

*Heron Isles
Community Development District*

December 20, 2017

Heron Isles

Community Development District

475 West Town Place, Suite 114, St. Augustine, Florida 32092
Phone: 904-940-5850 Fax: 904-940-5899

December 13, 2017

Board of Supervisors
Heron Isles Community Development District

Dear Board Members:

A meeting of the Board of Supervisors of the Heron Isles Community Development District will be held Wednesday, December 20, 2017 at 10:30 a.m. at the office of Compass Group, 961687 Gateway Boulevard, Suite 201M, Amelia Island, Florida.

- I. Roll Call
- II. Audience Comments
- III. Approval of Minutes
 - A. November 2, 2017 Meeting
 - B. November 28, 2017 Workshop
- IV. Discussion of Conveyance of ROW Lot 376 and Purchasing the Two Adjoining Parcels
- V. Discussion of Updates to the Recreation Improvements and Assessing Final Cost Estimates
- VI. Discussion of Resident Survey Regarding Recreation Improvements
- VII. Consideration of Removing or Replacing Playground Pavilion Overhead Structure
- VIII. Consideration of Resolution 2018-02, Designating the Primary Administrative Office and Principal Headquarters of the District
- IX. Other Business
- X. Staff Reports
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
 - D. Property Manager – Report
- XI. Supervisors' Requests and Audience Comments
- XII. Financial Reports
 - A. Balance Sheet & Income Statement
 - B. Assessment Receipt Schedule
 - C. Approval of Check Registers
- XIII. Next Scheduled Meeting – February 1, 2018 at Compass Group, 961687 Gateway Blvd, Suite 201M, Amelia Island, Florida
- XIV. Adjournment

Enclosed under the third order of business are the minutes of the August 3, 2017 meeting for your review and approval.

The fifth order of business is discussion of updates to the recreation improvements and assessing final cost estimates. Enclosed for your review is an email from the engineer regarding the cost estimates.

The seventh order of business is consideration of removing or replacing playground pavilion overhead structure. Any backup documentation will be provided under separate cover.

The eighth order of business is consideration of resolution 2018-02, designating the primary administrative office and principal headquarters of the district. A copy of the resolution is enclosed for your review and approval.

The balance of the agenda is routine in nature. Staff reports and any additional support material will be presented and discussed at the meeting. If you have any questions, please contact me.

I look forward to seeing you at the meeting and in the meantime if you have any questions, please contact me.

Sincerely,

Dave deNagy
District Manager

cc:	Jason Walters	Doug Harrier	Jennifer Gillis
	Cheryl Graham	Jim Lucas	Darrin Mossing
	Linda Heiberger		

AGENDA

Heron Isles Community Development District *Agenda*

Wednesday
December 20, 2017
10:30 a.m.

Compass Group
961687 Gateway Blvd, Suite 201M
Amelia Island, Florida
Call in #: 800-264-8432
Passcode: 433354
www.heronislescdd.com

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MINUTES

A.

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, November 2, 2017 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:

Ricky Rowell	Chairman
Don Lyons	Vice Chairman
Kathleen Blessing	Supervisor
Justin Blessing	Supervisor
Robert Martyn	Supervisor

Also present were:

Dave deNagy	District Manager
Jason Walters	District Counsel (by phone)
Daniel Laughlin	GMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 10:30 a.m.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the August 3, 2017 Meeting

On MOTION by Mr. Rowell seconded by Mr. Blessing with all in favor the Minutes of the August 3, 2017 meeting were approved.

FOURTH ORDER OF BUSINESS

Selection of Audit Committee

Mr. deNagy stated this is the last year of our Audit Committee obligation with CPA firm, McDermitt Davis. Typically the board members serve as the Audit Committee. We will create

the committee, and at our next meeting in February, we will have an Audit Committee meeting prior to the regular board meeting to go ahead and the select RFP selection criteria. I am asking if the board will serve as the Audit Committee.

On MOTION by Mr. Lyons seconded by Ms. Blessing with all in favor to have the board serve as the Audit Committee was approved.

FIFTH ORDER OF BUSINESS

Ratification of Agreements for FY18

- A. All Repairs & Maintenance**
- B. The Lake Doctors**
- C. Martex Landscaping**

Mr. deNagy stated the pricing in all these agreements is consistent with what is in our FY18 budget. Unless there are questions, I look for a motion to ratify the FY18 agreement with All Repairs & Maintenance

On MOTION by Mr. Rowell seconded by Mr. Martyn with all in favor to ratify the FY18 agreement with All Repairs & Maintenance was approved.

Mr. deNagy stated the second agreement for ratification for FY18 is The Lake Doctors.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor to ratify the FY18 agreement with The Lake Doctors was approved.

Mr. deNagy stated the third agreement for ratification for FY18 is Martex Landscaping.

Mr. Lyons stated on the actual letter from Martex Services, they are saying they have three extra ponds. Where are those extra ponds?

Mr. deNagy stated I know Cheryl took a look at this. I would have to check with her. I can get back with you on that.

Mr. Rowell stated I believe we talked about this at the last meeting. They are on a new street they are developing. There are two or three back there I believe.

Mr. Lyons stated I knew I saw two, but I didn't know about the third one. If Cheryl showed it to you, I am fine with it.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor to ratify the FY18 agreement with Martex Landscaping was approved.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2018-01, Amending the FY17 General Fund Budget

Mr. deNagy stated all this does is reallocate dollars to show that we had a budget that fell within the confines of the money we received in the District to pay for all the services. There will be no line items with any overages.

Mr. Lyons asked the budget for the Homeowner's Association doesn't come from us?

Mr. deNagy responded it does not. It would be from Cheryl's group – LeLand, I believe. That does not show up under the District business.

On MOTION by Mr. Martyn seconded by Ms. Blessing with all in favor Resolution 2018-01 amending the FY17 budget was approved.

SEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Walters stated I don't have any action items for the board today.

B. District Engineer – Discussion of Infrastructure Improvements

1. Consideration of Conveyance of ROW Lot 376
2. Discussion of Updates to the Recreation Improvements and Assessing Final Cost Estimates

Mr. deNagy stated you got my email yesterday. Mr. Lucas needs some more input on the plans. They are on the Heron Isles CDD website. I would like to set a date to continue today's meeting. I would like for the board members to get back with Jim Lucas with any thoughts on changes to the plans that he has. They are at www.heronislescdd.com. I would like to continue the meeting to November 28 at 10:30. If you could get comments back to Jim Lucas by the 10th of November or the 13th, that would give him time to update what needs to be updated. On the 28th of November we can proceed with the plan for the improvements. That would be a Tuesday at 10:30 at this location.

Mr. Rowell asked wouldn't it be easier to have a workshop with him, to sit down as a board with him to go over stuff with him instead of us emailing him back and forth, giving our opinions, and having him piece it all together. I was under the impression we already did this last meeting at the hotel. My opinion is we should have a workshop with him and tell him what we want to do moving forward, which I thought we had already done.

Mr. deNagy responded that is not a bad idea. The problem is I will need to get Jim Lucas nailed down on a date for the workshop. This way we would go ahead and actually set a meeting so we could move forward with this. Jim is very difficult to get a hold of.

Ms. Blessing stated I would really like to get an estimate on all this before we go forward with any kind of financing.

Mr. deNagy stated the estimate will come from the thoughts you have. Jim went over the initial plans at the last board meeting, but I believe he did ask for any thoughts on changes that ya'll want to make to those plans. The plans are online. They are part of the record of proceedings because they were presented by the Engineer.

Ms. Blessing stated basically you have to decide how many parking spaces you would want and if you like where he put the pool. I think we should just give him some ideas and then let him come back.

Mr. Lyons stated I would like to have this group meet, even without him, to discuss our options. We can't meet separately because of the Sunshine Law.

Mr. deNagy stated if we did a workshop, we would have to advertise it just like we do a regular board meeting. The only thing is you can't take any action at a workshop as a board.

Mr. Walters stated I think it would be helpful to have a workshop in terms of you can brainstorm for hours, and you don't want to do that in a public meeting where we are a little bit

more constrained. If we had a workshop prior to that meeting, hopefully we could come to that meeting with a little bit more focused direction for Jim in terms of the design, and start getting estimates from there. We will have to get a notice together, so we have to pick a date that is at least a couple of weeks out so we can get our notice in the paper. It can be anytime. It is less restrictive. You don't need a quorum, we just need a designated time and location.

Ms. Blessing stated we can even meet at the park because that is where the pool is going to be, weather permitting.

Mr. deNagy stated if we can get the advertising done, we can do it the week of perhaps the 13th, but then we would have to set our meeting in December sometime. We would have to get those ideas over to Jim Lucas and give him time.

Mr. Rowell asked how much time between the workshop and the meeting would Jim need? Could we actually have the workshop on the 28th, and then have the meeting the following week or the week after into December.

Mr. deNagy responded yes, we could. Do you want to have a workshop at 10:30 on the 28th?

All board members agreed to do it on November 28 at this location.

Mr. Walters stated we can plan to do a meeting in early December.

Mr. deNagy stated we can set a meeting after we talk at the workshop and get that advertised.

Mr. Walters stated we are confined a little bit in terms of the budget on the facility. If you will recall from the previous financing, we had to carve out an additional funding portion in that financing, so it is set at a \$1 million, which should be sufficient to build what we are looking at. A million dollar financing would generate a rollover \$700,000 in construction funds, so that is about the mark we are looking for in terms of final dollars. We can do enhancements on other things off other funds, but that is going to be about where we want to land on construction dollars.

Mr. deNagy stated we will have to take a look at the maintenance costs and how you want to handle the pool and all. We can provide that.

Mr. Walters stated it will blend nicely into next year's budget as we consider all these things.

Mr. deNagy stated I don't have an update from the Engineer about the roundabout that we talked about. This is all I have from the Engineer.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor to schedule a Workshop on Tuesday, November 28, 2017 at 10:30 a.m. at the Compass Group offices was approved.

C. District Manager

Mr. deNagy stated I don't have a report.

D. Property Manager - Report

Mr. deNagy stated he will report on behalf of Cheryl. A copy of her report is located in the agenda package.

Mr. deNagy continued. There have been some issues with Martex Landscaping. Cheryl has talked with the owner, and they are reviewing crew assignments and are making sure those issues are addressed. We will follow-up with Martex to make sure that work is completed. Regarding aquatic issues, Lake Doctors has been providing maintenance to the 23 ponds, and there have been no major algae issues. There is a storm drain problem at 84079 Swallowtail Drive. Mr. Lucas is aware of it and is still looking into what may be causing that issues. The board will be updated as we find out more things. All Repairs and Maintenance is providing janitorial services and debris pick-up. Cheryl notes they have been providing that in an acceptable manner. There were some fence columns and tops that were knocked out during the hurricane. Some repairs have been completed. Still waiting on some parts. There was an area damaged by a vehicle, and we have sent those cost estimates to State Farm. The driver's insurance company will be paying for it. Regarding restrooms, we have had more damage to them. A verbal estimate for repairs has been received in the amount of \$1,000. Cheryl would like the board to consider locking the doors between 6:00 p.m. and 8:00 a.m. I am not sure the process of that. We don't have electronic locks where we can set a time for the doors to lock. We would have to acquire that. I want to open it up to the board to discuss because we keep having vandalism happen to our restrooms.

Mr. Rowell stated I think if you lock it, you are going to have more because they are going to actually break in. I think you need to beef up the video surveillance. If you had better

surveillance, you would have caught everything on camera from whoever went in and from whoever messed up the message boards.

Mr. deNagy stated okay, I can get back with Cheryl on the video surveillance.

Ms. Blessing asked do we have an Under Surveillance sign?

Mr. deNagy responded we can add one if there is not one. That is easy enough to do. It can't hurt. Right now she has an estimate of \$1,000 to make those repairs. We do have money in our budget for repairs.

On MOTION by Mr. Lyons seconded by Ms. Blessing with all in favor for repairs to be made to the restrooms NTE \$1,000 was approved.

Mr. deNagy stated there was damage to the message boards. Cheryl suggested getting those replaced at \$475 each. A copy of what they would look like is in your agenda package. I look for a motion to approve the expenditure for the message boards.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor to purchase two new message boards at \$475 each was approved.

Mr. Lyons how would we gain access to the video when damage does occur?

Mr. deNagy responded we would have to get with Cheryl. She would have the access to the recording.

Mr. deNagy stated we talked about the roundabout earlier – I did not get anything back from Mr. Lucas.

Mr. Lyons asked about the request from Cheryl for No Parking signs.

Mr. deNagy stated we can put No Parking signs there. I don't think that is a problem.

Mr. Rowell asked can we put a couple in front of the new park because they like to run up on the sidewalk, so can we put a couple through there?

Mr. deNagy responded I will ask Cheryl to do that. Regarding the cluster mailbox area, Cheryl notes that lighting is needed. She has proposed an aluminum pergola. We have talked about it, and there would be electric available as well. She has a NTE cost of \$2,000. Stucco would be an additional cost. Other gazebo options are located in the agenda package.

On MOTION by Mr. Blessing seconded by Mr. Rowell with all in favor to install an aluminum pergola NTE \$2,000 was approved.

Mr. deNagy stated the overhead structure of the pavilion at the playground is not safe. Cheryl is noting it should be removed.

Mr. Lyons stated personally I would not like to have it removed permanently. I would like to have it rebuilt. The Heron statute that is up on top, the way it is built seems to be keeping the kids from being able to climb up there. That has been protected by that structure all this time. If you take off that top structure and actually put that back on, or put the roof back on, it is going to lower it down to where the kids can get to it. I would like to see it remain in the same design than for someone to just go in and repair it.

Mr. Martyn asked is that where one of the security cameras is located too?

Mr. Blessing responded yes.

Mr. deNagy stated I'll get back with Cheryl on this. Can we table this and bring it back to you at our February board meeting? If something needs to be done in the interim, we can address that.

Mr. Rowell stated the only concern I have is not she has put that area is not safe. We probably need to close it off or caution tape or something around it because now we all know that, if something happens and something falls on somebody, we are liable. We need to temporarily close that area until we get this fixed, and we need to move on it. I know people like to have stuff up there all the time.

Mr. deNagy stated if we are going to have another meeting in December, we can tape it off until then and bring it back at the December meeting. I'll ask Cheryl to go ahead and put some caution tape and close it off in the interim.

Mr. Rowell asked can we get Cheryl to come to the November 28 workshop?

Mr. deNagy responded oh yes, she was planning to be here today. I'll get with her and talk with her. The last item in her report are the conservation area trees. There are seven trees she would like cut down for a total of \$600. They need to be felled and left in place. Is there a motion to do the tree removal for \$600?

Mr. Walters asked are these within conservation easement areas?

Mr. deNagy responded yes.

Mr. Walter asked has she gotten a sign off from the water management district?

Mr. deNagy responded yes, she did mention this was per the St. John's River Water Management District. They cut them down and leave them.

Mr. Rowell stated the quote said removal.

Mr. deNagy responded she said in her report to be dropped, but I will make sure. That is all they can do. That is consistent with what I have done at other Districts. They just need to be dropped. So do I have a motion for tree removal at \$600 and just to leave those in place in the conservation areas.

Mr. Lyons stated I would like this to be tabled for her to go back and talk to them and make sure that they understand they are not removing the trees and see if his price is going to change.

Mr. Rowell stated I agree because the quote does say removal.

Mr. Lyons stated I can understand the extra money for removing it, but if they are not going to, maybe it will cost less.

Mr. deNagy responded okay, we will table that. I assume we are going to have a meeting in December, so we will talk about that then.

NINTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Supervisor Requests

Mr. Blessing stated I noticed there is a tree down in one of the lakes. Can we get them to pull that out of the water? It is Pond #13. Mr. deNagy stated he would get with Cheryl on that.

Ms. Blessing had nothing.

Mr. Martyn had nothing.

Mr. Lyons stated there is a lot of message traffic on the Internet about our Internet and our cable service. There is talk about trying to get somebody else in the neighborhood. Hotwire now has the infrastructure. I remember an earlier discussion where Comcast was approached, but they wanted us to pay for any damages that might occur if they were to install their infrastructure. Is there any way of getting around this or getting another provider in there? I know the front of the neighborhood I think the service is fairly well established, but from what I am hearing, the back of the neighborhood seems to be a problem. Their Internet keeps

disconnecting. It seems to be an issue. Maybe we can call Comcast. There is a lot of talk on that Neighborhood App about how people are not satisfied with Hotwire.

Mr. deNagy responded I can give you a little bit of background. The cable is not part of the CDD. I know originally the developer, when he came in and put the community in, I believe he signed a licensed agreement with Hotwire, so they have the agreement to provide service in the community. I can refer to Jason on this, but the community would have to break that license agreement somehow. That would probably be more of an HOA function than a CDD function in order for another provider like Comcast to come into the District.

Mr. Walters stated I think that is generally true. For a little background, oftentimes half the battle is getting a provider to come in in the first place because it is very expensive for them to put the infrastructure in. What ends up happening is the developer will try to find one provider who will do it, and as an enticement to that provider, they will say you have the exclusive right to provide service within the community. Those deals are complicated and vary in length and vary in the ability to break them. Generally any efforts to fight that or try to get it rearranged are done through HOAs because it is a private service, and it is not something we have any purview over. If they are not providing adequate service, that is one issue, and that should be addressed with whoever that is. Even sometimes if it is not exclusive, the question will be is Comcast willing to come in and run miles worth of cable at a large expense if they are not sure they are going to get a certain number of subscribers. It is a business issue at the end of the day, but if the HOA wants to get collectively involved and look at that agreement and see what their options are, I think that is a good idea.

Mr. deNagy stated you probably would want your HOA attorney to pursue that.

Mr. Rowell had nothing.

Audience Comments

Mr. Ken Lunden stated I am the guy with the sewer problem. Mr. deNagy responded yes, we sent that to the Engineer, Jim Lucas, and he is looking at that. We have not gotten a resolution from him on that issue.

Mr. Lunden asked can I get in touch with Mr. Lucas. Does he need me to walk the system. I know exactly what the problems are. Mr. deNagy responded yes. Mr. Lunden stated I have had two feet of water in my back yard for three days. Mr. deNagy stated I will give you his email address after the meeting.

Ms. Sheila Rodriguez stated at the last meeting, there were numerous homeowners complaining about Martex and their grass cleaning experience. They cut the grass so low at the backyards around the pond that it is dead. It is just brown. When they cut the grass, it is flying into the pond, and they leave debris in the pond. A lot of people are not happy with the cleaning. Mr. deNagy stated, okay, so the grass clippings are going into the pond – they should not be going into the pond. I will let Cheryl know so she can talk with Martex.

Another resident stated the problem I'm having is not that they are cutting it to low, it is that they are not cutting it at all. I can't imagine the last time was they cut around the ponds. I talked to Cheryl about it. She said the homeowners are responsible down to the waterline. If that is the case, that means Martex has less to mow, we should be paying less because now apparently most of the lots are sold. At the end of Bass Lane and the back of Commodore, I can't even tell you the last time they mowed.

Mr. Marty Sukotsy asked about vacant lots or lots are eventually going to go to the homeowner. He stated if I was coming into that neighborhood to buy a home, I would turn around and leave in some instances. The lots look like crap literally. There are weeds and dirt. I would say somebody get with the builders and have them be responsible to at least maintain that property until somebody buys it. They are vacant. It doesn't look good. Mr. deNagy responded he would talk to Cheryl about that. The HOA should have a contact to the builder to talk about the vacant lots and maintaining those lots. They fall under the same covenants and restrictions as any homeowner does.

Mr. Jon Pichney stated I believe some builder has a road going off Ablatross way into the back where that pond is in the back, my neighbor said they bought they two lots so they can go back and forth, they were trucking and stuff like that while they build back there. Mr. Lyon stated that pond you are talking about is not really a pond. That is supposed to be a source of dirt while they are doing construction. It is filled up with water. I know the kids have been playing with it. The builder wasn't happy about that when he found out about it. It is supposed to be a hole for them to go and pull dirt out of. Mr. Pichney stated the issue with my neighbor is there is going to be a lot of trucking going back and forth. After half way between the cul-de-sac and Graylon there are vacant lots with a dirt road that goes back there and all this trucking that is supposed to go back and forth back there. How long is that going to be? Is it years, or is there just going to be hole there where trucks go back and forth. It is going to Black Rock. Mr.

Pichney went on to describe the area and the problems. Mr. deNagy stated I am not sure if it is the CDD, but I will look into it and talk with Cheryl.

Mr. Greg Watson asked about the gazebo being unsafe and who deemed that unsafe?

Mr. deNagy responded Cheryl, our community manager here, did.

Mr. Watson asked what is unsafe about it?

Ms. Blessing responded the beams up at the top are rotten.

Mr. deNagy stated there are photographs in the agenda package.

Mr. deNagy also referenced that someone was talking about roving security. I will check with Cheryl, and it will be put on the agenda to talk about that at the next board meeting.

Ms. Donna Hooke stated concerning the cul-de-sac, if Mr. Lucas comes to the workshop, can we discuss about the cul-de-sac.

Mr. deNagy responded you can ask him outside the meeting. The intent of the meeting is to talk about our pool. If he is there, I would try to grab a hold of him afterwards.

Ms. Hooke asked can we include that into that meeting?

Mr. deNagy responded we actually were going to table that and bring it up at the next meeting. It will probably be December when we talk about that. It is up to the board. If they want that to be a part of the workshop, we can add it to the workshop.

Mr. Rowell stated we pretty much know what we want to do with the cul-de-sac, and we can't take any action at the workshop. I think it would best fit at the December meeting.

In response to a question, Mr. deNagy went over the process for running for a seat on the board.

Mr. Pete Henry asked for some background on how the pool issue started. Was a petition signed?

Mr. deNagy responded it really started in discussion with the board, and there was an interest about having some additional amenities for the community. That is the genesis of the talks.

Mr. Henry asked so there hasn't been any real input from the homeowners themselves?

Mr. deNagy responded your board serves as your representatives.

Mr. Rowell stated our plan was to do the preliminary legwork and to get a design and to get a cost and then send something out to the homeowners. That way we have all the legwork

done, and the homeowners vote yes we do it, no we don't do it. That was our plan, and we haven't gotten to that point yet.

Mr. Lyons stated to give you an idea of how slow this process goes, we first talked about this two years ago. It has been hard to get forward motion and get this far.

Mr. Henry stated one problem is with vandalism and everything else, and I don't think there is enough parking there.

Mr. Rowell stated we will work that out. We didn't want to send out something to the homeowners because all of these questions are going to come up, and we don't have answers to them at that point. We are trying to get all the questions answered that we want and then provide all the pertinent information to the homeowners on cost, upkeep, what it is going to look like, and all that.

Mr. deNagy stated input will be received from the homeowner, and it will be up to the board on how they want to proceed.

In response to a question about liability connected with having a pool, Mr. Walters stated we are entitled to sovereign immunity, and that limits are exposure in terms of if there was a suit, damages are capped per statute. We also have liability insurance for these types of things.

TENTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet & Income Statement

These are as of September 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 \$78,833.12.

On MOTION by Mr. Rowell seconded by Mr. Martyn with all in favor the Check Register in the amount of \$78,833.12 was approved.

ELEVENTH ORDER OF BUSINESS

Next Scheduled Meeting

Mr. deNagy stated our next scheduled meeting will be a workshop on November 28, 2017, at 10:30 a.m. at the Compass Group Conference Room, 961687 Gateway Blvd., Suite 201M, Amelia Island, FL. Our next regularly scheduled meeting is February 1, 2018, but I imagine we will have a meeting sometime in December after our workshop.

TWELFTH 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

B.

MINUTES OF MEETING
HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

A workshop meeting of the Board of Supervisors of the Heron Isles Community Development District was held on Tuesday, November 28, 2017 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:

Ricky Rowell	Chairman
Don Lyons	Vice Chairman
Robert Martyn	Supervisor
Kathleen Blessing	Supervisor

Also present were:

Dave deNagy	District Manager
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 10:42 a.m.

SECOND ORDER OF BUSINESS

Discussion of the Amenity and Parking Improvements

Mr. deNagy directed his preface to Mr. Lucas and stated what we are looking at is a bond issue of a million dollars. Of that million dollars, we are looking at spending \$700,000. That is what we are looking at to fund these improvements that we are going to be talking about today. We will need your guidance regarding that number and if it is doable. We talked about the improvements a little bit at the last board meeting, which is why we opted for the workshop today. We are trying to get things nailed down. We will have another meeting on December 20 at 10:30 a.m. hopefully to move forward with financing the improvements. Before we got started, Mr. Lyons had talked a little about whether we were going to poll the residents. I don't know that we necessarily need to poll the residents. You, as the CDD board members, like any

government official, represent your constituents. You can speak on behalf of your constituents. If we were to get into a survey or something of that nature, having experience with surveys, it is very difficult to deal with the results and how you want to proceed. Hopefully you have a general feeling for what the community itself is interested in. If you feel that a majority would approve and would like to have a pool and a small amenity center, I think it would be perfectly fine for you to move forward with it. If you have some question in your mind about whether the community wants to move forward on it we can do a survey. That is going to delay things, obviously, if we do that. We need to nail down what questions we want to ask. Usually on survey results you get a variety of responses particularly if you have that wide-open comment section attached to the survey. My guess is from what we have talked about, and we have had many residents here at our meetings, and we talked about it at the budget meeting, is that I didn't get any sense that there was any disagreement to having an amenity center with a pool. There were some concerns about cost going forward and security and that sort of thing. We would certainly have to address those concerns on top of what we are going to do to fund the pool and amenity center. I think there are some parking improvements we are talking about as well. I will open it up for discussion. You can't take action as a board, we are here pretty much as a public workshop to talk about the amenity and parking improvements. We can take all these comments back with us to our December meeting where you can actually take action on things.

Mr. Rowell stated some of the costs can be absorbed in the HOA side, correct? Right now, it is only like a \$100 a year. Couldn't you increase the HOA to balance out some of the costs for the pool or for the upkeep of the pool?

Ms. Graham responded since it is CDD property, it is really not the association's asset. They don't own it to contribute towards that. The budget has already been set. We would have to amend the budget and get membership approval. It would increase the assessment.

Mr. Lyons stated people are going to be paying for it either way.

Mr. Rowell stated I guess I have a misunderstanding. What is the HOA for?

Ms. Graham responded it is compliance. It is architectural review of any modification post-construction, compliance of owners, working with contractors is still being done through the CDD.

Mr. Rowell asked what is that money used for?

Mr. deNagy stated if I could interject here. I know I have had other Districts where the HOA has, at the request of the CDD, if they have funds have given funds to the District for certain things. For example, if they want security cameras, the HOA may say we will fund that for you, how much is it. If they have the money, they will cut a check and send it to the District. It would be the District's responsibility for the upkeep of the cameras. That is just one example. The HOA and CDD can work hand-in-hand if the HOA has the funds and wants to do something like that. That would probably be more an operating cost as opposed to contributing to the building of the center itself.

Mr. Rowell stated I don't mean contributing to the building itself, but I know other subdivisions, their HOA is paying for the upkeep of the pools and stuff like that.

Ms. Graham stated likely they are not CDDs, and the HOA owns the amenity center, and that is their responsibility. In this case, the CDD owns the recreational area, and the homeowner's association could contribute with board approval and membership agreement to it.

Mr. Lyons stated that is something we are going to have to look at because we are talking about a bond, and that is going to be a one-time pot of money that we are going to have to use. Considering the fact that we have full maintenance – the contract for that is going to be paid someday or another. We are either going to have to put it in our current budget or give the HOA money so they can contract that. I am not sure how to do that.

Mr. deNagy responded I think for the timing of this, the money we take from the bond will go to all the improvements for the parking and the amenity center and the pool. The operating costs we would want to budget for. Given where we are in the fiscal year, we essentially have 10 months left. This is something we would want to budget in our O&M budget for FY19. If we move forward with the pool, we will have those maintenance costs and all the things that go into managing a pool and amenity center. I don't think there will be a lot of maintenance involved in the parking lot. Another think to look at is updating our Capital Reserves. The surface of the pool itself is going to need resurfacing probably sometime in the next 15 to 18 years. We would want to start increasing our Capital Reserves to fund those future expenses for the pool. I think we would have to budget for all the upkeep costs for FY19 budget. I don't think we have planned the pool for FY18 to open. If it opens, it would be sometime late in FY18. We should have a budget sufficient in FY19 to handle all the maintenance.

Mr. Rowell stated at either rate, the HOA isn't going to pay the increase in their CDD fees but charges of taxes will. What I have noticed, especially the last meeting and a couple of times it was mentioned, people are great with the pool, but then they start talking about taxes going up. That is where I think you are going to find your opposition if they realize how much the taxes are going to go up.

Mr. deNagy stated yes, you are going to have a two-fold impact. You are going to have the debt increase because you are going to have another bond, but you are also going to have your O&M costs go up because of the upkeep. Those are things we obviously are going to have to nail down as we proceed.

Mr. Rowell stated even though we are representing the people, maybe the residents need to at least give us an idea.

Ms. Blessing stated they have to give us an idea. I am not going to vote on this pool if they don't give us an idea. This is very expensive and a lifetime of maintenance.

Mr. deNagy stated it is also a nice asset, and it should help increase home values in Heron Isles.

Ms. Blessing responded possibly.

Mr. deNagy asked do you want to talk about what Jim has put together for us? We can start with the amenity and pool, and then we talk about parking or vice versa.

Mr. Lyons stated on the pool and in that area, I don't know what \$700,000 will buy. It was mentioned a lot of people would like to have a building or a structure attached to it, a small amenity center. I have heard that mentioned by several people.

Ms. Graham stated I have heard that same request – some place that meetings and things could take place for owners.

Ms. Blessing stated you can rent that out and make some money on it.

Mr. deNagy stated that would be CDD income. If we have a small social room, I don't know if you are familiar with Amelia Concourse. They have a small social room there, and they do use it and rent it out for community functions, and there is a covered deck with the pool itself that is attached to the social hall with some restroom to the side.

Mr. Lyons stated I would like to see that planned into this just to see if we can fit it in with that overhead budget, the \$700,000 price tag. If we get to the point where we see we can't, something has to be cut, I guess we will start chopping at that. We definitely want the parking.

Mr. deNagy asked Mr. Lucas with a \$700,000 budget what are we looking at? Do you think that is doable?

Mr. Lucas responded let me preface this. You have a box on that property. That doesn't mean that is where it needs to go. What we had to do there is figure out what size pool you need for this size community. I think it is 40 x 60. That's about what you probably should have for a 750 unit complex, which is what you have. It could move around. We did not add another building on there because you already have a building, but the one you have got is strictly a restroom, and it is way off to the side. If you are interested in a pool and a meeting room, I would like to talk to some experts that can do a real quick layout and rough estimate and come back to you. I don't know what else you would want. I need to get a handle on what you want in this community. I know you want parking, and you want something at the other place, and you want this. The physical part is easy. You want a park, I can estimate that. I know we want to put some parking spots there. We need more handicap spots – that I can do. Placing the facilities on site is easy for me to do, but to price a pool and a meeting room, I am going to have to go out and talk to other experts that do that kind of business that I don't do. Certainly that is a lot of money, and I think you can do it for that. You have a certain amount of money and this many jobs, and you want to whittle it down to what you can afford and what you want to live with. Those are the things I can't really tell you at this point in time. It does fit on the property. If you want a pool there, you have plenty of room to do that. We can also add additional parking, but I think the concept we have there minimizes the impact and allows you enough space left over to have a good facility there. If you expand your parking there, it is going to be at the expense of your usable space. We may be able to get another two spots if we extend the parking a little bit further north. I can't come up with a different configuration of getting more parking and giving you the flexibility of what you want to do on the rest of the site. My suggestion is since that is a #1 desire in this community, I need to go to the next step. We used WW Pitt last time. We can talk to somebody to find out how much the pool and building concept would cost. They build them all the time, so getting an estimate should not be that big a cost.

Mr. Lyons stated as far as parking goes, this area right here that connects these two, can we just cut that out and extend the parking so we will have parking spots all through here?

Mr. Lucas responded absolutely. I can also swing that parking further over.

Mr. Rowell stated I would actually recommend rotating it this way to the road and opening it all out to here. That should give you a lot more spaces than just two or three. I have seen them park out there, and they park like 30 vehicles on the grass, so I know you can park.

Mr. Lucas responded that can be done too.

There was general discussion about where parking can be located using drawings/photos available. There was also discussion about the location of restrooms.

Mr. Rowell stated you definitely don't want restrooms that far away from the pool.

Mr. Lucas stated that is the problem you have now because you have a playground between your restroom and whatever you want to build here.

Mr. Rowell stated I would say it would be off of the side of the amenity center.

Mr. Lucas stated so the building then becomes a meeting room/restroom area. That's done all the time. It just so happens that you already have a restroom now.

Mr. Lyons stated I would want all the doors for the restrooms and for entrance into this to be facing the road. I don't want any side doors. We have experience with these side doors over here that we have vandalism over here, and they believe they are being shielded from the road and traffic. If we have doors rights here and the main entrance right here for the amenity center, I think that would work out.

Mr. deNagy asked Mr. Lucas is that all just wetlands or something?

Mr. Lucas responded no, this is a buffer area. The wetlands are way over here. This is just a buffer area to protect. Whatever we do here, any runoff, gets treated within this area before it gets to the wetlands.

Ms. Blessing asked you can't cut into the buffer?

Mr. Lucas responded you really can't. It has been recorded as an easement. It can be changed, but it is a real hard road.

Mr. Rowell asked about restrooms being fenced off.

Mr. Lucas responded you can fence the whole concept if you want. Mr. Lucas asked if there had been any problem with vandalism of the playground equipment?

Ms. Graham responded mostly the building. They climb on it. Onetime they painted it, but we cleaned that off.

Mr. Lucas stated I will go through Dave, I will rotate that and give you additional parking here. I didn't really want to come off the road with another driveway because you already have

this set up. In the meantime, let me work up a footprint here and go back to a couple of people who do this kind of work and get some cost estimates and then come back to you.

Mr. Rowell asked at the same time you are getting cost estimates, can you get actual drawings?

Mr. Lucas responded they will be concept drawings now. If you want to proceed forward, then whoever will prepare the drawings will want to go under contract to do it.

Mr. deNagy stated this is good because we are so early in the fiscal year, we have got a lot of time to work with here.

Mr. Rowell asked can you put this in a CAD drawing?

Mr. Lucas responded we will work in CAD to get this. What I will do is whatever the footprint is, and the most feasible and economical to build, it won't be a box anymore. It will actually be there. After we get that footprint, we can always move it around. We have to meet the handicap rules, and they are pretty stringent.

Mr. deNagy stated you have ADA guidelines for pool entry and all that. How big is the pool?

Mr. Lucas responded roughly 40 x 60. It goes by square footage based on the number of people you want to have, the size of the community.

Mr. Rowell asked how quickly can we expect you to get that information back to Dave?

Mr. Lucas responded you have a meeting in December. Let me work up the footprint with the parking when I get back, and then I will contact a couple of people. I have to get back to Dave on the schedule. I will try to give you some kind of an outline by the December meeting with some kind of a rough idea. I can't promise it at this time, but that's my goal.

Mr. Lyons asked for the soccer field, we are not talking about putting permanent nets or goals on it are we?

Ms. Graham responded I don't know.

Mr. deNagy stated down the road at Amelia Walk, if you drive in, they have a soccer field, but the goals are movable. They can put them anywhere they want to.

Mr. Lucas stated we did this to show you there is room to build. Soccer is not as definable as you think it is. It depends on the age group and size. This is regulation size for older kids, but I have seen in the past is they will go and use half a field for the real small kids. You have room to do that.

Ms. Blessing stated what you could do, if we build an amenity center, is put in games like goals, badminton equipment, and sign it out.

Mr. Lucas said I have 8 parking spots here – 7 and a handicap. You have got some space left over. You have to let me know what your thoughts are in this area.

Mr. Rowell stated I would like to see more parking spots there. It drives me nuts when I drive by, and they are parked on the sidewalk. I just want to go crazy. If they put on some kind of soccer game or community event, that is no parking at all. Nobody is going to come down here to park to walk way down there. Make that lot bigger. We need to add more parking there.

Mr. Lucas stated that one is going to be a little tough, but what I think we can do is rotate it and have parking backing up to the sidewalk here and over here, and that way you have this existing concept and utilize this area here for parking also. There is the question of where to put the driveway. Mr. Lucas used the drawings to illustrate where he was talking about.

Mr. Lyons stated we really don't need to address the soccer field put incorporate it into the \$700,000 budget. We can worry about the soccer field later on. As I see it, our main concern is additional parking, the pool, and the amenity center with the bathroom and see what we can get for our money.

Mr. Lucas stated if you have any residents that work for construction companies, getting parking in is probably what you want to do. You can certainly have a community project where you can clear it and let the community make it happen over time. That sometimes works. You certainly want to have a concept plan of how much parking you can get in here.

Mr. Lyons with additional parking plus the fact we will be taking up this area over here with the pool, then the things that we currently do out there, movie nights, etc., that would have to move over to the field side. But with the parking over there and additional parking on the other side, that would make that a lot easier.

Ms. Blessing said you would need some power.

Mr. Lyons said that is a good comment, we don't have any power over there.

Mr. Rowell stated why couldn't you have movie night at the pool?

Mr. deNagy stated I just thought of this, do you all want night swimming? You can add lights, and this would be the time to do it. I don't think they are that much. You could have the Dive-In Movies. That is real popular among communities that have pools.

Ms. Blessing stated I think it would be safer to have lights at night anyway.

Mr. Lyons stated you know if they can get in there, they are going to go – especially teenagers.

Mr. Rowell stated you have to beef up your security and security cameras.

There was discussion about using roving security, off-duty security officers, and security in general.

Mr. deNagy directed his comment to Mr. Lucas and stated you are going reconfigure the diagram, get with a company that is familiar with the buildings, and come up with an idea of cost hopefully by our December meeting.

Mr. Lucas responded that is my goal. You want to know what you can afford to build and what kind of concept plan you want to go by. From there, then you will have a timeline. If you can afford it, get everybody on board, and then you can proceed to the next step, which would be actually designing, getting it permitted, and getting construction contracts.

Mr. deNagy stated if we are all comfortable with that, and we have the costs, we would need the Engineer's report to provide to MBS so they can work out the financing and get that ball rolling. Jim, would you be available for that meeting on December 20?

Mr. Lucas responded I will look on my calendar, but I am not going out of town.

Mr. Lyons asked do we want to go ahead and do a survey so there will be some information about what the residents want? I have heard from some residents who were very adamant that they didn't want a pool, but I believe I have heard more residents say they do want one.

Ms. Blessing stated can we give them a cost? The beginning of this whole thing was to get an estimated cost.

Mr. Lyons stated do you want to wait and get that before we do a survey?

Ms. Blessing stated I think they should know.

Mr. Rowell stated does it really have to be a survey? Can it be a formed letter of "This is what the CDD board is looking it, this is what the concept would look like, and this is how it is going to affect you. If you have comments, then email (contact name)." This would be less time-consuming than trying to get everybody's responses.

Mr. deNagy stated I don't have emails for everybody. Cheryl, do you for the HOA?

Ms. Graham stated we don't have everybody, but we are trying.

Mr. Lyons stated all we need is one email address so the information from the Internet sample would go to that email address.

Ms. Blessing asked can't it be done on the website? Send out a letter saying this is what we are doing, here is where you go and vote.

Mr. deNagy stated we can put something on the web page, but it would be up to people in the community to point everybody to it.

Mr. Lyons stated then they could vote or make a comment as to yes or no.

Mr. deNagy stated when we come back in December, we will have some idea of cost. Do we want to wait and do it then?

Mr. Lyons stated yes.

Mr. deNagy stated that way we could ask residents if assessments went up, say, \$200, would you be willing to fund a pool or something to that effect.

Mr. Rowell stated I think you should also send them a letter because I don't do all that neighbor stuff. I know if I don't, there are other people that don't.

Ms. Blessing stated I think they should get a letter with a follow-up to answer it online.

Mr. deNagy stated I will get you a cost. We sent the mailed notices out when we did our assessment increases, so I know how much it is going to cost to mail the letters. You probably should just double that because you are going to put return postage for those to send their responses back.

Mr. Rowell asked are you still working on the thing at the end of Commodore Point?

Mr. Lucas responded this is what we have got. I went out there and looked at it. There is a system in place. What happened was we just had so much rain. It didn't drain out. I expected it. I also found out this wetland has an overflow, and the overflow is between the houses that you can access off of Heron Isles Blvd and the recently completed cul-de-sac on Chester. There is a gap in between. There is an overflow there, but when I went out there and looked at it, there is some filter fabric in between, and that has to be removed. I can get somebody to remove that. When they put a sewer line through there, the dirt was kind of kicked up a little bit. I am going to get that reduced. What will happen is the next time we have one of these major events, and the water starts building up in the wetland, it will go out that other overflow as well as the overflow that is already in place.

Mr. deNagy stated he received an email from Greg Matovina stating our plan for the end of Commodore Point has been approved, he has three lots there, and unless other arrangements are made we plan to proceed with construction and sell the two lots. If the CDD is interested in purchasing the two lots, we need to know by the first of next year. He said we have not set a final price on the lots, but they are currently selling in the \$45,000 range. The District, if it wanted to do it, would have to pony up the money to buy the lots.

Mr. Lyons asked are we still on the hook for a fire station, or did we take that completely out?

Mr. deNagy responded I don't know the answer to that.

Mr. Lucas stated I believe the fire station was a site that was included – I don't know of any condition where the CDD has to build it. That is my understanding. There is also some commercial property that is still there along Chester.

Mr. Lyons I am wondering if we still have that commitment to put in a fire station after we complete this.

Mr. deNagy stated I know there are no funds left in the bonds.

Mr. Lucas stated I don't remember any budget to build a fire station.

Mr. Lyons stated so we don't have any real reason that would drive us to purchase those properties?

Mr. deNagy stated there is no obligation on our part. He is simply saying that if we are interested in buying them so we can do a roundabout, we can do so.

Mr. Rowell stated but under HUD that was approved back when the community was first developed, he was to put a cul-de-sac there, which he didn't do. That is what the county was saying that he had to do it.

Mr. Lucas stated they wanted a temporary situation. They did not want any of those houses built because if the road was being extended, then there would be no need for it. Now I understand the county is not interested in extending the road or at least getting somebody else to extend the road to connect to it.

Mr. deNagy stated but I don't know that the county has said that a roundabout needs to be built there.

Mr. Lucas stated they want a turn-around of some sort.

Mr. deNagy stated you had proposed a K-turn using that middle lot.

Mr. Lucas responded right.

Mr. deNagy stated right now, we can do the K-turn because that middle lot is not going to be developed or if the District decided to buy those two lots, then they could possibly build a roundabout there.

Mr. Lucas stated now that it is going to be occupied by a turn-around and houses, the thought process from the county is we can turn around and remove the nuisance, but again it was not their nuisance, it was more your nuisance. You can complain to the county, and the county will understand, but I don't know if they ever send anybody out to look at it. At least it would be tougher for people to use that area the way they are doing it now because now there will be houses there. I think that middle lot, there was never going to be a structure on it. So you have a vista to the lake, but you can't drive to the lake.

Mr. deNagy asked has there been any thought about putting signage, like dead end, so people will know. I think if you turn on the street before you go all the way in to Commodore, there is a roundabout and simply turn around there and go back out if there was a sign in place that said dead end.

Ms. Graham will have a sign put up.

There was general discussion about the area.

Mr. Lyons asked could we see some ideas about getting electricity to the soccer field area.

Mr. Lucas stated that shouldn't be a problem. There is already power for this station here. All we have to do is talk to FP&L and getting service for that spot should not be a problem. As soon as I get the parking reconfigured, then you just have to tell where you want lights.

THIRD ORDER OF BUSINESS

Adjournment

Mr. deNagy stated if there is no objection, I will adjourn today's workshop.

Secretary/Assistant Secretary

Chairman/Vice Chairman

FIFTH ORDER OF BUSINESS

From: Jim Lucas jmlgator@bellsouth.net
Subject: FW: Heron Isles POOL
Date: November 30, 2017 at 4:11 PM
To: Dave deNagy ddenagy@gmsnf.com



Dave,

I asked Joe Loretta from the Genesis Group to give me some advise concerning the feasibility of a pool for Heron Isles. His group design many HOA/CDD amenity projects for major developers such as D.R Horton and Pulte Homes. Based on the size of the community, the code dictates the size of the facility. His opinion is that the size criteria will dwarf the budget. Please let me know your thoughts.

-----Original Message-----

From: Joseph P. Loretta, PLA [mailto:JLoretta@GenesisGroup.com]
Sent: Thursday, November 30, 2017 3:40 PM
To: 'Jim Lucas' <jmlgator@bellsouth.net>
Subject: Heron Isles

Jim,

For a 750 lot subdivision.

You will need a 3,500 SF pool minimum. That does not include additional features such as a zero entry, seating ledges, sunshelves, etc. This will cost approx.. 500K.

A minimum pool deck will be approx. 7,000 SF - \$100K.

The minimum the building would need to be is around 1,200 SF. = \$300K.
Design & permitting: \$65K

So, in total, you could be around \$965 - for really almost the bare minimum
The numbers may be able to squeak down a bit. But not too much. Lets see if they can get 1.5 mil for a bond.

I would recommend that you anticipate fees around 1.25 mil to accomplish this effort. This will allow a but more excitement in the pool, pool deck and shade buildings on the pool itself. The restrooms need to be within 200' of the pool, so I do not believe the existing facility will accommodate the site.

Sincerely,

Joseph P. Loretta, PLA
Associate Vice President

EIGHTH ORDER OF BUSINESS

RESOLUTION 2018-02

**A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE
HERON ISLES COMMUNITY DEVELOPMENT DISTRICT
DESIGNATING THE PRIMARY ADMINISTRATIVE OFFICE
AND PRINCIPAL HEADQUARTERS OF THE DISTRICT AND
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Heron Isles Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within the County of Nassau, Florida; and

WHEREAS, the District desires to designate its primary administrative office as the location where the District’s public records are routinely created, sent, received, maintained, and requested, for the purposes of prominently posting the contact information of the District’s Record’s Custodian in order to provide citizens with the ability to access the District’s records and ensure that the public is informed of the activities of the District in accordance with Chapter 119, *Florida Statutes*; and

WHEREAS, the District additionally desires to specify the location of the District’s principal headquarters for the purpose of establishing proper venue under the common law home venue privilege applicable to the District.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF THE HERON ISLES COMMUNITY
DEVELOPMENT DISTRICT:**

SECTION 1. The District’s primary administrative office for purposes of Chapter 119, Florida Statutes, shall be located at 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

SECTION 2. The District’s principal headquarters for purposes of establishing proper venue shall be located at McCranie & Associates, 3 South 2nd Street, Fernandina Beach, Florida 32034 within Nassau County, Florida.

SECTION 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS ____ day of _____, 2017.

ATTEST:

**HERON ISLES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

TWELFTH ORDER OF BUSINESS

A.

Heron Isles
Community Development District
Unaudited Financial Statements
thru November 30, 2017

Meeting Date
December 20, 2017

Heron Isles
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
November 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash	\$20,427	---	---	\$20,427
State Board	\$201	---	---	\$201
Custody-Reserves	\$749	---	---	\$749
Custody-Excess Funds	\$70,364	---	---	\$70,364
Investments:				
Series 2017A-1				
Reserve	---	\$81,258	---	\$81,258
Interest	---	\$15	---	\$15
Revenue	---	\$18,769	---	\$18,769
Excess Revenue	---	\$29,950	---	\$29,950
Cost of Issuance	---	---	\$0	\$0
Series 2017A-2				
Reserve	---	\$35,875	---	\$35,875
Interest	---	\$10	---	\$10
Prepayment	---	\$17,680	---	\$17,680
Prepaid Expenses	\$0	---	---	\$0
Electric Deposits	\$1,050	---	---	\$1,050
Assessment Receivable	\$1	---	---	\$1
TOTAL ASSETS	<u>\$92,792</u>	<u>\$183,557</u>	<u>\$0</u>	<u>\$276,349</u>
LIABILITIES:				
Accounts Payable	\$6,061	---	---	\$6,061
FUND BALANCES:				
Restricted for Debt Service	---	\$183,557	---	\$183,557
Restricted for Capital Projects	---	---	\$0	\$0
Nonspendable	\$1,050	---	---	\$1,050
Assigned	\$37,395	---	---	\$37,395
Unassigned	\$48,287	---	---	\$48,287
TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS	<u>\$92,792</u>	<u>\$183,557</u>	<u>\$0</u>	<u>\$276,349</u>

HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending November 30, 2017

	ADOPTED BUDGET	PRORATED THRU 11/30/2017	ACTUAL THRU 11/30/2017	VARIANCE
<u>Revenues</u>				
Assessments - On Roll	\$281,122	\$22,772	\$22,772	\$0
Interest Income	\$0	\$0	\$44	\$44
TOTAL REVENUES	\$281,122	\$22,772	\$22,816	\$44
<u>Expenditures</u>				
<u>Administrative</u>				
Supervisors	\$4,000	\$667	\$1,000	(\$333)
FICA Expense	\$306	\$51	\$77	(\$26)
Engineering	\$5,000	\$833	\$0	\$833
Dissemination	\$1,500	\$250	\$250	\$0
Assessment Roll	\$7,500	\$7,500	\$7,500	\$0
Attorney	\$15,000	\$2,500	\$0	\$2,500
Auditing	\$3,700	\$617	\$0	\$617
Trustee Fees	\$2,200	\$367	\$0	\$367
Management Fees	\$43,260	\$7,210	\$7,210	\$0
Computer Time	\$1,000	\$167	\$167	\$0
Website Compliance	\$500	\$83	\$83	(\$0)
Telephone	\$100	\$17	\$0	\$17
Postage	\$500	\$83	\$57	\$26
Printing & Binding	\$1,250	\$208	\$101	\$107
Meeting Room Rental	\$1,300	\$217	\$100	\$117
Insurance	\$6,646	\$6,646	\$6,042	\$604
Legal Advertising	\$1,800	\$300	\$640	(\$340)
Other Current Charges	\$1,000	\$167	\$79	\$88
Office Supplies	\$100	\$17	\$15	\$2
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
Capital Outlay	\$250	\$42	\$0	\$42
Total Administrative Expenditures	\$97,087	\$28,115	\$23,496	\$4,619
<u>Utilities</u>				
Electric	\$21,000	\$3,500	\$2,149	\$1,351
Water & Sewer	\$56,500	\$9,417	\$9,871	(\$455)
Total Utilities	\$77,500	\$12,917	\$12,020	\$897
<u>Contract Services</u>				
Landscape Maintenance	\$57,072	\$8,897	\$8,897	\$0
Irrigation Maintenance	\$3,000	\$500	\$256	\$244
Lake Maintenance	\$12,900	\$2,150	\$2,150	\$0
Janitorial Services	\$7,200	\$1,200	\$600	\$600
Trash Removal Services	\$7,440	\$1,240	\$500	\$740
Management Company	\$9,000	\$1,500	\$1,500	\$0
Pest Control Services	\$225	\$38	\$0	\$38
Holiday Decorations	\$0	\$0	\$1,161	(\$1,161)
Total Contract Services	\$96,837	\$15,525	\$15,065	\$460

HERON ISLES
COMMUNITY DEVELOPMENT DISTRICT

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending November 30, 2017

	<u>ADOPTED BUDGET</u>	<u>PRORATED THRU 11/30/2017</u>	<u>ACTUAL THRU 11/30/2017</u>	<u>VARIANCE</u>
<i>Repairs & Maintenance</i>				
<i>Repairs & Maintenance</i>	\$16,408	\$2,735	\$5,151	(\$2,416)
<i>Total Repairs & Maintenance</i>	<u>\$16,408</u>	<u>\$2,735</u>	<u>\$5,151</u>	<u>(\$2,416)</u>
<i>TOTAL EXPENDITURES</i>	<u>\$287,832</u>	<u>\$59,291</u>	<u>\$55,732</u>	<u>\$3,559</u>
<i>EXCESS REVENUES (EXPENDITURES)</i>	<u>(\$6,710)</u>		<u>(\$32,916)</u>	
<i>FUND BALANCE - Beginning</i>	\$6,711		\$119,647	
<i>FUND BALANCE - Ending</i>	<u><u>\$0</u></u>		<u><u>\$86,732</u></u>	

COMMUNITY DEVELOPMENT DISTRICT

REVENUES:

Maintenance Assessments	\$0	\$22,772	\$22,772
Interest Income	\$22	\$22	\$44

TOTAL REVENUES

[illegible]

EXPENDITURES:

[illegible]

<u>Maintenance:</u>			
Electric	\$2,149	\$0	\$2,149
Water & Sewer	\$4,873	\$4,999	\$9,871
Landscape Maintenance	\$4,132	\$4,765	\$8,897
Irrigation Repairs	\$256	\$0	\$256
Lake Maintenance	\$1,075	\$1,075	\$2,150
Janitorial	\$600	\$0	\$600
Trash Removal Services	\$500	\$0	\$500
Management Company	\$750	\$750	\$1,500
Pest Control	\$0	\$0	\$0
Repairs & Maintenance	\$4,436	\$715	\$5,151
Holiday Decorations	\$1,161	\$0	\$1,161

[illegible][illegible]TOTAL OTHER SOURCES AND USES

Interfund Transfer In / (Out)	\$0	\$0
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[illegible][illegible]

HERON ISLES

COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2017

Statement of Revenues, Expenditures and Changes in Fund Balance

For The Period Ending November 30, 2017

	<u>ADOPTED BUDGET</u>	<u>PRORATED THRU 11/30/2017</u>	<u>ACTUAL THRU 11/30/2017</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Special Assessments - On Roll	\$232,954	\$18,870	\$18,870	\$0
Prepayments	\$0	\$0	\$15,980	\$15,980
Interest Income	\$0	\$0	\$38	\$38
TOTAL REVENUES	<u>\$232,954</u>	<u>\$18,870</u>	<u>\$34,889</u>	<u>\$16,019</u>
<u>EXPENDITURES:</u>				
<u>Series 2017A1</u>				
Interest - 11/1	\$21,749	\$21,749	\$21,749	\$0
Special Call - 11/1	\$0	\$0	\$10,000	(\$10,000)
Interest - 5/1	\$31,828	\$0	\$0	\$0
Principal - 5/1	\$95,000	\$0	\$0	\$0
<u>Series 2017A2</u>				
Interest - 11/1	\$14,521	\$14,521	\$14,521	\$0
Special Call - 11/1	\$0	\$0	\$5,000	(\$5,000)
Interest - 5/1	\$21,250	\$0	\$0	\$0
Principal - 5/1	\$25,000	\$0	\$0	\$0
TOTAL EXPENDITURES	<u>\$209,348</u>	<u>\$36,270</u>	<u>\$51,270</u>	<u>(\$15,000)</u>
<u>OTHER SOURCES/(USES):</u>				
Interfund Transfer In(Out)	\$0	\$0	\$8,646	\$8,646
TOTAL OTHER	<u>\$0</u>	<u>\$0</u>	<u>\$8,646</u>	<u>\$8,646</u>
EXCESS REVENUES (EXPENDITURES)	<u>\$23,606</u>		<u>(\$7,735)</u>	
FUND BALANCE - Beginning	\$56,419		\$191,293	
FUND BALANCE - Ending	<u><u>\$80,024</u></u>		<u><u>\$183,557</u></u>	

Heron Isles
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL PROJECTS FUND - SERIES 2017
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending November 30, 2017

	<u>ADOPTED BUDGET</u>	<u>PRORATED THRU 11/30/2017</u>	<u>ACTUAL THRU 11/30/2017</u>	<u>VARIANCE</u>
<u>REVENUES:</u>				
Interest Income	\$0	\$0	\$2	\$2
TOTAL REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$2</u>	<u>\$2</u>
<u>EXPENDITURES:</u>				
Cost of Issuance	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>OTHER SOURCES/(USES):</u>				
Interfund Transfer In/(Out)	\$0	\$0	(\$8,646)	(\$8,646)
TOTAL OTHER	<u>\$0</u>	<u>\$0</u>	<u>(\$8,646)</u>	<u>(\$8,646)</u>
EXCESS REVENUES (EXPENDITURES)	<u>\$0</u>		<u>(\$8,644)</u>	
FUND BALANCE - Beginning	\$0		\$8,644	
FUND BALANCE - Ending	<u><u>\$0</u></u>		<u><u>\$0</u></u>	

B.

HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2018 ASSESSMENT RECEIPTS SUMMARY

ASSESSED	# UNITS ASSESSED	SERIES 2017A1-2 DEBT SERVICE ASSESSED	FY18 O&M ASSESSED	TOTAL ASSESSED
NET REVENUE TAX ROLL	749	232,953.84	281,121.72	514,075.56
TOTAL NET ASSESSMENTS		232,953.84	281,121.72	514,075.56

SUMMARY OF TAX ROLL RECEIPTS				
NASSAU COUNTY DISTRIBUTION	DATE RECEIVED	TOTAL RECEIVED	DEBT SERVICE RECEIPTS	O&M RECEIPTS
1	11/06/17	2,539.21	1,150.65	1,388.56
2	11/22/17	39,102.88	17,719.51	21,383.37
3	12/08/17	353,356.75	160,123.95	193,232.80
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
TOTAL TAX ROLL RECEIPTS		394,998.84	178,994.11	216,004.73

TOTAL DUE TAX ROLL RECEIPTS	119,076.72	53,959.73	65,116.99
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PERCENT COLLECTED	TOTAL	DEBT	O&M
% COLLECTED TAX ROLL	76.84%	76.84%	76.84%

C.

Heron Isles Community Development District

Check Register Summary- General Fund

10/1/2017 - 10/31/2017

<i>Check Date</i>	<i>Check #'s</i>	<i>Total Amount</i>
<i>10/24/2017</i>	<i>1605-1610</i>	<i>\$21,222.96</i>
<i>Total</i>		<i>\$21,222.96</i>

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
TOTAL FOR REGISTER						21,222.96	

HIC -HERON ISLES - MPHILLIPS

Heron Isles Community Development District

Check Register Summary- General Fund

11/1/2017 - 11/30/2017

<i>Check Date</i>	<i>Check #'s</i>	<i>Total Amount</i>
<i>11/20/2017</i>	<i>1611-1627</i>	<i>\$33,587.69</i>
<i>Total</i>		<i>\$33,587.69</i>

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK.... AMOUNT #
11/20/17	00045	9/30/17 1001	201709 320-57200-46600	JANITORIAL SVC	*	600.00	
		9/30/17 1001	201709 320-57200-46700	TRASH PICK UP SVC	*	500.00	
		10/31/17 1012	201710 320-57200-46600	JANITORIAL SVC	*	600.00	
		10/31/17 1012	201710 320-57200-46700	TRASH PICK UP SVC	*	500.00	
		10/31/17 1012	201710 320-57200-46000	DEBRIS CLEAN UP SVC	*	120.00	
ALL REPAIRS & MAINTENANCE							2,320.00 001611
11/20/17	00071	10/05/17 C10580	201710 320-57200-46000	TOILET LEAK IN BATHROOM	*	116.00	
CROWN PLUMBING SERVICES, INC.							116.00 001612
11/20/17	00094	10/28/17 217148	201710 320-57200-46000	FIX STORM DAMAGED FENCES	*	3,600.00	
CREATIVE SERVICES & FENCE CO.,INC							3,600.00 001613
11/20/17	00005	10/02/17 70689	201710 310-51300-54000	FY18 ANNUAL DISTRICT FEE	*	175.00	
DEPARTMENT OF ECONOMIC OPPORTUNITY							175.00 001614
11/20/17	00040	10/01/17 5766	201710 310-51300-45000	FY 2018 INSURANCE	*	6,042.00	
EGIS INSURANCE ADVISORS, LLC							6,042.00 001615
11/20/17	00003	10/27/17 5-979-12	201710 310-51300-42000	DELIVERIES THRU-10/27/17	*	51.18	
FEDEX							51.18 001616
11/20/17	00013	10/16/17 OCT-17	201710 320-57200-43000	OCT 17 - ELECTRIC	*	2,148.64	
FPL							2,148.64 001617
11/20/17	00014	11/01/17 162	201711 310-51300-34000	MGMT FEES-NOV 17	*	3,605.00	
		11/01/17 162	201711 310-51300-35100	INFO TECH-NOV 17	*	41.67	
		11/01/17 162	201711 310-51300-35110	WEBSITE ADMIN-NOV 17	*	83.33	
		11/01/17 162	201711 310-51300-31300	DISSEM AGNT SVCS-NOV 17	*	125.00	
		11/01/17 162	201711 310-51300-51000	SUPPLIES-NOV 17	*	15.00	

HIC -HERON ISLES - MPHILLIPS

HIC -HERON ISLES - MPHILLIPS

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
TOTAL FOR REGISTER						33,587.69	

HIC -HERON ISLES - MPHILLIPS