

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

The Hunter's Ridge Community Development District No. 1 Board of Supervisors held a Public Hearing and a Regular Meeting on August 22, 2018 at 3:00 p.m., at 21 Heron Wing Drive, Ormond Beach, Florida 32174.

Present at the meeting were:

Howard Lefkowitz	Chair
Charles Lichtigman	Vice Chair
Steve Thompson	Assistant Secretary
Patricia Hall	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Mike Woods (via telephone)	District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called the meeting to order at 3:05 p.m. Supervisors Lefkowitz, Hall and Lichtigman were present, in person. Supervisor Thompson was not present at roll call. Supervisor Faulkner was not present.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

**Consideration of Resolution 2018-03,
Electing the Officers of the District**

Mr. Thompson arrived at the meeting at approximately 3:07 p.m.

Mr. Lefkowitz nominated the following slate of officers:

Chair	<u>Howard Lefkowitz</u>
Vice Chair	<u>Charles Lichtigman</u>
Secretary	<u>Craig Wrathell</u>
Treasurer	<u>Craig Wrathell</u>
Assistant Treasurer	<u>Jeff Pinder</u>

Assistant Secretary	<u>Patricia Hall</u>
Assistant Secretary	<u>Steve Thompson</u>
Assistant Secretary	<u>Vacant</u>
Assistant Secretary	<u>Howard McGaffney</u>
Assistant Secretary	<u>Cindy Cerbone</u>

No other nominations were made.

Mr. McGaffney presented Resolution 2018-03 and read the title.

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, Resolution 2018-03, Electing the Officers of the District, as nominated, was adopted.

FOURTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on Adoption of Fiscal Year 2018/2019 Budget

A. Affidavit/Proof of Publication

The proof of publication was provided for informational purposes.

B. Consideration of Resolution 2018-04, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019

Mr. McGaffney reviewed the proposed Fiscal Year 2019 budget.

▪ Consideration of ADA Site Compliance Proposal for Website Compliance Shield, Accessibility Policy and One (1) Annual Technological Audit

This item, previously Item 12Ci, was presented out of order.

In response to the question of what the \$300 "ADA compliance" line item was for, Mr. McGaffney stated that claims were recently filed against numerous CDDs and other entities alleging that their websites were not compliant with the Americans with Disabilities Act (ADA) requirements for websites and the budget line item was the costs related to ADA Site Compliance (ADASC) bringing the CDD's website into compliance with the ADA requirements for websites. Management engaged ADASC to bring its CDDs' websites into compliance, including attachment of an ADA Compliance Seal on the website, which links to the District's ADA Compliance Policy, advises that updates are underway to bring the website into compliance and directs who to contact with questions or for assistance. All items not required

by law to be posted on the website or that have exceeded the posting time frame requirements will be purged and, going forward, only the required items will be posted on the website. Mr. Woods stated that this action spreads across public and private entities; fortunately, the CDD's website only has basic required content. Mr. Lefkowitz asked if the \$199 fee was a one-time fee. Mr. McGaffney stated that it is an annual fee for ADASC to monitor the CDD's website. Mr. Woods noted that, while ADASC is monitoring the website, he doubted they would absorb any indemnification for the District, considering the low price of \$199. There is no specific regulation regarding website compliance with ADA standards but claims are being filed.

One Board Member was against this.

Mr. McGaffney stated that, if the CDD does not proceed with bringing its website into compliance, the insurance carrier will no longer cover any website-related claims against the CDD. Mr. Woods stated that having the ADA Compliance Seal on the website shows that the District is taking steps to bring the website into compliance. A Board Member asked if the CDD's insurance policy, at this time is not a signatory on the rider or does the CDD have a rider that protects it. Mr. McGaffney stated that there is currently no rider and the insurance carrier is defending it under the normal policy. The Board Member asked if the CDD would be excluded from the rider option, should the Board decide not to approve this. Mr. McGaffney stated that, regardless of whether the Board approves the proposal, it was already done, as an executive action by Management.

On MOTION by Mr. Thompson and seconded by Mr. Lichtigman, with all in favor, the ADA Site Compliance Proposal for Website Compliance Shield, Accessibility Policy and One (1) Annual Technological Audit, was ratified.

Discussion of the proposed Fiscal Year 2019 budget resumed.

A question was raised regarding SECTION 3c regarding whether the referenced changes or adjustments require approval within the Developer funding or does the Developer Funding Agreement also provide for approval of that type of change, since the Landowner is effectively guaranteeing the expenditures. Mr. McGaffney stated that SECTION 3c, basically outlines the ability to have a budget amendment; it was covered in the seventh "WHEREAS" on Page 1 of the Developer Funding Agreement. Mr. Lefkowitz read a portion of the WHEREAS clause "...and may be amended from time to time by the District, subject to the terms and conditions hereof."

and asked where those terms and conditions are that allow the change. Mr. McGaffney stated that there should not be surprise expenditures. Mr. Lefkowitz stated that he brought this up because the District's Underwriter is currently looking at the possibility of issuing bonds and, if the Underwriter says it is viable to issue bonds, the District would begin expending funds that are not budgeted; therefore, he wants to make sure that the Landowner recognizes that the funds will be expendable by the Association, for the primary reason of making sure that any funds expended for the bond issuance, which are recoupable, are reflected. Mr. McGaffney stated that, when it is necessary to amend a budget because a District has become more active towards a bond issuance, the costs would be determined. Mr. Lefkowitz asked if a meeting would be necessary to formalize the process, if issuing bonds appears viable. Mr. McGaffney replied affirmatively and noted that it does not preclude the Board Members from speaking with District Counsel or District Management.

Mr. Lichtigman stated that this is a bare bones budget to get the District by; it covers the minimum of what the District would do. Mr. McGaffney stated that the budget is for very specific activities for a District that is contemplating its future.

On MOTION by Mr. Lefkowitz and seconded by Mr. Lichtigman, with all in favor, the Public Hearing was opened at 3:38 p.m.

No members of the public spoke.

Mr. McGaffney closed the Public Hearing at 3:39 p.m.

Mr. McGaffney presented Resolution 2018-04 and read the title.

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, Resolution 2018-04, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019, was adopted.

FIFTH ORDER OF BUSINESS

**Consideration of Fiscal Year 2018/2019
Funding Agreement**

Mr. McGaffney presented the Fiscal Year 2019 Funding Agreement.

On MOTION by Mr. Lefkowitz and seconded by Mr. Thompson with all in favor, the Fiscal Year 2018/2019 Funding Agreement, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2018-05, Adopting the Annual Meeting Schedule for Fiscal Year 2018/2019

Mr. McGaffney presented Resolution 2018-05. The following change was made:
TIME: Change "12:00" to "3:30"

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, Resolution 2018-05, Adopting the Annual Meeting Schedule for Fiscal Year 2018/2019, as amended, was adopted.

SEVENTH ORDER OF BUSINESS

Acceptance of Resignation of Supervisor Charles Faulkner, SEAT 4; Term Expires November, 2020

Mr. McGaffney presented the letter of resignation from Mr. Faulkner.

Mr. Lefkowitz directed Mr. McGaffney to send a letter to Mr. Faulkner thanking him for his service to the District.

On MOTION by Mr. Lefkowitz and seconded by Mr. Lichtigman with all in favor, the resignation of Mr. Charles Faulkner, dated August 16, 2018, was accepted.

EIGHTH ORDER OF BUSINESS

Consideration of Appointment to Seat 4

- A. Administration of Oath of Office *(the following will also be provided in a separate package)***
 - i. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
 - ii. Membership, Obligations and Responsibilities**
 - iii. Chapter 190, *Florida Statutes***
 - iv. Financial Disclosure Forms**
 - a. Form 1: Statement of Financial Interests**
 - b. Form 1X: Amendment to Form 1, Statement of Financial Interests**

c. Form 1F: Final Statement of Financial Interests

v. Form 8B: Memorandum of Voting Conflict

Mr. Lefkowitz asked if there was any obligation to appoint outside landowners or property owners. Discussion ensued regarding the requirements to be a Board Member. Mr. Lefkowitz asked Mr. Woods to email the requirements to him.

This item was deferred.

NINTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements

A. As of April 30, 2018 (deferred from last meeting)

Mr. McGaffney presented the Unaudited Financial Statements as of April 30, 2018. These statements were not approved at the last meeting pending answers to questions about showing the Developer's contribution as a liability. Mr. McGaffney stated that the District has not moved forward as fast as some other Districts so some of the work already assumed under the original establishment will probably have to be redone, when the District moves towards a bond issuance. He was told by Mr. Watts that, other than maybe the initial onset and establishment costs, those things that normally move forward with a District that is going to issue bonds, could be recoverable through the bond issuance, including the Engineer's Reports, Methodologies, etc.; however, expenses put into the bond issuance reduces the amount that the District would receive. Also, it might be necessary to redo the reports.

B. As of July 31, 2018

Mr. McGaffney presented the Unaudited Financial Statements as of July 31, 2018.

Mr. Lichtigman asked when the audit occurs and what the fee is. Mr. McGaffney replied in spring and the fee is \$3,500. Discussion ensued regarding auditors, whether an audit is required, why an audit was not performed for Fiscal Year 2016, etc. Mr. McGaffney would find out whether an audit was required for Fiscal Year 2016.

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, the Unaudited Financial Statements as of April 30, 2018 and July 31, 2018, were approved.

TENTH ORDER OF BUSINESS

Approval of June 7, 2018 Regular Meeting Minutes

Mr. McGaffney presented the June 7, 2018 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Lichtigman and seconded by Mr. Lefkowitz, with all in favor, the June 7, 2018 Regular Meeting Minutes, as presented, were approved.

ELEVENTH ORDER OF BUSINESS

Other Business

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

TWELFTH 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. Consideration of ADA Site Compliance Proposal for Website Compliance Shield, Accessibility Policy and One (1) Annual Technological Audit

This item was presented during the Fourth Order of Business.

ii. NEXT MEETING DATE: November 1, 2018 at 12:00 P.M.

Mr. McGaffney stated that the next meeting will be the Landowners' Meeting, which will be held on November 1, 2018 at 3:30 p.m., rather than 12:00 p.m.

THIRTEENTH ORDER OF BUSINESS

Board Members' Comments/Requests

There being no Board Members' comments or requests, the next item followed.

FOURTEENTH ORDER OF BUSINESS

Adjournment

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

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, the meeting adjourned at approximately 4:00 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair