

MINUTES OF MEETING  
HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Heron Isles Community Development District was held on Thursday, May 5, 2016 at 10:30 a.m. at the Compass Group Conference Room, 961687 Gateway Blvd., Suite 201M, Amelia Island, Florida.

Present and constituting a quorum were:

Greg Matovina	Chairman
Ricky Rowell	Vice-Chairman
Don Lyons	Supervisor
Kathleen Blessing	Supervisor
Justin Blessing	Supervisor

Also present were:

Dave deNagy	District Manager
Jason Walters	District Council (by phone)
Cheryl Graham	Leland Management

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. deNagy called the meeting to order at 10:36 a.m.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

Ms. Jennifer Rodriguez asked who do we need to talk to about our cable service in Heron Isles? How can we get another provider?

Mr. Lyons stated you can't. We have gone down that road. Mr. Matovina has talked to Comcast, but the problem is that because Hot Wire has already put the infrastructure in there, any other company that comes in, they don't want to be responsible for possibly cutting the infrastructure from the other company. So they want a freebie on any damage they do, and of course they can't do that. There has not been another work-around that has come up yet.

Mr. Matovina stated if it were me, I would probably look into satellite Internet, which works very well in my mountain home. I don't know whether it will work well here. I would look into Dish for the TV. We have tried and tried to get AT&T and Comcast to come into the

neighborhood, and they just won't do it. They refuse. I tried for three years with Comcast. We have trouble enough getting them in brand new neighborhoods where there is no provider.

Mr. Ed Parrett, 96167 Grayline Drive. I have been in the community approximately three years, and when I first moved in, I went to the management office on 8<sup>th</sup> street and asked them about any proposed community event centers that you may have for recreation for the residents that live there. At that time, I was shown a proposed plan for a possible community center with maybe a softball field. So far during that three years you have put in enormous amount of new development homes, but there doesn't seem like they are focusing on the community part of it. I know you have that little area where you have some open grass and a set of swings. You have a token effort. Then you put in another set of swings, but there is no parking there. That's all you have so far. I am wondering if you have anything in the plans for future of something like that for the community where people can go and gather and picnic with their kids. Maybe have a basketball court or something like that. There are a lot of kids out there, and they don't have any place to go to.

Ms. Graham stated what was shown was the conceptual plan, which ties into the tract the plan identifies as recreational area.

Mr. Matovina stated the CDD has discussed adding amenities to that area, but we at this point don't have the funds and will not be taking any action to do that. As I understand it, the facilities that have been put in meet the requirements that the developer is required to do.

Mr. Ed Hart, 96153 Grayline. I was thinking in your conception of amenities, if you might consider some tennis courts as the area is developing to make it more of a community as opposed to just houses. Something like where there might be a community center. I realize this all costs money, and it may have been long range, but maybe a tennis court or bocce court be considered.

Mr. Parrett stated with your groundskeepers, I happened to notice recently when they were cleaning up, they were blowing all the debris into the sewer system. If they keep doing that, we will have sewer problems.

Mr. deNagy asked Ms. Graham to get with Martex and follow up on that.

A resident asked about parking on the street, and Mr. Walters will provide an update on the State statute regarding that.

Mr. Bob Oliver asked is there anything in the documents that prohibit long-term owner parking on the right-of-way in this development?

Ms. Blessing responded unfortunately no. The documents only address vehicles that are inoperable and without license plates.

Mr. Matovina stated the streets are owned by the CDD, and it appears there may be a new state statute that will allow the CDD to establish rules and regulations and deal with that situation.

An resident asked can you tell me approximately how many homes are in the Heron Isles development at present and what is the future amount of homes you plan to put in? Are there any more expansions around the corner?

Mr. deNagy responded the total count when it is all built out will be 740.

The resident asked and no community center for any of that?

Mr. deNagy responded we have talked about it. The board has considered that and may look at that down the road again. Right now, it is just not financially feasible.

The resident stated I know we pay an HOA fee, which would include amenities. I think I paid \$100 for the year, which is token in my book. I think for myself I could pay a little bit more to have a better community. It is disappointing. You guys seem to be all in for the development stage, and I can understand that, but something to put back into the community would be nice.

Mr. Matovina stated this is the CDD sir, not the HOA, and the CDD doesn't own the amenities out and owns the property where the amenities are. So the CDD at some point in the future could re-issue the bonds or issue new bonds to build some additional facilities. The issue right now is that the CDD cannot issue bonds. There are not enough homeowners, there is not a high enough percentage of homeowners living in the houses to make the bonds marketable. We have looked into that several times over the last couple of years, and we are probably at least a year away from being able to do that.

A resident asked for clarification on what the CDD does and what the HOA does.

Mr. deNagy responded the HOA handles all the private property issues. The CDD handles all the common property that is owned by the District. If it is not private property, it is CDD property, and the CDD manages it.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the February 4, 2016 Meeting**

On MOTION by Mr. Matovina seconded by Mr. Rowell with all in favor the Minutes of the February 4, 2016 Meeting were approved.

**FOURTH ORDER OF BUSINESS**

**Consideration Resolution 2016-01 Approving the Proposed Budget for Fiscal Year 2017 and Setting a Public Hearing Date to Adopt the Budget.**

Mr. deNagy stated the Public Hearing date would be our next board meeting on August 4. A copy of the proposed budget is in the agenda package.

Mr. Matovina asked Mr. deNagy to please explain to the audience members what the process is and when the budget is ultimately approved so everyone understands the whole process.

Mr. deNagy stated you are assessed on your property tax in Nassau County. The CDD assessment is made up of two components. One component is the money to pay back the bond, which is the money that was borrowed to put in all the infrastructure. The other component is Operations and Maintenance. That is the budget we are going to be looking at here. That pays for the operating expenses and the upkeep of the infrastructure. Those two components combined are your CDD assessments. The budget for the assessment is a two-step process. Today we are looking at the budget for approval by the board. If the board approves the budget today, we need to wait 60 days. We submit the budget to the County for review and comment from the County. After 60 days, then it comes back to the board for further discussion and maybe some changes. That second meeting is for the purpose of adopting the budget as opposed to approving the budget. Once the budget is adopted by the board, that is the means by which assessments are levied on your property for the next fiscal year. The fiscal year runs from October 1 to September 30. We need to have the budget adopted by September 15. We are looking at an adoption date of August 4. So the two-step process is we approve today, we get any comments back from the county, and on August 4 we will come back. If there are no changes, we adopt the budget and the assessments are certified for collection through the Nassau County tax collector.

Mr. Matovina asked if we decide today to approve the budget as it sits, can we increase it at the August meeting?

Mr. deNagy responded we cannot. What we want to try and accomplish today is to make sure we have everything included in our budget that we think we need for FY17. If that means we have to have an increase in assessments, we need to really do that today because there are some noticing requirements in regards to increases in assessments.

Mr. Lyons stated a couple of years ago there was an issue that I think was tabled that involved a firehouse being built in the community. I don't remember exactly why it was set aside. Is that still in the plans for later on?

Mr. Matovina responded the county was given a 2-acre site on Chester Road north of the entrance for a fire facility, and the county has not built the facility because they don't have the money to fund the equipment or the staff is my understanding. It is not up to this board to build the firehouse, but the provisions have been made for it.

Mr. deNagy stated on Page 1 of the budget you will see our General Fund budget, which is Operations and Maintenance. The good news is we are not looking at an assessment increase. We have talked to our vendors. Even though we have had a request for one increase by our landscape contractor, that isn't expected to impact what we already have budgeted for landscaping. Our other vendors have agreed to keep their fees the same for FY17. Our administrative costs have a small decrease for FY17. Our utilities last year were \$44,135. On page 5 you will see the accounts that make up the water budget. Our projected this year is \$46,200. Contract services are not being changed. The \$60,000 we have in our landscape maintenance budget includes some contingency. Martex is asking for a 4% increase, which we will get to momentarily. We can absorb that as part of the \$60,000. We had a decrease in contract services to \$97,221 from \$102,221. Repairs and maintenance is kind of a wild card line item. It is hard to project what repairs and maintenance we are going to have. We have been able to work through our maintenance issues with a \$12,000 budget, so we are leaving that the same in FY17. We have reserves for road maintenance as well as capital improvements totaling \$60,000. That money is being put aside in an account in case we need road work. We are budgeting \$40,000 a year for road maintenance and another \$20,000 in capital improvements.

Mr. Lyons asked about mosquito control. Is that something that is proposed to add to?

Mr. deNagy responded it would be. It is kind of expensive, so if we do that we may have to tweak the budget somewhat. If you go to Section 5, we should talk about that before we finish talking about our budget. I am not sure where this came from.

Ms. Graham stated I don't know. I think they were just soliciting in the community.

Mr. deNagy stated I think there is a contract deposit of \$5,000 that includes expenses to manage mosquitoes in Heron Isles. This has never been done. There have been no studies as to the efficacy of this mosquito control. We have not had a chance to take a look at the viability of it. I would suggest that if we want to consider it, we wait a year and see what happens. Mr. deNagy continued stating the total expenditures are \$309,585. Last year we were at \$314,261. We have \$6,484 we are transferring in. Our revenues minus our transfers and expenditures is zero. The per-unit assessment is still \$377 as it was last year, the year before that, and I think the year before that. We have been able to hold assessments steady for a few years, which is good news. As Greg mentioned earlier, we have talked to an underwriter about perhaps refunding the bonds and getting some money for amenities. We need to be more in the 80% build out range, and I think we are under that now, to make it viable for investors to buy the bonds. When we get to the 80% threshold, which could be in a year or so, we will probably be bringing that to the board for further consideration. That could mean some extra cash for the District that would allow the District to build an amenity center with a pool or tennis courts or the board might choose to lower assessments.

On MOTION by Mr. Matovina seconded by Mr. Rowell with all in favor the FY17 Budget, Resolution 2016-01, was approved, and a Public Hearing was set for August 4, 2016.

**FIFTH ORDER OF BUSINESS**

**Consideration of Proposal from Amelia Island Mosquito Control District for Mosquito Spraying**

After brief discussion, the board decided to take no action on this proposal.

**SIXTH ORDER OF BUSINESS**

**Consideration of Conveyances from Phases 2C-2 and 3B**

Mr. deNagy stated a copy of the phase diagrams are in the agenda package.

Mr. Walters stated the board may recall a meeting or two ago we had some other conveyances of newly platted and developed property. These are the next two plat phases to come to the board.

Mr. Matovina stated there are two more, 3-C and 2C-3, and that will be it.

Mr. Walters stated we are moving through the development of the undeveloped property, which is a very good thing for the District. If you look at the two plats, there is the Phase 2C-2 and 3B, and essentially the property we are looking to convey from the landowner to the District, in this case on C-2, is just the roadway. When you look at 3B, there is the roadway tract and also a stormwater tract. So those are the common area conveyances that we would be looking for at this point, and these are consistent with what the District has acceptance conveyance of at all the prior plats. There is nothing out of the ordinary here. We want to bring these plats to the board to get approval to convey these tracts to the District upon final review by District Counsel and the Engineer.

Mr. Matovina stated to Mr. Walters as a matter of correction, the stormwater pond that you think is in 3B has actually already been conveyed to the District. It was in Phase 2.

Mr. Walters stated okay, I apologize. For clarification for the board, as with all the other conveyances, these are donations from the landowner to the District, so we are not paying money for those conveyances. We are just accepting those tracts.

On MOTION by Mr. Matovina seconded by Ms. Blessing with all in favor the Phases 2C-2 and 3B conveyances were approved.

**SEVENTH ORDER OF BUSINESS**

**Other Business**

There being none the next item followed.

**EIGHTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Walters stated I will circulate the final wrap update on the legislative session. The good news is it was fairly quiet in terms of the bills we were watching that could have hurt us, primarily the onerous website requirement that were proposed in a separate bill. It would have been extremely costly and time consuming for the District to adhere to those requirements.

There were a couple of updates to Chapter 189, which the District is also subject to. There will be a few additional requirements to the website but nothing like the ones set forth in the website bill. Of import to this District is the Chapter 190 bill, which was HB 971, and that amended Chapter 190, which generally governed CDDs throughout the state. There were several changes to the statute that won't affect the District, mostly dealing with formation issues and early life of the District issues that we are well past. As we discussed and will discuss moving forward, there was some explicit language in that bill that provides that CDDs do have the authority to tow vehicles from property owned by the District. In this District, as we just went through the conveyance to certain roadways to the District here, the District does own the roadways. I think it is pretty clear that we have the authority to tow vehicles from any property that we own including the right-of-way and stormwater ponds. That bill did pass, and it will become effective July 1. We will the authority and the power to tow vehicles, but there are some parameters by which we would have to follow to make sure we are in compliance with that, namely certain signage requirements and contracting with authorized towing companies that would be able to come into the District and enforce our parking and towing policies. We don't have to act on it immediately, but it is good to know it is there. We can study where the problem areas are and what the best remedy may be and go through the process of adopting specific policies and enforcement provisions that we would want to get out to the residents.

Mr. Matovina stated probably the best way to deal with this parking situation is if we could have some sort of workshop for the board on site, obviously it is a public meeting so we would invite the public, and observe the neighborhood at a peak parking time then we wouldn't have different opinions among the board members as to what is appropriate. Everybody would be looking at it at the same time who wants to look at it. What do we need to do to do something like that? Can we notice a meeting and hold a special workshop onsite like that?

Mr. Walters responded we can. If we are going to have a workshop with the board, it would have to be noticed just like any other meeting. The rules for workshops are different than meetings in that you don't need a quorum and no action can be taken at that workshop. That means it will be discussion and information gathering. We would bring that back to a formal board meeting for further action. The only tricky part in terms of the concept we are discussing for parking is because we have to notice it, we have to at least pick a location to start. I think we can put information in that notice to say that the board will convene at this location at this time,

and then we will be moving throughout the community to evaluate parking issues. We have to make sure to give a time and place so that if any members of the public do want to attend, they know where to find us.

Mr. Rowell stated I think immediately after that we should hold a special board meeting to address the situation. Also, are there any other subdivisions that already have a parking and towing policy in place that we can get a copy of and review prior to and maybe piggyback off of that instead of inventing the wheel over again?

Mr. deNagy stated I have a CDD where they have a parking policy. It is not on-street parking, but it is parking in the amenity center parking lot. There are policies with regard to people who want to leave their RV there overnight and what they can and can't do. I can share that with the board.

Ms. Blessing stated I can gather some other parking policies from other communities that may or may not be CDDs, but they have parking policies in place.

Mr. deNagy stated I would suggest if we are going to have a workshop, we maybe do it after the July 1<sup>st</sup> implementation of this legislation, and perhaps we can bring that back to our August 4<sup>th</sup> meeting so we do not have to pay for a special meeting. We need to set a date for a workshop, and how far out does that need to be?

Mr. Walters responded we need at least 7 days' notice. So you need 10-14 days by the time we get the notice together and get it to the paper and advertised. I would say at least two weeks out. It can be done whenever the board wants.

After discussion, the board decided to set a workshop date for July 6, 2016 at 7:00 p.m.

On MOTION by Mr. Matovina seconded by Mr. Rowell with all in favor to hold a workshop regarding parking on Wednesday, July 6, 2016 at 7:00 p.m. at 96139 Heron Isles Parkway, Yulee, FL was approved.
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Mr. deNagy stated once the policy is established it will be mailed out to all property owners to put everyone on notice, and we will have to have some signage made up.

**B. Engineer**

There being none, the next item followed.

**C. Manager**

Mr. deNagy stated I am required to report the number of registered voters in the District. As of April 15, 2016, there are 833 registered voters within the Heron Isles CDD. We just approved a budget, and there will be no notices required to residents because of no increase in assessments. We have three seat openings in November. Those seats on the board are filled through the General Election process. Anyone who is interested in serving on the board should go to the Supervisor of Elections in Nassau County. I think there is a June deadline. Seat 1, Mr. Matovina's seat, is open. Seat 5, Mr. Rowell's seat, is open. Seat 3, Mr. Lyon's seat, is open. The term will be four years.

Mr. Rowell and Mr. Lyons both stated they will be filing their paperwork.

Mr. Matovina stated I cannot be appointed again, so my seat will definitely be open.

#### **D. Property Manager**

Ms. Graham stated Martex, the landscaping company, has installed the new sod on Heron Isles Parkway from Coral Reef to Commodore Point. We do have a proposal that was approved that would extend that from Commodore Point all the way to Grayline Drive, so that will be completed before the end of next week. Following that will be the installation of pine straw and all the landscape beds along the Parkway and at the entranceways to the community on Chester Road. Everything will be nicely maintained. I am working with Martex right now on getting some uniformity in the trees. They are working on a proposal. The mowing of the lake banks has taken more time than Martex anticipated and what they proposed for FY15-16. For this upcoming budget year, FY16-17, they have requested a 4% increase for the lawn maintenance services, which would be a monthly increase of \$158.93. It will cause an overall monthly payment of \$4,131.92, which is an annual cost of \$49,583.04. Mr. deNagy has placed that amount in the budget so that number is already in there. It is still underneath what was originally budgeted for the community.

Mr. Matovina asked are you looking for action on that?

Mr. deNagy responded I thought I would, but lets bring that back in August. We can still get that done. We approved the budget, and the numbers are in there, so it will give you guys an opportunity to review the proposals.

Ms. Graham stated they do have a new maintenance supervisor that started last week. I have met with him on site, so he is on top of a lot of the work going on now. Aquatic maintenance has been performed by Lake Doctors over the last several years. There were no

additional ponds, so their contract is for the 21 ponds throughout the community. We have not really had any problems with any big algae blooms, so they have done a good job of doing that. There is no increase in the routine service, so the cost will still remain at \$983 month, which is what was originally contracted. The amount is \$11,796 annually, which is also in your budget. They did request the addition of adding the Triploid grass carp to the ponds. It has been several years since they have been added. They do die off since they are sterile. They maintain and eliminate the submersible weeds underneath the water so they help improve the water conditions in the ponds. The request is for 180 Triploid grass carp for a total cost of \$1,170.00, which is within the current year budget. We would like to get this done by September.

On MOTION by Mr. Matovina seconded by Mr. Rowell with all in favor to install Triploid grass carp in the amount of \$1,170.00 was approved.

Ms. Graham stated All Repairs and Maintenance are providing janitorial services for the recreational restrooms. They also go around to all the retention ponds once a month and clean up debris around the ponds. Their service has been for \$600 a month for the janitorial and \$500 a month for the ponds maintenance for a total of \$1,100 each month. They have done a pretty good job of that and would like to continue. Regarding park equipment, I know we still need some benches and maybe some swings. I will get some prices for that and some ideas.

**NINTH ORDER OF BUSINESS**

**Supervisor’s Requests and Audience Comments**

There were no supervisor's requests.

There were no comments from the audience.

**TENTH ORDER OF BUSINESS**

**Financial Reports**

**A. Approval of Check Register**

Mr. deNagy stated included in your agenda package are the financials as of March 31, 2016. I need approval on the check register. The total of the check run is \$33,838.41.

On MOTION by Mr. Rowell seconded by Mr. Matovina with all in favor the Check Register was approved.

**B. Balance Sheet & Income Statement**

This item was not discussed.

**C. Assessment Receipt Schedule**

This item was not discussed.

**NINTH ORDER OF BUSINESS**

**Next Scheduled Meeting is on Thursday, August 4, 2016 @ 6:00 p.m. at the at the Residence Inn Amelia Island, 2301 Sadler Road, Fernandina Beach, FL 32034**

Mr. deNagy stated are next meeting will actually be the workshop on July 6, 2016 at 7:00. The next regular board meeting is August 4, 2016 at 6:00 p.m., and it will be held at the Residence Inn on Sadler Road.

**TENTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Rowell seconded by Mr. Matovina with all in favor the Meeting was adjourned.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman