that we actually forwarded on November 15th, we found from Mr. Krivok, their attorney, the consideration that they received, and I have to be subject to that stuff in the HOA meeting when we told him that we sent it.

Mr. Azcona: And they knew about it.

Mr. Duncan: Right and they knew about it.

Mr. Willemstyn: We need a motion, right Paul, I make a motion to adjourn.

Mr. Winkeljohn: Alright I think I heard a motion to adjourn the meeting.

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

March 14, 2017

Date	Check Numbers	Amount
<u>Operating Account</u>		
February 27, 2017	1171-1178	\$ 14,868.11
		\$ 14,868.11

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
2/27/17	00026	1/31/17	139575	201701 310-51300-31500	SERVICE THRU-1/31/17	*	1,375.00		
								1,375.00	001171
BILLING, COCHRAN, LYLES, MAURO									
2/27/17	00051	2/10/17	5245116	201702 320-53800-46200	LANDSCAPE MAINTENANCE	*	700.00		
		2/10/17	5245116	201702 320-53800-46200	AGRONOMICS	*	220.00		
		2/10/17	5245116	201702 320-53800-46500	IRRIGATION	*	150.00		
								1,070.00	001172
BRIGHTVIEW LANDSCAPE SERVICES, INC.									
2/27/17	00013	1/20/17	78039	201701 310-51300-31100	ENGINEERING SVC-12/31/16	*	347.51		
		2/08/17	78255	201702 310-51300-31100	ENGINEERING SVC-1/31/17	*	586.40		
		2/08/17	78258	201702 310-51300-31100	ENGINEERING SVC-1/31/17	*	13.30		
								947.21	001173
CULPEPPER TERPENING, INC.									
2/27/17	00025	2/08/17	27661-93	201702 320-53800-43001	2517 SW BRIGANTINE PL	*	134.02		
		2/08/17	61293-92	201702 320-53800-43000	1905 SW VIA ROSSA #IRR	*	390.25		
								524.27	001174
FLORIDA POWER & LIGHT									
2/27/17	00020	2/01/17	150	201702 310-51300-34000	MANAGEMENT FEES	*	3,551.33		
		2/01/17	150	201702 310-51300-35100	COMPUTER TIME	*	83.33		
		2/01/17	150	201702 310-51300-44000	RENT	*	200.00		
		2/01/17	150	201702 310-51300-31300	DISSEMINATION	*	208.33		
		2/01/17	150	201702 310-51300-49500	WEBSITE ADMIN	*	41.67		
		2/01/17	150	201702 310-51300-51000	OFFICE SUPPLIES	*	17.50		
		2/01/17	150	201702 310-51300-42000	POSTAGE	*	873.92		
		2/01/17	150	201702 310-51300-42500	COPIES	*	750.40		
								5,726.48	001175
GOVERNMENTAL MANAGEMENT SERVICES -									
2/27/17	00044	1/30/17	7828	201701 320-53800-60000	STOP SIGNS INSTALLED	*	2,233.00		
								2,233.00	001176
J.H. MCGREGAN & SONS, INC.									

PORT -PORT ISLES-- PPOWERS

*** CHECK DATES 01/28/2017 - 03/06/2017 ***

PORTOFINO ISLES - GENERAL FUND

BANK A GENERAL FUND

CHECK DATE	VEND#	INVOICE DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
2/27/17	00030	2/01/17	1694	201702	320	53800	46300		LAKE MAINTENANCE	*	1,600.00		
		2/01/17	1694	201702	320	53800	46400		WETLAND MAINTENANCE	*	1,275.00		
LAKE AND WETLAND MANAGEMENT, INC.											2,875.00	001177	
2/27/17	00006	1/17/17	1441829	201701	310	51300	48000		PO MEETINF SCHEDULE	*	117.15		
TREASURE COAST NEWSPAPERS											117.15	001178	
TOTAL FOR BANK A											14,868.11		
TOTAL FOR REGISTER											14,868.11		

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET
January 31, 2017

	<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	\$496,543	---	---	\$496,543
Cash - Perimeter Road Project	\$40,474	---	---	\$40,474
Investments:				
<i>Series 2005</i>				
Reserve	---	\$405	---	\$405
Revenue	---	\$230,805	---	\$230,805
Deferred Cost	---	\$42,589	---	\$42,589
Construction	---	---	\$116,614	\$116,614
<i>Series 2013</i>				
Reserve	---	\$216,357	---	\$216,357
Prepayment	---	\$2,203	---	\$2,203
Revenue	---	\$404,460	---	\$404,460
Cost of Issuance	---	---	\$1,228	\$1,228
Assessments Receivable	\$61,091	\$541,192	---	\$602,283
Due from General	---	\$17,780	---	\$17,780
TOTAL ASSETS	<u>\$598,108</u>	<u>\$1,455,791</u>	<u>\$117,841</u>	<u>\$2,171,740</u>
LIABILITIES:				
Accounts Payable	\$4,073	---	---	\$4,073
Due to Debt Service	\$17,780	---	---	\$17,780
Due to General	---	\$0	---	\$0
Due to Other	---	\$0	---	\$0
Due to Bondholders	---	\$2,547,100	---	\$2,547,100
Deferred Revenue	\$61,091	\$541,192	---	\$602,283
FUND BALANCES:				
Reserved for Debt Service	---	(\$1,632,502)	---	(\$1,632,502)
Reserved for Capital Projects	\$0	---	\$117,841	\$117,841
Unassigned	\$515,164	---	---	\$515,164
TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS	<u>\$598,108</u>	<u>\$1,455,791</u>	<u>\$117,841</u>	<u>\$2,171,740</u>

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues & Expenditures
For The Period Ending January 31, 2017

	ADOPTED BUDGET	PRORATED BUDGET THRU 1/31/17	ACTUAL THRU 1/31/17	VARIANCE
<u>REVENUES:</u>				
Maintenance Assessments	\$175,152	\$122,719	\$122,719	\$0
Stormwater Rebate	\$186,678	\$0	\$0	\$0
Misc. Income	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$361,830	\$122,719	\$122,719	\$0
<u>EXPENDITURES:</u>				
<u>ADMINISTRATIVE:</u>				
Engineering	\$30,000	\$10,000	\$804	\$9,196
Arbitrage	\$2,400	\$1,200	\$1,200	\$0
Dissemination	\$2,500	\$833	\$833	\$0
Attorney	\$25,000	\$8,333	\$8,526	(\$193)
Assessment Roll	\$1,001	\$1,001	\$1,001	\$0
Annual Audit	\$5,900	\$0	\$0	\$0
Management Fees	\$42,616	\$14,205	\$14,205	\$0
Computer Time	\$1,000	\$333	\$333	\$0
Telephone	\$100	\$33	\$10	\$24
Postage	\$250	\$83	\$191	(\$108)
Printing & Binding	\$1,000	\$333	\$264	\$70
Rentals & Leases	\$2,400	\$800	\$800	\$0
Insurance	\$6,332	\$6,332	\$5,778	\$554
Legal Advertising	\$1,100	\$367	\$117	\$250
Other Current Charges	\$1,000	\$333	\$76	\$257
Website Admin	\$500	\$167	\$167	(\$0)
Office Supplies	\$250	\$83	\$64	\$19
Dues, Licenses, Subscriptions	\$175	\$175	\$175	\$0
Capital Outlay	\$300	\$100	\$0	\$100
<u>FIELD</u>				
Environmental Services	\$2,500	\$833	\$0	\$833
Landscaping - Contingency	\$20,000	\$6,667	\$0	\$6,667
Landscape Maintenance	\$20,000	\$6,667	\$3,680	\$2,987
Repairs & Maintenance	\$15,000	\$5,000	\$0	\$5,000
Contingencies	\$10,000	\$3,333	\$0	\$3,333
Lake Maintenance	\$21,120	\$7,040	\$6,400	\$640
Wetlands Maintenance	\$19,200	\$6,400	\$5,100	\$1,300
Stormwater Mgmt System	\$50,000	\$16,667	\$0	\$16,667
Irrigation System	\$10,000	\$3,333	\$3,901	(\$568)
Electric - Irrigation Pumps	\$6,000	\$2,000	\$1,240	\$760
Electric - Lighting	\$4,000	\$1,333	\$492	\$841
Chemicals	\$6,600	\$2,200	\$0	\$2,200
Capital Projects	\$150,000	\$50,000	\$2,233	\$47,767
TOTAL EXPENSES	\$458,244	\$156,187	\$57,591	\$98,595
EXCESS REVENUES (EXPENDITURES)	(\$96,414)		\$65,128	
FUND BALANCE - Beginning	\$96,816		\$450,037	
FUND BALANCE - Ending	\$402		\$515,164	

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2013

Statement of Revenues & Expenditures

For The Period Ending January 31, 2017

	ADOPTED BUDGET	PRORATED THRU 1/31/17	ACTUAL THRU 1/31/17	VARIANCE
--	-------------------	--------------------------	------------------------	----------

REVENUES:

Assessments	\$432,649	\$361,894	\$361,894	\$0
Interest Income	\$0	\$0	\$25	\$25
Prepayments	\$0	\$0	\$0	\$0

TOTAL REVENUES

	\$432,649	\$361,894	\$361,919	\$25
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EXPENDITURES:

Series 2013

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	\$5,934	\$5,934	\$0

TOTAL EXPENDITURES

	\$443,902	\$113,175	\$113,175	\$0
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EXCESS REVENUES (EXPENDITURES)

	(\$11,253)		\$248,744	
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FUND BALANCE - Beginning

	\$165,404		\$394,626	
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FUND BALANCE - Ending

	\$154,151		\$643,370	
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PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2005

Statement of Revenues & Expenditures

For The Period Ending January 31, 2017

	ADOPTED BUDGET	PRORATED THRU 1/31/17	ACTUAL THRU 1/31/17	VARIANCE
<u>REVENUES:</u>				
Tax Receipts	\$440,879	\$67,721	\$67,721	\$0
Direct Assessments	\$84,500	\$0	\$0	\$0
Interest Income	\$0	\$0	\$140	\$140
TOTAL REVENUES	\$525,379	\$67,721	\$67,861	\$140
<u>EXPENDITURES:</u>				
Interest Expense - 11/1	\$147,700	\$147,700	\$147,700	\$0
Interest Expense - 05/1	\$147,700	\$0	\$0	\$0
Principal Expense - 05/01	\$145,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$440,400	\$147,700	\$147,700	\$0
<u>OTHER SOURCES/(USES):</u>				
Other Debt Service Costs	(\$8,233)	(\$8,233)	(\$41,830)	(\$33,597)
TOTAL OTHER	(\$8,233)	(\$8,233)	(\$41,830)	(\$33,597)
EXCESS REVENUES (EXPENDITURES)	\$76,746		(\$121,669)	
FUND BALANCE - Beginning	\$144,499		(\$2,154,203)	
FUND BALANCE - Ending	\$221,245		(\$2,275,872)	

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL PROJECTS FUND - SERIES 2013

Statement of Revenues & Expenditures
For The Period Ending January 31, 2017

	ADOPTED BUDGET	PRORATED THRU 1/31/17	ACTUAL THRU 1/31/17	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
<i>TOTAL OTHER</i>	\$0	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$0		\$0	
FUND BALANCE - Beginning			\$1,227	
FUND BALANCE - Ending			\$1,228	

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL PROJECTS FUND - SERIES 2005

Statement of Revenues & Expenditures

For The Period Ending January 31, 2017

	ADOPTED BUDGET	PRORATED THRU 1/31/17	ACTUAL THRU 1/31/17	VARIANCE
<u>REVENUES:</u>				
Interest Income	\$0	\$0	\$79	\$79
TOTAL REVENUES	\$0	\$0	\$79	\$79
<u>EXPENDITURES:</u>				
Capital Outlay	\$0	\$0	\$0	\$0
Default Expenditures	\$0	\$0	\$27,215	(\$27,215)
TOTAL EXPENDITURES	\$0	\$0	\$27,215	(\$27,215)
<u>OTHER SOURCES/(USES):</u>				
Interfund Transfer Out	\$0	\$0	\$0	\$0
<i>TOTAL OTHER</i>	\$0	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$0		(\$27,137)	
FUND BALANCE - Beginning			\$143,750	
FUND BALANCE - Ending			\$116,614	

**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>

