

**MINUTES OF MEETING
MIDTOWN MIAMI
COMMUNITY DEVELOPMENT DISTRICT**

Multiple Public Hearings and a Regular Meeting of the Midtown Miami Community Development District's Board of Supervisors were held on Thursday, September 13, 2018 at 2:30 p.m., at the offices of the CDD, Shops at Midtown Miami, 3401 N. Miami Avenue, 2nd floor parking garage, Suite 132, Miami, Florida 33127.

Present and constituting a quorum were:

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|----------------|---------------------|
| Jon Samuel | Chair |
| Alex Miranda | Vice Chair |
| Joseph Padula | Assistant Secretary |
| Michelle Jorge | Assistant Secretary |

Also present were:

| | |
|----------------|--------------------|
| Craig Wrathell | District Manager |
| Ginger Wald | District Counsel |
| Deborah Samuel | Operations Manager |

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 2:30 p.m. Supervisors Samuel, Miranda, Padula and Jorge were present, in person. Supervisor Masarin was not present.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

- **Consideration of Settlement in the Anna Marie DeFeo v. Midtown Miami CDD Case**
This item, previously the Seventh Order of Business, was presented out of order.

Ms. Wald stated a lawsuit was filed against the District and other entities alleging the websites were not compliant with the Americans with Disabilities Act (ADA) requirements for websites. Egis, the District's insurance carrier, agreed to pay and defend the District's lawsuit and the lawsuits of other CDDs insured by them and agreed to a settlement for these Districts for a specified amount, shared by all of the Districts. If the District agrees to the terms of the settlement, it is not financially affected but is required to bring the website into compliance

within 18 months. The District Manager commenced the compliance process by engaging a site compliance company. Per Florida Statutes, CDDs must have a website containing certain required documents. Approval of the Settlement Agreement was recommended.

Mr. Wrathell stated the Plaintiff filed suits throughout Florida. Egis was notified immediately, when the complaint was served and Management engaged ADA Site Compliance (ADASC) to perform a technological audit for all the Districts it manages, at an annual cost of \$199. The webmaster completed their technological audit and updated the website with an ADA Compliance Seal, which links to the Accessibility Compliance Policy and explains that steps are underway to make the website compliant. ADASC completed the technological audit but suggested performing a human audit. Negotiations are underway for ADASC to perform a human audit on a prototype website, with the cost split between all management's CDDs; individual human audits would cost \$6,000 to \$8,000 for each District. The legally required documents already posted on the website were converted to the proper format and are now ADA compliant. The process of saving and posting ADA compliant documents will continue, going forward, and outdated information will be removed. Mr. Wrathell confirmed with the insurance agent that Egis will continue to provide coverage for the website, as long as the District makes efforts to comply.

On MOTION by Mr. Miranda and seconded by Ms. Jorge, with all in favor, the Settlement Agreement in the Anna Marie DeFeo v. Midtown Miami CDD litigation, was approved.

THIRD ORDER OF BUSINESS

**Public Hearing to Hear Comments and
Objections on the Adoption of the Fiscal
Year 2018/2019 Budget**

A. Affidavit/Proof of Publication

Mr. Wrathell presented the affidavit of publication.

B. Consideration of Resolution 2018-03, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019; Authorizing Budget Amendments; and Providing an Effective Date

Mr. Wrathell presented Resolution 2018-03. The Assessment Table, on Page 15 of the Fiscal Year 2019 budget, was identical to the one presented a few months ago. He reviewed the

budget line item adjustments, compared to Fiscal Year 2018. The 2014B Bonds relate to the parking garage and are paid with Tax Increment Financing (TIF) revenues from the County. In the past, \$205,000 of excess TIF revenues were transferred to subsidize the B bond, which are the general infrastructure bonds for streetscapes, sidewalks, etc. Another \$200,000 was transferred from excess parking fees to the B bonds again because there is already \$200,000 in the General Fund budget for the "Park" project. The commercial properties have off-roll assessments, which are direct-billed and enable the District to file for foreclosure if payment is not received. General Fund expenditures increased \$223,000, due to slight increases to Administrative and Field operations and \$200,000 being allotted to fund the "Midtown community park". Debt Service Fund assessments were reduced and transferred to the General Fund assessments to fund Midtown Community Park. TIF revenues must be discussed in the future since they exceed the debt service on the bonds. The County contacted Management regarding the CDD generating excess TIF revenues and Management argued that the District is due this money, per the Agreement. Assessments for the 2014A Bonds for the parking garage were reduced and are paid with TIF revenues.

Mr. Miranda left the meeting at 3:00 p.m.

In response to the question of paying the bonds early, Mr. Wrathell stated there was no incentive to do so, since the payments are made with TIF revenues.

Mr. Miranda returned at 3:02 p.m.

Mr. Wrathell opened the Public Hearing.

No members of the public spoke.

Mr. Wrathell closed the Public Hearing.

On MOTION by Mr. Padula and seconded by Mr. Samuel, with all in favor, Resolution 2018-03, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

A. Affidavit/Proof of Publication

Mr. Wrathell presented the affidavit of publication.

B. Consideration of Resolution 2018-04, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2018/2019; Providing for the Collection and Enforcement of Special Assessments, Including but not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date

Mr. Wrathell presented Resolution 2018-04. This Resolution provides for placing the residential on-roll assessments on the tax bill and direct billing off-roll assessments to the commercial and undeveloped property owners.

Mr. Wrathell opened the Public Hearing.

No members of the public spoke.

Mr. Wrathell closed the Public Hearing.

On MOTION by Mr. Samuel and seconded by Mr. Padula, with all in favor, Resolution 2018-04, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2018/2019; Providing for the Collection and Enforcement of Special Assessments, Including but not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Presentation of Audited Annual Financial Report for the Fiscal Year Ended September 30, 2017, Prepared by Berger, Toombs, Elam, Gaines & Frank

Mr. Wrathell presented the Audited Annual Financial Report for the Fiscal Year Ending September 30, 2017 and described the information that could be found on each page. The Audit was completed and filed with the State before the June 30 deadline. "Management's Discussion and Analysis", on Page 4, stated the District's total liabilities exceeded total assets by \$(13,972,307) and Governmental funds had a negative net position of (\$897,404), attributable to depreciation in assets; however, the cash asset improved and will improve further rather than worsen, as time goes. The "Capital Assets Activity", on Page 7, reflected depreciation of the District's physical assets and the 2014B bonds balance was \$24,650,000, which is used to

fund the District's general infrastructure. The "Debt Management", Business-type Activities", on Page 8, showed that the Series 2004 bonds were refunded when the District issued the 2014A refunding bonds; the debt service is paid annually with TIF revenues. The amount to pay the 2014A bonds was the same as last year and the excess remains in the account, investing at a moderate rate of return; however, at some point, the Board must decide how to use excess funds, since they are limited because of an earlier agreement stating the CDD would reimburse older property owners that paid assessments that were not subsidized by TIF. Mr. Wrathell is researching whether excess funds could be used to subsidize assessments, since it would be impossible to calculate the amount that is owed and then locate the owner. Ms. Wald stated future conversations with the County will be necessary. Discussion ensued regarding excess funds being used for other items, such as other parking needs, construction of the five new buildings, the dock or on a new bond or paying off this bond. The "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters", on Pages 37 and 38, reflected no deficiencies in internal control and no instances of noncompliance. The "Management Letter", on Pages 39 through 41, reflected prior audit findings which relates to the deficit in the Enterprise Fund for which sufficient resources were not available to cover; Management's response was that the deficit was attributable to depreciation occurring at a faster rate than the current principal reduction payments on the bonds but the District has a strong cash position, as revenues substantially exceeded expenses, less depreciation. Other than the finding related to the Enterprise Fund, this was a clean audit. The "Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes", on page 42, reflected that the District was in compliance.

SIXTH ORDER OF BUSINESS**Consideration of Resolution 2018-05,
Accepting the Audited Annual Financial
Report for the Fiscal Year Ended
September 30, 2017**

Mr. Wrathell presented Resolution 2018-05.

**On MOTION by Ms. Jorge and seconded by Mr. Padula, with all in favor,
Resolution 2018-05, Accepting the Audited Annual Financial Report for the
Fiscal Year Ended September 30, 2017, was adopted.**

SEVENTH ORDER OF BUSINESS

Consideration of Settlement in the Anna Marie DeFeo v. Midtown Miami CDD Case

This item was presented following the Second Order of Business.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2018-06, Adopting the Annual Meeting Schedule for Fiscal Year 2019

Mr. Wrathell presented Resolution 2018-06. For Fiscal Year 2019, meetings would be held at 3:00 p.m.

On MOTION by Mr. Padula and seconded by Ms. Miranda, with all in favor, Resolution 2018-06, Adopting the Annual Meeting Schedule for Fiscal Year 2019, was adopted.

NINTH ORDER OF BUSINESS

Consideration of Additional Insurance Coverage Related to Additional Property Breakouts

Mr. Wrathell recalled discussions about the structure of the District's existing property insurance and provided a brief description of the coverage between the parking garages and \$1.8 million in ancillary type improvements, such as the light poles, flower pots, etc., that could be exposed to a hurricane. Currently, the deductible for a named windstorm is higher than the actual costs of the assets and the deductible for non-named windstorm events is \$2,500. Mr. Wrathell obtained, a proposal, from the current provider, for separate coverage for these assets, with a deductible of 5% for named windstorm events and \$2,500 for non-named windstorm events. Discussion ensued regarding damage scenarios that could significantly affect the District financially, if separate coverage is not obtained. Mr. Wrathell's opinion was that individual Board Members of a governmental entity could be criticized for not obtaining coverage and, if an event occurred, would have to initiate a special assessment to fund the recovery. There was also a risk if the Board decided to invest the premiums and self insure and there happened to be a catastrophic event. The safest choice was to obtain separate coverage; broken down, the garages would have a 5% deductible and coverage for the \$1.8 million would have a 5% deductible, for an annual premium cost of \$16,000.

This item was deferred to the next meeting.

TENTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of July 31, 2018

Mr. Wrathell presented the Unaudited Financial Statements as of July 31, 2018. The excess TIF funds received from the County would be bifurcated.

On MOTION by Mr. Padula and seconded by Mr. Samuel, with all in favor, the Unaudited Financial Statements as of July 31, 2018, were approved.

ELEVENTH ORDER OF BUSINESS

Approval of May 8, 2018 Regular Meeting Minutes

Mr. Wrathell presented the May 8, 2018 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following change was made:

Line 283: Delete entire line.

On MOTION by Mr. Padula and seconded by Ms. Jorge, with all in favor, the May 8, 2018 Regular Meeting Minutes, as amended, were approved.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. Operations Manager: *Deborah Samuel*

i. Monthly Report

Ms. Samuel reported the following:

- Vending Enclosures: Installed around the vending machines in the North Block Garage.
- Miami Christmas Lights: Ms. Samuel negotiated receiving a \$9,700 credit from last year’s Christmas light installation. This is the final year of a three-year contract that will not be renewed. The Contractor is installing new white lights in November and, at no extra cost to the CDD, providing lights all the way to 36th street and installing additional lights on Buena Vista.
- South Block Parking Garage: Juveniles vandalizing property at the South Block Parking Garage required hiring extra security over the summer but coverage would now be reduced.
- Membrane Warranty: Restocon was contacted regarding the membrane peeling at the entrance and exit gates. Since this is a high traffic area, it required closing the garage entrance for 48 hours so a heavier product could be applied.

- Capital Improvements: All improvements for Fiscal Year 2018 were completed.
- Railing Installation: Railings were installed, with designs similar to the existing ones in the garage, to help prevent tripping near the vending machines.
- Maintenance of Traffic (MOT) Coordination: MOT coordination has become a full time job, requiring her to attend City of Miami meetings to ward off potential scheduling conflicts pertaining to road closures, similar to a potential conflict between Midtown 6 and Midtown 8.
- Hyde: Hyde’s sidewalk repairs were completed and now match in color.
- Infrastructure Punch List Items: A running list of miscellaneous punch list items, such as utilities that need to be addressed, is maintained for the following:
 - Midtown 6 and 8: Being finished.
 - Midtown 3: Should be completed in two weeks.
 - Midtown 5: Finished.
- Light Fixtures and Benches: Engaged a company to electrostatic spray paint all lights and benches. This project is expected to be completed by December. Some deteriorating wood benches were removed and others had laminate wood tracks, similar to ones used on docks that hold up in weather, were installed on top of the benches. Costs for these projects, the light fixtures and new benches will be presented at the next meeting.
- Midtown Miami Community Park: Once received and a few remaining items are finalized, she will make a presentation.

ii. Parking Information

- **Executive Summary**
- **Transient Parking Year Over Year Comparison**
- **Revenue By Lane Report**

These items were provided for informational purposes.

iii. Update: Enterprise Fund Major Projects

This item was not addressed.

B. District Counsel: *Billing, Cochran, Lyles, Mauro & Ramsey, P.A.*

There being no report, the next item followed.

C. District Engineer: *Alvarez Engineers, Inc.*

There being no report, the next item followed.

D. District Manager: *Wrathell, Hunt and Associates, LLC*

i. 688 Registered Voters in District as of April 15, 2018

Mr. Wrathell reported that there were 688 registered voters residing within the boundaries of the District as of April 15, 2018.

ii. Consideration of ADA Site Compliance Proposal for Website Compliance Shield, Accessibility Policy and One (1) Annual Technological Audi

Mr. Wrathell presented for ratification the ADASC proposal. As discussed, Management engaged ADASC to perform a technological audit on the CDD’s website at an annual cost of \$199. Because this District was served the complaint, the Attorney engaged by Egis is requiring a human audit of the website; however, Mr. Wrathell will discuss this at a later date, as he is looking into whether that could be accomplished another way.

On MOTION by Mr. Samuel and seconded by Mr. Padula, with all in favor, the ADA Site Compliance Proposal for Website Compliance Shield, Accessibility Policy and One (1) Annual Technological Audit and Management’s previously taken actions related to making the CDD website ADA-compliant, were ratified, and authorizing Management to take immediate steps to make the CDD website compliant with previously drafted Department of Justice ADA-related rules, was approved.

THIRTEENTH ORDER OF BUSINESS

Audience Comments/Supervisors’ Requests

There being no audience comments or Supervisors’ requests, the next item followed.

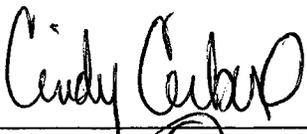
FOURTEENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned.

On MOTION by Ms. Jorge and seconded by Mr. Padula, with all in favor, the meeting adjourned at 3:50 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair