



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

October 8, 2019

Portofino Isles

Community Development District

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October 1, 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 **October 8, 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 August 13, 2019 Meeting
3. Update on the Status of AT&T Easement
4. Public Hearing to Adopt the Rules
 - A. Motion to Open the Public Hearing
 - 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
5. Consideration of Engagement Letter with Berger, Toombs, Elam, Gaines, & Frank to perform the Audit for Fiscal Year Ending September 30, 2019
6. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Field Manager
 - D. CDD Manager
7. Supervisors Requests and Audience Comments
8. Financial Reports
 - A. Approval of Check Register
 - B. Balance Sheet and Income Statement
9. 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, August 13, 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
Ronald Willemstyn
Juan Azcona
Frank Austin
Piotr Trocki

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Also present were:

Ginger Wald
Paul Winkeljohn
Roberto Cabrera
John Jado
James Virgil
Several Residents

District Counsel
District Manager
District Engineer
Resident (Field Supervisor)
AT&T

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 July 9, 2019 Meeting**

Mr. Winkeljohn: The minutes from the July 9th meeting were circulated, and if those are in order, I would take a motion to approve would be appreciated.

On Motion by Mr. Austin seconded by Mr. Willemstyn with all in favor, the Minutes of the July 9, 2019 Meeting were approved.
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THIRD ORDER OF BUSINESS

Update on the Status of AT&T Easement

Mr. Winkeljohn: We have our friends from AT&T here today so we're going to go through the finalization of our easement agreement. I had a chance to talk to all the Board members so I think everybody is up to speed with where we are on it. I know there's a little more language tune up that we want to go over. One of the things that came to light was not the ingress/egress Ginger but, there are some perpendicular cuts to the easement, and typical with utility easements like water and sewer you have parallel infrastructure in the easement but you also have perpendicular cuts from time to time and those cuts need to be described in here somehow, the cut throughs.

Mr. Duncan: Let me address it again because an easement map is supposed to make sure that all AT&T cables on the CDD property that an easement is given to. We created an easement map that tries to minimize the amount of area to provide an easement. As an example of that, we cover all the handholes, there are about 60 to 70 places in which the easement is not adjacent to the homeowner property. The drop wire from the handhole has to reach the homeowner's property. So, they will cross CDD property without an easement, this is why it's called a drop wire, and a sentence should have been added to their agreement that says, if AT&T requires to place a drop wire to cross CDD property to reach a customer in an area not covered by the easement agreement and show there is no attachment to that, the CDD agrees to allow AT&T to cross CDD property in the most direct way to provide service to its customers, and this is what it was for.

Ms. Wald: Well, from the last meeting when we were discussing it, and it wasn't 100% sure exactly where the access points were, and I had asked Butch to review it, and to provide me with language that would be acceptable as to being the District engineer for those crossers because obviously we have to be cognizant as to the areas of CDD property where we're providing that ingress and egress.

Mr. Duncan: This is not about ingress and egress which is covered by the agreement. We allow them to come in to maintain the cable.

Ms. Wald: Understood.

Mr. Duncan: This is about cable.

Ms. Wald: And as I asked for that I never received that language.

Mr. Duncan: I sent you the language.

Ms. Wald: The language that you sent to me was not exactly clear, exactly as to what you were trying to accomplish.

Mr. Duncan: So, I'm a phone call away.

Ms. Wald: Again, as I stated before I was waiting for Butch to provide that information to me and he did not.

Mr. Duncan: Ok, so let me explain the process which I explained it last time. Originally, AT&T did not have a location for the cable. When the CDD took over, so in the agreement that you have with AT&T, legal was not clear who does what for what so, I met with Jamie so it was clear that it's CDD responsibility. So, we went around to measure, and that was not Butch, that was actually us doing the measuring, then we asked Butch to do a spot check to make sure and we asked AT&T to actually locate the cable. AT&T went and located the cable and put flags and so forth, and AT&T actually did measurements, we actually checked our map versus their measurements and this was actually what we found in the process, and we got it, and I wrote down an easement map in each location trying to minimize the area, that was the most important stuff, minimize the area, so I gave the 3' there, 6' there, 8' there, as needed. This area covered all the main cables and all the handholes, except two handholes that they moved, but does not cover the drop wires, which are different wires that go from the handholes to their customers, and would have been extremely difficult except to give them a very large easement area to cover each of these.

Mr. Virgil: Basically, it's Jamesport we're talking about.

Mr. Duncan: Well, Jamesport, and I think there are about 50 or 60 places that I counted, that the easement was not adjacent to the homeowner area. So, they have to go to the closest one to the immediate area that is not covered by the easement area. So there are 3 options, option #1 was to include some wording that allow them to handhole to get a drop wire of our property in the most direct way to the homeowner. Secondly, I could have agreed on a side letter, identifying each location, 60 of them, and signed them saying it's ok from here to there, or to give them a very big easement area. I particularly didn't like to give a big easement area, I didn't quite care to actually go identify with maps each of the 60 places, more work for me, and I talked to Jim and we agreed on a sentence that

basically says, hey, if you have to cross CDD property to have a drop wire to reach the customer, you are allowed to do that.

Ms. Wald: So, this is, for the Board to decide which way it wants to go.

Mr. Duncan: Absolutely.

Ms. Wald: So, it's a Board decision, as to which way because it does amend the agreement as we talked about before, what the Board prefers to do as to the agreement of those 3 available options. The other thing to also advise the Board which changed from the last meeting, we were going to have a composite exhibit B. That composite exhibit B was actually going to show where each one of the lines were. After discussion with AT&T after the meeting there was issues in regards to security, and so from there the recommendation that was made was to remove that composite exhibit B and end up with, and I think this one has a couple little corrections other than the last one which will be the one that will be the easement area that was created based upon what your chairman just explained with the District engineer, and that showing the location of the easements. So those are the discussed changes from our last month's meeting. It is again, up to the Board because it's always the Board's decision to make the determination or by motion of a majority how they want to address those two issues. I personally don't see a problem as to removal of the composite exhibit B and I don't believe the chairman does either based on what AT&T had requested and I don't believe your District manager, or the District engineer had a problem. This last one which is what Dan was explaining is, again, which way does the Board want to go, do you just want to have a quick sentence placed in there specifically as to allowing, and I want the technical terms of what these things are called so I can put them in there.

Mr. Duncan: Drop wire.

Ms. Wald: Ok, drop wire, and directory to me really isn't a technical legal term, so I was hoping that I would have something else from the engineer, but I do not, but I'll write it that way but it's completely up to the Board how the Board wishes to address it.

Mr. Azcona: Alright, so we make a motion to cover both?

Mr. Winkeljohn: Yes, so you would move to authorize the agreement with stated amendments, and I have the detail.

Mr. Azcona: Ok, alright so I'll make that motion.

Mr. Austin: Could I just ask a question, Dan on the blanket authority for them to cross to get to a customer?

Mr. Duncan: No, so this is on handhole, they have to get between the two houses.

Mr. Azcona: To drop a wire.

Mr. Duncan: Yes, a drop wire which is crossing CDD property for 15', so I want them to go straight from there to the homeowner and that will cover, otherwise in a separate letter I will have to identify each of the 60 placed.

Mr. Austin: And that makes sense, but by giving the blanket authority is there any risk to us?

Mr. Duncan: No, because it's very specific, I have a handhole, and I have to go straight to the property owners.

Mr. Austin: So, if there's any damage?

Mr. Duncan: No, the damage is covered under the standard easement, and they know they have to do that.

Mr. Austin: Ok.

Ms. Wald: And that portion is covered under the agreement.

Mr. Winkeljohn: So, we have a motion from Juan.

Mr. Duncan: Hold on a second, there is also language that allows AT&T to come on CDD property with any type of equipment to do the repairs. So, we already have that, and obviously they will have to repair it if they damage it.

Mr. Austin: Ok.

Mr. Azcona: Exactly.

Mr. Austin: That makes sense.

Mr. Duncan: Ok so, we have the easement map, I don't know, I think that we should get this version, give me what it says there, can you give me that version?

Ms. Wald: Yes.

Mr. Austin: Ok, so we have Juan's motion.

Mr. Winkeljohn: Yes, is there a second?

On Motion by Mr. Azcona seconded by Mr. Austin with all in favor, authorizing the agreement with AT&T with stated amendments was approved.
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Mr. Winkeljohn: And I already mentioned this to the chairman, I do have the invoicing ready to go, I just have to summarize it and put a cover on it so that it's specific. You have your invoice, you reconsolidated it for me?

Mr. Virgil: Yes.

Mr. Winkeljohn: Good, alright.

Mr. Duncan: So, Ginger, two months and last month, I asked you, do you have the specific charges that you put on this project and you told me yes, twice.

Ms. Wald: I'm going to tell you right now, I wrote it down.

Mr. Duncan: Ok, so I do not want accounting to send to Paul the general legal amount.

Ms. Wald: Well, it's a little more complicated than that. Paul has all the bills, and what I did, and I can't say July because literally our office just sent out July to Paul, but as of the end of June I had \$10,725.00.

Mr. Duncan: So, could we get an invoice from you specific for the AT&T project?

Ms. Wald: I won't do it as an invoice because an invoice would not be proper, what I'll do is a memo with the line items.

Mr. Duncan: Whatever you think.

Ms. Wald: Because I have to do July.

Mr. Duncan: Ok, whatever you think that AT&T legal will accept.

Ms. Wald: That's what I'm going to do.

Mr. Duncan: Ok. So, I would like these things to be sent with the final agreement.

Ms. Wald: Yes, and the final easement agreement based upon the motion, and this is the final right, what you just gave me?

Mr. Duncan: Yes.

Ms. Wald: Ok, can you email that to me as well, the final?

Mr. Duncan: Yes.

Ms. Wald: So, with that I'm going to make the change when I get back to the office, either today or tomorrow, and send that over to AT&T legal so they have the entire packet put together.

Mr. Duncan: Ok. I tried to make this one more specific, you know the wording, I actually said to place a drop wire.

Ms. Wald: Ok, and I want the actual language because I don't want to do anything that's broader than it needs to be.

Mr. Duncan: This is already agreed by AT&T.

Ms. Wald: Ok. Like I said, I'll send it to legal as soon as I get that completed. Paul has all of our bills which are inclusive of everything because remember the Board has already been invoiced for and has been paying.

Mr. Duncan: No, this is only for the AT&T justification.

Ms. Wald: Correct, AT&T as part of the agreement and what they had requested, when I spoke with them many months ago was all the bills as the itemization, so my bills are a public record, the same as the District engineer's, so they'll get all of my bills and then they'll have the memo as to the line items.

Mr. Duncan: Ok, so you will send to Ginger and to Paul a copy of the bills and that will be the end of it.

Ms. Wald: Yes.

Mr. Austin: So that attorney fee is in this budget?

Mr. Duncan: The attorney, yes. The regular support for legal is in our budget.

Ms. Wald: Correct.

Mr. Austin: So, this has from July 31st, but you just said through June 30th.

Ms. Wald: No, our bills are always submitted a month in arrears.

Mr. Austin: Ok.

Mr. Winkeljohn: We just got July.

Mr. Austin: So, that \$10,000 you just talked about is under actual in this budget?

Ms. Wald: No, I don't know what budget you're referring to.

Mr. Winkeljohn: He's talking about the District's budget, yes so, the District has already paid this, so what we'll do is I'll put a cover on the attachment, and it will say pay the District back, so we'll get reimbursed in our funds.

Mr. Duncan: Ok, so the budget is different, the budget doesn't include this problem.

Mr. Austin: Oh, it doesn't?

Mr. Duncan: No.

Mr. Austin: Ok, so this is outside this budget.

Mr. Duncan: Yes, we have a monthly legal representation, like we have a monthly meeting, which I include the legal budget, and the budget based on the historical expenses.

Mr. Austin: So, that's through June because our amendment is \$15,000, right?

Mr. Winkeljohn: Well, it's not exactly limited but that's the allocation approved in the budget but, we spend whatever it required.

Mr. Austin: I'm confused.

Mr. Winkeljohn: You're talking about the AT&T budget?

Mr. Austin: This money is going to be reimbursed, and I thought it was a \$15,000 cap on that.

Mr. Duncan: Right, so if we spend \$17,000 and they reimburse us \$15,000, the \$2,000 would come out of our money.

Mr. Winkeljohn: The District will absorb it.

Mr. Austin: Alright, thank you.

Mr. Winkeljohn: Alright, so Jamie that covers you so if you want to take off you can. Thank you sir, we appreciate it.

Mr. Virgil: Thank you.

Ms. Wald: Thank you very much.

FOURTH ORDER OF BUSINESS

Public Hearing to Adopt the Fiscal Year 2020 Budget

A. Motion to Open the Public Hearing

Mr. Winkeljohn: Your next action item is, it's that time of year for our budget adoption hearing. Today we begin that hearing with a motion to open the public hearing, is there a motion?

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

B. Public Comment and Discussion

C. Consideration of Resolution #2019-04 Annual Appropriation Resolution

Mr. Winkeljohn: At this time we would take public comment on the budget, or any questions about the budget, and this year, not having any increase if anybody had any

comments or discussion we would take them at this time. Not hearing any comments, and it is the same budget that was proposed but we did adjust from prior year the arrangement of the budget to really reflect correctly how we're handling the stormwater but, the assessment level is what you're adopting today and that did not go up. The allocation of the budget, as you know, if we have a lot of legal fees we can adjust throughout the year, and you're well financed and well reserved, so you're in good shape. So, with no other public discussion I would ask that resolution #2019-04 be approved by motion.

On Motion by Mr. Willemstyn seconded by Mr. Austin with all in favor, Resolution #2019-04 the Annual Appropriation Resolution was approved.

D. Consideration of Resolution #2019-05 Levy of Non Ad Valorem Assessments

Mr. Winkeljohn: Now that you've identified your assessment level and accompanying budget, resolution #2019-05 is how you collect that money through the Non Ad Valorem Assessments, the best deal in town, and I'd like a motion authorizing resolution #2019-05 to levy the assessments.

On Motion by Mr. Azcona seconded by Mr. Willemstyn with all in favor, Resolution #2019-05 levy of Non Ad Valorem Assessments was approved.

E. Motion to Close the Public Hearing

Mr. Winkeljohn: And a motion to close this public hearing would be in order.

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

FIFTH ORDER OF BUSINESS

Public Hearing to Adopt the Rules

A. Motion to Open the Public Hearing

Mr. Winkeljohn: The next public hearing is the adoption of the rules, over the last few meetings we sort of honed in on what we wanted in the rules. We have a fairly rough

representation of that which will still need some cleanup but, today it is appropriate to open up this public hearing to adopt the rules by motion.

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

B. Public Comment and Discussion

C. Consideration of Resolution #2019-06 Adopting District Rules Pertaining to Recreation Use of Lakes and Preserves

D. Motion to Close the Public Hearing

Mr. Winkeljohn: Alright, so now we're in the public hearing to adopt the rules, and in this situation the rules were basically to prohibit the use of the lake for certain uses, and a copy of those are in your packet behind the resolution. I know Ginger has some cleanup items, but your current rules were section 1 through 15 or something like that, 1.15, so I just went ahead and created section 2 for lake and preserve use. I think we captured the intent of the Board, and again we're going to clean up the language a little tighter. Are there any comments from the public at this time?

A resident: Well, there should be a discussion on signs at today's meeting.

Mr. Winkeljohn: That won't affect this, it depends on what you mean by signs, we plan to have signage that would ultimately reflect the rules.

A resident: Exactly.

Mr. Winkeljohn: So, yes.

A resident: Alright.

Mr. Duncan: Ok, we have to talk a little bit about enforcement because rules are ok if they are obeyed. We have very little power of enforcement and will start becoming a joke if they are not enforced. So here is, you have rules that prohibit stuff, so you get the wrath of the community and at the same time people see other people not abiding by the rules, so this is an enforcement issue, and it's not clear to me, and this comes also from what I've seen in the natural preserves, people increasing the size of their yards with the natural preserve and destroying the preserve, and the only thing that we have is to go to the city and say, fine them. It has to be an agreement with HOA or some sort, because they have more enforcement to fine and everything else, or we have to find another way of defending the rules.

Mr. Winkeljohn: Well the preserve element that you recognized, the specific cases that we looked at last month, those we do have, we use the local law enforcement, code enforcement as our best tool and that is the most effective one, and that one we're proceeding on, so we'll file a complaint. So that one we can tackle, and that process works.

Mr. Duncan: No, but I'm saying, don't fish, are you kidding, there are these guys that are fishing in this area every day.

Mr. Winkeljohn: Right, there's some practicality issues in some of those.

Mr. Duncan: So, my concern is that if we don't find a way of aiding an enforcement in the language of the rules that if you don't abide by these rules this is what will happen.

Ms. Wald: Ok, so from a legal perspective, yes, the District can enter into an agreement with the HOA for the HOA to have the authority to enforce the rules, enforce them through the HOA and use the HOA's fining process because the District doesn't have that process, it's not available to the District. So that is one option, you can do that, and we have other Districts that do that, and the benefit of that process is HOA is onsite, the HOA has the ability to see the violation, to immediately go ahead and provide that warning, whatever the HOA rules may be in regards to that, and to fine that homeowner for that violation, so that is an option. Secondly, as you were stating before we have to rely upon the city, so in regards to utilization of the preserves for someone entering the preserve, or illegal dumping that of course is not only a violation of CDD rules, but that is a violation of city rules, and state rules for that matter. Police can arrest somebody for doing that, it's actually an arrestable offense, believe it or not even though it's only misdemeanor. They can, once they move forward with the trespass warning, and having those signs up, and that in place, the police can arrest somebody after warning for trespass. So, that is from the police powers, the CDD can't do it themselves because we don't have police powers, but the city can. The city also, as Paul had mentioned through the use of code enforcement, when it's a violation of city rules, or state rules, or county rules, code enforcement can be called, and it can also follow up and has the ability to fine, so those are the enforcement options from that standpoint. From the District's standpoint because the District does not have police powers and self-help, you're correct, other than the rules and be able to rely on other entities, the CDD really cannot do much, other than proceed that way. So, it is a difficulty for the CDD as a governmental entity for the rules themselves

need to be in place to get to the secondary part of it, which is the enforcement, and the tricky part is always enforcement. I had a meeting yesterday where we have individuals that keep dumping yard waste into preserves in Hollywood, in Broward County, and they plant invasive species in their backyards which go under their fence, and go into the preserve, and we have to continuously go out. The CDD finally decided let's get the HOA involved, let's go ahead and give the HOA that authority to fine them and start fining these people because that's the only way we're going to stop it.

Mr. Duncan: So, what I suggest is that we approach the HOA, it's not my preference but, it's what it is, and make sure, I prefer to keep this in the family, so before we actually act harshly with the city, which actually takes it completely out of your hands and you know the violators can be fined a lot of money and legal troubles for the rest of their lives, we should approach the HOA and say, we still maintain the option, if you don't enforce it to involve the city. We never give up this option, so we try to keep it here and resolve the issues but if they are not resolved we will actually act to the city code and the police, and I would like that to stand out for people to know what it means to violate these rules.

Mr. Winkeljohn: Do you think we would need to add like a general intent?

Ms. Wald: No, I think first what you would have to do is you need to contact the HOA, and with the HOA to find out if the HOA would be ready, willing and able to enforce CDD rules in regards to the preserve and lakes.

Mr. Austin: I can tell you that right now, we don't have to ask them.

Mr. Duncan: No, well first it's to their advantage first because they collect fines.

Mr. Austin: They're not going to do anything that's a favor for us, secondly, they're going to say, how much are you going to pay us for our manager?

Mr. Duncan: You have to understand, if you explain the repercussions of bringing the police, and the city code on this property, I'm telling you this is a big, big deal, people that violated the natural preserves.

Mr. Willemstyn: That's a big deal, I understand.

Mr. Duncan: Yes, a very big deal, but even trespassing on property, the lakes are CDD property and let's assume if you have boating, these are big deals if you actually enforce the city's rules.

Mr. Azcona: I think we should inside the rules we thought about establishing, so some of the rules are also rules by the city and the state, so we don't even need to establish them because you just call directly code enforcement and code enforcement will deal with it, so in reality there's no need for those rules.

Mr. Duncan: That's actually not true, this is informational only, people do not read codes and city codes and so forth but, by summarizing them, they are becoming in addition to the CDD rules on our part.

Mr. Azcona: I understand that, but they are still enforceable regardless whether we have them here or not, if somebody is entering and destroying a property and it's covered by state laws, the state can do something about it if you report it, whether we have in here or not but, I agree having them here, there's no harm in having them here.

Mr. Duncan: There is no harm to tell them, hey these are the rules.

Mr. Azcona: No, but I think we have to notify the HOA regardless whether we had a bad experience with them or not, and we have to let them know, these are the rules that CDD has established, if somebody trespasses into CDD property we have two options, or we can have a procedure working together, the CDD and the HOA, the procedure could be that. First the HOA notifies the trespasser that if you are a resident, and instead of going directly to the police I just say let's keep it in the community, and they will be notified, they will be given a warning, and if they don't comply, they will be fined. If it persists then they should know that we will call the police.

Mr. Duncan: This is exactly what I proposed, I mean independent of the HOA, I think it's good practice, we don't behave like that, the actual good professional practice is try to notify the HOA.

Mr. Austin: I don't dispute that, I'm just saying hey we're wasting our time.

Mr. Duncan: But there is no profit, I mean we would actually sit with the city and so forth if we see there is no resolution.

Mr. Austin: The HOA can't even consistently enforce their own rules, I mean John and I ride around every week, and I can't tell you how many basketball goals we see in the driveways, yet every month that I come to the fining committee, here's some guy with a \$333 fine for this basketball goal that was laid down, and that's all bullshit. First of all, that's a safety hazard, someone tries to lay down a basketball goal, that's their policy.

Mr. Jado: If we notify them by ourselves, and leave the HOA out of it, and tell them, this is where we go from here if you don't comply and then we take it to the county where the fines could be exorbitant and we really don't want to do that, maybe we can talk to them and circumvent these people.

Mr. Austin: And the other thing Dan, and I'm not sure about this, but I think I've heard Nick make the comment, I don't think he's allowed to go behind the house and look.

Mr. Duncan: No right, but we had John, we have an easement between the houses that we can get on our property behind the houses, and we can walk that property.

Mr. Austin: But they cannot.

Ms. Wald: You also have to keep in mind too that CDD property is public property and the entryway is allowed by the public unless it's forbidden, and that's why rules are important as well because you can't have trespass unless you have the rule in place that you don't have the ability to go in there as the general public. Normally, as a governmental entity such as the CDD you cannot prevent the general public from going in, except with reasonable rules and regulations and of course from our perspective, because of the lakes and in the way they are designed and they could potentially be hazards in some areas, we can prevent the general public from being there. Same as let's say, you had a power plant onsite, and if you had a power plant onsite and it was owned by the government, it was owned by the CDD, you could even though it's available to the public, you could still prevent that with rules and regulations because of the hazards and the security involved. So, think of that aspect, it's not that someone can't come on to CDD property, they can, it's all public, I could now if I wanted to being a member of the public, but when you have the rules and regulations in place to prevent certain areas, because of certain concerns and one as we're talking about with fishing and getting the access to it because of items that are in the lake with the aerators and the fountains, that is a reasonable rule and regulation that you can put into place to stop the public from accessing. It's all about safety, security, keeping the infrastructure in place and that's why the District can pass these rules and regulations.

Mr. Duncan: Let me address what John said, what Nick said is actually not true. Nick can actually put an easement with a house, and get an easement for the 60 houses, can get on CDD property, which is exactly because it's property which he actually can go

around the whole neighborhood on the amount of property because we do not have a rule that would not allow the HOA manager to use that property in order to check anything.

Mr. Jado: So, logistically he could get there, but will he do it?

Mr. Duncan: So, it's not the fact that he's not allowed.

Mr. Winkeljohn: Well for today's purposes, all this conversation is certainly layered as part of it but we need to finish the rule hearing.

Mr. Duncan: I would like to have some enforcement, some things here that says what we have, if you don't abide by these rules.

Ms. Wald: Ok, so let's talk about these in general because when this was put into the agenda, these were not the rules that were originally provided, so I didn't have a chance to review these in advance and there are a lot of things in here that I'm not sure the Board had an opportunity to completely review and is happy with or is not happy with, which is the reason for today but, in that regard if the Board is interested in moving forward with management having conversations with the HOA and their management as to enforceability, then my suggestion is because you're going to want that as part of the rulemaking process would be to continue this to the next meeting, which would be a public hearing which we can do, and in that review, and I don't know again if the Board has an opportunity to review each one of these rules that have been put in here for the advertisement to see if this is exactly what you want because you want to make sure that the rules that you're promulgating and you're going to go ahead and adopt, the HOA, number one, is going to be able to enforce just like we were talking about with access. Number two, would be willing to enforce because it may be contradictory from their own rules and they may not be willing to do that so, it would also include maybe looking at their rules, so keep that in mind.

Mr. Winkeljohn: You could do that, continue to another meeting.

Ms. Wald: We can also look at the rules right now.

Mr. Duncan: This is very good for the public because we're basically saying, boating is not allowed, fishing is allowed only in some places, and you have a section on violation which you can expand and so forth, so this is good for the general purpose of deciding the rules.

Mr. Winkeljohn: Right, and we could take as we evolve our enforcement capability, we can incorporate that at a later time as it comes into focus.

Ms. Wald: Well no, if you're going to have it as part of the rules and this is what Dan is saying for the enforcement, you have to let the public know. If it's going to be part of the rules, it needs to be implemented.

Mr. Duncan: Sure, but what I'm saying is you have a section on violations that you could expand it, and you basically say that, hey you are subject to trespassing of the appropriate city or county codes.

Mr. Winkeljohn: We could add HOA enforcement only.

Ms. Wald: Well you still have to have the conversation with them.

Mr. Winkeljohn: But we could add that into our rules, that leaves us the capability and then if we ever get an agreement with them, we're ahead.

Mr. Duncan: I mean the thing is that basically we allow them to fine people, but we will also keep the option open to enforce it to the city.

Ms. Wald: The agreement is that the HOA will enforce the CDD's rules, that's it, and the HOA has the ability to fine, and I've had this issue with, and let's take this out of this CDD for now, where the HOA has done that for other CDDs that I've represented and the one problem I saw in only one District was there was a contradictory HOA rule to a CDD rule, and the HOA of course wasn't going to enforce that rule. So, we had to go back and amend the CDD rule to make sure that it was consistent with the HOA rule.

Mr. Duncan: Ok so, Nick just contacted me maybe a couple of weeks ago, he's interested in these rules to make sure that the HOA rules are consistent to these.

Ms. Wald: So, why don't we do that, first of all let's talk about it with the Board as to each one of these rules since you have them and we're here, but then instead of going forward with the adoption today, I would recommend continuing it to the next meeting so you can have that, and they have an opportunity to review them.

Mr. Winkeljohn: How long can we wait for these rules?

Ms. Wald: The next meeting.

Mr. Winkeljohn: What if we don't meet?

Ms. Wald: Well we have to continue it to a date certain.

Mr. Winkeljohn: I know that's why I asked.

Mr. Duncan: Ok so, let's make sure that the CDD Board agrees with these general rules.

Ms. Wald: Let's go through the rules and see if you're in agreement with the rules the way they are written.

Mr. Austin: What section is that?

Mr. Azcona: It's under 5C.

Ms. Wald: It looks like this.

Mr. Azcona: Exhibit A, under C.

Mr. Duncan: Exhibit A will be the map of all the neighborhoods.

Mr. Trocki: Now let me ask you something, a lot of people who bought those houses years ago, they bought their houses thinking that they're buying a house on the lake, now everything has grown since then, and they're upset, they complained they lost their view, they're trying to trim bushes and all the grass, so they have no idea.

Mr. Duncan: So, I talked to several homeowners on this issue and I explained to them that on their side, here for example, it's natural preserve, and the CDD is prohibited, you know they are comparing different lakes, and different lakes are not the same lakes, one lake is runoff water, the other one has all kinds of species, and they say well there's no water, but this is what a natural preserve is, it's a swamp, and we cannot actually cut all the vegetation, these are natural Florida species of trees. So, I think that somebody may need to explain to them the limitations of what we can do, and the limitations of what they can do.

Mr. Azcona: And those are pre-established laws by the city, or the county or the state, I mean we have to explain necessarily every single rule.

Mr. Winkeljohn: It's a pretty common misconception by the way.

Mr. Azcona: So, if you say oh don't have to explain to everybody that they cannot go 100 mph to I-95, if they decide to go and damage the preserve, we call code enforcement and they will have to deal with it.

Mr. Duncan: Well, it's very difficult because if you take the time, I was not aware until AT&T, the extent of the encroachment in the natural preserve that occurs in this community because you don't go behind people's homes and look, it's just unbelievable.

A resident: Well, I tend to agree, people here do not understand they are living in a preserve, number one, so they don't understand what it means, they literally don't. So, I would say there are many, and I would say a majority of people living here that don't understand that.

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

Mr. Duncan: So, the first thing, these are the rules and we have a situation in which we know that, let's assume 100 homeowners violated one of these rules, we can be heavy handed and go to the city and that would be it.

Ms. Wald: Well, that will take it out of your hands and put it in the city's hands, and whatever they decide to do, they decide to do.

Mr. Duncan: Right, but I'm not in favor of such a heavy handed approach.

Mr. Winkeljohn: No, that would be a way down the line last resort approach, but usually when we deal with these, we start with a letter, ask them to comply, work with them, like John would work with them to see and get them in compliance.

Mr. Duncan: So, I would like John if we can get a list of all the properties that we think they have the understanding they have.

Mr. Austin: Yes, that's alright, and we were going to do that but there's been so much rain the last couple of weeks, we were going to walk the preserve.

Mr. Duncan: I think that a general wording by a letter has to be sent with two types of language, one type of language has to be a little bit stronger for people who have 30 feet behind their property.

Mr. Winkeljohn: Right, there's different categories.

Mr. Duncan: Ok, so this is the first step that I would suggest.

Ms. Wald: Well, you don't need any rules for that because that's the CDD's property.

Mr. Winkeljohn: Yes, that's just a procedural solution.

Mr. Duncan: So, here it basically says, natural preserves and things are for water management and other things.

Ms. Wald: Right, and your first thing here, it's just a preamble, it's not really a rule.

Mr. Duncan: No, and this is a very important rule, you cannot actually plant any structure.

Mr. Azcona: He's looking at the last sentence.

Ms. Wald: It doesn't have to be a rule because it's already a property ownership, it's the same as if you were doing it to your neighbor, you can't put a fence on your neighbor's property, you can't plant on your neighbor's property.

Mr. Duncan: This is informational.

Ms. Wald: That's what I said, this is a preamble, this is more informational, not specifically a rule because you already have the ability to do that, and it's fine I don't have any problem with that. Now, your boating, and your swimming, you need to decide because this is important as to whether having a rule or not, what you want to have and not want to have.

Mr. Winkeljohn: Right, and we covered that at the last meeting.

Ms. Wald: And this is the public hearing portion so this is for anyone that would comment.

Mr. Duncan: I think that definitely we should not allow boating with the fountains but, because I would like to have a consistent rule for all 9 lakes, if we prohibit on the large lakes, we have to prohibit everywhere.

Mr. Austin: I don't think the HOA's rule is the same.

Mr. Duncan: Nick says if you'd like to see that we'll make the rules consistent, so I have to take him at his word.

Mr. Austin: Ok, and I don't have any problem with Nick, I trust him.

Mr. Duncan: No, but what I'm saying is, he cannot do anything, he will take these rules and he will go in front of the HOA Board, and what will happen there, we don't know.

Mr. Austin: Exactly.

Ms. Wald: If their rules, first of all, their rules can't really overrule but what CDD has on their own rules on our own property but, if you want the HOA to enforce it then obviously the HOA is going to have to change their rules. So, is everyone alright with #2?

Mr. Duncan: Yes, I'm alright with it.

Mr. Azcona: So, on #2, we are deciding no boating of any type at all on any of the lakes?

Ms. Wald: Or swimming, no boating, no swimming. So, is everyone alright with #2?

Mr. Duncan: Yes.

Ms. Wald: Ok. Now, I don't even understand how you wrote #3, first of all private homes, we have no control over private homes.

Mr. Winkeljohn: Well, the District easement goes behind the homes, so we've had a long standing rule here that they only allowed fishing where there's no homes, or in this case now no fountain.

Ms. Wald: Ok, so why don't you say fishing is not allowed except these areas shown on the map, try to make it simple for people.

Mr. Austin: But they don't have access to the map.

Ms. Wald: Well, the map is going to be part of the rules.

Mr. Duncan: No, there will be signs.

Mr. Winkeljohn: We already have signs.

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

Ms. Wald: Wait, you can't do anything until the rules are adopted.

Mr. Duncan: I understand but, for example on the lake on Rosser exit for example, that whole area that is adjacent to the road, fishing is allowed, all the way around, not on the side of the houses, but everywhere else.

Mr. Willemstyn: Right.

Ms. Wald: And this is the debate you need to have because you have to be crystal clear because not everyone obviously is crystal clear as to what we're looking at for the rules.

Mr. Austin: Well, I've seen stuff posted online where people are complaining about someone that lives a few houses down, their son came down and was fishing behind this person's house, and they were complaining about that. I mean obviously the ideal situation would be hey, have some kind of an agreement among neighbors.

Mr. Duncan: They're all on CDD property, they are all on the gradient of that. So, in the public area the CDD voted and decided to allow them, this is not an innate right that you are born with.

Mr. Austin: I understand.

Mr. Duncan: So, the CDD allows, either you allow fishing, you cannot allow only the homeowner to fish behind his property because CDD area is a public area. Either you allow everybody to come behind your property or you don't.

Mr. Austin: Ok.

Mr. Duncan: You have to think twice.

A resident: Homeowners don't know.

Ms. Wald: Well, that's because you don't have a rule, there are no rules. This Board has not adopted a rule in regards to that, and so even though, and Paul keeps calling it the policy, well that means nothing because there are no rules. Until you adopt the rule, it's a free for all, so you need to decide as a Board, are you going to allow fishing. I think this Board last time said, yes, they want to allow fishing.

Mr. Duncan: In the public area.

Ms. Wald: But you wanted to allow it, that does not have certain equipment that some of the lakes have.

Mr. Duncan: Right, and we will get a map and do you have signs, fishing allowed?

Ms. Wald: It's very simple, you have to make rules simple for people to understand, that's one of the problems you're having, like you were saying, the public doesn't know. Well, there are no rules, once you create a rule it has to be simple to understand, fishing is prohibited except in these areas.

Mr. Azcona: And if you want to see the map, come here and look at it, and then we don't have to put 50 million signs because I think we're beating a dead horse. No fishing allowed except in these areas, and that's it.

Ms. Wald: Right, so we're going to make that easy. Ok, so that will be amended to address no fishing allowed except the areas as marked on the attached map, and you'll put the signs wherever you decide that's going to be.

Mr. Duncan: Ok, so now I did some research to make sure that we don't over restrict, the two lakes, we have fountains there, and I was looking at the chances that one piece of guard or something if something falls in the water and the chances that you could get to the fountains, and is designed to have these filters, and now we have every 3 months we have maintenance that actually they come and do everything from the filter, I changed my opinion and I would like to allow them fishing in the public areas even where the fountains are because they are the largest public areas that we have.

Mr. Winkeljohn: The only problem is the cable, as long as they're where the cables run, that's where the fishing equipment catches the cable and drags it.

Mr. Duncan: But we would actually put a provision to cover that area.

Mr. Winkeljohn: That can work.

Mr. Duncan: So, we will put two signs, one showing an arrow this way, and one showing an arrow that way.

Ms. Wald: And then just have the map attached, that's easy. Alright, violations, you have to talk to the HOA, so that's still the question mark.

Mr. Winkeljohn: Do we want to add that in here though?

Ms. Wald: Well, you have to talk to them first Paul.

Mr. Winkeljohn: But we can put it in our rule that it's implied, and not just implied but it's expressed that the HOA rules would be one of our avenues of violations.

Ms. Wald: I would say you have to talk to them first before putting that in there. I think you're putting that in there, and again, for me that's what I would want.

Mr. Duncan: So, we will try to contact the HOA.

Ms. Wald: Yes, once we have a final set together.

Mr. Austin: So, we're leaving this like it is, and that sounds pretty straight forward to me.

Ms. Wald: Well, it has to be rewritten a little bit but yes.

Mr. Duncan: Now, there is one area that is, it's called the "buffer", it's not a natural preserve, but it's called a buffer area.

Ms. Wald: The buffer tract that goes around.

Mr. Duncan: Yes, so it's in the middle of the community, and there are houses on both sides, and there being used for people who are dumping and so forth and they also trespass to get from one house to the next. We will have, no trespassing or something but I would like to bring them up.

Ms. Wald: So, these are the buffer tracts which go around, are those the ones you're talking about?

Mr. Duncan: No, these are not right, see this is one, and these are between these houses.

Ms. Wald: Right, so those are the ones you're talking about.

Mr. Duncan: Yes, and people go over like that.

Ms. Wald: Right, so all the light green.

Mr. Duncan: I think BT stands for buffer tract and people are using for their various properties.

Ms. Wald: So, because the buffer tract is CDD, what do you want to see?

Mr. Duncan: No trespassing, no dumping and no trespassing.

Ms. Wald: Ok, so now at a public glance, so you have to come up with a rule as to not allow access for the public on certain areas of those buffer tracts, you want the whole thing?

Mr. Duncan: Yes.

Ms. Wald: What's the basis for it? I mean around the lakes it's easy.

Mr. Duncan: This one, they cut between the houses.

Ms. Wald: So, what we have to do then is identify, and again, we'll do it in the rules, identify those buffer tracts and say, no entry, no trespassing, and forget about dumping, dumping is illegal anyway, and no entry, and put trespassing signs, so we have to add this Paul.

Mr. Duncan: Right because you say lake and preserve rules.

Ms. Wald: Well no, we can rewrite this, and if you want to do it, this is the time to do it.

Mr. Duncan: I understand, but these buffer tracts are not preserves and are not lakes.

Ms. Wald: Correct, so do you want no entry onto the buffer tracts, or do you just want that one location?

Mr. Azcona: So, all buffer tracts.

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

Ms. Wald: Ok, so we're going to forbid any entry on to the buffer tracts.

Mr. Duncan: Correct. There is one buffer tract that it's in the corner, it's actually in the middle of nowhere, it doesn't protect anything, except that it has vegetation that has to be preserved.

Ms. Wald: So, we're going to add that to the rule, so that's being added. Ok, so basically what we have now is we're ok with just the general statement, then we have #2 which is the no boating, swimming within the lakes, and then the fishing, we're going to say no fishing allowed except in the designated areas that we're going to set forth in an attached map, and then of course you'll put signage as you want to put signage. You actually don't have to write that in here. We're going to talk about the thing that we're

going to add which is no entry onto any of the buffer tracts, we'll also identify that in the map as well that will be attached to here. We have the violations issue that we need to discuss with the HOA before we move forward with that. The rest of this, because now we have fishing, no fishing, forget that because they're double stated. The swimming it has to be cleaned up, we don't even have to go into purposes because these are just rules, so we can cross all those out and rewrite that. The users assume all risks, and what I want you to know is this basically is informational, this will not stand up in a court of law as enough to relieve the District of any responsibility for what we own but again, just as long as this Board knows, it's not really a rule, it's more for informational purposes, so you're warning people is basically all you're doing.

Mr. Duncan: Yes, and for example if there is a reason to enter and you get the authorization from the CDD, that's fine.

Ms. Wald: Yes, and that's different.

Mr. Azcona: And I don't see anything about removing plants.

Ms. Wald: Well, we're not going to allow anyone to go into the preserves, that's now being changed to all of the buffer tracts.

Mr. Azcona: Ok, so that should cover it.

Mr. Duncan: At Rosser entrance of the community, on the right hand side, the CDD has a large piece of property that at this moment we are using as a buffer between the apartment complex that is being built and us, and it's our responsibility. There is a lot of vegetation that is not native, how is that area defined on the map?

Mr. Winkeljohn: It's a water management tract.

Mr. Duncan: What is our responsibility, do we have to remove anything?

Mr. Winkeljohn: It's many layered, originally when you start the process you're in a construction phase, so you have about a 5 year period where you have to prove you're taking perfect care of it. Then you move to operational phase where it's not enforced, and it's not inspected, but you are expected to maintain it as close as possible. Now cities and counties will come in and they may put a real specific layer of what you're expected to do but, the state does not at that point.

Mr. Duncan: Ok, so we don't have to do much.

Mr. Winkeljohn: It's not actively enforced.

Mr. Duncan: Because within a year I would actually start to have a proposal for the \$50K that we got for landscaping on both sides of the lakes, and they built the wall between the two properties, and you can see it's a flimsy wall compared to what we have, but anyways they built the wall but we have to put a lot of landscaping behind that wall.

Mr. Trocki: There are sections of grass and then sections of walls connecting those two areas, as I was just explaining it's stucco, and anybody can walk from the street and just break in because there are sections of grass and then section of walls connecting those garage buildings.

Mr. Duncan: So, there was a legal agreement to make sure by the time they finish the construction that they had the roofing, the height, the color of the buildings as agreed.

Mr. Willemstyn: That's a very good point Dan.

Ms. Wald: Ok, back to the rules.

Mr. Duncan: Yes, I think they're ok.

Ms. Wald: Ok, so other than what we discussed now because we are talking about making some of these changes, and also dealing with the HOA, what you can do since we've already advertised is you can go ahead and you can continue the adoption of the rules to a date certain without having to re-advertise. So, we have to look at a date certain where we could do that.

Mr. Winkeljohn: I would say, not the next meeting, but maybe the one after.

Mr. Duncan: I won't be here in September.

Mr. Winkeljohn: So, October?

Mr. Duncan: Yes.

Mr. Winkeljohn: And that was what I was shooting for, so I'll give you that date.

Ms. Wald: Did we adopt that already?

Mr. Winkeljohn: No, we didn't.

Ms. Wald: We have to adopt that.

Mr. Winkeljohn: So, the schedule is in your book.

Ms. Wald: It's October 8th.

Mr. Winkeljohn: Thank you.

Ms. Wald: If everyone is around on October 8th then your motion would be a motion to continue the adoption of the rules to the date certain of October 8, 2019 at 10:00 a.m. or soon thereafter.

Mr. Winkeljohn: Is there a motion to continue?

On Motion by Mr. Azcona seconded by Mr. Trocki with all in favor, authorizing to continue the Public Hearing to Adopt the Rules on October 8, 2019 at 10:00 a.m. at 1856 SW Newport Isles Blvd., Port St. Lucie, Florida was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

Mr. Winkeljohn: That brings us to staff reports, Ginger?

A. Attorney – Discussion of 2019 Legislative Update Memorandum

Ms. Wald: Do you want to move to engineer while I write this down?

Mr. Winkeljohn: Sure.

Engineer

Mr. Winkeljohn: Roberto, do you have any updates?

Mr. Cabrera: I have no updates.

Mr. Winkeljohn: Alright, except your map.

Mr. Cabrera: Yes.

C. Field Manager

Mr. Winkeljohn: John, you have anything?

Mr. Jado: No.

Mr. Duncan: There is a big maintenance item. Last time we got feedback from the HOA that they would like to know what is CDD maintenance of this property and what is HOA, and you said you would work on it.

Mr. Winkeljohn: Right, we all did.

Mr. Duncan: So, it's always been two contracts by two different companies. In order to facilitate we have two contracts with the same company but, HOA insists that they will have their own manager. So, lately I heard that again they think they have too much of the CDD property under their management agreement. So, we actually have the technical specifications of our maintenance agreement that we think and I think we are good for another year but we actually have to have a new specification and we have to take care of our own land so we don't have this, where it makes sense. For example, it does not make

sense if the HOA has 95% of the area and we have a strip at the end. I mean with some stuff, tit for tat type of thing has to be created so they will feel good that they don't pay for maintenance of CDD property, so we know where the CDD land is. We think we know what maintenance we need to cover.

Mr. Jado: Right, around this whole lake.

Mr. Duncan: So, it has to make sense and we have to have the same specifications when the contract comes.

Mr. Winkeljohn: I understand, and the first step with that is a clean up to date ownership map and then we can mark it up with some practicality and present it to them and say, will this work and then we can put an agreement around it.

Mr. Jado: When the contract is due, they're going to be bringing this up if the Board stays the same because they're voting.

Mr. Winkeljohn: Understood.

Mr. Duncan: Ok, so at this moment for example, John found out that the maintenance of the palm trees, everything above 8' is not included in the maintenance contract, so that actually should be included.

Mr. Jado: They have been taking care of it, we have a new manager now. The old manager moved to Oregon so now he picked up on it and they've been cutting it for free, but now they want \$470 to cut all the palm trees but we have to incorporate that in the next contract.

Ms. Wald: Ok, what's the cost of the current contract do you know?

Mr. Winkeljohn: Ours?

Ms. Wald: Is it under the threshold?

Mr. Winkeljohn: It's small, yes.

Ms. Wald: Ok.

Mr. Winkeljohn: It's nowhere near the threshold.

Mr. Cabrera: As a tool for the map I think what we could do is, like you do a map with where it's on the District website and then everybody can access fishing locations and stuff.

Mr. Duncan: Sure.

Ms. Wald: Yes.

Mr. Winkeljohn: Yes, you can do it with layers.

Mr. Cabrera: Yes, with layers.

Mr. Winkeljohn: A maintenance click or a fishing click, perfect, that would be great. Anything else John?

Mr. Jado: No.

A. Attorney – Discussion of 2019 Legislative Update Memorandum (Cont.)

Mr. Winkeljohn: Back to our attorney.

Ms. Wald: Ok, so what you have I believe in your agenda package is the memorandum that our office put out as to the last legislative session of the Florida Legislature, and you'll have a summary of each one of the Laws of Florida that actually are already in effect now that may affect Community Development Districts that we represent. I'm going to only point out really two that I think could potentially be addressed with this District, one is on our second page where it talks about the Form 1s, and by the way, congratulations everybody filed their Form 1s. So, now it's going to be mandatory to file those online, it's going to be an electronic process that will be mandatory in January, 2020, it should be up and running so it will be a lot easier for everybody to do that but, you're going to have to do it electronically so you're going to have to have access to a computer at some point in your life in the next couple of years to be able to do that if you don't have one now, so that's one of them. The other one is kind of interesting because it also affects yourselves as homeowners, and if you go to the last one which is 2019-155 it talks about tree removals. So, if you have a letter from a certified arborist, and you submit that to your local government, you submit that to the city you're allowed to remove your dead tree. Previously cities were requiring that you would have to go through an elongated permit process, and then have to pay a lot of money, and then had to pay to a tree preserve fund, or plant a bunch of trees on your property if you were going to do that, this law removes that. This is in litigation right now, in fact a former colleague of mine is litigating it on behalf of a municipality, so I will keep you informed as to how this goes but, it's pretty clear cut as to the law itself. If anybody would like to read any of the actual laws please let me know, I will email them or mail them to you, they're already listed here, you can also get them on the Florida Legislative update. If anybody has any questions after reading those of me, please feel free to email me or give me a call. I think that's all I have. I do have a question

for you Paul, because we were talking about with the law and the apartments, what did you ever find out from those people with the change in the Gatlin Commons people?

Mr. Winkeljohn: Right, the last thing they were doing was they wanted us to do a surety bond, or they wanted to give us a bond that they would perform.

Ms. Wald: That's what we need, did we get it?

Mr. Winkeljohn: I've emailed them several times and I've never gotten it, so it's stalled on their end but, I know I've talked to her several times.

Mr. Duncan: We gave them permission to get the permit.

Mr. Winkeljohn: They might have filed it with the city, I just don't have our copy of it.

Mr. Duncan: No, that bond, a copy of the stuff was supposed to get to the legal, now a copy to you and a copy to legal, and this is basically when she came to us.

Ms. Wald: The approval was predicated upon that receipt, I've never received it which is why I was following up with Paul because I don't have the contact person's information. So, I don't know what happened to it, I don't know if it's ever been submitted to the city.

Mr. Duncan: No, that's not submitted, I mean they have to have the bond, the proof of the bond.

Ms. Wald: That was the motion.

Mr. Duncan: I was absolutely sure of that.

Ms. Wald: That's why I was waiting for it.

Mr. Duncan: So, you called the lady, right?

Mr. Winkeljohn: Yes.

Mr. Duncan: And?

Mr. Winkeljohn: She's gotten multiple requests to provide it, and she said I'll look into it, I'll take care of it, and she's the landscape architect, our main contact with that whole process because she was going in with the permitting, and I'm just checking right now to see if anything has come up but I don't see anything.

Mr. Duncan: That was a prerequisite.

Mr. Winkeljohn: Right, so they haven't met their end of the bargain, is the punchline, and I've sent several emails in June, July, every month I've sent it. The last update I got was from Owen Carr is that, we are 45 days, and this is in late June, we're 45 days out from securing the bond so we might be completed before we're able to place the

bond, I will keep you and the CDD up to date on the progress, thanks again, so that's what it says.

Mr. Duncan: I don't follow closely because when something is a prerequisite that means that if they were to wait 90 days for a bond, they don't get the permit for 90 days.

Mr. Winkeljohn: I don't know how they could do that, so what do you want to do, but he basically said I'll get it to you.

Mr. Duncan: But if they finish the construction, actually we have to do something, a letter from legal.

Ms. Wald: Because they were submitting change language, and granted the District was not a part of that agreement, to the city to obtain the permit.

Mr. Duncan: Right.

Ms. Wald: And they predicate on the District's allowing that to happen was the issuance, and that was predicated a long time ago.

Mr. Duncan: And I looked at the cost, I mean why did I do all this work, I looked at the cost to make sure that the amount of the bond is actually commensurate with the stuff that they have to do. If they actually finish the building of the stuff without putting the surety bond, it's defeating the purpose.

Ms. Wald: It was at the March meeting, a motion to authorize a change of declaration restrictive covenants, language and posting of a performance and payment bond made payable to the CDD at \$56,600 for the construction of the wall.

Mr. Azcona: So, how do we proceed, do we send them a letter?

Mr. Duncan: Let me put it this way, they are doing what they are supposed to do, they built a wall and so forth, so I do not have any problem with what they are doing. I have a problem with the process because if in the future somebody would come to me, we will have to play hardball and say, you do not get our approval until we have the paperwork.

Mr. Winkeljohn: Right, we weren't in the loop on anything to approve with the city.

Mr. Duncan: Ok, and that brings me to AT&T, we would not sign the easement.

Ms. Wald: They have to sign it first.

Mr. Duncan: They can sign the easement first, but we will sign it only when the surety bond is actually issued.

Ms. Wald: Right.

Mr. Winkeljohn: Absolutely.

Ms. Wald: Now the only thing I can say, the surety bond was to make sure that they were going to do what they were supposed to do, which is the wall, and if they're doing it, great. What we could do is, send a letter, copy the city, so the city knows, don't close out that permit until the CDD has the satisfaction that needs to be done. At this point that's really the only thing we could do.

Mr. Duncan: They built the wall.

Ms. Wald: But if they're building the wall, they're doing what they were supposed to do that the bond was in place for, it's up to the Board.

Mr. Duncan: Let it slide, I think.

Ms. Wald: Ok.

Mr. Duncan: They already built the wall.

Mr. Azcona: But is it finished?

Mr. Winkeljohn: Yes.

Mr. Duncan: Yes, it's very much finished.

Ms. Wald: It's almost done? How does it look?

Mr. Duncan: Awful.

Mr. Winkeljohn: I think they didn't anticipate they would build it when they came to us, they just wanted the permit, and then they went ahead and built it.

Mr. Duncan: But anyway, let it slide but is this a lesson, I mean the way that I approach it Dan, I said these guys are making a lot of money, they are in a construction process, they have the foundation and so forth, should we play hardball and hold them up for 90 days, no, it was a handshake, I will do what I said. Ok, so we said yes, go ahead.

Mr. Azcona: But moving forward, give us the deposit, then we all proceed.

Mr. Duncan: Yes, for AT&T I say the same thing.

Ms. Wald: Ok.

Mr. Duncan: Ok.

D. CDD Manager

1) Consideration of Proposed Fiscal Year 2020 Meeting Schedule

2) Discussion of Financial Disclosure Report from the Commission on Ethics – *everyone has filed*

Mr. Winkeljohn: Alright, moving on under manager's report, the 2020 meeting schedule is before you for approval. It's the same frequency, we have to advertise for an entire year so we have next year's in front of you by motion.

On Motion by Mr. Willemstyn seconded by Mr. Austin with all in favor, accepting the proposed Fiscal Year 2020 Meeting Schedule was approved.

Mr. Winkeljohn: Ginger already congratulated you on being good at your paperwork, so your financial disclosure forms have been filed.

SEVENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Winkeljohn: Supervisors requests or audience comments? Are there any comments at this time? Anything else?

Mr. Austin: Yes, on this project, I think it was the last meeting Dan you brought up, because they're pretty close it appears to do the roofing, and you said the roofing is going to be tiled right?

Mr. Duncan: This is why I wanted Paul to get the agreement letter to make sure that we have the appropriate words that will describe the type of roof.

Mr. Trocki: They have the tile already on the site.

Mr. Austin: They do?

Mr. Duncan: So, I've seen the architectural drawings, and they look like they abide by the code.

Mr. Trocki: No, they only had old tile.

Mr. Duncan: Ok, so we just have to keep an eye to make sure, remember they cut one floor, we have only 3 floors, not more than 70' or whatever it is because I was looking at the slope what people can see from their backyard, and so forth.

Mr. Austin: And then any update on these people down here at the entrance?

Mr. Winkeljohn: Yes, Butch has got that information, or did he tell you anything about it?

Mr. Cabrera: Well, we did a letter to request that it's been tabled.

Mr. Winkeljohn: Right, they went before the Commission for a change.

Mr. Cabrera: Right.

Mr. Winkeljohn: And it got tabled right?

Mr. Cabrera: Yes, that's where we're at.

Mr. Duncan: Ok, so this is basically the issue, looking at the traffic we have a problem because the PUDs were not right and they didn't do it correctly, they went from PUD3 to PUD10 without consulting anything. There will be a lot of traffic coming out of this area, mostly likely when they try to come on Brigantine exit, or they will go straight. We have already, but it will cost this CDD about maybe \$100,000 to stop them.

Mr. Winkeljohn: To manage the route.

Mr. Duncan: Last time Butch was here he was trying to put pressure on the city by the CDD not signing up to a completely different development lot that is on Gatlin but it's a part of the legals. It's not the nicest way to do it because you keep a reason for somebody that has nothing to do. Gatlin Commons is divided into little parcels, so now you try to tell the city that if you don't approve my traffic pattern on the other parcel, I will not sign it, you know it's not a tactic that I usually use. I mean I went to 2 meetings with people and people say, well we gave them the permit, sorry.

Mr. Winkeljohn: Well, this was a little bit of a win, we were able to get a table out of it.

Mr. Duncan: So, I do not know what we can do, I think we'll approach the city back and what we can do is we can go in front of the council and explain the screw up that was done by the city over 10 years. It's not the nicest way to point fingers to people that you might need in the future but maybe this is the last recourse.

Mr. Austin: Has there been any update on developing the front part, or the part closest to Gatlin?

Mr. Duncan: No, I think they stopped the development of that parcel.

Mr. Austin: The electronics place.

Mr. Duncan: Yes, but it will be sold, that parcel is too good not to be used for development by somebody, and my concern is about the parcel that the new Board has the monument it's on.

Mr. Austin: That was my next question, has there been any comments about that?

Mr. Duncan: Well, it's all set.

Mr. Austin: I mean the last thing I heard about that was the city notified us that the appearance was bad or something.

Mr. Duncan: Right, our monument which I don't quite understand, but our monument is on a property that's not ours.

Mr. Austin: That's Walmart property, right?

Mr. Duncan: Yes, the developer allowed the CDD I guess, the builder, I don't know, but John who painted the monument?

Mr. Jado: We didn't paint it, we just pressured cleaned it because they had torn down the one the west side and we're assuming as soon as somebody buys that property that other one is going to go down, so they didn't want to put a ton of money into it, that was the HOA.

Mr. Duncan: So, the question is that it's just a matter of time that begins, so eventually it will be sold.

Mr. Trocki: They approved 7,000 units to be built west.

Mr. Duncan: Right, in Tradition and by the way there are 8 CDDs and there is a super CDD, so 7 and there's a super CDD.

Ms. Wald: Tradition, which is Southern Road is 6 and there is another one, and that mix is going to change but that's down the road.

Mr. Duncan: So, the question that I have for this Board is, all Brigantine is CDD land, more or less.

Ms. Wald: Because the city wouldn't take it.

Mr. Duncan: Right, so if the monument showing Newport Isles will be demolished then there's no way for people to know that you come here, should the CDD look into some conceptual design of we can put in the median, and why I'm saying that, it's a long process for the city to accept anything that looks nice and there are a lot rules of the heights, on the angle and how far from that we have to put it.

Ms. Wald: Is there electric in the median?

Mr. Duncan: No, but it would be no problem to bore into the median. So, I would say that we should actually check and look at the possibility.

Mr. Austin: I agree.

Mr. Azcona: Something that you can see from both sides.

Mr. Duncan: Well the thing is that we would never be able to actually get the left turn, if you go toward I-95.

Mr. Azcona: But at least for people to visualize it because the name is only on the other side.

Mr. Duncan: No, it will be seen from both sides, ok.

EIGHTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

B. Balance Sheet and Income Statement

Mr. Winkeljohn: Moving on to financial reports, you have the check run and balance sheet and income statement.

Mr. Duncan: I already looked at them, they are fine.

Mr. Winkeljohn: Is there a motion to approve?

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

NINTH ORDER OF BUSINESS

Adjournment

Mr. Winkeljohn: That's all I have, 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

/Vice

Chairman

RESOLUTION NO. 2020-01

A RESOLUTION OF THE BOARD OF
SUPERVISORS OF THE PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT,
ADOPTING DISTRICT RULES PERTAINING TO
RECREATIONAL USE OF THE LAKES AND
PRESERVES, AND PROVIDING AN EFFECTIVE
DATE.

WHEREAS, the Portofino Isles Community Development District (the "District") is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended; and

WHEREAS, the District is the owner of and is responsible for the operation and maintenance of lakes and preserves within the boundaries of the District; and

WHEREAS, the District has recognized the need to protect the aforementioned lakes and preserves and enact reasonable rules and regulations over the use thereof; and

WHEREAS, the District advertised a public hearing for August 13, 2019, in order to hear and receive comments on the proposed District Rule pursuant to the requirements of Chapter 120, Florida Statutes; and

WHEREAS, after a duly advertised public hearing held on August 13, 2019, the District Board of Supervisors finds it to be in the best interests of the District, its lakes and preserves, and the residents of the District to adopt the proposed Rules attached to this Resolution as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE PORTOFINO ISLES COMMUNITY DEVELOPMENT DISTRICT, THAT:

Section 1. The above recitals are true and correct and are incorporated in and adopted as part of this Resolution.

Section 2. The Rules attached to this Resolution as Exhibit A, are hereby adopted by the District.

Section 3. The District Manager is hereby directed to distribute this Resolution as required by Chapters 120 and 190, Florida Statutes.

Section 4. This Resolution shall be effective immediately upon adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____,
2019,

ATTEST:

PORTOFINO ISLES COMMUNITY
DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chairman/Vice-Chairman

Exhibit A

RECREATIONAL USE OF LAKES AND PRESERVES
RULES

2.0 Recreational Use of Publicly Accessible Lakes.

(1) Publicly Accessible Lakes and Preserves. As used in this Rule, the term "Publicly Accessible Lakes and Preserves" shall mean and include the lakes, preserves and buffer tract areas, as depicted on the attached map.

(2) Purpose; Limits of Authorization. The purpose of this Rule is to allow limited recreational use of the Publicly Accessible Lakes and prevent entry onto the preserve areas and buffer tracts. Except as expressly authorized by this Rule, no recreational use or other activity may be undertaken on any of the Publicly Accessible Lakes or Preserves. This Rule does not relieve any user from his or her responsibility to obtain or provide such additional approvals, consents, licenses, authorizations, and notices as may be required by other governmental agencies exercising jurisdiction over the use of or activities undertaken on the Publicly Accessible Lakes or Preserves.

(3) Users Assume All Risks. Any person using the Publicly Accessible Lakes for recreational purposes in accordance with this Rule, by such use, expressly acknowledges that:

(a) The Publicly Accessible Lakes may be dangerous, with hazards that may include, without limitation, alligators, snakes, and other wildlife; slippery lake banks; uneven lake slopes; and steep drop-offs.

(b) Use of the Publicly Accessible Lakes shall be at the sole risk of the user.

(c) The District assumes no responsibility or liability for any loss or injury resulting from recreational use of any of the Publicly Accessible Lakes.

(4) Fishing. No fishing is allowed within the Publicly Accessible Lakes except in the designated areas set forth on the attached map.

(5) Boating. No boating or any type is allowed in the Publicly Accessible Lakes, other than for maintenance purposes authorized by the District. Boating shall consist of and include, but not limited to boats whether motorized or self or wind propelled, remotely controlled and any flotation device, such as paddleboards, kite boards or wind surfers

(6) Swimming. No swimming is allowed in the Publicly Accessible Lakes.

(7) Violations. Any person violating the Rules set forth herein

Specific Authority: §§ 120.54, 190.011(5), 190.012(3), Fla. Stat.
190.012(3), Fla. Stat. Adopted _____, 2019



**Berger, Toombs, Elam,
Gaines & Frank**

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

September 17, 2019

Patti Powers, District Manager
Governmental Management Services, LLC
5385 N Nob Hill Road
Sunrise, Florida 33351

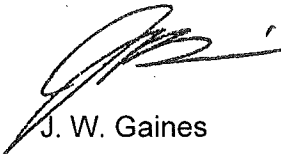
Dear Ms. Powers:

Enclosed please find an original and one copy of our engagement letter for the year ending September 30, 2019 for Portofino Isles Community Development District

Please sign and return one copy in the envelope provided for your convenience. The copy is for your records.

Should you have any questions, please contact me.

Sincerely,



J. W. Gaines

JWG:snw
Enclosures

Fort Pierce / Stuart

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Member AICPA Division for CPA Firms
Private Companies practice Section

Member FICPA



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

September 17, 2019

Portofino Isles Community Development District
Attn: District Manager
5385 N Nob Hill Road
Sunrise, FL 33351

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the financial statements of Portofino Isles Community Development District, which comprise governmental activities, a discretely presented component unit and each major fund for the General Fund as of and for the year ended September 30, 2019 which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter for the years ending September 30, 2019.

Our audit will be conducted with the objective of expressing an opinion on the financial statements.

The Responsibility of the Auditor

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America and "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with generally accepted auditing standards. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements.

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Portofino Isles Community Development District
September 17, 2019
Page 2

In making our risk assessments, we consider internal control relevant to Portofino Isles Community Development District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the Board any fraud involving senior management and fraud that causes a material misstatement of the financial statements that becomes known to us during the audit, and any instances of noncompliance with laws and regulations that we become aware of during the audit.

The funds that you have told us are maintained by Portofino Isles Community Development District and that are to be included as part of our audit are listed below:

1. General Fund
2. Special Revenue Fund
3. Debt Service Fund
4. Capital Projects Fund



Portofino Isles Community Development District
September 17, 2019
Page 3

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management acknowledges and understands that it has responsibility:

1. For the preparation and fair presentations of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;
3. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
4. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Portofino Isles Community Development District
September 17, 2019
Page 4

Management is responsible for identifying and ensuring that Portofino Isles Community Development District complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud, or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.

The Board is responsible for informing us of its views about the risks of fraud within the entity, and its knowledge of any fraud, or suspected fraud affecting the entity.

Portofino Isles Community Development District agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, Portofino Isles Community Development District agrees to contact us before it includes our reports or otherwise makes reference to us, in any public or private securities offering.

Because Berger, Toombs, Elam, Gaines & Frank will rely on Portofino Isles Community Development District and its management and Board of Supervisors to discharge the foregoing responsibilities, Portofino Isles Community Development District holds harmless and releases Berger, Toombs, Elam, Gaines & Frank, its partners, and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a known misrepresentation by a member of Portofino Isles Community Development District's management, which has caused, in any respect, Berger, Toombs, Elam, Gaines & Frank's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

Records and Assistance

If circumstances arise relating to the condition of the Portofino Isles Community Development District's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements, because of error, fraudulent financial reporting, or misappropriation of assets, which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including: declining to express an opinion, issuing a report, or withdrawing from engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Portofino Isles Community Development District's books and records. The District will determine that all such data, if necessary, will be so reflected. Accordingly, the District will not expect us to maintain copies of such records in our possession.



Portofino Isles Community Development District
September 17, 2019
Page 5

The assistance to be supplied, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Patti Powers. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Other Relevant Information

In accordance with Government Auditing Standards, a copy of our most recent peer review report has been provided to you, for your information.

Fees, Costs, and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Invoices for fees will be submitted in sufficient detail to demonstrate compliance with the terms of this engagement. Billings are due upon submission. Our fee for the services described in this letter for the year ending September 30, 2019 will not exceed \$5,145 unless the scope of the engagement is changed, the assistance which Portofino Isles Community Development District has agreed to furnish is not provided, or unexpected conditions are encountered, in which case, we will discuss the situation with you before proceeding. All other provisions of this letter will survive any fee adjustment.

In the event we are requested or authorized by Portofino Isles Community Development District or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for Portofino Isles Community Development District, Portofino Isles Community Development District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The audit documentation for this engagement is the property of Berger, Toombs, Elam, Gaines, & Frank and constitutes confidential information. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of Berger, Toombs, Elam, Gaines, & Frank audit personnel and at a location designated by our Firm.

Portofino Isles Community Development District
September 17, 2019
Page 6

Information Security – Miscellaneous Terms

Berger, Toombs, Elam, Gaines & Frank is committed to the safe and confidential treatment of Portofino Isles Community Development District's proprietary information. Berger, Toombs, Elam, Gaines & Frank is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. Portofino Isles Community Development District agrees that it will not provide Berger, Toombs, Elam, Gaines & Frank with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Portofino Isles Community Development District's information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

Reporting

We will issue a written report upon completion of our audit of Portofino Isles Community Development District's financial statements. Our report will be addressed to the Board of Portofino Isles Community Development District. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our report on Portofino Isles Community Development District's financial statements, we will also issue the following types of reports:

- Reports on internal control and compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any internal control findings and/or noncompliance which could have a material effect on the financial statements;
- Management letter required by the Auditor General, State of Florida; and
- Attestation reports required by the Auditor General, State of Florida.

This letter constitutes the complete and exclusive statement of agreement between Berger, Toombs, Elam, Gaines & Frank and Portofino Isles Community Development District, superseding all proposals, oral or written, and all other communication, with respect to the terms of the engagement between the parties.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

Portofino Isles Community Development District
September 17, 2019
Page 7

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
J. W. GAINES, CPA

Confirmed on behalf of the addressee:



Judson B. Baggett
MBA, CPA, CVA, Partner
Marci Reutimann
CPA, Partner

6815 Dairy Road
Zephyrhills, FL 33542
(813) 788-2155
(813) 782-8606

System Review Report

To the Directors

November 2, 2016

Berger, Toombs, Elam, Gaines & Frank, CPAs PL
and the Peer Review Committee of the Florida Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL (the firm), in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control, and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards and audits of employee benefit plans*.

In our opinion, the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL in effect for the year ended May 31, 2016 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Berger, Toombs, Elam, Gaines & Frank, CPAs PL, has received a peer review rating of *pass*.


Baggett, Reutimann & Associates, CPAs, PA

(BERGER_REPORT16)

**ADDENDUM TO ENGAGEMENT LETTER BETWEEN BERGER, TOOMBS,
ELAM, GAINES AND FRANK AND PORTOFINO ISLES COMMUNITY
DEVELOPMENT DISTRICT
(DATED SEPTEMBER 17, 2019)**

Public Records. Auditor shall, pursuant to and in accordance with Section 119.0701, Florida Statutes, comply with the public records laws of the State of Florida, and specifically shall:

- a. Keep and maintain public records required by the District to perform the services or work set forth in this Agreement; and
- b. Upon the request of the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; and
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the Auditor does not transfer the records to the District; and
- d. Upon completion of the Agreement, transfer, at no cost to the District, all public records in possession of the Auditor or keep and maintain public records required by the District to perform the service or work provided for in this Agreement. If the Auditor transfers all public records to the District upon completion of the Agreement, the Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public disclosure requirements. If the Auditor keeps and maintains public records upon completion of the Agreement, the Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

Auditor acknowledges that any requests to inspect or copy public records relating to this Agreement must be made directly to the District pursuant to Section 119.0701(3), Florida Statutes. If notified by the District of a public records request for records not in the possession of the District but in possession of the Auditor, the Auditor shall provide such records to the District or allow the records to be inspected or copied within a reasonable time. Auditor acknowledges that should Auditor fail to provide the public records to the District within a reasonable time, Auditor may be subject to penalties pursuant to Section 119.10, Florida Statutes.

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT/CONTRACT, THE AUDITOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS FOR THE DISTRICT AT:

**GMS-CF, LLC
135 W. CENTRAL BLVD., SUITE 320
ORLANDO, FL 32801
TELEPHONE: 407-841-5524
EMAIL: _____**

Auditor: J.W. Gaines

District: Portofino Isles CDD

By: _____ 

By: _____

Title: Director

Title: _____

Date: September 17, 2019

Date: _____

Portofino Isles
Community Development District

Check Run Summary - General Fund

October 8, 2019

Date	Check Numbers	Amount
<u>Operating Account</u>		
August 21, 2019	1504-1513	\$ 39,859.19
September 22, 2019	1514-1521	\$ 26,785.12
September 25, 2019	1522-1527	\$ 9,741.68
		\$ 76,385.99

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
8/21/19	00026	7/31/19 157401 JUL 19 - GENERAL COUNSEL	201907 310-51300-31500	BILLING, COCHRAN, LYLES, MAURO	*	2,100.00	2,100.00 001504
8/21/19	00051	8/01/19 6424394 AUG 19 - LANDSCAPE MAINT	201908 320-53800-46200	BRIGHTVIEW LANDSCAPE SERVICES, INC.	*	1,070.00	1,070.00 001505
8/21/19	00013	7/08/19 86123 BAL DUE ON INV SHORT PAID	201906 310-51300-31100	CULPEPPER TERPENING, INC.	*	1,627.02	1,627.02 001506
8/21/19	00025	8/09/19 27661932 2517 SW BRIGATINE PL #SL 8/09/19 40160755 1425 SW INPORT DR #SL 2 8/09/19 61293924 1905 SW VIA ROSSA #IRR	201907 320-53800-43000 201907 320-53800-43000 201907 320-53800-43000	FLORIDA POWER & LIGHT	* * *	98.77 916.70 465.34	1,480.81 001507
8/21/19	00020	8/01/19 208 AUG 19 - MGMT FEES 8/01/19 208 AUG 19 - RENT 8/01/19 208 AUG 19 - COMPUTER TIME 8/01/19 208 AUG 19 - DISSEMINATION 8/01/19 208 AUG 19 - WEBSITE ADMIN 8/01/19 208 AUG 19 - POSTAGE 8/01/19 208 AUG 19 - COPIES 8/01/19 208 AUG 19 - TELEPHONE	201908 310-51300-34000 201908 310-51300-44000 201908 310-51300-35100 201908 310-51300-31300 201908 310-51300-49500 201908 310-51300-42000 201908 310-51300-42500 201908 310-51300-41000	GOVERNMENTAL MANAGEMENT SERVICES -	* * * * * * * *	3,551.33 200.00 83.33 208.33 41.67 2.00 88.40 .17-	4,174.89 001508
8/21/19	00021	8/06/19 18572 ARBITRAGE SER 2013	201908 310-51300-31200	GRAU AND ASSOCIATES	*	600.00	600.00 001509
8/21/19	00030	8/01/19 2768 AUG 19 - LAKE MAINT 8/01/19 2768 AUG 19 - WETLAND MAINT	201908 320-53800-46300 201908 320-53800-46400		* *	1,600.00 41,275.00	

PORT -PORT ISLES-- PPOWERS

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
		8/01/19 2768	201908 320-53800-46300		V	1,600.00-	
		AUG 19 - LAKE MAINT					
		8/01/19 2768	201908 320-53800-46400		V	41,275.00-	
		AUG 19 - WETLAND MAINT					
				LAKE AND WETLAND MANAGEMENT, INC.			.00 001510
8/21/19 00012		8/21/19 SER 05	201908 300-20700-10100		*	12,624.80	
		TRANS TAX RECEIPTS 2005					
				PORTOFINO ISLES CDD			12,624.80 001511
8/21/19 00014		8/21/19 SER 13	201908 300-20700-10100		*	13,306.67	
		TRANS TAX RECEIPTS 2013					
				PORTOFINO ISLES CDD			13,306.67 001512
8/21/19 00030		8/01/19 2768	201908 320-53800-46300		*	1,600.00	
		AUG 19 - LAKE MAINT					
		8/01/19 2768	201908 320-53800-46400		*	1,275.00	
		AUG 19 - WETLAND MAINT					
				LAKE AND WETLAND MANAGEMENT, INC.			2,875.00 001513
9/11/19 00066		5/04/19 345696	201905 310-51300-32200		*	5,145.00	
		AUDIT FYE 9/30/18					
				BERGER, TOOMBS, ELAM, GAINES & FRANK			5,145.00 001514
9/11/19 00051		6/29/19 6404358	201906 320-53800-46500		*	123.90	
		IRRIGATION REPAIRS					
		7/31/19 6450892	201907 320-53800-46500		*	46.56	
		IRRIGATION REPAIRS					
		9/01/19 6470240	201909 320-53800-46200		*	1,070.00	
		SEP 19 - LANDSCAPE MAINT					
				BRIGHTVIEW LANDSCAPE SERVICES, INC.			1,240.46 001515
9/11/19 00013		8/12/19 86318	201907 310-51300-31100		*	3,071.64	
		JUL 19 - ENGINEERING SVCS					
		8/12/19 86319	201908 310-51300-31100		*	6,162.50	
		ATT ROW AGREEMENT					
				CULPEPPER TERPENING, INC.			9,234.14 001516
9/11/19 00009		9/03/19 67268795	201909 310-51300-42000		*	17.67	
		DELIVERIES THRU 9/3					
				FEDEX			17.67 001517
9/11/19 00020		8/21/19 210	201908 320-53800-12000		*	2,500.00	
		AUG 19 - FACILITY MGMT					
		9/01/19 211	201909 310-51300-34000		*	3,551.33	
		SEP 19 - MGMT FEES					

PORT -PORT ISLES-- PPOWERS

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
		9/01/19 211	201909 310-51300-44000		*	200.00	
		SEP 19 - RENT					
		9/01/19 211	201909 310-51300-35100		*	83.33	
		SEP 19 - COMPUTER TIME					
		9/01/19 211	201909 310-51300-31300		*	208.33	
		SEP 19 - DISSEMINATION					
		9/01/19 211	201909 310-51300-49500		*	41.67	
		SEP 19 - WEBSITE ADMIN					
		9/01/19 211	201909 310-51300-51000		*	17.50	
		SEP 19 - SUPPLIES					
		9/01/19 211	201909 310-51300-42000		*	1.50	
		SEP 19 - POSTAGE					
		9/01/19 211	201909 310-51300-42500		*	155.70	
		SEP 19 - COPIES					
			GOVERNMENTAL MANAGEMENT SERVICES -				6,759.36 001518
9/11/19 00030		9/04/19 2808	201909 320-53800-46300		*	1,600.00	
		SEP 19 - LAKE MAINTENANCE					
		9/04/19 2808	201909 320-53800-46400		*	1,275.00	
		SEP 19 - WETLAND MAINT					
			LAKE AND WETLAND MANAGEMENT, INC.				2,875.00 001519
9/11/19 00014		9/11/19 SER 13	201909 300-20700-10100		*	1,388.66	
		TRANS TAX RECEIPTS 2013					
			PORTOFINO ISLES CDD				1,388.66 001520
9/11/19 00006		9/04/19 3767185	201909 310-51300-48000		*	124.83	
		NOTICE OF MEETING DATES					
			TREASURE COAST NEWSPAPERS				124.83 001521
9/25/19 00013		9/15/19 86599	201908 310-51300-31100		*	1,610.49	
		AUG 19 - ENGINEERING SVCS					
			CULPEPPER TERPENING, INC.				1,610.49 001522
9/25/19 00034		9/13/19 9633	201909 300-15500-10000		*	5,922.00	
		INSURANCE RENEWAL FY2020					
			EGIS INSURANCE ADVISORS LLC				5,922.00 001523
9/25/19 00020		9/15/19 212	201909 300-15500-10000		*	1,001.00	
		ASSESSMENT CERT FY2020					
			GOVERNMENTAL MANAGEMENT SERVICES -				1,001.00 001524
9/25/19 00058		9/13/19 12735	201909 320-53800-46201		*	1,100.00	
		CLEAR BACK WALL					
			GREEN LAWN SERVICE, INC.				1,100.00 001525
			PORT -PORT ISLES-- PPOWERS				

AP300R
 *** CHECK DATES 08/01/2019 - 09/30/2019 ***

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER
 PORTOFINO ISLES - GENERAL FUND
 BANK A GENERAL FUND

RUN 9/30/19

PAGE 4

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
9/25/19	00053	9/17/19	REIMB 201909 320-53800-49000		JOHN JADO	*	100.93	100.93 001526
			REIMB EXPENSES					
9/25/19	00006	8/01/19	332834 201908 310-51300-48000		TREASURE COAST NEWSPAPERS	*	7.26	7.26 001527
			BALANCE					
TOTAL FOR BANK A							76,385.99	
TOTAL FOR REGISTER							76,385.99	

PORT -PORT ISLES-- PPOWERS

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET
August 31, 2019

	<u>Governmental Fund Types</u>			<u>Totals</u> <u>(Memorandum Only)</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>2019</u>
<u>ASSETS:</u>				
Cash	\$48,897	---	---	\$48,897
Investments:				
State Board	\$460,886	---	---	\$460,886
Series 2005				
Reserve	---	\$418	---	\$418
Revenue	---	\$434,693	---	\$434,693
Deferred Cost	---	\$38,809	---	\$38,809
Construction	---	---	\$138	\$138
Series 2013				
Reserve	---	\$217,903	---	\$217,903
Revenue	---	\$189,864	---	\$189,864
Prepayment	---	\$7,455	---	\$7,455
Cost of Issuance	---	---	\$1,266	\$1,266
Due from General	---	\$1,388	---	\$1,388
TOTAL ASSETS	<u>\$509,783</u>	<u>\$890,531</u>	<u>\$1,404</u>	<u>\$1,401,718</u>
<u>LIABILITIES:</u>				
Accounts Payable	\$18,667	---	---	\$18,667
Due to Debt Service	\$1,388	---	---	\$1,388
Due to Bondholders	---	\$4,308,640	---	\$4,308,640
<u>FUND BALANCES:</u>				
Restricted for Debt Service	---	(\$3,418,109)	---	(\$3,418,109)
Restricted for Capital Projects	\$0	---	\$1,404	\$1,404
Unassigned	\$489,728	---	---	\$489,728
TOTAL LIABILITIES & FUND BALANCES	<u>\$509,783</u>	<u>\$890,531</u>	<u>\$1,404</u>	<u>\$1,401,718</u>

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ended August 31, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 08/31/19	ACTUAL THRU 08/31/19	VARIANCE
<u>REVENUES:</u>				
Maintenance Assessments	\$175,152	\$175,152	\$141,433	(\$33,719)
Stormwater Rebate	\$186,678	\$186,678	\$193,216	\$6,538
Interest Income	\$0	\$0	\$6,120	\$6,120
Project Contributions	\$0	\$0	\$2,698	\$2,698
TOTAL REVENUES	\$361,830	\$361,830	\$343,468	(\$18,362)
<u>EXPENDITURES:</u>				
<u>ADMINISTRATIVE:</u>				
Engineering Fees	\$30,000	\$27,500	\$34,153	(\$6,653)
Arbitrage	\$2,400	\$1,200	\$1,200	\$0
Dissemination Agent	\$2,500	\$2,292	\$2,292	\$0
Attorney Fees	\$25,000	\$22,917	\$33,031	(\$10,114)
Assessment Roll	\$1,001	\$1,001	\$1,001	\$0
Annual Audit	\$5,250	\$5,145	\$5,145	\$0
Management Fees	\$42,616	\$39,065	\$39,065	\$0
Computer Time	\$1,000	\$917	\$917	\$0
Telephone	\$100	\$92	\$47	\$45
Postage	\$500	\$458	\$352	\$107
Printing & Binding	\$1,250	\$1,146	\$811	\$335
Rentals & Leases	\$2,400	\$2,200	\$2,200	\$0
Insurance	\$6,356	\$5,778	\$5,778	\$0
Legal Advertising	\$1,000	\$917	\$767	\$150
Other Current Charges	\$500	\$458	\$873	(\$415)
Website Admin	\$500	\$458	\$458	(\$0)
Office Supplies	\$250	\$229	\$412	(\$182)
Dues, Licenses, Subscriptions	\$175	\$175	\$175	\$0
Capital Outlay	\$300	\$275	\$0	\$275
TOTAL ADMINISTRATIVE	\$123,098	\$112,222	\$128,675	(\$16,453)
<u>FIELD</u>				
Salaries/Facility Management	\$26,000	\$23,833	\$30,000	(\$6,167)
Environmental Services	\$2,500	\$2,292	\$0	\$2,292
Electric - Irrigation Pumps	\$6,000	\$5,500	\$9,991	(\$4,491)
Electric - Lighting	\$4,000	\$3,667	\$0	\$3,667
Repairs & Maintenance	\$15,000	\$13,750	\$2,405	\$11,345
Landscape Maintenance	\$11,040	\$10,120	\$11,030	(\$910)
Irrigation System	\$5,000	\$4,583	\$2,325	\$2,259
Contingencies	\$5,000	\$4,583	\$3,222	\$1,361
Chemicals	\$6,600	\$6,050	\$0	\$6,050
Perimeter Project	\$70,000	\$64,167	\$91,234	(\$27,067)
Fountains	\$0	\$0	\$45,162	(\$45,162)
TOTAL FIELD	\$151,140	\$138,545	\$195,368	(\$56,823)

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ended August 31, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 08/31/19	ACTUAL THRU 08/31/19	VARIANCE
<u>EXPENDITURES: (continued)</u>				
<u>STORMWATER MANAGEMENT</u>				
Landscape Maintenance - Roadway	\$25,000	\$22,917	\$0	\$22,917
Landscaping - Replacement	\$40,000	\$36,667	\$0	\$36,667
Stormwater Maintenance	\$50,000	\$45,833	\$0	\$45,833
Lake Maintenance	\$21,120	\$19,360	\$16,000	\$3,360
Wetlands Maintenance	\$19,200	\$17,600	\$12,750	\$4,850
Irrigation System	\$10,000	\$9,167	\$0	\$9,167
Contingencies	\$10,000	\$9,167	\$1,181	\$7,985
TOTAL STORMWATER MGMT	\$175,320	\$160,710	\$29,931	\$130,779
TOTAL EXPENDITURES	\$449,558	\$411,477	\$353,975	\$57,502
Excess (deficiency) of revenues over (under) expenditures	(\$87,728)	(\$49,647)	(\$10,507)	\$39,140
Net change in Fund Balance	(\$87,728)	(\$49,647)	(\$10,507)	\$39,140
FUND BALANCE - Beginning	\$92,643		\$500,234	
FUND BALANCE - Ending	<u>\$4,915</u>		<u>\$489,728</u>	

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2013

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ended August 31, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 08/31/19	ACTUAL THRU 08/31/19	VARIANCE
<u>REVENUES:</u>				
Assessments	\$432,649	\$432,649	\$461,043	\$28,394
Interest Income	\$0	\$0	\$8,437	\$8,437
TOTAL REVENUES	\$432,649	\$432,649	\$469,480	\$36,831
<u>EXPENDITURES:</u>				
<u>Series 2013</u>				
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)	\$35,854	\$36,831
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)	\$26,364	\$36,524
FUND BALANCE - Beginning	\$166,548		\$390,246	
FUND BALANCE - Ending	<u>\$156,388</u>		<u>\$416,610</u>	

PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2005

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ended August 31, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 08/31/19	ACTUAL THRU 08/31/19	VARIANCE
<u>REVENUES:</u>				
Assessments	\$440,879	\$64,588	\$64,588	\$0
Interest Income	\$0	\$0	\$8,331	\$8,331
TOTAL REVENUES	\$440,879	\$64,588	\$72,919	\$8,331
<u>EXPENDITURES:</u>				
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)	(\$379,012)	(\$370,681)	\$8,331
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)	(\$387,245)	(\$422,201)	(\$34,957)
FUND BALANCE - Beginning	\$201,847		(\$3,412,517)	
FUND BALANCE - Ending	\$190,893		(\$3,834,719)	

PORTOFINO ISLES

COMMUNITY DEVELOPMENT DISTRICT

CAPITAL PROJECTS FUND - SERIES 2013

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ended August 31, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 08/31/19	ACTUAL THRU 08/31/19	VARIANCE
REVENUES:				
Interest Income	\$0	\$0	\$22	\$22
TOTAL REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$22</u>	<u>\$22</u>
EXPENDITURES:				
Capital Outlay	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$22</u>	<u>\$22</u>
Net change in Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$22</u>	<u>\$22</u>
FUND BALANCE - Beginning	\$0		\$1,244	
FUND BALANCE - Ending	<u>\$0</u>		<u>\$1,266</u>	

PORTOFINO ISLES

COMMUNITY DEVELOPMENT DISTRICT

CAPITAL PROJECTS FUND - SERIES 2005

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ended August 31, 2019

DESCRIPTION	ADOPTED BUDGET	PRORATED BUDGET THRU 08/31/19	ACTUAL THRU 08/31/19	VARIANCE
<u>REVENUES:</u>				
Interest Income	\$0	\$0	\$158	\$158
TOTAL REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$158</u>	<u>\$158</u>
<u>EXPENDITURES:</u>				
Capital Outlay	\$0	\$0	\$4,028	(\$4,028)
Default Expenditures	\$0	\$0	\$18,592	(\$18,592)
TOTAL EXPENDITURES	<u>\$0</u>	<u>\$0</u>	<u>\$22,619</u>	<u>(\$22,619)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	<u>(\$22,462)</u>	<u>(\$22,462)</u>
Net change in Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>(\$22,462)</u>	<u>(\$22,462)</u>
FUND BALANCE - Beginning	\$0		\$22,599	
FUND BALANCE - Ending	<u>\$0</u>		<u>\$138</u>	

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>\$6,105,000</u>
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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>\$4,420,000</u>
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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
					Series 2013	Series 2005	General	Total
					Debt	Debt	Fund	
Date	Gross Tax	Commissions	Discounts	Net Amount	Service Fund	Service Fund		
Received	Received			Received	65.39%	14.01%	20.60%	100.00%
\$	-			\$ -	\$ -	\$ -	\$ -	\$ -
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				