

**MINUTES OF MEETING
HUNTER'S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

A Public Hearing and Regular Meeting of the Board of Supervisors of the Hunter's Ridge Community Development District No. 1 was held on Wednesday, August 26, 2015 at 2:00 p.m., in Huntington Village, located at 6 Hunting Place, Ormond Beach, Florida 32174.

Present at the meeting were:

Howard Lefkowitz	Chair
Charles Faulkner	Vice Chair
Chelsea Anderson	Assistant Secretary
Steve Thompson	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Mark Watts	District Counsel
Susanne Wilde	Huntington Village

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called the meeting to order at 2:11 p.m., and noted, for the record, that Supervisors Lefkowitz, Faulkner, Anderson and Thompson were present, in person. Supervisor Annon was not present.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

**Public Hearing to Hear Comments and
Objections on Adoption of Fiscal Year
2015/2016 Budget**

******Mr. McGaffney opened the Public Hearing.******

Mr. McGaffney noted, for the record, that there were no public comments.

******Mr. McGaffney closed the Public Hearing.******

A. Affidavit of Publication

Mr. McGaffney presented the affidavit of publication for today's Public Hearing and Regular Meeting.

B. Consideration of Resolution 2015-3, Adopting the Final Budget for Fiscal Year 2015/2016

Mr. McGaffney presented the Resolution 2015-3 for the Board's consideration.

Mr. Lefkowitz questioned why the insurance premium was so high, since the District, currently, has no facilities.

Mr. McGaffney advised that the \$5,000 premium, was for basic general liability insurance, which is typical for a new district.

Mr. Watts suggested having Management shop the insurance coverage. He clarified that the policy is for Error and Omissions (E&O) for the Board Members. With a probable bond issue in the next fiscal year, the District will likely acquire some facilities, during the next fiscal year. The Fiscal Year begins on October 1.

Mr. Lefkowitz felt that carrying excess insurance in anticipation of physical facilities, was unnecessary. He requested that District Management seek an insurance policy for the minimal amount of coverage needed.

Mr. Watts advised that the line item could be adopted with a cap and a directive to District Management to shop for a policy with a lower premium for the next year, until general liability is necessary.

On MOTION by Mr. Lefkowitz and seconded by Mr. Thompson, with all in favor, Resolution 2015-3, Adopting the Final Budget for Fiscal Year 2015/2016 and directing District Management to shop the insurance policy coverage, was adopted.

FOURTH ORDER OF BUSINESS

Consideration of Fiscal Year 2015/2016 Funding Agreement

Mr. McGaffney presented the Fiscal Year 2015/2016 Funding Agreement for the Board's consideration and read the title.

Mr. Lefkowitz asked if, as a representative of the landowner, he should abstain from voting.

Mr. Watts advised that Mr. Lefkowitz could participate in the vote. The same style of agreement was in place, since the District's inception, and is renewed, yearly, until the District becomes assessment driven.

On MOTION by Ms. Anderson and seconded by Mr. Faulkner, with all in favor, the Fiscal Year 2015/2016 Funding Agreement, was approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2015-4, Adopting the Annual Meeting Schedule for Fiscal Year 2015/2016

Mr. McGaffney presented Resolution 2015-4 for the Board's consideration.

On MOTION by Mr. Faulkner and seconded by Ms. Anderson, with all in favor, Resolution 2015-4, Adopting the Annual Meeting Schedule for Fiscal Year 2015/2016, was adopted.

SIXTH ORDER OF BUSINESS

Approval of June 11, 2015 Regular Meeting Minutes

Mr. McGaffney presented the June 11, 2015 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Faulkner and seconded by Mr. Thompson, with all in favor, the June 11, 2015 Regular Meeting Minutes, as presented, were approved.

SEVENTH ORDER OF BUSINESS

Other Business

Mr. Lefkowitz reported that the developer's original intent was to sell the bonds in July and immediately begin development of the balance of the community. The developer decided to move ahead, immediately, with the improvements on Heron Way Drive and advance those improvements to the District. The developer, with the anticipation of recapturing their out-of-

pocket costs and, under engineering supervision, will construct infrastructure that is documentable back to the CDD.

Mr. Watts advised that an Acquisition Agreement between the District and the Landowner must be approved and executed. The agreement will state that any infrastructure reflected in the Engineer's Report that serves as the District's Capital Improvement Plan (CIP), constructed in advance by the developer, will be acquired by the District at such time as bond revenues are available. The CDD will be obligated to acquire the improvements, once they are completed, approved by District Engineer and bond revenues are available for funding.

Mr. McGaffney suggested that the Board authorize District Counsel to draft the agreement and negotiate the terms.

Mr. Lefkowitz asked that the agreement be circulated to the Board, prior to execution, on the basis that there are two distinct landowners within the auspices of the CDD.

Mr. Watts stated that the agreement will be circulated to the Board. Any comments or questions should be sent directly to District Counsel. Reimbursement for any land being transferred to the District will be based on the appraised value of the land at the time of the transfer. The agreement will apply to improvements approved as part of the CIP. Any additional infrastructure would be subject to amendment of the Engineer's Report.

On MOTION by Mr. Faulkner and seconded by Mr. Thompson, with all in favor, authorizing District Counsel to draft an Acquisition Agreement between the Landowners and the District by which, the Landowners may construct elements of the Capital Improvement Plan and have those elements acquired by the District, once accepted by the District Engineer, as relating to the Engineer's Report, as it may be amended, and Bonds are issued, authorizing District Counsel to negotiate the terms of the agreement, circulating the agreement to the Board for comments and authorizing the Chair to execute, were approved.

Mr. Lefkowitz anticipated that it would be at least one year before infrastructure construction begins. The developer has 70 developed lots to sell once the builders' models are started. The pressure is on the Villas' side to put infrastructure in the ground, within the next nine months, as construction on the Villas is beginning. Mr. Lefkowitz saw no reason to sell the bonds, put the infrastructure in the ground and use up capital reserves. The downside is that

interest rates may increase and the bonds maybe more expensive in one year. Overall, it is in the District’s best interest for the Developer to be “marketing functional.”

Mr. Thompson will request the same type of arrangement.

Mr. Lefkowitz directed District Management to defer any activity in preparation of the bonds, bond sales and any additional professional services or efforts, both legal and engineering, relative to that function.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Watts met yesterday, with Mr. Lefkowitz, as the Landowner Representative. Per their discussion, the District’s Assessment Methodology must be reviewed, prior to financing. The area designated as the amenities center will have stormwater that will flow into infrastructure covered by the District’s CIP. That property is not assessed under the current Assessment Methodology. Equivalent Residential Unit (ERU) numbers must be established for the Amenity Center and included in the assessment methodology. The CDD will probably acquire more infrastructure than what will be covered by the bond proceeds. The landowner will likely donate some of that infrastructure to the District; that donation may be used to offset the assessments on the Amenity Center parcel. To keep the Assessment Methodology defensible, the parcel must be included in the assessments.

District Engineer

There being no report, the next item followed.

B. District Manager

i. Approval of Unaudited Financial Statements as of July 31, 2015

Mr. McGaffney presented the Unaudited Financial Statements as of July 31, 2015. District Management will reduce their fees, from \$42,000, annually, to \$2,000, monthly, until development.

Mr. Lefkowitz questioned the \$11,377 “Due from Developer” amount, which appeared to be for two months. The developer makes monthly payments, as items come due.

Mr. McGaffney will research the item and provide an explanation.

On MOTION by Mr. Lefkowitz and seconded by Ms. Anderson, with all in favor, the Unaudited Financial Statements as of July 31, 2015, were approved.

NINTH ORDER OF BUSINESS

Board Members' Comments/Requests

Mr. Lefkowitz asked if Mr. Annon submitted his resignation and if there was communication with him. Mr. McGaffney advised that no resignation was received despite email communication with Mr. Annon, following the previous meeting. Mr. Annon has no intention of resigning from the Board.

Mr. Lefkowitz asked if Board Members who repeatedly failed to attend meetings could be removed from the Board.

Mr. Watts advised that no such policy was adopted but the Board could look into putting that structure in place.

Mr. Lefkowitz proposed that the Board adopt a Supervisor attendance policy, whereby, if a Supervisor misses three consecutive meetings, either in-person or via phone, that it be considered an automatic resignation and the Board, regardless of the Supervisor's affirmation, will move to replace the Supervisor at that time.

Mr. Thompson recommended that the attendance policy apply to Supervisors who fail to attend meetings without excuse or prior notification.

Mr. Lefkowitz asked if Mr. Annon was notified of the meeting. Mr. McGaffney replied affirmatively.

District Counsel and District Management will draft an attendance policy to be presented at the next meeting. District Management will follow up with Mr. Annon.

Mr. Lefkowitz suggested that, once the bonds are sold, the Board consider reimbursing the independent Supervisors for meeting expenses. The Supervisors are entitled to compensation for their participation and contribution.

Mr. Watts advised that, per Chapter 190, the Florida statutes, the Board can set compensation up to \$250 per meeting.

On MOTION by Mr. Lefkowitz and seconded by Mr. Thompson, with all in favor, compensation of \$200, per meeting, for Non-staff Board Members for in-person attendance, commencing with the next meeting, was approved.

TENTH ORDER OF BUSINESS

Public Comments

It was decided that, going forward, the second Public Comments Order of Business will be stricken from the Agenda.

There being no public comments, the next item followed.

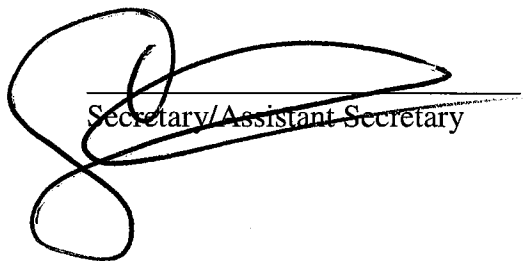
ELEVENTH ORDER OF BUSINESS

Adjournment

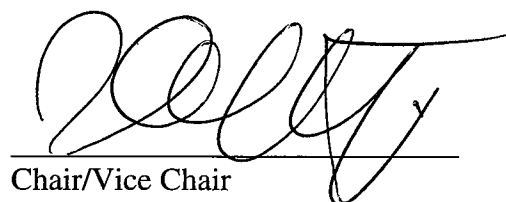
There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Faulkner and seconded by Ms. Anderson, with all in favor, the meeting adjourned at 2:46 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair