



Portofino Isles
Community Development District

<http://www.portofinoislescdd.com>

Dan Duncan, Chairman
Ronald Willemstyn, Vice Chairman
Juan Azcona, Assistant Secretary
Frank Austin, Assistant Secretary
Piotr Trocki, Assistant Secretary

November 12, 2019



Portofino Isles

Community Development District

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November 4, 2019

**Board of Supervisors
Portofino Isles
Community Development District**

Dear Board Members:

The regular meeting of the Board of Supervisors of Portofino Isles Community Development District will be held **November 12, 2019 at 10:00 a.m.** at the Newport Isles Clubhouse, 1856 SW Newport Isles Blvd., Port St. Lucie, Florida 34953. Following is the advance agenda:

1. Roll Call
2. Approval of the Minutes of the October 8, 2019 Meeting
3. Lake Maintenance Program Discussion
4. Gatlin Commons Discussion
5. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Field Manager
 - D. CDD Manager
6. Supervisors Requests and Audience Comments
7. Financial Reports
 - A. Approval of Check Register
 - B. Balance Sheet and Income Statement
8. Adjournment

Meetings are open to the public and may be continued to a time, date and place certain. For more information regarding this CDD please visit the website: <http://www.portofinoislescdd.com>

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

The regular meeting of the Board of Supervisors of the Portofino Isles Community Development District was held Tuesday, October 8, 2019 at 10:00 a.m. at the Newport Isles Clubhouse, 1856 SW Newport Isles Blvd., Port St. Lucie, FL.

Present and constituting a quorum were:

Dan Duncan	Chairman
Ronald Willemstyn	Vice Chairman
Juan Azcona	Assistant Secretary
Frank Austin	Assistant Secretary
Piotr Trocki	Assistant Secretary

Also present were:

Ginger Wald	District Counsel
Paul Winkeljohn	District Manager
Butch Terpening	District Engineer
Eddie Nemo	Resident

FIRST ORDER OF BUSINESS

Roll Call

Mr. Winkeljohn called the roll and stated we have a quorum.

SECOND ORDER OF BUSINESS

**Approval of the Minutes of
the August 13, 2019 Meeting**

Mr. Winkeljohn: The minutes from the August 13th meeting are in your packets, if there are any corrections, I'll take them, or a motion to approve.

On Motion by Mr. Azcona seconded by Mr. Willemstyn with all in favor, the Minutes of the August 13, 2019 Meeting were approved.

THIRD ORDER OF BUSINESS

Update on the Status of AT&T Easement

Mr. Winkeljohn: And the latest and greatest on our AT&T easement, the last we left it with the agreement terms and the invoices was James was hoping to come today to bring us the agreement to get it executed but that doesn't look like it's going to happen but we believe we're very close to the finish line. If it works out where he can come here with the original agreement, he wanted to have it signed so he could take a copy back, and with that I'll try to coordinate with a couple of you because it needs to be the chairman or vice chairman and a second Board member to sign it, and there's some notary so we'll have to see if the HOA has a notary, and if not we can do it by FedEx or something like that but, usually we can make that happen.

Mr. Austin: Why are they dragging their feet?

Mr. Duncan: It's not about that, it's an invoice was not correct, the invoice was revised meanwhile they issued a check on the invoice that was not correct and therefore they had to stop the check before they can issue the new check and I was firm in saying that I want the check to be issued before we sign the contract because of previous things, so I wanted to have everything in place. This delay does not impact their work because they are finishing the townhouses and they do have broadband as I understand it but, it's not our problem. The problem that they have is, when they put the drop wire to the houses the homeowner has to start paying for the internet but, they have a contract that is going all the way to December with HTC and therefore it means that it would be very difficult for them in one day to get 500 houses, so it's their problem.

Mr. Winkeljohn: So, there's either an overlap or a gap most likely.

Mr. Trocki: Now, from what I hear certain people are getting connected and AT&T offered some contract after 12 months but, right now I think Patrick is talking to AT&T and they're trying to cancel all those fees.

Mr. Winkeljohn: They're working through that.

Mr. Duncan: Well it's their problem, and I mentioned to Mr. Virgil that I don't see their AT&T truck connecting the drop wires and that I see that will be a problem for people not to have internet if they have to connect 500 houses in one day, but it's their problem, so what they tried to do I guess, if they connect they ask you to pay for a month.

October 8, 2019

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Mr. Austin: But also, that person talked about, you have to call to make an appointment.

Mr. Trocki: Yes, previously they thought they would charge people, and that's why if you want to have AT&T internet right now, that's why you have to call them.

Mr. Austin: I'm just wondering when they're going to dig back there.

Mr. Trocki: You call them, make an appointment and they will come tomorrow, and nobody pays anything.

Mr. Duncan: But that's not our problem.

Mr. Azcona: Do we know when they're going to be dropping the lines to the homes?

Mr. Winkeljohn: It's going to be a mixed bag apparently.

Mr. Duncan: No, we don't know, I talked to Mr. Virgil and he has no idea. I guess there are some back and forth in the community because as far as they're concerned when they drop a wire to your house, they switch the internet from HTC on to them.

Mr. Azcona: Alright, so the HOA should inform the individual homeowner.

Mr. Duncan: I guess so.

Mr. Azcona: And then from our end we just need to finalize the agreement.

Mr. Duncan: No, the agreement is finalized.

Mr. Azcona: I mean the signature, signing it.

Mr. Duncan: Yes, to execute it.

Ms. Wald: It needs to be executed.

Mr. Duncan: And I want to make sure that we get the check.

Mr. Winkeljohn: Ok, any other questions or comments?

Mr. Austin: Yes, remember last time we met we talked about the expenses we had and they were going to reimburse us up to \$15,000?

Mr. Duncan: No, at this moment it's about \$23,000.

Mr. Austin: Are they going to pay us for that?

Mr. Duncan: As I told AT&T, our understanding was that they will reimburse the expenses and we put a not to exceed \$15,000 but that was before they asked us to do the easement map.

Mr. Winkeljohn: So, we got an additional task.

Mr. Duncan: So, we have Butch's easement map which actually is \$7,000 and so forth, and a little bit more from Ginger.

Mr. Austin: But they didn't want to do the map right?

Mr. Terpening: No, they just wanted a flat out blanket, we can put it anywhere.

Mr. Duncan: No, we said to them if you want to do it, you can do it, you can hire, and this was my position, you can hire Butch separately and pay him, but they didn't want to do that.

Mr. Austin: Ok, so none of that has to do with the reason this is held up.

Mr. Duncan: No, it is because they actually issued a \$15,000 check, initially we agreed to invoice them the right amount, so I asked them to stop that check and issue another check, so this is what's going on.

Mr. Austin: I got it, ok.

Mr. Winkeljohn: It's all good.

FOURTH ORDER OF BUSINESS

Public Hearing to Adopt the Rules

A. Motion to Open the Public Hearing

Mr. Winkeljohn: Alright moving on, I'd like to re-open from the continued public hearing to adopt the rules, is there a motion to open the public hearing?

On Motion by Mr. Austin seconded by Mr. Azcona with all in favor, opening the Public Hearing was approved.

B. Public Comment and Discussion

C. Consideration of Resolution #2020-01 Adopting District Rules Pertaining to Recreational Use of Lakes and Preserves

D. Motion to Close the Public Hearing

Mr. Winkeljohn: At the last meeting we brought the rule hearing to a continuance because of the interest in having HOA rules adopted as part of it. We did not receive any feedback or a copy of any rules at this time, so there's a couple of things we can do, we can revert back to our original outline which the enforcement element which was of concern would be handled as a trespassing in essence, handled by local law enforcement and code enforcement. So, any violation of our rule we would issue a trespassing warning and call the police basically, and that would be the enforcement arm, which is not

necessarily a bad enforcement arm. The other idea that was presented is to allow the HOA's rules to be added to this, to the degree where their rule enforcement capabilities of fining would be the first arm of enforcement and should it get to trespassing, that would be like liens or things like that, it would be much further down the road. That was the balance that the Board discussed and that's why we continued it, so in the absence of the HOA rules, Ginger and I were talking and I hope I say this correctly, but the idea would be to table it basically and wait until we can get the HOA rules and adopt them because without that enforcement you'd only be left with a law enforcement approach.

Mr. Azcona: So, the HOA has not responded?

Mr. Winkeljohn: No, I don't have their rules, there was no response whether they wanted to participate, because their rules may be in conflict with ours.

Mr. Duncan: So, how did we approach the HOA?

Mr. Winkeljohn: I wrote them a letter by email and I had no response.

Mr. Duncan: I would suggest that not by email, you send a registered letter.

Mr. Winkeljohn: Ok.

Mr. Azcona: And it's the responsibility of management to share it with their Board obviously.

Mr. Duncan: Yes, but as soon as I talk to them there will be no problem, but please make it more official than an email.

Mr. Winkeljohn: Alright.

Mr. Duncan: And I'm not a fan to actually enforcing through the city laws, their fines are tremendous to the homeowners. So, in the spirit of that, if that's our only choice we'll do it that way.

Mr. Winkeljohn: We'll manage it appropriately from an enforcement standpoint.

Mr. Duncan: Yes, let's try it again and if we don't get a response in 30 days, we'll actually proceed that way.

Mr. Azcona: But we should have a procedure of guidelines in process.

Mr. Winkeljohn: So, what I would do is and Ginger will help on this, I would take the previous rules which say that we would issue a trespass warning and add the terminology "at the discretion of the District manager" so that I have authority to have the latitude through John or whoever and then we adopt these today, and then when we get the HOA's side, we can revise these to match that.

Mr. Duncan: Ok, so I have two things that just came up because of the lakes and the natural preserves which are covered by this. One is that at this moment the homeowners are mowing their lawn all the way to the lake, including on the grade. What really happened and we found some cases in which the roots of the grass does not penetrate deep enough because they are continuously being cut and therefore we have now holes under the gradient of the lake that we have repair. So, I would like to add a rule that basically says within 7' of the lake do not cut the grass.

Mr. Winkeljohn: And we would pick up that piece?

Mr. Duncan: No, we will not touch it, so it will be a wild type of thing at the edge of the lake but, it's on the gradient and therefore when it's up you don't actually see it.

Mr. Winkeljohn: Right, and the practice in the field would be like a one on one where John or somebody could talk to that resident.

Mr. Duncan: Well, we would actually try again, there are HOA rules and regulations when somebody comes and buys a property, this will be a part of what they are saying. We will send a letter, or we will send something to the homeowner that have a property adjacent to the lake, that basically says, first it's dangerous, if you have a lawnmower that's on that gradient it's actually really dangerous. You harm and damage what we are actually trying to maintain, and weed whacking is not a solution either there.

Mr. Austin: I think that's what the problem here is with the weed eaters, and the grass was cut so short it brought a lot of issues, long term is they cut it short so they don't have to do it every week and some of that grass has died.

Mr. Duncan: Now, that general area that we have been taken care of by BrightView, so we will talk to them about it.

Mr. Winkeljohn: Right, I understand.

Mr. Terpening: Mr. Chairman if I could suggest, in some of the other Districts we work and the homeowners that have brought this up as well, and what it is doing is, in combination with the deterioration of the root zone in that littoral area, it's sloughing away, it's voids, it's additional cost approved by the District and maintenance and long term, but the point is there was an obscure general condition in the South Florida Water Management permit. I did not research our base permit in this particular District but, you cannot maintain that littoral area 2' above, which would be 8' or the littoral shelf within the water. In this case it was herbicide with all the issues, so in that District we did something

similar where we've informed the homeowner not only a policy that the District wanted to enforce but, also enforceable under the existing permits that we have so I'd like to research that.

Mr. Duncan: Please do, but it's clear to me as I walk the property, and I'm an engineer too, I realize that actually maintaining it that way is actually destroying what we are trying to maintain.

Mr. Winkeljohn: You're accelerating the loss of the slope.

Mr. Terpening: Oh absolutely.

Mr. Duncan: So, now we found places in which we have to remove the sod, we have to bring trucks of dirt in.

Mr. Winkeljohn: Right, and the older lakes that we manage have lived this exactly as you described.

Mr. Austin: And what do they do?

Mr. Winkeljohn: Well you take on the whole lake and you take the worst areas and you reinforce it with a material system which sand, they usually pump the sand from the lake in some cases to fill the bags, it's very expensive.

Mr. Duncan: We do not want to get there, so I would like to somehow implement it as a rule.

Ms. Wald: Two things, based on what Butch just said, you have South Florida Water Management permit requirements that have to be in place, maybe, so if that already is in existence you already have that state rule which you can go by. If you want to add it as a District rule, you could add it as a District rule, the problem is we're now, and I'll go into the procedure in a second, and you could add that and provide that information to each one of the residents of the community, as long as you're not moving away from the property owned by the District you're fine, and 8' doesn't sound like it.

Mr. Duncan: No.

Ms. Wald: So, that is a possibility to do that but, when we're done with this discussion, I want to talk about how the implementation of all the rules.

Mr. Duncan: Yes, but if this quick rule that we are trying to write is not in conflict with the water management permit, I would like no for clarity to add them to these rules that we are continuing, and we will find a way of notifying the homeowners. There is a second issue now that we finished with the lakes, the second issue relates to encroaching

the backyards into the preserve and that again involves mowing further and further into the preserve to increase the backyard, and that's obviously a case of the permit but somehow the homeowner will say, I didn't know. So, we will have to basically allow past their property, that's different, so they have the property and they have the beginning of the preserve inbetween, I would say there is a buffer. We will have to reinforce the rules that you cannot go into the natural preserve and you cannot go into the buffer, there are other pieces of land, which are in the back of houses, and based on the amount of branches and so forth that I see them moving fronds to be picked up, I can see that they are trying to cut a little bit into the preserve.

Mr. Trocki: Shouldn't that be called a state law?

Mr. Duncan: Sure, so we have a case that I was begging our District manager to write a letter for 3 months now, that the person went 40' into the preserve. Now, if you call the city they will come down on that homeowner, but we don't really want to do that as a first step.

Mr. Azcona: But we don't want to let it go either, have we notified them yet?

Mr. Winkeljohn: We're working on it, yes.

Mr. Duncan: So, I'm trying just to reinforce it in the rules because one of the things is, notify. The first thing that you do when a violation occurs is to notify the person that says what he's done is not right, please don't mow this 40' or 50' and then if that persists, and the person says I didn't know, so it has to be reconciled.

Mr. Azcona: And they will keep saying it for another 10 years.

Mr. Austin: Yes, but Dan ideally, ultimately what we want is that the homeowner knows that it's a restricted area, but if they want to do something there, I think we have the right to improve it, we just need to know about it. So, if they call us we say, what do you want to do, ok that's fine, otherwise, we're chasing our tail trying to figure out if somebody's violated something, we just need to be in front of it instead of behind it.

Mr. Duncan: Well, at this moment I'm concerned that if we write a set of rules, and these are just the big items, there is swimming, and boating, and so forth, but there is also things like don't mow the natural preserve, or the buffers, and you say well but this is redundant because there are state rules and what the management rules say. It's redundant but it's not redundant for communication purposes, and it's not in conflict, it just reinforces it, and you can write it as per Statute so and so.

Ms. Wald: Yes, you're correct, the District can adopt any rule that is in compliance with state, county, city statutes or laws and you cite that in there, and as long as it's consistent we're fine. It is redundant but it's fine, it can be placed in the District rules, the District can go ahead and adopt that. The problem you had before and that we've discussed a couple of times is the whole idea of enforcement because the District does not have the police powers and that's why we're trying to get the HOA to give assistance because they can fine each one of the homeowners. In that regard, you do have the ability then when you have those local ordinances and state laws or rely on those agencies to enforce if you have to. You probably may want to, if not successful down the road with the HOA, as long as the rules aren't in conflict, then move forward with a violation process where you can state specifically in the rules, violation #1, and I think I sent this to you from my District a little further up north, that it is a written violation and we send a notice and then the next violation that you have you're going to send it over to the appropriate agency, that's something you could also put in the rules if that's something you would like to do.

Mr. Duncan: I would like to do that because enforcement is related to everything, swimming, boating, all of that, so we'll keep enforcement as a general rule to cover stuff. So, if the HOA doesn't respond to the letter, unfortunately we will have to fall back to the police.

Ms. Wald: Correct.

Mr. Azcona: But regardless I think if somebody is mowing or going into the preserve 40' we cannot allow that because if one person does it ok, but if 50 people do it, it's going to get out of control.

Ms. Wald: You don't even need to adopt a rule right now.

Mr. Azcona: No, to me I don't need to have the rule, we need like you said a violation process, what are the communication guidelines with these people, we find out there is a problem, we notify them and the homeowner could argue, listen I wasn't aware of it and like you said, we're not going to come down on them immediately but we give them the warning and if they've damaged the preserve, that needs to be corrected, that's going to have to come from them, not from the CDD. We will not notify the city or state but they will need to remedy whatever they've damaged and then if they decide not to do anything about it, then the following step will be to report it to the proper authorities, that's my opinion.

Mr. Duncan: Yes, but we are in the process of revising rules which are once in a lifetime.

Ms. Wald: Well, you can do it over and over again.

Mr. Duncan: Yes.

Ms. Wald: You don't want to because there is a cost involved.

Mr. Duncan: So, at this moment it's appropriate for communication to add these two things in the rules. It is possible that the HOA, when a new homeowner comes, will provide these two pages of rules as a part of their package. So, at this moment what I'm proposing is to put these rules, additional two rules, related to mowing and related to the preserves.

Mr. Azcona: Or at least if the HOA for whatever reason would be for them to put those rules, but at least they should have a default notification that says it's the responsibility of the homeowner or any tenant to go visit the rules from the CDD, and all the rules could be stated in there.

Mr. Duncan: This is a communication, at this moment we are trying to finalize the rules, now if you add these ones, do we have to go back through the public comments?

Ms. Wald: We have to start over again, yes. So, the way that the Florida Statute 120 rulemaking process consists of, you can do certain tweaks as we did, we did the continuance of the same rules we were looking at from August to that date certain today, that's fine because we were staying within the confines of the rules that we already had advertised. Now because if we decide to go this route, and add these additional rules, then we have to start the advertisement process over again, which isn't necessarily so bad because we're still trying to get the HOA on board. I would recommend based upon still trying to get the HOA with cooperation and looking in their rules to make sure there is not a conflict to adding these two additional areas, and I'd like to work with you and Butch to get the language correct, and the locations, so it just makes sense to start over again.

Mr. Winkeljohn: It doesn't make sense to do the swimming and fishing portion only?

Ms. Wald: Well, you're still going to have to come back and do it again, if you're hoping and I hope so too, because it makes more sense with the HOA being, number one, onsite having the manager being onsite. Number two, having the ability to just fine, which hits people in the pocketbook immediately and you usually get people to comply. With that, the HOA, or if I was on the HOA, I would want to make sure that they're not in conflict,

the rules that the HOA have and the rules that this CDD Board is looking to adopt. So, as long as they're not in conflict, I don't know why from a pure legal standpoint the HOA would have a problem with going ahead and enforcing them because it's better for the community overall for everybody.

Mr. Duncan: Let's reopen the public comments for 30 days.

Mr. Winkeljohn: Well, the new rule process will have that built in and you start over.

Mr. Duncan: Ok.

Ms. Wald: Yes, we would re-advertise to a date certain as to when we're going to do it, we would rewrite the rules based upon what we just discussed today, it would still give time to go ahead and try to have a communication with the HOA, and if there were changes that were in conflict where the HOA would say, yes we want to go ahead and do this but we have a couple little issues with what you have then we could change them.

Mr. Duncan: It's a public comment so anybody can comment.

Ms. Wald: Yes, anybody.

Mr. Duncan: So, if the Board agrees I would like to reopen the public comments to make sure that the rules are comprehensive, that we might get the response from the HOA.

Mr. Winkeljohn: Ok, so for that I wouldn't be able to pick a date for a new public hearing and adoption, it's too far out to really know, and we don't want to get it wrong.

Ms. Wald: How about this, your motion could be to authorize the District manager to schedule for an advertisement and public hearing rulemaking process with the additions that were discussed today as to those two additional rules, to work with District counsel and the District engineer to draft those rules, and proceed forward.

Mr. Winkeljohn: And I would pick the date.

Mr. Duncan: Sure.

Mr. Winkeljohn: Ok.

Ms. Wald: As soon as we get everything together.

Mr. Winkeljohn: Yes, that's fine.

Ms. Wald: And the discussion with the HOA, and then it's not going to have wait another month, and then do it again.

Mr. Duncan: Sure.

Mr. Winkeljohn: Right, is there a motion?

Mr. Azcona: I guess that would be within 60 days?

Mr. Winkeljohn: Well, there's a long advertisement period and I have to tie it to when we are all expecting to have a meeting where we'll have quorum, but you guys have been great with quorum so I'm not too concerned, but with the holidays coming up, there's a lot of variables so let me and my staff figure out where the sweet spot would be.

Ms. Wald: It's a 28 and 29 day advertisement process, you have to give that, so it usually takes about 45 days.

On Motion by Mr. Azcona seconded by Mr. Willemstyn with all in favor, authorizing staff to schedule an advertisement and public hearing for the rulemaking process with additional items that were discussed at this meeting, and also to work with District Counsel and the District Engineer to draft those rules, and proceed forward was approved.

Mr. Azcona: I would add that it's good to adopt those rules but who's going to work on those?

Mr. Winkeljohn: We all will.

Mr. Duncan: We actually have a proposal, we have a two path proposal, one proposal is to provide to the HOA the rules and see if the HOA will comment or will include the rules in their rules, and they will have the fining process to follow the rules.

Mr. Azcona: So, they will do the communication with the homeowner?

Mr. Duncan: Yes, they will do that. In the absence of a response from the HOA, we have another set of rules that will allow us to do a letter of violation and warning and second one to the city, so we do have that set up.

Mr. Azcona: Ok, and that's already established or not?

Mr. Winkeljohn: Which part, well it depends on what the violation is, like the detail and nuance of the swimming we don't have but, breaking into and destroying the preserve we have plenty to point to, we already have the authority to pursue that because it's our permit and we're already obligated to enforce that.

Ms. Wald: One thing you can do, since we didn't adopt the rules today, is your District manager can provide the communication now as to what the permit permits and doesn't permit. We know they can't go into the preserves unless they have authority from the District. We know that area, once we found out from South Florida Water Management

from the CDD property that they're not supposed to be mowing on the littoral shelf and it's supposed to stay that way, those notifications could go out to homeowners now because that's state law.

Mr. Winkeljohn: I'll take care of that.

Mr. Duncan: Yes, I know but I'm also trying to save money, saving money means that I do not want to pay \$750 every time I'm sending a letter. So, I would like to make it more comprehensive with including several things.

Mr. Azcona: That's fine but there are already specific situations that need to be addressed now, not 3 or 4 months from now. Like if somebody is entering the preserve, and they're destroying 40' of preserve they need to be notified now.

Mr. Duncan: Yes, and that's actually a separate issue that the District will write a letter to that particular homeowner.

Mr. Winkeljohn: Right, the only thing I need and I'll talk to Butch about it is just a little bit more, a little technical specifications of what they did wrong in the easement because they may have and I believe they tore out some native material and I want to make sure I identify what they have to put back because we can run with that now, and we need to.

Mr. Azcona: Ok, so when do you anticipate that letter will go out?

Mr. Winkeljohn: I'm going to talk to him today, so as soon as I get that information.

Mr. Azcona: Ok so within the next 2 weeks or so?

Mr. Winkeljohn: Yes, within a week.

Mr. Azcona: Ok.

Mr. Duncan: And also, you know I said I will go, and this issue came up with me going with AT&T and checking where their hand holes were, I never went behind everybody's house. This was the first time because of the easement that I had to go and measure everything, and I noticed these violations. Now, we actually have to go again and identify the homeowners that have egregious violations and give the list to the District to send a warning.

Mr. Winkeljohn: And there's different levels of intrusion, and two of them are right next to each other, and interestingly enough one of them has been maintaining almost a baseball field size behind them, and then the one that startled us was a backhoe that sort of

cut a little pathway, I haven't seen him lately, but it wasn't as bad as the one that's been there forever, so we have a lot to deal with.

Mr. Duncan: I mean, if somebody was to remove a tree, or do some work behind their house, and they decided to go in the preserve with a machine and cut it out, these are things that cannot be left unsaid, we have to act.

Mr. Austin: I just have a question, I kind of lost focus here, what's our objective and goal by reopening the public comments?

Mr. Winkeljohn: To start the whole process again.

Mr. Duncan: To add these two new rules that were not originally in public comments, one is related to the 7' and the other one related to the preserve, they were not in the original group of rules.

Mr. Winkeljohn: Right, and the rulemaking process in itself has the public participation part and that's what he's referencing but, we just start the clock and the process over, it's not that terrible of a deal and we'll go through it but we've got a good foothold on some of the rules, and we'll do the same type of work on the remaining rules, and you'll have a more comprehensive set, depending on whether the HOA participates or not.

Mr. Duncan: Frank, we have two options, we have an option of just agreeing with the rules and then we reopen the rules to add more rules.

Mr. Austin: Yes, but we can make all the rules, we just need to be able to, we can't enforce them, but we could certainly determine them.

Mr. Winkeljohn: Well, we've talked about the enforcement options, we have enforcement options, they're just not pretty.

Mr. Austin: Well, the options we have are not conducive to having a good neighborhood because if we go to one of the residents and say, hey you're in violation of this, and we notify the city, and they get a big fine, do you think they're going to invite us over for dinner next week?

Mr. Winkeljohn: It depends on what the rule is.

Mr. Duncan: Frank, we tried to do it the right way to the HOA and the HOA can collect the fines or whatever.

Mr. Austin: But the HOA has nothing to do with this.

Mr. Winkeljohn: But they have the ability.

Mr. Austin: Well, the HOA has certain rules, what if their rules are different than rules that we have?

Ms. Wald: Which is what we were talking about.

Mr. Winkeljohn: That's the main point of information.

Mr. Austin: Do you think that they're going to enforce our rules over theirs, that's just common sense to me, and what if there's some CDD rules that the HOA doesn't like, do you think they're going to enforce them, plus Nick cannot go in the backyard, he told me that several times.

Mr. Duncan: Listen the HOA has choices, there is a public comment that they can comment back on the CDD rules. They have a choice to comment or not to comment, they have a choice of including these rules in the HOA rules. In the absence of these two, we are forced by, we cannot obligate our responsibility because we are not invited to dinner, we are forced by the permit, we are forced by the city.

Mr. Azcona: I mean we're not forced, but it's our responsibility, so to me it's not for them to establish that rule, the rule is already established by the state, so you can already be enforced by the state but, what we're trying to do is, rather than just throwing the homeowner under the bus, immediately is to have the HOA involved so they can communicate with the homeowner and say, listen these rules are already established by the state, but the CDD has also integrated them into their rules, and we've done the same, and rather than report you to the state and the city, we're giving you a first warning for you to address the situation and to remedy the problems that you've created. In the event you decide not to do anything about it, FYI, we are going to have to report you to the state. So, they will need to, whether they want to establish the rules or they don't want to establish the rules, it's for the benefit of the homeowners, if they don't want to establish those rules, it doesn't matter because the second phase will be for us to notify the state and then the state will take action.

Mr. Duncan: Being a member of this Board we have a fiduciary responsibility over money, and we have to abide by the permit and water management, this is why the CDD was formed, so if somebody violates that, it puts us in a situation that we cannot obligate our responsibility that's what it is. It's not that we want to be nasty to a homeowner.

Mr. Austin: No, there's no advantage to that.

Mr. Duncan: So, we are trying to do it in the right way, the HOA can cooperate or not, we have alternate ways of doing it, but not the most pleasant one.

Mr. Winkeljohn: Ok. Are there any other questions on that?

Mr. Trocki: Well, I'm sorry I have a question, there's something I don't understand here, what's the purpose of that big main lake? What's the purpose of that?

Mr. Winkeljohn: Drainage.

Mr. Duncan: Drainage is the main purpose, water management.

Mr. Trocki: Now, this lake, when the community was built this lake looked totally different when we bought the house in 2010, it was much water, now everything is overgrowing.

Mr. Duncan: Which lake are you talking about?

Mr. Trocki: I'm talking about the big lake here.

Mr. Austin: You're talking the preserve.

Mr. Azcona: But that's not a lake, that's a preserve, when it rains a lot it looks like a lake, but in reality it's not.

Mr. Trocki: Well, it doesn't look like a lake anymore.

Mr. Duncan: It's a preserve, actually it's a preserve.

Mr. Azcona: It's not a lake, it's a preserve.

Mr. Trocki: Because in 10 years there will be no water.

Mr. Duncan: Well, no there will be water, it's a wetland system.

Mr. Trocki: But if it's overgrowing it will not serve the purpose of collecting the water.

Mr. Duncan: The wetland is supposed to be like that.

Mr. Terpening: Right, it's actually performing very well for a created wetland, and the transformation of the plants and the water, that's what it is, it's cleaning the water.

Mr. Trocki: But like I said, when I first came here it was beautiful and big.

Mr. Azcona: There is a comment from the public if you guys want to take it?

A resident: Yes, I've been here since day one basically, and I would assume when you came and you saw it, it looked probably more like a lake, it was probably after some kind of major storm, a hurricane, a tropical storm, and it fills up. If you walk across it probably at most is 3' deep at any time, so it's not a lake. I'll give you another example, when I first purchased here, there was nothing, there was just a road, and when we bought it we said, oh it looks like a lake, it looks great, but it just retained water, there was no

plantings in there, so all the planting was put by humans to become a wetland. So, this thing has only filled up maybe 3 times in the past 13 or 14 years so, it will fill during let's say a hurricane or a tropical storm, I'll even have fish right by my backyard, and then it will just gradually recede or soak into the ground, but it's not meant to be a lake, like they said it's a wetland, it will leave marks maybe by the edge of the berm, it might be dry but it will get probably mushy and mucky as you walk out further.

Mr. Azcona: And we're properly maintaining it as we are supposed to.

Mr. Duncan: Yes.

Mr. Austin: Are all of them connected to level the water?

Mr. Duncan: Yes.

Mr. Terpening: They're interconnected and we actually have some deep water habitat and most of its created but we have different types of levels, we do have some deep water.

Mr. Duncan: So, I do not have an interconnected map to see which lakes, I mean for example, if we go by the townhouses on the left hand side, there is huge wetland, at least 50 acres or more, these are wetlands that you see some water but mostly it's wetlands.

Mr. Azcona: So, the lakes are interconnected with those big plantings.

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Trocki: In Marshfield it keeps flooding, every time it rains it keeps flooding and the water comes up to people's garages.

Mr. Duncan: Well, that's because we look at the drainage, we clean the drainage, and some of the openings for the drainage is blocked by all kinds of debris.

Mr. Trocki: So, there's nothing that can be done, because a few months ago there was so much flooding and so much rain that people had water in their garages.

Mr. Duncan: In Marshfield there is a different problem, and I tried to solve it. On the other side of the fence, there is a piece of land that nobody takes responsibility, it's the piece that goes under FPL's powerlines. There was supposed to be a canal to move the water down, and that canal is overgrown, so what really happens is the water, there is only maybe 2' or 3' between the level, so if that water goes up, it would go over and it will drain all the way into the townhouses. I talked to the city, there is a problem related to who owns

the land and who is responsible. The City of Homestead said that they are not responsible, that the developer gave it to a corporation that is bankrupt and so on, but that's actually a potential problem.

Mr. Austin: I think it's a problem now, it's the same area that you're talking about because that water was in their yards and up to their garages and stuff, and they said they had cleaned the drains.

Mr. Duncan: We cleaned the drainage and paid, I don't know \$3,000, we cleaned the drains, we actually looked with a camera inside to make sure that there were no deposits. I've never seen the water from the other side of the fence come and go up yet, it's a potential problem but I haven't seen it yet, but I've seen water, but this water drains within a couple of hours.

Mr. Trocki: Well yes, but it takes 5 minutes for the water to go into somebody's garage and do damage, even if you keep the drains clean, the fresh water will bring the leaves and clog it a few minutes after it starts raining.

Mr. Duncan: But we have to look at the drainage, the way it was designed, if we meet all the exact regulations and I will ask Butch to actually look at that, I heard it several times, the water drains after a short period of time. Obviously, if you have 20" an hour coming down, the system is not designed for that.

Mr. Winkeljohn: Right, the design standards have certain thresholds but Butch can probably tell us about that, but I've heard there's quite a bit of discussion that those design standards are no longer valid, so the 100 year storm, the 50 year storm, those thresholds need to be rewritten.

Mr. Duncan: But it's a good comment for us to go and check the drainage.

Mr. Terpening: Two things I want to say too, there is large discussion across the state of why are we having 10 year storms every year, or why are we having 100 year storms every 5 years. So, there is a high level discussion but there's also a public education component, these were designed to go under water in the 10 year storm events, but they're occurring a lot, so they're designed to hold water, that's part of the treatment process. So, people call in and say, oh my gosh we have water on the roads, well yes, it's functioning, and depending on the storm event it dictates how high that water gets or doesn't get, and generally that's not communicated well to the residents. Houston for example, that city does a wonderful job, they communicate and they tell them, look

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Houston's low lying areas, here's how your system works. So, unfortunately, we've had a lot of crazy rains, we had a project north of here that had 24" in 22 hours.

Mr. Duncan: Right, it had 19" and the whole Port St. Lucie Blvd. was flooded, I mean all neighborhoods on both sides were completely flooded.

Mr. Winkeljohn: Then of course, but the garage, and I'm not as familiar, but most places your finished floor is the magic line where all this is designed away from, a garage may in this case be actually lower than that, and I don't know how these houses are built.

Mr. Duncan: The only thing that I would like to ask Butch to take a look at the drainage in Marshfield.

Mr. Terpening: Right, I've got that written down.

Mr. Winkeljohn: We'll talk about it.

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Azcona: And how often do we check the pipes between the lakes, do they put a scope to see the clog or do we ever do that?

Mr. Terpening: No, basically in general it's, ok we have a complaint, we'll go out and look at it, and see what the problem is.

Mr. Duncan: No, you actually see in one of these big storms, you'll actually see that the levels are not shifting, and we haven't seen that.

Mr. Azcona: So, we're assuming they are fine, and then I guess I don't know how big the pipes are, but do they have bars or they're just open?

Mr. Terpening: They're open.

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Duncan: Ok.

Mr. Winkeljohn: And Butch maybe next meeting if you could bring the drainage plans.

Mr. Terpening: I'll email that.

Mr. Duncan: Because as a part of this problem with the chemicals that we have overgrown plantings, when I check the drain, it seems that the solution they are proposing

is actually to take all the chemicals that are allowed for the total amount of water and just clear it where the clog is.

Mr. Winkeljohn: Ok, good discussion.

FIFTH ORDER OF BUSINESS

Consideration of Engagement Letter with Berger, Toombs, Elam, Gaines, & Frank to perform the Audit for Fiscal Year Ending September 30, 2019

Mr. Winkeljohn: The next business item is our annual approval to start the audit and that is encompassed in the engagement letter, so I ask for an authorization to execute by motion.

On Motion by Mr. Willemstyn seconded by Mr. Austin with all in favor, accepting the engagement letter with Berger, Toombs, Elam, Gaines, & Frank to perform the audit for Fiscal Year ending September 30, 2019 was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

Mr. Winkeljohn: Moving on to staff reports, Ginger anything?

A. Attorney

Ms. Wald: No, nothing else.

Engineer

Mr. Winkeljohn: Butch, anything else for our friends?

Mr. Terpening: I don't have anything to add other than we have reached out to go to the design professionals for the project that goes along with our perimeter and try to get some field meetings established on the landscape in coordination with that.

Mr. Duncan: And I'm looking for some vegetation, something that would grow 14' or 15' tall because this is the barrier I would like to put between the apartments to completely hide the apartments from our community.

Mr. Winkeljohn: Very good.

C. Field Manager

Mr. Winkeljohn: Did John have anything, I haven't spoken to him today?

Mr. Willemstyn: He's away at a funeral.

Mr. Duncan: Yes, but there were a couple of things, we decided at CDD costs to take care of fertilizing the vegetation that we put in, so we just purchased \$300 to \$400 of fertilizer to put on the hedges and so forth, so John is doing that. Also, we had this problem with the overgrown plantings in the lake that John was taking care of the lake maintenance and next week we will try to finish it and restart the fountain.

Mr. Azcona: Fertilization on the entrances or where?

Mr. Duncan: Yes, we have a hedge that we put between the oak trees, and that has to actually grow in order for me to cut and so forth, it's on HOA property but we are fertilizing it, and we put bubblers and so forth, and we also take care of the trees that we put as a part of the project and we also paid for the reinforcement of the gate at Brigantine that was sagging and we brought it up to the standards. These are general maintenance items.

Mr. Azcona: What about the progress for the new community there, are they complying with what was agreed between the CDD and them?

Mr. Winkeljohn: Yes, the only thing on our part was our side to use their money that they gave us for the landscaping.

Mr. Azcona: And we'll wait to complete the project.

Mr. Winkeljohn: Right, and he already knows how high it's got to be, it's got to be big stuff.

Mr. Duncan: No, as soon as the roof, I was waiting for the roof to be put on, so now we know the height and we know the angle and the perception on the other side of the lake, so now you have to choose the appropriate trees and where you put the trees is a big wet area so you have to choose the trees that will do well in that area.

Mr. Azcona: What about Brigantine, those were houses, did we get any final communication from the city with regard to whether the traffic is going to be going to the right or to the left?

Mr. Terpening: Nothing on the traffic, the city is not going to take any action on that.

Mr. Azcona: So, it will be up to us to decide whether we want to do anything?

Mr. Duncan: I don't understand that.

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Mr. Azcona: We'll see how it goes I guess and then we'll decide on the amount of traffic and damage to the road.

Mr. Duncan: But they actually did another exit or entrance, they put an additional one in, so even though they said they would do nothing, they added another one.

Mr. Azcona: On Brigantine or the other area?

Mr. Duncan: On the other area.

Mr. Terpening: Towards Rosser, before there was one exit right at our intersection, they have added another one.

Mr. Azcona: And Ginger, in regards to legal, are there any updates on the community next door for Portofino Court delinquency and whether that's going anywhere?

Mr. Winkeljohn: I have a possible update that there's rumblings of a buyer, which is good news, and they're in their due diligence and hopefully the contract will go through.

Mr. Azcona: Ok.

Mr. Duncan: Yes, I think that you remember two things, one is that doing the auditing process, it looked better because of some auditing requirements you have to put together the two communities, and that wasn't your fault and therefore it looked like we owed. Now, the new auditing firm decided to actually put in the main letter an explanation that even though we've done this, this is what happens and there's a bondholder letter that actually is included in the report that shows that Newport Isles is not responsible for the default of the bonds on the other side.

Mr. Azcona: That's great, but regardless there's some money pending that should be paid to the CDD.

Ms. Wald: Once they find a buyer, once it actually goes through, then the CDD is going to be relieved from the agreement that is entered into with the trustee on behalf of the bondholders.

Mr. Azcona: Relief from the agreement and there is money that should be reimbursed.

Ms. Wald: Then they will come into the fold, that property.

Mr. Azcona: Ok.

Mr. Winkeljohn: And as it normalizes then the revenue will match.

Ms. Wald: At some point.

Mr. Azcona: Ok.

Mr. Duncan: But do not expect, usually when these transactions occur, everybody leaves out something, the city, a little bit of back taxes, so in order to make it palatable for the developer to assume all the debts and the bondholder to receive something back.

Mr. Winkeljohn: Right, they negotiate through all that.

Mr. Azcona: Ok, but we will be part of that negotiation.

Mr. Winkeljohn: As much as we could be, yes.

Mr. Duncan: Remember, we are receiving our money from the city, that's very important, we won't collect ourselves.

Mr. Azcona: Right, but in tax and the city will be the one who negotiates whether they want to carry that percentage.

Ms. Wald: No, it doesn't exactly work that way, it depends what you have for tax certificates that have already been sold, and who holds them, that's where the negotiation comes in.

Mr. Duncan: But the tax certificates do not include the taxes for the city that are set into a bank or whatever and there are some interest rates.

Ms. Wald: Yes, there's a lot of moving parts but we're so far removed from that at this point.

Mr. Winkeljohn: I'll let you know what I find out.

D. CDD Manager

Mr. Winkeljohn: I have nothing else under manager's report.

SEVENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Winkeljohn: Any Supervisors requests or audience comments?

Mr. Duncan: I have one request.

Mr. Winkeljohn: Yes sir.

Mr. Duncan: When we decided on the budget, I personally thought it was appropriate to divide the budget into two parts, one part related to the water management and the other related to the maintenance. So, the budget was actually structured this way.

Mr. Winkeljohn: We created two funds, a general fund and a stormwater fund.

Mr. Duncan: Yes, so it turns out that even though that was my good intention for the entire year, it's a nightmare to implement. Think this way, to do that you have to take

the management fees, and divide it by a percentage between the two funds, and you have to look at each invoice that goes to which side, and decide on a percentage which one should we put on the left and which one should we put on the right, it's actually not manageable. So, I would like an amendment to go back and comingle one thing and pay everything out of a general budget.

Mr. Winkeljohn: And you'll still have the same line items but you would basically recombine the funds as they were before.

Mr. Azcona: And it makes sense to allocate it.

Mr. Winkeljohn: It's exactly the same.

Mr. Azcona: Right, and everything is public record so if somebody wants to look at it, they can look at it.

Mr. Duncan: No, for years it was done out of a general fund.

Ms. Wald: Which fiscal year are you talking about, the starting fiscal year which was a few days ago?

Mr. Winkeljohn: Yes.

Mr. Duncan: Yes, so I would like to amend it, and it's only how we import it.

Ms. Wald: Right, but what you're talking about is starting this fiscal year.

Mr. Duncan: Right.

Ms. Wald: Ok, so you'll have to come back with an amended budget for the next meeting.

Mr. Duncan: Yes, that needs an amendment so we have to vote on an amended budget?

Mr. Winkeljohn: Yes, today I would take a motion to approve that process and we'll bring it back for action, is there a motion?

On Motion by Mr. Willemstyn seconded by Mr. Azcona with all in favor, authorizing staff to bring back an amended FY 2020 Budget combining the general fund and the stormwater funds together as stated on the record was approved.

Mr. Winkeljohn: Are there any other Supervisors requests or audience comments?

Mr. Duncan: So, there is one last item, the item of signs or signage, we said that as a part of the rules we will actually look at what type of signs we can put, where we put

them, for fishing will be some areas that you allowed to fish, for I don't know, no swimming, for natural preserves and buffer areas you have put some no trespassing.

Mr. Winkeljohn: Short of sign pollution yes, we're going to probably need to do some signs. What we've done in the past to sort of designate the areas, and there's a couple that I like that we've already used.

EIGHTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

B. Balance Sheet and Income Statement

Mr. Winkeljohn: Moving on to financial reports, those are in your packets for review and approval. Is there a motion to approve?

On Motion by Mr. Austin seconded by Mr. Willemstyn with all in favor, the Check Register, Balance Sheet and Income Statement were approved.

NINTH ORDER OF BUSINESS

Adjournment

Mr. Winkeljohn: With nothing else, is there a motion to adjourn?

On Motion by Mr. Willemstyn seconded by Mr. Austin with all in favor, the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman/ViceChairman

Portofino Isles
Community Development District

Check Run Summary - General Fund

November 12, 2019

Date	Check Numbers	Amount
<u>Operating Account</u>		
October 9, 2019	1528-1534	\$ 16,186.71
October 14, 2019	1535	\$ 200.00
October 28, 2019	1536-1541	\$ 9,746.75
		\$ 26,133.46

*** CHECK DATES 09/26/2019 - 11/01/2019 ***

PORTOFINO ISLES - GENERAL FUND
BANK A GENERAL FUND

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
10/09/19	00026	8/31/19	158201	201908 310-51300-31500	BILLING, COCHRAN, LYLES, MAURO	*	3,225.00	3,225.00	001528
10/09/19	00051	10/01/19	6517877	201910 320-53800-46200	BRIGHTVIEW LANDSCAPE SERVICES, INC.	*	1,070.00	1,070.00	001529
10/09/19	00009	9/24/19	67466328	201909 310-51300-42000	FEDEX	*	28.09	28.09	001530
10/09/19	00020	10/01/19	014	201910 320-53800-34000	GOVERNMENTAL MANAGEMENT SERVICES	*	2,500.00	6,743.06	001531
			OCT 19	- FACILITY MGMT					
		10/01/19	213	201910 310-51300-34000		*	3,657.92		
			OCT 19	- MGMT FEES					
		10/01/19	213	201910 310-51300-44000		*	200.00		
			OCT 19	- RENT					
		10/01/19	213	201910 310-51300-35100		*	83.33		
			OCT 19	- COMPUTER TIME					
		10/01/19	213	201910 310-51300-31300		*	208.33		
			OCT 19	- DISSEMINATION					
		10/01/19	213	201910 310-51300-49500		*	83.33		
			OCT 19	- WEBSITE ADMIN					
		10/01/19	213	201910 310-51300-51000		*	3.00		
			OCT 19	- SUPPLIES					
		10/01/19	213	201910 310-51300-42000		*	7.00		
			OCT 19	- POSTAGE					
		10/01/19	213	201910 310-51300-42500		*	.15		
			OCT 19	- COPIES					
10/09/19	00053	10/01/19	REIMB	201910 320-53800-49000	JOHN JADO	*	225.00	225.00	001532
			PLANT FERTILIZER						
10/09/19	00030	10/01/19	2845	201910 320-53800-46300	LAKE AND WETLAND MANAGEMENT, INC.	*	1,600.00	2,875.00	001533
			OCT 19	- LAKE MAINT					
		10/01/19	2845	201910 320-53800-46400		*	1,275.00		
			OCT 19	- WETLAND MAINT					
10/09/19	00050	9/30/19	19-311	201909 320-53800-60200	VETERANS FENCE CONTRACTORS INC	*	2,020.56	2,020.56	001534
			FENCE/GATE						

*** CHECK DATES 09/26/2019 - 11/01/2019 ***

PORTOFINO ISLES - GENERAL FUND
BANK A GENERAL FUND

CHECK DATE	VEND#	INVOICE DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
10/14/19	00075	10/13/19	420701	2019	10	320-53800-46201			TREE REMOVAL/NEW GRASS JAMES STRAUGHTER JR.	*	200.00	200.00	001535
10/28/19	00026	9/30/19	158630	2019	09	310-51300-31500			SEPT 19 - GENERAL COUNSEL BILLING, COCHRAN, LYLES, MAURO	*	500.00	500.00	001536
10/28/19	00009	10/22/19	67745488	2019	10	310-51300-42000			DELIVERIES THRU 10/22/19 FEDEX	*	16.75	16.75	001537
10/28/19	00020	10/22/19	215	2019	10	320-53800-12000			OCT 19 - FACILITY MGMT GOVERNMENTAL MANAGEMENT SERVICES -	*	2,500.00	2,500.00	001538
10/28/19	00053	10/10/19	3013	2019	10	320-53800-46000			4398 CAPE COD DR PERI WAL 4398 CAPE COD DR PERI WAL JOHN JADO	*	5,730.00	.00	001539
10/28/19	00030	10/24/19	2850	2019	10	320-53800-46300			REMOVAL OF INVASIVE VEG LAKE AND WETLAND MANAGEMENT, INC.	*	1,000.00	1,000.00	001540
10/28/19	00076	10/10/19	3013	2019	10	320-53800-46000			4398 CAPE COD DR PERI WAL M.E.S. PAINTING	*	5,730.00	5,730.00	001541
TOTAL FOR BANK A											26,133.46		
TOTAL FOR REGISTER											26,133.46		

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET
September 30, 2019

	<u>Governmental Fund Types</u>			Totals
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>(Memorandum Only) 2019</u>
ASSETS:				
Cash	\$12,601	---	---	\$12,601
Investments:				
State Board	\$461,760	---	---	\$461,760
Series 2005				
Reserve	---	\$419	---	\$419
Revenue	---	\$435,415	---	\$435,415
Deferred Cost	---	\$38,874	---	\$38,874
Construction	---	---	\$138	\$138
Series 2013				
Reserve	---	\$218,227	---	\$218,227
Revenue	---	\$191,518	---	\$191,518
Prepayment	---	\$7,466	---	\$7,466
Construction	---	---	\$1,268	\$1,268
Due from General	---	\$0	---	\$0
Prepaid Expenses	\$6,923	---	---	\$6,923
TOTAL ASSETS	<u>\$481,284</u>	<u>\$891,919</u>	<u>\$1,406</u>	<u>\$1,374,609</u>
LIABILITIES:				
Accounts Payable	\$5,273	---	---	\$5,273
Due to Debt Service	\$0	---	---	\$0
Due to Bondholders	---	\$4,308,640	---	\$4,308,640
FUND BALANCES:				
Restricted for Debt Service	---	(\$3,416,721)	---	(\$3,416,721)
Restricted for Capital Projects	\$0	---	\$1,406	\$1,406
Unassigned	\$476,011	---	---	\$476,011
TOTAL LIABILITIES & FUND BALANCES	<u>\$481,284</u>	<u>\$891,919</u>	<u>\$1,406</u>	<u>\$1,374,609</u>

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ended September 30, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 09/30/19	ACTUAL THRU 09/30/19	VARIANCE
<u>REVENUES:</u>				
Maintenance Assessments	\$175,152	\$175,152	\$141,433	(\$33,719)
Stormwater Rebate	\$186,678	\$186,678	\$193,492	\$6,814
Interest Income	\$0	\$0	\$6,995	\$6,995
Project Contributions	\$0	\$0	\$2,698	\$2,698
TOTAL REVENUES	\$361,830	\$361,830	\$344,618	(\$17,212)
<u>EXPENDITURES:</u>				
<u>ADMINISTRATIVE:</u>				
Engineering Fees	\$30,000	\$30,000	\$34,153	(\$4,153)
Arbitrage	\$2,400	\$2,400	\$1,200	\$1,200
Dissemination Agent	\$2,500	\$2,500	\$2,500	\$0
Attorney Fees	\$25,000	\$25,000	\$36,256	(\$11,256)
Assessment Roll	\$1,001	\$1,001	\$1,001	\$0
Annual Audit	\$5,250	\$5,250	\$5,145	\$105
Management Fees	\$42,616	\$42,616	\$42,616	\$0
Computer Time	\$1,000	\$1,000	\$1,000	\$0
Telephone	\$100	\$100	\$47	\$53
Postage	\$500	\$500	\$399	\$101
Printing & Binding	\$1,250	\$1,250	\$966	\$284
Rentals & Leases	\$2,400	\$2,400	\$2,400	\$0
Insurance	\$6,356	\$6,356	\$5,778	\$578
Legal Advertising	\$1,000	\$1,000	\$892	\$108
Other Current Charges	\$500	\$500	\$918	(\$418)
Website Admin	\$500	\$500	\$500	(\$0)
Office Supplies	\$250	\$250	\$429	(\$179)
Dues, Licenses, Subscriptions	\$175	\$175	\$175	\$0
Capital Outlay	\$300	\$300	\$0	\$300
TOTAL ADMINISTRATIVE	\$123,098	\$123,098	\$136,375	(\$13,277)
<u>FIELD</u>				
Salaries/Facility Management	\$26,000	\$26,000	\$30,000	(\$4,000)
Environmental Services	\$2,500	\$2,500	\$0	\$2,500
Electric - Irrigation Pumps	\$6,000	\$6,000	\$9,991	(\$3,991)
Electric - Lighting	\$4,000	\$4,000	\$0	\$4,000
Repairs & Maintenance	\$15,000	\$15,000	\$2,405	\$12,595
Landscape Maintenance	\$11,040	\$11,040	\$12,100	(\$1,060)
Irrigation System	\$5,000	\$5,000	\$2,325	\$2,675
Contingencies	\$5,000	\$5,000	\$4,322	\$678
Chemicals	\$6,600	\$6,600	\$0	\$6,600
Perimeter Project	\$70,000	\$70,000	\$91,234	(\$21,234)
Fountains	\$0	\$0	\$47,182	(\$47,182)
TOTAL FIELD	\$151,140	\$151,140	\$199,559	(\$48,419)

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ended September 30, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 09/30/19	ACTUAL THRU 09/30/19	VARIANCE
<u>EXPENDITURES: (continued)</u>				
<u>STORMWATER MANAGEMENT</u>				
Landscape Maintenance - Roadway	\$25,000	\$25,000	\$0	\$25,000
Landscaping - Replacement	\$40,000	\$40,000	\$0	\$40,000
Stormwater Maintenance	\$50,000	\$50,000	\$0	\$50,000
Lake Maintenance	\$21,120	\$21,120	\$17,600	\$3,520
Wetlands Maintenance	\$19,200	\$19,200	\$14,025	\$5,175
Irrigation System	\$10,000	\$10,000	\$0	\$10,000
Contingencies	\$10,000	\$10,000	\$1,282	\$8,718
TOTAL STORMWATER MGMT	<u>\$175,320</u>	<u>\$175,320</u>	<u>\$32,907</u>	<u>\$142,413</u>
TOTAL EXPENDITURES	<u>\$449,558</u>	<u>\$449,558</u>	<u>\$368,841</u>	<u>\$80,717</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(\$87,728)</u>	<u>(\$87,728)</u>	<u>(\$24,223)</u>	<u>\$63,505</u>
Net change in Fund Balance	<u>(\$87,728)</u>	<u>(\$87,728)</u>	<u>(\$24,223)</u>	<u>\$63,505</u>
FUND BALANCE - Beginning	\$92,643		\$500,234	
FUND BALANCE - Ending	<u>\$4,915</u>		<u>\$476,011</u>	

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2013

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ended September 30, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 09/30/19	ACTUAL THRU 09/30/19	VARIANCE
REVENUES:				
Assessments	\$432,649	\$432,649	\$461,043	\$28,394
Interest Income	\$0	\$0	\$9,037	\$9,037
TOTAL REVENUES	\$432,649	\$432,649	\$470,080	\$37,431
EXPENDITURES:				
Series 2013				
Interest Expense - 11/1	\$101,813	\$101,813	\$101,813	\$0
Interest Expense - 05/1	\$101,813	\$101,814	\$101,814	\$0
Principal Expense	\$230,000	\$230,000	\$230,000	\$0
TOTAL EXPENDITURES	\$433,626	\$433,626	\$433,626	\$0
Excess (deficiency) of revenues over (under) expenditures	(\$977)	(\$977)	\$36,454	\$37,431
OTHER FINANCING SOURCES/(USES)				
Other Debt Service Costs	(\$9,183)	(\$9,183)	(\$9,490)	(\$307)
TOTAL OTHER FINANCING SOURCES/(USES)	(\$9,183)	(\$9,183)	(\$9,490)	(\$307)
Net change in Fund Balance	(\$10,160)	(\$10,160)	\$26,964	\$37,124
FUND BALANCE - Beginning	\$166,548		\$390,246	
FUND BALANCE - Ending	<u>\$156,388</u>		<u>\$417,209</u>	

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2005

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ended September 30, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 09/30/19	ACTUAL THRU 09/30/19	VARIANCE
REVENUES:				
Assessments	\$440,879	\$440,879	\$64,588	(\$376,291)
Interest Income	\$0	\$0	\$9,119	\$9,119
TOTAL REVENUES	\$440,879	\$440,879	\$73,707	(\$367,172)
EXPENDITURES:				
Interest Expense - 11/1	\$139,300	\$139,300	\$139,300	\$0
Interest Expense - 05/1	\$139,300	\$139,300	\$139,300	\$0
Principal Expense - 05/01	\$165,000	\$165,000	\$165,000	\$0
TOTAL EXPENDITURES	\$443,600	\$443,600	\$443,600	\$0
Excess (deficiency) of revenues over (under) expenditures	(\$2,721)	(\$2,721)	(\$369,893)	(\$367,172)
OTHER FINANCING SOURCES/(USES)				
Other Debt Service Costs	(\$8,233)	(\$8,233)	(\$51,520)	(\$43,287)
TOTAL OTHER FINANCING SOURCES/(USES)	(\$8,233)	(\$8,233)	(\$51,520)	(\$43,287)
Net change in Fund Balance	(\$10,954)	(\$10,954)	(\$421,413)	(\$410,459)
FUND BALANCE - Beginning	\$201,847		(\$3,412,517)	
FUND BALANCE - Ending	\$190,893		(\$3,833,931)	

PORTOFINO ISLES

COMMUNITY DEVELOPMENT DISTRICT

CAPITAL PROJECTS FUND - SERIES 2013

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ended September 30, 2019

<u>DESCRIPTION</u>	<u>ADOPTED BUDGET</u>	<u>PRORATED BUDGET THRU 09/30/19</u>	<u>ACTUAL THRU 09/30/19</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Interest Income	\$0	\$0	\$24	\$24
TOTAL REVENUES	\$0	\$0	\$24	\$24
<u>EXPENDITURES:</u>				
Capital Outlay	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues over (under) expenditures	\$0	\$0	\$24	\$24
Net change in Fund Balance	\$0	\$0	\$24	\$24
FUND BALANCE - Beginning	\$0		\$1,244	
FUND BALANCE - Ending	<u>\$0</u>		<u>\$1,268</u>	

PORTOFINO ISLES

COMMUNITY DEVELOPMENT DISTRICT

CAPITAL PROJECTS FUND - SERIES 2005

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ended September 30, 2019

<u>DESCRIPTION</u>	<u>ADOPTED BUDGET</u>	<u>PRORATED BUDGET THRU 09/30/19</u>	<u>ACTUAL THRU 09/30/19</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Interest Income	\$0	\$0	\$158	\$158
TOTAL REVENUES	\$0	\$0	\$158	\$158
<u>EXPENDITURES:</u>				
Capital Outlay	\$0	\$0	\$4,028	(\$4,028)
Default Expenditures	\$0	\$0	\$18,592	(\$18,592)
TOTAL EXPENDITURES	\$0	\$0	\$22,619	(\$22,619)
Excess (deficiency) of revenues over (under) expenditures	\$0	\$0	(\$22,461)	(\$22,461)
Net change in Fund Balance	\$0	\$0	(\$22,461)	(\$22,461)
FUND BALANCE - Beginning	\$0		\$22,599	
FUND BALANCE - Ending	\$0		\$138	

PORTOFINO ISLES

COMMUNITY DEVELOPMENT DISTRICT

Bond Issue:	<u>Series 2005 Special Assessment Bonds (Court Project)</u>	
Original Issue Amount:		\$6,375,000
Interest Rate:	5.60%	
Maturity Date:	May 1, 2036	
Reserve Fund Requirement:	Lesser of:	
	(i) Max Annual Debt Service for Bonds Outstanding	
	(ii) 125% of Average Debt Service for Bonds Outstanding	
	(iii) 10% of Original proceeds	
Bonds outstanding - 9/30/13		\$6,105,000
Less: 11/1/13		\$0
5/1/14		\$0
Current Bonds Outstanding:		<u><u>\$6,105,000</u></u>

Bond Issue:	<u>Series 2013 Special Assessment Revenue Refunding Bonds</u>	
		\$5,730,000
Interest Rate:	4.750%	
Maturity Date:	May 1, 2033	
Reserve Fund Requirement:	50% of Max Annual Debt Service Requirements @ date of issuance	
Bonds outstanding - 9/30/13		\$5,730,000
Less: 5/1/14		(\$205,000)
5/1/15		(\$210,000)
11/1/15		(\$5,000)
5/1/16		(\$215,000)
5/1/17		(\$220,000)
5/1/18		(\$225,000)
5/1/19		(\$230,000)
Current Bonds Outstanding:		<u><u>\$4,420,000</u></u>

Portofino Isles

Community Development District

Tax Collections

Fiscal Year Ending September 30, 2019

\$ 459,645.10 \$ 98,494.20 \$ 144,824.24 \$ 702,963.54

Date Received	Gross Tax Received	Commissions	Discounts	Net Amount Received	Debt		General Fund	Total
					Series 2013 Debt Service Fund 65.39%	Series 2005 Debt Service Fund 14.01%		
11/9/18	\$ 7,925.97	\$ 151.64	\$ 344.18	\$ 7,430.15	\$ 5,755.01	\$ -	\$ 1,675.14	\$ 7,430.15
11/15/18	\$ 18,221.74	\$ 349.85	\$ 728.90	\$ 17,142.99	\$ 13,278.06	\$ -	\$ 3,864.93	\$ 17,142.99
11/22/18	\$ 112,044.72	\$ 2,151.26	\$ 4,481.80	\$ 105,411.66	\$ 53,207.73	\$ 33,018.02	\$ 19,185.92	\$ 105,411.66
11/30/18	\$ 30,824.44	\$ 1,233.05	\$ 591.84	\$ 28,999.55	\$ 22,461.54	\$ -	\$ 6,538.01	\$ 28,999.55
12/7/18	\$ 325,260.02	\$ 13,010.99	\$ 6,244.97	\$ 306,004.06	\$ 237,014.74	\$ -	\$ 68,989.32	\$ 306,004.06
12/7/19	\$ 15,646.68	\$ 625.86	\$ 300.42	\$ 14,720.40	\$ -	\$ 13,237.62	\$ 1,482.78	\$ 14,720.40
12/14/18	\$ 48,189.90	\$ 1,911.82	\$ 925.56	\$ 45,352.52	\$ 35,127.69	\$ -	\$ 10,224.83	\$ 45,352.52
12/14/18	\$ 5,215.56	\$ 208.62	\$ 100.14	\$ 4,906.80	\$ -	\$ 4,412.54	\$ 494.26	\$ 4,906.80
12/21/18	\$ 10,970.52	\$ 376.42	\$ 211.87	\$ 10,382.23	\$ 8,041.53	\$ -	\$ 2,340.70	\$ 10,382.23
12/31/18	\$ 4,249.78	\$ 119.30	\$ 82.61	\$ 4,047.87	\$ 3,135.27	\$ -	\$ 912.60	\$ 4,047.87
1/7/19	\$ 6,993.42	\$ 209.78	\$ 135.67	\$ 6,647.97	\$ 5,149.17	\$ -	\$ 1,498.80	\$ 6,647.97
1/10/19	\$ 4,403.45	\$ 105.86	\$ 85.96	\$ 4,211.63	\$ 3,262.11	\$ -	\$ 949.52	\$ 4,211.63
	\$ 36.35	\$ -	\$ -	\$ 36.35	\$ 22.11	\$ 7.01	\$ 7.22	\$ 36.35
2/1/19	\$ 8,501.58	\$ 166.63	\$ 170.03	\$ 8,164.92	\$ 6,324.12	\$ -	\$ 1,840.80	\$ 8,164.92
1/17/19	\$ 5,402.58	\$ 105.89	\$ 108.05	\$ 5,188.64	\$ 4,018.85	\$ -	\$ 1,169.79	\$ 5,188.64
1/11/19	\$ 10,216.44	\$ 198.20	\$ 306.46	\$ 9,711.78	\$ 7,522.24	\$ -	\$ 2,189.54	\$ 9,711.78
1/28/19	\$ 4,731.18	\$ 92.42	\$ 110.53	\$ 4,528.23	\$ 3,507.33	\$ -	\$ 1,020.90	\$ 4,528.23
2/7/19	\$ 2,344.92	\$ 46.12	\$ 38.94	\$ 2,259.86	\$ 1,750.37	\$ -	\$ 509.49	\$ 2,259.86
2/14/19	\$ 2,344.92	\$ 46.43	\$ 23.45	\$ 2,275.04	\$ 1,762.13	\$ -	\$ 512.91	\$ 2,275.04
2/21/19	\$ 1,838.61	\$ 36.45	\$ 15.91	\$ 1,786.25	\$ 1,383.54	\$ -	\$ 402.71	\$ 1,786.25
2/28/19	\$ 5,526.60	\$ 109.43	\$ 55.24	\$ 5,361.93	\$ 4,153.07	\$ -	\$ 1,208.86	\$ 5,361.93
3/7/19	\$ 2,344.92	\$ 46.74	\$ 7.95	\$ 2,290.23	\$ 1,773.89	\$ -	\$ 516.34	\$ 2,290.23
2/8/19	\$ 6,156.66	\$ 120.67	\$ 123.13	\$ 5,912.86	\$ 4,579.79	\$ -	\$ 1,333.07	\$ 5,912.86
3/22/19	\$ 2,344.92	\$ 46.90	\$ -	\$ 2,298.02	\$ 1,779.93	\$ -	\$ 518.09	\$ 2,298.02
3/29/19	\$ 3,977.10	\$ 79.55	\$ -	\$ 3,897.55	\$ 3,018.84	\$ -	\$ 878.71	\$ 3,897.55
4/5/19	\$ 5,361.24	\$ 107.22	\$ -	\$ 5,254.02	\$ 4,069.49	\$ -	\$ 1,184.53	\$ 5,254.02
4/8/19	\$ 4,663.11	\$ 93.25	\$ -	\$ 4,569.86	\$ 3,539.57	\$ -	\$ 1,030.29	\$ 4,569.86
4/12/19	\$ 5,959.21	\$ 119.19	\$ -	\$ 5,840.02	\$ 4,523.37	\$ -	\$ 1,316.65	\$ 5,840.02
4/19/19	\$ 2,457.84	\$ 49.16	\$ -	\$ 2,408.68	\$ 1,865.64	\$ -	\$ 543.04	\$ 2,408.68
5/3/19	\$ 819.28	\$ 16.38	\$ -	\$ 802.90	\$ 621.88	\$ -	\$ 181.02	\$ 802.90
5/9/19	\$ 3,919.59	\$ 78.39	\$ -	\$ 3,841.20	\$ 1,865.64	\$ 1,288.22	\$ 687.34	\$ 3,841.20
6/1/19	\$ 3,234.54	\$ 64.69	\$ -	\$ 3,169.85	\$ 2,455.20	\$ -	\$ 714.65	\$ 3,169.85
6/7/19	\$ 819.28	\$ 16.38	\$ -	\$ 802.90	\$ 621.88	\$ -	\$ 181.02	\$ 802.90
6/10/19	\$ 1,092.29	\$ 21.85	\$ -	\$ 1,070.44	\$ 829.11	\$ -	\$ 241.33	\$ 1,070.44
6/24/19	\$ 29,125.11	\$ 582.50	\$ -	\$ 28,542.61	\$ 11,233.79	\$ 12,624.80	\$ 4,684.02	\$ 28,542.61
6/24/19	\$ 1,829.47	\$ 36.60	\$ -	\$ 1,792.87	\$ 1,388.66	\$ -	\$ 404.21	\$ 1,792.87
8/12/19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALS	\$ 704,993.94	\$ 22,735.49	\$ 15,193.61	\$ 667,064.84	\$ 461,043.29	\$ 64,588.22	\$ 141,433.33	\$ 667,064.84

100% 66% 98%

To Debt Service			
Date	Series 2013	Series 2005	Check #s

Net due to/from	\$ -		
11/27/18	\$ 72,240.79	\$ 33,018.02	1404/1405
1/10/19	\$ 314,214.17	\$ 17,657.18	1424/1422
2/1/19	\$ 6,324.12		1432
2/11/19	\$ 4,018.85		1437
3/14/19	\$ 15,925.60		1450
3/20/19	\$ 5,926.96		1452
4/9/19	\$ 4,579.79		1461
5/3/19	\$ 18,796.84		1471
5/20/19	\$ 1,865.64	\$ 1,288.22	1478/1479
6/4/19	\$ 2,455.20		1487
8/21/19	\$ 13,306.67	\$ 12,624.80	1511/1512
9/11/19	\$ 1,388.66		1520
	\$ 461,043.29	\$ 64,588.22	

Balances to Transfer \$ 0.00 \$ (0.00)

001.300.20700.10100

V# 14

V# 12