

MINUTES OF MEETING

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

Thursday, August 13, 2015 at 11:30 a.m.

Holiday Inn Winter Haven

200 Cypress Gardens Boulevard,

Winter Haven, Florida 33880

Board Members present at roll call:

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

Also Present:

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.	
Todd Amaden	Landmark Engineering	(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

**Consideration of the Minutes of the
May 14, 2015 Board of
Supervisors' Meeting**

The Board reviewed the minutes of the May 14, 2015 Board of Supervisors' Meeting.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board approved the minutes of the May 14, 2015 Board of Supervisors Meeting.

FOURTH ORDER OF BUSINESS

**Consideration of Recommendation
of the Auditor Selection Committee**

Mr. MacLaren noted that the Auditor Selection Committee ranked McDirmit Davis the highest and most responsible proposer. Mr. MacLaren requested that the Board accept the Committee's recommendation for District Staff to negotiate a contract with McDirmit Davis.

On MOTION by Ms. Schwenk, seconded by Mr. Adams with all in favor, the Board authorized District Staff to Negotiate a Contract with McDirmit Davis for Auditing Services.

FIFTH ORDER OF BUSINESS

**Public Hearing on the Adoption of
the District's Fiscal Year 2015-2016
Budget**

- a) **Public Comments and
Testimony**
- b) **Board Comments**
- c) **Consideration of Resolution
2015-08, Adopting a Fiscal year
2015-2016 Budget and
Appropriating Funds**

Mr. MacLaren requested a motion to open the public hearing.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board opened the Public hearing.

Mr. MacLaren noted that there were no members of the public present and recommended closing the public hearing.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board closed the Public hearing.

The Board reviewed the budget. Mr. MacLaren stated that there were no substantial changes to the budget previously submitted. Ms. Schwenk asked Mr. Shapiro if Capital Improvements were factored into this budget. There was a discussion. Mr. Shapiro responded that they are not and that those improvements will not occur until the next fiscal year.

On MOTION by Mr. Adams, seconded by Mr. Heath, with all in favor, the Board adopted Resolution 2015-08, Adopting the Fiscal Year 2015-2016 Budget and Appropriating Funds.

SIXTH ORDER OF BUSINESS

Public Hearing on the Imposition of Special Assessments to Fund the District's Fiscal Year 2015-2016 Budget

- a) **Public Comments and Testimony**
- b) **Board Comments**
- c) **Consideration of Resolution 2015-09, Adopting Assessment Roll for Fiscal Year 2015-2016 and Certifying Special Assessments for Collection**

Mr. Adams asked if the Board should consider direct collection of at least the O&M assessments on the bulk lots. Ms. Warren noted that pursuant to the Trust Indenture all debt has to be collected on roll for platted lots. In order to maintain money in the District's bank account for operations and maintenance, O&M on the unplatted land will be direct collected from Davenport Investment and Highland Meadows. In addition, the O&M on the lots owned by Highland Homes will be direct collected at the same time as the O&M on the unplatted lands. The O&M on the LGI lots will be collected on the tax roll. There was a discussion. Mr. Van Wyk stated that the District needs a cash flow and cannot wait until April to collect the O&M assessments. Ms. Warren noted that everything that will be direct collected will be billed in quarterly installments. The first payment would be November 1, 2015. Mr. MacLaren will amend the assessment roll. Ms. Warren requested a motion to adopt Resolution 2015-09.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board adopted Resolution 2015-09, Adopting an Assessment Roll for Fiscal Year 2015-2016 and Certifying Special Assessments for Collection.

SEVENTH ORDER OF BUSINESS

Consideration of Revised Direct Collection Agreement with Davenport Investment I, LLC and Highland Meadows, LLC

Ms. Warren stated that the Direct Collection Agreements were presented at the last Board Meeting, however, Mr. Shapiro had provided some revisions that are reflected in these agreements.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board approved the Revised Direct Collection Agreements with Highland Meadows, LLC and Davenport Investment I, LLC.

EIGHTH ORDER OF BUSINESS

Consideration of Supplemental Engineer's Report, Phase 3 & 4A

Mr. Amaden provided an overview of Phase 3 & 4A. Phase 3 has 228 lots and Phase 4A has 105 lots. The costs are consistent with the Assessment Methodology. Ms. Warren asked if the cost estimates are reasonable and proper and if Mr. Amaden knows of any reason why the District could not complete the project. Mr. Amaden confirmed that the cost estimates are reasonable and he does not know of any reason why the District should not be able to complete the project. The costs for Phase 3 are \$4,286,000.00 and \$1,132,000.00 for Phase 4A. Mr. MacLaren noted that the Assessment Methodology takes those costs and calculates a high bond sizing estimate, which is outlined. Table 3 of the Methodology outlines the estimates of the amount of Bonds necessary to fund the costs. The principle is estimated at 7.5% interest rate with 24 months of capitalized interest. Table 4 outlines the maximum assessment level for Phase 3 which is just over \$26,000.00 in bond principle per unit which results in a net annual assessment of \$2,200.00 and a gross assessment of \$2,400.00 per year per unit. Table 5 outlines the assessment for Phase 4A. The maximum assessment level for the Phase 4A units is \$27,286.00 per unit which is a \$2,300.00 net annual assessments and \$2,400.00 gross annual assessment per unit. Ms. Warren asked Mr. MacLaren to confirm that the lands that are subject to the assessments will receive a special benefit from the project to be funded. Mr. MacLaren confirmed that they will. Ms. Warren asked Mr. MacLaren to confirm that the special assessments are reasonably apportioned among the lands that will receive the benefit. Mr. MacLaren confirmed that is correct. Ms.

Warren asked if he believes that it is reasonable and proper for the District to levy assessments on these lands. Mr. MacLaren stated that he does.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2015-10, Declaring Special Assessment on Expansion Area

Mr. Van Wyk noted that with the approval of this resolution the Board is making certain findings regarding improvements, cost of improvements, and that it is necessary and proper for the District to do those improvements, the Engineer's Report and Assessment Methodology together with an assessment plat will be on file for review, and the assessments will be paid off in not more than 30 annual installments. The resolution adopts the Master's Engineer's Report for Phases 3 and 4A as well as the Preliminary Assessment Methodology Report. Notice will be published as required by statute and a public hearing will be held. Mr. Van Wyk requested approval of Resolution 2015-10.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board approved Resolution 2015-10, Declaring Special Assessments on Expansion Area.

Mr. Van Wyk explained that this resolution will be published as required by statute and give everyone, who is subject to those assessments, an opportunity to come before the Board and discuss. Ms. Warren stated that the public hearing must be 30 days from today.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board approved Resolution 2015-12, Setting a Public Hearing on September 17, 2015 at 11:30 a.m. at the current location.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2015-11, Setting a Public Hearing on the Uniform Method of Collection for the Expansion Area

Mr. MacLaren explained that the District had a boundary amendment and land was added to the District. The Board reviewed the resolution.

On MOTION by Ms. Schwenk, seconded by Mr. Heath with all in favor, the Board approved Resolution 2015-11, Setting a Public Hearing on the Uniform Method of Collection for the Expansion area on September 17, 2015 at 11:30 a.m.

ELEVENTH ORDER OF BUSINESS

Consideration of Filing of Notice of Boundary Amendment

Ms. Warren noted that the notice of Boundary Amendment will be recorded in the records of Polk County to put any perspective purchasers of property on record that they are buying into a Community Development District and that the property can be subject to assessments. Ms. Warren requested the Board's authorization for a notice of Boundary Amendment.

On MOTION by Ms. Schwenk, seconded by Mr. Heath with all in favor, the Board authorized Staff to File Notice of the Boundary Amendment.

TWELFTH ORDER OF BUSINESS

Consideration of Authorization to Issue an RFP for Construction Services for Phase 3 & 4A

Ms. Schwenk noted these need to be separated. RFP's for Phase 3 will go out this week and Phase 4A will go out September 15, 2015. Mr. MacLaren told Mr. Amaden that staff will have to get with him about a date for the planned pick up and when he would want the bids due. Mr. Amaden will coordinate with the Dennis Wood Engineering on the RFP package. Ms. Warren requested a motion to authorize the District Engineer to issue a RFP for Phase 3 this week.

On MOTION by Ms. Schwenk, seconded by Mr. Heath with all in favor, the Board authorized The District Engineer to Issue an RFP Package for Phase 3 on August 17, 2015.

Ms. Warren requested a motion for the Board to authorize the District Engineer to issue a RFP package for Phase 4A to go out September 15, 2015.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Board authorized The District Engineer to Issue an RFP Package for Phase 4A on or about September 15, 2015.

THIRTEENTH ORDER OF BUSINESS

Ratification of Payment Authorizations Nos. 36-45

These had previously been approved by the Chair and funded.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board ratified Payment Authorizations Nos. 36-45.

FOURTEENTH ORDER OF BUSINESS

Review of Monthly Financials

There was no action required by the Board.

FIFTEENTH ORDER OF BUSINESS

Staff Reports

District Counsel – No Report

District Engineer – No Report

District Manager – Ms. Gaarlandt asked the Board to confirm for the record to continue the same meeting schedule for Fiscal Year 2016. The Board confirmed.

SIXTEENTH ORDER OF BUSINESS

Supervisor Requests and Audience Comments

There were no other questions or comments

SEVENTEENTH ORDER OF BUSINESS

Adjournment

Mr. MacLaren suggested a motion to adjourn.

ON MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board adjourned the August 13, 2015 Board of Supervisor's Meeting for the Highland Meadows II Community Development District.


Secretary / Assistant Secretary


Chairman / Vice Chairman