

MINUTES OF MEETING
ROLLING HILLS COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rolling Hills Community Development District was held Thursday, June 14, 2012 at 4:30 p.m. at the Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida 32043.

Present and constituting a quorum were:

Roger Arrowsmith	Chairman
Marilyn Ayers	Vice Chairperson
Bev Dubis	Supervisor

Also present were:

James Oliver	District Manager
Jere Earlywine	District Counsel
Matt Biagetti	East West Partners
Steve Andersen	East West Partners

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 4:30 p.m.

SECOND ORDER OF BUSINESS

Affidavit of Publication

Mr. Oliver stated included in your agenda package is an affidavit of publication for today's meeting.

THIRD ORDER OF BUSINESS

Approval of Minutes of the April 4, 2012 Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes from the April 4, 2012 meeting. Are there any additions, corrections or deletions?

On MOTION by Ms. Dubis seconded by Ms. Ayers with all in favor the Minutes of the April 4, 2012 Meeting were approved.
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FIFTH ORDER OF BUSINESS**Consideration of Resolution 2012-03
Approving the Proposed Budget for Fiscal
Year 2013 & Setting a Public Hearing Date
for Adoption**

Mr. Oliver stated each year we go through a budget process and it starts with approval of the proposed budget. Once the budget is proposed, that is actually the kickoff of the budget season. Over the next 60 days we refine that budget until finally we hold a public hearing, so the public can make official comments on the budgets. Then we bring the budget back to the board and they adopt the budget. Once the budget is adopted then we provide it in the form of an assessment roll to the Clay County Tax Collector and they will put on your tax bill. The District has been gradually raising assessments at a rate of \$5 per month or \$60 a year until we get that equilibrium, where assessments are fully funded through the assessment rolls and no subsidies are coming from the Developer. If you look just inside the front cover on page one, you will see the revenue section at the top of the budget. It shows four categories. You can almost forget interest income because interest rates are so low right now. The categories are assessments, platted lots, assessments administrative and Developer contributions. You will see that the assessments levied for platted lots has grown from \$9,579 to \$177,976 and that is because of the assessment increase of \$60 net per year and also we have gone from 193 platted lots to 322 platted lots. Then you will see the assessments administrative have been reduced from \$60,208 to \$54,273 and that is because the un-platted acreage has resulted in the platting of those additional lots has been reduced. You are starting to see the transition from un-platted to platted. Ultimately, you want to see all of the lots platted and everyone assessed at the same level. Assessing is one part of the equation and collecting is the other part of the equation. Everything else is held relatively stable. You will see the administrative budget has changed very little from \$86,600 to \$88,175. Community appearance has increased from \$48,300 to \$51,800. Maintenance has increased from \$224,000 to \$232,000. At the bottom you will see the tables and that shows the assessment per unit for fiscal year 2012 was \$528 and the proposed assessment will be \$588. We will publish a notice and we will also send a mailed notice to everyone. If you flip over to page five, you will see the recreational fund budget. At this point in the development's life, this is largely run on Developer contributions. You can see that the \$100,000 that was budgeted for fiscal year 2012 nine-tenths of it was through Developer contributions. The ratio is very similar now. You will see line item descriptions on

the next page. On page seven you will see the debt service fund. This is for the Series 2006A bonds. This is to pay the two semi-annual interest payments due to the bondholders on November 1st and May 1st of each year, as well as a principal payment that is due on May 1st. On the following page is an amortization schedule. Then you will see the Series 2006B bonds. Those don't affect you. These are the builder bonds. They pay these back as the homes are built.

Mr. Arrowsmith asked on the front page under revenues, we have the Developer contributions being \$68,000 this year and then \$0 next year?

Mr. Oliver responded that is correct for the general fund, although Developer contribution for the recreation fund is proposed to be \$56,085. Resolution 2012-03 is a resolution approving the proposed budget for fiscal year 2013 and setting a public hearing date and providing an effective date. I would propose that we have the public hearing in conjunction with our next scheduled meeting and that will be September 5, 2012 at 5:00 p.m.

On MOTION by Ms. Dubis seconded by Ms. Ayers with all in favor Resolution 2012-03 Approving the Proposed Budget for Fiscal Year 2013 & Setting a Public Hearing for September 5, 2012 at 5:00 p.m. at Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida 32043 was approved.

FOURTH ORDER OF BUSINESS

Construction Administration Issues

Mr. Andersen stated a church in Fleming Island want the sales trailer. They are working at a snails pace. They just had a church council meeting, where they approved moving it last week. This Sunday they have a finance meeting. I am hoping we will see some movement with the sales trailer in the next month. In regard to cats, I have contacted every no kill shelter and every other place I could possibly think of and no one wants them. I haven't found a home for them, so I don't have a solution. The County is not willing to step up and do anything about it. The U.S. Justice Department did come out with a modification to their ruling concerning ADA requirements. They have now extended it to next January. We will be approaching the bank to fund putting in two lifts. We have also approached the bank about funding the sidewalk repair on Fleming Hills Boulevard. We will be getting bids shortly.

A resident asked what is going to happen to the plant life that is around the trailer?

Mr. Arrowsmith responded there are actually two home sites there.

Ar. Andersen asked are you asking about the plant material itself?

A resident responded yes.

Mr. Andersen stated some of it we are going to lose, like the tall cypress trees at the end of the trailer. I am sure I can have a discussion with the Developer and see if we could come up with some deal to get rid of some plant material to local people.

SIXTH ORDER OF BUSINESS **Other Business**
There being none, the next item followed.

SEVENTH ORDER OF BUSINESS **Staff Reports**

A. Attorney

There being none, the next item followed.

B. Engineer

There being none, the next item followed.

C. Manager

1. # of Registered Voters in the District – 81

Mr. Oliver stated each year we are required by Chapter 190 to put on the record the number of registered voters living in the District. As of April 15, 2012 we have 81 registered voters living in the District. That is important because when a District becomes six years old and has 250 registered voters within the District, that begins the transition to residents being elected to the board.

2. Designation of November 7, 2012 as the Date of the Landowners Election

Mr. Oliver stated the next item is to designate November 7, 2012 as the Date of the Landowners Election. Until we get to that transition point, there are some things called landowners elections. That allows the board to be elected on the basis of one vote per lot or one vote per acre or one vote per partial acre. You also can get proxies from other landowners within the District.

Mr. Earlywine stated there are usually two types of elections that occur. Once the District is established, you have the type of elections that Jim is referring to, which is the

landowners election. Those occur within 90 days of establishing the District and then every two years thereafter. Once you get past the sixth year of establishment and you have 250 registered voters then the election process starts to shift, where some of the seats coming up will be elected through the general election process. Those seats have to be filled by residents living within the District. The way you vote for them is on a ballot just like you would for a Senator or the President.

D. Director of Aquatics & Recreation

Mr. Biagetti stated I have a couple updates, regarding access to the pool. I hope you all received the email regarding the lock at the bottom of the stairs. I know we were having some type of issues with the back gate. Originally that was a point of exit for everyone. That seems to be working well. Also, a locksmith came out and they rekeyed the lock at the bottom, so your workout key will lock it and unlock it. The only thing we ask is that you lock the door behind you. The lifeguards are here for the summer. I know we have had some issues with some folks from outside the community coming in with their friends, whether it is with residents or without. Once they realized that the lifeguards are here, there has been a little bit of a damper on that.

A resident asked are there non-residents that also have access because we were here after hours and someone said they had a key to come in and out?

Mr. Biagetti responded yes. We do have non-resident pass holder family. They have the option to purchase a pass. It is \$1,980 a year.

A resident asked can we consider having a gate at the bottom of the back sidewalk?

Mr. Biagetti asked are you speaking about a gate by the guard hut there?

A resident responded right. That way it is easy for me to use the sidewalk with my walker.

Mr. Biagetti stated I think that is something we can do. I will talk to you after the meeting.

NINTH ORDER OF BUSINESS

Financial Reports

A. Approval of Invoices

Mr. Oliver stated included in your agenda package are the invoices totaling \$22,895.46.

On MOTION by Ms. Ayers seconded by Ms. Dubis with all in favor the Invoices were approved.

B. Balance Sheet & Income Statement

Mr. Oliver stated included in your agenda package is a copy of the balance sheet and income statement.

C. Special Assessment Receipt Schedule

Mr. Oliver stated included in your agenda package is the special assessment receipt schedule. You are at a collection rate of 102% on the roll. We have collected nothing yet for the District from the direct bills. We will complete the audit and provide it to the Auditor General by June 30th. We will circulate the audit as soon as we get it back from the auditor. Then you will have the opportunity to ratify the audit.

EIGHTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Jody Smith stated at the last meeting we brought up some maintenance issues. There was an influx of funding that just recently happened. Nothing has really happened out here. Where do we stand on getting the ball rolling on fixing things that were brought up a couple months ago and where do you see us going in the next fiscal year, as far as financially?

Mr. Arrowsmith responded at the last meeting it wasn't so much an influx of money. It was approval in our working with the bank to go ahead and effectively keep it going. Through Steve's hard work, we were able to go ahead and list those things that we felt as a CDD board and as a Developer needed to be done. It was a matter of which ones were CDD expenses and which ones were Developer expenses. One way or another, it is all coming out of the same pot at the end of the day. Nothing has changed from that. What is still going on is the consultant that has been retained has been working with the bondholders in trying to put together a total ongoing package, which is the most important thing for all of us. As a Developer, there is an awful lot more at stake, so we have the same desires for what we want. It is our best interest as a Developer to have everything be corrected and sustainable going forward. We are still trying to finalize the budget we have here.

Mr. Jody Smith asked do you envision the finances or the projection money that we were talking about getting pushed into the next budget for use or can we expect to see any of those monies used at some point?

Mr. Arrowsmith responded what our approach as Developer is, is all of that what you are talking about is imperative for ongoing and continued sales here. It is not going to wait until October but I am not going to tell you it is going to start on Monday.

Mr. Jody Smith stated I guess as a resident you are only gauged on progress.

Mr. Andersen stated I understand there are certain items that need to be fixed but the progress is there are lifeguards, the amenity is open, the pool is open and operating. Instead, we could have taken that money and fixed the sidewalk and closed everything else down.

Mr. Jody Smith stated you are right. That point was made at the last meeting and it is a valid point but the other misunderstanding at the last meeting was we have some money coming in and things are going to start getting fixed.

Mr. Andersen stated the money is coming to keep everything open.

A resident asked does someone have to be in the building to turn the sidewalk lights on?

Mr. Biagetti responded we have actually had some issues with the timing of the exterior lights. There is an automatic control that should run on a timer. When we have events, we can manually turn them on but when we manually turn them on it is running in the middle of the night, so it is something that needs to be looked at.

A resident stated the bottom waterfall looks great. Is there a lot of work to get the upper one going?

Mr. Biagetti responded that is one of the things we need to look at. Unfortunately, we have not been able to have the upper pump operating.

A resident stated Shawn and his folks have done a great job out here taking care of the neighborhood. They do great work. It does look really nice out here. For future meetings can we push the meeting time back to 5:00 p.m.?

A resident stated I am looking at the recreational fund budget. Two things decreased in the expenditures; pool and management fee. Can someone explain what that is?

Mr. Biagetti responded with the management fee, we are looking at labor. We have trimmed back labor. With the lifeguards, we have been able to work with what we have here

with adjusting hours and times that we have them on duty. This is reflecting our current operation of funding right now.

Mr. Oliver stated we will move the meetings to 5:00 p.m.

A resident asked do we not bring in any swim team revenue and if not, why don't we bring some in? Someone had told me when the swim team is not able to use the pool that they rent out at the YMCA. If they are paying rent at the YMCA then why are they not paying rent here?

Mr. Biagetti responded through our summer program with the Rolling Hills Swim Team, we do receive funds per swimmer. We do receive funding from Clay High School also.

A resident stated that is a very low amount of revenue for swim and tennis. That pavilion is being rented with three parties a day on the weekends. Something doesn't seem to be adding up.

Mr. Biagetti stated the pavilion rental is included in that budget. If you see we have increased it from fiscal year 2012. It is a good marketing piece for us to allow these parties to happen to bring in outside folks from surrounding communities.

Mr. Oliver stated I will say that for a District I did earlier this week that Bartram Springs with 1,400 homes, their revenue from rentals is about \$7,500. This number is actually pretty consistent for a community of this size right now. Swim team revenue is traditionally pretty low anyways. Most Districts don't charge at all or a small fee. To the extent that this District is getting any revenues from that, you are better than most Districts.

A resident stated I think the issue is the swim team is they bring their whole families and they stay all day. That is the problem. They put caution tape around it at the last swim meet and that was the first time that was done. This is the first time they told the people they had to leave.

Mr. Biagetti stated that is what is supposed to happen. They can't enjoy our facilities for the remainder of the day.

A resident stated what I am hearing is that some people get different information if you rent the facilities. I have heard if you rent this place you don't have access to the pool but if you rent this place, you do have access to the pool. There is no limit to the number of people you can bring here, so you pay a relatively cheap fee.

Mr. Oliver stated I think it would be good for us to have a policy and rules discussion at our next meeting.

A resident asked are we going to get guest passes?

Mr. Biagetti responded yes. The lifeguards do have them.

A resident stated the lifeguards have been doing a good job. The unfortunate thing for them on the weekends when you have a ton of people up here with two or three different parties going on at the same time, their priorities have to shift. Now all of a sudden, they are not checking anyone coming in the pool anymore because they have to keep an eye on what is going on at the pool. Parties end and another party will show up to start and half the people from the party that just ended hang out. It is the same thing when we have the swim meets. Maybe a user agreement would be useful for people that come out here and use the facility.

Mr. Biagetti stated we do have one.

A resident stated I have talked to a few people that said they didn't sign anything to use the pavilion.

A resident asked is there a limit to the number of people?

Mr. Biagetti responded not really. I don't think I have seen any over 75 people. Our biggest parties are typically our sports parties. We do have a rental contract. We have a non-resident rental contract that is \$175 plus tax.

Mr. Oliver asked is there a security deposit with that?

Mr. Biagetti responded no.

Mr. Oliver stated that is something we can consider.

A resident stated I know last year for our big soccer party, you gave us the wristbands and everyone in my group had a wristband.

Mr. Biagetti stated that would be something that would be nice to do but wristbands are expensive.

A resident stated you could color code your time slots for your parties. If the party is 12:00 p.m. to 3:00 p.m. then they get a yellow wristband and 3:00 p.m. to 6:00 p.m. gets a red wristband. Everyone that comes to that party should get a wristband and when your party is over everyone that has a yellow wristband that is not a resident needs to leave.

Ms. Dubis stated possibly part of the contract would be with that person and when that time is over they are responsible for having them all leave.

Mr. Biagetti stated if they are renting this space here, it is almost an open invitation to utilize the pool.

A resident asked can we change that?

A resident stated I was told if you rent this area, you are not allowed to use the pool because they didn't want the inside wet.

A resident stated that is exactly what I was told.

Mr. Biagetti stated that is a good thought.

A resident asked because we are opening up reservations for the pavilion to the public, is there any stipulations that residents get preference? One of the reasons we purchased in here was to use the amenity center and now we are told that non-residents can come and rent the facility also. Is there a deadline that up to 10 days before a date that we open it up to other non-residents? I think residents should get some type of preference.

Mr. Biagetti responded absolutely. We want you to have the preference. We do have an online calendar that we all look at with the rentals.

Mr. Andersen stated there are 6,000 residents in Eagle Harbor and we don't have any issue there.

A resident stated yes, but you are also fully staffed.

Mr. Oliver stated as we look at these policies at the September meeting that will be one thing we will talk about.

A resident asked have you talked to the model home agent about their customers parking on the sidewalk?

Ms. Dubis responded I did.

A resident stated the customers have ruined the front part of my lawn and I pay someone to come out every month.

Ms. Dubis stated I will talk to them again.

TENTH ORDER OF BUSINESS

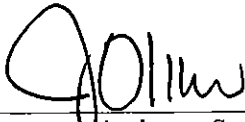
Next Meeting Scheduled for September 5, 2012 at 5:00 p.m. at Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida 32043

Mr. Oliver stated our next scheduled meeting is September 5, 2012 at 5:00 p.m. at this location.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Ayers seconded by Ms. Dubis with all in favor the Meeting was adjourned.



Secretary ~~Assistant Secretary~~



Chairman/Vice Chairman