

## **Community Development District**

### **Board of Supervisors' Regular Meeting**

**Thursday, May 17, 2018 at 8:30 a.m.**

505 Whiskey Creek Drive  
Marco Island, FL 34145

#### **AGENDA**

Note: Requests to address the Board on all subjects, which are not on today's agenda, will be accommodated under "Public Comments". Public Comments should be limited to 2 minutes.

Any person who decides to appeal a decision of this Board will need a record of the proceedings pertaining there to and may need to ensure that a verbatim record of these proceedings is made at their expense.

Any person requiring special accommodations at this meeting because of a disability of physical impairment should contact the District Office at 239-394-4346 at least five days prior to the meeting.

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes
  - a. April 19, 2018
5. Audience Questions and Comments on Agenda Items
6. Specific Items of Old Business
  - a. C3 Gardens
  - b. Road Use - Consultants
7. Specific Items of New Business
  - a. Golf Cart
  - b. Gate Cameras

8. Reports:

a. District Counsel - Greg Urbancic

i. FEMA Funding Agreement

b. District Manager - Katie Maline

i. Financials

1. Financial Statement Ending February 28, 2018

2. 2018-2019 Proposed Budget

ii. Street Lights Update

iii. Annual Maintenance Gates

iv. Street Signs Update

v. Asphalt Repair

9. Supervisors Request and Comments

10. Audience Questions and Comments

11. Schedule Next Meeting Date and Time

12. Adjournment

**KEY MARCO COMMUNITY DEVELOPMENT DISTRICT  
REGULAR BOARD MEETING  
APRIL 19, 2018**

The Board of Supervisors of the Key Marco Community Development District met at 8:30 a.m. on April 19, 2018, at the Key Marco Community Center, Marco Island, Florida.

APPEARANCES:       Maureen McFarland, Chairman/Treasurer  
                          Mary Beth Schewitz, Vice-Chairman  
                          Johanna Parkes, Assistant Secretary  
                          Dawn Aitkenhead, Assistant Secretary

ALSO PRESENT:       Katie M aline, District Manager/Secretary  
                          Greg Urbancic, Board Counsel  
                          Jere Earlywine, Hopping, Green and Sams  
                          Jack Barnwell, C3 Gardens  
                          Alan Baldwin, Inframark

**ROLL CALL/APPROVAL OF AGENDA**

Mrs. McFarland indicated that a quorum was present, with all Board members with the exception of Mrs. Grado in attendance. The Agenda was unanimously approved on a MOTION by Mrs. Aitkenhead and a second by Mrs. Parkes.

**APPROVAL OF MINUTES OF FEBRUARY 2018 MEETING**

Mr s. McFarland asked that all grammatical and spelling corrections be given to Mrs. Maline. As far as cont ent, on Page 4 in the first full paragraph, the line "The downed fence is part of the FEMA report" should be deleted.

On Page 7 under Access to Key Marco Roads, in the seventh line from the bottom, the sentence starting "If that is something ..." should be deleted.

With those corrections and deletions, the Minutes were unanimously approved on a MOTION by Mrs. Parkes and a second by Mrs. Aitkenhead.

**AUDIENCE QUESTIONS ANO COMMENTS ON AGENDA ITEMS**

There were no audience questions or comments received at t his tim e.

## **SPECIFIC ITEMS OF OLD BUSINESS**

### Gatehouse Light Fixtures

Mrs. Aitkenhead had the opportunity to realize a savings on five of the eight lights required for the gatehouse by purchasing five that were not wanted by a decorator's client once they were installed. The cost was originally \$349 each, and she felt she could purchase them for \$200. The remaining three would be purchased with a small discount at \$300. The size is similar to what is presently on the gatehouse, and she will take the light outside for anyone to look at after the meeting. The lights are also wet rated.

Mrs. Aitkenhead recommended approval to the Board for these lights for a total of \$1,900. In response to Mr. Krutisch's question about the need to replace the old lights, Mrs. Aitkenhead noted that some of the present lights have broken glass, and they did need updating. Mrs. McFarland added that they are fortunate to have many professional people on Key Marco, engineers and others who are able to help with the streetlights or questions related to the marina, and that is very valuable.

We also have some very creative people who are good with design and the feel of the community. In this case, with a minimal amount of effort the gatehouse will be updated and look new.

Mrs. Parkes asked if the lights will project light or be more for atmosphere and was advised that they do project light as well as looking good.

On a MOTION by Mrs. McFarland and a second by Mrs. Schewitz, the Board unanimously approved the purchase of the lights presented and recommended by Mrs. Aitkenhead.

## **SPECIFIC ITEMS OF NEW BUSINESS**

### Discussion on Roadway Use

Mrs. McFarland noted that Mr. Earlywine, Hopping Green & Sam's, was present today and has been used by the Board in the past to discuss different issues with the COD and is here today to discuss sharing costs of the roadway and the bridge with the Board.

Mr. Earlywine thanked the Board for having him down to Key Marco today, and noted the fact that Key Marco owns, operates, repairs and maintains the roadway, and yet they have outsiders who come in and use the road as well. The question is how to make sure everyone handles their fair share of maintenance.

One solution to that is to establish a rate or user fee for the road. Section 190.035 of the Statutes actually authorizes the COD to go through a rate making process to establish a rate for the use of a public infrastructure that the COD owns. The process itself is straightforward.

Mr. Earlywine recommended a roadway consultant be hired to look at what the CDD costs are to maintain the road, how many trips are taken on the road and then do a cost by trip analysis.

Once that is done they'll do a draft rule on it which is brought back for discussion. In an open meeting and if the Board wishes, they can approve it for rule making purposes. Once that is done a 29-day public notice is put out, probably announced on the website as well. At the end of that process a public hearing is held and if there are any comments that the public has, those can be heard.

At that point the Board can decide if they want to adopt the rule and rate for public use. Mr. Earlywine then noted that he was at the meeting to answer any questions those present may have.

Mr. Kerins asked if the main reason this is possible is because the landowners of Key Marco paid off the bond and solely maintain the road; there have been no outside monies coming in to assist Key Marco with the maintenance and operations of the road.

Mr. Earlywine indicated that the reason Key Marco CDD can do it is because Chapter 190 authorizes them to. It authorizes them to own and operate roads, and secondarily it authorizes Key Marco to establish rates.

If there were tax exempt bonds involved, which Key Marco does not have, then other discussions would have to be had. Mr. Kerins then asked if there was ever a situation where some technical point enabled one COD to do this, while another one could not. Mr. Earlywine indicated that CDDs go through rate making all the time, establishing rates for outsiders to use their meeting facilities, and they can do this because they have an assessment that charges residents to use the facility, but they need one to charge nonresidents for that use.

The Statute is fairly broad, as well, on how this can be used. Mr. Earlywine noted that there are certainly other things that would come into play to help the CDD make the argument for it, but he did not know if there was anything in particular with this District that would distinguish it.

In response to the question as to whether he has ever seen this type of thing challenged, Mr. Earlywine noted that a variety of Districts have rates for recreational facilities and wastewater utilities. Mr. Earlywine noted as well that if there is a concern about whether this can be done, there are arguments on both sides of the issue. If someone argues that the COD does not have the authority, Mr. Earlywine would state that the Florida Legislature has to be expressed when it grants the authority to authorize a toll road.

If a city or other municipality wants to create a toll road, they will go through the legislative statute that is set up to facilitate that, and they go through the authorities. The flip side of that would be if the District did have the authority to do this, then Mr. Earlywine would say Chapter

190 says that we do have the authority to operate roads, and 190.035, without exception, allows us to establish rates.

Furthermore, looking at the State Statute that deals with public roads, special District roads actually aren't included. They then are considered a private road, which the owner can operate and make sure that people are paying for it. The City and State Police and Highway Patrol won't even come in and police these roads unless there is an interlocal agreement.

Mr. Earlywine stressed that he was not saying that it's a private road, but that they can operate it in such a way that everyone is treated similarly, and a rate can be established for that. Mr. Earlywine added that the road is already being treated as a toll road. If someone does not pay their assessment that pays for the road, they pay a fine, and could lose their home. If the District has the authority to assess people for the use of the roadway within the community, they should have, and do have the authority by Statute to assess those outside of the community.

Mrs. Schewitz asked what precedent there was for this argument and Mr. Earlywine stated that again, there was no case law on the issue, but the precedent is that COOs establish rate making all the time, and there is another COD that owns and operates a toll road. Although he could not remember the name of the COD, they are in Florida and they do operate a toll road.

Mrs. Parkes asked if the toll would apply to bicyclists only, or if people going out for a casual ride would have to pay as well. She also asked if there were any studies showing that implementing this kind of a policy would actually decrease the traffic.

Mr. Earlywine suggested that the second question be referred to the consultant, but in terms of who the toll would apply to, that could be addressed through the rule the Board decides to implement. He felt that it should apply to everybody, but there could be different rates for different types of vehicles. That would be up to the Board to determine.

Mrs. McFarland stated that of course if residents had guests coming in they would not pay a toll. This has to do with visitors to Key Marco paying their fair share. Residents pay for the road and residents pay for the bridge. No one is being assessed for what has already been paid.

The only thing Key Marco will be assessing people for is maintenance and operations of the roads, the bridge, and other incidentals and only for their fair share. Mrs. McFarland added that the Board has the ability to say everyone who uses this infrastructure should also pay their fair share.

There will be conversations with the consultant about the applicable expenses included in this toll for maintaining the road. Mr. Earlywine added that there are several laws that govern toll roads, and the rates would have to be reasonable and that money segregated into a fund of some kind.

Mrs. McFarland advised that several consultants have been recommended to them.

Mrs. Esposito asked if a larger opportunity would have to be provided to people who will pay to come into Key Marco, such as longer hours for the guards -at the gate. Mrs. McFarland suggested that the hours could even be shorter for the guards. The hours presently are 6:30 a.m. to 6:30 p.m. except on weekends when the hours are shorter, from 6:30 a.m. to 4:30 p.m.

Mr. Earlywine did not think that the number of hours the gate is manned would really factor into the rate making process, except if the Board extends their hours for this extra budget, then possibly that rate could be assessed. However, he felt that the policy on the guards has already been made, and the Board can adjust those hours under their own terms.

Mr. Tsandoulas asked what the down side would be on this, and was advised that they could always get sued, and someone could challenge their authority. Presumably insurance would kick in for the defense of this, and they could ask the court for a declaratory judgment and an explanation of their rights in this context.

Mrs. McFarland summarized the District's downside as a CDD, stating that if someone should sue the District, both sides would have attorney's fees, but the District's insurance may cover those fees. A judgment could be made against the District, which would have to return the tolls that were collected. That, however, may be impossible to do, so the District may just have to stop collecting fees going forward.

Mr. Earlywine indicated that her summary was correct.

Mrs. Schewitz asked if a declaratory judgment could be obtained in advance of implementation and was advised that this could happen. There is a concept of rightness in the law, and the judge wants to get good arguments from the Attorneys, as whatever he or she decides will become the law.

Mr. DiPrato understood that there was an easement document that allows public access to the road; and one of the concerns about making it a private road would be that it would put the entire access gate in jeopardy and allow it to be open 24/7. If someone could get a judgment against the CDD for this issue, he wondered if the gate access could also be in jeopardy.

Mr. Earlywine noted that this was a larger question, and if the conversation was about roads today, the road is a public one and operates as one. The wish is that the public would pay their fair share, whoever it is. As it relates to the gatehouse, and whether this will draw attention to Key Marco as a District, Mr. Earlywine's guess is that they will probably get some headlines in the paper about it.

Mrs. McFarland felt that would probably be the case with any change they make as a community. Either they continue with the status quo and people get angry at things and the Board just accepts it, or they consider these different options and then have to deal with any

backlash from that. Mrs. McFarland asked those present to tell the Board what they are hearing, as she hears some of everything. People don't like their high assessment and don't understand why 134 lots are paying for all of the infrastructure. Yet, the public does come in and they don't pay their fair share.

Mrs. Esposito felt that those who use these facilities now need to be advised ahead of time that this is going to occur. It is important that it is clear to the public before it is implemented so that there is time to adjust to it. Mrs. Esposito also felt that overtime it may raise the awareness of the preciousness of Key Marco, and its value.

The other thing Mr. Earlywine pointed out was that he was not aware of any public easement document or plat that grants the roads to the CDD.

Mrs. McFarland indicated that she had all of the documents, and it is on the plat and not a separate document.

Mr. Krutisch indicated that some of the residents are complaining about the costs involved when people come into Key Marco and hit something and pay nothing. Many of the residents of Marco Island use the Key Marco roads, and he felt that the policy will help a great deal.

Mrs. McFarland indicated that she and Mrs. Maline have had several phone conversations with counsel, and what Mr. Earlywine is saying is that this should be a more objective, financial decision and work with an outside, independent consultant who will say this is the cost for every person, resident or non-resident, coming through to help maintain the infrastructure, and this is what is going to be assessed.

Mr. Earlywine added that the rate making decision on what it will be is a legislative decision that this Board makes, and it should be made on what the consultant advises. There are parameters on how the rate is computed, which is why a consultant is necessary.

Mrs. McFarland noted that discussions were also held about an annual rate, and that can be discussed with the consultant as well. Mrs. Maline has been contacting several consultants and determining their experience on this issue, and if the Board agrees one will be hired and will come and speak to the community.

Mrs. McFarland felt it would be helpful to have the consultant speak to some of the residents' questions, as they are the experts.

As it relates to dissolving the CDD, Mrs. McFarland indicated that in the past they have talked about seeing how many lots are not paying their tax assessments this year, as there are two fees, and HOA fee and a CDD fee. The HOA fee is less expensive, and the CDD fee is now set at \$4,700.

The revenue for that assessment is received because it is on the property tax, and it goes to auction each year if it is not paid. It costs about \$75,000 a year to have the infrastructure of a CDD, as confirmed by the auditor. If 15 to 16 default, that is break even for the District. This year it looks as if they could be at that 16 number, with 16 lot owners potentially not paying their assessment. The CDO will get that revenue, however, as the County will collect if for the CDO. HOAs are private entities and do not have the ability to get those assessments as the CDO does .

That COD discussion will be opened again this year, but for now, the Board is looking at fair share cost sharing for the bridge and roadway infrastructure or to only allow people who are paying for the road to use the road and turn it over to the HOA.

Upon seeing the results of the FEMA claim , discussion on the dissolution of the COD will be resumed. It was noted again what the process would be for the possible toll road, and the first thing to be done is to hire the consultant, and a close approximation on what could be charged would then be determined.

If the Board agrees, they will give Mrs. Maline the authority to move forward with the consultants and determine their charges and what the time frame would be. Mrs. Maline can bring that information to the Board at the next meeting and the Board can decide where to go from there.

The purpose of Mr. Earlywine's visit was purely to answer questions and to see if people would be comfortable with moving onto the next level on this issue.

Mrs. Esposito asked if there was any way to connect with another COD that had gone through this process and what their experience was.

Mr. Earlywine noted that he speaks with the attorney who was responsible for that from time to time and that he will bring that up to him.

Mrs. McFarland asked if there was a provision in that CDDs' bond that indicated that the revenue from the toll would be used partially to pay off their bond and was advised that this was correct. She felt that there were many unique characteristics for each of these CDDs, and Mrs. Esposito advised that she was more interested in public reaction and PR.

Mrs. Schewitz felt that community was funding a bond, while the Key Marco COD has been on Marco Island for 20 years, and now it is saying we are tired of funding this on our own. If the other COD has instituted a toll requirement, and it is being used to fund a bond, that is different from what the Key Marco strategy is. She added that they would have to be extremely careful that they are not subject to any discrimination claims.

Mrs. Parkes felt that they should also be careful of how Key Marco looks to the rest of the community, how the realtors will look at this, and what is going to happen to the value of the Key Marco property. This could be a positive thing or a negative one for the community.

Mr. Earlywine did not see a problem with the public's perception, as the COD owns and pays for the road, and those using it should help pay for it as well. Hopping, Green and Mr. Urbancic will all help the Board determine what the policy will say, as it will be important to have the wording clear that this toll will apply to everyone with no discrimination. Guests and families of members will not be charged.

Mr. Earlywine offered the concept that the toll could be tied to the number of trips someone makes into Key Marco, but that would have to be discussed with the consultant.

Mrs. Schewitz asked that if the District decided to dissolve the CDD would the toll making process be something that the HOA could take over. Mr. Earlywine noted that he would let the HOA counsel decide what they should do about that, but from the CDD standpoint, all its assets could be transferred to the HOA and then they would not have to worry about it.

Mrs. McFarland then asked if anyone had any further comments about this issue.

Mr. Tsandoulas noted that he had two words to say, "do it".

Mr. Urbancic indicated that he felt Mr. Earlywine had presented this information very well and that he gave a good summary of the Statute and the issue. He added that it will come down to the methodology and how it's developed and how the rate is created and who has to pay it. All these things are details that will have to be vetted out to make sure that the policy is acceptable, that it meets the District's goals, and complies with the Statute.

Knowing the community and the problems that have occurred in the past, there is going to be a reception issue, and the District will have to be prepared for that. If the right consultant is hired, and the procedural steps are followed, the public perception could be that the right thing was done in the right way.

On a MOTION by Mrs. McFarland and a second by Mrs. Schewitz, Mrs. Maline and Mrs. McFarland were unanimously approved to move to the next step of interviewing consultants to determine costs and potentially have them attend the next meeting to bring information to the Board.

Mr. Earlywine then left the meeting at 9:25 a.m.

### C3 Gardens Presentation

Mr. Jack Barnwell gave his background to the Board, noting that he owns and operates a large landscaping contracting firm up on Mackinac Island in Michigan. He sits on the State of Michigan's Board for Mackinac Island, which is the private fundraising arm of the historic parks in that area.

Mr. Barnwell owns three businesses, and he and his family live in Naples. C3 Gardens is his Naples business, and he also has a design firm that designs for properties all over the country. He was asked to take a look at the guard house at the entry to Key Marco, and he was at the meeting today to talk about his initial concept and how he would approach the design for them. He saw Key Marco as a natural, esthetically beautiful location which is not over landscaped or overly sculptured.

In his opinion, the guard house and landscaped entryway at Key Marco should be minimally approached, leaving as many of the native trees and shrubs as possible. There are a lot of things that happen on a microscopic level in this area, and it happens very slowly. There is a bacterial relationship in the soil and doing a large overall cleanup and replacement could do damage that is not seen as significant. The plants and landscaping would require much more fertilization and human chemical input which he felt they should avoid.

He recommended leaving as much there as possible, amending the soil to get it very healthy with some soil testing so they can understand what they have in those areas before diving in and doing something that may be beautiful on paper but would involve using machinery to clean everything out. Not only would it be expensive, but unnecessary as well.

Some updates can be done, and plantings that were damaged by the hurricane could be taken out, and that can be done in a low impact way as far as installation and investment on Key Marco's part. He works with Crawford Landscaping a fair amount, and Blake Crawford, the owner, has asked him to help design the landscaping for his private home. He opened the discussion for questions, and Mrs. Esposito was interested in knowing what kinds of plants that are native and natural he would be considering. Without a green light from the Board on doing the work, he has not yet implemented any design, but he did want to share with them what his thoughts were, which included pruning some of the unusual trees that are growing around the gate house and working a great deal with what is there.

After a brief discussion regarding the areas that need attention at the entrance to Key Marco, Mrs. Maline clarified that what Mr. Barnwell is focusing on is the gate house, the entranceway and the sidewalks that go to the pedestrian gates. The other areas mentioned in this discussion are the responsibility of the HOA.

Mr. Barnwell assured the Board that they are not talking about huge numbers to update this area. Mr. Krutisch agreed with this approach, noting that the soil on Key Marco was very poor and enhancing the soil in that area would help quite a bit. Mr. Barnwell suggested that at this point he could come up with a design and guide Crawford through the process of installation and soil enhancement. After that is completed, Mr. Barnwell will draw up a long-term maintenance plan with an organic approach.

A few more photographs will be taken, and once the contract is signed, he will *move* forward with some design plans which will be posted in the guard house for comments. All the work will be done during the rainy season. Mr. Barnwell's fixed fee contract price for the conceptual

design is \$2,500. Any additional compensation beyond that would be at \$100 an hour. The project management for the installation will be a 10 percent fee of the total cost of the installation. Mr. Barnwell clarified that he will work with Crawford on site, order all the plants and get everything going and inspect everything, which is all included in the \$2,500.

The installation time is also included in that amount. If the Board wishes him to come out to Key Marco and work with Crawford and meet with them on a regular basis, that is where the additional costs would come into play.

Mr. Krutisch indicated that they have not had a completely positive experience with Crawford in the past several years, and Mr. Barnwell noted that this is why it was important that he is very involved in the process rather than just handing it over to them. Crawford has 475 employees and Mr. Barnwell will ensure that the team on Key Marco is the one that he selects for the labor.

Mrs. McFarland also noted that the Crawford team reports to Mrs. Maline, and she manages them and makes sure they do the right thing.

On a MOTION by Mrs. Aitkenhead and a second by Mrs. Parkes, the contract with C3 Gardens was unanimously approved and Mrs. Maline was authorized to go forward with signing it and working with Mr. Barnwell.

## **REPORTS**

### District Counsel

Johnson Engineering- District Engineer Agreement Discussion

Mr. Urbancic advised that his understanding of the process for using an engineer on a continual basis, is it must be done by going through a qualification-based process. The COD would have to advertise and have qualifications submitted. Once the contract stage is reached, Mr. Urbancic would prefer to use his form contract, as most of these contracts include a limited liability of \$5,500 which is not acceptable.

Mrs. Maline and Mr. Urbancic will work together on what will be required of an Engineer, using Mr. Urbancic's standard contract, and Mrs. Maline will bring this back to the Board once she and Mrs. McFarland have clarified it.

### Manager's Report

Financial Report - Fiscal Year Ending September 30, 2017

Mrs. Maline provided the audit information to the Board and asked them for approval today so that it maybe filed with the Auditor General and the Department of Financial Services. The

audit was reviewed at the January meeting. Mrs. McFarland asked if there were any questions or comments on the audit before it was approved.

With no further comments received, on a MOTION by Mrs. McFarland and a second By Mrs. Aitkenhead, the Audit report was unanimously approved by the Board.

#### Financial Statement Ending December 31, 2017

Mrs. Maline introduced Alan Baldwin from Inframark who oversees the District's payables and financial reports. As of December 31, 2017, they were \$48,000 over budget, attributable to the FEMA expenses. Total FEMA expenses as of that date were \$100,176.

Mr. Krutisch asked if there were any owners who did not pay their COD assessment. Mrs. McFarland clarified that what she mentioned earlier in the meeting was that it looked like possibly 16 who as of the previous day, April 18, had not yet paid their assessment. She assumed that there will be an inflow in January and February of these assessment fees.

Mrs. McFarland agreed that it creates a spillover to the HOA and asked that they discuss that list after the meeting.

#### Resolution 2018-03 - Inframark Designated Signors on Fifth-Third Account

This resolution is to designate two of Inframark's officers, Mr. Robert Concord and Mr. Stephen Bloom, as signatories on the CDD's operations account. This will facilitate the process as presently they are sending the checks back to Key Marco for signature. Mrs. Maline briefly explained the process whereby invoices are paid, noting that all of the invoices are sent to Inframark where they are entered into the system. After they are entered into the system, she and Mrs. McFarland receive an email to review, approve or dispute a payment. At this time if the Resolution passes, the checks can be signed by Inframark for payment. There are five individuals in the approval process for each invoice, which enables an error to be caught during the process. There is only one bank account and both Mrs. McFarland and Mrs. Maline regularly review the account as a safeguard.

On a MOTION by Mrs. McFarland and a second by Mrs. Aitkenhead, Resolution 2018-3 was unanimously approved by the Board.

#### Earthview Invoice to Clean Catch Basins.

The original estimate to clean all the catch basins on Key Marco was for 40 hours of work, but it went well over that time. This was documented not only by their daily work logs, but also by gate access reports. The amount of time spent was 74.5 hours. The invoice amount is \$18,625 and Mrs. Maline is seeking approval from the Board to issue payment for this invoice, noting that while it is over budget, they did an excellent job and the catch basins had not been cleaned in many years.

On a MOTION by Mrs. Parkes and a second by Mrs. McFarland, the Board unanimously approved the payment of the Earthview invoice in the amount of \$18,625.

In response to a question from Mr. Krutisch regarding the standing water that is not reaching the catch basins, Mrs. Maline explained that this project will be addressed with Crawford this summer, and in those areas a swale will be created by sod cutting that will lower the sod level, and the water will then flow freely into the basins.

Earthview will be asked to prepare a proposal for the following year to dean out all the culverts that run underneath everyone's driveways. The culverts are located on COD property.

#### Street Lights Update

Mr. DiPrato met with Mrs. Maline and had a conversation about the streetlights, advising that only three of the lights are completely down. Two of the street lights need to be completely rewired, and three are waiting on parts. Mrs. McFarland thanked both of them for their time and efforts which saved the community quite a bit of money. Mr. DiPrato explained how the savings was accomplished, and new solar eyes will be installed in the lights with timers. Mrs. Maline is currently working with LCEC representatives as the street lights need to be metered. This is the last thing to be done with the street lights. Mrs. Maline will be working on this project and will bring it to the Board once more information on costs is obtained.

Mrs. Maline added that they are working on landscape lighting at the front gate and the entrance and changes will be discussed with C3 Gardens.

#### Maintenance Yard at Tract X

A proposal was received from Crawford to do all the work in the maintenance yard for a total of \$3,800,

On a MOTION by Mrs. McFarland and a second by Mrs. Aitkenhead, the Board unanimously approved finishing the maintenance yard responsibility and accepted the CDD portion of the \$2,300 fee to clean up the old maintenance yard.

Mrs. Maline was thanked for her efforts in this regard.

#### Letter from Jennifer Edwards

This letter was received from Mrs. Edwards, the Supervisor of Elections, advising Key Marco that there are 56 qualified voters in the District. This information from her office is an annual requirement according to Chapter 190 of the Statutes.

## **SUPERVISORS REQUESTS AND COMMENTS**

### **Update on Street Signs**

Mrs. McFarland asked for an update on the street signs. Mrs. Maline advised that as of the previous day all of the signs have been manufactured, and they now waiting for scheduling. Each individual sign has a logo on the top which will be hand painted.

## **AUDIENCE QUESTIONS AND COMMENTS**

Mr. Krutisch noted that the speeding signs are already done, and it did not make a difference as the speeding problem remains as it was.

Mrs. Esposito noted that there may be other areas in Key Marco that need some naturalization along with the entrance area, and the Board agreed. The dead and dying mangroves along Whiskey Creek are a concern.

Mr. Krutisch noted as well that there are many dying areas and some of them are now encroaching on private lots. Mrs. McFarland agreed that the vast amount of these areas are private lots or HOA property.

Crawford was advised a few weeks ago on what needed to be done and Mrs. Maline is meeting with them again today to advise them of what Key Marco's expectations are. A few other sod replacement companies will also be bidding on that project. This item will be revisited at the next meeting.

## **SCHEDULE NEXT MEETING DATE AND TIME**

Thursday, May 17, 2018 at 8:30 a.m.

The meeting was then adjourned at 10:05 a.m.

**KEY MARCO**  
**Community Development District**

Financial Statements

(Unaudited)

February 28, 2018

**KEY MARCO**

Community Development District

Supporting Schedules

February 28, 2018

Balance Sheet  
February 28, 2018

<u>ACCOUNT DESCRIPTION</u>	GENERAL FUND	FIXED ASSETS FUND	TOTAL
<b>ASSETS</b>			
Cash, Check, & A/c: Mt	\$ 951,942	\$	\$ 951,942
<b>Fixed Assets</b>			
Land		1,969,203	1,969,203
<b>Intif</b>		146,196	146,196
Accum Depr - Buildings		(111,345)	(111,345)
Impl/Oper Mntls		88,634	88,634
Infrastructure		6,522,136	6,522,136
Accum Depr - Improvements		(681,688)	(681,688)
Net In Depr - Infrastr. Jd. Le		(4,204,655)	(4,204,655)
Machinery & Equipmem		126,860	126,860
Intxm Depr - Mntl & Equip		(33,006)	(33,006)
<b>TOTAL ASSETS</b>	<b>\$ 951,942</b>	<b>\$ 4,616,385</b>	<b>\$ 5,568,327</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 23,884	\$	\$ 23,884
Accrued Expenses	3,490		3,490
<b>TOTAL LIABILITIES</b>	<b>27,374</b>		<b>27,374</b>
<b>FUND BALANCES</b>			
Unassigned:	924,568	4,616,385	5,540,953
<b>TOTAL FUND BALANCES</b>	<b>\$ 924,568</b>	<b>\$ 4,616,385</b>	<b>\$ 5,540,953</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 951,942</b>	<b>\$ 4,616,385</b>	<b>\$ 5,568,327</b>

Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Period Ending February 28, 2018

ACCOUNT DESCRIPTION	ANNUAL	FEB-18	FEB-18	VARIANCE	YEAR TO DATE	YEAR TO DATE	VARIANCE
	ADOPTED	ACTUAL	BUDGET	FA	ACTUAL	BUDGET	UNAV
<b>Interest-1</b>	\$ 4,000	\$ 1,175	\$ 333	\$ (842)	\$ 5320	\$ 1,667	\$ (3,653)
Interest-Tax Collector		22		122	22		122
Special Assmnts- Tax Collected	<b>629,800</b>		94,470	94,470	508,720	503,840	(4,880)
Special Assmnts- Oischools	125,000)		13,750)	(3,750)	(1,175)	(20,000)	118825
Other Miscellaneous Revenues	100	200	8	(192)	466	42	(424)
<b>TOTAL REVENUES</b>	<b>608,900</b>	<b>1,397</b>	<b>91,061</b>	<b>89,664</b>	<b>513,533</b>	<b>485,549</b>	<b>(27,844)</b>
<b>EXPENDITURES</b>							
<b>Administration</b>							
P/TI-Board of Supervisors	4,000		333	(333)	1,800	1,667	133
FICA Taxes	500		42	(42)		208	(208)
<b>Professional-</b>	<b>2,000</b>		<b>167</b>	<b>(167)</b>		<b>833</b>	<b>(833)</b>
Professional-Legal Services	25,000	2,470	2,083	387	5,411	10,417	(5,006)
Professional-Mgmt Consulting Serv	80,000	6,000	6,667	(667)	33,700	33,333	417
Professional-Property Appraiser	9,045		1,357	(1,357)	9,045	7,236	1,809
Professional-Special Assessment	1,000				1,000		1,000
Professional-Tax Ca	13,000		1,950	(19,500)	5,956	10,400	(4,444)
Accounting System	7,200		600	(600)	1,800	3,000	(1,200)
Professional-Software	<b>5,000</b>	3,200		3,200	4,925	<b>5,000</b>	(75)
Postage	400	33	33		91	167	(76)
Rentals & Leases	1,500	25	125	(100)	125	625	(500)
Insurance - Liability	31,000				27,205	15,500	11,705
Legal Advertising	2,000	186	167	19	924	833	91
Miscellaneous Services	<b>500</b>	55	42	13	319	208	111
Misc-Assessment Collection Cost					917		917
Transit Cost	1,000	175	83	92	705	417	288
Depreciation & Amortization	600		50	(50)	300	250	50

Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Period Ending February 28, 2018

ACCOUNT DESCRIPTION	ANNUAL	FEB18	FEB18	VARIANCE(\$)	YEAR TO DATE	YEAR TO DATE	VARIANCE(\$)
	ADOPTED BUDGET	ACTUAL	BUDGET	FAV	ACTUAL	BUDGET	FAV/(UNFAV)
Qtu&ippies	400		33	(331)	80	167	(87)
Dues, license Subsaiploos	100		17	1111	175	83	92
<b>Total Administration</b>	<u>164,345</u>	<u>12,144</u>	<u>13,79</u>	<u>(1,605)</u>	<u>94,528</u>	344	4,164
Renta:s&Leases	500		42	(42)		208	(208)
<b>Total Field</b>	<u>500</u>		<u>42</u>			<u>208</u>	<u>(20)8</u>
<b>Maintenance and Landscaping</b>							
Contractual Services	134,000	11,392	11,167	225	56,960	55,833	1,127
R&M-Trees and TrirriNiG	25,000		2,083	(2,083)		10,417	(10,417)
Plant Replacement Program	20,000		1,667	(1,667)	3,350	8,333	(4,983)
Exotic Maintenance	13,000		1,083	(1,083)	116	5,417	(5,301)
FkmerPrO!)(am	5,000	654	417	237	1,825	2,083	(2581)
Irrigation Supplies	3,000		150	1150)		1,250	(1,250)
Land Lease	31,000	2,553	1,583	(30)	12,765	12,917	(152)
Mulch Program	15,000	9,000	1,250	7,750	9,000	6,250	2,750
Miscellaneous		4,275		4,275	120,583		120,583
<b>Total Maintenance and Landscaping</b>	<u>246,000</u>	<u>27,874</u>	<u>20,500</u>	<u>11,4</u>	<u>205,599</u>	<u>102,500</u>	<u>102,099</u>
<b>Irrigation Services</b>							
Contractual Services	6,100	125	508	(383)	733	2,542	(1,800)
Utility-Water	15,000	2,925	1,250	1,675	7,158	6,250	908
Utility-Electric	5,000	636	417	219	1,590	2,083	(493)
Lease	3,000		2,583	(2,583)		12,917	(12,917)
Repairs & Maintenance	15,000	2,478	1,250	1,228	6,434	6,250	184
<b>Total Irrigation Services</b>	<u>72,100</u>	<u>6,164</u>	<u>6,008</u>	<u>156</u>	<u>15,915</u>	<u>30,042</u>	<u>(14,127)</u>

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Statement of Revenues, Expenditures and Changes in Fund  
Balances For the Period Ending February 28, 2018

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	FEB-17 ACTUAL	FEB-18 BUDGET	VARIANCE (J FAV	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE (\$)
<u>OTHER FINANCING SOURCES (USE \$)</u>							
Contribution (Use of) Fund Balance	(347,245)						
<b>TOTAL FINANCING SOURCES (USE \$)</b>	<b>1347,245</b>						<b>.1</b>
Net change in fund balance	\$ (347,245)	\$ (649,799)	\$ 1,325	\$ 78,224	\$ 114,445	\$ 71,800	73)
FUNDBALANCE, BEGINNING (OCT1,2017)	810,323				81,032.3	81,003	
FUNDBALANCE, ENDING	<u>\$ 463,078</u>				<u>\$ 92,477.3</u>	<u>\$ 882,195</u>	

**.. :: - t:YP/IESS ACCESSa'; SYSTEMS, INC**

2S270Bernwood Dr. Suite #7 Bonita Springs, Fl. 3413S 239 494-8604 239 390-2621fax  
www.cypressaccess.com www.visitorscreening.net Statewide Licensed Contractor# ES12001419

Submitted To: <b>Key Marco</b> ATTN: Katie Maline	<b>CONTRACT</b> Mar. 2, 2018 Q#180302e	Service & Preventative Maintenance Contracts for Access Control Equipment @ Front Gates
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*This quote includes a Service Contract that will provide service & repairs as needed (parts & labor) and also a scheduled Preventive Maintenance program which includes a site visit once a Month to inspect, tighten, adjust, lubricate, replace belts, etc... as needed to help prevent more serious breakdowns and reduce or eliminate system downtime.*

**Equipment Covered**

- AE1000 Linear AE1000 Callbox
- 6 CSW24v Liftmaster "Elite CSW-200 UL" Swing Gate Operator
  - CPN2 Checkpoint N2 Access Control Panel
  - CPN2CR Checkpoint Card Reader
  - BAI220 BA-220 Bar Code Decal Reader
  - EVAC EVAC receiver for emergency vehicles
- 2 PB325 Safety Photo Beam, UL325 compliant, Safety Sensor.
- a VEHDE T Digital Vehicle Detectors & Sensing Loops

Also includes Batteries, Power Supplies, Timers, Relays, and other incidental equipment related to Gate System operation

<b>Service Contract</b>	<b>\$200.85</b>
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Service Contract includes responding to problems as needed when called by the customer. Contract covers Repair Parts & Labor. Per month

Service Contract does not cover after hours fee, welding repairs, metal gates or hinges, 110v distribution, or damage caused by Vandalism, Equipment struck by Vehicle, Lightning/ Surge Damage or other Acts Of Nature. In cases where the equipment has been Discontinued by the Manufacturer, or is otherwise irreparable, this contract does not cover full replacement.

<b>Preventive Maintenance Program</b>	<b>\$90.00</b>
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Preventive Maintenance Program includes 1 site visit per month with a customized checklist to inspect, tighten, adjust, lubricate gate hinges, check batteries, belts, etc... as needed to help prevent more serious breakdowns, reduce or eliminate unexpected equipment failure and system downtime, and extend the life of the equipment. Per month

**The 2 Options can be accepted as a package OR individually.**

**Total Monthly Cost for both \$290.85 ]**

<p align="center"><b><u>ACCEPTANCE:</u></b></p> <p>CUSTOMER _____</p> <p>DATE _____</p> <p>Contract begins upon receipt of Signed Contract &amp; Initial Payment and can be canceled by either party with 30 days notice.</p>	<p align="center"><b><u>Contract is for 1 year. Payment Terms are:</u></b></p> <p align="right">Initial Payment upon signing <b>\$290.85</b></p> <p align="right">Plus, 11 monthly payments of <b>\$290.85</b></p>
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**24 Hr. Manned Service Line - 239 494-8604**

Dixon Cleaves 239-682-6235 dixon@cypressaccess.com