

CYPRESS SHADOWS COMMUNITY DEVELOPMENT DISTRICT

July 23, 2020 Minutes of the Special Meeting

Minutes of the Special Meeting

The Special Meeting of the Board of Supervisors of the Cypress Shadows Community Development District was held on **Wednesday, July 23, 2020 at 4:00 p.m. via Zoom Meetings at <https://zoom.us/j/97118926476> with meeting ID 971 1892 6476.**

1. CALL TO ORDER/ROLL CALL

Mr. Lamb called the Special Meeting of the Board of Supervisors of the Cypress Shadows Community Development District to order on **Wednesday, July 23, 2020 at approximately 4:00 p.m.**

Board Members Present and Constituting a Quorum:

Louis Frattarelli	Chair
Don Lozzi	Supervisor
Tony Provinzino	Supervisor
Walt Giesbrecht	Supervisor

Staff Members Present:

Brian Lamb	District Manager, Meritus
Greg Urbancic	District Counsel, Coleman, Yovanovich & Koester

There were many residents in attendance via conference call.

2. VENDOR/STAFF REPORTS

- A. District Counsel**
- B. District Engineer**
- C. District Manager**

Mr. Lamb went over the purpose for the meeting and the history of updating the agreement and the drainage control issues in previous years. He also went over that there are concerns and risks associated with FEMA as it relates to the HOA Maintenance Agreement. Mr. Urbancic explained the process of submitting claims to FEMA after disasters. He also went over his experience with another district getting denied for sign repair and debris cleanup because of an older HOA/CDD agreement with that district's HOA. There was a question about insuring the assets. Mr. Urbancic and Mr. Lamb went over that assets like the Gatehouse are insured, but landscaping and pond banks which can see a lot damage after hurricanes are not insurable. There was a concern about having any assets maintained by the HOA and if FEMA could use even one asset maintained by the HOA instead of the CDD as a way to deny a claim. Mr. Urbancic explained that previous claims have hinged on if there was a public aspect to the assets. The Board and Mr. Urbancic talked about the gate and language that Mr. Urbancic put into the agreement.

45 The Board agreed to take resident feedback. Mark, a resident who is on the HOA Board, went over
46 the process they would follow if there was a storm that caused damage. They would apply for aid
47 from FEMA and see what happened for items that are not insurable like landscaping. For items that
48 are insurable, they would go through their insurance company. They have a \$100K line of credit.
49 They could also do an assessment to residents. Mr. Urbancic noted that the CDD would have to
50 apply for aid from FEMA, not the HOA. The District would need to do a special assessment to
51 refurbish the assets. Susan, another resident who is on the HOA Board, also provided comments on
52 FEMA and insurance. Resident Nick Liberto commented about FEMA and asked some questions
53 about fiduciary responsibility and risk. Mr. Urbancic discussed the fiduciary duty of the CDD.
54 There was a question about FEMA denying claims because of the gate. Mr. Urbancic said yes, it is
55 possible. Another audience member asked about the gate being a soft gate. Mr. Lamb and Mr.
56 Urbancic explained. There was also a question about the procedure for assessments after a disaster
57 if FEMA denied a claim. Supervisor Giesbrecht asked about the CDD maintaining some things and
58 the HOA maintaining others. Supervisor Lozzi discussed communication to residents and that some
59 residents may not be aware of the FEMA risk.
60
61

62 3. BUSINESS ITEMS

63 A. Discussion on CDD Facilities Operations and Maintenance Agreement

64
65 Mr. Urbancic went over meeting with the HOA representatives on revising the Maintenance
66 Agreement. The draft in the meeting book is what Mr. Urbancic put together based on what the
67 HOA seemed to be asking in the meeting. They have not come to an agreement yet and it would
68 have to be a board decision. There is also a question of reserve transfer that still needs to be
69 resolved. The attorney for the HOA sent a revised version that has been sent to the boards. There
70 is still some language that needs to be worked through in that version regarding the reserves and
71 termination. Mr. Lamb said that there are some spending authority and contracts issues that need
72 to be resolved as well, and they also are looking to have an updated exhibit that accurately
73 defines the ownership parcels and easements that over-lie any improvements on other property.
74 Supervisor Provinzino also provided an update on the progress of the Agreement with the HOA
75 and said talks have been going well and it looks like they are getting very close. Supervisor
76 Frattarelli said he was most concerned about the section about the reserves. Supervisor
77 Giesbrecht asked for more information about Section 9B regarding the reserves.
78

79 The Board allowed resident Mark on the HOA to comment again; he went over that the HOA
80 does not want to enter into a one-year agreement and asked for a five-year agreement. Now they
81 are waiting on word regarding a three-year agreement. The HOA was concerned about reserves
82 in conjunction with a shortened agreement. Mr. Lamb went over that the CDD was concerned
83 about the reserves for particular assets not following those assets. Mr. Urbancic went over that
84 the agreement has a 30-day termination notice no matter how many years the Agreement will be
85 for. He said that in other communities he has worked with, they have one-year Agreements that
86 roll over year to year. Mr. Urbancic outlined again that the primary concern is that the CDD has
87 a fiduciary duty to maintain the District's assets. Supervisor Giesbrecht said he still felt the
88 FEMA matter has not been resolved; he also wanted to make sure communication is better

89 between the boards. Mr. Urbancic went over that they thought it would be good to include the
90 assets in the Agreement as an exhibit.

91

92 Mr. Lamb explained that the decision the Board has to make is either to go with Option A, which
93 would be to move forward with a revised Agreement, or Option C, which would involve CDD
94 maintaining their own assets and notifying the residents of the possible increase in assessments.
95 Supervisor Lozzi asked if Option C would still give the CDD the ability to negotiate the
96 Agreement with the HOA. Mr. Lamb said yes, that it would give them the ability to move
97 forward, but the CDD would reserve the right and funds to be able to move forward with
98 potential termination of the existing Agreement if the CDD and HOA do not succeed in their
99 discussions. Mark with the HOA said the HOA is committed to attending as many meetings as is
100 needed to complete a revised Maintenance Agreement with the CDD.

101

102

MOTION TO: Move forward with Option C and continue the negotiations with the HOA to try to get to Option A.

103

MADE BY: Supervisor Giesbrecht

104

SECONDED BY: Supervisor Lozzi

105

DISCUSSION: The Board discussed moving forward with Option C. Mr. Lamb clarified that moving forward with Option C and continuing the negotiations with the HOA to try to get to Option A meant that the residents and owners would be noticed of the possible increase and that staff and Supervisor Provinzino would be authorized to continue working with the HOA on the Agreement.

106

107

108

109

110

111

112

113

114

RESULT: Called to Vote: Motion PASSED

115

4/0 - Motion Passed Unanimously

116

117

118

119

The Board asked to make sure that there is another meeting with the HOA sooner rather than later so that they are not making the decision at the last minute. Mr. Lamb agreed.

120

B. Acceptance of Board Resignation – Charlie Bawtinheimer, Seat 1

121

C. Discussion on Open Board Seat, Seat 1

122

123

124

125

126

127

The Board reviewed the Board resignation of Charlie Bawtinheimer. Mr. Lamb explained that this seat was set to expire in November of 2020. He went over possible options for filling the vacant seat. Nick Liberto already qualified for the seat unopposed in November. The Board could go ahead and appoint Nick Liberto. The Board discussed.

128

129

130

131

132

133

134

135

136

MOTION TO:	Accept the Board resignation of Charlie Bawtinheimer and appoint Nick Liberto to Seat 1 for the unexpired term.
MADE BY:	Supervisor Giesbrecht
SECONDED BY:	Supervisor Lozzi
DISCUSSION:	None further
RESULT:	Called to Vote: Motion PASSED 4/0 - Motion Passed Unanimously

137

138

139

140

141

Nick Liberto stated that he accepts the appointment. Mr. Lamb went over that he will send Supervisor Liberto all of the information necessary for the appointment and have him sworn in after the meeting.

142

D. Authorize RFQ for Engineering Services

143

i. Authorize Management to Contract Services with Engineering Firm for Ownership Map

144

145

146

147

Mr. Lamb and the Board discussed authorizing an RFQ for engineering services.

148

149

150

151

152

153

154

155

156

157

MOTION TO:	Authorize RFQ services for the Engineer for the CDD and authorize District Management and Counsel to contract services with either Banks or an alternate firm for a special project, with Mr. Lamb's recommendation of Johnson Engineering.
MADE BY:	Supervisor Frattarelli
SECONDED BY:	Supervisor Giesbrecht
DISCUSSION:	None further
RESULT:	Called to Vote: Motion PASSED 4/0 - Motion Passed Unanimously

158

159

E. General Matters of the District

160

161

162

4. SUPERVISOR REQUESTS

163

164

There were no supervisor requests at this time.

165

166

167

Mr. Lamb said if they are able to negotiate and get to a reasonable position regarding the Agreement prior to the August budget meeting, it may be a consideration to advertise for a special meeting to

168 finalize the revised Agreement before the hearing in August. Mr. Lamb also mentioned that there is
169 not a lot of time before the next meeting.

170
171

172 **5. AUDIENCE QUESTIONS, COMMENTS AND DISCUSSION FORUM**

173

174 There were no audience questions or comments.

175

176

177 **6. ADJOURNMENT**

178

179

MOTION TO:	Adjourn.
MADE BY:	Supervisor Lozzi
SECONDED BY:	Supervisor Giesbrecht
DISCUSSION:	None further
RESULT:	Called to Vote: Motion PASSED 4/0 - Motion Passed Unanimously

180

181

182

183

184

185

186

187 **Please note the entire meeting is available on disc.*

188

189 **These minutes were done in summary format.*

190

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

194

195 **Meeting minutes were approved at a meeting by vote of the Board of Supervisors at a publicly noticed**
196 **meeting held on 08/26/2020**

197

Louis Frattarelli

Brian Lamb

198

Signature

Signature

199

Louis Frattarelli

Brian Lamb

200

Printed Name

Printed Name

201

202

Title:

Title:

203

Chairman

Secretary

204

Vice Chairman

Assistant Secretary

205

206

207

208

Recorded by Records Administrator

209

210

Brittany Crutchfield

211

Signature

212

213

08/28/2020

214

Date

215

216

