VENETIAN COMMUNITY DEVELOPMENT DISTRICT
REGULAR BOARD MEETING
FEBRUARY 23, 2012

A. CALL TO ORDER

District Manager Jason Pierman called the February 23, 2012, Regular Board Meeting of the Venetian Community Development District to order at 11:06 a.m. in the Venetian River Club located at 502 Veneto Boulevard, North Venice, Florida 34275.

B. PROOF OF PUBLICATION

Mr. Pierman presented proof of publication that notice of the Regular Board Meeting was published in the Sarasota Herald Tribune on October 4, 2011, as part of the District’s Fiscal Year 2011/2012 Regular Meeting Schedule, as legally required.

C. ESTABLISH QUORUM

Mr. Pierman determined that the attendance of Chairman Tom Jones, Vice Chairman Jerry Jasper and Supervisors Charles “Mike” Craychee and Marshall Turner constituted a quorum and it was in order to proceed with the meeting.

Also in attendance were: District Managers Jason Pierman and Michael Rosen of Special District Services, Inc.; General Counsel Andy Cohen of Hankin, Persson, Davis, McClanathan & Darnell; Engineer Rick Schappacher of Schappacher Engineering & Surveying; Tom Greene of Raymond James; Rick Barber of WCI; and Casey Grigsby of Castle Management.

Also present were: See Sign-In Sheet

Mr. Pierman reviewed the election process and eligibility requirements for the General Election in November and the ability to appoint a new Board Member to fill Mr. Milano’s vacant seat. A discussion ensued regarding Mr. Snyder’s eligibility to serve on the District Board. Following a determination that Mr. Snyder was eligible to serve, a motion was made by Mr. Craychee, seconded by Mr. Jones and unanimously passed to appoint Mr. Barry Snyder to the vacant Seat 5, which expires in November 2012.

Mr. Pierman, Notary Public for the State of Florida, swore in Mr. Snyder and explained his duties as a Supervisor for the Venetian Community Development District.

D. ADDITIONS OF DELETIONS TO THE AGENDA

Mr. Jones requested that a discussion regarding alligator liability be added under New Business.

E. COMMENTS FROM THE PUBLIC FOR ITEMS NOT ON THE AGENDA

There were no comments from the public.
F. APPROVAL OF MINUTES
      Continued Board Meeting Minutes

Mr. Pierman presented the minutes of the January 26, 2012, Regular Board Meeting & February 3, 2012, and February 14, 2012, Continued Board Meeting and asked if there were any corrections.

Mr. Jasper noted that item G should state “100,000 gallons”, not “10%”.

A motion was made by Mr. Craychee, seconded by Mr. Turner and passed by a vote of 4-1, approving the January 26, 2012, Regular Board Meeting & February 3, 2012, and February 14, 2012, Continued Board Meeting Minutes, as amended. Mr. Snyder dissented because he was not present at the meeting.

G. OLD BUSINESS
   1. Discussion Regarding River Club Purchase

Mr. Cohen stated that there had been no significant milestones since the last meeting. He noted that the first reading of the petition to expand the District boundaries would occur at the end of the month, and that the validation hearing had been set. The timeline was reviewed, noting that WCI is to present to their Board on March 1st and that a mailing was going to residents tomorrow from the POA with frequently asked questions about the purchase.

Mr. Jones discussed the purpose of the March 29th POA meeting. Mr. Cohen noted that the purchase agreement is contingent upon elimination of the purchase option language in the POA documents. Mr. Barber stated that the meeting is for the POA membership, after which they will conduct a POA meeting to vote based on the membership vote.

Mr. Pierman stated that he had received about six phone calls from residents in response to the Public Hearing notice, and that all were agreeable with the purchase. He noted, however, that there was some confusion with the $460 noted in the letter versus the $1600 that they are currently paying. Mr. Jasper reviewed the items on the fact sheet for the Board.

A discussion ensued regarding how to set the amenity fee and the need to have an estimated amount for the March 5th meetings. The fee would be determined using the amount paid by residents for the River Club, comparable clubs’ fees, an administrative fee, etc. Mr. Cohen recommended that we hold the Public Hearing to set the amenity rule on May 21st, prior to closing on the River Club.

A motion was made by Mr. Turner, seconded by Mr. Craychee, and unanimously passed to direct staff to initiate the rule making process for the River Club amenity fee for a May 21 Public Hearing date.
A discussion on the March 5th meetings ensued. It was decided that Mr. Pierman would receive input from individual Board Members and create a PowerPoint presentation for the meeting, Mr. Jones would introduce the Board, and Mr. Snyder would present the material. Mr. Cohen recommended recessing this meeting until March 2nd at 9:00 a.m. so the Board could meet as a group to finalize the PowerPoint presentation prior to the informational meetings.

Mr. Cohen addressed Mr. Happer’s email, stating that he does not feel it is necessary to change the declarant prior to closing. He further stated that WCI is not assigning all declarant rights to the District; they are retaining the right to add and remove properties from the River Club declaration, and that a true-up agreement will be addressed with the financing to ensure they pay an equal share. Mr. Happer requested that the District Board delete the requirement to have a 60% vote and that the Board tell residents that they won’t ever access the base amenity fee. Mr. Cohen explained that this Board could not bind future Boards, but that there would likely be legal restrictions on the Board assessing that fee.

Following a lengthy discussion, a motion was made by Mr. Jasper, seconded by Mr. Jones and passed by a vote of 4-1 that after closing, it is the intent of the District Board that the River Club debt, operating costs, maintenance and capital reserve fund be funded through and in accordance with the Venetian CDD assessment, replacing the River Club base amenity fee, as stated in Article 5 of the River Club covenants. Mr. Turner dissented.

Mr. Happer questioned a possible conflict with Mr. Hankin acting as agent for Chicago Title. Mr. Cohen explained that it had been disclosed and that it was really the only way to do it in Florida; and that Mr. Hankin would receive a fee for acting as agent.

Mr. Jasper asked how the WCI deficit funding would be budgeted. Mr. Pierman stated that it would show as a developer funding amount of $100,000 in the budget. Mr. Jones asked how new homes sold during the year would be assessed their maintenance fees. Mr. Cohen agreed that it would need to be addressed with WCI on how to collect those maintenance fees mid-year.

Mr. Cohen noted that during the due diligence, Chinese drywall, mold and ADA requirements should be investigated. Mr. Jasper noted that insurance quotes needed to be obtained, as well.

A motion was made by Mr. Jasper, seconded by Mr. Jones, and unanimously passed to authorize not-to-exceed $10,000 for physical inspections of the River Club.

Mr. Jasper stated that a CPA needed to be engaged to certify the financials provided by WCI. Mr. Pierman offered to contact Grau and Associates, the District’s auditor, to find out if they could provide the service. Mr. Jasper also noted that all existing contracts should be reviewed to look for any long-term commitments. Mr. Snyder volunteered to perform that task once they were provided by WCI.
Mr. Jones recommended that signs be put up for the March 5th Informational Sessions and requested authorization from the Board to purchase signs. A motion was made by Mr. Craychee, seconded by Mr. Turner, and unanimously passed to authorize an expenditure of not-to-exceed $100 for signs.

At 1:52 p.m., Mr. Jones called for a 10 minute recess.

Mr. Jones reconvened the meeting at 2:02 p.m.

Ms. Grigsby stated that she would email information about the March 5th Information Sessions to residents.

Mr. Schappacher noted that the only ADA requirements that might be an issue were the pool and the fitness center, but they would be reviewed during the inspection.

2. Discussion Regarding Fishing Policy in District Lakes

Ms. Grigsby stated that if security is notified of unauthorized fishing, they go out and ask the fishermen to leave. If it is not a resident, they will escort them out. However, they will not make them leave if it is an open lake. Mr. Jones clarified that the only allowable fishing is behind one’s house, and that all others should be asked to leave. Ms. Grigsby agreed to readdress the topic with her staff.

3. Discussion Regarding Fish Kills

Mr. Schappacher stated that Lake 40 was surveyed and that it is 4 feet deeper than the as-built states; it is about 14 feet deep. However, that should not have caused the fish kills. Mr. Barber stated that they have reviewed everything and cannot find a cause for the fish kills. Mr. Schappacher noted that additional plantings have been installed, which should help prevent future fish kills, but we would have to wait and see if more fish kills are reported.

H. NEW BUSINESS
   1. WCI Landscaping in New Savona Way Development Area

Mr. Jones expressed his concern over the landscaping on the new road where headlights could shine into houses. Mr. Barber assured that they would address the issue, possibly with a berm.

   2. Discussion Regarding Alligator Liability

Mr. Cohen stated that he is following the issue in Georgia, but that it dealt with an HOA, which is a little different. He also stated that the Supreme Court had not yet ruled on it, but he would keep the Board posted.

I. ENGINEERING
1. Engineering Updates

Mr. Schappacher noted that the SWFWMD certification had been completed, and that he will notify Tri-County of some erosion that was found. He also stated things were going well with the water use permit with the City; that they will rewrite the permit to give the District what the City is not providing. Mr. Schappacher also noted that the fencing project had begun.

Mr. Barber stated that Pesaro Road might be closed for a few days to work on a sewer line. He also stated that they are close to returning to two times per week watering.

J. ADMINISTRATIVE MATTERS

There were no administrative matters.

K. BOARD MEMBER COMMENTS

There were no Board Member comments.

L. RECESS

A motion was made by Mr. Turner, seconded by Mr. Craychee and unanimously passed recess the Regular Board Meeting at 2:35 p.m. and to reconvene on March 2, 2012, at 9:00 a.m. in the Venetian River Club located at 502 Veneto Boulevard, North Venice, Florida 34275.
RECONVENE

District Manager Michael Rosen reconvened the February 23, 2012, Regular Board Meeting of the Venetian Community Development District on March 2, 2012, at 9:00 a.m. in the Venetian River Club located at 502 Veneto Boulevard, North Venice, Florida 34275.

A. ESTABLISH QUORUM

Mr. Rosen determined that the attendance of Chairman Tom Jones, Vice Chairman Jerry Jasper, Supervisors Charles "Mike" Craychee, Barry Snyder and Marshall Turner constituted a quorum and it was in order to proceed with the meeting.

Also in attendance were: District Managers Michael Rosen and Jason Pierman (via telephone) of Special District Services, Inc.; General Counsel Andy Cohen of Hankin, Persson, Davis, McClenathan & Darnell; and Casey Grigsby of Castle Management.

Also present were: See Sign-In Sheet

1. Consider Reorganization of Board Officers

Mr. Pierman noted that, with the appointment of Mr. Snyder, it was in order at the last meeting to reorganize the Board officers, but they had neglected to do so. A motion was made by Mr. Turner, seconded by Mr. Jasper, and unanimously passed to elect the following slate of officers:

    CH:  Tom Jones
    VC:  Jerry Jasper
    AS:  Marshall Turner
    AS:  Charles "Mike" Craychee
    AS:  Barry Snyder
    AS:  Mike Rosen
    Sec/Treas: Jason Pierman

Mr. Pierman explained that, as the Board requested, he had contacted Grau and Associates regarding a review of WCI's River Club finances. Grau responded that they could perform the review, but would need the financials in order to see the scope of work and provide a quote. Mr. Pierman expressed his concern with this, in consideration of the confidentiality agreement. The consensus of the Board was to request a review of three years of income and expense statements and balance sheets. Mr. Jasper and Mr. Pierman volunteered to contact Mr. Ferry to see what could be used to give Grau.

A motion was made by Mr. Jasper, seconded by Mr. Snyder, and unanimously passed to authorize the review of the three years of financial statements for a not-to-exceed amount of $3,000.
2. **Discussion Regarding Inspection “Not-to-exceed” Amount**

Mr. Craychee provided an update on the inspections, noting that one company was able to provide a reserve analysis for an additional fee. Following a discussion, it was decided that the analysis would be beneficial, but should be conducted after the sale. Mr. Craychee noted that the original not-to-exceed amount did not seem to be enough for all of the inspections, and requested that the amount be increased by another $2,000.

A **motion** was made by Mr. Craychee, seconded by Mr. Turner, and unanimously passed to increase the amount by $2,000, making the new not-to-exceed amount $12,000.

3. **Discussion Item: Discussion Regarding the River Club Informational Session Presentation**

Mr. Pierman presented the PowerPoint, which was derived from each Board Member’s comments. He explained that everyone had attacked the issue from a slightly different angle, but he did his best to include everyone’s points. A lengthy discussion ensued, during which each slide was reviewed and edited. Mr. Pierman edited the slides as the changes were noted, after which a working product was complete. Following the editing, Mr. Pierman agreed to send the presentation to the Board and make any further alterations, should they be needed, over the weekend and send a final version before the Monday meetings.

**B. ADJOURN**

There being no further business to come before the Board, a **motion** was made by Mr. Turner, seconded by Mr. Snyder, and unanimously passed to adjourn the Regular Board Meeting at 12:38 p.m.