

**MINUTES OF MEETING  
STONEBROOK  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Stoneybrook Community Development District's Board of Supervisors was held on **Tuesday, July 28, 2009 at 9:15 a.m.**, at the **Stoneybrook Community Center, 11800 Stoneybrook Golf Boulevard, Estero, Florida 33928.**

**Present and constituting a quorum were:**

Ron Ritschel	Chair
Chris Brady	Vice Chair
James Boesch	Assistant Secretary
Kris Davis (via telephone)	Assistant Secretary
Ed Harland (via telephone)	Assistant Secretary

**Also present were:**

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Dan Cox	District Counsel
Matt Nieder	Golf Course Superintendent
Bruce Harwood	Golf Pro
John Blakeley	Master Board Association

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Ritschel called the meeting to order at 9:17 a.m. Ms. Crismond stated all members were present, with Mr. Davis and Mr. Harland in attendance via telephone.

**SECOND ORDER OF BUSINESS**

**Board Members' Reports**

*\*\*\*This item, previously the Third Order of Business, was presented out of order.\*\*\**

**a. Ron Ritschel Pro Shop and Golf Pro**

This item was deferred to later in the meeting.

**b. Chris Brady Master Board Liaison and Associated Projects**

Mr. Brady stated irrigation issues were discussed at the last meeting. Mr. Ritschel suggested having a meeting with Andy Whirl to explain how the system works. Mr. Neider noted

a resident, John, at 21508 Berwich Run, complained about an overcharge on his water bill, as the sprinkler line was sliced during mailbox installation. Mr. Ritschel suggested giving the bill to Alex.

**c. Ed Harland Budget Review, Projections and Updates**

There being no report, the next item followed.

**d. Jim Boesch Golf Course Maintenance Supervisor**

There being no report, the next item followed.

**e. Kris Davis Irrigation**

There being no report, the next item followed.

**THIRD ORDER OF BUSINESS**

**Approval of June 23, 2009 Regular Meeting Minutes**

***\*\*\*This item, previously the Fourth Order of Business, was presented out of order..\*\*\****

The following changes were noted:

Line 67: change \$0.43 to 12 ½ cents

Line 69: change \$0.43 to 12 ½ cents

Line 128: \$132,000 is a net loss for the month of May

Line 172: change Mr. Nieder to Mr. Harwood

Line 186: change Weslo to Wesco

Mr. Ritschel clarified that he sent an email on July 22<sup>nd</sup> to Mr. Bower at Vision Golf. Mr. Nieder stated the Wesco finance charges were paid out of the Reserve Fund; it was 1% per 90 days, which became 3%, or \$5,000. Mr. Adams stated the charge should be part of the Fixed Asset account.

**On MOTION by Mr. Boesch and seconded by Mr. Brady, with all in favor of approving the June 23, 2009 Regular Meeting Minutes, as amended.**

**FOURTH ORDER OF BUSINESS**

**Staff Reports**

***\*\*\*This item, previously the Seventh Order of Business, was presented out of order..\*\*\****

**a. Attorney**

Mr. Cox stated he sent a letter to Yamaha and is awaiting a response from Yamaha's General Counsel. He stated according to the lease, there is only one (1) year left and the District is required to make the payment, regardless of the condition of the carts. He indicated the District sent a letter to the individual who drove the cart into the lake, but he has not received a response. He stated the District could bill the credit card company. Mr. Ritschel indicated that was tried, but the individual cancelled the card. Since the individual is European, the only option left is to file a non-enforceable judgment. Mr. Ritschel clarified there is \$5,000 worth of damage and it has been reported to the insurance company, but there is a \$5,000 deductible. Mr. Cox suggested the District file in Small Claims Court.

Mr. Ritschel inquired as to the status of the money owed from the owner of Stoney's. Mr. Cox requested to see all the information and stated, since the corporation is dissolved and the company was a single asset entity in which the asset is no longer available, it is hard to collect the money. Mr. Ritschel requested Mr. Cox look at all the information and write a letter seeking compensation for the \$5,900.

Mr. Cox discussed the status of extending refinancing of the bonds to September 30<sup>th</sup>. He noted the District is obligated to turn over revenues in excess of operating expenses. If the Bondholders do not come around by September 30<sup>th</sup>, Mr. Cox suggested raising the specter of putting funds into bankruptcy, unless the Board wants to extend the timeframe beyond September 30<sup>th</sup>.

Mr. Ritschel stated he believed the ability to repay the \$500,000 is no longer practical.

Mr. Cox clarified the only portion affected by the bankruptcy is the fund having difficulty, which is the Enterprise Fund, consisting of the Golf Course. He noted these details can be discussed in the Executive Session. He stated bankruptcy may be the only available solution. He stated the District is legally prohibited from having an unreasonable maturity date.

Mr. Ritschel suggested continuing the discussion to a Continued Meeting and the Executive Session.

**b. Engineer**

*\*\*\*This item was presented after the Fifth Order of Business.\*\*\**

There being no report, the next item followed.

**c. Manager**

*\*\*\*This item was presented after the Fifth Order of Business.\*\*\**

**i. Unaudited Financial Statements as of June 30, 2009**

Mr. Adams presented the Unaudited Financial Statements as of June 30, 2009.

**ii. NEXT MEETING DATE: August 25, 2009 at 9:15 A.M.**

The next meeting date is the Continued Meeting scheduled on August 20, 2009.

**FIFTH ORDER OF BUSINESS**

**Continued Discussion: Proposed Budget  
for Fiscal Year 2010**

***\*\*\*This item, previously the Second Order of Business, was presented out of order..\*\*\****

John Blakeley, a member of the Master Board, presented the Board with a proposition to take over the maintenance of three (3) common areas, within the District. Mr. Cox stated the handout provided says the right of the members to use the common areas is subject to the Association's ability to transfer to another government or utility. He stated the rights granted by the Declaration are subject to whether the Association is managing the property consistent with the good of the community. John Blakeley expressed concern that the common areas were overlooked and left to the responsibility of the Master Board. Mr. Ritschel clarified the CDD owns the common areas, while the maintenance and operation is completed by the Master Board and due to financial distress, the Master Board would like to have the CDD overtake the maintenance. Mr. Cox stated the CDD and the Master Association entered into an agreement that either party can terminate at any time. Mr. Adams suggested, if the CDD is going to overtake the landscaping of the common areas, they take back all common areas maintained by the Master Board. This would eliminate multiple companies providing the same service within the District. He stated the landscaping services would be financed through the General Fund and collected through the tax bill. He noted the CDD would begin services January 1, 2010, since the Master Board's fiscal year ends December, 2009. Mr. Adams noted it is late in the Budget season and the Board, if comfortable with the Master Board's Budget, can adopt the Master Board's current Budget numbers and provide separate notices to homeowners. Mr. Ritschel expressed concern that such transfer of services was made for the irrigation system, but the property owners did not see a decrease in their Association fees; rather, they saw an increase on the tax bill. John Blakeley noted the landscaping maintenance for the three (3) common areas was the Master Board's second highest line item. Mr. Cox stated the Board needs to consider

what is in the best interest of the community, given the Master Board's current financial situation. Mr. Adams clarified that Mr. Nieder would not be responsible for managing the contracts rather, Ms. Crismond would be responsible. He stated the O&M Assessment would increase from \$110 to \$250 or \$300. He said the District, should the District choose to take over the landscaping, can assume the current contractor or request bids. He commented the District would become responsible for storm clean up and would need to keep money in the fund available, specifically, for such emergencies. Mr. Adams stressed the CDD is there to serve the best interest of the community and, financially, the CDD can manage and collect funds. Mr. Ritschel requested a meeting on August 5<sup>th</sup> with the Master Board to review their entire Budget and Financials, as well as copies of the existing bids, including the specifications.

Mr. Ritschel and Mr. Harwood discussed the status of the newsletter articles pertaining to the golf course.

- Current Year-To-Date Income and Expense Report

Mr. Harwood presented the financial information for the golf course. He noted the anticipated administration income for July to September is \$6,566. Mr. Ritschel commented the Master Association should anticipate an annual bill for \$10,080 for ball field maintenance, at \$840 per month. Mr. Harwood stated the rounds for July are up 750 rounds from the previous year, with \$66,000 anticipated from green fees. He summarized the newspaper ads and special offers. He clarified there are not many golfers from Bella Terra. Mr. Adams confirmed the replacement of the fire alarm system is a fixed asset, not an operating cost.

Mr. Ritschel noted the Board is awaiting a response from Vision Golf regarding their current fee for Accounting Services. Mr. Adams noted the \$7,500 designated for Accounting and Legal should be strictly for Legal Services. Mr. Harwood noted the insurance deductible was included for repairs to the cart and will be taken from the Pro Shop expenses. Mr. Adams noted the insurance deductible will be reduced from \$5,000 to \$1,000. Mr. Adams confirmed that the Materials and Supplies Irrigation expenses should be zero (0) for the next year, because everything will go to the Irrigation Enterprise Fund. Mr. Harwood summarized the Concessions Financials. Mr. Nieder summarized the golf course expenses. He noted the 2008 Budget did not include the reclaimed water; the 2009-2010 Budget has that cost incorporated. He noted the \$10,000 worth of sign replacement is included. Mr. Nieder noted the \$18,000 for the bridge maintenance is necessary, due to the unsafe condition of the bridges. Mr. Ritschel noted the cost

of water for the golf course has increased by 50%. Mr. Adams explained the conservation rate depends on the gallons used. He noted every user is allotted a specific amount per month, in an attempt to curve back usage. Mr. Nieder stated he will be removing about four (4) acres of turf and replacing with various landscaping native areas. He noted he ordered an oak tree to replace the fallen tree at Hole #1. He noted the Tree Trimming fee includes all palm trees on the course being trimmed.

Mr. Boesch recommended having Wrathell, Hart, Hunt and Associates, LLC, provide financial services for the golf course. Mr. Adams requested the change take place October 1, 2009, in order to make the transition easy. Mr. Ritschel noted he did not want to change the current payroll company.

**On MOTION by Mr. Boesch and seconded by Mr. Brady, with all in favor of cancelling Vision Golf and retaining Wrathell, Hart, Hunt and Associates, LLC, as the accounting agent, effective October 1, 2009, subject to District Counsel review. (Motion passed 4-1; Mr. Davis was absent)**

Mr. Ritschel noted the change was a cost saving move to benefit the District.

**SIXTH ORDER OF BUSINESS**

**Other Business**

***\*\*\*This item, previously the Fifth Order of Business, was presented out of order.\*\*\****

There being no Other Business, the next item followed.

**SEVENTH ORDER OF BUSINESS**

**Committee Reports**

***\*\*\*This item, previously the Sixth Order of Business, was presented out of order.\*\*\****

There being no Committee Reports, the next item followed.

**EIGHTH ORDER OF BUSINESS**

**Audience  
Requests**

**Comments/Supervisors'**

Mr. Brady stated he believed the estimated income from green fees is too high. Mr. Ritschel noted a plan to cut cost is necessary in order to be prepared for a possible shortfall in the

first quarter. Mr. Harwood noted his approach for the upcoming budget year was to make the fees more competitive.

The Board discussed the possibility of allowing golfers to use their own golf cart, but pay a trail fee.

Mr. Ritschel inquired as to the fuel tank insurance. Mr. Adams said he has not heard from the agent.

Mr. Ritschel inquired as to the meter readings at the pump house. Mr. Adams stated that, in regards to other months, the golf course should receive a credit. Mr. Adams requested a High Water Use report. Mr. Boesch requested an Accounts Receivable report.

Mr. Ritschel stated, when the Board first started monitoring usage in February, there were about 130 people using water beyond the water limit; last month there were only two (2) residential properties that were over their allotted amount.

Mr. Adams stated the bill for the transformer will be paid through the Irrigation Fund. Mr. Ritschel inquired as to the Johnson Engineering update to the study and stated the price should be based on two (2) days. Mr. Ritschel noted that the Board is asking Johnson Engineering to verify the numbers they provided for the water usage. Mr. Adams stated he is working with the Engineer to insure the price stays down.

Mr. Nieder stated he has not received a copy of the R & A letter from South Florida Water Management District (SFWMD) regarding Entrix. He stated Entrix requested a meeting with SFWMD to review details of their requirements, as he believes they have provided sufficient information to allow a permit. Mr. Boesch noted it is important to stress that the well has already been drilled. Mr. Nieder stated he thought SFWMD thought the blended levels of chloride did not meet standards and SFWMD does not want the water table getting contaminated with chloride.

**NINTH ORDER OF BUSINESS**

**Executive Session**

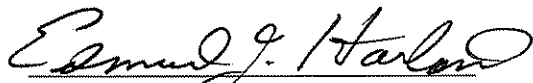
As an Executive Session was not held, the next item followed.

**TENTH ORDER OF BUSINESS**

**Adjournment**

The Board decided to continue the meeting to August 20, 2009 at 4:00 p.m.

**On MOTION by Mr. Boesch and seconded by Mr. Brady, with all in favor of Continuing the Meeting to August 20, 2009 at 4:00 p.m.**

  
Secretary/Assistant Secretary

  
Chair/Vice Chair