

MINUTES OF MEETING
ROLLING OAKS COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rolling Oaks Community Development District was held Thursday, August 16, 2018 at 12:06 p.m. at the Heritage Crossing Community Center, 7715 Heritage Crossing Way, Reunion, Florida.

Present and constituting a quorum were:

John Chiste	Chairman
Jared Bouskila	Vice Chairman
Cora DiFiore	Assistant Secretary by telephone
Peter Brown	Assistant Secretary
Samir Yajnik	Assistant Secretary by telephone

Also present were:

George Flint	Manager
Vivek Babbar	Attorney by telephone
Bruce Taylor	Engineer by telephone
Cynthia Slattum	Resident
Blake Roby	Resident

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Roby stated a question that a lot of the owners have is with respect to the club. It is my understanding that they are still in the hiring phase for the manager but there seems to be a lot of questions for that position. Who should we direct those questions to right now?

Mr. Chiste stated that is not a CDD question that is a developer question.

Mr. Flint stated the Community Development District is a governmental entity that was established to finance and maintain the infrastructure within the Rolling Oaks project. Questions about the roads or stormwater system or common area landscape maintenance all those items would be something that would fall under the purview of the CDD. Not the landscape maintenance of the club or some private property. You can think of it in terms of a small city or that type of

entity. This entity finances and maintains public infrastructure. Questions about the club or when is my house going to be done or the hotel, those are really private developer related questions. Sometimes you have those people sitting on this Board.

Mr. Chiste stated we can't answer your questions during this meeting. You can ask me after the meeting.

Ms. Slattum stated another question from one of the owners was, these are 30-year bonds, correct?

Mr. Flint responded that is correct.

Ms. Slattum stated whether they buy today or five years from now it is still a 30-year bond.

Mr. Flint stated if they buy it five years from now there will be 25 years left on that bond. There are principal and interest payments paid every year and that principal is getting paid down over time, but it doesn't restart every time you sell.

Mr. Chiste stated that comes as part of your property tax bill.

Mr. Flint stated we can get a little bit more into that during the budget discussion.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the June 14, 2018 Meeting

On MOTION by Mr. Chiste seconded by Mr. Bouskila with all in favor the minutes of the June 14, 2018 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Approval of Disclosure of Public Financing Report

Mr. Flint stated the next item is indicated as being under separate cover but it is the Disclosure of Public Financing. I talked with District Counsel before the meeting, it has already been recorded, it was part of the bond closing so there is no additional action required by the Board. Just for the record and audience comments, the statutes have certain disclosure requirements related to Community Development Districts and one of those is when the District is created there is a requirement that a Notice of Establishment is recorded in the County records that way anytime anyone is considering buying property within a CDD that Notice of Establishment comes up. Also if the District issues bonds there is a requirement that we record what is called a Disclosure of Public Financing and that is also recorded in the County records and would also come up in a title

search when you are closing on a new property. What the disclosure of public financing does is it deals with the bond issue, what the bonds were issued to fund and it answers a lot of questions in relation to that. That might be a document that could be helpful for you.

FIFTH ORDER OF BUSINESS

Acceptance of Fiscal Year 2017 Audit Report

Mr. Flint stated next is acceptance of the Fiscal Year 2017 Audit Report. As a government entity I indicated previously that Districts have to have an annual independent audit performed and McDirmit Davis provided those services. This is for Fiscal Year 2017, which ended last September 30th. It already has been filed with the State of Florida, it was required to be filed by June 30th and we are asking the Board to ratify the filing of that and if you have any comments or questions we can discuss that. I will note in the management letter on page 27 if there were any issues, findings or recommendations in the audit they were be reflected there. They also have to look at a number of criteria that are specified by the Auditor General of the State of Florida and they have done that and found that we have complied with all those requirements.

On MOTION by Mr. Chiste seconded by Mr. Bouskila with all in favor the Fiscal Year 2017 Audit was accepted and transmittal of the Audit to the State of Florida was ratified.

SIXTH ORDER OF BUSINESS

Public Hearing

A. Consideration of Resolution 2018-05 Adopting the Fiscal Year 2019 Budget and Relating to the Annual Appropriations

Mr. Flint stated next is a public hearing, there are actually two hearings, the first one is to consider adoption of the budget for next fiscal year and the second one is to impose the assessments related to the budget that was adopted. They are really treated as one public hearing. We will go ahead and open the public hearing and we do have a couple members of the public here and if there are any comments or questions either on the proposed budget for Fiscal Year 2019 or on the assessment resolution you can ask those. I will go through the budget quickly and it may answer some of the questions.

Resolution 2018-05 adopts the budget for 2019, exhibit A to that resolution is the recommended proposed budget. You can see on page 1, on the revenue side there are currently 262 platted units at \$500 a unit that generates about \$131,000 and that is reflected under assessments and then there is developer contributions estimated at about \$225,000 so the on-roll

assessments for the 262 lots are only projected to cover \$131,000 of the estimated \$356,000 in costs. The balance of the budget that is not covered by assessments the District would enter into a Developer Funding Agreement and the developer would be obligated to pay any of those costs.

Mr. Chiste asked stated this is the initial year relative to projections of landscaping and maintenance, which is really the bulk of the \$356,000, we have the same issue at another District, it is likely that the developer will pick up the balance of that.

Mr. Flint responded yes, the developer is obligated to fund the \$225,000 plus any shortfall.

Mr. Chiste stated if for some reason isn't that much, the funds get carried forward and we would reassess next year for a lesser amount.

Mr. Flint stated potentially. Right now these are estimates based on the area that we anticipate we will be maintaining. We will be soliciting proposals for the landscape maintenance and the other costs when we actually enter into those agreements.

There is also a debt service fund and that is on page 5. We issued bonds in 2016, which those are intended to cover the first 500 platted lots within Rolling Oaks and it is anticipated there will be two additional bond issues, but they don't overlap so this first 500 lots would be subject to the series 2016 bonds and the next phase of the development there will be another bond issue that would apply to that and then the final. Associated with the 2016 bonds you can see on page 5 there is currently 262 platted units the per unit net amount is \$2,225 per unit per year and that is grossed up for discount and collection costs. What will actually be on your tax bill will be 6% higher but if you pay your tax bill in November you get a 4% discount, but the 2% collection costs would ultimately have to be paid even if you paid it in November. The amortization schedule is on pages 6 and 7 it shows that the bonds were issued in 2016, there was a capitalized interest period so the 30 years started on November 1 and they go through 2047.

Mr. Chiste asked what is 262?

Mr. Brown stated phase 5, phase 6 is 187 units so it won't quite pick up the balance of the 500.

Mr. Flint stated I think we are about to embark on the process for the next series of bonds probably next month. Again, that won't affect these first folks because they are separate.

Are there any questions or comments from the public as part of the public hearing? If not we will bring it back to the Board for discussion and consideration of Resolution 2018-05.

Mr. Chiste stated the reserve account we are getting through that now.

Mr. Flint stated yes I think November 1, 2018 is your first principal and interest payment and May 1, 2019 is an interest only payment.

On MOTION by Mr. Chiste seconded by Mr. Bouskila with all in favor Resolution 2018-05 was approved.

B. Consideration of Resolution 2018-06 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Flint stated the next resolution is 2018-06 and this resolution just imposes the assessments that were included in the budget you just adopted and authorizes us to certify the tax roll to the County for inclusion on the tax bill. There are two exhibits to it, Exhibit A is the adopted budget and Exhibit B is the assessment roll. I have one copy of the assessment roll with me listing all 262 lots and the per unit amounts.

On MOTION by Mr. Bouskila seconded by Mr. Chiste with all in favor Resolution 2018-06 was approved.

Mr. Flint stated we will close the public hearings.

SEVENTH ORDER OF BUSINESS

Consideration of Fiscal Year 2018/2019 Funding Agreement

Mr. Flint stated item seven is the funding agreement and because we are relying partially we are not relying fully on assessments to fund the budget. We do have a funding agreement drafted between the CDD and Rolling Oaks Splendid, LLC and this is in the same form the Board and developer have seen in the past.

Mr. Babbar stated it is essentially assessing some stuff on-roll and this is the first year of the District taking on operations and this funding agreement contemplates the collection on the undeveloped unplatted properties that are anticipated to be developed in the next fiscal year.

On MOTION by Mr. Chiste seconded by Mr. Bouskila with all in favor the Fiscal Year 2019 funding agreement with Rolling Oaks Splendid, LLC was approved.

EIGHTH ORDER OF BUSINESS

Acceptance of Audit Committee Recommendation and Selection of No. 1 Ranked Firm to Provide Auditing Services for Fiscal Year 2018

Mr. Flint stated next is acceptance of the Audit Committee’s recommendation and selection of the no. 1 ranked firm. The Board sat as the Audit Committee prior to the Board Meeting and ranked Berger Toombs as the no. 1 firm.

On MOTION by Mr. Bouskila seconded by Mr. Chiste with all in favor the recommendation of the Audit Committee of Berger Toombs being ranked no. 1 was accepted and staff authorized to enter into an agreement with Berger Toombs and the Chairman was authorized to execute the agreement.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i. Signage Easement Agreement

Mr. Babbar stated I want to update the Board on a brief discussion I had regarding some of the retail partners they are requesting a potential signage easement agreement. It is in the preliminary stages. Peter, do we have an update on the exhibits so that we can move forward today?

Mr. Brown stated I don’t know that we need it today but we probably will for our next meeting. The discussions have been ongoing and the hotel signs are in for County review.

Mr. Chiste asked what locations are we talking about?

Mr. Brown stated in the south roundabout there is a sign and all the retail ones are on the retail parcel, the hotel one is on the hotel parcel, the club is on the club parcel. I think there is going to be one in the south roundabout as you come through Inspiration Drive that will help aid in direction.

Mr. Chiste asked do we have to have this easement approved possibly prior to the next scheduled meeting? When is the next scheduled meeting?

Mr. Flint stated it is September 13th.

Mr. Brown stated we probably should approve it if we can.

On MOTION by Mr. Chiste seconded by Mr. Bouskila with all in favor staff was authorized to work with Mr. Brown on the easement agreement for the south roundabout and the Chair or Vice Chair were authorized to execute the final easement agreement to be ratified at the next meeting.

Mr. Flint stated if anything is done it will be brought back to the next meeting for ratification.

B. Engineer

Mr. Taylor stated we received some updated costs for Exhibit G and we are going to put them in our latest report as they were modified, which was June 22nd and we are going to have that out by tomorrow.

Mr. Flint stated that is the Engineer's report for the next proposed series of bonds. We anticipate we will have some items on your September 13th agenda related to the next bond issue.

C. Manager

i. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

ii. Ratification of Funding Request 9

iii. Consideration of Funding Request 10

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor funding request no. 9 in the amount of \$6,814.48 was ratified and funding request no. 10 in the amount of \$8,705.49 was approved.

iv. Approval of Fiscal Year 2019 Meeting Schedule

Mr. Flint stated each year when you adopt your budget you also approve an annual meeting schedule and historically you have met on the second Thursday of each month in this location at 12:00 p.m. so we prepared a notice following that schedule. We will advertise this if the Board

approves it and if there is not a need for a meeting it can be canceled but this gives you the flexibility to meet if you need to.

On MOTION by Mr. Chiste seconded by Mr. Bouskila with all in favor the Fiscal Year 2019 meeting schedule reflecting meetings on the second Thursday of the month was approved.

TENTH ORDER OF BUSINESS

Supervisor's Requests

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Next Meeting Date

Mr. Flint stated the next meeting is scheduled for September 13, 2018 at 12:00 p.m. in this location.

On MOTION by Mr. Brown seconded by Mr. Chiste with all in favor the meeting adjourned at 12:29 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman