

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

The Board of Supervisors of the Toscana Isles Community Development District held a Regular Meeting on December 8, 2021, at 10:00 a.m., at the offices of Vanguard Land, LLC, located at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238.

Present were:

Alex Hays	Chair
Brian Watson	Vice Chair
Daniel Peshkin	Assistant Secretary
Jeffrey Sweater	Assistant Secretary

Also present were:

Jamie Sanchez	District Manager
Daniel Rom (via telephone)	Wrathell, Hunt and Associates, LLC (WHA)
Vanessa Steinerts	District Counsel
William Contardo	Resident
Bill Ambrose	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Sanchez called the meeting to order at 10:02 a.m. Supervisors Hays, Watson, Peshkin and Sweater were present. Supervisor LaBoe was not present.

SECOND ORDER OF BUSINESS

**Discussion/Consideration: Meeting
Duration [1 hour]**

Ms. Sanchez stated that the meeting was anticipated to last no more than one hour. The Board agreed that one hour was sufficient time.

THIRD ORDER OF BUSINESS

Public Comments [10 minutes]

Resident William Contardo expressed his confidence in the Board and asked about the \$33,000 budgeted for "Legal" fees. Mr. Hays stated that District Counsel attends CDD meetings and is involved in CDD business. Mr. Watson stated previous year-end financials would demonstrate normal costs for a well-functioning Board and noted that many of this legal year's

legal expenses were related to onboarding of new Board members and District Counsel’s reviewing and responding to questions raised.

CONSENT AGENDA ITEMS [5 minutes]

Ms. Sanchez presented the following Consent Agenda Items:

FOURTH ORDER OF BUSINESS

Discussion: Requisition(s)

- A. No. 357, Cast-Crete USA, LLC [\$40,162.00]**
- B. No. 358, Care Electric, Inc. [\$277.40]**
- C. No. 359, DF Flooring Professionals, Inc. [\$8,542.00]**
- D. No. 360, Juniper Landscaping of Florida, LLC [\$36,105.00]**
- E. No. 361, Martin Sewer Testing, Inc. [\$400.00]**
- F. No. 362, Nostalgic Lampposts & Mailboxes Plus, Inc. [\$9,585.00]**
- G. No. 363, Pat O’Hara Pavers, Inc. [\$6,600.00]**
- H. No. 364, Rothco Signs & Design, Inc. [\$2,134.65]**
- I. No. 365, Rusty Plumbing Company, Inc. [\$82,971.00]**
- J. No. 366, Smith-Manus Agency, Inc. [\$1,230.00]**
- K. No. 367, Sarasota Land Services, Inc. [\$2,500.00]**
- L. No. 368, LALP Development, LLC [\$7,605.06]**

FIFTH ORDER OF BUSINESS

Ratification of Change Order(s)/ Proposal(s)

- Environmental Consulting & Technology, Inc., Professional Services Agreement [NTE \$4,000] Environmental Consulting Services**

SIXTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of October 31, 2021

SEVENTH ORDER OF BUSINESS

Approval of November 10, 2021 Regular Meeting Minutes

On MOTION by Mr. Hays and seconded by Mr. Sweater, with all in favor, the Consent Agenda Items identified in the Fourth, Fifth, Sixth and Seventh Orders of Business, were approved and/or ratified and/or accepted.

BUSINESS ITEMS

EIGHTH ORDER OF BUSINESS

Consideration of AM Engineering, LLC, Proposal for Stormwater Needs Analysis, AME Job - VANG0015CDD [\$10,000.00] [10 minutes]

Mr. Rom presented the AM Engineering, LLC, Proposal for preparation of the Stormwater Needs Analysis Report, which was deferred at the last meeting due to the Board's request for clarification of the cost, such as whether it would be a lump sum or not-to-exceed amount of \$10,000. The Board also approved Mr. Sweater taking the lead in further review and incorporating some potential further updates to the proposal to clarify the work pertaining to the Needs Analysis requirements, which are included in the numbered section of the proposal.

Mr. Sweater stated his belief that the proposal included the necessary information and his understanding that other CDDs would pay from \$7,500 to \$25,000 for preparation of their Reports; therefore, he felt that the cost was appropriate for the services being provided. He noted that this is a new requirement so it is unknown whether comments would be received.

On MOTION by Mr. Watson and seconded by Mr. Peshkin, with all in favor, the AM Engineering, LLC, Proposal for Stormwater Needs Analysis, in a not-to-exceed amount of \$10,000, was approved.

NINTH ORDER OF BUSINESS

Discussion: Universal Engineering Sciences, Inc., Geotechnical Consulting Services Report, Existing Roadways Pavement Evaluation [10 minutes]

Mr. Hays stated a report was distributed and asked Mr. Sweater if he spoke with Universal. Mr. Sweater stated he met with Universal on December 3, 2021 to review reports. Universal previously advised the CDD to mill out and refill 3" of paving to determine whether it was fully compacted but their studies found that the asphalt did not fail; rather, the water coming up through the base caused it to fail. Drains were installed and, as a result, only 1" of

asphalt needs to be milled and replaced. Some residents were concerned about the issue and, after looking into it, this seems to be the right way to move forward and the right fix.

Mr. Hays noted that the report stated high water levels may appear on roadway sections adjacent to berms. The graphic was not included in the report but all work was completed, including underdrain installations and roadway milling and replacement. Underdrains were installed in other roadway areas adjacent to berms to prevent future issues.

TENTH ORDER OF BUSINESS

Discussion: Hydraulic Fluid Release and Cleanup [10 minutes]

Mr. Hays stated a contractor working in the CDD accidentally released hydraulic fluid on the roadway, past the main entry and throughout portions of the CDD. The contractor engaged a provider who specializes in this type of cleanup; the product was applied twice and improvement has been observed. The report contains additional information regarding the scope of the issue and the bio-dry treatment.

Mr. Sweater stated he was advised that the product was applied twice. The first treatment was not very effective but the second treatment cleaned up much of the fluid and would continue to work over time. Additional treatments are not likely to help much; the contractor paid for two treatments, which seemed to be the most the CDD could push for. He suggested evaluating the area in three months to determine if additional treatment is needed.

Mr. Watson stated, in order to expedite the work, the CDD paid for it and the contractor would reimburse the CDD.

ELEVENTH ORDER OF BUSINESS

Consideration of Resolution 2022-01, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2020, and Ending September 30, 2021 [5 minutes]

Mr. Rom presented Resolution 2022-01. He recalled previous discussions leading up to the end of Fiscal Year 2021, in which it was noted that total expenditures would exceed the adopted Fiscal Year 2021 budget. Florida Statute requires an appropriate budget amendment anytime total expenditures exceed the budget.

Mr. Sweater asked if budget overruns were paid from the reserves or paid by the Developer. Mr. Rom stated the fiscal year timing relating to budget approval and adoption was

somewhat unfortunate, in that it is in the midst of the existing fiscal year, and Staff did their best to evaluate end of year budgets. The unaudited financials would reflect Staff’s efforts to incorporate those expenditures in the revenue column so that property owners would be assessed in Fiscal Year 2022.

Mr. Watson stated, unlike an HOA, the Developer does not guarantee deficits; the three months’ Working Capital fund would be depleted for Fiscal Year 2021 and the 2022 budget would replenish that fund balance.

On MOTION by Mr. Sweater and seconded by Mr. Peshkin, with all in favor, Resolution 2022-01, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2020, and Ending September 30, 2021, was adopted.

TWELFTH ORDER OF BUSINESS

Consideration of Fourth Amendment to the Maintenance Agreement with Toscana Isles Master Association, Inc., and Toscana Isles Stormwater Maintenance Association, Inc. [5 minutes]

Ms. Steinerts stated the Third Amendment included some insurance provisions that the insurance carrier ultimately rejected, such as the carrier would not add an additional insured that is a private entity. This necessitated cleanup of the previously approved Third Amendment. This Fourth Amendment removes the provisions and revises the insurance language so that there is not an additional insured on the part of either party; however, it requires each party’s contractors and vendors to have appropriate insurances. It also requires the Association and the District to carry liability insurance. All parties would be required to have insurance and the additional insured language was removed for both parties.

On MOTION by Mr. Sweater and seconded by Mr. Watson, with all in favor, the Fourth Amendment to the Maintenance Agreement with Toscana Isles Master Association, Inc., and Toscana Isles Stormwater Maintenance Association, Inc., was approved.

THIRTEENTH ORDER OF BUSINESS

STAFF REPORTS [5 minutes]

- A. District Counsel: *Straley Robin Vericker***

There was no report.

B. District Engineer: *AM Engineering, LLC*

There was no report.

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

- **NEXT MEETING DATE: January 26, 2022 at 10:00 A.M.**
 - **QUORUM CHECK**

All Supervisors confirmed their attendance at the January 26, 2022 meeting.

FOURTEENTH ORDER OF BUSINESS

Board Members’ Comments/ Requests [5 minutes]

There were no Board Members’ comments or requests.

FIFTEENTH ORDER OF BUSINESS

Public Comments [10 minutes]

Mr. Contardo asked if the CDD exceeded its previous budget by approximately 21%. Mr. Watson stated the CDD exceeded its Fiscal Year 2021 budget by approximately 20%. Mr. Contardo asked if assessments would increase proportionally. Mr. Watson stated an assessment increase was already incorporated into the Fiscal Year 2022 budget that was previously approved. Mr. Contardo asked if CDD contractors are bonded. Ms. Steinerts stated that projects over a certain threshold require bonding but performance bonds are not required for projects under \$300,000. Mr. Contardo felt that the \$300,000 threshold is too high and it should be evaluated. He asked where company offices and the bonding companies are located. Ms. Steinerts stated they must be registered in Florida. Mr. Contardo discussed his previous experience regarding bonds.

Resident Bill Ambrose asked why the final lift of asphalt was being done and why paving was being completed when some lots are unfinished. Mr. Sweater stated the work was being done by the CDD. He gave an overview of the formation of the CDD, the bond issuance and the process whereby the work identified in the Engineer’s Report would be completed and paid for with bond funds before the project is certified as complete and residents transition to the Board. Mr. Ambrose asked if future maintenance of the roads would be transitioned to the HOA. Mr. Watson believed that future management of the roads would probably fall under one of the Agreements subject to the Fourth Amendment; the CDD, the Master Association and the

Stormwater Association agreed that one of the Associations would perform the duties that would otherwise be required of the CDD. The roads would be maintained by the HOA on behalf of the CDD. Mr. Sweater stated if future road projects are necessary, the CDD can secure additional bond funding.

Mr. Contardo discussed additional instances in which he knew of a Developer whose projects were bonded through their banks and the obligation was nullified when the entity was sold. He asked if a similar issue exists with builders in the CDD if they sell their project to another entity. Mr. Watson stated he believed that performance bonds would only be in effect until subcontractor work is certified as complete and satisfactory by the District Engineer. Ms. Steinerts concurred with Mr. Watson's explanation.

Conversation ensued about the difference between municipal bonds used to secure funding for the construction projects and performance bonds utilized to guarantee the work of contractors. Mr. Contardo expressed concern about how the community could be affected if DR Horton sells its interests in the CDD and the bonds associated with the work to be done no longer applied. Discussion ensued regarding various types of bonds and protections offered.

Ms. Sanchez stated she could schedule a call between Ms. Cerbone and Mr. Contardo to address additional questions and concerns related to bonds, if he would like. Mr. Contardo felt that the contractor performance bond threshold should be lowered and discussed the reasons.

Mr. Sweater asked if there were provisions requiring the builder to pay for roads damaged after the Developer has closed out the project. Mr. Hays stated that provisions are in place to protect the CDD and, if necessary, the Association would address damages with the builder. Discussion ensued regarding possible recourse against builders and developers.

Ms. Steinerts stated the CDD would fall back to Florida law in the event of any damage; if a new corporation is formed and the building entity is abandoned there are ways to address that. Mr. Contardo noted that DR Horton is a large corporation and asked what would happen if they cause damage and cease working in the CDD. A Board member stated it is possible that lots may be sold so it is a valid question.

SIXTEENTH ORDER OF BUSINESS**Adjournment**

On MOTION by Mr. Sweater and seconded by Mr. Hays, with all in favor, the meeting adjourned at 10:45 a.m.
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Cindy Cebara
Secretary/Assistant Secretary

[Signature]
Chair/Vice Chair