MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

VENETIAN COMMUNITY DEVELOPMENT DISTRICT

The special meeting of the Board of Supervisors of the Venetian Community Development District was held on **Monday, July 15, 2019 at 9:30 a.m.** at the Venetian River Club, 502 Veneto Boulevard, North Venice, Florida 34275.

Present and constituting a quorum were:

- Richard Bracco, Board Supervisor, Chairman
- Susie Lentile, Board Supervisor, Vice Chairman
- David Lusty, Board Supervisor, Assistant Secretary (via speaker phone)
- Richard McCafferty, Board Supervisor, Assistant Secretary
- Steve Kleinglass, Board Supervisor, Assistant Secretary

Also present were:

- Belinda Blandon, District Manager, Rizzetta & Company, Inc.
- Andy Cohen, District Counsel, Persson, Cohen & Mooney, P.A.
- Rick Schappacher, District Engineer, Schappacher Engineering
- Denise Payton, Club Manager, River Club
- Keith Livermore, Field Manager, Venetian CDD
- Joseph Iafe, ICON Management
- Audience

FIRST ORDER OF BUSINESS

Ms. Blandon called the meeting to order and conducted the roll call.

On a Motion by Mr. Bracco, seconded by Mr. McCafferty, with all in favor, the Board Allowed Mr. Lusty to Participate and Vote via Speaker Phone, for the Venetian Community Development District.

SECOND ORDER OF BUSINESS

Ms. Blandon opened the floor to audience comments.

Mr. Henard introduced himself as the Chairman of the Architectural Control Committee; he spoke regarding the CDD plan for landscaping upgrades along the entry of Venetian. Mr. Henard spoke regarding making the move to Florida Friendly landscaping and the associated fundamentals. Mr. Henard advised that the ACC is in the process of rewriting the current ACC/POA rules and regulations related to landscaping in order to make them
Florida Friendly. He offered the assistance of the ACC to work with the Landscaping Committee in order to ensure that the CDD utilizes Florida Friendly landscaping. Mr. McCafferty invited Mr. Henard to the next Landscaping Advisory Committee meeting, August 5th.

Ms. Bracco advised that she is also part of the ACC and suggested constant communication between the POA ACC and the CDD Landscape Advisory Committee. Mr. Bracco advised that the constant communication could be implemented.

THIRD ORDER OF BUSINESS District Engineering Staff Report

Mr. Schappacher advised that he was onsite last week and reviewed all CDD assets; he advised that bid packages will be completed which will include roadway and striping work at the front entry and exit. Mr. Kleinglass spoke regarding an area between the guardhouse and the stop sign at Pesaro that also needs attention. Discussion ensued regarding the areas affected by the fluid spills. Mr. Schappacher advised that he looked at all of the roads, specifically looking at affects of the hydraulic fluid spills. He advised that he will use that information in the next meeting with the City. Mr. Lusty inquired regarding the need for the District to change the useful life of the roadways in the reserve study due to the damages caused by the spills. Mr. Schappacher advised that the numbers in the reserve study have been adjusted. Mr. Schappacher advised that sidewalk grinding and replacement is needed in areas spray painted in orange throughout the community. He advised that regarding the parking lot area; the bad spot will be cut out and replaced and after that the vendor will come back. Mr. Schappacher advised that bank restoration work will start the week of July 25th. He advised that the low bidder on the POA boardwalk work was Abbots; four bids were received, and the POA has signed the contract with Abbots.

FOURTH ORDER OF BUSINESS Consideration of Proposals for Refrigeration Maintenance

Ms. Payton provided an overview of the proposals from B&I Contractors and Honest Air for a refrigeration maintenance plan. She advised that B&I quoted $2,875.00 for four maintenance events and Honest Air quoted $3,150.00 for four maintenance events or $1,575.00 for two maintenance events. Ms. Payton advised that the chef is leaning toward B&I as they are very responsive. Ms. Payton responded to Board questions. Mr. Lusty spoke regarding the need for a maintenance contract for the refrigerators.

On a Motion by Mr. Bracco, seconded by Mr. McCafferty, with all in favor, the Board Approved the B&I Proposal for Quarterly Refrigeration Maintenance, in the Amount of $2,875.00 per Year, Subject to Review of the Agreement by Counsel, for the Venetian Community Development District.

Mr. Lusty inquired regarding maintenance contract for other major systems. Ms. Payton advised that other major systems do have maintenance contracts.

Ms. Blandon recommended skipping to item 4D as items 4B and 4C are expected to be lengthy discussion items. The Board agreed.
FIFTH ORDER OF BUSINESS  Consideration of Audit for Fiscal Year End September 30, 2018

Mr. Lusty asked if the auditors are seeing both ICON and Rizzetta books. Ms. Blandon confirmed. Mr. Lusty addressed his concerns with River Club accounting discrepancies that were not questioned in the audit. Ms. Blandon confirmed that the auditor did not find any adverse findings. Discussion ensued. Ms. Blandon provided an overview of the Audit for fiscal year end September 30, 2018.

On a Motion by Mr. Bracco, seconded by Mr. McCafferty, with four in favor and Mr. Lusty opposed, the Board Accepted the Audit for Fiscal Year End September 30, 2018, as Prepared by McDirmit Davis & Company, for the Venetian Community Development District.

SIXTH ORDER OF BUSINESS  Consideration of Alliance IT Proposals for Point of Sale, Switch, Server Upgrade, Datto Back Up, and Managed Services Contract

Ms. Payton provided an overview of the proposals received from Alliance IT; she advised that she has received revised proposals that do not include sales tax. She advised that she spoke with Entech who has advised that they can lower their pricing; she further reviewed Entech’s concerns with maintaining a server that they do not provide. Ms. Payton advised that Entech has advised that if another company is selected for the server, they would like to work with the approved vendor to ensure that everything needed is installed. Ms. Payton advised of the savings that can be realized by switching managed services to Alliance IT. Discussion ensued. Ms. Payton advised that she will check the termination clause of the Entech contract and report back to the Board. Mr. Bracco recommended giving serious consideration of the Alliance IT proposals as there is a significant cost savings. Ms. Payton advised that she will report back at the next Board meeting regarding the Entech termination clause and the Alliance IT proposals.

SEVENTH ORDER OF BUSINESS  Consideration of the Minutes of the Board of Supervisors’ Meeting held on June 10, 2019

Ms. Blandon presented the minutes of the Board of Supervisors’ meeting held on June 10, 2019 and asked if there were any additions, deletions, or corrections to the minutes. There were none.

On a Motion by Mr. Bracco, seconded by Ms. Lentile, with all in favor, the Board Approved the Minutes of the Board of Supervisors’ Meeting held on June 10, 2019, for the Venetian Community Development District.

EIGHTH ORDER OF BUSINESS  Consideration of the Operations and Maintenance Expenditures for the Month of June 2019
Ms. Blandon presented the Operations and Maintenance Expenditures for the period of June 1-30, 2019 advising that the expenditures totaled $111,491.98. She asked if there were any questions regarding any item of expenditure. Mr. McCafferty advised that expenditures seem higher than normal. Mr. Lusty advised that expenditures typically total $80,000.00 to $140,000.00. There were no further questions.

On a Motion by Mr. McCafferty, seconded by Mr. Lusty, with all in favor, the Board Approved the Operations and Maintenance Expenditures for the Month of June 2019, totaling $111,491.98, for the Venetian Community Development District.

**NINTH ORDER OF BUSINESS** Consent Items

Ms. Blandon advised the consent items consist of the April 1, May 6, and June 3, 2019 minutes of the Facilities Advisory Committee meetings. She asked if there were any questions related to the Committee minutes. There were none.

On a Motion by Mr. Bracco, seconded by Ms. Lentile, with all in favor, the Board Accepted the Consent Items, for the Venetian Community Development District.

The Board took a recess at 10:23 a.m. and was back on the record at 10:32 a.m.

**TENTH ORDER OF BUSINESS** Review of Reserve Studies Version 2

Ms. Blandon provided an overview of the reserve study changes. She advised that the new study shows the annual assessment per household at $253.00 which is an increase of $79.10 per household. Mr. Schappacher reviewed the sidewalk notes contained within the study; he advised that there are not many areas of replacement per his site visit. Mr. Schappacher advised that he believes that $10,000.00 per year or $50,000.00 for five years should be sufficient for sidewalk repairs. The Board agreed. Ms. Blandon advised that the landscaping item was raised by $40,000.00. Mr. Lusty advised that he thought the $20,000.00 was too low and thought that he recommended an increase to $40,000.00. The Board agreed that the amount should be reduced to $40,000.00. Discussion ensued regarding the Citadella gate; the Board has advised they would like to leave the line items in the revised study as is. Ms. Blandon asked if the Board would like to increase the remaining life of the Maintenance Cart; the Board advised they would like to add two years to the remaining life. Ms. Blandon discussed the pond bank erosion; she advised that the line for Erosion control Yearly Allowance should be removed until the next study is completed; the Board concurred. Ms. Blandon discussed the Irrigation System Pumps 1 through 3; she advised the amount was decreased due to recent replacements. Irrigation Systems 4 and 5 were the pumps that were replaced. Ms. Blandon advised that the Flowtronex number will need to be increased by $10,000.00. Ms. Blandon advised that the 30 hp well pump was increased to $10,000.00 with two years remaining life; the 10 hp pump was increased to $5,000.00 with two years remaining life. Regarding the 3 hp fountain pump; the remaining life was reduced to zero years. Ms. Blandon advised that the line for mail boxes, the amount was changed to $146,403, which is a reduction of $5,067.00, with zero remaining life remaining. Mr. Lusty asked if the contract is for all of the mailboxes. Ms. Blandon confirmed. Mr. Bracco clarified that the newer mailboxes are not being refurbished.
at this time. Mr. Lusty advised that the mailboxes that are not being refurbished at this time may need to be done before the 15 year life expectancy currently listed in the study. Ms. Blandon asked if there were any other questions or changes. Mr. McCafferty inquired regarding the increase to the aerator line item. Ms. Blandon advised that the cost of aerators have increased significantly. Mr. Lusty discussed the inflation rate and advised that he does not believe that the study takes into account a large enough rate of inflation. Mr. Kleinglass discussed the statement on the financial condition of the District; the district is thirty-five percent funded which indicates the District is barely fairly funded and he is concerned. He inquired regarding whether this is an issue. Ms. Blandon reminded Mr. Kleinglass of the loan to the River Club for the renovation project; the reserve account balances are reduced due to that loan and an adjustment needs to be made to reflect the loan amount and the $300,000.00 that is still owed from the River Club to the CDD reserves. Discussion ensued regarding the loan. Mr. Lusty advised that he would like to echo what Mr. Kleinglass said in not being comfortable with being thirty-five percent funded. Discussion ensued.

Ms. Payton reviewed the River Club reserve study summary; she recommended reducing the $133,200.00 for the 36-ton rooftop units to $80,000.00. Mr. Lusty recommended that Ms. Payton obtain quotes prior to lowering the number. Ms. Payton reviewed the Mens and Womens Locker Room Refurbishment, she advised that they will need renovations before the five years noted on the report; she recommended lowering the number of years to zero or one. The Board concurred. Ms. Payton advised that she will obtain estimates for the locker rooms. Ms. Payton advised that the item for the Lounge Television listed at zero years but was recently replaced and she recommended increasing that to eight years. Ms. Payton discussed the Access System line; it is listed as lasting an additional ten years although she thinks ten years may be too much. Mr. Lusty advised that the access system has had ongoing issues. Mr. Bracco advised that the issues were with the gate itself and not the access system. Ms. Payton discussed the Fitness Room Flooring; it is listed at three years although she feels it will need to be done earlier than three years. She recommended replacing the floor at the time of the equipment replacement. Mr. Lusty advised that the flooring is more expensive than the $7,000.00 listed. It was advised that the Fitness Advisory Committee had obtained a proposal for $11,000.00 for new flooring. Ms. Payton advised that the remaining life of the flooring should be reduced to zero and the expected life should be increased to ten. Ms. Payton advised that the line for Paint Interior of Clubhouse with seven years remaining; most of the walls will be painted this summer. Mr. Lusty advised that the proposal received for painting was $35,000.00; he recommended repainting every five years. Ms. Payton addressed the Veranda Furniture; she advised that the furniture is more expensive than what is listed and it may not last another four years. She recommended decreasing the remaining life to two years and recommended increasing the cost to $15,000.00 and decreasing the expected life when new to eight years. Ms. Payton advised that the Outdoor Grill has recently been replaced; she recommended decreasing the amount to $2,000.00. Ms. Payton advised that she has inquired with the pool company regarding the Remarcite of the pool and will provide that information to Ms. Blandon. Ms. Payton recommended leaving the Lap Pool at zero years remaining life and change the Main Pool to one-year life remaining. Ms. Payton advised that regarding the Pool Lifts; one was replaced and the other one is down and cannot be replaced. She advised that the $11,000.00 is good for replacement of two lifts and at this moment only one needs to be replaced. She further recommended increasing the pool lift remaining life to ten-years. Discussion ensued regarding the pool lifts. Ms. Payton advised the Pool Furniture may not last another six years. Mr. Kleinglass advised that furniture was replaced about four years
ago and cost approximately $85,000.00. Ms. Payton advised that she would like Pool Furniture changed to four years remaining life and Mr. Lusty recommended increasing the replacement cost. Ms. Payton advised that the Tennis Courts Reconditioning is done every three years at $18,000.00 and Resurfacing is every nine years at $36,000.00. Mr. Sandomenico advised that next year the $18,000.00 service will be done and in 2026 the $36,000.00 service will be done. Ms. Payton advised that Phase 2 should be removed, Phase 1 expected life should be reduced to three years, and Resurfacing remaining life should be reduced to 4 years. Ms. Payton advised that Tennis Court Fencing should be done at the same time as the Resurfacing of the courts although it is not a full tear down. Mr. Sandomenico will obtain pricing for the needed repairs. Ms. Payton recommended reducing the remaining life of the fence as well as the cost of replacement. Mr. McCafferty asked if the items under $5,000.00 on the kitchen equipment list should be moved to the operating budget and not the reserve budget. Mr. Lusty advised that anything that lasts longer than one year is considered a capital expense and goes in reserves; anything that lasts under one year would be operating budget. Ms. Payton advised that going forward the Computer Server System should be added to the reserve study at a cost of $12,000.00 with a life expectancy of five years so that the next time it needs to be replaced the money would be available in reserves. Discussion ensued. Ms. Payton advised that the music system is very old and having problems. Mr. Bracco recommended going with a wireless system. Ms. Payton advised that she will obtain pricing for a wireless music system. Mr. McCafferty spoke regarding the tile roof and flat roof; in the 2018 Study they were fifteen year and fifteen year remaining life and they have been cut to five and eight; he inquired as to why such a significant cut. Mr. Lusty advised that the roofs will not last another fifteen years. Discussion ensued. Mr. Bracco recommended having a roofer provide an estimate on the useful life of the roof. Mr. McCafferty inquired regarding the increased amount of weight equipment. Ms. Payton advised that the new cost is based on a quote. Mr. McCafferty inquired regarding the tiki bar renovation amount. Mr. Lusty advised that the original amount in the reserve study for the tiki bar was $25,000.00 which is not enough for a renovation; he advised that the $300,000.00 was a place holder until a quote could be obtained. Discussion ensued. Mr. Kleinglass advised that an architect has been consulted and in his opinion that it is a waste of money to renovate the existing tiki bar and has recommended to start anew and expand the area; he advised that in order to do that, even in phases, would take approximately $1,000,000.00 to get where the Community would like to be. Mr. Kleinglass advised that the architect has been asked to help provide a start and complete the project in phases. Mr. Kleinglass advised that this is a large project. Ms. Payton advised that initially the conversation was let’s fix what we have but the outdoor space is the number one gathering spot. Discussion ensued. Mr. Kleinglass described a very rough rendering of the architect’s proposal. Mr. McCafferty recommended having a community input meeting. Discussion ensued regarding how to handle the $300,000.00 line item in the reserve study. Mr. Lusty advised that the $300,000.00 is set to be collected this year and so if that number is left in for three years the $1,000,000.00 has been reached. Mr. McCafferty advised that he is not comfortable with that scenario. Mr. Kleinglass advised that something has to be done with the tiki bar. Mr. Lusty advised that something needs to be in the reserve study and in the budget for the current year. Mr. Kleinglass spoke regarding the eventuality of the entire area. Mr. Bracco advised that he would like to see the amount reduced to $100,000.00. Mr. Lusty advised that he would like to put the line item back to $200,000.00. Mr. McCafferty advised that he would prefer to see zero but can support $100,000.00.
On a Motion by Mr. Lusty, seconded by Mr. Kleinglass, with three in favor and Mr. McCafferty and Ms. Lentile opposed, the Board Reduced the $300,000.00 Reserve Allocation Line Item for the Tiki Bar Renovation to $137,700.00, for the Venetian Community Development District.

Mr. Kleinglass confirmed that the project will continue to be pursued with a presentation by the Architect in September.

**ELEVENTH ORDER OF BUSINESS**

**Discussion and Review of Proposed Budgets for Fiscal Year 2019/2020**

Ms. Blandon advised that the May financials have been updated on the budget document and minor revisions have been made although the approved proposed budget has not changed. Ms. Payton reviewed her projection changes to the budget.

**TWELFTH ORDER OF BUSINESS**

**Staff Reports**

A. **District Counsel**

Mr. Cohen advised that Ms. Payton received a letter from an attorney related to having a credit card on file; he advised that he spoke with the attorney and believes the issue is resolved. Mr. Cohen advised that he received a question regarding Committee “field trips”; he advised that the best course of action is that only one Committee member go on the field trip, but if there is an absolute need for everyone to go on the trip then the notice needs to reflect that and the meeting would need to convene at the River Club, notice posted on the door that the meeting is out on site, and then a record of the field trip made and kept.

B. **River Club**

Ms. Payton advised that the fence at the River Club will be fixed and Tri-County will be paying for it. She advised that regarding pressurization of the building; visually inspecting the ducts has become an issue and so an access door is going to be installed in the dining room. Ms. Payton advised that there are dampers on the ducts and the thought is that the dampers are closed and causing a problem. She advised that it is still unclear if the building can be properly pressurized. Ms. Payton advised that the handicap chair lift at the pool is too low; it can be raised two inches and then determination will be made if the two inches will work and if not, then other avenues will need to be explored. Ms. Payton advised that use of round up at the pool has become an issue and so a more organic mixture is being used. She advised that the fire system was recently reviewed and there is an issue with fire alarms that were painted over during the renovation. Ms. Payton advised that a health inspection was conducted and there were 13 items of concern that were corrected the next day with a 100 percent pass. Ms. Payton advised that the use of table cloths has been reduced in an effort to save costs.

C. **Field Manager**

Mr. Livermore advised that sidewalks and monuments were pressure washed and painting of the monuments will start soon. He advised that the
sand blasting company will be picking up the contract soon in an effort to get started. He advised that Brightview seems to be trying to get the community back to the look that is expected. Mr. Bracco inquired regarding residents painting their own mailboxes. Mr. Livermore advised that he had not heard anything about that issue. Mr. Kleinglass inquired regarding trimming of the Oaks on Veneto and it looks terrible; he asked that Mr. Livermore review the trees.

D. District Manager
Ms. Blandon advised that Ms. Cason has resigned for medical reasons and Mr. Livermore is currently interviewing for an admin.

Ms. Payton advised that Ms. Cason’s office was previously in the laundry room with the maintenance person and so the Membership Director take over the Field Manager’s office so that the Field Manager and Administrative Assistant can move into the Membership Director’s office. Ms. Blandon reviewed concerns with the Field Manager and the Administrative Assistant; she advised there are also concerns with the Administrative Assistant sharing an office with the maintenance person and laundry. Discussion ensued. For the time being, the Field Manager and Administrative Assistant will share an office.

Ms. Blandon advised that the next regular meeting of the Board of Supervisors’ is scheduled for Monday, August 19, 2019 at 9:30 a.m. Ms. Lentile advised that she will not be able to attend the next meeting and asked for the call in information.

Mr. Bracco inquired regarding the possible cost savings of going to skeletal minutes. Ms. Blandon advised that she will have that discussion with Mr. Roethke on July 29th.

THIRTEENTH ORDER OF BUSINESS Supervisors Requests and Comments

Ms. Blandon opened the floor to Supervisor requests and comments.

Mr. Bracco discussed the email received from Mr. Cohen regarding use of Social Media; he advised that he believes the use of Social Media is not a good idea as it can generate negative comments and be taken out of context. Mr. Bracco further advised that he believes that the Board should not be going back and forth on websites like NextDoor. Mr. Cohen advised that it had been pointed out to him that there were issues and from a legal standpoint it is a potential Sunshine issue as well as a public records issue as there is no record of posts. Mr. Lusty advised that the posts in question have been saved to his email. Mr. Cohen advised that he tells all of his Boards that it is best to stay off of Social Media sites for those two reasons. Mr. Bracco advised that he received an email from a resident complimenting Mr. Livermore’s work. Mr. Bracco further advised that there is a meeting on the 25th with the City related to the hydraulic fluid spills.
Mr. Kleinglass advised that the Facilities Advisory Committee is scheduled to meet on the 2\textsuperscript{nd} of September and he asked if it would be acceptable to have the Facilities Advisory Committee meet with the architect for the tiki bar.

Mr. Lusty advised that he had a conference call regarding the accounting irregularities and he is hopeful that those issues will be resolved going forward. He further addressed the Social Media concerns and advised that he understands the records concern and therefore he has saved any and all posts he has made. Mr. Lusty further advised that serving as a Board Member does not negate his first amendment rights.

FOURTEENTH ORDER OF BUSINESS  

Adjournment

On a Motion by Mr. McCafferty, seconded by Mr. Bracco, with all in favor, the Board adjourned the meeting at 12:56 p.m., for the Venetian Community Development District.