

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

The Hunter's Ridge Community Development District No. 1 Board of Supervisors held Multiple Public Hearings and a Regular Meeting on January 10, 2019 at 2:00 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
Craig Wrathell (via telephone)	Wrathell, Hunt and Associates LLC
Mark Watts	District Counsel
Randy Hudak	District Engineer

Residents present were:

Maryke Guild	Mary Kelly
Carol Hodak	James Hodak
Tom Cerino	Jerry Schaeffer
Bob Heidorn	Beverly Cerino
Maureen Janover	Tom Eldredge
Don Hunt	Jean Hunt

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called the meeting to order at 2:11 p.m. Supervisors Lefkowitz, Lichtigman and Hall were present in person. Supervisor Thompson was not present at roll call. One seat was vacant.

SECOND ORDER OF BUSINESS

Public Comments

Ms. Carol Hodak, a resident, asked Mr. McGaffney what his role was at the meeting. Mr. McGaffney introduced himself as the District Manager.

Disclaimer: These summary minutes are intended to highlight the topics discussed, items being considered and actions taken.

Residents Maryke Guild, James Hodak and several other residents stated they did not received Mailed Notices. Mr. Watts noted the following:

- This meeting was published, as required by law.
- The District was only required to send the Mailed Notice to affected property owners and no Mailed Notice was required for the Assessment Area One owners, as their assessments were in place since 2014 and were not changing.
- Owners were made aware of the CDD assessment during the purchase of their homes.
- The bond validation and CDD-related documents are a matter of public record.
- FMSbonds, Inc. was the Bond Underwriter.

THIRD ORDER OF BUSINESS

**Consider Appointment to Vacant Seat 4;
Term Expires November 2020**

- **Administration of Oath of Office to Newly Appointed Supervisor**
- **Designation of Newly Appointed Supervisor as Assistant Secretary**

This item was deferred to the next meeting.

Supervisor Thompson arrived at the meeting at 2:20 p.m.

FOURTH ORDER OF BUSINESS

**Public Hearing to Consider the Adoption of
an Assessment Roll and the Imposition of
Special Assessments Relating to the
Financing and Securing of Certain Public
Improvements**

A. Affidavit/Proof of Publication

Mr. Watts presented the proof of publication for informational purposes.

B. Mailed Notice to Property Owner(s)

The Affidavit of Mailing to the property owners impacted by the assessment changes and a copy of the Mailed Notice were provided for informational purposes.

C. Consideration of Revised Engineer's Report

Mr. Watts stated the Board approved Items 4C, D, and E, at the December 2018 meeting, in substantial form, subject to the Chair's review and approval and subject to any final revisions from the Chair. Items 4F, G, and H would be considered today.

D. Consideration of Revised First Addendum to Master Special Assessment Methodology Report

E. Consideration of Supplemental Special Assessment Methodology Report**F. Public Comment and Testimony**

- *Hear testimony from the affected property owners as to the propriety and advisability of making the improvements and funding them with special assessments on the property*

Mr. Lefkowitz opened the Public Hearing at 2:20 p.m.

Residents, Tom Cerino, Jerry Schaeffer, Carol Hodak, and Bob Heidorn, asked about the bond issue and assessments and it was requested that the District email notifications about upcoming meetings, etc. Discussion ensued regarding when assessments would be placed on the tax bill, direct billing of Landowner assessments, what infrastructure assessments are comprised of, etc. Mr. Wrathell would confirm when assessments would be placed on the tax bill. It was noted that the District's website contains CDD information, meeting schedules, agenda backup, etc. Discussion ensued regarding the benefits of a CDD and why bonds are issued to finance projects, such as construction of public infrastructure within the CDD.

Mr. Watts stated the Developer would be reimbursed from the bond proceeds for a portion of the infrastructure already in place.

Ms. Hodak asked for the total cost to the property owner over the life of the bond and what happens to assessments if a property is never built. Assessments for each unit type, the ability of owners to pay off their bond debt any time, without penalty, and that operating assessments would remain, even if the debt assessment was paid off, were discussed.

Mr. Watts discussed the True-Up mechanism, in the event some properties are never built, and explained that debt assessments on individual platted lots in Assessment Area One were fixed and would not increase to make up for homes that were not built. Whether the bond was transferrable, where the bond proceeds are held, if the funds were already spent, provisions in the Master and Supplemental Trust Indentures that prevent changing the terms of the deal, provide the District recourse from non-paying property owners and if the Developer defaults, the duties of the Trustee and the requisition process, were discussed.

Mr. Watts stated the construction of the infrastructure related to this area was completed; however, the CDD had not yet publically financed construction costs. Mr. Wrathell stated the reports show the actual cost of the infrastructure, which, through the bonds, would fund the District's portion of the improvements; the Developer is obligated, through a Completion Agreement, to fund the balance of the improvements and cover any cost overruns.

Mr. Lefkowitz closed the Public Hearing at 3:02 p.m.

G. Equalization of Assessments

- Thereafter, the governing authority shall meet as an equalizing board to hear any and all complaints as to the special assessments on a basis of justice and right

Mr. Wrathell stated that the Board would now meet as the Board of Equalization to consider any adjustment to the assessments proposed. No changes were made.

H. Consideration of Resolution 2019-07, Authorizing District Projects for Construction and/or Acquisition of Infrastructure Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on Property Specially Benefited by Such Projects to Pay the Cost Thereof; Providing for the Payment and the Collection of Such Special Assessments by the Methods Provided for by Chapters 170, 190 and 197, *Florida Statutes*; Confirming the District's Intention to Issue Special Assessment Bonds; Making Provisions for Transfers of Real Property to Homeowners Associations; Property Owners Associations and/or Governmental Entities; Providing for the Recording of an Assessment Notice; Providing for Severability; Conflicts and an Effective Date

Mr. Watts stated that Exhibit B, on Page 3, Section 2M(ii) was comprised of the First Addendum to the Master Special Assessment Methodology Report, referred to as the "Assessment Report", and should include the Supplemental Special Assessment Methodology Report as well.

Mr. Watts presented Resolution 2019-07 and read the title.

On MOTION by Mr. Lefkowitz and seconded by Mr. Lichtigman, with all in favor, Resolution 2019-07, Authorizing District Projects for Construction and/or Acquisition of Infrastructure Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on Property Specially Benefited by Such Projects to Pay the Cost Thereof; Providing for the Payment and the Collection of Such Special Assessments by the Methods Provided for by Chapters 170, 190 and 197, *Florida Statutes*; Confirming the District's Intention to Issue Special Assessment Bonds; Making Provisions for Transfers of Real Property to Homeowners Associations; Property Owners Associations and/or Governmental Entities; Providing for the Recording of an Assessment Notice; Providing for Severability; Conflicts and an Effective Date, as amended to add to Exhibit B, the Supplemental Special Assessment Methodology Report, was adopted.

**HUNTER'S RIDGE CDD NO. 1
FIFTH ORDER OF BUSINESS**

January 10, 2019

Public Hearing Confirming the Intent of the District to Use the Uniform Method of Levy, Collection and Enforcement of Non-Ad Valorem Assessments as Authorized and Permitted by Section 197.3632, Florida Statutes; Expressing the Need for the Levy of Non-Ad Valorem Assessments and Setting Forth the Legal Description of the Real Property Within the District's Jurisdictional Boundaries that May or Shall Be Subject to the Levy of District Non-Ad Valorem Assessments; Providing for Severability; Providing for Conflict and Providing for an Effective Date

A. Affidavit/Proof of Publication

Mr. Watts presented the proof of publication for informational purposes.

B. Consideration of Resolution 2019-08, Expressing its Intent to Utilize the Uniform Method of Levying, Collecting, and Enforcing Non Ad Valorem Assessments Which May Be Levied By the Hunter's Ridge Community Development District No. 1 in Accordance with Section 197.3632, Florida Statutes; Providing a Severability Clause; and Providing an Effective Date

Mr. Lefkowitz opened the Public Hearing at 3:07 p.m.

No members of the public spoke.

Mr. Lefkowitz closed the Public Hearing at 3:08 p.m.

Mr. Watts presented Resolution 2019-08 and read the title.

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, Resolution 2019-08, Expressing its Intent to Utilize the Uniform Method of Levying, Collecting, and Enforcing Non Ad Valorem Assessments Which May Be Levied By the Hunter's Ridge Community Development District No. 1 in Accordance with Section 197.3632, Florida Statutes; Providing a Severability Clause; and Providing an Effective Date, was adopted.

SIXTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of November 30, 2018

Mr. McGaffney presented the Unaudited Financial Statements as of November 30, 2018.

On MOTION by Mr. Lefkowitz and seconded by Mr. Lichtigman, with all in favor, the Unaudited Financial Statements as of November 30, 2018, were approved.

Mr. Watts stated an outside Auditor would perform an annual audit, as required by law.

Mr. Lefkowitz stated that the Management Company is professionally known and manages about 80 CDDs throughout Florida; Mr. McGaffney manages about 10% of those.

SEVENTH ORDER OF BUSINESS

Approval of December 5, 2018 Regular Meeting Minutes

Mr. McGaffney presented the December 5, 2018 Regular Meeting Minutes.

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, the December 5, 2018 Regular Meeting Minutes, as presented, were approved.

EIGHTH ORDER OF BUSINESS

Other Business

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

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Cobb Cole*

Mr. Watts stated discussion with Mr. Lefkowitz, the principal Landowner, to implement a Maintenance Agreement between the District and the HOA for the HOA to assume the operations and maintenance (O&M) of the CDD's infrastructure occurred. Mr. Lefkowitz gave further details and stated this process was typical; the HOA was set up and costs were already built in and budgeted into the HOA fees to operate and maintain District-owned infrastructure.

On MOTION by Mr. Lefkowitz and seconded by Ms. Hall, with all in favor, directing District Staff to prepare a Maintenance Agreement with the HOA to operate and maintain District-owned infrastructure, to present at the next meeting, was approved.

B. District Engineer: *Zev Cohen and Associates, Inc.*

There being no report, the next item followed.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

- **NEXT MEETING DATE: June 6, 2019 at 3:30 P.M.**

The next meeting will be held on June 6, 2019 at 3:30 p.m., at a location to be determined. Mr. Lefkowitz would advise Management of the new meeting location.

TENTH ORDER OF BUSINESS

Board Members' Comments/Requests

As a Developer, Mr. Lefkowitz stated he was pleased with the turnout and the questions raised; he wanted them to understand the process. He noted the following for the record:

- Owners should be cautious about discussions about the advantages and disadvantages of CDDs. As a Developer, he believed in CDDs, as they protect the community, guaranteeing infrastructure will be in place, if the Developer walks away, leaving a half-built community. There are extensive mechanisms to guard the resources, which changed significantly since the recession, and, although it is a greater hardship on the Developer, it is appropriate.
- Owners should realize that the amount of money available for the implementation of the infrastructure is about 55% to 58% of the actual costs for all infrastructure the Developer constructs. The advantages of a CDD benefit both the Developer and the owner and, without a CDD, their product costs would increase significantly over what they paid.
- He had been in this profession for over 40 years and was involved with over 30 communities. Most in the profession take very seriously the precept of leaving everyone happy and content with the investments made on their homes and that the community has merit.

ELEVENTH ORDER OF BUSINESS

Adjournment

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

On MOTION by Mr. Lefkowitz and seconded by Mr. Lichtigman, with all in favor, the meeting adjourned at approximately 3:23 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair