

MINUTES OF MEETING
FALCON TRACE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Falcon Trace Community Development District was held Wednesday, March 15, 2017 at 6:00 p.m. at the Big Hawk Lake Recreational Center, 13600 Hawk Lake Drive, Orlando, Florida.

Present and constituting a quorum were:

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| Andrew Gammon | Chairman |
| Sara Hurst | Vice Chairman |
| Kathy Stark | Assistant Secretary |
| Sue Marchesi Baron | Assistant Secretary |
| Carole Miller | Assistant Secretary |

Also Present were:

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| Jason Showe | District Manager |
| Lindsay Whelan | District Counsel |
| Alan Scheerer | Field Operations |
| David Tuel | Head Pool Attendant |
| Several Residents | |

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Shaikh stated these meetings should be homeowner friendly meetings. Lots of people would like these meetings to be homeowner friendly meetings. We finally got the homeowners excited and voting in the election. This is the first time in 20 years they voted twice in a row. I'm talking about the CDD. Now is the time for them to know you. 200 people voted but they did not vote for Falcon Trace CDD Board seats. They either didn't understand it or they weren't sure. I request that we have this researched and my initial research indicates that when

Falcon Trace was built the CDD was the first one to come about the Homeowners Association came much after that.

Mr. Gammon asked what exactly are you asking?

Ms. Stark stated he wants to abolish the Homeowners Association and have us do that.

Mr. Gammon asked is that what you are suggesting?

Mr. Shaikh stated I'm suggesting this Board essentially has always had the President of the Homeowners Association as a member.

Mr. Gammon stated I don't know if that is correct or not.

Mr. Shaikh stated maybe it is not correct today but for years it was correct. I suggest there is so much redundancy

Mr. Gammon stated there is no duplication of responsibility. This public comment period is not a stage for Mr. Shaikh. Let's take one thing at a time. We tried different times for board meetings to encourage homeowner participation. Are you suggesting that if we do it in the morning we would have better homeowner participation in meetings?

Mr. Shaikh stated no.

Mr. Gammon stated we have never had homeowner participation. We have tried different times, we increased communication in newsletters, we have a pretty decent website. We notice meetings and I'm not sure what else we can do to increase homeowner participation. We tried different times, we moved back to 6:00 p.m. and have actually had more homeowner participation now. To suggest that there is redundancy in the two Boards there is not. What I have experienced is the same folks that have the interest to get involved in the HOA they care about this community also have the interest to get involved in the CDD. Is that a coincidence, no I don't think it is. What I heard you say suggesting that it is a negative I don't see it that way but let's address the redundancy of the Boards. What exactly are you referring to?

Mr. Shaikh stated I really came over here a very friendly spirit, not antagonistic. Maybe you have done everything possible to increase participation. It doesn't necessarily mean that we should give up. Maybe it is not worth it. I'm not implying in any way that you have not tried. Years ago, this was the biggest secret in Falcon Trace, it is not anymore. 90% of the people in 2013 did not know there were two entities.

Ms. Baron stated it might have been a big secret because people did not take the time to find out. When I moved into this community I knew there was a CDD and I knew exactly what

it was for. I use this pool, I also know we are paying for the off-site road to be completed. I knew we had our Homeowner's Association. I knew that we had a Homeowner's Association that wasn't run by the homeowners it was run by the builders at that point.

Ms. Whelan stated they were meant for different purposes. One of the primary differences between a CDD and HOA, among a myriad of things, the most important for you is the ability to issue tax exempt bonds to build infrastructure at a cost much cheaper than an HOA. One of the things that the HOA especially in this community is very active in is enforcing the master declaration, your deed restrictions, covenants things like that, which a CDD does not have the statutory authority to do except in very, very limited situations. We have actually done this research for a District in North Port and they actually have a defunct HOA where the HOA was run by the developer and was administratively dissolved because they didn't turn in paperwork so they effectively have no HOA. I went through tons of research to see if the CDD could take on those responsibilities for them and concluded that we could not. The ability for a CDD to do that is so incredibly narrow and in a circumstance that in my opinion you probably do not fall into. I would not recommend going down that road for that very reason.

Mr. Shaikh stated I agree but have her research further. Maybe I'm wrong but I want to know one thing if it was up to us would it make sense? Hypothetically if it was allowed to me it makes a lot of sense.

Ms. Baron stated I do not want them to run completely the community I live in and having total control over it. As you know I do not want the HOA to take on the responsibility of this entire community center. They do a wonderful job, that is their job, which is what they do for a living. I do not want to have to figure out how to employ everybody to take care of this entire community center. I happen to like that it is separate they do their thing we do our things for our homeowners. Our homeowners have the ability to come and use this wonderful community center. I like it separate.

Ms. Miller stated I agree with that, I think we need separation of State and religion. I got involved in the CDD because I'm a homeowner and I enjoy the meetings but I see you have to absolutely have to have a separation in order to function correctly, efficiently. The Homeowner's Association takes care of a different level and that is the way I think it should be and should continue.

Mr. Shaikh stated the Homeowner's Association costs us \$350,000 a year.

Ms. Whelan stated you are not taking into account that even it were legal for one entity to do both, which is not my recommendation and not my opinion based on my understanding of the statute but staff would not continue their tasks at the same exact rate. There is no duplication of service. You are paying a management company to manage the CDD facilities and the HOA is paying a different company to manage any HOA facilities. If you had one entity doing both you could assume the cost for that contract would probably close to double. You are not paying twice for the division of service you are paying separate contracts. The second thing is this is a public comment period and I want the Board to remember that you don't have to feel the need to respond, you are able to take comments under advisement and I know we have a lot of other members of the public in attendance today so I'm not trying to cut you off but at the same time I want to make sure everybody is able to get their questions, their comments, things like that in.

The Board took a short recess after which the meeting reconvened. There were no further comments from members of the public.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the January 18, 2017 Meeting

Mr. Showe stated the next item is approval of the minutes of the January 18, 2017 meeting, a copy of which was provided in the agenda package. Are there any additions, corrections or changes to the minutes?

There being none,

On MOTION by Mr. Gammon seconded by Ms. Stark with all in favor the minutes of the January 18, 2017 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Public Hearing

On MOTION by Ms. Hurst seconded by Ms. Miller with all in favor the public hearing on the amenity suspension and termination rules was opened.

- A. Consideration of Resolution 2017-04 Adopting Suspension and Termination Rules; Providing Severability Clause and Providing an Effective Date**

Ms. Whelan stated this resolution adopts the suspension and termination rules that you saw at your last Board meeting and no changes have been made since that time. We have a varying degree of suspension term depending on how many occasions you had offenses and also based on the severity of offenses and it is staff's discretion if it is something egregious they are able to immediately suspend access until the next Board meeting. No members of the public provided public comment on the proposed suspension and termination rules.

On MOTION by Ms. Hurst seconded by Ms. Baron with all in favor Resolution 2017-04 was approved.

B. Consideration of Resolution 2017-05 Adopting Amenity Facility Policies; Providing a Severability Clause and Providing an Effective Date

Mr. Showe stated the only substantial change is the age the Board has been talking about.

Ms. Whelan stated these are all the changes that we discussed at the last meeting and we emailed out a redline version so that you could see the changes and a clean copy is in the agenda package. One item discussed at the last meeting was whether we could only allow people who are 18 and younger to bring guests and I said I would look into that. I looked at case law and what we do in a couple other Districts and got comfortable with having that requirement in place where you have to be 18 and older to bring guests. The justification for that is by signing the amenity form that they currently sign, and we provided an updated form in the agenda package that we are going to start using as we have new residents coming in to get passes, but the justification behind that is that someone who is less than 18 years old can't sign an agreement saying they will be responsible for their guests. Since they are not able to sign only people 18 and older are able to bring guests. I took the liberty of updating the policies to reflect that and also to the form of liability waiver and guest pass, which would replace your current liability waiver. We hadn't updated that in quite some time. I have spoken to Dave about it and he doesn't think there will be a problem. The only thing that I will change from the version that is in the agenda package that says guests 1, 2, 3, and 4, that is really meant to be household member so I will change that to say household member 1 name, household member 2 name to make it clear that they don't need to sign this form. Whenever you have a new resident or renter come in to get an amenity pass they will fill this out and let us know who is in their household. That way we will be able to say if you are under 18 years old you are not able to make the legal

assertions needed to bring guests into the community clubhouse. You can amend these policies by resolution at any time.

Mr. Gammon stated I want to fully understand. We have very seldom over the years not had unanimous decisions. This is the one, I don't agree with this.

Ms. Whelan stated you are talking about the age? What I recommend since obviously everybody is on the same page about every other revised provision, you will still want to adopt the resolution but it seems at this point it is helpful to have discussion between the Board Members and come to a resolution. You can even have a motion and vote on just that decision and once that is determined we can adopt the resolution with the result of that discussion.

Mr. Gammon stated I think it is pretty clear it is four against one so that is the discussion. The discussion has already been made.

Mr. Showe stated if that is the case we can note for the record that you were in opposition with the adoption of the revised amenity policies and when the vote is taken it will be four to one. The Board discussed that the new amenity policies should be effective starting May 1, 2017.

On MOTION by Ms. Stark seconded by Ms. Baron with four in favor and Mr. Gammon opposed Resolution 2017-05 was approved.

On MOTION by Ms. Stark seconded by Ms. Miller with all in favor the public hearing on the amenity suspension and termination rules was closed.

FIFTH ORDER OF BUSINESS

Review and Acceptance of Draft Fiscal Year 2016 Audit Report

Mr. Showe stated the next item is review and acceptance of the Fiscal Year 2016 audit report. We included the audit report in your agenda package and on page 27 you will note there are not current year findings, there are no prior year findings and we are in compliance with all the statutory provisions that they look. It is a clean audit.

On MOTION by Mr. Gammon seconded by Ms. Hurst with all in favor the Fiscal Year 2016 audit was accepted and staff authorized to transmit the report to the State of Florida.

SIXTH ORDER OF BUSINESS

Consideration of Agreement with Sharks and Minnows Swim School

Mr. Showe stated the next item is the first amendment to the agreement with Sharks and Minnows Swim School. It has the same terms it just provides an additional year for them to use the facilities. We did reach out to them and at least 11 residents took advantage of the voucher program last year.

Mr. Gammon asked out of how many vouchers?

Mr. Showe stated they give out up to 10 per session and they had 11 residents who took advantage of the vouchers throughout the program last year. I think the numbers were much higher when the program started.

On MOTION by Mr. Gammon seconded by Ms. Hurst with all in favor the first amendment to the agreement with Sharks and Minnows Swim School was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Whelan stated the legislative session kicked off in Tallahassee at the beginning of March and our office monitors all the bills coming through as we have done every year and we monitor things that may affect the District. We will provide updates on anything that may be material to you.

B. Manager

i. Approval of Check Register

Mr. Showe stated the next item is approval of the check register for checks 3515 through 3538 for \$75,292.09 and January payroll for \$923.50 for a total of \$76,215.59 and Alan and I can answer any questions you may have. A lot of the larger checks are transfers from the general fund to the debt service fund.

On MOTION by Ms. Stark seconded by Ms. Hurst with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

Mr. Showe stated the next item is the balance sheet and income statement. There is no action required by the Board on this item.

iii. Field Manager's Report

Mr. Scheerer gave an overview of the Field Manager's report.

EIGHTH ORDER OF BUSINESS

Supervisor's Requests

There being none, the next item followed.

NINTH ORDER OF BUSINESS

Next Meeting Date – May 17, 2017

Mr. Showe stated the next meeting is scheduled for May 17, 2017 and we will have your proposed budget and if there is anything in particular that you would like to have in there let us know and we will incorporate it into the proposed budget.

Mr. Tuel asked when does the new policy go into effect?

Ms. Whelan stated the new policy although enacted will not be enforced until May 1.

MOTION by Mr. Gammon seconded by Ms. Miller with all in favor the meeting adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman