

MINUTES OF MEETING

HIGHLAND MEADOWS II COMMUNITY DEVELOPMENT DISTRICT BOARD OF SUPERVISORS' MEETING

Thursday, June 5, 2014 at 10:12 a.m.

Holiday Inn Winter Haven

200 Cypress Gardens Boulevard,

Winter Haven, Florida 33880

Board Members present at roll call:

Rennie Heath	Board Member
Lauren Schwenk	Board Member
Michelle Bannon	Board Member
Andrew Rhinehart	Board Member

Also Present:

Todd Amaden	Landmark Engineering
Roy Van Wyk	Hopping Green & Sams, P.A.
Sarah Warren	Hopping Green & Sams, P.A.
Joe MacLaren	Fishkind & Associates, Inc.
Jane Gaarlandt	Fishkind & Associates, Inc.
Bob Gang	Greenbeerg Traurig (via phone)

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

The meeting was called to order. The Board Members and staff in attendance are outlined above.

SECOND ORDER OF BUSINESS

Public Comment Period

There were no members of the public present.

THIRD ORDER OF BUSINESS

Administration of the Oath of Office to New Members of the Board of Supervisors

Mr. MacLaren, a notary public in the State of Florida, administered the oath of office to Mr. Heath, Ms. Schwenk, and Ms. Bannon. Thereafter, Mr. MacLaren noted that Mr.

Rhinehart had joined the meeting and Mr. Rhinehart was also administered the oath of office for Members of the Board of Supervisors.

FOURTH ORDER OF BUSINESS

**Overview of the Florida
“Government in the Sunshine”
Regulations and other Board
Member Responsibilities
Statement of Financial Interest,
Form 1**

The Board Members were informed that they are required to fill out the Statement of Financial Interests, Form 1, and submit that to the Supervisor of Elections in the County in which they reside. Mr. Van Wyk noted that it is due within 30 days and that each Board Member needs to save a copy. He stated that after this first year, each Board Member will annually receive the form from the Commission on Ethics. Mr. Heath stated that some Board Members serve on Boards in both Polk and Hillsborough County and asked what they should do if they fill out the form and submit it to Polk County and then in 2 months Hillsborough County states that they never received the form. Mr. Van Wyk replied that in that case, the Board Members should let Ms. Gaarlandt know and she will inform Hillsborough County that the Board Members have been filing with the Supervisor of Elections in Polk County. The Board Members were also provided with an overview of Florida’s “Government in the Sunshine” regulations, pointing out that Board Members are not allowed to discuss District business outside of an advertised meeting and that all documents that the Board reviews at Board Meetings are public records and subject to public inspection. Mr. Van Wyk suggested that Board members not save any materials. The District Manager will keep all the original records and respond to records requests. Mr. Van Wyk also reminded the Board Members to never ‘reply to all’ when replying to emails.

FIFTH ORDER OF BUSINESS

Review of District Contact List

The Board reviewed the contact list. Mr. MacLaren noted that the contact list would need to be updated as Michelle Bannon was listed as Michelle Cassidy. He also asked that anybody who had any edits let him know or email the District Managers and they would update the list.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2014-01, Appointing District Officers

Mr. MacLaren recommended that he be named as District Secretary, as he will be holding all of the District's records. He can handle records requests on the Board's behalf. He suggested naming Ms. Gaarlandt as Assistant Secretary, Hank Fishkind as Treasurer, and Beverly Ranchurejee as Assistant Treasurer. Mr. Van Wyk called for a nomination for Chairperson.

On MOTION by Mr. Rhinehart, seconded by Ms. Schwenk, with all in favor, the Board named Mr. Heath as Chairperson.

Mr. Van Wyk called for a nomination for Vice Chair.

On MOTION by Ms. Schwenk, seconded by Ms. Bannon, with all in favor, the Board named Mr. Shapiro Vice-Chair.

On MOTION by Ms. Bannon, seconded by Ms. Schwenk, with all in favor, the Board approved Resolution 2014-01, Appointing District Officers as recommended by Mr. MacLaren, with Mr. Heath serving as Chair, Mr. Shapiro as Vice-Chair, and the remaining Board Members as Assistant Secretaries.

Mr. MacLaren explained the roles of each officer to the Board Members.

SEVENTH ORDER OF BUSINESS

Announcement of Landowner's Election

Mr. MacLaren explained that the Board Members as of right now are considered temporary Supervisors and the District must hold an election within 90 days. Mr. MacLaren suggested Thursday, July 10, 2014 at 10:00 am as the District's next meeting and Landowner's Election.

EIGHTH ORDER OF BUSINESS

Consideration of District Management and Financial Advisory Proposal from Fishkind & Associates

The Board reviewed the District Manager's proposal.

On MOTION by Mr. Heath, seconded by Ms. Bannon, with all in favor, the Board approved the proposal from Fishkind & Associates.

NINTH ORDER OF BUSINESS

**Consideration of District Counsel
Retainer Agreement from
Hopping Green & Sams**

Mr. Van Wyk presented the Retainer Agreement from Hopping Green & Sams for this firm to serve as the District's Legal Counsel.

On MOTION by Ms. Schwenk, seconded by Ms. Bannon with all in favor, the Board approved the Retainer Agreement from Hopping Green & Sams.

TENTH ORDER OF BUSINESS

**Consideration of Resolution 2014-
02, Designating Registered Agent
& Office
a) Designate Local District
Records Office**

Mr. MacLaren recommended Mr. Van Wyk with the District Counsel's Office as Registered Agent.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board approved Resolution 2014-02, approving Mr. Van Wyk as the Registered Agent.

Mr. MacLaren noted that the Board needed to designate a local District records office to be somewhere in Polk County. Mr. Heath suggested his offices at 346 E. Central Avenue.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board approved 346 E. Central Avenue in Winter Haven, Florida as the local District records office.

ELEVENTH ORDER OF BUSINESS

Consideration of Resolution 2014-03, Providing for the Public's Opportunity to be Heard

a) Memorandum on New "Opportunity to be Heard" Legislation

Mr. MacLaren explained that the public is required to have the opportunity to speak on any agenda item that comes before the Board prior to the Board voting on it. Mr. Van Wyk explained Resolution 2014-03 to the Board Members.

On MOTION by Mr. Bannon, seconded by Ms. Schwenk, with all in favor, the Board approved Resolution 2014-03, providing for the Public's Opportunity to be Heard.

TWELFTH ORDER OF BUSINESS

Consideration of Travel Reimbursement Policy

The Board Members reviewed the Travel Reimbursement Policy.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board approved the Travel Reimbursement Policy.

THIRTEENTH ORDER OF BUSINESS

Consideration of Resolution 2014-04, Setting Forth District Policy for Legal Defense of Board Members and Officers

a) Request for Authorization to Obtain Public Officers Liability Insurance

Mr. Van Wyk explained that this is the policy in case the District becomes the subject of a lawsuit. He noted that Mr. MacLaren has a Funding Request for the Board's approval so he can purchase insurance for the District.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board approved Resolution 2014-04, Setting Forth District Policy for Legal Defense of Board members and Officers.

FOURTEENTH ORDER OF BUSINESS

**Request for Authorization to File
Notice of Establishment**

Mr. Van Wyk stated that the District is required by statute to file a public records notice of establishment of the District. It lets everyone know that the District exists and can levy special assessments.

On MOTION by Ms. Bannon, seconded by Mr. Rhinehart, with all in favor, the Board authorized the recording of the District's Notice of Establishment.

FIFTEENTH ORDER OF BUSINESS

**Consideration of Records
Retention Schedule**

a) Memorandum

**a. Option A, Resolution
2014-05, Adopting a
Records Retention
Policy**

**b. Option B, Resolution
2014-05, Adopting a
Records Retention
Policy**

Mr. Van Wyk noted that each local government is required to have a policy with respect to records retention. The District can either have a policy of total retention or a policy which purges the records after a certain number of years with the exception of financing documents, which are required to be kept the entire time that the District has Bonds outstanding plus an additional 2-3 years. Mr. Van Wyk recommended option A which would allow the District Manager to purge the records after a certain number of years.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board adopted Resolution 2014-05, adopting a Records Retention Policy by approving Option A.

SIXTEENTH ORDER OF BUSINESS

**Consideration of Interim Engineer
Agreement with Landmark
Engineering & Surveying
Corporation**

a) Request for Authorization to Publish RFQ for District Engineer

The Board reviewed the Interim Engineer Agreement with Landmark Engineering & Surveying Corporation for a not to exceed amount of \$25,000.00 Mr. MacLaren requested authorization to run an RFQ whereby firms could submit qualifications to serve as the District's permanent Engineer.

On MOTION by Ms. Bannon, seconded by Ms. Schwenk, with all in favor, the Board approved the Interim Engineer Agreement and authorization to run a RFQ for a permanent District Engineer.

SEVENTEENTH ORDER OF BUSINESS

Consideration of Resolution 2014-06, Approving Proposed Budgets for FY 2013/2014 and FY 2014/2015 and Setting a Public Hearing Thereon

Mr. MacLaren recommended July 10, 2014 as the public hearing date for adoption of the budgets. Mr. MacLaren presented proposed not-to-exceed budgets. Mr. van Wyk asked if that date gives the District the 60 days that it needs wait to adopt a budget. Ms. Gaarlandt suggested the public hearing be held on August 14, 2014. There was a brief discussion.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board approved Resolution 2014-06, approving proposed budgets for FY 2013/2014 and 2014/2015 and setting Thursday, August 14, 2014 at the current location as the public hearing date for adoption of the budgets.

EIGHTEENTH ORDER OF BUSINESS

Consideration of FY 2013/2014 Funding Agreement

The Board reviewed the FY 2013/2014 Funding Agreement. On request from Ms. Schwenk, Mr. Heath confirmed that agreement needed to be with both Davenport Investments, LLC and Highland Meadows, LLC because there are two Landowners. Mr. Van Wyk noted that the split will be based on percentage of land owned.

On MOTION by Ms. Schwenk, seconded by Mr. Heath, with all in favor, the Board approved the FY 2013/2014 Funding Agreement as amended.

NINETEENTH ORDER OF BUSINESS

Consideration of Resolution 2014-07, Adopting Rules of Procedure and Setting a Public Hearing Thereon

- a) **Rules of Procedure**
- b) **Notice of Rule Development**
- c) **Notice of Rulemaking**

The Board reviewed Resolution 2014-07. Mr. Van Wyk explained that these are a summary of statutes that the District has to comply with. Mr. Van Wyk recommended setting this public hearing date as the same date as the public hearing for the adoption of the budgets.

On MOTION by Ms. Bannon, seconded by Mr. Heath, with all in favor, the Board approved Resolution 2014-07, adopting Rules of Procedure and setting August 14, 2014 as the public hearing date thereon.

TWENTIETH ORDER OF BUSINESS

Consideration of Resolution 2014-08, Expressing the District's Intent to Utilize the Uniform Method of Levying, Collecting and Enforcing Non Ad-Valorem Assessments and Setting a Public Hearing Date Thereon

Mr. MacLaren explained that it is a lengthy advertising requirement so he recommended the August 14, 2014 Board Meeting as the public hearing date on the use of the uniform method of collecting assessments. Mr. Van Wyk explained that it allows the District to utilize the services of the tax collector for collecting District assessments, which is going to be a requirement of the District's bond trust indenture.

On MOTION by Ms. Schwenk, seconded by Ms. Bannon, with all in favor, the Board approved Resolution 2014-08, and set August 14, 2014 as the public hearing date.

TWENTY-FIRST ORDER OF BUSINESS

**Consideration of Financing Team
Funding Agreement**

Mr. MacLaren stated that, in advance of issuing bonds, the District Manager has asked some of the finance team professionals to begin working on a proposed bond issuance. Mr. MacLaren requested the Boards approval to submit this to the District's Developer and Landowner for funding those activities should it become necessary.

On MOTION by Ms. Schwenk, seconded by Mr. Heath, with all in favor, the Board approved the Financing Team Funding Agreement.

TWENTY-SECOND ORDER OF BUSINESS

**Consideration of Agreement with
FMS Bonds**

Mr. Van Wyk presented the Agreement with FMS Bonds, who will serve as the District's bond underwriter. Mr. Van Wyk noted that bond issuance costs, including the fees charged by FMS and other finance team professionals, are paid with bond proceeds, with the exception of certain costs of printing, which are funded by the District.

On MOTION by Mr. Heath, seconded by Ms. Bannon, with all in favor, the Board approved the Agreement with FMS Bonds.

TWENTY-THIRD ORDER OF BUSINESS

**Consideration of Bond Counsel
Agreement with Greenberg
Traurig**

Mr. Gang presented the Bound Counsel Agreement. He noted that his fee would be \$45,000.00 for the initial series of Bonds and \$40,000.00 for subsequent series. Mr. Heath asked Mr. Gang how he came to that amount. Mr. Gang explained that his office has been doing CDD Bond deals for between 25-30 years. He is aware of what the market will bear and what other firms typically quote. He said that it is a good faith estimate of the time and work performed by bond counsel. There is also a provision to pay the bond counsel \$3,000 in costs.

On MOTION by Ms. Bannon, seconded by Mr. Heath, with all in favor, the Board approved the Bond Counsel Agreement with Greenberg Traurig.

**TWENTY-FOURTH ORDER OF BUSINESS Consideration of Trustee
Agreement with US Bank**

Mr. MacLaren presented the Trustee Agreement with US Bank, to provide bond trustee services to the District.

On MOTION by Ms. Schwenk, seconded by Ms. Bannon, with all in favor, the Board approved the Trustee Agreement with US Bank.

**TWENTY-FIFTH ORDER OF BUSINESS Consideration of Engineer's
Report**

Mr. Van Wyk noted that the costs for Phase 2A and 2B prepared by Mr. Amaden were only for discussion purposes and so that Mr. MacLaren can prepare an assessment methodology for the next meeting. The summary of construction costs for the full District CIP is \$15,303,800, excluding the costs associated with financing. Mr. Amaden prepared a separate supplemental report that will discuss the cost estimates for Phase 2A and 2B, which are going to be two separate assessment areas within the first phase of construction. Mr. Amaden noted that the purpose of scope is for discussion in order to fund the improvements. Phase 2A is currently approved for 126 lots and Phase 2B is currently approved for 147 lots, although this number is being modified. The Board reviewed the Engineer's Report. The 2014 Bonds will be funding Phase 2A and 2B costs. No Board action was required at this time.

**TWENTY-SIXTH ORDER OF BUSINESS Consideration of Resolution 2014-
09, Authorizing the Issuance of
Bonds, Approving the Form of an
Indenture, and Authorizing the
Commencement of Validation
Proceedings**

Mr. MacLaren noted that the total amount the District is seeking to validate is \$25,000,000.00. Schedule one will be revised from what is shown in the agenda package to \$15,303,800.00. Mr. Van Wyk asked Mr. Gang to summarize the resolution. Mr. Gang reviewed the resolution noting it is necessary in order for the District to start the bond validation process. In order to issue bonds, the Board needs to first validate the issuance of Bonds. The details of the Bonds will be determined later, in a subsequent resolution. Resolution 2014-09 approves a Master Trust Indenture, which is a master contract with

the bondholders and bond trustee. The resolution also directs legal counsel to validate the bonds in Florida State Circuit Court.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board approved Resolution 2014-09, as amended.

**TWENTY-SEVENTH ORDER OF BUSINESS Consideration of Funding Request
No. 1**

The Board reviewed Funding Request No. 1 in the amount of \$25,000.00 to establish the District's checking account and pay the first four months of District expenses. Mr. MacLaren will send it to Davenport Investments, attention Ms. Schwenk.

On MOTION by Ms. Bannon, seconded by Ms. Schwenk, with all in favor, the Board approved Funding Request No. 1 in the amount of \$25,000.00

**TWENTY-EIGHTH ORDER OF BUSINESS Consideration of Construction
Funding Agreement - Tabled**

**TWENTY-NINTH ORDER OF BUSINESS Consideration of Non-Exclusive
Construction and Maintenance
Agreement - Tabled**

**THIRTIETH ORDER OF BUSINESS Consideration of Assignment of
Site Work Agreement - Tabled**

**THIRTY-FIRST ORDER OF BUSINESS Consideration of Establishment of
Audit Committee**

Mr. MacLaren recommended the Board establish itself as an Audit Selection Committee and authorizing the District Manager to request proposals from qualified auditing firms and set a future meeting date as a joint auditor Selection Committee and Board Meeting. An audit is required to be done on an annual basis. The deadline is 9 months after the end

of the Fiscal Year. Communication will start with the auditor at the start of the Fiscal Year and the Auditor will have a draft to the District by springtime.

On MOTION by Ms. Bannon, seconded by Mr. Heath with all in favor, the Board approved Establishment of Audit Committee and Authorizing the District Manager to request proposals from qualified auditors.

THIRTY-SECOND ORDER OF BUSINESS Selection of District Depository

A discussion took place about which bank to use as the District's Depository.

On MOTION by Mr. Heath, seconded by Ms. Bannon, with all in favor, the Board approved the use of City National Bank for the District Depository.

THIRTY-THIRD ORDER OF BUSINESS Staff Reports

District Manager – No Report

District Counsel – Ms. Warren noted that bond validation complaint is drafted and updated with the validation amount of \$25,000,000.00. It will be filed tomorrow with Polk County. The circuit court will provide the District with some possible hearing dates. Mr. Van Wyk noted that the District will file the complaint and then they will provide the Judge with an Order to Show Cause along with the dates that they select and the Judge will put that in the Order. Mr. Van Wyk stated that he doesn't think they will get a hearing until 60 days out. Mr. Heath asked if the District would be able to go out and issue bonds right after the hearing. Mr. Van Wyk noted that they have to start the assessment process first and are planning on doing that at the next meeting, in July. The District has to have the Engineer's Report and the Assessment Methodology in place. District staff will meet with the developer and landowners to take their input on the amounts of assessment that they want to place on the two different assessment areas. The assessment process is a 30-day process. Bond issuance will likely take place at the end of

September or early October. Mr. Heath asked for Mr. Van Wyk to send him the information he just stated in an email.

District Engineer – No Report

THIRTY-FOURTH ORDER OF BUSINESS Supervisor Requests and Audience Comments

There were no other questions or comments

THIRTY-FIFTH ORDER OF BUSINESS Adjournment

There were no other questions or comments. Mr. MacLaren suggested a motion to adjourn.

ON MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board adjourned the June 5, 2014 Board of Supervisor’s Meeting for the Highland Meadows II Community Development District.


Secretary / Assistant Secretary


Chairman / Vice Chairman