

MINUTES OF MEETING
WINDWARD
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Windward Community Development District was held Wednesday, August 19, 2020 at 2:00 p.m. via Zoom Video Conferencing, pursuant to Executive Orders 20-52, 20-69, 20-112, 20-150 and 20-179 issued by Governor DeSantis on March 9, 2020, March 20, 2020, April 29, 2020, June 23, 2020 and July 30, 2020 respectively, and any extensions or supplements thereof, and pursuant to Section 120.54(5)(b)2., *Florida Statutes*.

Present and constituting a quorum were:

John Kassik	Chairperson
Jimmy Clark	Vice Chairman
Thomas Franklin	Assistant Secretary
Marvin Morris	Assistant Secretary

Also present were:

Jason Showe	District Manager
Kristen Trucco	District Counsel
David Kelly	District Engineer
Justin Rowan	MBS Capital Markets
William Viasalyers	Field Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the July 15, 2020 Meeting

On MOTION by Mr. Morris seconded by Mr. Kassik with all in favor the minutes of the July 15, 2020 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Public Hearing

On MOTION by Mr. Morris seconded by Mr. Kassik with all in favor the public hearing was opened.

Mr. Morris asked if any notification sent to the homeowners about the public hearing?

Mr. Showe responded everything was placed on our website in accordance with Florida Statutes, there was no mailed notice requirement this year because there was no assessment increase. We put a notice in the paper that we were having a public hearing on the budget.

Mr. Morris stated I notice that item B is a resolution imposing a special assessment. Mr. Showe stated that is the second part of the budget process, that is the actual mechanism that levies the assessments. Those assessments are based on the budget as adopted. There is no increase in assessments, it is the same as it was last year.

A. Consideration of Resolution 2020-09 Adopting the Fiscal Year 2021 Budget and Relating to the Annual Appropriations

Mr. Showe gave an overview of the proposed Fiscal Year 2021 budget and stated later in the agenda we will ask for approval of a deficit funding agreement and that is typical of Districts like this that is currently in development so if development moves faster than we anticipated in the budget the developer agrees they will fund that deficit until the next budget cycle.

Mr. Morris asked when does the deficit funding agreement end? Does it go away at a point when KHov is no longer part of the equation?

Mr. Showe stated at that point there would not be a deficit funding agreement, you would seek to get all your funds through the operation and maintenance assessment on the roll, but you would typically be fully developed so you would know exactly how much you need to run the District for a year. Because the District is currently developing there may be new responsibilities that we have not anticipated in the budget.

Mr. Morris asked as that point is there money that is left over from KHov that would go into our accounts or do we start with a zero balance?

Mr. Showe stated typically you start with a zero balance. In future years you may want to consider those points and the residents will likely want to have a capital reserve and you may need to increase your assessments to fund that.

Mr. Morris stated as we get closer to turnover that is something we are going to have put in.

Mr. Showe stated as District Manager, William and I are looking at your budget in terms of levels of service and what we would expect, and we will make those recommendations at the appropriate time.

I will note again there are no members of the public on the call to provide comment.

Resolution 2020-09 adopts the budget, which will be attached to the resolution as an exhibit.

On MOTION by Mr. Kassik seconded by Mr. Clark with all in favor Resolution 2020-09 Adopting the Fiscal Year 2021 Budget and Relating to the Annual Appropriations, was approved.

B. Consideration of Resolution 2020-10 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Showe stated the next resolution imposes the special assessments and certifies an assessment roll. Attached to the resolution will be the adopted budget and the assessment roll.

On MOTION by Mr. Clark seconded by Mr. Kassik with all in favor Resolution 2020-10 Imposing Special Assessments and Certifying an Assessment Roll, was approved.

On MOTION by Mr. Clark seconded by Mr. Morris with all in favor the public hearing was closed.

FIFTH ORDER OF BUSINESS

Consideration of Fiscal Year 2021 Deficit Funding Agreement

Mr. Showe stated next is the deficit funding agreement for the general fund, which is in the same form as in past years. This will be utilized in case the funds in the budget are not sufficient to cover the operational expenses of the District. It will typically be triggered if there are additional maintenance responsibilities that were not contemplated in the budget.

On MOTION by Mr. Morris seconded by Mr. Kassik with all in favor the Fiscal Year 2021 deficit funding agreement with K. Hovnanian at Mystic Dunes, LLC was approved.

SIXTH ORDER OF BUSINESS

Consideration of Supplement to Investment Banking Agreement with MBS Capital Markets, LLC

Mr. Showe stated next is a supplement to the investment banking agreement with MBS Capital Markets. This is to provide an agreement for purposes of the 2020 bonds.

Mr. Rowan stated we have served as the investment banker for the District for the original bond issuance in 2018 and pursuant to the regulatory agencies we need to have a new investment banking agreement executed for each individual bond issuance. This agreement is the same in form as the one executed in 2017 for the 2018 bonds. Our fee associated with the services outlined in the agreement is 2% of the principal amount of bonds issued and we are only compensated if and when bonds are issued. To the extent we move down the road to issue bonds and if for some reason the District changed its mind or we were unable to complete the transaction we would not get paid and the District would not undergo any expenses related to our efforts.

On MOTION by Mr. Clark seconded by Mr. Kassik with all in favor the supplemental investment banking agreement with MBS Capital Markets, LLC was approved.

SEVENTH ORDER OF BUSINESS

Discussion of Landscape Maintenance

This item taken under the Field Manager's report.

EIGHTH ORDER OF BUSINESS

Discussion of Expansion Bond Documents

Mr. Rowan stated the Board doesn't need to take any action on these documents other than to approve them in substantial form. We will continue to tweak these, there will be another opportunity at the next Board meeting to address any of the Board's questions as well incorporate additional comments by staff. As it relates to the next bond issuance, we and staff are moving full speed ahead with the goal to be in a position to issue the final series of bonds for the District prior to November and market condition will determine if we should issue bonds then or delay it. The supplemental engineer's report and supplemental assessment methodology basically describe the remaining costs of the capital improvement plan that were not financed as part of the original project in 2018 as well as incorporate the units and costs associated with the expansion parcel, which is Phase 4, Tracts F&G. District Counsel is in the process or has already filed a petition to

bring those lands into the District and once that is complete those lands will go through another assessment process whereby those lands will be assessed for both capital improvements as well as O&M.

Mr. Franklin joined the meeting during this item.

On MOTION by Mr. Franklin seconded by Mr. Kassik with all in favor the bond documents were approved in substantial form.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Trucco stated we are moving forward with the expansion petition, we are nearly done with it, the cost has changed slightly so the exhibits to the petition need to be revised. We don't anticipate that taking much longer than a week or so and we will continue to keep the Board apprised of our progress.

B. Engineer

Mr. Kelly stated the only update other than the submission of the supplemental report is that construction is ongoing in the next phase in the expansion area. It is being funded by the developer at this time.

Mr. Morris stated we talked a few months ago about in the next phase, which is under construction now, that we would like to have a dog park there. Is there any consideration for that?

Mr. Kelly stated we are looking into that; we have a site picked out where we have the availability to do that in Phase 3C.

D. Manager

i. Approval of Check Register

On MOTION by Mr. Franklin seconded by Mr. Kassik with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

iii. Approval of Fiscal Year 2021 Meeting Schedule

On MOTION by Mr. Kassik seconded by Mr. Clark with all in favor the Fiscal Year 2021 meeting schedule was approved reflecting meetings on the third Wednesday of the month and the new location of meeting in the clubhouse.

iv. Field Operations

Mr. Viasalyers stated staff has been working with KHov, the HOA and CDD owned areas for replacement of turf, that project is still ongoing. I believe all the HOA items have been addressed and the CDD areas are still being worked on and they should have the sod completed pretty soon.

At the direction of KHov staff I worked to get a proposal for additional items, we have dead trees, some trees that are leaning and some planting material that has died out and we want to get it replaced. The Sylvester Palm for \$6,000 doesn't need to be approved we can scale it down and approve the other items if the Board is okay with that. That Sylvester Palm is a dead palm located by the lift station near the model home area, but if we were to flush cut it and put some sod down nobody would miss it. The other items are a bunch of leaning palms, oak trees and dead plant material that we would like to get replaced to help enhance the area.

Mr. Franklin stated you want a determination on the palm?

Mr. Viasalyers stated it is a \$6,000 item and there is no guarantee that if you plant it there it won't have issues down the road again.

Mr. Franklin asked are the soil conditions not very good there?

Mr. Viasalyers stated soil there is kind of sandy, but these palms sometimes get disease and there is nothing you can do about it.

Mr. Showe stated there are funds available in the landscape contingency line. We would ask that the Board approve a not to exceed amount of \$10,000, which will let them cut that Sylvester Palm down opposed to replacing it and William can work with the vendor on the appropriate timing.

On MOTION by Mr. Clark seconded by Mr. Morris with all in favor the landscape replacements were approved in an amount not to exceed \$10,000.

Mr. Viasalyers stated in discussion with KHov and the HOA we talked about potentially going out for landscape bids. I know we are under the threshold of having to do an RFP but I have been working with James and he was trying to solicit a potential candidate for the property because we have had several ongoing issues with a lot of the detail work and things like that, that seem to keep falling behind with Down to Earth.

Mr. Showe stated we anticipate bringing something back to the Board at a future meeting.

Mr. Viasalyers stated as you head towards the back gate on Four Seasons Boulevard we had an issue where a couple pieces of sidewalk collapsed, we put out some caution tape and are working on getting prices to get that repaired.

Mr. Morris stated I believe you are aware that we had a cement truck hit the roof of the entranceway to the complex.

Mr. Viasalyers stated yes. That is something we are working with the vendor that hit that, they are going to incur that cost and we are working on getting them a proposal. We are waiting on some feedback from the vendor who did the damage.

Mr. Showe stated we don't anticipate that the District will incur that expense we are going to have the vendor or their insurance company cover that cost.

TENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Morris stated I'm a little concerned that the homeowners do not really know too much of what goes on here. I don't have a list of emails for everybody who lives here. Do you have that?

Mr. Showe responded no, typically CDDs do not keep email lists because we are a public entity and someone could request and get that list from us. We can work to put a little blurb together if you feel that is the appropriate way and we can get that to the HOA for them to distribute.

Mr. Morris stated I have asked the HOA and they turned me down. We have a Khov member on the Board now and perhaps she can pursue that.

Mr. Showe stated also, once we are able to have in-person meetings, having it at the clubhouse will help facilitate communication. Before the next meeting we will reach out to the HOA and see if they can distribute a notice of the next meeting and where they can get the agenda.

Mr. Morris stated I would like to see that happen.

Mr. Showe stated I will put that on my list and as soon as we start having in-person meetings we will get something out to the HOA. Mr. Morris stated I'm a little concerned that the homeowners do not really know too much of what goes on here.

TWELTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Franklin seconded by Mr. Clark with all in favor the meeting adjourned at 2:32 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman