

## **MINUTES OF MEETING**

### ***HIGHLAND MEADOWS II COMMUNITY DEVELOPMENT DISTRICT BOARD OF SUPERVISORS' MEETING***

***Thursday, July 10, 2014 at 10:03 a.m.***

***Holiday Inn Winter Haven***

***200 Cypress Gardens Boulevard,***

***Winter Haven, Florida 33880***

Board Members present at roll call:

Rennie Heath	Board Member
Joel Adams	Board Member
Andrew Rhinehart	Board Member
Lauren Schwenk	Board Member (via phone)

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	Greenberg 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**

Mrs. Gaarlandt, a notary public in the State of Florida, administered the oath of office to Mr. Adams. Thereafter, Mr. Van Wyk requested that Mr. Rhinehart and Mr. Heath also

needed to be sworn in as newly elected Supervisors. Mrs. Gaarlandt also administered the oath of office to Board Members Mr. Heath and Mr. Rhinehart.

**FOURTH ORDER OF BUSINESS**

**Consideration of the Minutes of  
the June 5, 2014 Board of  
Supervisors' Meeting**

The Board reviewed the minutes of the June 5, 2014 Board of Supervisors' Meeting. There were no questions or comments.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board approved the minutes of the June 5, 2014 Board of Supervisors Meeting.

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2014-  
10, Canvassing and Certifying the  
Results of the Landowners'  
Election**

Resolution 2014-10 formally approved the results of the District's landowner's election, and noted that Mr. Heath and Mr. Shapiro will each serve 4-year terms on the Board of Supervisors. Mr. Rhinehart, Mr. Adams, and Mrs. Oakley will each initially serve 2-year terms on the Board of Supervisors.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board approved Resolution 2014-10, Canvassing and Certifying the Results of the Landowners' Election.

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2014-  
11, Declaring Special Assessments**  
a) **Exhibit A, Preliminary  
Engineers Report**  
b) **Exhibit B, Preliminary  
Methodology Report**

Mrs. Warren provided an explanation of Resolution 2014-11, and noted that before the Board can approve the resolution there needs to be an assessment plat on file with the

District Manager's office. She presented such a plat to the District Manager. Mr. Amaden, the District's Engineer, then summarized the Engineer's Report. Mr. Amaden noted that there will be five phases of development within the District and he provided cost estimates for Phase 2A and Phase 2B, which will be the first two phases developed. The cost estimate for the Phase 2A infrastructure is \$2,152,800, and the cost of the Phase 2B infrastructure is estimated at \$2,474,100. Mr. Amaden noted that the permits for Phases 2A and 2B have all been obtained. Mrs. Warren asked if Mr. Amaden believes that the infrastructure cost estimates in his report are reasonable and proper. He responded that he believes the cost estimates are reasonable and proper. Mrs. Warren also asked if Mr. Amaden has any reason to believe that the project outlined in the Engineer's Report cannot be carried out by the District. Mr. Amaden responded that he has no reason to believe that the District will not be able to carry out the work.

Next, at the request of Mrs. Warren, Mr. MacLaren summarized the Assessment Methodology Report. The District's Phase 2A is planned to have contain 126 single-family lots and Phase 2B is planned to contain 184 single-family lots. For the purposes of setting assessment caps, it was assumed that the District would fund all of the public improvements outlined in the Engineer's Report by District bond issuances. It was estimated that the District would need to issue a total of \$6,565,000 in bonds to fund the Phases 2A and 2B infrastructure. This total bond principal was distributed between Phases 2A and 2B based on the proportionate cost of the infrastructure for each phase. Thus, 46.5% of the total Phase 2A and 2B bond principal was allocated to Phase 2A and 53.5% of the total bond principal was allocated to Phase 2B. Mr. Heath asked Mr. Van Wyk if an allowance for capitalized interest is required as a component of a bond issuance. Mr. Van Wyk responded that it is not required, but that it is a good idea to include it at this stage of the bond issuance process.

Mr. MacLaren continued presenting the Phase 2A and 2B Assessment Methodology and outlined the maximum bond principal and annual bond assessment per unit. The bond debt assessment levels would be finalized after the District issues bonds. Mrs. Warren asked Mr. MacLaren if, in his professional opinion, the lands subject to the assessment receive a special benefit from the District's improvement plan. Mr. MacLaren responded that they do. Mrs. Warren then asked if the special assessments are equitably and reasonably apportioned among the lands subject to the special assessments. Mr. MacLaren confirmed that they were. Mrs. Warren then asked if, in Mr. MacLaren's professional opinion, it was reasonable, proper, and just to assess the cost of the project against the lands in the District in accordance with the Assessment Methodology, which resulted in the special assessments set forth on the assessment roll. Mr. MacLaren responded that it was. Mrs. Warren also asked if the special benefits the assessed lands will receive as set forth in the Assessment Methodology will be equal to or in excess of the special assessments thereon, when allocated, as set forth in the assessment roll. Mr. MacLaren answered that the special benefits would be in excess of the assessments. Mrs. Warren asked if it was Mr. MacLaren's opinion that it was in the best interest of the District that

the special assessments be paid and collected in accordance with the Methodology, as approved by the District's preliminary Assessment Resolution. Mr. MacLaren answered "yes." Mrs. Warren asked for any other questions on either of the reports. Mr. Adams asked if Mr. MacLaren split the assessments based on the percentage of total costs allocated to Phase 2A and 2B. Mr. MacLaren confirmed that this was correct. Mrs. Warren summarized the resolution. The assessments will not exceed the benefits conferred on the property. The estimated cost of the Phase 2A and 2B public improvements is \$4,476,900.00. The assessments will defray \$6,360,000 in total maximum bond principal. The manner in which the assessments will be apportioned is in the Assessment Methodology.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board approved Resolution 2014-11, Declaring Special Assessments

The Board was presented with Resolution 2014-12, Electing Officers. Mr. MacLaren suggested keeping the current slate of officers, except for the removal of Mrs. Bannon as Assistant Secretary and the addition of Mr. Adams as an Assistant Secretary.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board approved the slate of officers as amended.

#### **EIGHTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2014-12, Setting a Public Hearing on Imposing Special Assessments**

Mr. MacLaren recommended the District's scheduled meeting of August 14, 2014 at 10:00 a.m. at this location as the time and place for the public hearing on the final imposition of special assessments funding the Phase 2A and 2B public improvements.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board approved Resolution 2014-12, setting August 14, 2014 at 10am at the Winter Haven Holiday Inn as the date of the public hearing to adopt special assessments.

**NINTH ORDER OF BUSINESS**

**Consideration of Resolution 2014-13, Ratifying and Approving Certain Board Actions**

Mr. Van Wyk presented Resolution 2014-13 and noted that when a District is established via the adoption of an ordinance by the local government, a temporary District Board of Supervisors is put into place. This temporary Board took some action at the first District Board Meeting, such as scheduling the District's landowner's election and approving the annual budgets. This resolution will ratify all the actions taken by the appointed Board.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board approved Resolution 2014-13, ratifying and approving certain Board actions.

**TENTH ORDER OF BUSINESS**

**Consideration of Statements of Qualifications for the Position of District Engineer**

Mr. MacLaren noted that they only received one Statement of Qualification from JSK and considered this insufficient. Mr. MacLaren recommended that the Board provide District Staff with an extra 30 days with which to solicit more proposals and bring the agenda item back at the next Board Meeting.

**ELEVENTH ORDER OF BUSINESS**

**Consideration of Proposals for Public Officers and General Liability Insurance**

Mr. MacLaren presented proposals for public officers and general liability insurance. District Staff solicited 2 quotes, one from Florida Insurance Alliance and another from Florida Municipal Insurance Trust. FIA's annual premium came to \$4,000 and FMIT's came to \$4,600.

On MOTION by Mr. Adams, seconded by Mr. Heath, with all in favor, the Board authorized District staff to bind with Florida Insurance Alliance for the District's General Liability Insurance.

**TWELFTH ORDER OF BUSINESS**

**Ratification of Payment  
Authorizations Nos. 1-2**

The Board reviewed Payment Authorizations Nos. 1-2. These were previously approved by the Chair.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board ratified Payment Authorizations Nos. 1-2.

**THIRTEENTH ORDER OF BUSINESS**

**Consideration of Payment  
Authorization No. 3**

The Board reviewed Payment Authorization No. 3. Mr. Van Wyk noted that he would like to remove the District counsel invoice in the amount of \$4,346.50, subject to further review. Mr. Adams asked that the accounts payable-Staff at Davenport Investments be instructed to pause payment of the payment authorization. Staff would provide a revised invoice to Davenport Investments. Mr. MacLaren suggested a revision to payment authorization No. 3 to reflect that District Council would be paid \$1,966.50 for general counsel services.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board approved payment Authorization No. 3 as revised.

**FOURTEENTH ORDER OF BUSINESS**

**Consideration of Funding Fund  
Agreement- Tabled**

**FIFTEENTH ORDER OF BUSINESS**

**Consideration of Non-Exclusive  
Construction and Maintenance  
Agreement- Tabled**

**SIXTEENTH ORDER OF BUSINESS**

**Consideration of Assignment of  
Site Work Agreement-Tabled**

**SEVENTEENTH ORDER OF BUSINESS**

**Review of Monthly Financials**

The Board reviewed the monthly financial statements. There was no action required by the Board.

**EIGHTEENTH ORDER OF BUSINESS**

**Staff Reports**

**District Counsel** – Mrs. Warren noted that the District’s bond validation hearing was scheduled for July 31, 2014. Mrs. Warren and Mr. Van Wyk were meeting with the Assistant State Attorney later this afternoon for preparation for the hearing. The requested bond validation amount is \$25,000,000.00. The time of the hearing is at 2:00 p.m.

**District Engineer** – No Report

**District Manager** – Mr. MacLaren distributed a letter from the District’s Underwriter pursuant to the Municipal Securities Rulemaking Rule Board Rule G-17. The Board is required to acknowledge that the District’s bond underwriter is in the business of making money and is trying to make money for themselves. Mr. Van Wyk noted that this was a disclosure and that there is no fiduciary relationship between the Underwriter and the Board. Mr. MacLaren noted that the Chair needs to re-execute the agreement with the MSRB Rule G-17 Disclosure.

ON MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board adjourned the June 5, 2014 Board approved the letter submitted by FMS Bonds dated July 8, 2014.

The next Board meeting is August 14, 2014. A discussion took place about scheduling regular meeting dates and time going forward.

**NINETEENTH ORDER OF BUSINESS**

**Supervisor Requests and Audience Comments**


There were no other questions or comments

**TWENTIETH ORDER OF BUSINESS**

**Adjournment**

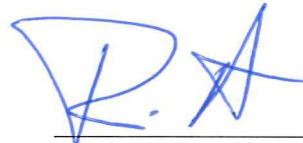
There were no other questions or comments. Mr. MacLaren suggested a motion to adjourn.

ON MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board adjourned the July 10, 2014 Board of Supervisor's Meeting for the Highland Meadows II Community Development District.



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Secretary / Assistant Secretary



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Chairman / Vice Chairman