

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 Tuesday, June 14, 2022 at 6:03 p.m. in the Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida.

Present and constituting a quorum were:

Shannon Jordan	Chairperson
John Miller	Vice Chairman
Rose Bock	Supervisor by telephone
David Church	Supervisor
Nate Riggs	Supervisor

Also present were:

Marilee Giles	District Manager
Katie Buchanan	District Counsel
Keith Hadden	District Engineer
Freddie Oca	Riverside Management
Joe Schofield	Alliant Engineer
Several Residents	

The following is a summary of the actions taken at the June 14, 2022 meeting. An audio copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Giles called the meeting to order at 6:03 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

Mr. Rhein stated Florida Statute 190.006(5) while a majority of members constitute a quorum, action taken by the district shall be upon a vote of the majority of the members present. I have 11 proxies for your review. The June 15th time deadline was for the district to get you the proposed budget, not for us to approve the budget. The email to board members of May 20th presented you with an option to charge the developer for the deficits. The board has the authority to use Florida Statutes 190.011(5) to adopt administrative rules and resolutions with respect to any

June 14, 2022

Rolling Hills CDD

projects of the district. Article 7 section 2 titled declarant's responsibility for deficits. I hope the board will take a substantial consideration for this option. Since we don't have a deadline we can create a special meeting if need to for more time for budget approval.

Ms. Buchanan stated I want to make a couple clarifications for the benefit of the room as a whole. It is important that we remember that the HOA and the CDD are separate entities. In this particular case, only the five board members are able to vote. This is not a vote by the community it is similar to a county commission.

Mr. Rhein stated not according to 190.006(5).

Ms. Buchanan stated I disagree with this and I will also tell you that our firm represents more than 200 community development districts and we have been doing this for 40 years. I want you to have questions, I appreciate your interest, but I don't think it is okay for you to misadvise the audience on things. I work with this every day and this is like a city commission, only the elected officials vote here.

The balance of the comments are summarized:

Being penalized by what happened in the past, unable to pay increase, request that all emails from the board and community talking about the CDD be put on the website, fixed income unable to pay increased assessments, new to CDDs whose interest is the board looking at, increased fees, disrespect at the pool, pool, security and disrespectful residents or non-residents, would like to see changes in security system, the key system, the gate, proposes a picture ID in place of the current system, Riverside Management contract, are there other bids for renewal of contracts, when something is on the agenda during audience comments you need to address it at that time, explain how the process will work with Riverside, why the builders that started the CDD are no longer responsible and it falls back on everybody else, I understand the original developer went bankrupt and left the deficit to the next community developer they absorbed the debt so why didn't they build the reserves, as a board have you exhausted all measures to figure out how to get capital from the state or the government rather than passing it on to us when it was not our fault when the developer was operating at a deficit, who here today is the lawyer representing the CDD or HOA, who represents us, I think there is an alternative method for funding these ideas by getting a loan or a bond, disagree with getting a loan or bond, charge the builders, get income from cellphone tower, capital reserve study was faulty, pool replacement went from \$199,000 to \$300,000, splash

June 14, 2022

Rolling Hills CDD

pool \$85,000. \$9,000 for flowers at the entrance is ridiculous, with the amount of space in the amenity center, can the community fund raise to offset these costs, Does the money for RMS include the lifeguards and janitorial, explain things, the trees need to be lifted so trucks can get through, convert a tennis court to a basketball court, non-resident use of the pool, outrageous pool quote look at other options instead of marcite, higher fence to keep the non-resident kids out of the pool area, pool resurfacing costs a lot and Clay High uses the pool do they compensate the district for that use.

Ms. Buchanan stated if the board would like I can go through a couple of things that were hit on. Given the number of new people in the audience it might be helpful for them to understand.

I am going to start at the beginning because I think it is important to know, this district was put into place in 2006 so even though you may not have lived here for 16 years, it has been here for 16 years, the pool was put in shortly after, so it was probably 2006/2007. It is unfortunately, an older pool and these are facilities that have been around for close to 15 years now. The community did not thrive for 15 years. As someone mentioned, the initial developer, who also did Eagle Landing, couldn't sustain the project and sold it to an investor from California. That investor owned all the land within the community and then appointed certain people to the board that were in the industry. Almost all those people have rotated off now and four of your five board members live here. They were appointed as resident representatives of the district. The developer from California while he held the property every piece of property he owned he paid assessments just like you pay assessments so they always contributed to the operation and maintenance and the debt.

There are two parts to your assessment, it shows up as one line on your tax bill and most of you probably pay a tax bill through your mortgages. The two components are the debt, which is a 30-year term probably started in 2006 but depending on which section of the community you live in it could have started later. There is O&M, which is what it costs to maintain and operate these facilities, that is the budget we are talking about tonight, that is a perpetual budget it will never be paid off. As long as these facilities are running there has to be money going towards the operation and maintenance of it. The debt has an end date, the O&M does not. When your salesman said the CDD assessments are almost done, salesmen over promise but they didn't explain that only the debt will be paid off, the O&M is going to be here forever.

June 14, 2022

Rolling Hills CDD

The CDD was responsible for the issuance of bonds as one of the gentlemen explained was an option; we did that initially and we used that money to fund the roads, the water, sewer, stormwater system and all of the amenities. The cost of the bonds was not sufficient to cover the cost of the improvements and that is the reason the first developer left, because he couldn't finish the improvements for the community. Every subsequent bond issuance has contributed more money towards the infrastructure, they are trying to issue bonds for the community, that money is going towards infrastructure that is new but not necessarily infrastructure that you see so it is going into stormwater pipes and more water and sewer pipes and roads and paving; it is not coming to the amenity because the amenity was put in place close to 15 years ago. That is why the district is talking about trying to figure out a way to fund the pool repairs. We paid for these improvements, we will continue to pay for the installation of these improvements, but we try to turn over the water, sewer and roads to the county, so they are responsible for the long-term operation and maintenance for those particular improvements. The county won't take the rec and they won't take the stormwater systems or landscaping. Those are the district's improvements and they will always stay with the district.

Ms. Buchanan outlined the platting process, the public records request process and stated the district is not like an HOA and we don't have to by law have a reserve fund, that being said, it is responsible to have a reserve fund because you have improvements that are going to require long term maintenance. We did pay for a reserve study, that are typically under \$5,000, so it is not something that there is going to be significant legal recourse for because it is a planning tool. In the last 18-months construction costs are probably 40% higher than they were. The board uses the study as a planning tool and they are balancing that against raising assessments every year and I think the board has made a decision to not increase assessments every year, although that may mean we are not meeting our reserve desires.

Ms. Giles explained in detail the purpose of the capital reserve study as a plan to set aside certain amounts of money so that when repairs are needed the money will be in place and that it should be redone every five years. The board has also asked GMS and Katie Buchanan and staff to look at other options and they looked at bonds but that wasn't a good option for this district. Once the board votes, the vote is final.

Ms. Buchanan stated I want to walk through the board process. At this point four of the five seats are resident seats and that means they have to live in the community to serve on this

June 14, 2022

Rolling Hills CDD

board. Per statute the most they get compensated is \$200 per meeting so this is close to volunteer work. The sunshine law in Florida prohibits board members from having conversations about CDD business outside of this kind of meeting. They can talk to each other about other things but if a decision on something is going to be made by the board, there really shouldn't be any outside communication. If you have a public records request, submit it to Marilee and she will distribute it to the person who would have the right records.

A resident asked why aren't emails in public records?

Ms. Buchanan stated when we say public records, that means they exist and they are available upon request. The website is abbreviated in the information that it provides, it has budgets, agenda packages, meeting minutes, and a little bit of background information about the district as well as the district's assessments. The reason we do that is because that is what the statute requires we put on the website. We also limit the information on the website because of cost issues. The Americans with Disabilities Act has a specific finding that because we are a government any information we put on the website has to be available to the visually impaired, that means the CDD has to pay what is a costly process to upload documents to convert them from a PDF to something that a visually impaired person can run it through a program and have it read out loud to them. That is the explanation as to why every piece of information isn't available on the website. If there is something that you want it is available, you make the request and we will assemble it and provide it to you if it exists.

I want to go through the process with the agenda. If you look on the website seven days prior to a meeting you are going to find the agenda package for the next board meeting available for your review. That means you get to anticipate and understand what the board is going to be discussing so that when you come to the meeting you can have informed comment in advance of them making a decision because at the end of the day this is your community, and these people are here to represent the community's interests. In November there will be seats that are going to be on your ballot, that means that just like how you vote for city, county, government officials, state and national officials, the CDD will have seats on your ballot. If you were interested in serving on the board you would go to the supervisor of elections office and sign up for it, then your name will appear and only the community members will be able to vote. It is truly the community's choice. The seats rotate every four years on alternating cycles and every two years there will be two or three seats up for election. There are three seats up this year.

June 14, 2022

Rolling Hills CDD

I want to explain the budget process so you understand. This is the proposed budget, it isn't the final budget we are adopting tonight. What we are doing is trying to establish a max so that we know that the assessments will not be higher than the amount approved tonight. When you come back in August and the board adopts the final budget it can be changed from what the board approves tonight so long as the assessments are not increased higher than disclosed tonight. Line items can be switched or the overall budget and assessment amounts can be reduced from what is proposed tonight. This is the night we talk about and shape what we think is the right answer for the proposed budget and then you have two months to review it, provide comments to Marilee or the board members and we will have a public hearing where we will open it up and the audience can address issues they have with the budget at the August meeting. The board then has the opportunity to further adjust it taking into account any comments they heard that struck a cord with them.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the April 12, 2022 Meeting and May 5, 2022 Special Meeting

On MOTION by Ms. Jordan seconded by Mr. Church with all in favor the minutes of the April 12, 2022 Meeting and May 5, 2022 special meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Series 2020 Project

A. Update Regarding Series 2020 Project

Mr. Hadden stated for the first phase of the 139 lots last week we finished the pavement, all the water lines are in and tested, all the gravity sewer lines are in and tested, storm is in and tested and the pond is finished, the roads are now finished. Clay Electric will start tomorrow pulling the wires through the conduits and they will be finished by next week. They are about halfway through with the lift station. We are hoping to have all that work finished by the end of this month.

B. Ratification of Requisitions 79-83

On MOTION by Ms. Jordan seconded by Mr. Miller with all in favor requisitions 79-83 were ratified.

June 14, 2022

Rolling Hills CDD

FIFTH ORDER OF BUSINESS

Series 2022 Project

A. Update Regarding Series 2022 Project

Mr. Schofield stated this relates to the 247 lot single phase portion of active development south of Bradley Creek from the 2022 bonds that were reviewed and approved for infrastructure installed last month, most of that being materials.

Two of the three ponds are complete, sanitary sewer is about halfway complete and installed, stormwater was started last week. Ponds and lots are largely rough graded and they are on or ahead of schedule.

B. Ratification of Requisitions 009-30

On MOTION by Ms. Jordan seconded by Mr. Church with all in favor requisitions 009-030 were ratified.

SIXTH ORDER OF BUSINESS

Consideration of Proposal from Riverside Management Services, Inc.

Ms. Giles stated this is not a new contract, it is the existing contract, this is a proposal for an increase in their services and to add a line for a facility assistant here at the amenity center. At this time Freddie works six days a week and this is to provide someone to help him. It is an 8% increase on each line and the facility assistant is added.

Mr. Oca stated we have to have another adult here, particularly on the pool deck. I had teenage girls and they have gotten bashed by the residents and kids. Two of them called me on the phone crying because of residents. Two board members witnessed two different incidents on the pool deck.

On MOTION by Mr. Riggs seconded by Ms. Jordan with all in favor the proposal from Riverside Management for fiscal year 2023 was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2022-09 Approving the Proposed Budget for Fiscal Year 2023 and Setting a Public hearing to Adopt (August 16, 2022)

June 14, 2022

Rolling Hills CDD

Ms. Giles reviewed the proposed fiscal year 2023 budget that included administrative, field and amenity center, the capital reserve fund and debt service funds and the proposed FY23 assessments.

Ms. Giles stated we sent out a request for proposals to 10 12 pool companies and received four or five back and the repairs range from \$250,000 to \$385,000. The pool does not need this repair until 2024 according to Jay and Freddie who have many years of experience with re-marciting a pool, and making small repairs to the pools. The supervisors asked what would it be if we did a one-time special assessment to every resident to cover the high end of that pool repair and that is what it would be, \$538 per household. The supervisors also requested that we look at instead of doing a one-time special assessment to run some scenarios with the capital reserve inputs right now, the first scenario is don't do the one-time special assessment, but instead increase the \$75,000 capital reserve input to just \$100,000 capital reserve input and if you change your capital reserve input from \$75,000 to \$100,000 those would be an overall increase in assessments of \$137 per household and will have in the capital reserve at the end of 2023 \$237,000 set aside for repairs and replacements. The second scenario the supervisors asked us to run was doing away with the one-time special assessment and increase the capital reserve contribution instead of \$75,000, \$150,000 into the capital reserve and that would be an increase per household of \$207 and would have \$287,000 in your capital reserve fund to go to towards the pool repair at the end of 2023. In 2024 you would repeat with another \$150,000 and that would take you up over \$400,000 at the end of 2024, which would give you enough money in your capital reserves to do the pool repair that is needed. I don't know what the cost of that pool repair will be in 2024, I don't know if inflation is going to go up or down but that course of action instead of the one-time special assessment and changing the capital reserve contribution to \$150,000 gets you closer. Jay and Freddie think you will make it to the end of 2024. Those are the courses of action that the accountant and I have run for you.

Ms. Buchanan stated in a nutshell you are looking at having option 1, which is all of your money upfront and a one-time \$585 assessment increase.

Ms. Giles stated option 2 is changing the capital reserve contribution from \$75,000 to either \$100,000 or \$150,000.

Ms. Buchanan stated I want you to understand that it is an \$11 per month increase for two years or \$17 per month increase for two years. Our lowest bid was \$250,000 and we don't know

June 14, 2022

Rolling Hills CDD

where pricing is going to go and we may want to have that little extra money \$6 a month difference might be worth it to be able to buffer the cost of the pool repair.

Ms. Jordan stated four years ago this board did not have residents on it and did not have reserves. David Church and I joined the board and we wanted to put money aside and started the reserve fund. We have to increase that to cover costs and that is what we are trying to do.

Ms. Giles stated the board had asked us to check into a bond and Freddie and Jay gave us a list of items that included that pool repair, playground equipment, irrigation, splash pad repair, a list of immediate gratification that came in at \$1 million and we presented that to the bank to see if we could have another bond and the answer was no, we already have numerous bonds against Rolling Hills. Your board asked us to consider all the avenues. How much money do you want to put in the capital reserve to build the funds to make that repair, to add those playgrounds, add irrigation to the back. Do you want to change it to \$100,000, \$150,000 they may say put \$200,000 in the capital reserve so we can get things done faster. They are trying to take into consideration that we all have an income that we have to live to they are taking into consideration everyone's income and what is best for the residents. I think I'm reading the board that they don't want to do the one-time special assessment. We are putting money into the capital reserve and prioritizing those repairs and replacements. We don't have enough money in there right now.

On MOTION by Mr. Miller seconded by Mr. Riggs with all in favor Resolution 2022-09 approving the proposed fiscal year 2023 budget as amended with an assessment of \$1,392 and setting a public hearing for adoption for August 16, 2022 was approved.

EIGHTH ORDER OF BUSINESS

Other Business

Amenity Policy Updates

Ms. Jordan stated we have an increased number of issues at the pool. We need to revise the policies, residents need to know their access is a privilege and not a right and they can lose it if they are disrespectful to our staff. We have lost three lifeguards because of abuse by residents.

Mr. Riggs stated issues we are having at the pool are: fighting between residents, mostly about the rules. What we are about to go over is new or things that is being cut out. Kids from other neighborhoods loitering outside the gate waiting for someone to leave to come in or a resident will let them in that leads to fighting.

June 14, 2022

Rolling Hills CDD

Ms. Giles stated every lifeguard has quit over the last two weeks, therefore the slide is closed.

Mr. Oca stated two of the lifeguards that quit are residents. They quit because of behavior at the pool.

Ms. Giles stated just to clarify, we do not have night swim.

Mr. Oca stated the kids that work here live here and they don't want to work here. At this point I would not hire my kids to work here. A lot of kids who live here bring in kids from other areas and that is the main issue. The new rules will say no one under 18 can have guests.

Ms. Giles stated Jay and district counsel made some recommended changes to the current policy. When rules are broken at the amenity center whether it is the gym, the pool, whatever it is, we have the option of a suspension. When a resident breaks a rule we can suspend them and that is something that Rolling Hills has never done, it is in your policy now as an option and it will be a shock the first time this board suspends a resident but if they break the rules, Freddie will email district counsel and me and that resident will be suspended and can come to the next meeting for a hearing and the board will listen to the resident and make a decision as to how long to suspend them. If they are suspended and the resident chooses to ignore that suspension you trespass them with the Clay County Sheriff's Office. It is not a threat to the residents but a tool that may help with some of these issues we have particularly around the pool deck.

Ms. Buchanan reviewed the present suspension provisions and the proposed suspension provisions that included an immediate suspension of amenity facilities for certain actions.

On MOTION by Ms. Jordan seconded by Mr. Miller with all in favor the amended suspension policy to include an immediate suspension of amenity privileges was approved.

On MOTION by Ms. Jordan seconded by Mr. Miller with all in favor the proposed amenity policies to include a person under 18 may not bring a guest to the pool were approved in substantial form and Mr. Riggs was authorized to work with district counsel to review the final draft to be presented at the August meeting.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

June 14, 2022

Rolling Hills CDD

There being none, the next item followed.

B. Engineer

1. Stormwater Needs Analysis (due June 30, 2022)

Mr. Hadden stated this is a 20-year projection of your costs for the stormwater system. You only own the ponds you don't own pipes or the roads. We have not had problems with failure of any of your ponds. Basically, you are spending about \$25,000 a year to maintain your ponds, most of that is mowing pond banks. I have put in a 10% escalator per year on the price. This report will be provided to the Clay County Board of Commissioners and they will include it with their countywide study and submit one report to the State of Florida.

Ms. Buchanan stated this is a study that is required by the state for the first time this year, we have to repeat this study every five years. It is submitted in an effort for the state to ensure that all local governments within the State of Florida have sufficient stormwater capacity.

On MOTION by Ms. Jordan seconded by Mr. Church with all in favor the stormwater needs analysis was accepted.

2. Public Facilities Report

C. Manager – Report on the Number of Registered Voters 773

A copy of the letter from the supervisor of elections indicating there are 773 registered voters residing within the district was included in the agenda package.

D. Operations/Amenity Manger

1. Report

Mr. Oca gave an overview of the operations report.

2. Monthly Quality Inspection Report

TENTH ORDER OF BUSINESS

Audience Comments

The following issues were brought up and discussed: rules for the pool, drugs, alcohol are not allowed, decide what the rules are, security firm, bridge repair, mosquito control, who to call

June 14, 2022

Rolling Hills CDD

when there is an incidents at the pool deck and Freddie is not around, need updated rules sign by the pool gate, not in favor of paying extra for visitors, speeding and reckless driving, speed bumps, CDDs can only do what is outlined in Chapter 190, RMS contract renewal, everyone pays O&M, pet waste on sidewalks, obtain pricing on pet waste stations, enforcement of rules, short term police presence, did the board look at any reductions to the budget, street tree maintenance is a responsibility of the county, can the meeting time be changed to 7 p.m., to have Zoom available costs, opposed to amount of money paid to Tree Amigos for the quality of service, contact staff with issues, no irrigation in some areas, when will RFPs go out for contracts.

ELEVENTH ORDER OF BUSINESS Supervisor's Requests

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet & Income Statement

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

B. Assessment Receipt Schedule

A copy of the assessment receipt schedule was included in the agenda package.

C. Check Register

<p>On MOTION by Ms. Jordan seconded by Mr. Miller with all in favor the check registers were approved.</p>
--

**THIRTEENTH ORDER OF BUSINESS Next Meeting Scheduled for August 16, 2022
@ 6:00 p.m. at Rolling Hills Amenity Center**

Ms. Giles stated the next meeting is August 16, 2022 at 6:00 p.m. at this location.

<p>On MOTION by Ms. Jordan seconded by Mr. Church with all in favor the meeting adjourned at 9:48 p.m.</p>
--

June 14, 2022

Rolling Hills CDD

DocuSigned by:

Marilee Giles

3B3269E1043B434...
Secretary/Assistant Secretary

DocuSigned by:

Shannon Jordan

85131D1FE04EACB...
Chairman/Vice Chairman