

ROLLING HILLS
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rolling Hills Community Development District was held Wednesday, June 3, 2015 at 6:06 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
Jody Smith	Vice Chairperson
Rose Bock	Supervisor
Kurt von der Osten	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel (by telephone)
Keith Hadden	District Engineer
Rich Whetsel	GMS, LLC
Freddie Oca	Amenity Center Manager
Danielle Simpson	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 1, 2015 Meeting

Mr. Oliver stated the next item is approval of the minutes of the April 1, 2015 meeting.

On MOTION by Mr. Tew seconded by Mr. Smith with all in favor the minutes of the April 1, 2015 meeting were approved.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2015-04 Election of Officers

Mr. Oliver stated the next item is consideration of Resolution 2015-04 election of officers. Each of the supervisors here today were elected to their board officer positions following the November election. Since that time we had a fifth member join the board, Stephen Grossman, who is not here tonight and this is an opportunity for the board to appoint him as an assistant secretary so he can be an officer of the district as well as a supervisor and execute documents on behalf of the district.

On MOTION by Ms. Bock seconded by Mr. Smith with all in favor Resolution 2015-04 electing Stephen Grossman as an assistant secretary was approved.

FIFTH ORDER OF BUSINESS

Update on Operations & Maintenance

Mr. Oliver stated I would like to hold this report for now and go through some of the other items first.

SIXTH ORDER OF BUSINESS

Consideration of Proposals to Perform the Audit for Fiscal Year 2015

Mr. Oliver stated the next item is consideration of proposals to perform the audit for fiscal year 2015. The audit committee met earlier tonight and they ranked four proposals that were received based on the RFP that was issued and had a recommended ranking of Berger Toombs no. 1, Grau & Associates no. 2, McDirmit Davis no. 3 and Carr Riggs & Ingram no. 4. That is the recommendation to the board and I'm looking for board approval of those rankings.

On MOTION by Mr. Smith seconded by Mr. Tew with all in favor the recommendation of the audit committee to rank Berger Toombs no. 1, Grau & Associates no. 2, McDirmit Davis no. 3 and Carr Riggs & Ingram no. 4 was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2015-05 Approving the Proposed Budget for Fiscal Year 2016 and Setting a Public Hearing Date for Adoption

Mr. Oliver stated the next item is consideration of Resolution 2015-05 approving the proposed budget for fiscal year 2016 and setting a public hearing date for adoption and this actually starts the budget process. Florida Statutes require that we approve a proposed budget by

June 15th of each year and when we approve that proposed budget we provide a copy to Clay County in accordance with the statute and also set a public hearing to be held not sooner than 60 days after approval of that budget. We would be looking for a public hearing either in August or September. I think we are in good shape to have the public hearing at our August 5th meeting and we will decide as we go through the resolution.

One of the things we do with this district as well as a couple former East West districts is when they started this community they made a commitment that assessments would only go up a gross of \$60 per year so we have been working within that confine the idea being that as the rooftops are built the residents would assume a larger portion of the assessment load and the developer would see his developer contributions reducing over time.

On page 1 the top section is revenues and this is how the district is funded. At the bottom of that first section you will see the budget last year was \$440,263 and this year the total revenues would be \$507,480. The assessments on the platted lots that is the residents and those homes being built now go up from \$214,297 to \$232,458 or an increase of \$18,000. You will see developer contributions are slated to go from \$163,811 to \$208,751. Typically you see developer contributions going the other direction but we are just not there yet and there is still a lot to do in this district and hopefully sales over the next year will fix those problems. That shows an increase in revenues from \$440,23 to \$507,480 a total of \$67,000.

The next section is the administrative section and this is pretty similar for just about every district they usually range from about \$95,000 to \$110,000. This one is slightly decreased from last year no big changes in those line items.

The next one is field operations and you will see that increasing from \$131,000 to \$157,000 and the biggest increase is the utilities going from \$27,000 to \$32,000 and that is based on the projected actuals for this year and we have more common areas coming on line. You will also see repairs and maintenance we budgeted \$20,000 for FY15 and we are projected to go to \$22,000 and we actually increased that to \$40,000 because as this facility ages there are going to be more repairs and maintenance.

The next page is the amenity center, which is the most cost intensive area of the district. The total for that is projected to increase from \$212,000 to \$254,000 the biggest increases you will see will be the property insurance going from \$20,744 to \$26,582. A little further down you will see repairs and maintenance increasing from \$20,000 to \$30,000 and the last line item,

which is a new line item, capital reserve we are budgeting that at \$20,000 and that is for some of the repairs and replacements that come with an aging facility. Over the years you will see that line item increasing so that you can build a healthy capital reserve to take care of things as they need to happen such as pool resurfacing, tennis court resurfacing, roof replacement and that type of thing.

In the boxes below you will see the assessments for platted lots and that is for 322 lots, the gross assessment goes from \$708 to \$768 and if you pay your property tax bill by November 30th that will be \$721.92. Then the administrative assessments on the undeveloped property are based on a per acre ratio. As these lands are platted they go to the top section under platted lots and they carry the full assessment load.

The next several pages are line item descriptions that explain what those line items are then on the last page is the debt service fund and this is to service the 30 year bonds that were issued in 2006 and that is for three things, one is the semi-annual interest payments that are made on November 1st and May 1st as well as the principal payment made on May 1st.

This is just the start of the budget process. We will set a public hearing date, we will refine this budget over the next couple of months, hold a public hearing in August if that is the date that you choose and then once you have the public hearing you adopt the budget and we will provide that budget in the form of a certified assessment roll to the tax collector and those assessments will go on the tax bills that are issued on November 1st.

-Are you comfortable having the public hearing on August 5th at 6:00 p.m.?

The board was in consensus with having the public hearing August 5, 2015.

On MOTION by Ms. Bock seconded by Mr. Tew with all in favor Resolution 2015-05 approving the proposed fiscal year 2016 budget and setting a public hearing for August 5, 2015 at 6:00 p.m. in the same location was approved.

EIGHTH ORDER OF BUSINESS

Ratification of Summer Swim Team Agreement

Mr. Oliver stated next is ratification of summer swim team agreement. You authorized the vice chair to work with staff on the summer swim team agreement and that has since been negotiated, completed and executed and you have a copy of that in your agenda package and we are bringing that back to the board for ratification.

On MOTION by Mr. Smith seconded by Mr. Tew with all in favor the summer swim team agreement was ratified.

NINTH ORDER OF BUSINESS **Consideration of Clay High School Swim Team Agreement**

Mr. Oliver stated the next item is consideration of Clay High School Swim Team agreement. We don't have any type of agreement to put in front of you, they haven't even asked to use the pool yet I just want to be proactive in asking the board to authorize the vice chair to work with staff between meetings in case they do come to staff at a late date and ask for that at least we could bring something back to the August meeting.

Ms. Bock stated they had an agreement last year.

Mr. Oliver stated they have had an agreement for the past two years.

Ms. Bock stated you have something to go on and don't have to start from scratch.

On MOTION by Mr. Tew seconded by Ms. Bock with all in favor the vice chair was authorized to work with staff to negotiate with Clay High School on a swim team agreement.

TENTH ORDER OF BUSINESS **Update Regarding Bond Refunding**

Ms. Buchanan stated at this time the developer is still working with Brett Sealy, the underwriter to come up with a structure. There is really no update that affects the board or decisions the board needs to make at this time.

ELEVENTH ORDER OF BUSINESS **Other Business**

Mr. Oliver stated the district engineer, Keith Hadden, has information to discuss regarding future platting.

Mr. Hadden stated I'm distributing to the board a document that Katie and her office put together. The Cedar Creek area that is 129 lots some of the roads have been repaired, pipes have been repaired over the last month, they are being sold and as part of that the maintenance was never dedicated years ago to the county so we are in the process of doing that and it will be taken over starting next Tuesday when it is ratified by the Board of County Commissioners. Over all of that land the CDD has a construction easement to go in and do whatever. The document in

front of you is a release of that construction easement over those 129 lots because the lots will be privately owned and the roads will be owned by the public so there will be no need for the CDD to go in there and build anything because the CDD won't own anything. This is a document that was put together at the request of the owner and the county attorney. This will be part of the package that will go before the Board of County Commissioners at their meeting next Tuesday afternoon. I request that you approve that so we can put that in with the package that goes to the County Commissioners.

Ms. Bock asked are the 129 lots being added to the 322?

Mr. Hadden responded they are part of the 322.

Mr. Smith asked we are just talking about infrastructure, just turning over to the county the roads and storm drains?

Mr. Hadden stated correct, utilities already has the sewer and this is just the county commissioners who will take over the roads and drainage system. There is always a temporary construction easement that you have so you can get in there and build and we want to vacate that and that is what this is, just terminating a portion over those lots. The CDD still has those easements everywhere else it is just this will be vacated.

Ms. Buchanan stated the board did a similar action, authorized a partial release of the construction easement for Phase 1 a couple years ago. We are essentially doing it in pieces along with the county consent.

On MOTION by Mr. Smith seconded by Mr. von der Osten with all in favor a partial release of the construction easement for the Phase 2 roads was approved.

Mr. Hadden stated in conjunction with what is going on with these 129 lots we have a quit claim bill of sale from the CDD to Clay County for \$10 for any and all roadway and drainage improvements that lie within the courts, lanes, streets and roads located on the real property described in schedule 1 and we reference that as Cedar Creek at Rolling Hills, the plat book and page. This is another document that has to be conveyed from the CDD to the county.

Ms. Buchanan stated the plat dedicated the underlying property to the county but the district didn't actually sign the plat and we wanted to make sure that we had a document that finalized the conveyance of the improvements, the actual asphalt, the work, the signs, etc. that

the district installed over to the county so they have this bundle that says they own and operate it. It is more of a cleanup item. I have already had the chairman sign it, I haven't submitted it to the county so a motion to approve would be appropriate.

On MOTION by Mr. von der Osten seconded by Mr. Smith with all in favor a quit claim bill of sale for the conveyance of right of way improvements for Cedar Creek at Rolling Hills to the County was approved.

FIFTH ORDER OF BUSINESS

Update on Operations & Maintenance

Mr. Oca reviewed the items in his report, copy of which is attached hereto and made a part hereof.

A resident stated there are rules being enforced in the pool area by a very zealous lifeguard and he seems to be in training to be a prison guard or something like that. During the adult swim there was a woman with her children in the shallow end and their feet were in the water and he told her to get her kids out of the pool. Another man was standing in waist deep water throwing his 8 year old son up in the air into the pool and we were told that was against the rules. That is not practical and violates common sense. We all grew up with parents or grandparents who picked you up and threw you in the pool. I don't think we need a 17 or 18 year old kid to tell us that is not safe or especially during the adult swim that a child can't have their feet in the water. It caused an argument that day. We may need to soften the rules a little bit because it is not working very well now. What is the purpose of the adult swim? Is that literally for the adults to go swimming?

Ms. Simpson stated they are responsible for restocking and cleaning the restrooms, pool deck furniture and everything else after that they replenish their water and they get back out there. In the meantime they are picking up trash and they have a lot of pool deck area to do that in so that is what that adult swim is. Also if you look at the CDC policies, they recommend adult swim to help water quality and sanitation.

A resident stated there are three lifeguards they could rotate their shifts so two could be at their post and one could be cleaning up. I think we have great lifeguards here but I have never seen any of them cleaning up during the adult swim they take their break, which they deserve to take.

Ms. Simpson stated we did some extensive cleaning of the restrooms here in April and May but they are solely responsible for cleaning and restocking and making sure everything is up to par because if there is a problem down there they need to keep that area closed and sanitize and clean. That is what they should be doing and checking on. If it is extensive and they are not out there by 10 after then there is a problem and definitely we will address that.

A resident asked where do you draw the line when they are trying to enforce rules and a parent is throwing their child in the water. It says on the sign swim at your own risk, way bigger than the other print so to me that is the number one rule. The other two signs say lifeguard is there for the slide only so in my mind you are trying to say you don't have any responsibility for any of this because of those signs but you want all the responsibility of telling people how to behave.

Mr. Oliver stated Jody and I had a conversation about the matter and I heard a different version of the story than you heard about the guy throwing the child. It wasn't him just throwing, it was his refusal to obey the lifeguard after he was told that. Then there was a confrontation between a grown man and a 23 year old lifeguard and that is not going to be tolerated. What is happening here is you were a small community and now you are going to grow and have more overcrowding and it is going to be very hard for a young adult or teen to try to find a gray area between what is enforceable and what is not because if you get away with this is the next person going to ratchet it up another notch? I'm sure he acted in good faith and I would ask Danielle to have another conversation with her lifeguards and we want to make sure people have the best time possible while still being safe. We certainly need to review all the policies but as this community grows becomes more crowded, you are probably going to have more staff and enforce the rules even more than you are now. The rules won't get softer going forward. A lot of this is going to be self enforcement among residents because there are going to be times when the lifeguard is either not there because the slide is closed or because it is after hours and you are going to see things that need to be enforced so it is going to be some of that leadership from the community that has been here from the get go. I had a discussion about this specific incident with Jody and unlike many other districts, we took no action against that person.

A resident stated maybe we need to get rid of the sign that the lifeguards are there for the slide only.

Mr. Oliver stated that sign is on almost every CDD pool because it is a risk factor and liability issue for all of you in this district. There are so many things to be considered but I do understand this, we want our lifeguards to allow everyone to have the most fun possible while acting safely for the benefit of everybody else. I certainly don't want our lifeguards compared to prison guards. We are going to make every effort to make sure they are trained but at the same time don't turn a blind eye to something they think is wrong. Those signs are going to stay because you don't have lifeguards to cover the entire swimming pool, you have them to cover the tower. You are required to have two people at the tower, at the top and at the bottom, that is what they are covering and the moment they start focusing on other things something bad might happen on that tower. That is their legal obligation to cover that tower, we can't have the slide tower operate without those two lifeguards.

A resident stated in the case of the lifeguard who told the father he can't throw his child in the air he is watching them and taking his attention off the slide.

Mr. Oliver stated no, it is his responsibility if he sees an unsafe act to actually take action right then before something bad happens. If sometimes people get too vigilant I understand that and we can always dial people back. I hope he doesn't have to close the slide to take care of an unsafe situation in the pool because we want the slide to be open so people can enjoy it. It is not a matter of debating this because we all want things to function well. We will talk to the staff. If we see something unsafe, they should act on it. I don't want them to ignore things, but I also don't want them to exaggerate things. So much of that is a matter of judgment and people learn through experience on things like that. I think we are all trying to achieve the same thing.

A resident stated I understand the safety but since the community is growing why not have three lifeguards.

Mr. Oliver stated you can have as many as you are willing to pay for and right now we are still on a very tight budget. I would say that most districts the O&M assessments range anywhere from \$850 to \$1,200 and right now you are in the \$750's. As we want to have more staffing and more amenities it is going to take money to do that.

Mr. Smith stated we do what we can afford to do and that is the bottom line.

Mr. Oliver stated the same types of issues we are talking about here happen at other districts and we try to get better with time.

A resident stated there has definitely been an improvement in the consistency from the lifeguards you don't get different slants on the rules, which has been really nice this year. There is one rule that needs to be clarified with the lifeguards and it is the over zealous young man that he allowed a family with a child under 3 to ride together down the slide and we have always been told that you can never take a child down the slide, you cannot ride double down the slide. That same family came back the next day and were upset because a different lifeguard was there and said no you can't ride together down the slide. He handled it well by saying I'm sorry it happened yesterday we will talk to him about it but it seems like there might be some misunderstanding there.

Mr. Smith stated when Jim and I talked about this last week my biggest take away to him was we need to make sure we are consistent. Consistency is key you can't enforce one set of rules one day and one set of rules the next and that goes for everything not just pool deck safety, that goes with amenity center guidelines and everything. Consistency across the board is our goal and we want everybody to have a good time. The residents pay a lot of money to have a good time at this place and we want them to be able to do that we just want them to do it the right way and keep everything consistent.

A resident stated the consistency is a lot better this year than it has in the past.

Mr. Oliver stated as long as we are talking about crowd management there is another thing we are dealing with at the district as more people come here. In your rules you have certain guidelines regarding rentals and one of the guidelines is if you have an event of less than 25 people it does not need to be staffed. If it is greater than that you have it staffed simply because of the impact on the pool deck area and I heard from Freddy that at least on one occasion maybe more you have people that are reserving space to have a party for less than 25 people then party day comes and it is 40. We are going to have to have a rate hearing and we can do it after the summer season but just realize that there is a penalty involved if we retroactively determine that your party you reserved for 25 has more than 25 and needs to be staffed we are going to try to get a staff person on there and that person is going to be billed for that.

Mr. Smith stated they reserve it for 25 and show up with 60 and we don't have the staff to cover it to augment the amount of people to bring on the pool deck then obviously we do the best

we can to accommodate them without affecting any of the other residents and then bill them because there should have been somebody else here.

Mr. Oliver stated it is not a matter of trying to enforce the rules we want people to have a good time but that affects everybody else on the pool deck too.

Mr. Smith stated I don't want to put us in a situation where I have to affect all the other residents out here because somebody was trying to save a couple of dollars reserving a pavilion. I have an issue with that.

Mr. Oliver stated we will come up with ideas and can discuss them going into the August meeting but another thing will be as you have private reservations for this clubhouse as well as the one downstairs at some point it is a capacity issue for the normal residents who want to come in and use the deck.

Mr. Smith stated the fire code on the pool deck is 248 so the more residents we put in here if we keep allowing large parties that is going to impact the amount of residents you can put on the pool deck because of how many people we are putting in the pavilion that have access to the pool deck. Is there anything in the contract if you bring more people than 25?

Ms. Simpson responded yes there is a line that sets a benchmark of 25 people.

Mr. Smith asked is there anything that says you will be charged if you show up with more than 25 and we have to pull somebody away from the residents to babysit the party?

Mr. Oliver stated I think we are going to have to structure something like that.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There not being any, the next item followed.

C. Manager – Report on Number of Registered Voters - 152

Mr. Oliver stated you have in your agenda packet a letter from the supervisor of elections for Clay County and it states that there are 152 registered voters living in the district. It is required to have that on the record each year and more importantly to transition the CDD board

from developer control to resident control there are two criteria you must meet and that is 250 registered voters living in the district as well as the district being at least six years old. The district was established in 2005 and it is already six years old but you need to get to that 250 registered voters to have two seats on the ballot and we think that will happen in 2016 based on the rate of growth that is happening now. When that does happen you will have two of the seats filled on the general election ballot just like you see other local, state and federal offices.

THIRTEENTH ORDER OF BUSINESS Supervisors Requests

There being none, the next item followed.

FOURTEENTH ORDER OF BUSINESS Audience Comments

A resident asked do you have any idea of when they are going to be cutting the fields around the area because the grass is getting really high?

Mr. von der Osten stated when I drove in tonight I expected to see all of them cut because they were scheduled to be cut. I have no idea why idea why they didn't show up.

A resident stated I don't understand with the pool and growing community why we are pursuing the Clay High School swim team coming here. Can you explain that to me?

Mr. Smith stated what is on the agenda was the proposal that if Clay High came to us and asked for them to be able to use the pool again this coming year it basically allows us the opportunity to talk with them. They haven't formally asked us for anything yet. We can't pursue one. They have to come to us and what you saw on the agenda allows us to talk to them if they come to us.

A resident stated my concern is that you may be considering this with this being a growing community. In the past we said the advantage of Clay High is that we can bring people in to buy houses and stuff like that.

Mr. Oliver stated there may be a point where this board or a future board says no to Clay High. You also have the recreational swim team and what you normally see is these teams have a ratio of residents and non-residents and as the community gets older they will fill the team almost exclusively with resident children and you will probably see that transition.

A resident stated we just moved in and my children are on the residential team and they even said when you register residents get first pick of who makes it on the team and who doesn't.

Mr. Oliver stated you bring up a good point and we are sensitive to that.

Mr. Smith stated if we get a proposal from Clay High we will get a pulse of the community before we even read it.

A resident asked what will you entertain in the future to accommodate the residents, expanding the pool? I have been here seven years and there was supposed to be a pool in the back now you are leasing land.

Mr. Hadden stated the area we were discussing was not the area in the back. None of this is back where the cattle are.

Mr. Smith stated none of the undeveloped phases has anything to do with what we are talking about. The idea of a second pool has already come up but that is down the line.

FIFTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet & Income Statement

Mr. Oliver stated you have the balance sheet and income statement. These are unaudited and will be audited at the end of the fiscal year by Berger Toombs, the audit firm you selected tonight.

B. Assessment Receipt Schedule

Mr. Oliver stated behind tab B is the assessment receipt schedule and you will see that we are 86% collected on the tax rolls, however, that does not include the tax certificate sales that recently occurred so we will be getting another distribution from the tax collector within the coming days.

C. Approval of Invoices

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

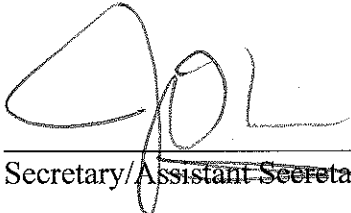
On MOTION by Mr. Tew seconded by Mr. Smith with all in favor the invoices were approved.

SIXTEENTH ORDER OF BUSINESS

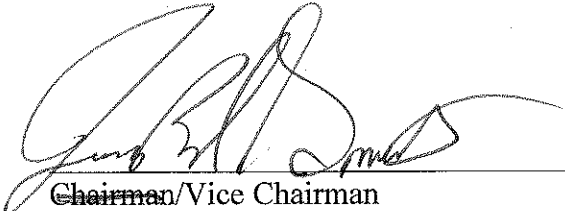
**Next Meeting Scheduled for August 5, 2015
@ 6:00 p.m. at Rolling Hills Amenity Center,
3212 Bradley Creek Parkway, Green Cove
Springs, Florida 32043**

Mr. Oliver stated the next scheduled meeting and the budget is August 5, 2015 at 6:00 p.m. at this location. We will be sending out mailed notice for the budget hearing.

On MOTION by Mr. Tew seconded by Mr. Smith with all in favor the meeting adjourned at 6:55 p.m.



Secretary/~~Assistant Secretary~~



~~Chairman~~/Vice Chairman