

ROLLING HILLS  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rolling Hills Community Development District was held Wednesday, August 5, 2015 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:

Bill Tew	Chairman (by telephone)
Jody Smith	Vice Chairperson
Rose Bock	Supervisor
Kurt von der Osten	Supervisor
Stephen Grossman	Supervisor

Also present were:

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 being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Affidavit of Publication**

A copy of the affidavit of publication of the public hearing notice was provided as part of the agenda package.

**FOURTH ORDER OF BUSINESS**

**Approval of the Minutes of the June 3, 2015 Meeting**

Mr. Oliver stated the next item is approval of the minutes of the June 3, 2015 meeting.

On MOTION by Mr. Smith seconded by Ms. Bock with all in favor the minutes of the June 3, 2015 meeting were approved.

**FIFTH ORDER OF BUSINESS**

**Acceptance of the Minutes of the June 3, 2015 Audit Committee Meeting**

Mr. Oliver stated item five is acceptance of the minutes of the June 3, 2015 audit committee meeting, at which you selected the auditor for the 2015 audit.

On MOTION by Ms. Bock seconded by Mr. Grossman with all in favor the minutes of the June 3, 2015 audit committee meeting were accepted.

**SIXTH ORDER OF BUSINESS**

**Acceptance of Fiscal Year 2014 Audit Report**

Mr. Oliver stated the next item is acceptance of the fiscal year 2014 audit report. A copy of the audit is in your agenda package and has been provided to the auditor general of the State of Florida by the June 30<sup>th</sup> deadline that occurred after your last meeting.

Inside the front cover page you will see the opinion letter of the auditor and on page 2 of that letter you will see that the auditor writes that in our opinion the basic financial statements referred to above present fairly in all material respects the financial position of the governmental activities general fund, debt service funds, capital projects funds and the recreation fund of the Rolling Hills Community Development District as of September 30, 2014 in conformity with generally accepted accounting principles of the United States. For the next several pages you will see management's discussion and analysis and that is followed by the actual summary of year end financials for fiscal year 2014. Then the notes to those financials and one note I want to point out is on page 28 and gives an update on the forbearance agreement and this district was in financial difficulty, the original developer bailed out, another buyer came in and bought it and they are restructuring the bonds. Note H above shows that for fiscal year 2014 in addition to the assessments they paid on property they own like every other landowner they contributed \$148,000 to the district and that went to the general fund. Page 29 is the auditor's report on internal controls and in the last paragraph on that page it says we did not identify any deficiencies in internal control that we consider to be material weaknesses. The auditor is required by the auditor general's rules to point out any recommendations or findings and include them in the report and you will see those findings in the report. One is that the district did not

make its required debt service payments. That is because the bonds are being restructured and there was no money for them to make those payments and you can see that we responded to that. The next one is total expenditures exceeded total approved budget in the general fund and our response is management will monitor the budget. That is because we spent \$148,000 in contributions plus the budget. What we will do this year when we spend more based on the contributions they give us for projects such as the access control card system we will bring a budget amendment before the board and that way we will meet that requirement. On page 33, the district should make the necessary arrangements to ensure funds are available for debt service payment and this says the debt service reserve requirement was not met at fiscal year end. There is a certain amount of money that they put aside so if payments can't be made they can draw on that reserve and again these bonds are being restructured. Everyone involved including the bondholder is aware of this.

On MOTION by Mr. Smith seconded by Mr. Grossman with all in favor the fiscal year 2014 audit report was accepted.

#### **Presentation of Plaque of Appreciation**

Ms. Kim Dzilwilski of the recreational swim team presented a plaque of appreciation to the Rolling Hills CDD for allowing them the use of the pool.

Mr. Smith accepted the plaque of appreciation on behalf of the board.

#### **SEVENTH ORDER OF BUSINESS**

#### **Consideration of Audit Engagement Letter for Fiscal Year 2015 with Berger Toombs Elam Gaines & Frank**

Mr. Oliver stated the next item is consideration of the audit engagement letter for fiscal year 2015 with Berger Toombs Elam Gaines & Frank. That is the firm you hired through the RFP process in accordance with Chapter 218, Florida Statutes. The engagement letter is in the agenda package and you will see the amount in the engagement letter on page 4 is at a cost of \$3,650 and you budgeted \$4,500 so if you approve this we will be able to lower that amount in the proposed budget that you are considering tonight.

On MOTION by Ms. Bock seconded by Mr. Smith with all in favor the engagement letter with Berger Toombs Elam Gaines & Frank to perform the fiscal year 2015 audit was approved.

**EIGHTH ORDER OF BUSINESS**

**Public Hearing to Adopt the Fiscal Year 2016 Budget**

**A. Consideration of Resolution 2015-06 Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year 2016**

Mr. Oliver stated the next item is the public hearing to adopt the budget for fiscal year 2016. I will talk about the budget and the process, open it to board questions and after you have had your discussion open the public hearing for comments from the residents.

When the original developer created this district, he represented to homebuyers that assessments would never go up more than \$60 gross per year or \$5 per month. For most districts, once an amenity center is open and staffed, there is a sharp increase in assessments. You feel the pain right then and then the adjustments are usually pretty much tied into the cost of living. In this case it has been a pretty slow road to get it to the right level of assessments but it has been \$60 per year. The new developer has continued to honor this commitment, while paying their assessments and funding the difference in our budget so we can operate with developer contributions. We appreciate that. Obviously, it is in everyone's best interests for the residents, new homebuyers and the developer for us to be successful. Before the new developer came on board, you had started with a very high level of services before the recession and then as the recession dragged on, the cash flow was reduced and operations and maintenance declined. We are continuing to get to where we need to be, but things are certainly better than they were a couple years ago.

To familiarize everyone with the budget inside the front cover there is a general fund budget, the next several pages are line item descriptions for the general fund budget. The general fund is what you pay to operate the district, that is the ongoing operations and maintenance. Beginning on page 9 is the debt service fund budget and all the lands out here have a Series 2006 Bond levied against them, those are the bonds that were issued to build the infrastructure including this amenity center. They are 30 year bonds and all the lands are assessed on an annual basis and this is to pay the two semi-annual interest payments as well as the principal payment and that is on May 1<sup>st</sup>. Finally on page 10 you see the amortization schedule. In the general fund budget you can see the basic sections, the two main things are the revenue section

and expenditure section and the expenditures are broken out into administrative and this is just about the same for any district, the field operations and the amenity center. Under the revenues you will see three different types of major revenues. The first one is the assessments on the platted lots. Once a lot is platted we put them on the roll and it goes to the county tax collector and it is included on the tax bill that goes out November 1<sup>st</sup>. The administrative assessments are on a per acre basis and these are lands that have not yet been platted. Once they are platted they go on the assessment roll and carry a full assessments. The reason for that is raw land doesn't benefit from things such as this amenity center because there is no one living there to use the amenity center. Once land is platted whether it is built upon or not it benefits from the amenity center because at any time that land could be sold and a home built. Finally is the developer contribution, this is what the developer does to make up the difference from what we collect in assessments and what it costs to run this district.

The next section is the expenditures and if you will look at the bottom line of administrative there is basically no change. We budgeted \$96,920 last year and this year we are budgeted \$95,873. The next section, which is field operations the biggest driver of that is landscape maintenance but another big driver is the irrigation and streetlights. That has increased from \$131,150 to \$156,900 and the biggest increase is repairs and maintenance. We have budgeted this current year \$20,000 and for the upcoming fiscal year we put in \$40,000. As this facility ages more money is needed to maintain this facility. You will see that there is \$5,000 budgeted for utilities and that is pretty much what we expected to spend for the rest of this fiscal year. The next section is the amenity center and that increased \$67,000 from \$440,263 to \$507,480, the biggest increase is the last line item. We have not been putting money aside for capital reserves and we budgeted that at \$20,000 so if we do need to buy something such as a piece of fitness equipment or do a significant air conditioning repair we have money in that line item. You will see repairs and maintenance has gone from \$20,000 to \$30,000. Those are the largest increases that make up the difference in those line items.

Property insurance we budgeted \$20,744 last year and the actual cost came in at \$23,508 and we have a cost of living increase to \$26,582 and it may come in lower. We don't get the actual premium invoice until September because the insurer wants to get through most of hurricane season before they actually commit to what that is.

The next section below you see the platted lots and the last line shows that for FY 2015 the gross assessment was \$708 that increases to \$768 in Fiscal Year 2016, which is a \$60 a year increase. That is gross and if people pay their tax bill by November 1<sup>st</sup>, it is 4% lower than that. There is a 2% collection fee by the county tax collector and you can't avoid that by early payment. The undeveloped property is the properties that have not yet been platted and those are assessed on a per acre basis at \$170.48. When these lands get platted they move into the box above. There were some recent lot sales that have diminished the remaining inventory of platted lots, which will cause more lots to be platted and bring in more income for the district.

The next several pages are the line item descriptions and page 9 is the debt service fund and these are fixed payments. The annual payments are going to be the same every year it is just the makeup of the interest. As more principal is paid off over the years the principal payment is higher and the interest is lower because you have less outstanding principal.

Mr. Smith stated obviously with the sale of lots to a new builder there is going to be a point in time where the CDD maintained property in the phase in the back has to be brought up to speed. That is going to require sod, installation of irrigation and maintenance of that landscape and that wraps all the way around that lake and if that happens during the next fiscal year that is going to require an increase in our landscaping budget. Would that come out of the reserve?

Mr. Oliver stated to the extent that the developer doesn't pay for those improvements directly and that happens in some districts. I don't want us to automatically accept that as our responsibility. If they don't, developer contribution would pay for it. They would pay for it either way and what we would do is get with the landscape provider find out what those costs are, amend his contract, and also amend the budget. Although we adopt a budget today we can amend the budget any time so we would amend the budget.

Mr. Smith asked at what point in the process when we start building houses back there do we need to pull the trigger on getting that CDD maintained property up to speed? Is the developer going to make that call?

Mr. Oliver stated in most developed areas we wait until most of the development is done in a particular neighborhood so that construction vehicles aren't ruining our investment of sod and irrigation.

Mr. von der Osten asked do we have a schedule of remaining CDD improvements for the back portion?

Mr. Oliver stated the engineer can talk about the availability for parks and other improvements but I can tell you it will be a joint effort between the board and the developer about what goes in and who foots the bill.

Mr. Smith stated I was going to bring up parks a little later.

Mr. Oliver stated the board drives the train on what improvements the community has and it is just a matter of finding out what you want, working with the community to identify that and identifying a funding source. Although the engineer's plan drives the initial issue of the bonds, it is future funding that drive expansion and new capital improvements.

A resident stated we moved here about six months ago and haven't yet had an opportunity to get immersed into the community until I got the assessment letter. We fell in love with the plan of the house, the lot, the area, understood that the CDD fees were just taking care of our area, we understood they were \$2,000 a year and we were happy to pay it. Now I'm getting this letter, which is very unclear to me and I'm very offended that it only gives you 20 days from the date of the letter to respond, which I have no idea how to respond to this and why did I have to drive to St. Augustine to get a copy of the budget, it is a different county.

Mr. Oliver stated I think my phone number is on there and if anyone asks me for something I am happy to give it to them. The budget is on the website. Let me address the letter. For every district, everything that is in that letter is required by Florida Statutes, making sure everyone has the information that there is a public hearing. Full disclosure requires we write it that way.

A resident stated I'm in insurance and I understand that. But I think 20 days is unreasonable to respond to this letter if you have objections and second of all people have private lives, traveling back and forth to Gainesville, I don't have time to go to a public hearing meeting.

Mr. Oliver stated this is the public hearing.

A resident stated I'm just saying if I recall there is also one over in St. Augustine too.

Mr. Oliver stated no, that is the location of his office.

A resident stated I don't understand why on top of \$2,000 I have to pay another \$768.

Mr. Oliver stated let me explain. You have your assessment it is on your tax bill. What this board is doing tonight is adopting a budget. If there are no changes, it would increase your

assessment by \$60. It is your operations and maintenance assessment that is part of your total assessment, which includes operations and maintenance and debt service.

A resident asked isn't that part of the CDD fee? Why do I have to pay another \$760 on top of the \$2,000?

Mr. Oliver stated you don't.

Mr. Smith stated it is only a \$60 a year increase. It is a \$5 a month increase on your CDD.

A resident asked then why does it say I have to pay \$768?

Mr. Oliver stated that is the total O&M.

Mr. Smith stated that is just the maintenance portion of that number.

A resident stated then in reality I have to write a check for \$60.

Mr. Oliver asked how are your taxes paid to the county? Do you write a check to the county or does your lender take care of that?

A resident stated the lender pays it out of my escrow.

Mr. Oliver stated your lender will actually escrow these funds and the lender will pay the county probably by November 30<sup>th</sup> so they will take advantage of the discount.

A resident asked how often are those going to be raised, yearly? Is there a cap we can get?

Mr. Oliver responded there is not a cap, but as I mentioned earlier the developer told everyone it would only go up \$60 a year. While most districts actually assess what it costs to run the district, this one has ramped up very gradually. I will say that I think this will probably cap out somewhere between \$900 and \$1,000 a year for operations and maintenance. That is pretty typical for most districts that are at the high end properties like this. It is a very nice facility. As these undeveloped lands become platted that is going to bring more revenue in for the district also, which means you are spreading the cost over more rooftops.

A resident stated we are currently paying operations and maintenance of \$708 per year you are adding \$60 so now it is \$768.

Mr. Oliver stated yes. Next year we are going to put a table in that shows this year's, next year proposed and what the difference is.

A resident stated I suggest you put a few bucks in the budget to get some sort of speaker device so that when we come in here and you are talking at the front table we can understand what you are saying.

A resident asked does the budget cover the common grounds that are across on Paddle Creek?

Mr. Grossman stated that is the frontage of what will be lots.

Mr. Oliver stated that property is not owned by the district. They are private lots, so it would be between the landowner and the HOA to make sure those are maintained. Your assessments that are collected on the tax bill are public funds and can only be used for public improvements. The district can't maintain private property.

Mr. Smith stated the undeveloped lots are the HOA's responsibility to address and that is addressed either via the developer or builder whoever owns the lot.

Mr. von der Osten stated we will see who the owner is and some owners and builders are very responsive and some are not.

On MOTION by Ms. Bock seconded by Mr. Grossman with all in favor the public hearing was opened.

There being no further comments on the budget,

On MOTION by Mr. Smith seconded by Ms. Bock with all in favor the public hearing was closed.

Ms. Buchanan stated Resolution 2015-06 is the appropriation resolution and adopts the budget for the next fiscal year. It includes the budget as an attachment and it authorizes the district manager to transfer funds between different budget line items. As an example if our security line item needs to be increased and you have another line item with a little bit extra we can make the shift without coming back to the board for approval. The resolution in your agenda package has blanks and we fill them in after the hearing to make sure there aren't any adjustments to the budget.

On MOTION by Mr. Grossman seconded by Ms. Bock with all in favor Resolution 2015-06 was approved.

**B. Consideration of Resolution 2015-07 Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2016**

Ms. Buchanan stated the second resolution is what we call the assessment resolution. You have already adopted your budget and now you are adopting a resolution that actually levies the special assessments on property within the district boundaries. Understand that you are going to collect assessments by two different methods, one would be the uniform method on the tax roll and the second is the direct collect assessment that is on unplatted property, the district will bill that with due dates of 50% on December 1, 2015, 25% on February 1<sup>st</sup> and 25% on May 1<sup>st</sup>. Also note in subsection C that there are still forbore assessments that are governed by the forbearance agreement. It is a little unusual because the forbearance agreement will expire on November 1<sup>st</sup> and I have drafted it so that all of those payments will be due November 2<sup>nd</sup>. We all anticipate that there will be a restructuring and that we will have some solution in place but should that not work out you have a lien in this resolution that the district could foreclose upon if necessary.

On MOTION by Mr. Smith seconded by Ms. Bock with all in favor Resolution 2015-07 was approved.

**C. Consideration of Developer Funding Agreement for Fiscal Year 2016**

Ms. Buchanan stated the last item is the funding agreement between the CDD and the developer. There is still a developer contribution that essentially funds the difference between what is collected in assessments and what is necessary to fund the district so the gap is funded through a developer contribution. This agreement details the process in which the contribution is made essentially Jim would ask for any funds necessary and they would have 15 days to pay that invoice that he sends to them. The developer has similar to past years requested that should his contribution be higher than expected in the budget he reserves the right to request a reimbursement during next year. Right now the budget details the actual amount that the developer is committing to fund should that change we will revisit it next year and that amount is \$208,751. Should the developer not pay the funding obligation the district through this

agreement reserves the right to levy an assessment on that property for the full amount and then we would have our normal foreclosure process that we could undertake.

On MOTION by Mr. Smith seconded by Mr. von der Osten with all in favor the fiscal year 2016 developer funding agreement was approved.

**NINTH ORDER OF BUSINESS**

**Consideration of Clay High School Swim Team Agreement**

Mr. Oliver stated this is in progress. We don't have a document to put before the board yet. If we reach agreement, we will get that approved and ratified at the next meeting.

A resident stated I live on Paddle Creek and have had numerous cars speed down my road after they leave that swim meet and I have called the police numerous times because they are flying down the road, parking all over the road, all over people's property. That is a safety issue and personal to me because I paid for my land and I paid for my house I don't want someone coming in here destroying it. On top of it they are supposed to be at the swim meet and not have siblings and little siblings in the other pool. I basically can't enjoy the pool on the days they have a meet because of all the people in there smoking, which you are not supposed to do. That is an issue.

Mr. Smith stated the meets you are talking about now are the recreational swim team meets that is completely different than the Clay High School process. Your concerns and I have talked to Freddie about this and I have talked to the swim team, the lady who was here earlier I talked to her this morning about that very problem. One of the huge meets we had when the Nocatee folks came over there were way too many people in here and they had people parking in yards, which is completely unacceptable. I talked to her this morning about if we do this again next year with the recreational team that there has to be a cap of some kind that everybody on that recreational league has to understand that these are the number of cars that you can bring to Rolling Hills and that means you need to carpool because we are not going to have that problem again. She assured me that we wouldn't have that problem again. Clay High doesn't bring quite as many people but on their swim meets they do bring a crowd and a couple school buses from the other school and this is something we will reiterate to them as well that the last thing we want is people parking cars on people's private property. In the past that wasn't an issue because nobody was living over here. Now it is an issue and it is an issue that needs to be addressed and

I completely agree with you and it has been addressed and it will get fixed. Before the Clay High folks start that issue will be addressed and make sure that they understand that going forward. As far as people in the pool, we talked to them quite a bit about that, the problem that we are running into now at least this season that we haven't run into before is we have a lot of residents with kids on the swim team and residents can be down here all they want to with their kids swimming. Unfortunately, sometimes that crowd gets lumped into the swim meet people but if they are residents they have a right to be over there and that is a little hard to police sometimes.

A resident stated there should be reserved spots for residents.

Mr. Smith stated I talked about that with Freddie, that is something we are considering doing next year and putting into the agreement, we were going to mark off so many spots out there for residents so residents always have a place to park.

A resident stated my major concern is speeding. I have small children and I'm very concerned.

Mr. Oliver stated what we will do for the next swim meet is we will get with the sheriff's office and have someone ride around.

A resident stated it is not just the swim team people who speed it is the construction workers.

**TENTH ORDER OF BUSINESS**

**Other Business**

There not being any, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being none, the next item followed.

**B. Engineer**

Mr. Hadden stated let me address the speeding issue you are talking about. If it is contractors, subcontractors, whatever if you see the vehicle if you can get the name of the company all contractors by state law are required to have their license number and name on the vehicle. If it is just somebody's white truck he is not a licensed contractor and give the

information to Freddie and he can give it to me. Rolling Hills has gone through a tremendous change with the new ownership whereas three years ago you couldn't get a builder to think about building a home here, there are not any lots for sale they are all bought. There is undeveloped land that could be developed and there are people talking about doing that now. That puts you in a good position because the homebuilders want to be in Rolling Hills. If we find that one of their subs is speeding or whatever if he knows it might keep him from getting that next 20 lots he is going to do something about it. I have had the exact same problem in every CDD that I work with. Rolling Hills is the only one that I never had the police go out and set up radar traps. Residents ask for radar traps because contractors are speeding but 60% of the tickets go to residents. You have to convince the residents to slow down as well and if you give me the name of the contractors I will call the builder.

### **C. Manager**

#### **1. JLAC Letter**

Mr. Oliver stated you have a letter in your agenda packet to Joseph Abruzzo, chairman of Joint Legislative Audit Committee. They audit CDDs and look at past audits that were submitted to the auditor general by the CDD and we talked about financial difficulties in years past and they saw a three year trend where this district did not make its debt service payments and that was 2010 through 2012. They picked all the districts that were in that situation and sent a letter and we responded that we don't need state assistance as we are going through a restructuring process right now.

#### **2. Discussion of Meeting Schedule for Fiscal Year 2016**

Mr. Oliver stated you have the suggested meeting schedule for fiscal year 2016 and those are bi-monthly meetings. The board at any time can continue a meeting or call a special meeting if needed. Once you approve the meeting schedule we will publish it in the newspaper and put it on the website.

On MOTION by Mr. Smith seconded by Mr. von der Osten with all in favor the fiscal year 2016 meeting schedule reflecting the following dates was approved: October 7, 2015, December 2, 2015, February 3, 2016, April 6, 2016, June 1, 2016 and August 3, 2016.
--

**D. Operations/Amenity Manager**

Mr. Oliver stated you have a copy of the report and both Brian and Freddie can hit the highlights and provide any other information they have.

Mr. Oca gave an overview of the report and stated we will have the pool open on Mondays at 1:00 p.m. but the slide will not be open.

**TWELFTH ORDER OF BUSINESS                      Supervisors Requests**

Mr. Smith stated in the very back there is a plot of land that has been designated on the original map to be a park and we have gone through a litany of reasons over the course of time and most of it is financial of why that park can't be built or what is stalling that park. That area of the development is pretty well built out and in my opinion I think we are overdue now to move forward putting that park in. The residents back there that have small children and the only park that is available to them is up here and they have to come into the amenity center in order to access the park. There are other areas around the neighborhood designated for parks and we will tackle them one by one but that neighborhood being the farthest one away from everything at what point can we get this on the developer's radar so we can move forward with getting that park done and getting the playground equipment in there. I don't need an answer for that right now I just want to get that on the record as something that needs to happen.

Mr. Oliver stated we will make that known to the developer and request that they fund and build a park there.

Mr. Smith stated LGI is going to start building homes in the back and this development here is fairly built out now, there is a lot of resident foot traffic, kids, there is only one way in and out of that area and that is this main drive. Has there been any thought given to having an access road for the construction traffic so all that traffic going to the back is not on the main drag?

Mr. Hadden stated the entrance road off of Sandridge is planned to go straight on and there will be a second entrance back where the cows are now. If the developer wanted to front the money and build that road he might be building it five years earlier than he needed to but it is the same money. If he was to go in and just compact it and put down gravel that is probably going to be wasted money. I can talk to the developer and talk to LGI I'm sure no one is going

to want to pay that. I understand your question and your idea to have all the construction traffic come in back where they are building their lots.

Mr. Smith stated I just remember when the deal was done to pull a bunch of fill dirt out of that property in the back we had a period of two to three months where there was a steady convoy of dump trucks going in and out of here at various speeds most of which were above where they needed to be all day running to the back of the neighborhood. I'm trying not to repeat that scenario because now we have a lot of residents.

Mr. Oliver stated so that there is no misunderstanding the district has absolutely no input on this other than the fact that we can suggest to the developer that they build a construction access road.

Mr. von der Osten stated I have mixed feelings about the high school using this facility for their swim meets. Will we have an opportunity to voice our concerns before it shows up and it is yes or no?

Mr. Oliver stated you talked about it at the June meeting and granted the vice chairman the authority to negotiate an agreement.

**THIRTEENTH ORDER OF BUSINESS      Audience Comments**

A resident stated I agree with what he is saying. Are we going to see it before it is passed?

Mr. Oliver stated by the time you meet again, which will be October the swim team will already be in progress. At the June meeting you authorized the vice chairman to negotiate and he has already begun negotiations. If the board tonight wants to cancel that commitment you can do that so we can stop it now but you won't have an opportunity to see the agreement before swim team starts.

Mr. von der Osten stated I don't live here but I'm listening to the residents and I live in a CDD community and we have a community swim team and I struggled because of the cars and those types of things.

Mr. Oliver stated you also had a high school swim team using that facility.

Mr. von der Osten stated to me it is a wear and tear, inconvenience, traffic. Is that really a headache that the residents need to endure?

A resident stated I expressed the same concerns at the June meeting because we talk about how much we are growing and the wear and tear on the facility. We get income from them but there are expenses associated with this, you have wear and tear that is a big depreciation expense that people don't understand.

Mr. Oliver stated I do think it would be kind of late to pull the rug out from under them. You can certainly tell them this is their last year. I think you have enough input tonight that it can be better managed than it has been in years past.

Mr. von der Osten asked do they have to have swim meets here or can it just be a practice facility?

Mr. Oliver stated all of these schools have set their fall schedules.

Mr. Smith stated they don't have a swimming pool at Clay High or at a lot of high schools and they pay districts for the use of their pool. Eagle Harbor has been allowing Middleburg to use their facility for years. The kids who live in Rolling Hills will eventually go to Clay High, the kids who swim on the recreational team will eventually grow and go to Clay High and swim on that team. I have walked around and talked to a pretty big cross section of people about the Clay High swim team most of the summer. A good 90% to 95% of the response that I got has been positive because it is a good community outreach. In some of that positive feedback as we talked about earlier some residents didn't have a problem with them as long as we do this, meaning a list of things we talked about and that will be incorporated into any agreement. I haven't received anything from Clay High yet and I can't respond with our concerns until I see something from Clay High.

A resident stated this is the same thing we talked about in June how you were working on an agreement and it was already agreed to back in June.

Mr. Oliver stated in June we authorized the vice chair to negotiate an agreement and we contacted the Clay High School and said this district will support an agreement with you for the next year. They started the negotiations to work that out there is simply not a document in front of the board right now.

A resident stated you are saying the decision has been made.

Mr. Smith stated if they put a document in front of me that doesn't meet the concerns of the residents I'm not going to bring it and I'm not going to sign it or I will bring it but not vote

for it. I try to align my vote with the feelings of the residents and if the overwhelming majority is to go in the other direction then I will go in the other direction.

A resident stated I spoke against this for the past three years.

Mr. Oliver stated on many of these things it is never going to be unanimous.

**FOURTEENTH ORDER OF BUSINESS      Financial Reports**

**A.    Balance Sheet & Income Statement**

Mr. Oliver stated in your agenda packet are the unaudited financials through the end of June. These will be audited at the end of the fiscal year based on the engagement letter you approved earlier in the meeting.

**B.    Assessment Receipt Schedule**

Mr. Oliver stated you have the assessment receipt schedule and the on roll collections are 103% and the direct bill is on program and we did start receiving the developer contribution.

**C.    Approval of Invoices**

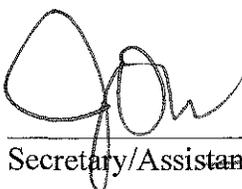
Mr. Oliver stated the next item is approval of the invoices.

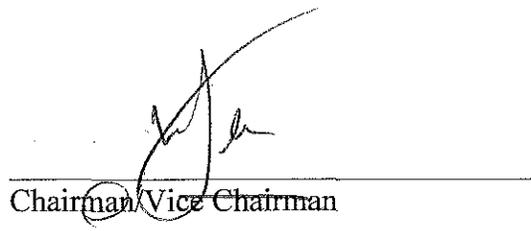
On MOTION by Ms. Bock seconded by Mr. Smith with all in favor the invoices were approved.

**FIFTEENTH ORDER OF BUSINESS      Next Meeting Scheduled – To be Determined**

Mr. Oliver stated you approved the meeting schedule earlier in the meeting and the next meeting will be October 7, 2015 at 6:00 p.m. at this location.

On MOTION by Mr. Smith seconded by Mr. von der Osten with all in favor the meeting adjourned at 7:25 p.m.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman