

MINUTES OF MEETING
CANDLER HILLS EAST
COMMUNITY DEVELOPMENT DISTRICT

The Regular Meeting of the Board of Supervisors of the Candler Hills East Community Development District was held Tuesday, May 16, 2017 at 9:00 a.m. at the Circle Square Commons Cultural Center, 8395 S.W. 80th Street, Ocala, Florida.

Present and constituting a quorum were:

Philip J. Moherok	Chairman
Elmer Greene	Vice Chairman
Robert Scherff	Assistant Secretary
John Bain	Assistant Secretary
Larry Garvin	Assistant Secretary (by phone)

Also present were:

George Flint	District Manager
Gerald Colen	District Counsel
Rachel Wagoner	District Counsel

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Notice for Meeting

Mr. Flint: An annual meeting of May 16, 2017 was advertised in the Ocala Star Banner. Proof of Publication is in your agenda.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the February 21, 2017 Meeting

Mr. Flint: Are there any deletions, additions, or corrections to the minutes?

Mr. Scherff: Did we ever come up with a final interest rate on the bond or are there three different interest rates?

Mr. Flint: I would have to get back with you. We have an interest rate and you have a blended average coupon. There are three different series, based on maturity; you take those and come up with an average coupon rate. I will email that to the Board after the meeting.

Mr. Moherek: I believe that we were somewhere around 3.3%.

Mr. Flint: That sounds right but I don't have it in front of me.

Mr. Moherek: It's not confirmed though.

Mr. Flint: I'll confirm that. Are there any questions on the minutes? If not, we need a motion to approve them.

On MOTION by Mr. Scherff, seconded by Mr. Moherek, with all in favor, the minutes of the February 21, 2017 meeting were approved.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2017-04
Approving the Proposed Budget for
Fiscal Year 2018 and Setting a Public
Hearing**

Mr. Flint: This Resolution approves a proposed budget and sets the date, place and time of the public hearing for its final consideration. The Board is required by June 15 of each year to approve a proposed budget and set the date, place and time of the hearing. We transmit this proposed budget to Marion County. They have the ability to comment, but they have no approval authority. We are suggesting your August 15th meeting for the public hearing at 9:00 a.m. at this location. Exhibit A to the Resolution is the proposed budget. This can be changed any time, between now and at the public hearing, if you choose to do that. The only caveat would be if there would be any desire to increase the per unit assessment, we would need to know that sooner, rather than later because of some additional noticing requirements. We based the proposed budget on keeping the per unit assessment the same, which is \$178 per unit. At the bottom of Page 1, in Fiscal Year 2017, we reduced the per unit amount from \$240 to \$178. We feel comfortable at that level that you are adequately funding the operations of the District. Are there any questions on the proposed budget?

Mr. Moherek: I have two questions. I noticed that "Engineering" was high this year, but brought back down next year. What was that extra \$3,300 for?

Mr. Flint: The District Engineer prepared a Public Facilities Report, which only needs to be done every seven years. Some additional work was required of the District Engineer this year. We don't expect that to be something that we need to plan for next year.

Mr. Moherek: What is Dissemination Agent?

Mr. Flint: When the District issues bonds, a Master Trust Indenture is entered into. In that Master Trust Indenture, there are certain disclosure requirements that the District has. The District retains a Dissemination Agent to make sure that we meet all of the obligations under the Continuing Disclosure Agreement. The Continuing Disclosure Agreement is between the District, developer and the Trustee, and requires certain reports to be filed periodically with the clearing houses, so that any bondholder, in the event of default, are aware of any issues. We serve as the Dissemination Agent for the District and that fee is per contract.

On MOTION by Mr. Moherek, seconded by Mr. Bain, with all in favor, Resolution 2017-04 Approving the Proposed Budget for Fiscal Year 2018 and Setting the Public Hearing for August 15, 2017 at 9:00 a.m., at this location was adopted.

SIXTH ORDER OF BUSINESS

Review and Acceptance of Fiscal Year 2016 Audit Report

Mr. Flint: As a governmental entity, the District was required to have an independent audit performed annually. You went through the competitive bidding process, as prescribed by Statute and selected Berger Toombs, Elam, Gaines and Frank to perform the annual independent audit. This audit is clean. If you look at the Management Letter on Page 32, if there were any findings or recommendations in the current or prior year, they would be reflected in that report. There aren't any findings or recommendations. They found that we complied with all of the provisions that were required, according to the Rules of the Auditor General. It's a clean audit. Are there any questions from the Board?

Mr. Moherek: Yes, on Page 7, under "Improvement", what improvements have we made to those retention areas?

Mr. Flint: Are you talking about the \$3.98 million?

Mr. Moherek: Yes; the items that are not depreciated. I know that land is not depreciated.

Mr. Flint: Those were all of the improvements that were funded by the original bond issue. Land is a separate category, but there were other improvements, according to the Engineer's Report when the bonds were issued, which included the water and wastewater infrastructure that were turned over to the Bay Laurel Center CDD. There was a stormwater system and some off-site road improvements. It's all delineated in the District Engineer's Report. I can get you a copy.

Mr. Scherff: On the bottom of Page 7, it says "The bond refinancing might have a significant effect on the financial position and results of the operations of the District in FY 2017". What does that mean? That sounds challenging.

Mr. Flint: A significant effect could be positive or negative.

Mr. Scherff: Okay.

Mr. Flint: That's just the auditor covering themselves. There's no negative impact, as a result of the refinancing.

Mr. Moherrek: I would like a copy of the Engineer's Report to be sent to each Board member for our records.

Mr. Flint: Are there any other questions on the audit? Not hearing any, we need a motion to accept the audit and authorize it to be transmitted to the State of Florida.

On MOTION by Mr. Greene, seconded by Mr. Scherff, with all in favor, acceptance of the Fiscal Year 2016 Audit Report and authorizing transmittal to the State of Florida was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Flint: Gerald or Rachel, do you have anything?

Mr. Colen: No.

Ms. Wagoner: No.

B. Engineer

Mr. Flint: There's no Engineer's Report.

C. District Manager's Report

1. Approval of Check Register

Mr. Flint: The Check Register was included in your agenda package. For the General Fund, you have Checks #815 through #831 and the Payroll Register, both of which total \$50,302.03. The detail is behind the summary. If you have any questions, we can discuss those, if not, we need a motion to approve.

On MOTION by Mr. Moherek, seconded by Mr. Scherff, with all in favor the Check Register was approved.

2. Balance Sheet and Income Statement

Mr. Flint: You have the Unaudited Financial Statements through March 31. No action is required by the Board, but if there are any questions we can discuss those. Through March 31, we collected \$101,000 of the \$105,000 in on-roll assessments, and have actual expenses of \$61,584, against a budget of \$105,000.

Mr. Moherek: How many homes do we have in Candler Hills that are not paying their taxes and non-ad-valorem collection? Are there many?

Mr. Flint: We don't get an accounting from the Tax Collector on the number of homes that are not paying. We certify the Assessment Roll to them, and they place it on the tax bill. Upon collection, they remit back to us. They don't give us a report saying which home paid and which one did not. You can see that we are almost 100% collected through March. It's likely at this point that we would be 100% collected. I can't answer your question as to who paid and who did not pay. When we chose to use the uniform collection method, we turned that collection process over to the Tax Collector; therefore, we are not tracking individual homes. They don't provide that data to us.

Mr. Moherek: I was just curious.

3. Presentation of Number of Registered Voters – 910

Mr. Flint: Each year, we are required to announce the number of registered voters within the District, as of April 15. You can see that there are 910 registered voters, according to the Supervisor of Elections.

EIGHTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

NINTH ORDER OF BUSINESS

Supervisor's Requests

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Greene, seconded by Mr. Moherek, with all in favor, the meeting adjourned at 9:12 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman