

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, August 3, 2017 at 6:00 p.m. at Residence Inn Amelia Island, 2301 Sadler Road, Fernandina Beach, Florida.

Present and constituting a quorum were:

Ricky Rowell	Chairman
Kathleen Blessing	Supervisor
Justin Blessing	Supervisor
Robert Martyn	Supervisor

Also present were:

Dave deNagy	District Manager
Jason Walters	District Counsel (by phone)
Jim Lucas	District Engineer
Cheryl Graham	Leland Management
Daniel Laughlin	GMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 6:00 p.m.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Affidavit of Publication

Mr. deNagy stated this is in your agenda package, and it shows that we noticed the public hearing tonight. There is a proposed increased in assessments this year, so a mailed noticed was also sent to all the residents in Heron Isles.

FOURTH ORDER OF BUSINESS

**Public Hearing to Adopt the Budget for
Fiscal Year 2018**

Mr. deNagy stated the Fiscal Year begins on October 1, 2017 and runs through September 30, 2018. After the Public Hearing, we will take up two resolutions – 2017-10, which will adopt the budget and 2017-11, which the levy of assessments and certifying an assessment roll.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor the Public Hearing is Open.

Mr. deNagy briefly went through the budget. A copy of the budget is located in agenda package. Page 1 is the Operating Budget. It determines how much money we will have to pay for landscape services, lake maintenance, administrative costs, etc. Page 7 is the Debt Service Fund budget, which are for the old bonds. The refunded bonds are on Page 8, and the amortization tables for the two series of bonds follow on Pages 9 and 10. We are looking at an increase of \$27 per unit over the period of the fiscal year. The bottom of Page 1 shows the current unit assessment is \$377 for O&M. The proposed increase is to \$404. That is a little over \$20,000 increase in our budget. Looking at the budget above, the Administrative costs are increasing slightly by just over \$2,900. We do anticipate an increase in engineering costs of approximately \$3,200. We are obviously working on a new pool and amenity building, so we anticipate some additional costs that may not be covered by the bonds. We saw a reduction of about \$2,300 in our Trustee fees as a result of the refinancing of the bonds. There are some minor changes to a couple other line items. Utilities are increasing \$11,300, there is some increase in Electric in FY18, and also in Water/Waste Water as well. We are looking at a reduction in Contract Services of about \$4,000 and a decrease in Landscape Maintenance, however, we just got a new proposal from Martex. Their proposal is increasing by 3%, and I think that is \$49,584. Their proposal will increase the budget based on some additional areas coming on board in Heron Isles by 3%. We can absorb that increase. Landscape Maintenance will have less of a decrease, but there will still be a decrease. We have an increase in Janitorial Services for additional trash pick-up and dog stations. Repairs and Maintenance is kind of a catch-all item. This was one of the items I had recommended that we increase assessment because as the District grows older, our repairs and maintenance costs are going to increase. We are increasing that budget by \$8,000.

Mr. Rowell asked regarding Utilities, is that just projected cost because of the new stuff we are looking at building? We shouldn't have any increase in power unless we are adding a building or adding something.

Mr. deNagy responded we are at \$19,200 now. Our projected is \$20,550, so we are budgeting simply for \$21,000 in FY 18.

Mr. Rowell asked but if we were to move forward with the Amenity Center, would that cover that projected cost?

Mr. deNagy responded I don't anticipate that if we do move forward with the Amenity Center it will be online in FY18 very much. If it is, it would have a small impact probably to our budget. Same thing with our water and sewer. If you look at our projected numbers from this year's budget of \$47,000, we are at \$56,000. A lot of that has to do with irrigation. If you look at Page 5, in the narrative, you can see the difference. Most of that water use is at 96259 Heron Isles Parkway. That is almost half of our budget. I know that all those along the Parkway are irrigation.

Ms. Debra Tardiff, a resident, asked for the water and sewer on irrigation, why are we paying sewer on that? Shouldn't we just be paying the water portion of it?

Mr. deNagy responded we have restrooms that are part of the budget. You will not get a wastewater cost on the irrigation. There is an irrigation rate.

Another resident asked if the Amenity Center is projected for this fiscal year?

Mr. deNagy responded no, we are still working on financing. We have our Engineer here tonight who will talk a little about the structure itself. We haven't even decided on a plan yet. That probably won't come on until late FY18 or early FY19 is my guess.

The resident also asked about the fencing along Heron Isles Parkway. The last phase of Dream Finders, the lake area, is not fenced in. Every other area has a fence. I am retired law enforcement, and I live in that area, and since it is a public thoroughfare, when you walk or ride by at night, you can see in everyone's home. It is easily accessible, so it is a great liability in that area. Because I work from home, on two occasions I have stopped teenagers making a pathway next to my house from the public area through the property. One young man I stopped didn't live in the area because he couldn't tell me anything about it. There are a lot of people that have different lifestyles that live in that area that greatly concerns me. I did a survey and asked

residents what would they think about having that portion gated. The neighbors said they would pay the extra cost in order to do that because in our cul-de-sac is just Dream Finders homes.

Mr. deNagy responded we can speak to that a little later in the agenda. Briefly, I don't think there are any plans for fencing there. If that is an issue that needs to be addressed by the CDD, that can come back to the board for consideration and funding at a future time.

Ms. Graham checked with the developers, and there are no plans for a fence. Dream Finders has left it up to the owners.

Mr. deNagy stated we can look into that for you.

The resident referenced the landscaping. Some neighbors feel like they have to take care of the lake portion in front of their residence and some don't. Is it the landscaper's duty to keep the area around the lake cut?

Mr. deNagy responded if the grass isn't getting cut on the pond banks, I would reach out to Cheryl so she can get with Martex, who is our landscape contractor. We also have a vendor that picks up trash around the ponds. If there is trash in the ponds, when Lake Doctors is there, they will take care of that.

On MOTION by Mr. Rowell seconded by Mr. Martyn with all in favor the Public Hearing is Closed.

A. Consideration of Resolution 2017-10, Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2018

Resolution 2017-10 is located in the agenda package behind Tab 4-A.

This is for annual appropriations and adopting the budget.

On MOTION by Mr. Martyn seconded by Ms. Blessing with all in favor Resolution 2017-10 adopting the FY18 budget was approved.

B. Consideration of Resolution 2017-11, Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2018

Resolution 2017-11 is located in the agenda package behind Tab 4-B.

This is the resolution that will levy the assessments based on the budget just adopted.

On MOTION by Mr. Rowell seconded by Mr. Blessing with all in favor Resolution 2017-11 imposing special assessments and certifying an assessment roll for FY18 was approved.

FIFTH ORDER OF BUSINESS

Approval of Minutes

A. May 4, 2017 Meeting

On MOTION by Ms. Blessing seconded by Mr. Martyn with all in favor the Minutes of the May 4, 2017 meeting were approved.

B. June 1, 2017 Meeting

On MOTION by Mr. Rowell seconded by Mr. Blessing with all in favor the Minutes of June 1, 2017 special meeting were approved.

C. June 26, 2017 Meeting

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor the Minutes of June 26, 2017 special meeting were approved.

SIXTH ORDER OF BUSINESS

Ratification of Street Lighting Agreement with FPL

Mr. deNagy stated this is an agreement with FPL for the addition of some street lighting, and there are diagrams attached (located in agenda package). We signed this agreement, and there are 11 poles being installed. This has already been processed with FPL. Unless there are questions, a motion to ratify that agreement would be in order.

Mr. Rowell asked while they are installing, can they go through the community and make sure all the existing ones are working properly.

Mr. deNagy responded we can follow-up with them, yes.

Mr. Rowell stated I know there are a couple of lights out on a few streets.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor to ratify the FPL streetlight agreement was approved.

SEVENTH ORDER OF BUSINESS**Consideration of Conveyance of ROW Lot
376**

Mr. deNagy stated this is Commodore Point Drive. It is a conveyance of a right-of-way lot 376. Jim Lucas, our District Engineer, will talk about what this is.

Mr. Lucas stated the original layout of Heron Isles at Commodore Point Road was supposed to continue on as development would occur outside the Heron Isles area. There was a temporary area within three lots for turnarounds. The county doesn't know when and if that road is going to be extended, so in the interim, one idea was to provide a turn-around for fire trucks, emergency vehicles, and cars. One way of doing it was to take Lot 376, which was an additional lot that was not included in the projections of the HOA, and convert that as part of the turnaround and make it more permanent. To do the turnaround, the County wanted to make sure that the extension of the driveway would be acceptable to the HOA. We came up with a concept of deeding the first 15 feet of Lot 376 to the HOA so that it could not be taken away from the turnaround, but the County also wanted to make sure that you don't actually build a house on 376 because in the event there is a problem with turning around, they didn't want a building right by the turnaround. The layout is included in the agenda package. In order to do this, the County wanted to make sure that there are some deed restrictions on 376. We divided that lot in half, and we are deed restricting the northern part of Lot 376 to Lot 377 and the southern part of Lot 375 with the proviso there will be no above ground structures. The County has looked at this and stated this would be an acceptable turnaround. In the interim, 15 feet of Lot 376 will be dedicated to the CDD so it can be part of the driveway and not part of the lot and deed restrict the rest of the lots to create this turnaround. The developer of those lots is going to install everything. The County wanted a pervious paver driveway. That is what they are proposing, and they are asking that the CDD consider acquiring the 15 additional feet as part of CDD holdings. It is considered part of a right-of-way, no different than any other street.

Mr. Walters stated the simple question for us is as it stands now it is now private property, so it is out of our jurisdiction, but the developer is proposing this accommodation for emergency vehicles and so forth. The only question for the board is are we comfortable accepting conveyance of that first 15 feet of those lots, and that would be added to our portion of

right-of-way. It is just an additional small piece, but because it has somewhat surfaced, if you will, and part of the roadway infrastructure, that is why the District would take it.

A resident stated I have a problem with it, and I am sure Debra (a resident) does too, it is right in front of my driveway. What is to keep these big trucks, the garbage trucks, lawn trucks, etc, they are going to be backing into my mailbox, Debra's mailbox? It doesn't conform to the neighborhood at all. It would be the only one in the entire neighborhood. I got out there myself, set down some stakes and looked at it. You only have about 20 feet to turn around a fire truck or garbage truck. I don't know if they are going to build on those other two lots or not, but it just doesn't conform to the community. Are they going to be able to build on the two sides of that?

Mr. Lucas responded the intent is that a house will be built on 377.

The resident stated to me it sounds like it is more permanent than temporary because you are going to give this land to the new homeowners on each side, so it will never be not a T-turn. I think the property where they are talking about going straight on is private property.

Debra Tardiff stated I don't understand why they are not going to put a cul-de-sac like every other dead-end street in Heron Isles. We are only ones that are going to get a T-turn, and according to the PUD, it says a cul-de-sac. A cul-de-sac is a dead-end street, particularly one with a circle for turning around at the end. This is not a cul-de-sac. I would like for the board not approve this. It is not acceptable. I don't know if any of you have been down there to look at this. I know you see it on paper. When you come down and look at it, you might understand what we are talking about.

Mr. Rowell stated some concerns I have too is this is going to become a private parking lot for somebody and maybe a hangout for teenagers. If they are going to put pavers down, that is more cost we are going to have when people pull them up or root them up or whatever.

Ms. Tardiff stated there are people parking down there now. They are parking overnight. Atlas Van Lines will go down there and turn around. The lawn trucks wouldn't be able to do a T-turn with their trailers. We get a lot of traffic down there. Everybody comes down to turnaround down there. We really need a cul-de-sac down there. Every street in Heron Isles has a cul-de-sac, why can't we have one?

Mr. Rowell asked is there anyway to put a cul-de-sac in 377 and then sell 376 and 375, and you are essentially doing the same thing?

Mr. Lucas responded that is a possibility. I think the way the original plan was is that it was always a temporary thing until a road was extended. I know the County is not going to build a road extension. It would be whoever wants to develop the property on each side. A cul-de-sac, I am sure, can be designed. I have not done one in this particular spot, but I certainly can do something and present it to the board.

Ms. Blessing stated I would agree it should be a cul-de-sac.

Mr. deNagy asked is there any interest on making a motion on this or do you want to table this and take it back to the owner.

All board members agreed to table this item.

EIGHTH ORDER OF BUSINESS

Consideration of Real Property Conveyance

Mr. deNagy stated there are real property conveyances with the developer, and Jason Walters will explain what this is for.

Mr. Walters stated as the additional portions are platted we take a conveyance of real property for bumper tracts, park tracts, stormwater tracts, and the like. That is what we have here. These are the last remaining plats, so this should be the last of these we see. As always, these are conveyances for no consideration so there are no payments or cost involved in the District acquiring this. This is all part of the acquisition agreements that we signed a long time ago. It is the last of the plats and the tracts that will be held for public infrastructure and public purpose.

On MOTION by Mr. Rowell seconded by Mr. Martyn with all in favor to accept the conveyances of all real property as presented in the agenda package was approved.
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NINTH ORDER OF BUSINESS

Consideration of Proposals for District Engineering Services

Mr. deNagy stated we ran an ad for proposals for District engineering services and we did not get any proposals back. We can revisit this sometime later. I would suggest waiting given we do want to move forward with our Amenity Center and so forth.

TENTH ORDER OF BUSINESS

Consideration of Agreements for FY 18

Mr. deNagy stated we have three agreements for consideration. The first one is in your agenda package.

A. All Repairs & Maintenance

Mr. deNagy stated we did budget for the items noted from All Repairs and Maintenance. The proposal is for \$7,200 a year for janitorial services, and \$7,440 for trash pick-up along the lake banks, debris clean-up, and replacement trash bags for the two parks. That was the additional \$120 that we talked about earlier in our budget. Those numbers are included in our operating budget.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor to accept the proposal from All Repairs & Maintenance and authorize staff to prepare FY18 agreement was approved.

B. The Lake Doctors

Mr. deNagy stated this proposal is provided as a handout. The proposal is for \$1,075 per month for all ponds including the two new ones (23 ponds). The total is \$12,900, and we have \$11,796 in the budget. That can be absorbed in our budget. It is a small increase based on the new proposal. I would recommend accepting the proposal and authorizing staff to enter into a standard form agreement with Lake Doctors for FY18. Cheryl Graham will get Lake Doctors' schedule to the board members.

On MOTION by Ms. Blessing seconded by Mr. Martyn with all in favor to accept the proposal from Lake Doctors and authorize staff to prepare FY18 agreement was approved.

C. Martex Landscaping

Mr. deNagy stated this proposal is also provided as a handout. They are asking for a 3% increase. There is more area for them to mow now. Their current contract is \$49,584, and the increase would make it \$51,072. We can absorb this in our budget that we adopted. I will make the changes in the budget for these new numbers.

On MOTION by Mr. Rowell seconded by Mr. Martyn with all in favor to accept the proposal from Martex Landscaping and authorize staff to prepare FY18 agreement was approved.

ELEVENTH ORDER OF BUSINESS Consideration of Public Facilities Report

Mr. deNagy stated this item is in the agenda package. This report has been prepared by Mr. Lucas.

Mr. Lucas stated there is a map in the report. All the water and sewer are in place. It has all been inspected and approved by JEA. The roads are all installed. They have been inspected by the county, and the county owns and maintains Heron Isles Parkway. The rest of them are CDD owned. Mr. Lucas continued with a brief description of other items in his report. In summary, all the roads are in, all the water and sewer are in, all the lakes are in. Mr. Lucas stated I see the District as basically complete, and I don't anticipate any expansion to the District itself for the next five years. There may be some expansion within the District.

Mr. deNagy stated this is required every seven years, and the next Public Facilities Report will be due in 2024.

On MOTION by Ms. Blessing seconded by Mr. Rowell with all in favor to accept the Public Facilities Report as presented was approved.

TWELFTH ORDER OF BUSINESS Other Business

Mr. Blessing stated we had discussed at the last meeting that they were turning the sprinklers on in the middle of the afternoon. Has that been dealt with?

Ms. Graham responded I have reported that.

THIRTEENTH ORDER OF BUSINESS Staff Reports

A. District Counsel

Mr. Walters stated I don't have any action items for the board, but as an update, we did have the successful closing on the bond refinancing. We were able to take advantage of some attractive interest rates, and they achieved some nice savings. You will see those on this upcoming tax bill, it will be a bit lower, and that's good news.

B. District Engineer – Discussion of Infrastructure Improvements

Mr. Lucas stated a while back it was asked what should we do with our two recreational areas. Mr. Lucas provided diagrams as a handout to the board members. They show Recreation Area 1 has a pool and parking lot expansion. Recreation Area 2 has a parking lot addition that would be next to the tot lot. The diagrams show an appropriately sized pool for the number of units, the restroom area would have to be analyzed to ensure the proper number of restroom facilities. This is just a conceptual plan. There were some questions and comments from the board members. A copy of the diagrams will be posted online and updates will be presented at the next board meeting.

C. District Manager – Discussion of Fiscal Year 2018 Meeting Schedule

Mr. deNagy stated located in the agenda package is the proposed meeting schedule for FY18. Meetings are scheduled for November 2, 2017; February 1, 2018; May 3, 2018 (first budget meeting); and August 2, 2018. More meetings can be held if needed.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor the FY18 meeting schedule was approved.

D. Property Manager - Report

Mr. Graham stated a copy of the report is located in the agenda package. She briefly highlighted some areas of her report, and nothing additional was added.

FOURTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Supervisor Requests

There were no Supervisor requests.

Audience Comments

Mr. Rivers stated a lot of things that come up seem like they could be resolved if you had cameras in common areas. We could then put those costs back on the people that are actually doing the vandalism. The association wouldn't need all those fees if you had some type of surveillance out there and signage in areas where you don't want these prohibited acts. I think that would be an added bonus for the association. It would have the advantage of at least making sure we get the best bang for our buck. My company does this, and I will, on my own dime,

assess the area and make a recommendation to you. I won't make anything off of it because I live here. One of my biggest issues, too, is having cameras in the common area because our cul-de-sac has so many little kids, and if something happens I want something. If I can get some footage of somebody coming in and doing something, I want to be able to give the police something.

Mr. Rivers will talk with Ms. Graham to see what he can do to help.

FIFTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet & Income Statement

These are as of June 30, 2017 and are located in the agenda package.

B. Assessment Receipt Schedule

This item is located in the agenda package. You are 100% collected

C. Approval of Check Register

Mr. deNagy stated the total of the check register is \$46,762.42.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor the Check Register in the amount of \$46,762.42 was approved.

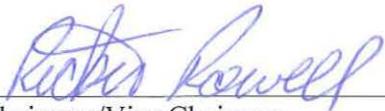
SIXTEENTH ORDER OF BUSINESS Next Scheduled Meeting

Mr. deNagy stated our next scheduled meeting will be November 2, 2017, at 10:30 a.m. at the Compass Group Conference Room, 961687 Gateway Blvd., Suite 201M, Amelia Island, FL.

SEVENTEENTH ORDER OF BUSINESS Adjournment

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


Secretary/Assistant Secretary


Chairman/Vice Chairman