

**MINUTES OF MEETING
BAYSIDE IMPROVEMENT AND BAY CREEK
COMMUNITY DEVELOPMENT DISTRICTS**

A Joint Regular Meeting of the Boards of Supervisors of the Bayside Improvement Community Development District and Bay Creek Community Development District was held on Monday, March 26, 2018 at 2:00 p.m., at the Pelican Landing Community Center, 24501 Walden Center Drive, Bonita Springs, Florida 34134.

For Bayside Improvement CDD:

Walter McCarthy	Chair
Bernie Cramer	Vice Chair
John Crew	Assistant Secretary
Jim Nicholson	Assistant Secretary
Bill Nicholson	Assistant Secretary

For Bay Creek CDD:

Mary McVay	Chair
Nelson Glueck	Vice Chair
James Janek	Assistant Secretary
Donald McBride	Assistant Secretary
Robert Travers	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Dan Cox (<i>via telephone</i>)	District Counsel
Doug Tarn	Barraco & Associates, Inc.
Jim Dougherty	SOLitude Lake Management
Jack Lienesch	Resident/Chair of Landscape Subcommittee
Marvin Hancock	Resident/PLCA Board
Charlotte McCarthy	Resident

FIRST ORDER OF BUSINESS

Call to Order/Pledge of Allegiance

Mr. McCarthy called the meeting to order at 2:00 p.m.

All present recited the Pledge of Allegiance.

SECOND ORDER OF BUSINESS

Roll Call

Mr. McCarthy asked the Supervisors to state their names. For Bay Creek Community Development District, Supervisors McBride, Travers, Janek, Glueck and McVay were present, in person. For Bayside Improvement Community Development District, Supervisors McCarthy, Cramer, Crew, Bill Nicholson and Jim Nicholson were present, in person.

THIRD ORDER OF BUSINESS

Public Comments: *Agenda Items*

There being no public comments, the next item followed.

JOINT BOARD ITEMS

FOURTH ORDER OF BUSINESS

Staff Report: District Engineer (Both)

Mr. Tarn, of Barraco & Associates, provided the following update:

- The South Florida Water Management District (SFWMD) permit modification for the sluice gates was approved and is now certified.
- The certification for the Reclaimed Water Main connection along US41 was submitted.
- Berm repair work is scheduled for the week of April 9th.
- Communicated with Lee County's Natural Resources Stormwater Inspector who will inspect the DMVs and silt fence installation.
- The tree trimmers are scheduled to work on the property the week of April 9th.

Mr. Adams stated that Crocker was awarded the contract and, even with the sediment controls in place, the contractor's price was under the \$70,000 cap that was set at the previous meeting. District Staff coordinated with Crocker in the field and discussed the actual location for the berm and some of the conflicts that will arise. The project would take two weeks to complete. It was agreed that the landscaping staff would trim hedges to provide adequate access for small equipment to pass through and move the sprinkler heads to lessen the blowback onto resident property. District Staff met with residents to inform and educate them about the project. All residents were alerted, except for one absent owner. Mr. Adams would search the Lee County Property Appraiser website for information and send the resident a notice asking them to contact staff. Mr. McCarthy supported forwarding a second notice.

FIFTH ORDER OF BUSINESS

Lake Maintenance Report: *SOLitude Lake Management (Both)*

Mr. Dougherty reported the following:

- The lakes were in good condition despite the presence of algae in a few.
- Sonar was applied in a couple of the lakes in April and a major Sonar treatment is planned to treat the submersed vegetation that is starting to grow.
- Beneficial bacteria was applied in the more problematic lakes to help reduce the nutrients and algae growth

Mr. McCarthy commented that, since he was on the SOLitude Lake Management (SOLitude) mailing list, he received its informational brochures and newsletter and found them very educational and beneficial and encouraged everyone to read them. Mr. Adams encouraged Board Members who were not on SOLitude's mailing list to subscribe to receive the newsletters.

SIXTH ORDER OF BUSINESS

Update: Hurricane Irma Recovery

Mr. Adams stated that Management satisfied all of the CRC's requests for additional information, except for a certification of the trucks that transport waste from the Districts, including information about drivers and the vehicles.

In response to Mr. Cramer's question, Mr. Adams confirmed that he was not approached by the PLCA with regard to certification and participation in hurricane recovery matters. Mr. Bill Nicholson asked about tree trunk removal and how much longer the physical work would take. Mr. Adams stated that tree trunk removal was essentially completed but tree replacements and those details were pending. He hoped to receive guidance and direction from the PLCA and their landscape committee regarding replacement locations and the entity responsible for payment. Mrs. Adams stated that vegetation removal from the tributary was still pending and Staff was waiting for the water levels to be as low as possible before obtaining proposals. Mr. Adams stated that removal of vegetation would occur in May. Ms. McVay stated that two dead trees should be removed; one at the corner of the ridge and Pelican Nest Drive and one at the traffic circle. Mrs. Adams would address the trees in her report.

SEVENTH ORDER OF BUSINESS**Continued Discussion: Har-Tru Runoff
Remediation Efforts from Tennis Courts
to E Lakes**

Mr. Adams recalled that there was a meeting on this item a couple of weeks ago and Mr. McCarthy presented approved plans from 1997, which highlighted an ongoing swale program on the outer perimeter of the courts. During a meeting of interested parties, it was suggested that the District consider constructing the swale that was originally designed to go around the tennis courts, as they were previously approved and permitted. Mr. Adams would coordinate obtain proposals and forward them to the PLCA for consideration. He hoped to have proposals within the next week to ten days. There were four different profiles on the plans and, depending on location, the profiles dictate the width and depth of the swale and several hedges and trees must be removed or they will be in the middle of the swale.

Mr. McCarthy stated that the original construction was certified and in compliance with the County but then the planting program went forward, resulting in no swales. A Board Member recalled that, years ago, when there was a similar problem, Q. Grady Minor & Associates, P.A. (GradyMinor) presented another plan, which was exactly what is being currently considered. Mr. Adams stated that plan was different in that it was trying to create barriers to retain water in existing openings and this is a full perimeter swale. Mr. McCarthy stated that the City of Bonita Springs' statement that a permit was not needed was verbally reported. Mr. Adams asked the City to forward their written response to Management. Mr. Bill Nicholson asked if Mr. Cox could draft a letter to the City requesting the permit response letter or the date that they will forward a letter to the CDDs. Mr. Cox would draft a letter to the City requesting evidence that no permit was required for the swale project. Mr. Crew asked if any of the Landscape Architect's work would be incorporated, such as the location and size of the swales. Mr. Adams stated that was dictated in the plans and he could forward them to the Board. Mr. McCarthy stated that, when he attended the meeting, he was not aware that there was a plan so he presented the previously-approved Development Order (DO) plans, which everyone at the meeting felt reflected what should be done. He later learned that Mr. Greg Deserio devised a plan but he was concerned because Mr. Deserio was a Landscape Architect, not a licensed Engineer. Discussion ensued regarding the swales and the existing drainage basins with standing water, the PLCA and the proposals.

EIGHTH ORDER OF BUSINESS

Updates: PLCA Landscape Committee

Mr. Lienesch provided the March 15, 2018 Landscape Review Update and two landscape-related handouts. The updated plant lists did not include the installation costs, except for the large palms, and the demonstration project was ready to go; it was up to Management to decide when the project should commence. Mr. Adams stated that, upon conferring with Mr. Lienesch earlier, they agreed that they missed the opportunity to catch the snowbirds before they left. It would take a few weeks to coordinate and it was best to wait until the end of May to commence the project. Mr. Lienesch stated that Mr. Spencer will purchase the plants, since he would receive discounts, would not pay sales tax and can submit invoices to PLCA for approval. As to how and when the plants will be delivered, Mr. Lienesch asked Management to ensure that irrigation changes were made in advance. Discussion ensued regarding Mr. Spencer, Pelican Landing projects, etc. In response to Mr. McCarthy's question regarding the palm canopy, Mr. Adams stated he had no conversations about it with Mr. Spencer but anticipated adjustments and acknowledged that there should be a 14' clearance.

Mr. Lienesch and Mr. Adams reviewed the "Questions to be Resolved between the PLCA and CDD Boards" handout and took questions. Discussion ensued regarding capital improvements, plants, shared costs, the entrances and time frame. Mr. Glueck asked if the CDDs would replace the five or six flowering trees that were lost in the hurricane at the South entry. Mr. Adams stated that it was the decision of the Boards. Mr. McCarthy stated it would be best to wait and see what transpires. Mr. Lienesch stated that, in the Agreement between the CDD and PLCA, approved 18 months ago, it would be appropriate for someone with landscape expertise to be brought in, which was agreed to by both sides. Mr. Bill Nicolson asked if a bus trip to Wildcat Run, with Mr. Hancock, break the Sunshine Law, and, who was responsible to trim the trees on private property around the street lights. Mr. Adams stated that the CDD was responsible. Mr. McCarthy directed Mr. Tarn to inspect the trimming to ensure that it did not infringe on the public utility easements.

NINTH ORDER OF BUSINESS

Continued Discussion: Higher Interest Rates for CDD Funds

Mr. Adams stated that, as expected, the CDDs' investment vehicles do not show progress because the goal is to protect the public asset, meaning cash; therefore investment options yield very little return. He highlighted the following items:

- The three banks that he investigated did not offer any interest on operating account/checking account and all charged fees.
- SunTrust offered a very minor interest rate.
- As governmental entities, the CDDs additional activities are required, each month, including testing for the protection of District funds through a vitalization program.
- Stonegate Money Market was an offshoot money market account set up for the Districts.
- The FineMark Bank Money Market is the higher gainer for the CDDs, at ¼%; the others were very comparable or identical.
- The CDDs could open a Money Market with Florida Community Bank (FCB), which is 5/100^{ths} higher, to take advantage of the extra interest.
- The best tool for the CDDs is the insured cash sweep; Management's recommendation is to hold off and continue to monitor interest rates annually.

Mr. McCarthy would like quarterly updates, instead of annually.

TENTH ORDER OF BUSINESS

Discussion: Entry Level Pay Rate Adjustment Analysis (to be provided under separate cover)

Mr. Adams presented the Bayside/Bay Creek Payroll Adjustment Analysis, dated March 2018, including the Current-Outside Colony and Current-Colony number of positions, current hourly rates and proposed rates. The pay rates did not anticipate overtime and flowers outside of the Colony were based upon going back to a twice per year program, which Mr. Spencer recommends. There was still tremendous value in an in-house program, which the CDDs have, but outsourcing the flowers and mulching made good business sense. Mr. Janek asked about recruiting workers. Mr. Adams stated that much of it was done by word-of-mouth and the workers generally did a good job of keeping themselves in check. Ms. McVay asked if there would be any hard feelings among those who were not getting a pay raise, as a morale problem would not be helpful. In response to Mr. Cramer's question regarding distinguishing regular workers from contract help, Mr. Adams stated Mr. Tarn monitored that aspect and the crew

would have their company's uniforms. In response to Mr. Crew's question regarding implementation, Mr. Adams stated that, once approved, the new payroll could be implemented immediately and the Colony was an identical analysis, with four vacancies; two positions would be filled and two would remain open to help offset the pay increase; outsourcing the mulch and the flowers remain the same, in terms of frequency. Mr. McCarthy remarked that it was an 18% increase for the base rate and, if that is the pay rate for this market, the Boards were okay with it; he asked if the increases could be phased. Mr. Adams stated, in order to hire crews, with the growing season imminent, it must be addressed now; it trickled down the previous year and was left alone during the winter, when there is less of a need for full staff.

On MOTION for Bayside Improvement by Mr. Cramer and seconded by Mr. Bill Nicholson, with all in favor, authorizing Staff to make payroll adjustments, generally, in accordance with the schedule provided, was approved.

On MOTION for Bay Creek by Mr. Janek and seconded by Mr. Travers, with all in favor, authorizing Staff to make payroll adjustments, generally, in accordance with the schedule provided, was approved.

Ms. McVay stated there was an error on the last position for the Colony and she questioned the correctness of the annual totals. Mr. Adams explained that individual is a salaried employee in the Colony and it is not an hourly rate; it is the employee's bi-weekly pay rate.

ELEVENTH ORDER OF BUSINESS

Irrigation Reports (Both)

- A. High User**
 - i. Bayside Improvement CDD**
 - ii. Bay Creek CDD**
- B. Penalty Usage Summary**
 - i. Bayside Improvement CDD**
 - ii. Bay Creek CDD**
- C. Zero Consumption**

- i. Bayside Improvement CDD**
- ii. Bay Creek CDD**

These reports were provided for informational purposes.

TWELFTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements

A. as of January 31, 2018

Mr. Adams presented the Unaudited Financial Statements as of January 31, 2018.

B. as of February 28, 2018

Mr. Adams presented the Unaudited Financial Statements as of February 28, 2018. Cumulative expenses were at 49%, which was exorbitant, due to Hurricane Irma cleanup, and, as previously mentioned, reimbursement requests were submitted to FEMA, with the hope of recouping a good portion of the funds expended. In response to Mr. Cramer’s question regarding insured assets, Mr. Adams stated that there is a very detailed property asset list, including a large inland marine portion, all equipment related to the landscaping program, street lighting systems, pump stations, etc. Mr. McCarthy observed that the footnotes were still wrong; what is typically a periodic expense bill by Pelican Marsh should be struck and “3” should be “2”, which happened four times. Mr. Adams would ensure that the footnotes are corrected.

THIRTEENTH ORDER OF BUSINESS

Approval of February 26, 2018 Joint Regular Meeting Minutes (Both)

Mr. McCarthy presented the February 26, 2018 Joint Regular Meeting Minutes and asked for any additions, deletions or corrections. Edits were submitted to the District Manager.

On MOTION for Bayside Improvement by Mr. Bill Nicholson and seconded by Mr. Jim Nicholson, with all in favor, the February 26, 2018 Joint Regular Meeting Minutes, as amended to include edits provided to District Management, were approved.

On MOTION for Bay Creek by Mr. Travers and seconded by Mr. McBride, with all in favor, the February 26, 2018 Joint Regular Meeting Minutes, as amended to include edits provided to District Management, were approved.

FOURTEENTH ORDER OF BUSINESS Action Items (Both)

- Item 1: Completed
- Item 4: Delete “across from Cassia Court”
- Item 11: Change verbiage to reflect presenting quarterly reviews of investment opportunities for CDD funds

FIFTEENTH ORDER OF BUSINESS Old Business (Both)

There being no old business, the next item followed.

SIXTEENTH ORDER OF BUSINESS Staff Reports (Both)

A. District Counsel

Mr. Cox stated that the end of the legislative session was chaotic; none of the previously discussed ethics changes were made. Unlike Municipal, County and Constitutional Officers, CDD Board Members would not be required to take an annual four-hour ethics class. The amendment to other meeting laws that would have allowed the bus tour and for members to discuss non-fiscal matters and other topics, outside of a public meeting, did not pass. The legislature discussed the reactions to the Parkland school shooting and the budgetary issues stemming from the hurricanes.

B. District Manager

i. Monthly Status Report: Field Operations

Mrs. Adams stated that the culvert catch basin inspections will commence on April 23.

ii. NEXT MEETING DATE: April 23, 2018 at 2:00 P.M.

Mr. McCarthy stated that the next meeting will be on April 23, 2018 at 2:00 p.m., at this location.

SEVENTEENTH ORDER OF BUSINESS Board Members’ Comments/Requests

Going forward, this agenda item should be changed to “Supervisors’ Requests”.

Mr. Janek asked if Bay Creek CDD owed more than it collected for reclaim water, especially with the irrigation of the grounds. Mr. Adams would start monitoring and matching up the reclaimed water billing. Mr. Janek stated noted a rule that every neighborhood with 150 or more units must have a website and Bay Creek recently created a website in conjunction with Pelican Landing.

Ms. McVay stated that her neighborhood was the only one in Pelican Landing without flowers at its gate and residents wanted them. Mrs. Adams that installation would proceed, upon receipt of the Consent Agreement.

Mr. Janek stated that the flowers in front of his neighborhood’s sign were overly saturated due to irrigation. Mrs. Adams would ensure that more soil was applied to the flower beds.

Mr. Cramer asked for an overview of Mr. Adams’ presentation at the March 29 PLCA meeting. Mr. Adams prepared a PowerPoint presentation on priority topics, such as Hurricane Irma recovery, stump grinding, the FEMA grant, the Heron Marsh restoration project, sluice gates and stormwater management. As to the rain gauges, Mr. Adams would investigate and provide an answer at a subsequent meeting.

Mr. Bill Nicholson asked if the Hyatt was contacted regarding cleaning up the area behind the water slide. Mr. Hancock stated that the area did not require cleaning up and looked good overall. Papers need to be picked up by the Hyatt’s contractor. Mr. McCarthy stated debris from the hotel’s construction was pushed onto the west side, over to the wetland area, and the drainpipe, coming from the Hyatt, was filled with sand. Mr. Hancock agreed that the drainpipe was an issue; he would ask Hyatt representatives to have the area cleaned.

Mr. Bill Nicholson recalled that, at the last PLCA meeting, Mr. Hancock raised an issue that “we should have concerns about the performance of the CDD Supervisors” and, when asked to elaborate, Mr. Hancock stated that he would send something but nothing was sent. Mr. Hancock stated he spoke Spanish and, in talking to the laborers, it was discovered that the foremen had a tendency to mistreat them and should undergo sensitivity training. Mr. Adams stated that Mr. Tarn was previously unaware of the issue and would require additional information in order to do a follow-up. Mr. Hancock clarified that the workers were not speaking about Mr. Tarn.

Discussion ensued regarding the narrow streets and parking issues with the work trucks.

EIGHTEENTH ORDER OF BUSINESS Public Comments: *Non-Agenda Items*

There being no public comments, the next item followed.

NINETEENTH ORDER OF BUSINESS Adjournment (Both)

There being no further business to discuss, the meeting adjourned at approximately 3:37 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

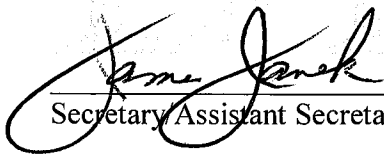
DRAFT

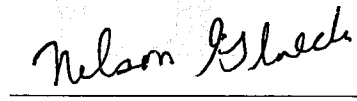
FOR BAYSIDE IMPROVEMENT:


Secretary/Assistant Secretary


Chair/Vice Chair

FOR BAY CREEK:


Secretary/Assistant Secretary


Chair/Vice Chair