

MINUTES OF MEETING

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

Thursday, August 11, 2016 at 9:08 a.m.

Holiday Inn Winter Haven

200 Cypress Gardens Boulevard,

Winter Haven, Florida 33880

Board Members present at roll call:

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

Also Present:

Sarah Warren	Hopping Green & Sams, P.A.
Jane Gaarlandt	Fishkind & Associates, Inc.
Joe MacLaren	Fishkind & Associates, Inc.

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 are no members of the public present.

THIRD ORDER OF BUSINESS

**Consideration of the Minutes of
the June 9, 2016 Board of
Supervisors'**

The Board reviewed the minutes for the June 9, 2016 Board of Supervisors' Meeting.

On MOTION by Mr. Adams, seconded by Mr. Rhinehart, with all in favor, the Board approved the Minutes of the June 9, 2016 Board of Supervisors' Meeting.

FOURTH ORDER OF BUSINESS

Public Hearing on the Adoption of the District's Fiscal Year 2016-2017 Budget

- a) **Public Comments and Testimony**
- b) **Board Comments**
- c) **Consideration of Resolution 2016-09, Adopting a Fiscal Year 2016-2017 Budget and Appropriating Funds**
- d) **Consideration of Resolution 2016-10, Adopting an Assessment Roll for Fiscal Year 2016-2017 and Certifying Special Assessments for Collection**

The District noticed a public hearing on the adoption of the District's Fiscal Year 2016-2017 Budget. Ms. Gaarlandt requested a motion to open the public hearing.

On MOTION by Mr. Adams, seconded by Mr. Heath, with all in favor, the Board opened the public hearing.

There were no members of the public present. Ms. Gaarlandt requested a motion to close the public hearing.

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

Mr. Heath asked if anything has changed. Ms. Gaarlandt stated that the assessment for Phase 4A has changed from 105 lots to 106 lots but the budget is unchanged from the proposed budget. Mr. Shapiro noted that the District has a \$34,000.00 contingency. Ms. Schwenk said that they are trying to put a well in 4A and tie in Phase 2B and A water to take care of the issue. Mr. Heath has someone looking at it.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board adopted Resolution 2016-09, Adopting a Fiscal Year 2016-2017 Budget and Appropriating Funds.

The Board reviewed Resolution 2016-10. Mr. Shapiro noted that platted lots will be on roll and the rest will be direct billed. Mr. Shapiro noted that the document says that Phase 3 is unplatted and Phase 4 is platted. Mr. Shapiro suggested removing the verbiage in the table of O&M Assessments because 4B is unplatted. The District is going to use the Tax Collection method for the O & M. A majority of the lots are owned by builders.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board adopted Resolution 2016-10, Adopting an Assessment Roll for Fiscal Year 2016-2017 and Certifying Special Assessments for Collection.

FIFTH ORDER OF BUSINESS

Consideration of Loan Agreement for O&M Funding

Ms. Warren explained that there are two budget funding agreements, one with Magnolia Development Group, LLC and one with HMD III, LLC. They are substantially the same. The District needed some funds to cover the remainder of the expenses for this fiscal year. Once the District is able to collect assessments on roll in November those entities will be reimbursed. The interest is 3.5% which is the current prime interest rate.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board approved the Loan Agreements for O&M Funding with Magnolia Development Group, LLC and HMD III, LLC.

SIXTH ORDER OF BUSINESS

Consideration of Agreement with HMD 3A, LLC, HMD III, LLC, and HMLP III, LLC Regarding the Reimbursement of Street Lighting Deposit

Ms. Warren stated that the deposit for the street lighting was paid by HMD 3A, LLC, HMD III, LLC, and HMLP III, LLC. They need to be reimbursed. The deposits are \$14,598.09 to HMLP III, LLC and \$11,943.89 which is the reimbursement to the other

entities. Mr. Heath noted that the deposits were for the performance guarantee and not street lighting.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board approved the Agreement with HMD 3A, LLC, HMD III, LLC, and HMLP III, LLC regarding the reimbursement of deposits for performance guarantee.

SEVENTH ORDER OF BUSINESS

Consideration of Conveyance of Phase 3 Common Area Tracts from HMLP III, LLC, and HMD 3A, LLC

Ms. Warren explained that these entities are conveying the common area tracts in the District where public improvements are being constructed or tracts that are necessary for operations and maintenance of those improvements. Ms. Warren noted that Mr. Rhinehart is helping District staff coordinate the execution of those documents. She recommended that the Board approve this subject to those executed documents.

On MOTION by Mr. Heath seconded by Mr. Adams, with all in favor, the Board approved the Conveyance of Phase 3 Common Area Tracts from HMLP III, LLC, and HMD 3A, LLC subject to the execution of documents.

EIGHTH ORDER OF BUSINESS

Conveyance of Amenity Center and Assignment of SRD Construction Contract

Ms. Warren explained that the Amenity Center tracts are included in the Conveyance documents the Board just approved. Ms. Warren requested that the board authorize assignment of the SRD Construction Contract for the Amenity Center pending District staff's review of the agreement. Ms. Schwenk will send her the executed copy today. Ms. Warren added that the Engineer's Report contemplates recreation improvements so the District is authorized to undertake that contract.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board authorized assignment of the SRD Construction Contract for the Amenity Center pending District staff's review of the agreement.

NINTH ORDER OF BUSINESS

**Consideration of Proposal for
Landscaping Maintenance from
Creative Association Services, Inc.**

Ms. Schwenk recused herself since she is an owner of Creative Association Services. Ms. Warren stated that this is a proposal for Creative Association Services to take over the landscape maintenance. This is just a proposal and District staff will put together a form agreement when it is approved. Mr. Shapiro noted that he wants to make sure that when making the contract the District uses a scope of work that is consistent with other developments that the Board Members have been involved in to make sure that the District gets consistent maintenance and repairs. Ms. Warren stated that District staff is planning to use the same scope of work that they put together for Highlands CDD. Mr. Shapiro said that he has a few changes to that one that he can provide. Ms. Warren requested the Board approve the proposal and authorize District staff to prepare an agreement. Mr. Shapiro asked if the Board could set a not-to-exceed amount. Ms. Warren suggested setting a not-to-exceed amount of \$50,000.00 as well as authorizing Mr. Shapiro to negotiate the fee for the additional phases that will come online and then the entire agreement can be brought back for ratification.

On MOTION by Mr. Heath, seconded by Mr. Adams, with 4 in favor and 1 abstained, the Board approved a not to exceed amount for \$50,000.00 as well as authorizing Mr. Shapiro to negotiate the fee for the additional phases that will come online and the entire agreement brought back to the Board for ratification.

Ms. Warren noted for the record that Ms. Schwenk abstained from voting.

TENTH ORDER OF BUSINESS

**Consideration of Agreement for
Amenity Center Fence and Gate**

Ms. Warren explained that this agreement is between the District and Fence Outlet. The current amount is for \$37,000.00. Ms. Schwenk noted that amount should be final and it was based on linear footage done in the field and suggested a not-to-exceed amount of \$40,000.00. Ms. Warren requested approval of the proposal and authorization for staff to prepare the agreement in a not-to-exceed amount of \$40,000.00.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board approved the Amenity Center Fence and Gate proposal from Fence outlet and authorized District staff to enter into an Agreement for a not-to-exceed amount of \$40,000.00.

ELEVENTH ORDER OF BUSINESS

Consideration of Fiscal Year 2014-2015 Audited Financial Report

Mr. MacLaren explained that this was a clean audit and there were no notes of interest. The financial statements were found to be an accurate reflection of the District's financial position. The Auditors did not find any weaknesses in the internal controls over the accounting practices. Mr. MacLaren recommended the Board's acceptance of the report.

On MOTION by Mr. Adams, seconded by Mr. Heath, with all in favor, the Board accepted the Fiscal Year 2014-2015 Audited Financial Statements.

TWELFTH ORDER OF BUSINESS

Ratification of Payment Authorizations Nos. 81-87

The Board reviewed Payment Authorizations Nos. 81-87. They have all been previously approved and funded. A discussion took place about the various Payment Authorizations.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board ratified Payment Authorizations Nos. 81-87.

THIRTEENTH ORDER OF BUSINESS

Review of Monthly Financials

The Board reviewed the monthly financials. There was no action required by the Board. Mr. Adams asked Mr. Shapiro about the remaining balance in the Capital Projects Fund. Mr. Shapiro responded that there is \$846,000.00 remaining in the bank and the District has \$365,000 to pay Tucker which leaves \$480,000.00 to pay for walls etc. The District expenses will be close.

FOURTEENTH ORDER OF BUSINESS

Staff Reports

District Counsel – No Report

District Engineer – Not Present

District Manager – The District will need to adopt a meeting schedule for the next fiscal year. Ms. Gaarlandt suggested that the Board approve Resolution 2016-11 and set the Fiscal Year 2017 meetings for the 2nd Thursday of the month at 9:00 a.m.

On MOTION by Mr. Heath, seconded by Mr. Adams, with all in favor, the Board approved Resolution 2016-11, Adopting Fiscal Year 2017 Meeting Schedule.

FIFTEENTH ORDER OF BUSINESS

**Supervisor Requests and Audience
Comments**

There were no other questions or comments.

SIXTEENTH ORDER OF BUSINESS

Adjournment

There was no further business to discuss. Ms. Gaarlandt requested a motion to adjourn.

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


Secretary / Assistant Secretary


Chairman / Vice Chairman