

**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 Public Hearing and Regular Meeting on August 25, 2021 at 11:30 a.m., at the Flagler County Government Services Building, 1769 E. Moody Blvd., Building 2, Bunnell, Florida 32110.

Present at the meeting were:

Howard Lefkowitz	Chair
Charles Lichtigman	Vice Chair
Steve Thompson	Assistant Secretary
Thomas Mehegan	Assistant Secretary

Also present were:

Cindy Cerbone	District Manager
Jamie Sanchez	Wrathell, Hunt and Associates, LLC
Mark Watts (via telephone)	District Counsel
Randy Hudak (via telephone)	District Engineer
Laura Simonette	Huntington Village HOA Manager
Jack Dockery	Resident
Carol Hodak	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 11:32 a.m. Supervisors Lefkowitz, Mehegan and Thompson were present. Supervisor Lichtigman was not present at roll call. One seat was vacant.

SECOND ORDER OF BUSINESS

Public Comments

No members of the public spoke.

Supervisor Lichtigman arrived at the meeting.

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

THIRD ORDER OF BUSINESS

Consider Appointment to Fill Unexpired Term of Seat 2 (*Term Expires November 2024*)

Mr. Lefkowitz noted that the Board would begin to transition to residents once certain mandated thresholds are reached. Ms. Cerbone stated the transition would begin when 250 registered voters reside within the CDD.

Discussion ensued regarding occupancy, homes under construction, sales and the possibility that the mandated level would be reached within 18 months. Mr. Lefkowitz suggested the Board consider appointing a homeowner to the vacant seat. Ms. Cerbone stated the information from the Supervisor of Elections would be provided at the next meeting, scheduled for April or May 2022. She stated that 155 registered voters resided within the CDD as of April 2021.

Mr. Watts stated, based on Statute, the CDD is obligated to begin formal transition when the 250 mark is reached; however, the Landowner has the ability to nominate a resident to fill the open seat earlier than mandated. Mr. Watts stated, when the CDD reaches 250 registered voters, the next two seats will be voted on by the registered voters during a General Election; the remaining seats would be those candidates appointed by the Landowners until their seats come up for reelection. It will take approximately four years to fully transition from Landowner controlled to resident-elected. The Board Members agreed to inviting an interested homeowner to join the Board. Consideration would begin at the next meeting.

Ms. Cerbone stated, with Board direction, she would send the appropriate information to the HOA to e-blast to residents and to post on the HOA website. She would receive the resumes and distribute them to the Board for review.

The Board directed Ms. Cerbone to forward the appropriate information to Ms. Simonette to e-blast to residents.

- **Administration of Oath of Office to Newly Appointed Supervisor (*the following to 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. **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**
- D. **Form 8B: Memorandum of Voting Conflict**

This item was deferred and would be included on the next agenda.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2021-07,
Designating Certain Officers of the District
and Providing for an Effective Date**

This item was deferred.

FIFTH ORDER OF BUSINESS

**Presentation of Audited Financial Report
for Fiscal Year Ended September 30, 2020,
Prepared by Grau and Associates**

Ms. Cerbone presented the Audited Financial Report for the Fiscal Year ended September 30, 2020. There were no findings, irregularities or instances of noncompliance; it was a clean audit. She referred to the Page 3, Financial Highlights, and stated that the liabilities of the CDD exceeded its assets at the close of the most recent fiscal year but that is not a cause for concern; it means the District's bond debt exceeds its capital assets, some of which are being depreciated. It does not mean the CDD is in a precarious financial position.

Mr. Lefkowitz asked what the \$90,574 "Due from Developer" on Page 7 represented. Ms. Cerbone stated this amount was also noted in Note 7, on page 19; the payment was still "due" in Fiscal Year 2020, the payment has since been received and would no longer be reflected in the Fiscal Year 2021 Audit.

Mr. Lefkowitz asked if the approximate amount of \$6,200 paid per quarter is exclusively for Operations & Maintenance (O&M) and whether that is the Landowners' share based on lots owned. Ms. Cerbone consulted the Fiscal Year 2021 budget and stated, given the off-roll assessments for the General Fund, she was fairly confident that is O&M and not debt.

Mr. Lefkowitz asked for the projected O&M amount for the next year. Ms. Cerbone stated O&M is projected to be \$25,165. Mr. Lefkowitz asked Ms. Cerbone to have Finance reassess whether additional adjustments are necessary, based on additional lots sold. Ms. Cerbone stated the CDD must use the information on the Property Appraiser's website when preparing the Assessment Roll. If the Property Appraiser's website has not been updated but the Developer has an executed and recorded document showing the Developer no longer owns the lot, the assessment can be moved from off roll to on-roll, if the Tax Collector will accept something that has not been updated in the Property Appraiser's database regarding ownership; Staff would assist the Developer in this regard. Mr. Lefkowitz stated the necessary information would be sent to Mr. Szymonowicz.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2021-08, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2020

Ms. Cerbone presented Resolution 2021-08.

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, Resolution 2021-08, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2020, was adopted.

SEVENTH ORDER OF BUSINESS

Public Hearing on Adoption of Fiscal Year 2021/2022 Budget

A. Proof/Affidavit of Publication

The affidavit of publication was included for informational purposes.

B. Consideration of Resolution 2021-09, Relating to the Annual Appropriations and Adopting the Budgets for the Fiscal Year Beginning October 1, 2021, and Ending September 30, 2022; Authorizing Budget Amendments; and Providing an Effective Date

Ms. Cerbone presented the proposed Fiscal Year 2022 budget, which was adjusted downward since the last meeting. She responded to questions relating to revenues, working capital and assessments. Mr. Lefkowitz observed that the Fiscal Year 2022 assessments decreased by approximately \$35 compared to the Fiscal Year 2021 assessments.

Mr. Lefkowitz asked if there is a refinance mechanism for the Series 2019A bonds that would allow the CDD to reduce the 6% interest rate. Ms. Cerbone stated there is likely a 10-year call provision. Mr. Watts concurred and stated he would review the Trust Indenture and advise the Board when an opportunity to refinance arises.

Discussion ensued regarding the possibility of prepayment.

Ms. Cerbone stated she would check with the Underwriter, copy Mr. Lichtigman on the correspondence and advise accordingly.

Ms. Cerbone presented the Assessment Summary and noted that the General Fund Assessments decreased from \$298.19 in Fiscal Year 2021 to \$262.47 in Fiscal Year 2022.

Mr. Lefkowitz asked for the figures to be sent to the builders so that potential new homeowners can be informed.

Ms. Cerbone pointed out that these exact figures only apply to Fiscal Year 2022; they do not represent any future year assessments for the General Fund.

On MOTION by Mr. Lefkowitz and seconded by Mr. Mehegan, with all in favor, the Public Hearing was opened.

No members of the public spoke.

On MOTION by Mr. Thompson and seconded by Mr. Lichtigman, with all in favor, the Public Hearing was closed.

Ms. Cerbone presented Resolution 2021-09.

On MOTION by Mr. Lichtigman and seconded by Mr. Mehegan, with all in favor, Resolution 2021-09, Relating to the Annual Appropriations and Adopting the Budgets for the Fiscal Year Beginning October 1, 2021, and Ending September 30, 2022; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2021-10, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2021/2022; Providing for the Collection and Enforcement of Special Assessments, Including but Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date

Ms. Cerbone presented Resolution 2021-10. This Resolution takes into consideration the budget that was just adopted and the assessment levels contained therein. It also allows the District Manager to prepare the assessment roll and transmit it to the Tax Collector, prepare and bill the off-roll assessments and make any necessary amendments, accordingly.

Mr. Lichtigman asked which owners are direct-billed. Mr. Watts believed every homeowner that is a third-party owner is billed on roll.

On-roll and off-roll billing and Developer agreements to pay via invoice, were discussed.

Mr. Lefkowitz noted one unplatted section with 56 lots, which would be the last to be developed; those would be recorded in the first quarter of 2023. Ms. Cerbone stated, with that timing, it would be unusual if those lots are not available when the lien roll is pulled in June. Mr. Watts stated those lots should be on-roll the following year.

Mr. Lichtigman asked how much the Tax Collector fee is for collection of on-roll assessments. Mr. Watts believed it is between 2% and 3%. Ms. Cerbone noted there might be additional charges related to collection of fees; she would find out if it is a combined fee or a separate fee. The District Manager does not charge fees to collect the off-roll assessments.

On MOTION by Mr. Lefkowitz and seconded by Mr. Thompson, with all in favor, Resolution 2021-10, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2021/2022; Providing for the Collection and Enforcement of Special Assessments, Including but Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.

NINTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of July 31, 2021

Ms. Cerbone presented the Unaudited Financial Statements as of July 31, 2021.

On MOTION by Mr. Lefkowitz and seconded by Mr. Mehegan, with all in favor, the Unaudited Financial Statements as of July 31, 2021, were accepted.

TENTH ORDER OF BUSINESS

Approval of June 22, 2021 Regular Meeting Minutes

Ms. Cerbone presented the June 22, 2021 Regular Meeting Minutes.

On MOTION by Mr. Lichtigman and seconded by Mr. Thompson, with all in favor, the June 22, 2021 Regular Meeting Minutes, as presented, were approved.

ELEVENTH ORDER OF BUSINESS

Other Business

There was no other business.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Cobb Cole*

There was no report.

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

There was no report.

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

- **NEXT MEETING DATE: May 24, 2022 at 11:30 A.M.**
 - **QUORUM CHECK**

The next meeting will be held on May 24, 2022.

▪ Public Comments

This item was an addition to the agenda.

Resident Carol Hodak asked about an update regarding maintenance of Airport Road. Mr. Lefkowitz stated there was nothing to report at this time. Mr. Watts stated he was working with Counsel for the Village Association and the Master Association and the other CDD to schedule a meeting to discuss all the issues about maintenance. Confirmation of a meeting date was pending. Updates would be provided, once available.

Ms. Hodak asked if the Agreement would include all or half of Airport Road. Mr. Watts believed that maintenance of Airport Road, from the roundabout to the west to the County line, is the responsibility of Hunter's Ridge Oaks CDD #1 (HROCDD#1), which is the CDD to the north. Ms. Hodak asked if that HROCDD#1 is on the same side of Airport Road as Huntington. Mr. Watts stated it is on the opposite side of the road. At one time, this CDD was going to take ownership and maintenance of the roadway but it was able to be shifted to the CDD to the north. The upcoming meeting will address questions regarding Hunter's Ridge Boulevard, coming through the middle of the project; Airport Road is not at issue.

Ms. Hodak asked about the Capital Facilities Contribution Reserve Fee and expressed her belief that the fee paid when purchasing a home is an "initiation" fee. Mr. Lefkowitz stated that fee goes into the HOA Operating Account. Ms. Hodak asked where the 1.5% fee is kept. Ms. Cerbone stated this discussion is an HOA matter; it does not involve the CDD.

Mr. Lefkowitz recalled that, when the Agreement was entered for the HOA to provide for the CDD Capital Reserves, it was decided that the HOA would forward some portion of the collected reserves directly to the CDD Management Company to hold the reserves; he believed the funds are in the HOA Reserve Account.

Ms. Cerbone stated an Amendment to the Agreement clarifying the movement of funds is needed and, once the Agreement is executed by the HOA and the CDD, District Management would accept the funds.

Mr. Watts recalled the discussion and stated he would prepare and send the Agreement to the Board; if the Board previously approved the Agreement, in substantial form, it could be executed outside the meeting and ratified at the next meeting.

Ms. Cerbone noted funds received would appear in the financial statements under “Fund Reserves- 3 Month Working Capital” from the HOA or the POA, as appropriate.

Ms. Hodak asked why CDD meetings are no longer held quarterly. Ms. Cerbone stated the meeting frequency is generally at the Board’s discretion and meetings are held more frequently, if needed.

THIRTEENTH ORDER OF BUSINESS

Board Members’ Comments/Requests

There were no Board Member comments or requests.

FOURTEENTH ORDER OF BUSINESS

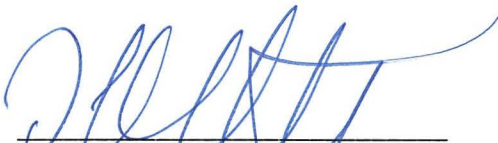
Adjournment

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

On MOTION by Mr. Mehegan and seconded by Mr. Thompson, with all in favor, the meeting adjourned at 12:37 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair