

CYPRESS SHADOWS COMMUNITY DEVELOPMENT DISTRICT

June 11, 2020 Minutes of the Continued Regular Meeting

Minutes of the Continued Regular Meeting

The Continued Regular Meeting of the Board of Supervisors of the Cypress Shadows Community Development District was held on **Wednesday, June 11, 2020 at 4:00 p.m. via Zoom Meetings at <https://zoom.us/j/92695578744> with meeting ID 926 9557 8744.**

1. CALL TO ORDER/ROLL CALL

Mr. Lamb called the Continued Regular Meeting of the Board of Supervisors of the Cypress Shadows Community Development District to order on **Wednesday, June 11, 2020 at approximately 4:05 p.m.**

Board Members Present and Constituting a Quorum:

- Louis Frattarelli Chair
- Charlie Bawtinheimer Vice 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 several residents in attendance.

2. VENDOR/STAFF REPORTS

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

There were no updates from the Counsel or the Engineer at this time.

C. District Manager

Mr. Lamb went over that the purpose of the continued meeting was discussing and approving the proposed budget for fiscal year 2021. The next step beyond the budget would be to authorize District staff to meet with HOA representatives and their staff to look at what needs to be done next pursuant to the HOA Agreement. The public hearing for the final budget for fiscal year 2021 is scheduled for August 19, 2020 at 4:00 p.m. The meeting today will start the process and set the ceiling for where the budget will end up. It is also an exploratory meeting for the Board to discuss the HOA Agreement.

46 **3. BUSINESS ITEMS**47 **A. Consideration of Resolution 2020-01; Approving Fiscal Year 2021 Proposed Budget**
48 **& Setting Public Hearing**
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50 Mr. Lamb summarized the three options that the Board directed management to prepare in
51 regards to the proposed budget. The first option is the proposed budget as it was in previous
52 years, with the Board as an administrative arm to help coordinate and facilitate the necessary
53 items to remain in compliance with the state, and to honor the bond obligations for debt service
54 associated with the bonds. The second option would be the costs estimated for operating a
55 portion of the District's facilities, which would incorporate all of the programs except for
56 landscaping and security operations. Mr. Lamb wanted to highlight that they have not yet
57 reached out to the HOA to get their position on this option as to if it is viable or not. The third
58 option would be the costs for all of the operations that are associated with the CDD's facilities.
59 One of the caveats with options B and C is that it contemplates a reserve amount that is
60 consistent with the reserve schedule that was prepared by the HOA for the specific amounts for
61 refurbishment or replacement of the District assets in the future.

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63 Mr. Lamb reiterated that options B and C are exploratory options, and the HOA has not been
64 noticed of these options, nor have they entered into a discussion with District management or
65 Counsel about it. If the Board decides to move forward with modifying or terminating the
66 agreement as would be the case for options B and C, Mr. Lamb recommended noticing at the
67 higher cap in option C because the proposed budget is a cap not to exceed. The CDD would also
68 need to send out written notice to every landowner in the District about an increase in
69 assessments. Mr. Urbancic then briefly went over the history of the agreement with the Board
70 and the timeline for modifying or terminating.

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72 Supervisor Frattarelli said he was not happy with the HOA's management of the CDD assets. He
73 wanted to proceed with Option C. Supervisor Bawtinheimer asked about the overall increase in
74 assessments per household in Option B. Mr. Lamb went over that for Option B, it would be an
75 approximate increase in the operations and maintenance assessments from \$150 per unit to
76 \$1,044 per unit. The options are based on turning the current vendor contracts over to the CDD
77 rather than going out to bid for new vendors. The amounts are taken directly out of the HOA
78 budget. Mr. Lamb went over that the professional management team would be overseeing the
79 vendors without the Board needing to meet every month.

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81 The Board discussed the options. Supervisor Bawtinheimer explained why he wanted to proceed
82 with option A. Mr. Lamb reviewed what the next steps would be after a vote. Supervisor
83 Giesbrecht said he agreed with Supervisor Bawtinheimer about going with option A.
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| MOTION TO: | Approve Resolution 2020-01 with option A, and staff will not move forward with investigating changing the HOA agreement at this time. |
| MADE BY: | Supervisor Bawtinheimer |
| SECONDED BY: | Supervisor Giesbrecht |
| DISCUSSION: | The Board continued to discuss the options, increase in assessments, reserves, the current issues with managing the CDD assets, and a lack of communication from the HOA. |
| RESULT: | Called to Vote: Motion FAILED 2/3 – Supervisor Frattarelli, Supervisor Lozzi, and Supervisor Provinzino opposed. |

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Mr. Lamb explained that between Option B and C, he recommended going with Option C since they cannot move up in the budget between this meeting and the public hearing in August, but they can move down.

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| MOTION TO: | Approve Resolution 2020-01 with option C and authorize staff to proceed forward in contacting the HOA and associated representatives to begin the next step in discussions, with the option in August to be able to go back down to options A or B. |
| MADE BY: | Supervisor Frattarelli |
| SECONDED BY: | Supervisor Lozzi |
| DISCUSSION: | Supervisor Provinzino wanted to clarify that this is not the final vote after some resident comments in the meeting. Mr. Lamb clarified that the final vote on the budget will be in August, and that this vote is just setting the cap not to exceed. |
| RESULT: | Called to Vote: Motion FAILED 2/3 – Supervisor Bawtinheimer, Supervisor Giesbrecht, and Supervisor Provinzino opposed. |

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Supervisor Bawtinheimer reviewed why he believes option A would be the path forward. He stated that he would like to put option A back on the table for a vote.

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| MOTION TO: | Approve Resolution 2020-01 with option A, and staff will not move forward with investigating changing the HOA agreement at this time. |
| MADE BY: | Supervisor Bawtinheimer |
| SECONDED BY: | Supervisor Giesbrecht |
| DISCUSSION: | None further |
| RESULT: | Called to Vote: Motion FAILED 2/3 – Supervisor Frattarelli, Supervisor Lozzi, and Supervisor Provinzino opposed. |

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Supervisor Provinzino said he would like to have more transparency between the HOA and the CDD. Mr. Lamb said Mr. Urbancic could work on amending the agreement to make this clearer. Mr. Urbancic said that the existing agreement is a developer form and there are ways they could make it better.

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Supervisor Frattarelli stated that he would like to approve option C but with the stipulation that management and Counsel will discuss amending the HOA Agreement with the HOA, and that if the HOA agrees to that, then they will look to approve option A in the August meeting. If not, then the CDD Board would discuss approving option B or C at the August meeting. The Board discussed this option. They also discussed landscaping and current costs that were obtained by looking at the HOA’s 2020 budget. Mr. Lamb reviewed that the budget can be adjusted down but not up. Supervisor Provinzino asked about the timeline. Mr. Lamb went over that the proposed budget setting the cap needs to be approved by June 15th. The Board could continue the meeting until Monday, June 15 to give the HOA time to review and discuss. They could then pick back up at this place in the agenda in the June 15th meeting. The Board agreed that they would like to continue the meeting to June 15, 2020 at 4:00 p.m. Mr. Lamb said he and Mr. Urbancic will reach out to the HOA.

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4. SUPERVISOR REQUESTS

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5. AUDIENCE QUESTIONS, COMMENTS AND DISCUSSION FORUM

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6. ADJOURNMENT

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| MOTION TO: | Continue the meeting to June 15, 2020 at 4:00 p.m. and hold the meeting through Zoom Meetings. |
| MADE BY: | Supervisor Frattarelli |
| SECONDED BY: | Supervisor Bawtinheimer |
| DISCUSSION: | None further |
| RESULT: | Called to Vote: Motion PASSED 5/0 - Motion Passed Unanimously |

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164 **Please note the entire meeting is available on disc.*
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166 **These minutes were done in summary format.*
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168 **Each person who decides to appeal any decision made by the Board with respect to any matter*
169 *considered at the meeting is advised that person may need to ensure that a verbatim record of the*
170 *proceedings is made, including the testimony and evidence upon which such appeal is to be based.*

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

174 Louis Frattarelli
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176 **Signature**

177 Louis Frattarelli
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179 **Printed Name**

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181 **Title:**

- 182 Chairman
- 183 Vice Chairman

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Brian Lamb

Signature

Brian Lamb

Printed Name

Title:

- Secretary
- Assistant Secretary

Recorded by Records Administrator

Brittany Crutchfield

Signature

08/28/2020

Date

