

**MINUTES OF MEETING
STONEGATE
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Stonegate Community Development District held a Regular Meeting on March 19, 2019 at 6:15 p.m., at the Malibu Bay Clubhouse, 1020 NE 34th Avenue, Homestead, Florida 33033.

Present at the meeting were:

Joseph M. McGuinness	Chair
Raider Ferro	Vice Chair
Michael A. Granobles	Assistant Secretary
Arthur Goessel	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Michael Pawelczyk	District Counsel
Juan Galo	Clubhouse Manager
Martha Agudelo	Gapa Property Management Corp.
Jon Kessler	FMSbonds, Inc.
Francisco Lopez	Resident
Brenda Lyons	Resident
Arnaldo Sosa	Resident
Mariela Figueroa	Resident
Frank Fiore	Resident
Rosa Durand	Resident
Francisco Castillo	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called the meeting to order at 6:27 p.m. Supervisors McGuinness, Ferro, Goessel and Granobles were present in person. Supervisor McKie was not present.

SECOND ORDER OF BUSINESS

Public Comments: *non-agenda items*

Ms. Mariela Figueroa, a resident, advised of a downed fence.

Mr. Frank Fiore, a resident, noted the amount of his Fiscal Year 2019 assessment and asked the Board to consider reducing the CDD costs.

- **Presentation: Refinancing of Series 2008 Bonds, Jon Kessler, FMSbonds, Inc.**

This item was an addition to the agenda.

Mr. Jon Kessler, of FMSbonds, Inc. (FMS), distributed a chart reflecting the details of the current Series 2008 bonds and the options for issuing new bonds and discussed the following:

- The Series 2008 bonds were issued to acquire the Clubhouse at an interest rate of 8.1250%; the Series 2008 bonds would be callable on May 1, 2020.
- The District could issue new bonds now and the bond proceeds would be used to defease the old bonds, meaning, for one year, the District would have two bonds outstanding.
- Option 1: Refinance now with an interest rate of about 4% and carry both bonds until the May 1, 2020 call date but immediately realize savings of approximately \$111,000 per year, due to the lower interest rate, which, over the lifetime of the bonds, equates to savings of approximately \$2.2 million.
- Option 2: Refinance after May 1, 2020 and avoid having two bond series outstanding but with the understanding that interest rates could increase and reduce the potential savings from refinancing.

Discussion ensued regarding the potential savings under each scenario, what could be used with the savings, Mr. Goessel's prior request to lower assessments by 5% for Fiscal Year 2020, whether to proceed now or wait, the refinancing process, etc.

Mr. Goessel motioned to proceed with Option 2. The motion died due to lack of a second.

Discussion continued regarding the potential savings and length of the refinancing process.

Ms. Figueroa asked about the rating, FMS's fees, costs of issuance, etc.

Ms. Rosa Durand, a resident, asked why the District did not try to refinance to a lower rate sooner. Discussion ensued regarding the call dates on these types of bonds, the maturity date remaining the same, etc. Ms. Durand was in favor of using the savings to improve the District while not increasing assessments further.

On MOTION by Mr. Ferro and seconded by Mr. McGuinness, with all in favor, directing Staff to proceed with bond refinancing Option 1 to refinance the Series 2008 bonds, was approved.

Discussion ensued regarding the next steps and timing of the steps in the process, potential future projects, budgeting for Fiscal Year 2020, scheduling a special meeting, etc.

- **Ratification of S&P Global Ratings Rating Evaluation Services Agreement**

This item, previously the Fifth Order of Business, was presented out of order.

On MOTION by Mr. Goessel and seconded by Mr. Ferro, with all in favor, the S&P Global Ratings Rating Evaluation Services Agreement and Staff and the Chair's actions, were ratified.

- **Consideration of FMSbonds, Inc., Agreement for Underwriter Services & G-17 Disclosure**

This item, previously the Sixth Order of Business, was presented out of order.

Mr. Kessler stated that FMS is only paid if the bonds are issued.

On MOTION by Mr. McGuinness and seconded by Mr. Goessel, with all in favor, the FMSbonds, Inc., Agreement for Underwriter Services & G-17 Disclosure, was approved.

Mr. Kessler left the meeting.

- **Discussion: Condition of the Clubhouse and Inspection – HouseMaster Proposal**

This item was an addition to the agenda.

Mr. Alvarez discussed the condition of the facilities, recommended hiring a professional to inspect the facilities, the \$3,467 proposal from HouseMaster for inspection services, whether to proceed with the inspection now or delay it, etc.

This item was tabled.

Mr. Francisco Castillo, a resident, discussed the benefits of using local vendors and contractors and/or small businesses for services.

Mr. Alvarez left the meeting.

THIRD ORDER OF BUSINESS

Consider Resignation of Supervisor Noelle McKie, SEAT 5, Term Expires November 2020

Mr. McGaffney presented Supervisor McKie’s resignation for consideration.

On MOTION by Mr. Ferro and seconded by Mr. McGuinness, with all in favor, the resignation of Supervisor Noelle McKie, dated January 17, 2019, was accepted.

FOURTH ORDER OF BUSINESS

Discussion/Consideration: Appointment to Fill Seat 5 Vacancy

Mr. Pawelczyk discussed the requirement to fill the vacant seat and the ways to do so, candidate qualifications, etc.

Ms. Figueroa expressed her interest.

Mr. Galo would email the HOAs regarding the vacant seat. Interested candidates would be encouraged to submit a resume or letter of interest.

A. Administration of Oath of Office (*the following to be provided in a separate package*)

- i. **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- ii. **Membership, Obligations and Responsibilities**
- iii. **Financial Disclosure Forms**
 - **Form 1: Statement of Financial Interests**
 - **Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - **Form 1F: Final Statement of Financial Interests**
- iv. **Form 8B – Memorandum of Voting Conflict**

B. Consideration of Resolution 2019-03, Electing the Officers of the District, and Providing for an Effective Date

These items were deferred to the next meeting.

FIFTH ORDER OF BUSINESS

Ratification of S&P Global Ratings Rating Evaluation Services Agreement

This item was presented following the Second Order of Business.

SIXTH ORDER OF BUSINESS

**Consideration of FMSbonds, Inc.,
Agreement for Underwriter Services & G-
17 Disclosure**

This item was presented following the Second Order of Business.

SEVENTH ORDER OF BUSINESS

**Consideration of Pool Quality Services,
Inc., First Amendment and Extension to
Service Agreement (Swimming Pool and
Fountain Maintenance)**

Discussion ensued regarding whether the services were sufficient and whether the services in the Amendment were the same as the Agreement and would the cost be more. Mr. Galo would obtain a revised proposal with the same scope of services of the original Agreement.

This item was tabled to the next meeting.

▪ **Discussion: Stonegate CDD Vision Statement**

This item, previously the Tenth Order of Business, was presented out of order.

Mr. Goessel summarized that his proposed Vision Statement for the CDD was focused on benefiting and increasing home values.

Mr. Goessel motioned to accept his proposed Vision Statement. The motion was seconded.

Discussion ensued regarding the intended purpose of the Vision Statement.

Mr. Pawelczyk stated that this type of item should be adopted by resolution rather than just as a statement. He discussed potential conflicts between Mr. Goessel's Vision Statement and the statutory requirements and duties of the Board Members, as the Board is to act in the best interests of the District, which may not always increase homeowner value; the Statement could be modified.

Discussion ensued regarding Mr. Goessel's interpretation of the term "increase homeowner value", modifying the wording and editing the Statement, etc.

Mr. Goessel withdrew his motion.

This item was tabled to the next meeting.

EIGHTH ORDER OF BUSINESS

Discussion: Stonegate CDD Clubhouse Initiatives

A. Communications/Outreach – Social Media

Mr. Galo gave a communications and outreach through social media presentation.

Mr. Pawelczyk discussed the drawbacks to CDD sponsored social media outlets, such as the responsibility of CDDs to preserve everything on any CDD social media, the possibility of a Sunshine law violation if a Supervisor comments on social media, complying with the Americans with Disabilities Act (ADA) accessibility requirements for the various forms of social media, etc.

Mr. McGaffney discussed the insurance carrier's opinion on CDD websites and compliance with the ADA requirements.

Mr. McGaffney and Mr. Galo would collaborate and provide a report.

B. Utilization of Office as a Business Center for Malibu Bay Residents and HOAs

- **Hourly Rates for Residents**
- **No Charge for HOAs**

Mr. Pawelczyk would draft a policy regarding use of the office by HOAs and present it at the May meeting.

NINTH ORDER OF BUSINESS

Discussion: Potential Clubhouse Activities to Attract Malibu Bay Residents

Mr. Goessel reviewed a list of potential activities to attract residents to the Clubhouse and facilities.

▪ **Discussion/Consideration: Repainting Clubhouse**

This item was an addition to the agenda.

Mr. Galo presented a proposal for painting the Clubhouse exterior, pavers, etc. Mr. McGaffney felt that, due to reductions in other areas of the budget, there would be sufficient funds to complete the painting project. Discussion ensued regarding the types of paint, warranty, scope of work, etc.

Ms. Durand spoke about obtaining "blind" quotes for larger projects, such as this. Discussion ensued regarding the proposal process, pending quotes, withdrawing the motion and approving a not to exceed amount with no specific contractor.

This item was tabled to the next agenda.

On MOTION by Mr. Goessel and seconded by Mr. Granobles, with Mr. Goessel in favor and Mr. McGuinness, Mr. Granobles and Mr. Ferro dissenting, the K&R Painting and Remodeling Corp., proposal for exterior painting, in a not-to-exceed amount of \$23,075 plus a 5% contingency, if necessary, was not approved. (Motion failed 1-3)

Mr. McGaffney presented a proposal from Armando Garcia Land Services INC (AGLS) to complete Phase 3 work at Lake 5.

On MOTION by Mr. McGuinness and seconded by Mr. Ferro, with all in favor, the Armando Garcia Land Services INC proposal, in a not-to-exceed amount of \$13,892.20, and authorization for District Counsel to prepare an agreement, was approved.

Mr. Galo distributed a ledger detailing the facility rentals.

On MOTION by Mr. Goessel and seconded by Granobles, with all in favor, tabling this Order of Business to the May meeting, was approved.

Discussion ensued regarding the condition of the pump system, maintenance plan, estimated cost to upgrade and budgeting this for Fiscal Year 2020, repairing the enclosure, etc.

TENTH ORDER OF BUSINESS

Discussion: Stonegate CDD Vision Statement

This item was discussed following the Seventh Order of Business.

ELEVENTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of January 31, 2019

Mr. McGaffney presented the Unaudited Financial Statements as of January 31, 2019 and responded to questions.

On MOTION by Mr. Ferro and seconded by Mr. McGuinness, with all in favor, the Unaudited Financial Statements as of January 31, 2019, were approved.

Mr. Goessel motioned to direct Staff to present a proposed budget that shows a 5% decrease in assessments for Fiscal Year 2020. The motion died due to lack of a second.

Discussion ensued regarding existing contracts; the contracts would be included on the May agenda for review and discussion.

TWELFTH ORDER OF BUSINESS

Approval of December 18, 2018 Regular Meeting Minutes

Mr. McGaffney presented the December 18, 2018 Regular Meeting Minutes.

On MOTION by Mr. Goessel and seconded by Mr. McGuinness, with all in favor, the December 18, 2018 Regular Meeting Minutes, as presented, were approved.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. Clubhouse Manager: *GAPA Property Management Corp.*

Mr. Galo had nothing to add.

Discussion ensued regarding updating the list of contracts and the monthly contract expenses.

B. District Counsel: *Billing, Cochran, Lyles, Mauro & Ramsey, P.A.*

Mr. Pawelczyk had nothing to report. Discussion ensued regarding who prepares the contract, whether “boilerplate” items should be included in all agreements, whether insurance requirements are included in all agreements, etc.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

There being no report, the next item followed.

- **NEXT MEETING DATE: March 19, 2019 at 6:15 P.M.**

Discussion ensued regarding scheduling a Special Meeting on April 2, 2019 at 6:00 p.m., and changing the July meeting date. Mr. Pawelczyk suggested advertising an amended and

restated Fiscal Year 2020 Meeting Schedule that would add a meeting on April 2, 2019 and change the July meeting date to July 30, 2019.

On MOTION by Mr. McGuinness and seconded by Mr. Ferro, with all in favor, amending the Fiscal Year 2019 Meeting Schedule to add a meeting on April 2, 2019 and change the July meeting date from July 16th to July 30th, was approved.

FOURTEENTH ORDER OF BUSINESS

Supervisors' Requests

There being no Supervisors' requests, the next item followed.

FIFTEENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Ferro and seconded by Mr. McGuinness, with all in favor, the meeting adjourned at 10:05 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair