

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

A Regular Meeting of the Board of Supervisors of the Hunter's Ridge Community Development District No. 1 was held on Thursday, June 7, 2018 at 2:00 p.m., at 21 Heron Wing Drive, Ormond Beach, Florida 32174.

Present at the meeting were:

Howard Lefkowitz	Chair
Charles Faulkner	Vice Chair
Steve Thompson	Assistant Secretary
Patricia Hall <i>(via telephone)</i>	
Charles Lichtigman	

Also present were:

Cindy Cerbone	District Manager
Mike Woods <i>(via telephone)</i>	District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 2:12 p.m. Supervisors Lefkowitz, Faulkner and Thompson were present, in person. Supervisor Hall was not present. One seat was vacant.

SECOND ORDER OF BUSINESS

Public Comments *(agenda items)*

There being no public comments, the next item followed.

▪ **Consideration of Appointment to Vacant Seat 5; Term Expires November, 2018**

******This item, previously the Fifth Order of Business, was presented out of order.******

Mr. Lefkowitz asked if the term of Seat 5 could be extended beyond November, 2018, if someone was appointed today. Ms. Cerbone replied no; however, the Landowners' Election will be held in November to appoint three seats.

Mr. Lefkowitz nominated Mr. Charles Lichtigman to fill Seat 5. No other nominations were made.

On MOTION by Mr. Thompson and seconded by Mr. Faulkner, with all in favor, the appointment of Mr. Charles Lichtigman to fill Seat 5, term expires November, 2018, was approved.

- **Administration of Oath of Office** (*the following will also be provided in a separate package*)

*****This item, previously the Sixth Order of Business, was presented out of order.*****

Ms. Cerbone, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Lichtigman. She briefly explained the following items:

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. Chapter 190, Florida Statutes**
- D. Financial Disclosure Forms**
 - i. Form 1: Statement of Financial Interests**
 - ii. Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - iii. Form 1F: Final Statement of Financial Interests**
- E. Form 8B: Memorandum of Voting Conflict**

THIRD ORDER OF BUSINESS

Consideration of Resolution 2018-01, Approving a Proposed Budget for Fiscal Year 2018/2019 and Setting a Public Hearing Thereon Pursuant to Florida Law; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date

Ms. Cerbone presented Resolution 2018-01. The District is Developer-funded, meaning expenses are funded as they are incurred. She reviewed the proposed Fiscal Year 2019 budget line item increases, decreases and adjustments compared to the Fiscal Year 2018 budget.

The following changes were made to the proposed Fiscal Year 2019 Budget:

Page 1, "Insurance": Change \$5,500 to \$6,232

Page 1, "Website": Change \$600 to \$650

Ms. Cerbone stated that these changes would increase the Fiscal Year 2019 budget from \$27,725 to \$28,507.

In response to the question of whether the insurance would be bid, Ms. Cerbone replied no, not unless the Board requests it; typically, when bid for other Districts, the bids were equivalent or slightly higher, and Management felt that the insurance carrier is very competitive. The insurance expense is below the threshold that would require the bid process. Regarding Management's fees, Ms. Cerbone noted Mr. Lefkowitz's comments that Management has been very accommodating in that Management's fee was higher, when it was anticipated that bonds would be issued but, when activity slowed, Management lowered the fee until activity increased; he was comfortable with Management's recommendations, estimates, etc.

The following changes were made to Resolution 2018-01:

DATE: Change August 30, 2018 to August 22, 2018

HOUR: Change 10:00 A.M. to 3:00 P.M.

On MOTION by Mr. Faulkner and seconded by Mr. Lichtigman, with all in favor, Resolution 2018-01, as amended to changed the date and time of the Public Hearing, Approving a Proposed Budget for Fiscal Year 2018/2019, as amended, and Setting a Public Hearing Thereon Pursuant to Florida Law for August 22, 2018 at 3:00 p.m., at this location; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date, was adopted.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2018-02, Designating a Date, Time, and Location for a Landowners' Meeting; Providing for Publication; Providing for an Effective Date [Seats 1, 2 and 5]

Ms. Cerbone presented Resolution 2018-02. Seats 1, 2 and 5, currently held by Supervisors Lefkowitz, Hall and Lichtigman, respectively, would be up for election. The two candidates receiving the most votes would serve four-year terms and the remaining candidate would serve a two-year term. It would not be necessary for Board Members to attend the Landowners' Meeting but a Landowner, Landowner representative or proxyholder for the Landowner must attend to cast votes.

The following change was made:

SECTION 1: Change 4:00 to 12:00

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson with all in favor, Resolution 2018-02, as amended, Designating November 1, 2018 at 12:00 p.m., at this location, as the Date, Time, and Location for a Landowners' Meeting; Providing for Publication; Providing for an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Appointment to Vacant Seat 5; Term Expires November, 2018

This item was presented following the Second Order of Business.

SIXTH ORDER OF BUSINESS

Administration of Oath of Office (the following will also be provided in a separate package)

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. Chapter 190, Florida Statutes**
- D. Financial Disclosure Forms**
 - i. Form 1: Statement of Financial Interests**
 - ii. Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - iii. Form 1F: Final Statement of Financial Interests**
- E. Form 8B: Memorandum of Voting Conflict**

This item was presented following the Second Order of Business.

SEVENTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of April 30, 2018

Ms. Cerbone presented the Unaudited Financial Statements as of April 30, 2018. The Board raised the following questions and/or requested the following information and Ms. Cerbone responded as follows:

- Where is the accrued liability to the Developer that could be reimbursed from bond proceeds represented in the Unaudited Financial Statements?

Ms. Cerbone stated that, until bonds are issued, the costs fall on the Developer and no reimbursement is reflected.

- Are there soft cost reimbursements, such as Engineering, Legal and Management expenses and fees?

Ms. Cerbone stated that Management's fee is not reimbursable but, if work was performed related to bond issuance, it would be reimbursable.

- Is that what the Developer advances?

Ms. Cerbone replied no; when an invoice or funding request is submitted to the Developer, an accounting receivable entry is made, along with the offset booked to deferred receipts, instead of under revenue.

- Where are the accrued soft costs reflected and could the Engineering costs related to establishing the District be reimbursed to the Developer, if bonds are issued or are only the Engineering costs related to the bond issuance activities reimbursable?

Mr. Woods believed that the initial Engineering costs might be reimbursable, as they were related to the improvements that would be bonded upon. He asked if the Developer was handing over the infrastructure to the District, in completion. Mr. Lefkowitz stated that the bonds were validated in 2014 or 2015 so there was work performed to reach that point and, prior to that, when the property was acquired, the property that was already platted fell under the CDD and it was understood that, since those lots would be charged by the CDD, bond proceeds would be available to reimburse the Developer and, at that time, there was engineering and legal work performed in anticipation of issuing bonds. Ms. Cerbone referred to financial statements dating back to mid 2015 and early 2016 and did not see any significant engineering costs; she asked if the Developer paid the District Engineer directly or if they paid the District and the District paid the District Engineer. Mr. Lefkowitz stated that the Developer would have paid the District. Regarding the amount of costs paid, Mr. Lefkowitz was certain the amount was greater than \$1,000. Ms. Cerbone would provide a recap of the amounts expended, by category that would be eligible to be reimbursed to the Developer, once bond proceeds are available, and how those amounts would be represented on the balance sheet. She believed that this would require management to go through the records to validate those items. Mr. Lichtigman asked if, once determined, those amounts would be reflected on the Unaudited Financial Statements. Ms.

Cerbone stated not necessarily; this is a fine-line situation for governmental accounting regarding whether that must be recorded and kept on the books. She would research the Governmental Accounting Standards related to monies expended towards bond validation and how to account for those, if bonds are not yet issued.

- A listing of all applicable costs the District incurred that could be reimbursed back to the Developer would be prepared.
- If the information must be represented, Ms. Cerbone would advise of how that would occur and, if it is not necessary, she would explain why not.

*****Supervisor Faulkner left the meeting during the Seventh Order of Business.*****

Approval of the Unaudited Financial Statements as of April 30, 2018 was deferred pending answers to the questions posed.

EIGHTH ORDER OF BUSINESS

Approval of August 24, 2017 Regular Meeting Minutes

Ms. Cerbone presented the August 24, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections. Mr. Lichtigman stated, for the record, that he was not a Board Member and was not present at the last meeting but would vote, as he could not abstain.

On MOTION by Mr. Lefkowitz and seconded by Mr. Thompson, with all in favor, the August 24, 2017 Regular Meeting Minutes, as presented, were approved.

NINTH ORDER OF BUSINESS

Other Business

There being no other business to discuss, the next item followed.

TENTH ORDER OF BUSINESS

Staff Reports

- A. **District Counsel: Cobb Cole**
There being no report, the next item followed.
- B. **District Engineer: Zev Cohen and Associates, Inc.**
There being no report, the next item followed.
- C. **District Manager: Wrathell, Hunt and Associates, LLC**
 - i. **29 Registered Voters in District as of April 15, 2018**

Ms. Cerbone stated that there were 29 registered voters residing within the boundaries of the District as of April 15, 2018.

ii. NEXT MEETING DATE: August 23, 2018 at 2:00 P.M.

Ms. Cerbone stated that the next meeting will be held on August 22, 2018 at 3:00 p.m., rather than August 23 at 2:00 p.m.

ELEVENTH ORDER OF BUSINESS

Board Members' Comments/Requests

In response to a Board Member question, Ms. Cerbone stated that all Landowners, including the HOA, can cast votes in the Landowners' Election. The number of votes is based on the acreage owned. She explained the voting process and how landowners are verified.

TWELFTH ORDER OF BUSINESS

Adjournment

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

On MOTION by Mr. Thompson and seconded by Mr. Lichtigman, with all in favor, the meeting adjourned at approximately 3:12 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair