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

The Board of Supervisors of the Hunter's Ridge Community Development District No. 1 held a Regular Meeting on November 22, 2019 at 1:00 p.m., at the Hilton Garden Inn Palm Coast, 55 Town Center Blvd., Palm Coast, Florida 32137.

Present at the meeting were:

Howard Lefkowitz	Chair
Charles Lichtigman (via telephone)	Vice Chair
Steve Thompson	Assistant Secretary
Patricia Hall	Assistant Secretary
Patrick Opalewski	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Mark Watts	District Counsel
Randy Hudak	District Engineer

FIRST ORDER OF BUSINESS **Call to Order/Roll Call**

Mr. McGaffney called the meeting to order at 1:03 p.m. Supervisors Lefkowitz, Hall and Thompson were present, in person. Supervisor Lichtigman was attending via telephone. One seat was vacant.

SECOND ORDER OF BUSINESS **Public Comments**

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS **Consideration of Resolution 2020-01, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2018, and Ending September 30, 2019**

This item was presented following the Fourth Order of Business.

HUNTER'S RIDGE CDD NO. 1 **November 22, 2019**

FOURTH ORDER OF BUSINESS **Consider Appointment of Patrick Opalewski to Fill the Unexpired Term of Vacant Seat 4 (Term Expires November, 2020)**

Mr. Lefkowitz nominated Mr. Patrick Opalewski to fill the unexpired term of Vacant Seat 4. No other nominations were made.

On MOTION by Mr. Lefkowitz and seconded by Mr. Thompson, with all in favor, the appointment of Mr. Patrick Opalewski to Seat 4, term expires November, 2020, was approved.

Mr. McGaffney, a Notary of the State of Florida and duly authorized, administered the Oath of office to Mr. Opalewski. The following items were provided and briefly explained by Mr. McGaffney and Mr. Watts:

A. Administration of Oath of Office to Newly Appointed Supervisor (the following will 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. 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**
- **IV. Form 8B – Memorandum of Voting Conflict**

B. Consideration of Resolution 2020-02, Designating a Chair, a Vice Chair, a Secretary, Assistant Secretaries, a Treasurer and an Assistant Treasurer of the District, and Providing for an Effective Date

Mr. McGaffney presented Resolution 2020-02. Mr. Lefkowitz nominated the following state of officers:

Chair	Howard Lefkowitz
Vice Chair	Charles Lichtigman
Secretary	Craig Wrathell
Assistant Secretary	Patricia Hall

Assistant Secretary	Steve Thompson
Assistant Secretary	Patrick Opalewski
Assistant Secretary	Howard McGaffney
Treasurer	Craig Wrathell
Assistant Treasurer	Jeff Pinder

No other nominations were made.

On MOTION by Mr. Thompson and seconded by Mr. Opalewski, with all in favor, Resolution 2020-02, Designating a Chair, a Vice Chair, a Secretary, Assistant Secretaries, a Treasurer and an Assistant Treasurer of the District, as nominated, and Providing for an Effective Date, was adopted.

- **Consideration of Resolution 2020-01, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2018, and Ending September 30, 2019**

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

Mr. McGaffney presented Resolution 2020-01. It was necessary to amend the Fiscal Year 2019 budget because it was approved in May, before the bonds were issued, and, following bond issuance, Management's fees reverted to the normal, non-discounted rate.

Mr. Lichtigman joined the meeting at 1:22 p.m., via telephone.

Mr. McGaffney stated the increased activities leading up to the bond issuance led to increased expenditures, which necessitated amending the budget.

On MOTION by Mr. Lefkowitz and seconded by Mr. Opalewski, with all in favor, Resolution 2020-01, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2018, and Ending September 30, 2019, was adopted.

FIFTH ORDER OF BUSINESS **Discussion: Current Location Unavailable for May 28 and August 27 Meeting Dates**

Mr. McGaffney stated the current meeting location was not available for some upcoming meeting dates. Discussion ensued regarding potential meeting locations. Mr. McGaffney would contact Flagler County and work with the Chair to arrange an alternate meeting location. Updated meeting notices and an updated resolution would be necessary.

SIXTH ORDER OF BUSINESS **Consent Agenda Items**

Mr. McGaffney presented the Consent Agenda Items.

A. Acceptance of Unaudited Financial Statements as of September 30, 2019

B. Approval of August 13, 2019 Public Hearing and Regular Meeting Minutes

On MOTION by Mr. Lefkowitz and seconded by Ms. Hall, with all in favor, the Consent Agenda Items, as presented, were accepted and approved.

SEVENTH ORDER OF BUSINESS **Other Business**

Mr. Lefkowitz stated construction improvements were 80% to 85% completed. In the Villas, 45 of 102 lots were fully completed and the remaining lots were 65% to 70% completed. The initial 68 single-family lots were nearly complete; the remaining 34 lots were nearly complete, with the exception of asphalt and cleanup. The goal to complete all but the second half of the villas before the end of the year would be met and payments against construction funds would be drawn. Villas B would likely be completed in February and the Developer's construction expenditures should be fully drawn by February for the Series A and B bonds. Improvements in Deerfield would be completed by year end so all set aside funding would be available.

Mr. Watts asked Mr. Thompson if he was comfortable with meeting the December 31st deadline under the bond issue. Mr. Thompson stated he was planning for December 15th. There was a delay with Florida Power & Light (FPL) but everything else was already done and inspected. Mr. Lefkowitz stated the Engineer reviewed budgeting against bond availability was on track. The County demanded last minute adjustments to the plans but it would likely not make much difference financially.

Mr. Watts stated requisitions should be submitted to the Trustee for payment as soon as possible. Discussion ensued regarding the requisition process, further construction updates and the District Engineer's process for signing off on requisitions. Mr. Watts stated the bond covenant only applied to Deerfield Trace East and the funds go back to the bondholders if the covenant is not satisfied by December 31st. He described the process whereby the District Engineer develops the Capital Improvement Plan (CIP) and certifies that all work is consistent with the CIP as it is implemented.

A. District Counsel: *Cobb Cole*

Mr. Watts stated the budget reflected a Maintenance Agreement between the HOA and the CDD. The CDD was responsible for the long-term maintenance of CDD-owned improvements. The budget for maintaining those improvements was built into the HOA budget by the Landowner; essentially, owners were already paying for the maintenance in their HOA payments. Discussion ensued regarding finalizing a previously authorized Maintenance Agreement. Mr. Watts stated, if Mr. Lefkowitz provides a copy of the HOA's final budget, it could be included as an Exhibit to the Maintenance Agreement.

On MOTION by Mr. Lefkowitz and seconded by Mr. Opalewski, with all in favor, authorizing Staff to finalize the Maintenance Agreement with the HOA and for the Chair to execute and to ratify the actions at the next meeting, was approved.

Mr. Lefkowitz wanted the District Engineer to look at reserves set aside in the HOA budget for future repair of CDD facilities. Mr. Watts stated that was not typical in a Maintenance Agreement but he could add specific language regarding the HOA covenant to establish and maintain reserves for future maintenance assessments.

Mr. Lefkowitz asked if there was a requirement to set up an escrow under the HOA for CDD reserve funds. Mr. Watts stated there was currently no legal obligation; however, if the intent was to establish reserves, through the HOA for future CDD maintenance costs, it should be established as an escrow with the CDD as beneficiary, under the Maintenance Agreement. Mr. McGaffney stated that the Maintenance Agreement would not permit the CDD to request funds; instead, the HOA would budget for HOA-managed maintenance. Mr. Watts stated it made sense to acknowledge that the HOA budget included reserves for future public improvements. The consensus was that a reserve study was likely not necessary.

Mr. McGaffney stated the Maintenance Agreement should stipulate that, if at any point the HOA does not fulfill the maintenance obligation, the CDD can take over the responsibility. Mr. Watts would draft the Maintenance Agreement accordingly.

Mr. Watts stated he received an email from a resident asking if dump truck traffic could be rerouted to prevent wear and tear on residential streets. This matter would be resolved before the next meeting, as construction was nearly complete.

Mr. Lefkowitz noted a District road, in a cul-de-sac in Villa Section 1A, with construction-related paving issues that would likely cost $2,500 to repair, and asked if that would be funded by CDD reserves. Mr. Watts stated there were CDD reserves but the repair could be addressed in the Maintenance Agreement. The Maintenance Agreement could require an escrow agreement for the benefit of the CDD-owned and maintained by the HOA under contract with the CDD, with the CDD as beneficiary of the escrowed funds, which the HOA could only use to repair or replace CDD facilities. The District Engineer would authorize, supervise and approve expenditures and funds would be restricted for the benefit of the CDD, in accounts maintained by the HOA. The control mechanism is the District Engineer's oversight and certification.

Regarding a resident's claim that they might have extra expenses due to wear and tear, Mr. Watts stated that reserve funds set aside by the HOA would fund the expenditure.

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: February 27, 2020 at 3:30 P.M.**
  - **QUORUM CHECK**

Supervisors Lefkowitz, Hall, Thompson and Opalewski confirmed their attendance at the February 27, 2020 meeting.

NINTH ORDER OF BUSINESS **Board Members' Comments/Requests**

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

TENTH ORDER OF BUSINESS **Adjournment**

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

On MOTION by Mr. Lefkowitz and seconded by Mr. Opalewski, with all in favor, the meeting adjourned at approximately 2:11 p.m.

Secretary/Assistant Secretary

Chair/Vice Chair

Secretary/Assistant Secretary

Chair/Vice Chair