

MINUTES OF MEETING  
TESORO COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Tesoro Community Development District was held Tuesday, August 29, 2013 at 9:35 a.m. at the Tesoro Club, 3<sup>rd</sup> Floor, 2000 S.E. Via Tesoro, Port St. Lucie, Florida.

Present and constituting a quorum were:

Sal Spano	Chairman
Chris Partida	Assistant Secretary
Deanna Kernan	Assistant Secretary
Sarah Scheffer	Supervisor
Reimundo Valdes	Supervisor

Also present were:

George Flint	District Manager
Bill Capko	District Attorney
Butch Terpening	District Engineer
Alan Scheerer	Field Manger
Matt Boyd	Tesoro

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order.

**SECOND ORDER OF BUSINESS**

**Organizational Matters**

**A. Consideration of Resolution 2013-04 Ratifying Past Board Actions**

Mr. Flint stated the next item is Organizational Matters. Subsequent to the last Board meeting we became aware that the Board member that was previously appointed to the Board actually didn't qualify for the seat because he was not a Florida resident and he participated in the last meeting prior to that determination being made. We have prepared a resolution ratifying the actions of the Board at the last meeting and all the votes that were taken at the last meeting I believe were unanimous so you did have a majority of the Board approve the items at that meeting but in an abundance of caution we are asking the Board to ratify those actions in the event there is ever a question.

Mr. Capko stated I think it is appropriate for the Board to consider this resolution.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor Resolution 2013-04 was approved.

**B. Appointment of Individual to Fill the Board Vacancy with a Term Ending November 2016**

Mr. Flint stated we do have a vacancy as a result of that. Any time there is a vacancy in a Board seat during the term of that seat the remaining Board members have the ability to appoint someone to replace that person. At this time I will ask if there are any nominations to fill that seat? This is seat no. 3 filled by Mike Waldo.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor Sarah Scheffer was appointed to fill the unexpired term of office in seat no. 3.

Mr. Spano stated for those of you who are nominated there is a protocol of filling out some documentation and showing you are a Florida resident and it gets filed with the governmental body, then you officially become part of the Board.

Mr. Flint being a Notary Public of the State of Florida administered the Oath of Office to Ms. Scheffer.

Mr. Flint stated we have a resignation submitted by Ms. Straub that we received just prior to the meeting. I would ask for a motion to accept Ms. Straub's resignation.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor Ms. Straub's resignation was accepted.

Mr. Flint stated that creates another vacancy on the Board with a term expiring November 2014. Are there any nominations to fill that position?

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor Reimundo Valdes was appointed to fill the unexpired term of office.

**C. Administration of Oath of Office to Newly Appointed Board Member**

Mr. Flint being a Notary Public of the State of Florida administered the Oath of Office to Mr. Valdes.

Mr. Flint stated for the benefit of Ms. Scheffer and Mr. Valdes we have also provided form 1 statement of financial interests. As a Board member you are a public official and you are required to file a financial disclosure form annually. The first one has to be filed within 30 days of our appointment today to the Board with the Supervisor of Elections in the county in which you reside. We recommend that you have proof that you sent it to them within that 30 days either hand deliver it and get it stamped, mail it certified or some way of proof of delivery in case it gets lost in the mail. Annually the Supervisor of Elections will mail you an update that you have to fill out. Also as a Board member you are a public official and subject to the government in the sunshine law and public records law just like city and county commissioners. The main thing you need to keep in mind is that you are not to talk with other Board members outside of a publicly noticed meeting about CDD business. You can talk about sports or whatever else but if it is something that is CDD related Board members are not to communicate outside of a noticed meeting. Be careful with your emails so that you don't accidentally copy another Board member and that sort of thing. If you do have information that you want to disseminate to the Board the best thing is to send it to me and I can send it out to the Board members. As long as a Board member doesn't reply directly back to that Board member you are fine but two way communications is where a violation occurs. Bill Capko is the attorney for the District if you have any questions you can ask Bill or myself about that. The other thing is public records law, any CDD documents you have could be subject to a public records request that includes your emails that are CDD related so we suggest that you keep them separate from your personal and business documents. To the extent that I have copies of documents you are not required to keep them, like the agendas and that sort of thing. If you chose to you could just dispose of those after the meeting therefore, you don't have any records that would be subject to a request. The only thing you want to keep is if you have an original of something that I don't already have then you would want to keep that.

**THIRD ORDER OF BUSINESS****Approval of the Minutes of the May 30, 2013 Meeting**

Mr. Flint stated the next item is approval of the minutes of the May 30, 2013 meeting. Those were provided to you in your agenda. Are there any additions, deletions or corrections to those?

Mr. Spano stated I want to make sure I made a correct statement in the minutes where I say that our maintenance responsibility in lake areas are 4 feet above the high water mark. Is it 4 feet or 10 feet under our permit?

Mr. Terpening stated there is no definition of maintenance and you have a 20-foot maintenance easement on most of the retention areas.

Mr. Spano asked 20 feet above the high water mark?

Mr. Terpening responded no, top of bank.

Mr. Spano asked the bank slope is whose responsibility?

Mr. Terpening responded I would think that would be ours. Our fee ownership of the ones we have is top of bank and we generally have a 20-foot easement behind it.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor the minutes of the May 30, 2013 meeting were approved as presented.

**FOURTH ORDER OF BUSINESS**

**Acceptance of Audit Committee Recommendation and Selection of No. 1 Ranked firm to Provide Auditing Services for Fiscal Year 2013**

Mr. Flint stated the next item is acceptance of the Audit Committee's recommendation. The Board sat as the Audit Committee and met just prior to the Board meeting, reviewed and ranked the responses to the RFP for independent auditing services and ranked Grau & Associates no. 1, Berger Toombs no. 2 and Carr Riggs no. 3. Is there a motion to accept the audit committee's recommendation?

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor the recommendation of the audit committee of Grau & Associates being the no. 1 ranked firm, Berger Toombs no. 2 and Carr Riggs no. 3 was accepted.

**FIFTH ORDER OF BUSINESS**

**Public Hearing**

**A. Consideration of Resolution 2013-05 Adopting the Fiscal Year 2014 Budget and Relating to the Annual Appropriations**

Mr. Flint stated that brings us to the public hearing. The first item is consideration of Resolution 2013-05, which is a resolution adopting the Fiscal Year 2014 budget and relating to annual appropriations. The Board met in May and approved what is called a proposed budget that was transmitted to the City of Port St. Lucie and St. Lucie County at least 60 days prior to the hearing today. You also set the place, date and time of the hearing for today and that was advertised in the local newspaper 21 and 14 days in advance of today as required by statute. The exhibit to the resolution is the proposed budget. You will see at the bottom of page 1 it has the historical table of the annual assessment levels for developed and undeveloped properties within the District. You can see in 2010 it was at \$311.89, and for two fiscal years the Board voted to set those at zero and utilize fund balance to cover operations then last year it was re-imposed at \$104.78 and in 2014 we are recommending it be lowered to \$40.69. The basic reason that was lowered as you can see under revenue that we are using approximately 10% of the fund balance to subsidize the annual assessment levels. That \$54,224 is lowering your per unit assessment down to \$40.

Mr. Spano stated we also realigned the lake management contract and had a benefit from that and we also eliminated the upland maintenance.

Mr. Flint stated we entered into a new agreement for the upland maintenance and the lake maintenance. You can see under the West side landscaping that contract is \$90,000 and the mitigation maintenance, which is currently Aquagenix is split between the East and West, \$34,000 in West and \$59,496 in the East.

Mr. Spano stated the accumulation of all those savings plus taking 10% of the surplus, which still leaves us with about \$550,000 in the bank.

Mr. Flint stated if you look at page 2 you can see that after we fund our first quarter operating expenses, which are estimated at \$77,000 we use the \$54,000 to lower the assessments we still have \$512,000 of unreserved fund balance.

Mr. Spano stated the CDD is not designed to be cash generating so we are going to be using surpluses and keeping our maintenance values up as we go.

Mr. Flint stated I would ask the Board to consider a motion to open the public hearing.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor the public hearing was opened.

Mr. Flint stated the public hearing is open and if there are any members of the public who would like to provide comment now would be the time to do that. It looks like there are no members of the public who would like to provide comment so we will bring it back to the Board for consideration of the resolution. As I mentioned this resolution would adopt the budget, which would commence on October 1, 2013, the exhibit to that is the budge we just talked about.

Mr. Spano stated just so the new Board members know under Florida Statutes we are required to approve our budget 60 days in advance of the adoption.

Mr. Flint stated you have to approve a proposed budget before June 15<sup>th</sup> every year and that has to be mailed to the local governing authorities 60 days before the public hearing for its final adoption. Today would be the public hearing, we did send it to the local governing authorities and once you adopt this budget and the next resolution we certify an assessment roll to St. Lucie County, they place it on the tax bill for collection.

Mr. Spano stated just so the new Board members know these taxes appear in the non-ad valorem portion of the tax bill that the residents receive and even though we think the City of Port St. Lucie is a great place they take a percentage of all of that taxes as a collection fee. What is that 5%?

Mr. Flint responded we gross up 6%, 4% of that is to account for early payment discounts and 2% for collections.

Mr. Spano stated we get 75¢ on the dollar at the end of the day.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor Resolution 2013-05 was approved.

**B. Consideration of Resolution 2013-06 Imposing Special Assessments and Certifying an Assessment Roll**

Mr. Flint stated the next item is still under the public hearings and is Resolution 2013-06. This is the resolution that actually imposes the assessments that are contained in the budget that was just approved. There are two exhibits to that resolution, one is the budget you just approved and the other is the assessment roll that lists all the properties in the District with the per unit assessment amount contained in the budget. I will ask if there are any members of the public

that would like to provide comment on the resolution to impose assessments and hearing none we will bring it back to the Board for discussion of the resolution.

On MOTION by Mr. Spano seconded by Mr. Partida with all in favor Resolution 2013-06 was approved.

On MOTION by Mr. Partida seconded by Mr. Spano with all in favor the public hearing was closed.

**SIXTH ORDER OF BUSINESS**

**Consideration of Contract Amendments**

**A. Second Amendment to Agreement with Wellington Pro Lawn Care to Provide Landscape Maintenance Services to the Wetlands Boundary and Lake Banks**

Mr. Flint stated the next item is consideration of contract amendments. The District entered into an agreement with Wellington Pro Lawn Care for maintenance of the upland buffer areas and that contract is up on September 30<sup>th</sup>. We have included an amendment to that agreement that would extend it for an additional year. They agreed to hold their contract price and our recommendation would be to approve the amendment to extend that contract,

On MOTION by Mr. Spano seconded by Mr. Valdes with all in favor the second amendment to the agreement with Wellington Pro Lawn Care was approved.

**B. First Amendment to Agreement with DeAngelo Brothers, Inc. dba Aquagenix to Provide Wetland, Lake and Upland Preserve Maintenance Services**

Mr. Flint stated the next item is extension of the agreement with DeAngelo Brothers doing business as Aquagenix. Last year the Board bid out the lake maintenance services among other services. A committee was appointed by the Board, which was comprised of two Board members and myself. We had two meetings that were publicly noticed meetings to review and rank those and interviewed some of the respondents that were ranked as being higher. Aquagenix was selected for those services, it was a one-year contract that allowed two additional one-year extensions. This contract is up on September 30<sup>th</sup>. The Board could choose to extend that contract another year or we could bid those services out, however, you would like to proceed on that issue.

Mr. Spano stated we extended ourselves in replacing the contractor that was on hand and brought in this company, which was much lower than the previous contractor. We have had some issues on this property and issues on other properties so my recommendation is that we do not extend and go out to bid. It is my understanding this contract would expire on September 30<sup>th</sup>. My recommendation is not to extend and to go through a bid process.

On MOTION by Mr. Spano seconded by Mr. Valdes with all in favor staff was directed not to extend the contract and to go out to bid for the wetland, lake and upland preserve maintenance services.

Mr. Flint stated we will let Aquagenix know that the District does not intend to extend the contract, however, we will be bidding those services out and I would assume they are more than welcome to submit a bid for those services along with anyone else who would like to provide them. We will need to have another Board meeting in September to approve another contractor to provide those services so we will coordinate that with the Chairman and the other Board members to find a time that works for everybody.

**SEVENTH ORDER OF BUSINESS**

**Status Update from Developer Regarding  
Platting, Transition of Permits, and  
Conveyance of Land**

There not being any, the next item followed.

**EIGHTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There not being any, the next item followed.

**B. Engineer**

There not being any, the next item followed.

**C. Manager**

**i. Approval of Check Register**

Mr. Flint stated you have approval of the check register, which was included in your agenda. You can see the check run summary is from May 23<sup>rd</sup> through August 22<sup>nd</sup>, check



numbers 448 through 467 in the amount of \$84,080.83 and the detailed register is behind the summary.

On MOTION by Mr. Spano seconded by Mr. Valdes with all in favor the check register was approved.

**ii. Balance Sheet and Income Statement**

Mr. Flint stated we also provided you with the balance sheet and statement of revenue and expenditures through July 31, 2013 and provided a month-to-month summary of the revenue and expenses of the District. There is no action required by the Board if you have any questions we can discuss it at this point.

**iii. Approval of Fiscal Year 2014 Meeting Schedule**

Mr. Flint stated every year the Board has to approve an annual meeting schedule and in the past the Board has voted to advertise a notice that would indicate that you would meet on an as needed basis and when you do meet we would comply with all the statutory notice requirements. You can choose to do that again or you can set specific dates and times for meetings it is up to the Board.

Mr. Spano stated my recommendation is that we do as needed.

On MOTION by Mr. Spano seconded by Ms. Scheffer with all in favor the Board will meet on an as needed basis in Fiscal Year 2014.

**NINTH ORDER OF BUSINESS**

**Audience Comments**

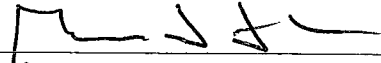
There not being any, the next item followed.

**TENTH ORDER OF BUSINESS**

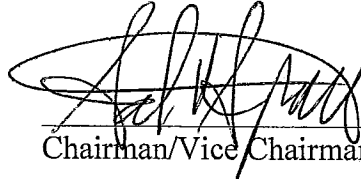
**Supervisor's Requests**

There not being any,

On MOTION by Mr. Partida seconded by Mr. Spano with all in favor the meeting adjourned at 10:05 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman