

**MINUTES OF MEETING
SOUTH KENDALL
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the South Kendall Community Development District was held on April 22, 2016 at 9:00 a.m. at Tuscan Village Clubhouse, 12801 SW 133rd Terrace, Miami, Florida.

Present and constituting a quorum were:

Sergio Valdes	Vice Chairman
Ernesto Frye	Assistant Secretary
Jesus Hernandez	Assistant Secretary
Betty Fayad	Assistant Secretary (by phone)

Also present were:

Luis Hernandez	District Manager
Ginger Wald	District Counsel
Yamilex Ortega	Courtesy Property Management

FIRST ORDER OF BUSINESS

Roll Call

Mr. Luis Hernandez called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

**Approval of Minutes of the
February 26, 2016 Meeting**

Mr. Luis Hernandez: The second item on the agenda is Approval of Minutes of the February 26, 2016 Meeting. I just need to indicate for the record that the supervisors have received electronic copies of the minutes a week prior to the meeting so they have had time to review them, and at the same time, I have passed out the hardcopies today in case you want to give any final check or review. Unless anyone has any questions, comments, changes, corrections, additions, or deletions, a motion to approve them would be appropriate.

On MOTION by Mr. Valdes seconded by Mr. Jesus Hernandez with all in favor the Minutes of the February 26, 2016 Meeting were approved.

THIRD ORDER OF BUSINESS

**Consideration of Resolution
#2016-01 Approving the Proposed
Fiscal Year 2017 Budget and
Setting the Public Hearing**

Mr. Luis Hernandez: Moving forward, the main reason for today's meeting is Consideration of Resolution #2016-01 Approving the Proposed Fiscal Year 2017 Budget and Setting the Public Hearing. Before we go to the resolution, you will find a copy of the proposed budget dated April 22, 2016. The portion we can see on page 1 and 2 is the estimated amounts of the district's estimated expenditures for the next fiscal year. What the district is trying to understand is what will be the level of assessments that we need to put on the properties in order for the district to be able to continue to provide the level of services that have been provided with as of today. We don't need to go line item by line item unless the board wants to do so. All we are going to be doing today is starting a process that will be taking at least 60 days prior to this being finalized. The main point to be addressed today is to let the supervisors know that based on the current expenditures and the estimated amount of the expenditures, it is estimated that the district assessments will have to increase approximately \$134 a year, which means roughly \$10 per month. Part of the reason for that increase is that the landscaping has been growing and with it the expenditure has also been growing. The services in the community continue to be at its best so unless anyone wants to revise the services that are being provided in order for us to maintain the current levels that will be more-or-less the amount that it will need to increase. Additionally, as part of the discussion of the budget, and with conversations I have been having with Mr. Jon Kessler, it is his understanding that he will be successful in trying to refinance the Series 2008 Bonds and the Series 2010 Bonds and combine the three series in just one main bond. They will have different maturities depending upon when the bonds were issued, but it will provide full benefit to the entire community. It needs to be kept in mind that the only series that the district has refinanced are the Series 2004 Bonds and there is only a portion of the community who has seen some sort of benefit in a decrease of interest, but the intent by taking these steps will be to take advantage of the low interest that is currently existing

in the market and if successful, being able to pass all of that on to the homeowners. By making that statement, part of what we are trying to accomplish from management is if there is an increase in the operations and maintenance and try to work to get it decreased in the debt portion so it will be kind of a wash for the homeowners and will in turn minimize the increase. The other statement that I think needs to be made at this point is the fact that after board discussion, we are going to approve establishing the highest amount that the district will be able to increase assessments, meaning with it that whatever number we define as the right number today, it will be the maximum amount that we can put on the tax bill. At the time we adopt it, still the board will have the ability to lower it depending upon comments you receive from the homeowners, you will still have the ability to lower it, but not increase it. With all those statements being made, does the board have any questions or comments?

Mr. Valdes: No. I have already met with Luis and discussed this.

Mr. Luis Hernandez: If it helps, prior to presenting it, I have already had a meeting with Sergio since he is overseeing the day-to-day operations and what is presented in this budget he is aware of. And once again, we are not defining that these are the final right numbers. All we are saying is these are our starting numbers.

Mr. Frye: When are we going to finalize the budget?

Mr. Luis Hernandez: That was the next question I was going to ask. As I was saying, by law we have to give at least 60 days, meaning the earliest we will be able to have the budget public hearing would be June 24th. That is the earliest. My recommendation, since we have the possibility of refinancing is to leave this for the last week of August, which would be August 26th as our regular meeting date, so that at the time we adopt the budget, we will have all of the questions answered as to what can be done or not if anything with the bonds and therefore make a better decision as to what will be the real increase in the budget. Within that period of time, we will be able to work and discuss this budget many more times.

Mr. Valdes: Something I wanted to bring to the attention after looking at the numbers with Luis, if you look at the operations and maintenance portion of the numbers,

it is \$460.84. That is the operations and maintenance for the clubhouse. If you divide that into 12 months, it comes out to \$39 a month, so make it \$40. Before we decided to purchase the club and take over the operations and maintenance of the club, we were paying around \$90 back then. That was five years ago. Today we are paying \$40 for the operations and maintenance. I was actually stunned to hear that considering in today's money if we had not purchased the club, they were raising it approximately \$10 - \$12 a month per year, meaning we would probably be paying for operations and maintenance of the club \$130 to \$140 a month. I thought that was pretty stunning, pretty good.

Mr. Frye: But that doesn't include the purchase and the CDD expenses.

Mr. Valdes: Right, I understand that. I am just looking at one aspect, though it is a pretty big portion of the \$460. That is actually pretty good considering where we would be if we had not purchased the club. It would still be owned by someone else and they could have done anything else, but the operations and maintenance alone back then was costing that much. Obviously we have all the other discussions and we have 60 days from now to do that.

Mr. Luis Hernandez: And once again, the important part for us is to make sure that the date we designate to be the date of the meeting we are going to have quorum. One of the typical requests I make at this point is for the supervisors to make sure that you will be available. That sometimes is part of the reason to do it in August because most people take vacations in June and July and therefore August typically everybody is back so that is the reason for my suggestion, but if that does not apply, then whatever will be fitting for the board any time after June 24th, or we can also do it July 22nd or August 26th. Any of those three options the board has. The benefit that I see of waiting until August is if we are successful in moving forward with any kind of refinancing it is going to give us time so that when we come to the meeting, we will be able to explain the whole intent of what is being done. At the same time, there are some movements going around the community that we may see some effects of what will be the effect of potential sales that may be happening so that properties being purchased could affect the community and by presenting those options, it will give the board a better understanding

of the situation prior to adoption of any budget. So with that being said, August 26th sounds to be like the right timing and unless anyone has any questions with regards to the budget, then I will move on to Resolution #2016-01. What this resolution does is it sets the budget public hearing date for August 26, 2016 at the same time of our regular meeting at 9:00 a.m. at this location, Tuscany Village Clubhouse, 12801 SW 133rd Terrace, Miami, Florida. With that being said, unless anyone has any changes, a motion to approve Resolution #2016-01 would be in order.

On MOTION by Mr. Jesus Hernandez seconded by Mr. Frye with all in favor Resolution #2016-01 Approving the Proposed Fiscal Year 2017 Budget and Setting the Public Hearing was approved; and the public hearing was scheduled for August 26, 2016 at 9:00 a.m. at Tuscany Village Clubhouse, 12801 SW 133rd Terrace, Miami, Florida.

FOURTH ORDER OF BUSINESS

Acceptance of Audit for Fiscal Year Ending September 30, 2015

Mr. Luis Hernandez: Moving forward, the next item is the audit. A copy of the audit was included in your agenda package and I also have the hardcopies that came from the auditing firm. At the same time, there is a letter that was sent to the supervisors by the audit company. What I am happy to report is that as it has been in the past years, this is a clean audit. The district luckily doesn't have any pending issues. All of the financial statements seem to be good and sound, which is the purpose and intent of the audit. Based on the fact that the board is familiar with this report, I will remind the supervisors that all you are doing is accepting the report, so unless you ask me to go through the report itself, I will ask for a motion to accept it. If you review it later on and you have any questions, I will be happy to try to answer them, or if necessary we can contact the auditor for those answers. If not, just a motion to accept it.

On MOTION by Mr. Valdes seconded by Mr. Jesus Hernandez with all in favor audit for fiscal year ending September 30, 2015 was accepted.

FIFTH ORDER OF BUSINESS

**Discussion of Procedures for the
General Election**

Mr. Luis Hernandez: The next item is Discussion of Procedures for the General Election. As we have done in the past, and some of the supervisors have fulfilled these requirements, this year once again there will be two seats that will be up for election. Those seats are the ones that Alexander Sabe and Sergio Valdes are in. There is a statement that has been included in the agenda packages that I will read so it will be part of the minutes. Whomever wants to run for those two vacant seats that will be up for election this November, they need to register during the timeframe of noon on June 20, 2016 until noon on June 24, 2016. The candidates need to go to Miami-Dade County Supervisor of Elections office located at 2700 N.W. 87th Avenue, or they may call (305) 499-8683 and they will help them with any questions they may have to fulfill the forms and registration for the supervisor position.

Mr. Valdes: So it is basically four days to register.

Mr. Luis Hernandez: Five days, total. It starts at noon on the 20th and ends on the 24th. The entire notification is in your agenda package under Section V.

Mr. Valdes: Do you have to physically go there?

Mr. Luis Hernandez: Yes. You need to file a form that has the address where you live so they know you are a qualified member, meaning a person registered who is a voter who lives within the boundaries of the district. Once you have fulfilled that qualification, they will be able to put you in as qualified for that seat. You don't necessarily need to own the property. All you need is to live in the community, so even a tenant can register as long as they reside within the district and could potentially become a supervisor. Unless anyone has any questions, I will move on.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any report, the next item followed.

B. Engineer

There not being any report, the next item followed.

C. Club

There not being any report, the next item followed.

D. Manager

Mr. Luis Hernandez: I don't have anything to report either, aside from our next meeting is scheduled for May 27th. The only thing pending that I am aware of is the one from Mr. Kessler, and I will keep the board posted on that. If you happen to see any other items, please let me know so we can include those on the agenda.

**SEVENTH ORDER OF BUSINESS Supervisors Requests and
Audience Comments**

There not being any, the next item followed.

EIGHTH ORDER OF BUSINESS Financial Reports

A. Approval of Check Run Summary

B. Balance Sheet and Income Statement

Mr. Luis Hernandez: Next we have the Financial Reports, which are under Section VIII of the agenda books. You will find the check run summary behind tab A, as well as the balance sheet and the income statement behind tab B. Unless anyone has any questions, a motion to approve the financials would be in order at this time.

On MOTION by Mr. Valdes seconded by Mr. Jesus Hernandez with all in favor the check run summary and the balance sheet and income statement were approved.

NINTH ORDER OF BUSINESS Adjournment

Mr. Luis Hernandez: Before we adjourn, there is one item I want to bring to the attention of the Board of Supervisors. Alex has been extremely busy with his job, and as you have probably seen, he has not been able to attend meetings and not even participate by phone most recently. The only concern I have from the management side is that if for any reason Sergio was on vacation or unavailable, we are depending on Alex for being able to execute documents that have been approved. For that matter, my suggestion at this point to the board would be to revise the slate of officers, not to remove him, but to reorganize the slate of officers so that someone who normally attends a meeting were

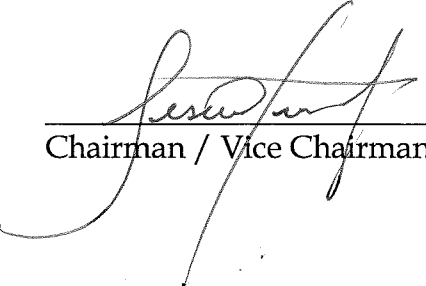
appointed as Chairman or Vice Chairman. So with that being said, my suggestion before we adjourn the meeting is to revise the slate of officers.

On MOTION by Mr. Valdes seconded by Mr. Frye with all in favor the slate of officers were elected as follows: Jesus Hernandez as Chairman, Sergio Valdes as Vice Chairman, Ernesto Frye, Alex Sabe, Betty Fayad, and Rich Hans as Assistant Secretaries, Luis Hernandez as Secretary, and Patti Powers as Treasurer.

Mr. Luis Hernandez: Unless anyone has any other district business to discuss, a motion to adjourn would be in order.

On MOTION by Mr. Valdes seconded by Mr. Frye with all in favor the meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman