

**ROLLING HILLS
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Rolling Hills Community Development District was held Wednesday, June 4, 2014 at 6:00 p.m. in the Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida 32043.

Present and constituting a quorum were:

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| Bill Tew | Chairman |
| Jody Smith | Vice Chairperson |
| Rose Bock | Supervisor |
| Rocky Morris | Supervisor by telephone |
| Kurt von der Osten | Supervisor |

Also present were:

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| Jim Oliver | District Manager |
| Katie Buchanan | District Counsel |
| Keith Hadden | District Engineer |
| Freddie Oca | Amenity Center Manager |
| Brian Stephens | Riverside Management Services |

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 6:00 p.m.

SECOND ORDER OF BUSINESS

Audience Comments

There not being any, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the April 2, 2014 Meeting

Mr. Oliver stated the next item is approval of the minutes of the April 2, 2014 meeting.

Ms. Bock made an amendment, which will be reflected in the final document.

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| On MOTION by Mr. Tew seconded by Mr. Smith with all in favor the minutes of the April 2, 2014 meeting were approved as amended. |
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FOURTH ORDER OF BUSINESS

Update on Operations & Maintenance

Mr. Oca and Mr. Stephens gave an overview of the monthly report, copy of which was provided in the agenda package.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2014-04
Approving the Proposed Budget for Fiscal
Year 2015 and Setting a Public Hearing Date
for Adoption**

Mr. Oliver stated this is the beginning of the budget process for 2015. The statute requires that we approve a proposed budget by June 15th and provide it to local government, Clay County in this case, and over the next 60+ days we will refine the budget before we have a public hearing that will be held in conjunction with your August meeting at which time we will adopt the budget. Once you take public comment and adopt the budget we then provide a certified assessment roll to the tax collector by September 15th and the tax collector will put those on the tax bills that go out November 1st.

It is essentially a flat budget. On page 2 is a table labeled platted lots and you will see the platted lots gross assessment per unit goes from \$648 to \$708 and that is a \$60 gross increase or \$5 per month. That is in keeping with what the original developer put out to property owners that their assessments would increase by that amount as their subsidies went down. Two years ago for the fiscal year 2013 budget the assessments were \$588 and the developer contribution was about \$56,000 they did a lot of things off budget and in-house and the total operations budget was about \$287,000 and this budget is \$441,000, which is closer to a healthy budget, it is not a bare bones budget and it is not a fat budget. I think the O&M assessments will stop somewhere around the \$900 range, which is still reasonable in terms of St. Johns golf & Country Club the assessment is \$1,203 with 799 units, Brandy Creek CDD in St. Johns have 583 units and their assessment is \$1,083 so it still would be under market and that will get you the level of services that you want. If future boards want to increase those levels of service whether it is enhanced landscaping or more staffing they can certainly consider it at that time.

On page 1 in the revenue section at the top of the page you will see that of the total \$441,000 assessments account for a little less than half at \$214,000 and the developer contributions are pretty high at \$166,000. Compare that to a couple of years ago when the

developer was making contributions of \$56,000. The developers have really been reaching into their pockets to bring this community back to expectations of the property owners.

There will be a lot of movement within the line items as we get better numbers in over the next couple months of operations. The following pages are line item descriptions.

Page 9 is the debt service assessment and the larger part of the assessment that the landowners pay. This board cannot impact this number it is a 30 year bond with fixed payments, all the lots are assessed the same amount. The only time you may see this change is if there is some type of refunding or restructuring in the future with a different interest rate, which may cause a lower payment.

When you adopt the resolution you will be approving the proposed budget and setting the public hearing to be held August 6, 2014 at 6:00 p.m. at this location.

On MOTION by Mr. Smith seconded by Ms. Bock with all in favor Resolution 2014-04 approving the proposed budget and setting a public hearing for August 6, 2014 was approved.

SIXTH ORDER OF BUSINESS

Ratification of Termination of Agreement with DM Koehn for Landscape Maintenance Services (Chemical & Fertilization)

Mr. Oliver stated the next item is ratification of termination of agreement with DM Koehn for landscape maintenance services chemical and fertilization. You have in your agenda packet a letter I sent to Kyle Davis of DM Koehn Pest Control dated April 29, 2014. This letter went out a few weeks after your last meeting. I did a site visit and conferred with staff and we decided it was best for the district to terminate this company, they weren't getting the job done and the turf was showing signs of neglect. I contacted the chairman and told him that I would like to move forward with termination and bring the matter to the board for ratification of that action.

On MOTION by Ms. Bock seconded by Mr. Smith with all in favor termination of the agreement with DM Koehn was ratified.

SEVENTH ORDER OF BUSINESS

Consideration of Agreement with Tru Green for Landscape Maintenance Services (Chemical & Fertilization)

Mr. Oliver stated with the departure of the previous company we have an agreement in the agenda package with Trugreen Limited Partnership doing business as Trugreen Lawncare and this is for the same services at approximately the same price. We are familiar with this group and we think they will do a good job but we have not brought them on yet pending board approval of this agreement.

On MOTION by Mr. Tew seconded by Mr. Smith with all in favor the agreement with Tru Green for landscape maintenance services for chemical and fertilization was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2014-05 Designating a Date, Time and Location for Landowners' Meeting

Mr. Oliver stated the next item is consideration of Resolution 2014-05 designating a date, time and location for a landowners' meeting.

Ms. Buchanan stated Florida law requires that the district to do certain things to announce the elections that would happen here. Right now we are still at landowner election format meaning we are going to hold the elections here onsite and everyone who owns a lot or piece of land in the property can vote on who he wants seated on the board. Essentially, if you own a half acre lot you would get one vote, if you own a three acre parcel you would get three votes and it is one vote per household. The developer will be able to vote on the amount of acres they own plus the number of lots they own and each of you will have a vote for your residence.

There are proxy forms we will leave with Freddie so if you are unavailable you can have someone vote in your place and there is a ballot where you bring your drivers license write in your address on the ballot then write in whom you want to be elected. Jim can tell you which seats are up for election this year and we will pick a date for the election and it has to be in November.

Mr. Oliver stated the seats that will be expiring are those seats held by Rose, Jody and Rocky.

Ms. Buchanan stated this resolution adopts all these forms we prepared and have used over the years we have been practicing and that way they are part of the public record and available to you as well. In addition the resolution sets the date of the landowner election.

Mr. Oliver stated I propose November 5th, which is the first Wednesday of the month at 6:00 p.m.

Ms. Buchanan stated that lines up with our meeting time.

Mr. Oliver stated we will make all the documents available, we will have them on the website and I will be available.

On MOTION by Mr. Tew seconded by Mr. Smith with all in favor Resolution 2014-05 designating November 5, 2014 at 6:00 p.m. in the same location as the landowners' meeting date, time and location was approved.

NINTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Buchanan stated there is one matter that I have been working with Jim's office on and that is Cornerstone and Ryland own lots out here that are collected on the tax roll but they are behind. I believe unless the board has any objections I would like authorization to send a demand letter to them essentially putting them on notice that we are looking at our enforcement options right now. They are behind and haven't paid in a couple of years. They are continuing to sell tax certificates so the A Bonds are fine but the problem is they are behind on the B Bond payments and that is a larger amount.

On MOTION by Mr. von der Osten seconded by Mr. Smith with all in favor staff was authorized to send a demand letter to Ryland/Cornerstone as outlined above.

B. Engineer

Mr. Hadden stated I was just informed of another hole in the roadway and after the meeting Freddie and I will go out and look at that. I have been working with Steve on trying to fix the erosion on the lake immediately adjacent to the tennis courts. There may be a break in the

joint of the concrete pipe. I will go over the options for Steve and he will get pricing and get back to you.

Mr. Oliver stated any time we have an issue that is engineering related in terms of a solution my direction to staff is to contact Keith upfront and Keith is very good about saying that is or is not an engineering matter rather than bringing him in as a last resort. We have worked with Keith in other districts and he is very good about separating his role and what can be done at lower levels. That will help us avoid some of these other issues that have come up along the way.

A resident stated I don't believe Steve Andersen is the guy who should have much to do with this because every time he has tried to fix this problem it doesn't get fixed and he won't take criticism or suggestions from people who have worked in concrete their whole life. He seems to hold a lot of power here and the place doesn't look good and it is shoddy workmanship at best.

Mr. Oliver stated he doesn't hold any power here and we had a conversation about this before the meeting and I want all these kinds of issues to go through Keith. Keith will find the solution and then inspect the final product. We are on the same page and I certainly would not want to understate that.

C. Manager - # of Registered Voters in the District - 133

Mr. Oliver stated we have a letter from the Supervisor of Elections stating that there are 133 registered voters within the district. We are required each year to put this in the record and the reason that is important is that once a district is six years old and has at least 250 registered voters you start transitioning to a resident board through the general election process. Looking at these numbers that will likely happen in 2016. Just as in any other federal or state office you qualify through the Supervisor of Elections and you are in the ballot in November to run for these non-partisan seats. In 2016 assuming you have 250 registered voters you will elect two members to the board at that time and the next election you will elect two more and then the next election you will elect the last member to the board.

ELEVENTH ORDER OF BUSINESS

Supervisors Requests

There not being any, the next item followed.

TWELFTH ORDER OF BUSINESS

Audience Comments

A resident stated I want to give a word of praise to Freddie he has added so much to this community and I want to thank him, I think he has done a wonderful job. Part of the problem here is the construction workers sometime block the entire road and I don't know if you can help that situation.

Mr. Smith stated from a resident's perspective there is a lot of trash in the lakes again and there was a place in the grass where the new construction is going on that looks like someone spilled some gas and killed the grass. If you can mention to someone they need to police the area and be careful with solvents it would be appreciated.

Mr. Oliver stated we will reach out through staff to the building supervisor. Throughout the construction process we will have to reiterate those points.

A resident stated I want it on the record that these guys didn't bring up about the waterfall. They said someone was going to look at it but it has been broken for three months.

THIRTEENTH ORDER OF BUSINESS

Financial Reports

A. Approval of Invoices

Mr. Oliver stated the next item is approval of the invoices.

On MOTION by Ms. Bock seconded by Mr. Smith with all in favor the invoices were approved.

B. Balance Sheet & Income Statement

Mr. Oliver stated a copy of the balance sheet and income statement were included as part of the agenda package. We will have our audit completed by June 30th and provided to the Auditor General of the State of Florida and have acceptance of that ratified at the next meeting.

C. Assessment Receipt Schedule

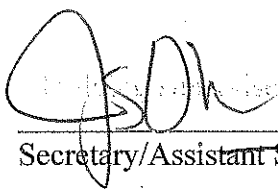
A copy of the assessment receipt schedule was included as part of the agenda.

FOURTEENTH ORDER OF BUSINESS

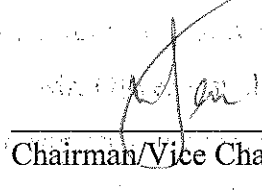
**Next Meeting Scheduled for August 6, 2014
@ 6:00 p.m. at Rolling Hills Amenity Center,
3212 Bradley Creek Parkway, Green Cove
Springs, Florida 32043**

Mr. Oliver stated the next meeting is August 6, 2014 at 6:00 p.m. at this location and we will have the budget hearing at that time.

On MOTION by Mr. Smith seconded by Mr. Morris with all in favor the meeting adjourned at 6:33 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman