

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 15, 2018 at 1:00 p.m. at the Heritage Park Amenities Center, 225 Hefferon Drive, St. Augustine, Florida 32084.

Present and constituting a quorum were:

Ken Kinnecom	Chairman
Mark Masley	Vice Chairman
Joanne Wharton	Supervisor
Rodney Philbrick	Supervisor
Robert Curran	Supervisor

Also present were:

Jim Oliver	District Manager
Carl Eldred	District Counsel (by phone)
Jenny Urcan	District Engineer
Brian Stephens	Riverside Management
Stephen DuBois	Riverside Management
Ernesto Torres	Assistant District Manager, GMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 1:00 p.m.

SECOND ORDER OF BUSINESS

Public Comment

No members of the public were present.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the January 18, 2018 Meeting

On MOTION by Mr. Kinnecom seconded by Mr. Masley with all in favor the Minutes of the January 18, 2018 meeting were approved.

FOURTH ORDER OF BUSINESS

Acceptance of the Fiscal Year 2017 Audit Report

Mr. Oliver stated a copy of the audit report is located in the agenda package. It is a clean audit. You will see the auditor's opinion states, "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2017, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America." Over the next several pages there is discussion and analysis, and that is followed by the annual financial statements. After that, you will see the notes to the financial statements, which goes into more detail. On Page 23 you will see the section on Internal Controls, if you will look at the 4th paragraph, you will see that the auditor writes, "...during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses..." On Page 25, you can see the auditor's report on compliance, which is required by the Auditor General in the State of Florida, "In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2017." Next is the management letter, Page 26. The purposes of the letter are to have current year findings and recommendations, status of prior findings and recommendations, and compliance with provisions of the Auditor General. For current year findings and recommendations, there are none. Last year there were none. Of the compliance items, No. 6 is the most important. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes. That means there are no emergency financial conditions. We will post this to the website, and it will be provided to the Auditor General. The due date is June 30.

<p>On MOTION by Ms. Wharton seconded by Mr. Philbrick with all in favor the audit report by Grau & Associates for FY ending September 30, 2017 was approved.</p>
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FIFTH ORDER OF BUSINESS

Discussion of Landscape Maintenance RFP Process

Mr. Oliver stated right now you have an agreement with Yellowstone. That is scheduled to expire in November 2018. It is not pressing right now. The contract amount is \$35,000, which is relatively small for these large communities. You are not required to go through the

process. You can certainly go out for proposals just as a check to see that you are getting good pricing. From what I understand, they are doing a good job.

Mr. Kinnecom stated we have learned from the past, so I think we should just renew when the time comes.

SIXTH ORDER OF BUSINESS

Update Regarding Streetlights

Mr. Kinnecom stated the change out of the 147 lights into the LED type with the transponders may be underway. I believe it is next week according to the contractor's schedule with FPL.

Mr. Stephens spoke about the lights for the two speed humps. The conduit is in, and the handholds are in, so all FPL requirements have been taken care of. It is now up to FPL to actually put the lights in. Installation is anticipated to be completed by the end of the week. They will be direct bury lights as opposed to bolting into a footer.

SEVENTH ORDER OF BUSINESS

Fiscal Year 2019 Guidance and Process

Mr. Oliver stated we have kept assessments low for a long time. You have been able to maintain adequate reserves, so I don't know if there is any additional guidance the board wants. I don't know of anything on the horizon that you want to build additional funds for. The process is we are required by Florida Statute to approve a proposed budget by June 15 of each year and then have a public hearing no sooner than 60 days after that to adopt a budget, certify an assessment roll, and then we provide the assessment roll to St. John's County by September 15. We have this all in front of us. What we typically do at the May meeting is approve the proposed budget, which is really just a statutory requirement to start the process, and over the next couple of months we will refine that. The budget will then be presented for adoption. That will be at our August meeting. Once we do that, we will turn in the assessment roll to the tax collector, and those assessments will be included on the tax bills that go out November 1. For several years we have kept assessments at the same levels.

Mr. Kinnecom stated my feeling is we should just continue as we have been doing. We are comfortable with our financial position, and everything is good.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Eldred stated it has been relatively quiet from a legal standpoint. The legislative session has concluded for this year. Very few bills passed that would impact Districts, and those that did pass do not impact this District.

B. Engineer

Ms. Urcan stated she had nothing new to report.

C. Manager

Mr. Oliver stated there is a copy of a letter in your agenda package from US Bank. They serve as Trustees a majority of Districts in Florida, and what they have done is notify us that their Trustee Fee is going from \$3,750 for this particular bond issue to \$4,125. They have not had an increase in a number of years, and this is consistent with what we are seeing in other Districts.

On MOTION by Mr. Kinnecom seconded by Mr. Masley with all in favor the rate increase from US Bank for Trustee fees was approved.

Mr. Oliver stated this will be incorporated into next year's budget.

D. Operations Manager

Mr. Stephens introduced Stephen DuBois who is a new employee with Riverside Management. He will be taking care of aquatics – lifeguards, pool management, etc. He is with me today seeing some of the facilities that we maintain.

Mr. Stephens continued with his report. The tree debris created by Hurricane Irma clean-up has been chipped back into the natural area. Fountain in Pond 500 has been repaired and back up and running. Conduit for speed hump lighting has been finished, and FPL said it would be the end of this week for installation of the lights.

Ms. Wharton asked on the debris chipping, what areas did they say they completed?

Mr. Stephens responded the trails.

Ms. Wharton stated they did a portion of the trails, but the trails have not been completed.

Mr. Stephens stated if it was old debris, they were not supposed to chip any debris that was already there. It was only the debris that created with hurricane clean-up, and I do know it was a bunch of tree debris that was done and got pushed off to the side prior to Irma. That was not part of their proposal.

Ms. Wharton asked at a prior meeting, hadn't we increased the budget and increased their payment to include that as well?

Mr. Stephens responded we could, yes.

Ms. Wharton stated no, we did.

Mr. Stephens responded what I am saying is that money was available if you want to go that route. You had pre-approved me to approve it. So if you definitely want to go beyond what is done now, then I can continue with it.

Ms. Wharton stated to my knowledge, they all did not finish. They did a great job from Point A to Point B, but they did not at all do Point B to Point C. I walk that section of the trail every day, and I never saw any chipping whatsoever go on in that area. They may have assumed that was all from the prior, and a lot of it is. I am a little concerned because we are approximately 6" below our water for this year, and they have already said there is some concern about a fire danger. I really do want to get this stuff up. I thought we had approved this at a prior meeting to go ahead so they would chip up both sections of debris from both hurricanes. The other one was Matthew I think. I just want to make sure that all the other board members agree with that. What was the additional amount we had agreed to? Was it approximately \$3,000 or \$4,000?

Mr. Curran stated it was just under \$3,000.

Mr. Kinnecom stated yes, let's get it all cleaned up once and for all.

Ms. Wharton stated I would like to go ahead and pay them for what they have completed, and I would like them to continue.

Mr. Stephens stated that would be a separate proposal.

Mr. Oliver stated let's just get it coordinated.

Mr. Kinnecom stated on Tuesday he had an inquiry about irrigation at Pond 1700. My recollection is both Pond 1700 and 1800 have irrigation of the banks.

Mr. Stephens responded yes.

Mr. Kinnecom stated whoever called the office thought the timer was off. Could you check?

Mr. Stephens responded it may be because of Daylight Savings Time.

Ms. Wharton asked for Pond 700, did they finish that last group of sod? It looks like there is still a section.

Mr. Stephens responded there is. It was actually going to go in now, but we decided to push it back a few more weeks just to be safe. I think the sod is holding up well and will be just fine.

Mr. Kinnecom stated the week of March 26, on Woodlawn there will be a very extensive paving operation with lane closures that may last longer than typical two or three minutes. There will be extensive paving between Lewis Speedway and Heritage Park Drive. Be prepared to either avoid the area or be prepared to sit and wait.

NINTH ORDER OF BUSINESS

Audience Comments

No members of the public were present

TENTH ORDER OF BUSINESS

Supervisors Requests

There were no supervisor requests.

ELEVENTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet and Statement of Revenues & Expenditures

Mr. Oliver stated the unaudited financials in the agenda package are through February 28, 2018. Your Capital Reserve Fund is at \$120,000. There are no unusual variances on the income statement.

B. Assessment Receipts Schedule

Mr. Oliver stated through the end of December you are 95.53% collected.

C. Approval of Check Register

Mr. Oliver stated included in your agenda package is a check register in the amount of \$39,461.69.

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

TWELFTH ORDER OF BUSINESS

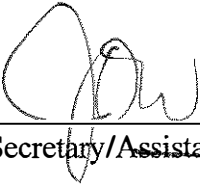
Next Scheduled Meeting

Mr. Oliver stated the next scheduled meeting is May 17, 2018 at 1:00 p.m.

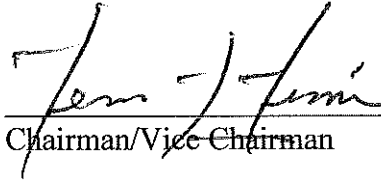
THIRTEENTH ORDER OF BUSINESS

Adjournment

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



Secretary/Assistant Secretary



Chairman/Vice Chairman