

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

A Public Hearing and Regular Meeting of the Aventura Isles Community Development District's Board of Supervisors were held on **Tuesday, September 8, 2015 at 1:30 p.m.**, at **190 NE 199th Street, Suite 206, Miami, Florida 33179.**

Present at the meeting were:

Richard "Rick" Feather	Chair
Anthony "Tony" Valle	Vice Chair
Lauren Arcaro	Assistant Secretary

Also present were:

Rick Woodville	Wrathell, Hunt and Associates, LLC
Gerry Knight	District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Woodville called the meeting to order at 1:45 p.m., and noted, for the record, that Supervisors Feather, Valle and Arcaro were present, in person. Two seats were vacant.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Approval of April 27, 2015 Special Meeting Minutes

Mr. Woodville presented the April 27, 2015 Special Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Valle and seconded by Ms. Arcaro, with all in favor, the April 27, 2015 Special Meeting Minutes, as presented, were approved.

The following change was made:

Line 145: Change “the entire Board” to “all Board Members that were up for election”

On MOTION by Mr. Valle and seconded by Ms. Arcaro, with all in favor, amending the prior motion to approve the April 27, 2015 Special Meeting Minutes, as amended, was approved.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2015-2, Amending Resolution 2015-1, Rescheduling and Resetting the Date, Time and Place of the Public Hearing for Consideration of the Budget and Non-Ad Valorem Assessments for Fiscal Year 2016

Mr. Woodville presented Resolution 2015-2 for the Board’s consideration. He indicated that the Fiscal Year 2016 budget Public Hearing was rescheduled for today, as the advertisement for the originally scheduled date of July 15, 2015, was not published in the newspaper.

Mr. Knight recommended amending the resolution setting the Public Hearing to reflect the change in the date of the Public Hearing to today.

On MOTION by Mr. Feather and seconded by Mr. Valle, with all in favor, Resolution 2015-2, Amending Resolution 2015-1, Rescheduling and Resetting the Date, Time and Place of the Public Hearing for Consideration of the Budget and Non-Ad Valorem Assessments for Fiscal Year 2016, to September 8, 2015 at 1:30 p.m., at this location, was adopted.

FIFTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on Adoption of Fiscal Year 2015/2016 Budget

A. Affidavit of Publication

Mr. Woodville presented the affidavit of publication for today’s Public Hearing, which was published on August 18 and August 25, 2015.

B. Consideration of Resolution 2015-3, Relating to the Annual Appropriations and Adopting The Budget for the Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016

Mr. Woodville explained that the “General” fund pays for the operation and administration of the District. He indicated that the on-roll assessment revenues, less the 4% early pay discount, will be \$88,295, which was slightly less than the Fiscal Year 2015 revenues of \$89,507; if there was an increase in assessments, a mailed notice to residents was required. Mr. Woodville noted that, for Fiscal Year 2016, “Engineering” decreased from \$3,500 to \$1,500, the \$800 “Annual operating permit” line item was added and the “Property appraiser” and Tax collector” line items decreased from \$466 to \$460.

Regarding the “Debt Service” fund, on Page 4, Mr. Woodville reported that “Assessment levy: on-roll –gross” decreased from \$607,500, in Fiscal Year 2015, to \$605,001, in Fiscal Year 2016, and there were no off-roll assessments. He indicated that for Fiscal Year 2016, “Principal” increased from \$110,000 to \$120,000 and “Interest” decreased from \$483,225 to \$475,425. Mr. Woodville noted that overall, the debt service payment increased by approximately \$2,200, primarily due to the “Amortization Schedule” for the Series 2013 bonds, on Pages 5 and 6.

Referring to “Property appraiser” and “Tax collector” fees for debt service, Mr. Woodville noted a decrease from \$3,164, in Fiscal Year 2015, to \$3,151, in Fiscal Year 2016. He reported a “Projected fund balance surplus as of September 30, 2016” of \$14,522, which is based on an “Ending fund balance (projected)” of \$676,310, minus a “Debt service reserve account balance (required)” of \$300,650 and a “Principal & Interest expense – November 1, 2016” of \$361,138. Mr. Woodville advised that the surplus was due to residents not taking the 4% discount, by paying their tax bill in November. This surplus could be applied to the final debt service payment or revert back to the “General” fund.

Mr. Woodville referred to the Assessment Summary, on Page 7, for the “General” and “Debt Service” funds. He noted a slight decrease in the Fiscal Year 2016 net assessment compared to Fiscal Year 2015. Several maps were included to the budget, showing an equity share of operation and maintenance (O&M).

*****Mr. Woodville opened the Public Hearing.*****

No members of the public spoke.

***** Mr. Woodville closed the Public Hearing.*****

Mr. Woodville presented Resolution 2015-3 for the Board’s consideration and read the title into the record:

“THE ANNUAL APPROPRIATION RESOLUTION OF THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT (THE “DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016”

On MOTION by Ms. Arcaro and seconded by Mr. Feather, with all in favor, Resolution 2015-3, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016, was adopted.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2015-4, Imposing Special Assessments and Certifying an Assessment Roll

Mr. Woodville presented Resolution 2015-4 for the Board’s consideration. He explained that this resolution authorizes Management to impose special assessments on the landowners and certify the tax roll to the county.

Mr. Feather asked if CDD payments are considered a special assessment. Mr. Woodville replied affirmatively, noting that, as a governmental entity, the District is imposing an assessment on all the landowners of the CDD.

Mr. Knight advised that an Assessment Roll is attached to the resolution, reflecting all owners, their addresses and their assessments, based on unit size.

Mr. Woodville explained that the budget is allocated, based on the Assessment Methodology to collect the assessments, with 4% added to the assessment amount and collection fees from the Property Appraiser. He pointed out that the Assessment Roll can be downloaded from the Miami-Dade County Property Appraiser’s office.

On MOTION by Mr. Feather and seconded by Ms. Arcaro, with all in favor, Resolution 2015-4, Imposing Special Assessments and Certifying an Assessment Roll, was adopted.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2015-5, Adopting the Annual Meeting Schedule for Fiscal Year 2015/2016

Mr. Woodville presented Resolution 2015-5 for the Board’s consideration. He noted that the proposed meeting dates were November 3, 2015, January 12, March 8, May 10, July 12 and September 13, 2016 at 10:00 a.m., at this location.

Mr. Woodville asked if meetings can continue to be held at this location. Mr. Feather indicated that meetings can be held at the current location until April or May, 2016; it might be necessary to hold the July and September meetings at a different location.

There was consensus from the Board to move the start time of the meeting from 10:00 a.m. to 1:00 p.m.

Mr. Woodville noted that the Landowner’s Meeting will be November 3, 2015, approval of the Fiscal Year 2017 proposed budget will be May 10, 2016 and adoption of the Fiscal Year 2017 budget will be September 13, 2016. He pointed out that the Board is not required to attend the Landowner’s Meeting but there must be quorums at the May and September meetings.

On MOTION by Mr. Feather and seconded by Mr. Valle, with all in favor, Resolution 2015-5, Adopting the Annual Meeting Schedule for Fiscal Year 2015/2016, as amended, to commence meetings at 1:00 p.m., and authorizing Staff to advertise, accordingly, was adopted.

EIGHTH ORDER OF BUSINESS

Consideration of Addendum to the 2013 Engineer’s Report

Mr. Woodville presented an addendum from the District Engineer and read the following into the record:

“The purpose of this Addendum is to remove from the 2013 Engineer’s Report, dated June of 2013, any reference to Guardhouse, Gates, Entry Features and Recreational Facilities. These improvements were never a part of those infrastructure improvements funded, constructed, acquired, and/or owned by the Aventura Isles Community Development District.”

Mr. Knight advised that the purpose of the amendment is to reflect what the District actually funded, as the District did not fund the guardhouse, gates, entry features and recreational facilities. He reported that, after a certificate of completion is provided by the District Engineer, a resolution declaring the CDD project complete, will be presented.

Mr. Woodville noted that the District Engineer should have provided the Certificate of Completion. The District Engineer informed Mr. Knight that the project was not yet completed but anticipated providing it at the next meeting.

Mr. Valle pointed out that the next meeting is the Landowner's Meeting, which the Board was not attending.

Mr. Knight suggested that the Board call a special meeting in October and Staff follow-up with the District Engineer on what items must be completed, prior to deeming the project complete.

Mr. Feather believed that the only item remaining was to clean the storm sewers in the townhomes, which were maintenance issues, not completion issues. Mr. Woodville recalled that the District Engineer was working on an issue with an adjoining property owner, which may affect the District. Mr. Knight recalled some minor encroachments and suggested contacting the District Engineer after this meeting to confirm.

Mr. Knight recommended continuing the meeting, which could be cancelled, or calling a special meeting in October. Mr. Woodville asked if this meeting can be continued to a date in October. Mr. Knight replied no, as a meeting can only be continued out ten days, maximum.

Discussion ensued regarding a date for the special meeting.

Mr. Feather questioned the ramifications of waiting until the January meeting to receive the Certificate of Completion. Mr. Knight indicated that there may be a new Board who may not deem the project closed.

On MOTION by Mr. Feather and seconded by Mr. Valle, with all in favor, authorization for Management to advertise a Special Meeting for October 13, 2015 at 1:00 p.m., at this location, to receive the Certification of Completion from the District Engineer, was approved.

NINTH ORDER OF BUSINESS

Consider Ratification of Term of Board Seat 5 Due to Scrivener's Error During First Landowner's Election in 2013

Mr. Woodville reported that Seat 5 was assigned a four-year term in 2013, when it should have been assigned a two-year term.

On MOTION by Mr. Valle and seconded by Mr. Feather, with all in favor, changing the term of Seat 5 from a four-year term to a two-year term, due to a scrivener's error during 2013 Landowner's Election, was ratified.

Mr. Knight advised that the term of Seat 5 expires this November.

○ **November 3, 2015 Landowner's Election: SEATS 3, 4, 5**

Mr. Woodville reported that a Landowner's Election was scheduled for on November 3, 2015, for Seats 3, 4 and 5. He noted that Seats 3 and 5 are vacant and Ms. Arcaro is in Seat 4. Mr. Woodville advised that developer representatives are currently seated on the Board and residents may serve after the November election.

TENTH ORDER OF BUSINESS

Other Business

Mr. Woodville presented the Audited Financial Report for the fiscal year ended September 30, 2014, which was prepared by Grau & Associates (Grau). He advised that an annual audit is statutorily required.

Mr. Woodville reported that, on Page 1, the Auditor stated, "*In our opinion, above information was presented fairly*". He discussed the "Financial Highlights", under "Management Discussion and Analysis", on Page 3, noting that the liabilities of the District exceeded its assets, at the close of Fiscal Year 2014, resulting in a net position deficit of \$499,986; this was due to the changes in the Governmental Accounting Standards Board (GASB) 34, in 2004, which required the analysis of long-term liabilities and assets. In this case, Mr. Woodville explained that the District acquired the assets it constructed, along with the corresponding debt; eventually the assets will be conveyed to the county but the District will still have the liability.

Mr. Feather asked if this will ever be remedied. Mr. Woodville indicated that it will be eliminated, gradually, as the debt is paid down, over the term of the debt. Mr. Feather pointed out that in their documents, there is an option for the county to take control of the park properties, which are part of the CDD assets, and asked if it remains a CDD asset if the county takes control. Mr. Woodville explained that, if the Board approves conveyance, it becomes a county asset but the CDD still has the debt.

Mr. Knight advised that it is not unusual to use CDD bonds to pay for infrastructure that was ultimately going to be owned by another governmental jurisdiction. Mr. Woodville recalled that, when the bonds were originally issued, a lien was placed on every parcel and the debt remained regardless of the asset but when the assets are conveyed to a city or county, they become responsible for the operation and maintenance. Mr. Woodville noted that depreciation contributes to a reduction in assets, under GASB 34 but, at the same time, the District is paying off the debt

Ms. Arcaro asked if the county depreciates the assets if it takes over the assets. Mr. Woodville indicated that the assets depreciate regardless of ownership and, if the CDD owns them, depreciation is taken annually, which is why liabilities can exceed assets.

Mr. Woodville explained that the "Statement of Net Position", on Page 7, provided more detail of the District's assets and liabilities and the "Statement of Activities, on Page 8, reflected the District's revenues. He referred to the "Balance Sheet" for the "Governmental funds", on Page 9, which showed the activity for the "General", "Debt Service" and "Capital Projects" funds, with "Total fund balances" of \$21,000, \$334,827 and \$6, respectively.

Mr. Woodville indicated that the reconciliation, on Page 10 showed the full accrual method and the "Statement of Revenues", on Page 11 showed total revenues and expenditures for the "General", "Debt Service" and "Capital Projects" funds, as well as any operating transfers between funds. He noted positive fund balances in the "General", "Debt Service" and "Capital Projects" funds. Mr. Woodville referred to Page 12, which reconciled the transition from the governmental funds to full accrual, followed by all notes to the financials, starting on Page 13, which were standard.

According to Page 18, Mr. Woodville reported that the District had investments of \$334,830 through Wells Fargo, US Treasury and money markets and a Standard and Poors rating of AAA. The District had capital assets of \$7.5 million. He noted that the District had outstanding principal of \$8,305,000 on the remaining bonds, as of September 30, 2014.

Mr. Woodville indicated that a subsequent event was noted, whereby, after the fiscal year end, the District prepaid \$30,000 of the Series 2013 bonds. He reported that actual expenditures were less than budgeted amounts, which was a positive occurrence.

Mr. Woodville advised that, in the "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance", the Auditor stated, "*During our audit, we did not*

identify any deficiencies in internal control that we consider a material weakness” and under “Compliance and Other Matters”, the Auditor stated, “The results of our tests disclosed no instances of noncompliance or other matters required to be reported under Government Auditing Standards”.

Mr. Woodville noted that the “Independent Auditor’s Report on Compliance with the Requirements of Section 218.415, Florida Statutes, Required by Rule 10.556(10) of the Auditor General of the State of Florida”, was a new report that showed the District’s compliance with investment requirements. The “Management Letter” and “Report to Management”, on Pages 26 and 27, were required by the Auditor General and reflected no current or prior year findings or recommendations.

Mr. Woodville referred to the “Statement of Corrective Actions”, which noted that no recommendations were made by the Auditor, there were no conditions for a financial emergency or indications that the District was under any deteriorating financial conditions.

Mr. Woodville reported that this is a clean audit, which Management will file with the state.

On MOTION by Mr. Feather and seconded by Ms. Arcaro, with all in favor, acceptance of the Audited Financial Report for the Fiscal Year Ended September 30, 2014, was approved.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being no report, the next item followed.

B. District Engineer

There being no report, the next item followed.

C. District Manager

i. Approval of Unaudited Financial Statements as of July 31, 2015

Mr. Woodville presented the Unaudited Financial Statements as of July 31, 2015. He reported that the District had \$102,085 in “Cash” and “Total fund balances for the “General”, “Debt Service” and “Capital Projects” funds of \$33,600, \$660,000 and \$6, respectively.

Referring to the “Debt Service” fund for the Series 2013 bonds, Mr. Woodville indicated that principal payments were made on November 1, 2014 and May 1, 2015 and all assessments were collected to pay the November 1, 2015 principal and interest. He noted, on Page 2, that 100% of all on-roll assessments were collected, as of July 31, 2015; total expenditures were \$89,507 and revenues of \$89,296 were collected.

Regarding the “Capital Projects” fund, Mr. Woodville reported that once the Certificate of Completion is submitted by the District Engineer, the Bond Trustee can close this account.

On MOTION by Ms. Arcaro and seconded by Mr. Valle, with all in favor, the Unaudited Financial Statements as of July 31, 2015, were approved.

TWELFTH ORDER OF BUSINESS

Supervisors’ Requests and Public Comments

There being no Supervisors’ requests or public comments, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Ms. Arcaro and seconded by Mr. Feather, with all in favor, the meeting adjourned at 2:26 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair