

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, August 16, 2022 at 6:07 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
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
Jay Soriano	Operations Manager
Joe Schofield	Align Engineer by telephone

The following is a summary of the actions taken at the August 16, 2022 meeting.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Giles called the meeting to order at 6:07 p.m. and called the roll.

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 was included in the agenda package.

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FORUTH ORDER OF BUSINESS

Approval of the Minutes of the June 14, 2022 Meeting

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor the minutes of the June 14, 2022 meeting were approved as presented.

FIFTH ORDER OF BUSIENSS

Series 2020 Project

A. Update Regarding Series 2020 Project

Mr. Hadden stated the 2020 project is 139 lots. The last thing to close out on Phase 1 is the lift station; the water, sewer and force main have been tested and approved. The fencing around the paved area will go up next week and then CCUA will do their final closeout and LGI anticipates closing on the first 14 lots at the end of this month. We are going to finish all the construction and they are buying the lots from the developer every cul-de-sac, about 20 lots and they will do one of those every quarter. We are keeping our project traffic along the eastern edge along the roadway project and trying to keep it clean in response to comments we have gotten from the folks in the community. We are making good progress, most of the earthwork is complete, still working on stormwater management, we started scheduling the electrical conduit for Clay Electric. Everything is moving forward very nicely.

B. Ratification of Requisitions 84-89

On MOTION by Ms. Bock seconded by Ms. Jordan with all in favor requisitions 84-89 were ratified.

SIXTH ORDER OF BUSINESS

Series 2022 Project

A. Update Regarding Series 2022 Project

Mr. Schofield stated on the series 2022, 247 lot subdivision is about two-thirds of the way through construction, slightly ahead of schedule and that is scheduled to be completed this year.

B. Ratification of Requisitions 31-47

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On MOTION by Ms. Jordan seconded by Mr. Miller with all in favor requisitions 31-47 were ratified.

Mr. Schofield left the telephone conference at this time.

SEVENTH ORDER OF BUSINESS Acceptance of Fiscal Year 2021 Audit

Ms. Giles stated it is a clean opinion, they did not identify any deficiencies in internal controls, there were no current or prior year findings or recommendations.

On MOTION by Ms. Jordan seconded by Mr. Church with all in favor the fiscal year 2021 audit was accepted.

EIGHTH ORDER OF BUSINESS Public Hearing Adopting the Budget for Fiscal Year 2023

Ms. Giles stated this proposed budget has an increase in assessments due to inflation and the capital reserve amount we proposing to set aside. The board has asked staff to look for any way to trim budget lines and staff trimmed seven lines and I sent that information to the board a few days ago. Under field operations, the landscape contingency line was reduced by \$5,000 and staff thinks you can reduce mulch from \$20,000 to \$15,000 and save another \$5,000 and irrigation repairs can be reduced from \$10,000 to \$5,000. Below that is miscellaneous that can be reduced to zero. Under amenity center repair and replacements is \$43,200 and staff thinks that can be reduced to \$40,000, below that is operating supplies budgeted for \$15,000 and we think that can be reduced to \$10,000 and there is a miscellaneous and we can zero that out. With those seven lines if the board approves those reductions that is a total savings of \$29,200 and would reduce the assessments to \$1,275 instead of \$1,309.

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

A resident asked is the \$1,309 in regard to the special assessment?

Ms. Giles stated I think the confusion is at one time the board discussed a one-time special assessment and decided against the one-time special assessment of \$300. What you see on the

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agenda and in your letter is the resolution and that resolution has the same two words, special assessment.

Ms. Buchanan stated in your letter the amount was \$1,392, which is essentially the \$1,309 plus the collection costs.

Ms. Giles stated the net assessment is \$1,309 and it has been grossed up for collection to \$1,392. We take it one year at a time and unlike the military it is not a use or lose budget; any money left over at the end of FY22 goes into what we call carry forward surplus. Any of the money the residents have paid in 2022 that doesn't get used for a specific line item, rolls over. The accountant places it in the capital reserve line, kind of like a savings account. Think of the capital reserve as a savings account so that when we need a new roof or the pool has to be fixed or we are in a good position to buy playground equipment we have that money in the capital reserve.

A resident asked is there going to be another increase?

Ms. Jordan stated we did a capital reserve study so we could determine how much money to put in the capital reserve.

Ms. Giles stated we put a copy of that on our website after the last CDD meeting. It goes out to 2040 and it is just a guide. I believe we recommend that every five-years we update this study.

A resident asked what qualifies as certain developed properties? That is how the letter read.

Ms. Jordan stated all the lots get 100% O&M, whether it has been built or not. The developer is paying the same assessment.

A resident asked I know you said you were saving \$29,000 but what are we losing by doing that?

Mr. Soriano stated landscape contingency is used for the extra projects, the last one was at the front entry. We took a few thousand each from those lines and that was in response to comments from the residents that it was a high increase, what can we save.

Ms. Giles stated we worked closely with the accountant on this because she pays the invoices. Remember the columns on the budget, the actual column through July 31st and based on all the invoices thus far throughout the year projected and based on the invoices what she thinks that budget line is going to end at, at the end of September.

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Ms. Cormier asked on the budget on the field part where it says repairs and maintenance and after 2022 we have \$40,000 budgeted and they only spent year to date and projected through September is \$17,000 so the extra amount of money is going to roll back into the budget unless there is a different project you decide to spend that is not anticipated. Is that money being considered in the budget because that extra went back into the capital reserve?

Mr. Soriano stated I generally try to not cut too much from repair and reserves.

Ms. Cormier stated not cutting, but not being used.

Mr. Soriano stated it does go into the carry forward and we can use it. It will increase your capital reserve right now.

Ms. Giles stated overall those add up to be the general fund account. The general fund account is whole with all these parts and pieces under it. The carry forward money is part of the general fund account, the capital reserve is part of that general fund account.

Ms. Cormier stated with the \$29,000 you cut, having that extra \$10,000 that didn't get spent could almost lower the fees a little bit.

Mr. Soriano stated you are talking about lowering the increase. Right now, that is going to be taking away from the capital reserve. That is a different discussion when we talk about how much you want to put aside for the capital reserve. We can fill it different ways, whether it is filled with savings or whether it is filled with actual assessment dollars assigned to get to that \$25 per month because our original was much lower than that and that hit the minimal money being put into the capital reserve.

Ms. Cormier stated the same with the lifeguards, we didn't spend as much this year. That money that is not being spent.

Mr. Soriano stated it is the same thing. There are a couple ways to look at that too. We are not going to bring the budget line down which is good so we don't have to watch that budget line next year. With lifeguards those hours are planned, the only reason we saved is because we lost our lifeguards. If you start taking away from the capital the concern is we don't want to be here next year saying we need another \$15 a month or anything like that.

Ms. Cormier stated I want to know if a portion of that money would be used to lower the amount of the increase.

Ms. Jordan stated if you take that money and save it in your fees then next year when we need to spend the money it didn't go into reserves and we have to raise the fees again.

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Mr. Soriano stated she is saying instead of putting \$75,000 into capital reserves, use \$10,000 of that to reduce the monthly increase. One reason I feel comfortable is we do have a big capital reserve and we see savings, but there are things that need to be fixed but we don't want to spend the money because we don't have enough money right now. We are trying to build the capital reserves for future repairs and replacements.

A resident asked when it comes to budgeting who is doing it, the staff or the board?

Ms. Giles stated it is a collaborative effort.

Mr. Soriano stated they see everything, but we are the ones who have to go through the bills and deal with the vendors.

A resident stated this is only a yearly plan. Why isn't there a 3-5 year plan?

Mr. Soriano stated the Capital reserve study is a long-term plan. Your O&M is based on just that year. An outside firm comes in and looks at our facilities and they give us a plan year by year of that they think will need to be replaced and when it will need to be replaced.

A resident asked how do we as residents see the quote you have for things such as the pool marcite?

Mr. Soriano stated this was a bid to get numbers. We didn't have the money to have it done, we just got numbers so that we could inform you.

Ms. Buchanan stated the construction threshold is above \$400,000, goods and services is \$190,000.

Mr. Soriano stated this was not a formal RFP, it was just to get numbers.

A resident asked aren't all bids public knowledge? Shouldn't we have the right to see the bid?

Ms. Buchanan stated yes, once it is opened and awarded it is public knowledge.

A resident stated at the last meeting you talked about a \$10 and \$17 increase and those were not fully explored before we went to the \$25. I challenge the board to give the residents due justice and explore those options.

A resident asked is there a budget for streetscape?

Ms. Jordan stated that would be in the landscaping.

A resident stated when the replacement of a sign was done it was very different than anything in here.

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Mr. Oca stated the county issued the new ones. The ones prior to that were all custom made.

A resident stated on the bottom of page 2 where it has the planned lots. When you take the \$1,027 that has been paid on 375 homes and subtract what the developer is going to pay at 75% of the \$770, you get about \$200. When you multiply that by 386 homes in the past two years when they only paid 75% it is roughly \$200,000. Why was the developer allowed to save and only pay 75% on the unplatted lots all these years?

Ms. Jordan stated unplatted lots are not using the pool or the gym. We recently increased it to 100%.

A resident stated they sold to Garden Street and they are paying 100%. Why did the developer only pay 75%?

Ms. Buchanan stated Garden Street is actively building and platting so their development horizon is very short. While the developer didn't pay assessments, the Common Bond Group did contribute to the budget frequently with developer contributions through funding agreements. They didn't pay the same assessment but typically if we were short in any budget year Common Bond had to pay the difference.

A resident stated this is the same developer who didn't develop the parks for us.

Ms. Buchanan stated you have had several developers. Keep in mind this was originally an East West community that defaulted then Common Bond came in and bought the deal in default and they have sold to various builders including Garden Street.

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

A. Consideration of Resolution 2022-10 Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year 2023

Ms. Giles asked based on the comments received from the residents, comments from staff about those particular line items, is there any guidance from the board to staff as it pertains to the budget for fiscal year 2023?

Ms. Jordan stated I know you were able to find a significant savings, but I think while \$25 a month is okay for some residents it is not for others, I think we need to lower that back to the \$17.

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Ms. Giles stated the changes I went over were just those seven line items, but anticipating the board would ask for a reduced amount, I did run those numbers with the accountant and including those seven line items the \$29,200, and if you reduced it from \$25 to \$17 the assessments would be \$1,193 net and that is grossed up to \$1,269 for the county.

Mr. Miller stated when I made the motion to increase it, it was contingent on reducing it down once we were able to look at the budget. At that time if we did not put that figure in and found we were running short, we could not raise it. I agree we need to lower it.

Mr. Church stated I don't think we get to where we need to with that \$17.

Ms. Jordan stated I think we do.

Mr. Church stated the first thing we are talking about is a basketball court and we haven't even thought about that. I think we are close, but I don't think that extra \$6, maybe go \$20 and still put more in the bank.

Ms. Jordan stated I am not against a basketball court, but the basketball court is the farthest thing on my mind because this amenity center has tennis courts, bound ball, a pool. I think parks need to be done before a basketball court. I don't think we would be in a bad position lowering it to \$17.

Mr. Riggs asked what if the pool comes in at \$350,000 then we are going to raise everybody again next year to make that money up? You are going to be in the same position.

Ms. Jordan stated by the time we get to pool replacement we will have over \$400,000.

Ms. Giles stated on page 179 is the capital reserve and it shows currently you have \$137,000 and we still have to move \$75,000 for fiscal year 2022 and that totals \$212,000, and at the end of 2023 it will be \$430,000.

Mr. Soriano stated we would have enough in 2024 to do the pool, but that is at the \$25.

Ms. Giles stated I did run the numbers with the \$17 for the capital reserve and with the \$25 you are looking at \$430,000 and at \$17 it will end at \$372,000.

Mr. Soriano stated you are definitely cutting it a lot closer.

Mr. Riggs stated I would rather have the extra money there and we can say let's build a park instead of saying where are we going to get another \$120,000, let's increase fees another \$15. I'm trying to level it off. I don't want to raise it, I pay just like everybody else, but I think it is the smartest thing to do. Just like this roof, you are going to be lucky to get two years out of it, one storm will take it off and where is the money going to come from.

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Ms. Jordan stated insurance. The \$300,000 we are budgeting for is the highest.

Mr. Riggs stated I would still like to have extra funds in our reserve instead of trying to fight it every year for more money. \$300 a year is a half a tank of gas, it is not a lot of money. You know what you are getting into when you get into a CDD, especially one that struggled for so long, not raising fees.

Ms. Bock asked shall we call for a vote on this?

Ms. Giles stated that is an option. I was just waiting to give the board a chance to talk. This is the board's opportunity to talk through it, I don't want to rush that, but you don't have to agree, it just has to be the majority.

Mr. Riggs stated it is also property values. You should also be concerned about the equity you have in your home. This touches a little bit of our facilities but also touches HOA stuff. Your property values from the feedback we are getting, houses are starting to not sell in this neighborhood and the feedback is we are moving into a CDD neighborhood because we want a quality level but we are disappointed in the neighborhood so we are looking somewhere else. People buy into an HOA/CDD neighborhood because they want it to be kept up, they want their property values to be more, they don't want to have to worry about their neighbors and they don't want to worry about the facilities. That is why our values are higher here generally than anywhere else with the condition of some of the homes in the neighborhood and if this keeps letting go any further it will result in declining property values. Part of putting that \$25 towards getting everything up that is what make the difference of \$50,000 to \$100,000 when you sell your house.

Mr. Miller stated I see both sides but we have to be practical because everything that is hitting us in inflation is hitting every one of us in the pocketbook. The price of gas is dropping but it is going to go up. Utilities and taxes are going up. I recommend taking it back down to \$17.

Ms. Jordan stated I second that.

Ms. Bock stated I think Nate's points are very well said. This neighborhood is what it is and it is our obligation to make it be the best it can be under the circumstances. I would say we need to go with the higher number.

Ms. Buchanan stated if there is a motion to approve the budget, in the agenda package is the one we proposed initially without the reduction, without any of the seven line items adjusted.

Ms. Giles stated correct.

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Ms. Buchanan stated if there is a motion on the table for the budget in your agenda package, my understanding is it is the same budget that was approved previously and includes a \$25 a month increase. Is that correct?

Ms. Giles stated correct.

Ms. Buchanan stated that at least gets you started with your approval. I get the sense that you have a 3-2 vote here.

Mr. Church moved approve Resolution 2022-10 reducing the proposed budget by the seven line items totaling \$29,200 and Mr. Riggs seconded the motion and on voice vote with four in favor and Ms. Jordan opposed the motion passed.

Ms. Giles stated that will be an assessment of \$1,275.

B. Consideration of Resolution 2022-11 Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2023

Ms. Buchanan stated the second resolution is the imposition of the levy of special assessments to fund the budget. The one thing I will point out is that it does contemplate that at this point all the operation and maintenance assessments are going to be collected on the tax roll; there will be no more direct collect for this district. Section 2 authorizes the imposition of the assessments, section 3 specifies that they are going to be collected via the roll and section 4 directs Marilee’s office to prepare the tax roll and authorizes them to make adjustments as necessary for any updates in accordance with Florida Law. Once Marilee completes the assessment roll, we will attach it as an exhibit to this resolution for the district’s records.

On MOTION by Mr. Church Seconded by Ms. Bock with all in favor Resolution 2022-11 was approved.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

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Ms. Buchanan stated just to apologize to the board I know I was tasked with working on some updates to the policies and that did not happen. I will make sure that I bring them back to the next meeting.

B. Engineer – Public Facility Report

Mr. Hadden gave an overview of the public facilities report.

On MOTION by Ms. Jordan seconded by Mr. Miller with all in favor the public facilities report was accepted.

Mr. Hadden stated things are progressing on the cell tower, it is a 50-year lease at \$2,500 per month and I am waiting on the documents. That is \$30,000 per year for 50-years.

Ms. Giles stated once he has the documents, he will bring them back to the board and as with any other lease, Katie’s office will review that and we will enter into an agreement with them. It will have sufficient legal review.

C. Manager – Discussion of Fiscal Year 2023 Meeting Schedule

On MOTION by Ms. Jordan seconded by Mr. Riggs with all in favor the proposed fiscal year 2023 meeting schedule was approved as amended, reflecting meetings on October 11, 2022, December 13, 2022, February 21, 2022, April 11, 2022, June 13, 2022 and August 15, 2022 in substantial form.

D. Operations/Amenity Manger

1. Report

Mr. Oca gave an overview of the operations report.

Mr. Soriano updated the board on his research on access control.

2. Monthly Quality Inspection Report

Staff did a walk through with Tree Amigos.

ELEVENTH ORDER OF BUSINESS

Supervisors Requests

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Other items discussed: Every resident has an opportunity to talk with a supervisor one on one and an opportunity to run for the board, Facebook is not a good way to communicate, national night out was a big success, resident committee planning parties and fundraising options, back pond needs to be looked at, possibly build a dock at the pond by the amenity center.

TWELFTH ORDER OF BUSINESS Audience Comments

Other items discussed: Suggested game night, fund other activities at amenity center, programming parameters, non-profit mentoring, need for parks, limitations on use of amenity center, repair or repurpose waterfall.

THIRTEENTH 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

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor the check registers were approved.

**FOURTEENTH ORDER OF BUSINESS Next Meeting To be Determined @ 6:00 p.m.
at Rolling Hills Amenity Center**

Ms. Giles stated the next meeting is October 11, 2022 at 6:00 p.m. at this location.

On MOTION by Ms. Jordan seconded by Mr. Riggs with all in favor the meeting adjourned at 8:27 p.m.

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Rolling Hills CDD

DocuSigned by:

Marilee Giles

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Secretary/Assistant Secretary

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Chairman/Vice Chairman