

**MINUTES OF MEETING
HIGHLAND MEADOWS II
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Highland Meadows II Community Development District was held on Wednesday, **August 14, 2019** at 3:37 p.m. at 346 E. Central Avenue, Winter Haven, Florida.

Present and constituting a quorum:

Rennie Heath	Chairman
Andrew Rhinehart	Assistant Secretary
Lauren Schwenk	Assistant Secretary
Joel Adams <i>via phone</i>	Assistant Secretary
Scott Shapiro <i>via phone</i>	Assistant Secretary

Also, present were:

Jill Burns	GMS
Clayton Smith	GMS
Michelle Rigoni	HGS
Patrick Marone	Developer's Office
Ashton Bligh <i>via phone</i>	Greenberg Traurig
Dennis Wood <i>via phone</i>	Engineer

The following is a summary of the actions taken at the August 14th, 2019 meeting, and a copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Burns called the meeting to order and stated there were three supervisors in attendance, constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Ms. Burns opened the public comment period and asked for any questions or comments on the agenda items listed. There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the July 10, 2019 Board of Supervisors Meeting

Ms. Burns asked for questions, comments, or corrections to the minutes. The board had no corrections or comments.

On MOTION by Ms. Schwenk, seconded by Mr. Rhinehart, with all in favor, the Minutes of the July 10th, 2019 Board of Supervisors Meeting, were approved.

FOURTH ORDER OF BUSINESS

Public Hearings

Ms. Burns stated that this hearing was advertised, and a notice was sent out to all land owners prior to the meeting.

On MOTION by Mr. Rhinehart, seconded by Mr. Heath, with all in favor, Opening the Public Hearing for Imposition of Special Assessments, was approved.

A. Public Hearing on the Imposition of Special Assessments.

i. Consideration of Resolution 2019-12 Equalizing, Approving, Confirming, and Levying Special Assessments on Property Specially Benefited by the Districts Improvements.

Ms. Rigoni noted that the board declared its intent to levy assessments for Phases 7 and 7A which were lands brought into the district by the most recent Boundary Amendment. The purpose of today’s hearing was to consider public comment. It was noted for the record that there was no public present. Ms. Rigoni stated that forms of both the Engineers Report and the Master Assessment Methodology for 7 and 7A were approved during the June 20, 2019 meeting.

Mr. Wood confirmed no changes have been made since the supplemental engineers report was adopted in June. Ms. Rigoni asked Mr. Wood a series of questions regarding the engineer’s report. In response, Mr. Wood confirmed based on his professional experience the cost estimates in the engineers report are reasonable and proper for the type and scope of the project. He also stated he has no reason to believe that the project can’t be carried out by the district.

Ms. Burns confirmed no changes have been made since the assessment methodology was adopted in June. Ms. Burns reviewed the assessment methodology aloud. She stated it is attached to the resolution as Exhibit B. Table 1 shows 210 units in both Phases. Table 2 has the Capital

Improvement Plan that is outlined in the Engineer's Report. Table 3 shows the bond sizing of 6.5 million dollars based on the Capital Improvement Plan. Table 4 breaks down the improvement cost per unit at \$21,712. Table 5 shows the par debt per unit which is \$30,952. Table 6 breaks down the net and gross annual assessment per lot type. The gross assessment is \$2,418 and the net is \$2,249. Table 7 has the tax roll for the property owners within Phase 7 and 7A.

Ms. Rigoni asked Ms. Burns a series of questions on the methodology report and asked her to answer based on her professional experience. In response, Ms. Burns stated based on her professional opinion that the land subject to the special assessments does receive special benefits from the districts Capital Improvement Plan. She confirmed the special benefits the lands will receive are equal to or will exceed the special assessments allocated on the same lands. She further stated that the special assessments are reasonably apportioned on the lands within the district and subject to the special assessments. Ms. Burns confirmed it is reasonable, proper and just to assess the cost of the infrastructure improvements against the lands within the district in accordance with the methodology. Last but not least, she confirmed it is in the best interest of the district that the special assessments be paid and collected in accordance with the methodology and in the district's assessment resolutions. Ms. Rigoni noted again there were no members of the public present and asked for a motion to close the public hearing.

On MOTION by Ms. Schwenk, seconded by Mr. Heath, with all in favor, Closing the Public Hearing, was approved.

Ms. Rigoni asked the Board whether there were any questions from the Board and the Board had none.

On MOTION by Ms. Schwenk, seconded by Mr. Heath, with all in favor, Resolution 2019-12 Equalizing, Approving, Confirming, and Levying Special Assessments on Property Specially Benefited by the District's Improvement, was approved.

B. Public Hearing on the Districts Use of the Uniform Method of Levying, Collection & Enforcement of Non-Ad-Valorem Assessments.

On MOTION by Mr. Rhinehart, seconded by Mr. Heath, with all in favor, Opening the Public Hearing for Uniform Method, was approved.

Ms. Burns noted there were no members of the public present and asked for a motion to close the public hearing.

On MOTION by Ms. Schwenk, seconded by Mr. Rhinehart, with all in favor, Closing the Public Hearing, was approved.

i. Consideration of Resolution 2019-13 Expressing the Districts Intent to Utilize the Uniform Method of Collection.

Ms. Burns stated this allows them to levy and collect assessments on the tax bill for the new area that has been added into the district.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, Resolution 2019-13 Expressing the District’s Intent to Utilize the Uniform Method of Collection, was approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2019-14 Authorizing Additional Validation

Ms. Rigoni presented the resolution. She stated it will authorize additional validation for the district. Originally, the District authorized validation of 25 million dollars based on then-current capital improvement plan for the District. Since the district had opportunities to add more land and started to develop in different phases by issuing various series of bonds, it has come to the point where the authorized amount is running out. In order to develop the next phase within the district the district needs additional capacity to issue the bonds and this authorization will allow staff to start the additional validation process.

Ms. Burns asked if there were any questions or comments. In response to a Board member question, Ms. Rigoni confirmed that originally 25 million dollars were validated and this is amending the original authorizing resolution to get authorization to validate an additional 5 million dollars to have the capacity to issue up to 30 million in total aggregate principal of bonds. She also noted 8 weeks is an aggressive timeline to get it validated, as timing depends on the court’s schedule, but they will do their best to get it pushed forward as fast as possible.

On MOTION by Mr. Heath seconded by Mr. Rhinehart with all in favor, Resolution 2019-14 Authorizing Additional \$5,000,000 in Validation, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Proposal from Hopping Green and Sams Fee Proposal for Phase 7 Financing

Ms. Burns noted the amount is the standard fee that has been seen for other districts. The total is \$43,500. There were no questions from the board.

On MOTION by Mr. Heath seconded by Mr. Rhinehart with all in favor, the Proposal for Hopping Green and Sams Fee Proposal for Phase 7 Financing, was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Proposal from Greenberg Traurig Fee Proposal for Phase 7/7A Bond Issuance

Ms. Burns stated the total is \$45,000. She noted Ashton was on the line if anyone had any questions. The board had no questions.

On MOTION by Mr. Heath seconded by Mr. Rhinehart, with all in favor, the Greenberg Traurig Fee Proposal for Phase 7 and 7A, was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Financing Team Funding Agreement

Ms. Burns stated this is standard agreement that is entered into with the developer for the Phase in order for them to provide the funds for the bond funding. Ms. Rigoni stated it is their understanding that Clayton properties will own the entire 7/7a before closing. That is why the entity is listed as Clayton properties.

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

Mr. Wood noted a change needed to be made on the Funding Agreement. Under section 9 the address needs to be changed. Ms. Burns would update and send a final version to Mr. Wood.

NINTH ORDER OF BUSINESS

Approval of Form of License Agreement for Fence Installation

Ms. Burns noted that several residents had been granted authority by the HOA to install a fence that was over a maintenance easement that the district had. This agreement would allow them to have their fence remain in place and would give the district the ability to take the fence down if there is ever maintenance that needs to be performed in that area. This is a form of

agreement. There are specific agreements with the two residents filled in. This will also be provided to the HOA so that if there are any other residents along that area who also would like to add a fence. Before getting approval, they would also be required to sign the same licensing agreement. Ms. Rigoni noted this is only for removeable improvements like fence installation. If it's for a pool or something permanent a different type of agreement is needed because a portion of the easement will need to be released.

On MOTION by Mr. Rhinehart seconded by Ms. Schwenk, with all in favor, the Form of License Agreement for Fence Installation, was approved.

TENTH ORDER OF BUSINESS

Appointment of Audit Committee

Ms. Burns suggested appointing themselves as the Auditor Selection Committee.

On MOTION by Mr. Heath seconded by Mr. Rhinehart, with all in favor, Appointment of the Board of Supervisors as the Auditor Selection Committee, was approved.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Rigoni had nothing further but noted she could answer any questions.

B. Engineer

Mr. Wood had no further comments.

C. Field Manager's Report

Mr. Smith presented the Field Manager's Report to the board. Mr. Smith noted benches were installed, playground mulch was put in, irrigation repairs maintained, and all the stop signs should be finished going in by Friday. He also noted the plant replacement that the board approved has been put in, in some of the phases. The rest of the phases are still being worked on and in progress.

He mentioned the pool contractor that also does the maintenance and the cleaning of the bathrooms. They are requesting an increase in their price because they have a lot of trash and they are constantly having to empty the bags a lot more often than they had originally

anticipated. They also have to send in their cleaning crew into the bathroom and are spending more time than originally anticipated. It was also discussed with them about adding more trash cans. They usually have a per trash can increase but they decided the \$100 increase would account for the extra stuff they are already having to go forward with and at 2 additional trash cans. Mr. Smith attached trash can options for review and briefly compared options. Mr. Smith recommended the one that matched what is already there.

Ms. Burns stated she believes if this was to be bid out to another company, the \$75 they are asking is still less than what you would get from another outside janitorial company as opposed to using the pool contractor. Based on the work they have done Ms. Burns believes it is fair and reasonable.

Ms. Burns noted the increased budget for next year. She stated they allowed for some additional funding for security and some of that money could be paid to janitorial. That's why on that line item there is not additional funds for the pool and maintenance, but there is some availability with the increase in hours. The money would likely be borrowed from another line item because this request came in after the budget was adopted. The trash cans that match are \$625. Mr. Smith recommended at least one, but a second could be used. Mr. Smith noted that the trash can at the front of the pool area is constantly full. The board agreed to get two trash cans, one that matches and a black one.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, Buying Two Trash Cans and \$100 Increase for Janitorial Fees, was approved.

D. District Manager's Report

i. Balance Sheet and Income Statement

Ms. Burns presented the financial statements under tab 2.

ii. Approval of Check Register

Ms. Burns asked for questions on the financials, the board had none.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Check Register, was approved.

iii. Discussion of Resident Request to Consider Amendment to Pool Rules Regarding Flotation Devices

Ms. Burns asked for consideration of an amendment to the pool rules. A resident made a request that small personal flotation devices, like a pool noodle, be allowed. Currently it states that there are no flotation devices allowed. The board would like to keep out flotation devices, with the exception of one noodle per person and infant flotation devices.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Amendment to Pool Rules Regarding Flotation Devices, was approved.

TWELTH ORDER OF BUSINESS

Other Business

Ms. Burns also requested a continuation of the meeting because the bids for Phase 7 for construction are due on Friday. It is agreed not to continue the meeting and just meet at the regular monthly scheduled time.

THIRTEENTH ORDER OF BUSINESS

Supervisors Requests

Ms. Burns asked for any other Supervisors requests. There being none, the next item followed.

FOURTEENTH ORDER OF BUSINESS

Adjournment

The meeting was adjourned.

On MOTION by Mr. Heath seconded by Mr. Rhinehart, with all in favor the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman