

MINUTES OF WORKSHOP CELEBRATION COMMUNITY DEVELOPMENT DISTRICT

A workshop of the Board of Supervisors of the Celebration Community Development District was held Tuesday, May 10, 2022, at 6:00 p.m. at the District Office, 313 Campus Street, Celebration, Florida 34747.

Present were:

Greg Filak	Chairman
Cliff Akey	Treasurer
Jack McLaughlin	Supervisor

Also present, either in person or via Zoom Video Communications, were:

Angel Montagna	Manager: Inframark, Management Services
Brenda Burgess	Inframark, Management Services
Brett Perez	Inframark, Field Services
Russ Simmons	Inframark, Field Services
Residents and Members of the Public	

This is not a certified or verbatim transcript but rather represents the context and summary of the workshop. The full workshop is available in audio format upon request. Contact the District Office for any related costs for an audio copy.

FIRST ORDER OF BUSINESS

Call to Order

Mr. Filak called the meeting to order at 6:00 p.m.

SECOND ORDER OF BUSINESS

Roll Call

Ms. Montagna called the roll.

THIRD ORDER OF BUSINESS

Pledge of Allegiance

Mr. Filak led the *Pledge of Allegiance*.

FOURTH ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

FIFTH ORDER OF BUSINESS

Discussion Items

A. Fiscal Year 2023 Proposed Budget

Mr. Perez provided a spreadsheet summary of the requests for proposal (“RFP”) to solicit for landscape maintenance services and street tree trimming services, and described the RFP process and proposals submitted. Three of the four interested proposers submitted proposals.

Discussion ensued regarding the companies that submitted responses to the landscape maintenance RFP, experience with each, special districts where they provide service,

comparison of prices provided, checking references with consistent questions to each reference, discussions of potential reasons Yellowstone's price was so high, green options included as alternates and provided in separate pricing options, timing of the Board awarding a contract, highest numbers for each line item included in the proposed budget, vendors will be present at the May 24 meeting, budget process and timeframes, transition timeline if a new landscaping company is awarded, and an anticipated start date of October 1 for landscape maintenance.

Consideration of landscape maintenance proposals will be on the May 24 agenda.

Further discussion ensued regarding contacting references, which staff can do or Board members may do. Mr. Filak offered to call references for Green Leaf, Mr. Akey will contact references for Juniper, and Mr. McLaughlin will contact references for Yellowstone. Ms. Burgess will forward a standard list of questions staff has used in past RFPs for contacting references.

Street tree trimming RFP responses will be received May 19, which will be provided to the Board and will be on the agenda for consideration on the May 24 agenda.

Discussion ensued regarding the proposed budget by line item:

- Reserves: reserve study consultant recommends having \$89,218,214 at the end of 30 years.
- Capital projects of \$1,019,998 are included in the budget for projects received from Board members and staff.
- Non-operating contribution to reserves is straight lined at \$2,960,000 to get to the reserve study number at the end of 30 years.
- Resulting assessments more than doubled if including all the highest bid estimates and reserve numbers, which is worst-case scenario.

Discussion ensued regarding overinflated numbers for street lights in the reserve study, which staff amended to be more realistic and to account for damage and insurance reimbursements. Proposed budget anticipates replacement of six light poles per year.

Staff's estimated reserve study number is \$14 million, or \$452,000 annual contribution to reserves.

Further discussion ensued on use of unassigned fund balance to keep assessments level, and other reductions staff made to reserve study items, including sidewalks.

Detailed discussion ensued on each budget line item, with the following notations:

REVENUES:

- Assessments includes \$2,960,000 annual reserve study and high bids for landscaping RFPs
- **Total Revenues: \$8,848,659**

ADMINISTRATIVE EXPENSES:

- Payroll-Board of Supervisors: \$16,000
- FICA Taxes: based on Payroll: \$1,224
- Professional Services-Arbitrage Rebate: \$1,200
- Professional Services-Dissemination Agent: \$2,000
- Professional Services-Engineering Fees: \$24,000
- Professional Services-Information Technology: zero
- Professional Services-Legal Services: \$40,000
- Professional Services-Management Consulting: \$53,500
- Professional Services-Property Appraiser: \$1,400
- Professional Services-Special Assessment: \$24,612
- Professional Services-Trustee: \$10,000
- Professional Services-Website Development: \$9,500
- Professional Services-Answering Service: \$2,700
- Professional Services-Reserve Study: zero
- Professional Services-Incorporation Study: zero
- Professional Services-Incorporation Study Legal: \$30,000
- Auditing Services: \$5,000
- Communication-Telephone: \$11,000
- Postage and Freight: \$700
- Insurance-General Liability: \$48,809
- Insurance-Workman's Comp: \$300
- Printing and Binding: \$3,800
- Legal Advertising: \$1,800
- Miscellaneous-Non-Ad Valorem Taxes: zero
- Miscellaneous-Assessment Collection Cost: \$163,474

Discussion ensued regarding projected collection costs being higher than historical due to a formula based on tax collector assessment revenues. This number will change based on its revenue counterpart.

- Miscellaneous-Contingency: \$3,000
- Office Supplies: \$500
- Annual District Filing Fee: \$175
- **Total Administrative: \$454,694**

PUBLIC SAFETY EXPENSES:

- Contracts-Sheriff-Discretionary: zero
- Security Services-Sheriff: \$170,000
- **Total Public Safety: \$170,000**

Discussion ensued regarding increase from \$100,000, budgeted amount includes license-plate recognition cameras, details charging a rate increase, number of hours, and recommended hearing date for July.

PHYSICAL ENVIRONMENT EXPENSES:

- Contracts-Water Quality: \$22,000
- Contracts-Aquatic Weed Control: \$130,000
- Contracts-Pest Control: \$350,000
- Repair and Maintenance-Wetland: \$1,000
- **Total Physical Environment: \$503,000**

Discussion ensued regarding increase in pest control, which is mosquito control, due to uncertainty of bids being received and will include Island Village, alternates will include green options in pricing, budgeted amount will likely not include green options, increase to \$450,00 if including green options, and the six-month green trial ended with no comments from residents.

FLOOD CONTROL MANAGEMENT EXPENSES:

- Repair and Maintenance-Canal Bank Restoration: \$10,000

Discussion ensued regarding increase of \$10,000 to address pond bank maintenance for plantings around some ponds at the high-water mark, contractor has reviewed the pond banks for recommendations and agreed \$20,000 would be sufficient, slope and related liability issues, reserves would be used for higher-dollar projects, engineer will review and make a recommendation, and request to lower it to \$10,000.

- Repair and Maintenance-Stormwater System: \$33,768
- **Total Flood Control Management: \$43,768**

FIELD EXPENSES:

- Professional Services-Field Management: \$1,120,473

Discussion ensued regarding high numbers were used from each line item from the requests for proposal that were received for budgeting purposes. Because one of the bids came in significantly higher, rather than skewing the budget, the second-highest numbers will be used for the budget for most line items.

- Contracts-Fountain: \$8,500
- Contracts-Pine Straw: \$109,998
- Contracts-Irrigation: \$96,696

Discussion ensued regarding this contract is for labor to perform inspections and repairs, but the District purchases the parts, included below in R&M-Irrigation.

- Contracts-Trees and Trimming: \$267,750 (*separate from general landscaping for crepe myrtles and palm trees, pending RFP*)
- Contracts-Shrub Maintenance: \$332,000

Discussion ensued regarding the amount not including electric options.

- Contracts-General Site/Trash and Debris: \$51,000
- Contracts-Ground/Turf/Tree Maintenance: \$803,000

Discussion ensued regarding the amount includes street tree trimming over roadways and sidewalks.

- Contracts-Annuals: \$16,380
- Fuel, Gasoline, and Oil: \$19,000
- Electricity-General: \$35,000
- Utility-Refuse Removal: \$17,000
- Rentals-General: \$2,651
- Repair and Maintenance-Boardwalks: \$25,000

Discussion ensued regarding several boardwalk portions need to be repaired, so the amount increased to \$25,000.

- Repair and Maintenance-Common Area: \$60,000
- Repair and Maintenance-Equipment: \$20,000

Discussion ensued regarding this line item being in a couple categories but combined into one line item. Pressure washing equipment will be zero, and all equipment will be in this line item, including the Cyclone, mules, and other equipment.

- Repair and Maintenance-Fountain: \$10,000
- Repair and Maintenance-Other Landscape: \$150,000

Discussion ensued regarding 10% to 15% of landscape budget included in other landscape to replace dead or damaged plant material, and does not include trees but includes any other landscape.

- Repair and Maintenance-Irrigation Materials: \$65,000

Discussion ensued regarding an analysis being done for previous irrigation repair costs, includes material purchases.

- Repair and Maintenance-Alleyways: \$18,000 (*includes roads and alleys from next budget section, Artisan Park the next alley to be replaced*)
- Repair and Maintenance-Sidewalks: \$150,000
- Repair and Maintenance-Pressure Washing: zero (*included in equipment*)
- Repair and Maintenance-Fire Equipment: \$1,100
- Repair and Maintenance-Painting: \$10,000
- Repair and Maintenance-Tree Removal/Replacement: \$60,000
- Repair and Maintenance-Aeration: \$25,000

- Miscellaneous-Contingency: \$15,000
- Building Operating Costs: \$20,000
- **Total Field: \$3,508,548**

ROAD AND STREET FACILITIES EXPENSES:

- Electricity-Street Lighting: \$140,000
- Repair and Maintenance-Road Cleaning: \$100,000
- Repair and Maintenance-Roads and Alleyways: zero (*included above in R&M-Alleyways*)
- Repair and Maintenance-Signage/Radar Sign Maintenance: \$10,000

Discussion ensued regarding anticipated sign repairs.

- Repair and Maintenance-Street Lights: \$120,000 (*six poles/fixtures per year*)
- **Total Flood Control Management: \$370,000**
- **Total Expenditures: \$5,050,010**

CAPITAL PROJECTS:

- Exercise Stations: \$25,000

Discussion ensued regarding exercise stations, similar to what Island Village has, for various areas in the community, discussion of appropriate areas, \$25,000 would provide eight stations installed, general liability insurance would include these in the property schedule, testing and calibration of the exercise stations, and anticipated maintenance.

- Shade Structure Roofs (3): \$65,000
- Solar Panels: \$132,937 (*for District Office*)
- Landscape Enhancements: \$80,000 (*Celebration Boulevard median and entrances*)

Discussion ensued regarding enhancements at the Celebration sign south of S.R. 417.

- Street Light Painting: \$20,000
- Pavers: \$10,000 (*Market Square*)
- Fencing: \$30,000 (*Celebration Avenue at Golfpark Drive*)
- **Total Capital Projects: \$362,637**

Discussion ensued regarding continuation of the boardwalk from the civic corridor at an estimated \$1.5 million, plan to request funds from Osceola County, and the boardwalk being on CROA property.

Further discussion ensued regarding aerators included in future budgets over three to five years, resulting increase in electricity and maintenance costs, should reduce amount of chemicals, and a line item included in field category.

Discussion ensued regarding anticipated assessment increase of 15% to 20%, any increase will require mailed notice to property owners, budget numbers can be refined, and overall assessment can be lowered from the level approved at the May meeting.

NON-OPERATING RESERVE:

- Reserve-Annual Contribution: \$550,000
- **Total Non-Operating Reserve: \$550,000**

Discussion ensued regarding realistic contribution less than the reserve study recommendation, staff's suggestion of \$452,000 annually, comparison of a similar-sized community that has been contributing \$480,000 for a period of years, using the reserve study as a guide but some line items are unrealistic, list of projects using undesignated fund balance over the years to keep per-unit assessments level, use of assessment stabilization reserve account, resulting assessments increased less than 50%, commercial assessments based on square footage, each product type pays the same amount within that product type, and residential product types are based on benefit.

Further discussion ensued regarding providing the draft budget to Board member in advance of the May meeting in anticipation of setting the public hearing at the May meeting, with a revised budget provided at the meeting.

ASSIGNED FUND BALANCE:

- Operating Reserve-Operating Capital: \$1,396,828
- Reserves (formerly Assessment Stabilization): \$750,000
- Reserves-Board and Trail Repair and Replacement: \$375,000
- Reserves-Capital Projects: \$1,019,998
- Reserves-Disaster Relief: \$1,000,000
- Reserves-Roads and Alleyways: \$225,000
- Reserves-Self Insurance: \$84,500
- **Total Non-Operating Reserve: \$4,851,326**

Discussion ensued regarding use of fund balance, and how fund balance is generated.

A Resident discussed accumulating reserves.

Discussion ensued regarding using CPI average (about 2.8%) for inflation rate to be used for the reserve annual contribution. Ms. Montagna will prepare three scenarios for the annual contribution. For road and alley reserve, Artisan Park (cost of \$150,000) could be delayed two years. Several reserve costs were provided by the engineer, and discussion ensued regarding inflation and other parameters included in his suggested costs.

SIXTH ORDER OF BUSINESS

Public Comments

There being no comments, the next order of business followed.

SEVENTH ORDER OF BUSINESS

Other Business

Mr. Filak discussed Mr. McLaughlin investigating a replacement for CeleService with no commitments, just discussions.

Mr. Akey left the meeting at 7:58 p.m.

Mr. Perez provided an update on the alum vault repair, pump is installed, and water should be flowing within two days.

Mr. Simmons will contact Duke Energy regarding the water leak at Lake Evalyn. If no resolution is reached by Friday, Ms. Montagna will contact counsel Monday morning to proceed with the next step.

EIGHTH ORDER OF BUSINESS

Supervisor Comments

There being none, the next order of business followed.

NINTH ORDER OF BUSINESS

Adjournment

- *The next meeting is scheduled for Tuesday, May 24, 2022, at 6:00 p.m.*
- *The next workshop is scheduled for Tuesday, July 12, 2022, at 6:00 p.m.*

On MOTION by Mr. Filak, seconded by Mr. McLaughlin, with all in favor, the workshop was adjourned at 8:10 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman