

MINUTES OF MEETING
HERITAGE PARK COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Heritage Park Community Development District was held on Thursday, March 21, 2019 at 1:00 p.m. at the Heritage Park Amenity Center, 225 Hefferon Drive, St. Augustine, Florida 32084.

Present and constituting a quorum were:

Ken Kinnecom	Chairman
Robert Curran	Vice Chairman
Joanne Wharton	Supervisor
Mark Masley	Supervisor
Thomas Ferry	Supervisor

Also present were:

Jim Oliver	District Manager
Carl Eldred	District Counsel <i>(by phone)</i>
Jenny Urcan	District Engineer <i>(by phone)</i>
Brian Stephens	Riverside Management Services
Candy Radford-Baxter	HOA-Onsite Administrator
Residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 1:00 p.m. All Supervisors were present.

SECOND ORDER OF BUSINESS

Public Comment

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the January 17, 2019 Meeting

The District Manager noted the misspelling of Mr. Masley's name on page 1.

On MOTION by Ms. Wharton seconded by Mr. Masley with all in favor the Minutes of the January 17, 2019 meeting as amended were approved.

FOURTH ORDER OF BUSINESS

Acceptance of the 2018 Arbitrage Rebate Report for the Series 2013 Bonds

Mr. Oliver stated because the District’s special revenue bonds are tax exempt, the issuers could not use the construction fund proceeds for investment purposes. The reason the bonds were issued was to build infrastructure with public funds, which was what happened here at Heritage Park.. Periodically, the Internal Revenue Service (IRS) may select a few Districts for audits to ensure there is no over-earning on bond proceeds intended to fund construction. On Page 4, at the very bottom, the auditor says, “Based upon our computations, no rebate liability exists.” So, we don’t have to make a payment to the IRS. That is the purpose of this.

Mr. Kinnecom stated I was worried we owed some money.

Mr. Oliver stated that’s what we don’t want. Interest rates have been low for so long where we don’t have to worry about that. However, the rebated calculation report documents our efforts to remain compliant.

On MOTION by Mr. Kinnecom seconded by Mr. Curran seconded with Mr. Ferry, Mr. Masley, Mr. Kinnecom and Mr. Curran in favor and Ms. Wharton abstaining, accepting the 2018 Arbitrage Rebate Report for the Series 2013 Bonds was approved. (Motion Passed 4-1).

Ms. Wharton stated she understands the purpose of this report, but the narrative within the report did not clearly explain the interest schedules and rebate calculations.

Mr. Oliver stated the most important thing is this is based on the 2013 bonds and interest rates have been floating at 1% or lower. It was only a couple of years ago that the board was lucky to get .5% on our earnings.

Ms. Wharton stated she can understand what it’s for, but she cannot say “aye” for interpreting it.

Mr. Oliver stated I understand.

FIFTH ORDER OF BUSINESS

Consideration of an SBA Account for the Capital Reserve Fund

Mr. Oliver stated another item that has to do with interest rates is an SBA Account for the Capital Reserve Fund. Just to set this up, if you look at the Balance Sheet, you have roughly \$121,000 in the Capital Reserve Fund. So, we want to get the best earnings we can for the District, but these are public funds and the State of Florida requires public funds be deposited with certain qualified depositories. With public funds, you must provide for the safety and liquidity of the funds to meet ongoing obligations. The third factor to consider is yield or return.

We can't take undue risk with these public funds. For many of our Districts, surplus funds are deposited with Florida Prime. Florida Prime is administered through the State Board of Administration (SBA), which is a State agency that handles public funds for many counties, cities and other governmental entities throughout Florida. It is recommended because you would get a competitive yield, while still meeting liquidity and safety requirements.

Mr. Masley asked what the rates are. Mr. Oliver responded Teresa included a spreadsheet in the agenda package with the rates. He noted they are incredibly low right now so they recommended depositing your money with the SBA.

On MOTION by Mr. Kinnecom seconded by Mr. Masley with all in favor establishing an SBA Account for the Capital Reserve Fund was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Eldred stated it has been a quiet couple of months from a legal front, which is good news. He reviewed the legislature currently in session in Tallahassee that they are monitoring for potential impact on the CDD. He noted they should be receiving their weekly update via email to give an overview of things that are going on and some of the bills that are out there. At the next meeting, he noted he will give the board an overview of what has passed. He stated he will keep the board up to date and if there is anything they need to know prior to the next meeting, he would convey that information to the Board.

B. Engineer

Ms. Urcan had nothing to report.

C. Manager

Mr. Oliver stated they are gearing up for the FY 2020 budget season. At the May meeting, he will bring a Proposed Budget to the Board. Once the board approves it, at the same time they will set a public hearing date before adopting the budget. Typically for this District, they do it at the July meeting, which is July 19th. He noted he doesn't see anything that would indicate any change in assessment levels that have held steady since this Board has been together.

D. Operations Manager - Report

Mr. Stephens stated all of the fountain timers have been adjusted for Daylight Savings Time. On Pond 1400 a new controller was installed on one of the two fountains in that pond. On Pond 1300, a new Ground-fault Circuit Interrupter (GFCI) was installed on the fountain. It was tripping so we had to replace it. The pump for the fountain in Pond 700 is being repaired as we speak. There was some delay because that is one of the original fountains from way back when and parts were not readily available because it is such an old pump, but they were able to finally get the parts. Two new parking and gas signs were installed by the lift station on East Red House Branch Road.

SEVENTH ORDER OF BUSINESS

Audience Comments

A Resident noted they weren't sure what pond is behind their house, but the pump has been down for a few weeks. Mr. Stephens asked if they live in the Villas? The Resident responded yes. Mr. Stephens stated it is Pond 700, and it was being installed during the meeting. He noted he looked at it before he came to this meeting.

EIGHTH ORDER OF BUSINESS

Supervisors Requests

Mr. Kinnecom stated after a period of 11 months and three weeks, I was able to get Florida, Power & Light (FPL) to relocate the light pole. Ms. Wharton stated that never would've happened without him being involved. All of his hard work and perseverance in taking care of that is greatly appreciated. Mr. Kinnecom thanked Ms. Wharton.

Ms. Wharton stated Ken would be happy to know that the Muscovy ducks are in her pond too now. Mr. Kinnecom stated it's interesting because at one time, he counted 15 and then one day there were only 8, but there was a report and some questions that somebody found two of the Muscovys not standing on their feet. Their feet were up in the air. The question that came to him was whether the CDD put anything in or around the ponds to kill the Muscovys. We would not have done anything like that. If they were to do something, the ducks would be trapped and relocated properly.

Mr. Ferry stated he noticed that the population on his side was originally five or six and now it's down to three. They are grazing on people's lawns and if they are going to be exposed to any chemicals, there's a good chance of it coming from there.

A Resident noted it is mating season, and they are very aggressive during mating season. They could've killed one another. Mr. Ferry stated when he asked that question, Ken responded back that a homeowner's dog was bitten by a Cottonmouth.

Mr. Kinnecom noted that was his next-door neighbor. Mr. Kinnecom stated two days ago, the big duck that they refer to as "Big Red" was fighting. They are aggressive and fight among themselves. Their wings are heavy duty weapons that the ducks use to beat each other. Their diet primarily is mosquitos and insects. That's why you see them all around lawns getting insects or worms. That's what they love to eat. You will see them grazing all over the place and that's what they are getting. So, in a way, it's a benefit to the homeowners to cut down on bugs in their yard.

Ms. Wharton stated they are probably also keeping snakes away because snakes don't like the activity of animals. In Florida, there are a lot of reptiles.

Mr. Kinnecom stated there was a Muscovy nest in some bushes that had a few eggs. A couple of days later, they were gone. What they do is relocate them into a better safe harbor. They want to get nestled and hide. So, they are not a big problem other than they don't look great.

Ms. Wharton stated she would like to bring up the debris they paid to have cleared away from the trails, but then Yellowstone dumped a bunch of debris there. That's going to be taken care of with the HOA, not us.

Mr. Kinnecom stated he thinks they are going to see more attention to the maintenance in those common areas because the HOA Board has made some good designations of responsibilities to each individual board member.

Ms. Wharton stated the bridges were just power washed and look fabulous.

NINTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet and Statement of Revenues & Expenditures

Mr. Oliver noted in the agenda package is the Unaudited Financial Statements through February 28, 2019, which is five months into the fiscal year. There were no unusual variances according to the Income Statement.

B. Assessment Receipt Schedule

Mr. Oliver stated they received another distribution from the Tax Collector on March 19th so they are now at 96% collected. He noted they will be fully collected at the end of this year. Mr. Kinnecom noted that is good.

C. Approval of Check Register

Mr. Oliver stated behind Tab C is the Check Register for Board consideration.

Ms. Wharton stated where you have assessments at 96% collected, that was not reflected on the report. Mr. Oliver provided an updated assessment receipts schedule. Mr. Oliver stated staff compiled this agenda packet about a week ago, prior to our latest receipts from St. Johns County..

Ms. Wharton noted that is fabulous. She stated she knew they were close, but I didn't know how close.

On MOTION by Mr. Kinnecom seconded by Ms. Wharton with all in favor the Check Register was approved.
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TENTH ORDER OF BUSINESS

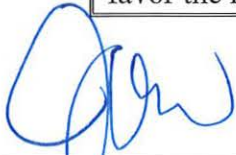
Next Scheduled Meeting – May 16, 2019 at 1:00 p.m.

Mr. Oliver stated the next scheduled meeting is May 16, 2019 at 1:00 p.m. He noted they will distribute the Proposed Budget to the Board and set a public hearing for adoption of the budget in July.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Curran seconded by Mr. Masley with all in favor the meeting was adjourned.



Secretary/~~Assistant Secretary~~



Chairman/~~Vice Chairman~~