

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 on Tuesday, May 21 at 9:20 a.m. at Circle Square Commons, Cultural Center, 8395 SW 80<sup>th</sup> Street, Ocala, Florida.

Present and constituting a quorum were:

Philip J. Moherek	Chairman
Elmer Greene	Vice Chairman
Robert Scherff	Assistant Secretary
John Bain	Assistant Secretary
Larry Garvin	Assistant Secretary

Also present were:

George Flint	District Manager
Rachel Wagoner	District Counsel
Lynette Vermillion	On Top Of The World Communities
Philip Hisey	On Top Of The World Communities
Robert Stepp	On Top Of The World Communities

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order and called the roll. A quorum was present.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Flint: Is there any public comment? Hearing none, we will move on.

**THIRD ORDER OF BUSINESS**

**Notice for Meeting**

Mr. Flint: The notice of the meeting was in your agenda. It was published in the Ocala Star Banner as well as the audit committee meeting. Both notices are in the agenda book.

**FORTH ORDER OF BUSINESS**

**Approval of Minutes of the February 19,  
2019 Meeting**

Mr. Flint: Did the Board have any additions, deletions or corrections to the minutes? If not, is there a motion to approve them?

On MOTION by Mr. Moherek, seconded by Mr. Scherff, with all in favor, the minutes of the February 19, 2019 meeting, were approved as presented.

**FIFTH ORDER OF BUSINESS**

**Review and Acceptance of Fiscal Year 2018 Audit Report**

Mr. Flint: The Board selected Berger, Toombs, Elam, Gaines & Frank to provide auditing services. That report has been provided to you. Are there any questions on the report? I will note if you refer to the management letter which is page 33 and 34, it indicates that there are no prior or current year findings and recommendations and that we've complied with all the provisions of the auditor general the state of Florida. It is a clean audit.

Mr. Garvin: On behalf of the Board I think we should thank George and his team for the fine job that they are doing.

Mr. Flint: Thank you. I appreciate it.

On MOTION by Mr. Greene, seconded by Mr. Garvin, with all in favor, review and acceptance of Fiscal Year 2018 Audit Report, was approved.

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2019-02 Approving the Proposed Fiscal Year 2020 Budget**

Mr. Flint: Each year you are required to approve a proposed budget by June 15<sup>th</sup> and set the date, place, and time of the public hearing. We've prepared Resolution 2019-02 recommending the August 20<sup>th</sup> meeting to serve as the public hearing for final consideration. In Exhibit A, which is attached to the resolution, is the proposed budget. It's not binding on the Board. If you want to make changes today or at the public hearing, you can do that. It is anticipating that the current per unit assessment of \$93 remains. On the revenue side you see maintenance assessments at \$55,051, and on the expense side basically the same thing except there are small interest earnings. The administrative costs are virtually the same and the maintenance costs just include a contingency in the event there are any issues that are not

covered under the Homeowners Association contract with the landscape contractor. Any questions?

Mr. Garvin: I have one question and that is under the carryforward. I know it was \$12,499 last year and this year it's \$0.

Mr. Flint: The reason it was \$12,499 is it was necessary to balance the budget. We recognized a portion of the carry forward for purposes of balancing the budget against the expense. That was actually for the last quarter of last calendar year. To be on a set year per unit assessment at \$93 and not have it change again, you actually funded three months out of your fund balance until the Homeowners Association contract kicked in on January 1. That's really the only difference. You do have more than that as far as your fund balance goes, but you don't appropriate the fund balance, it's reflected on your balance sheet.

Mr. Garvin: Okay, thank you.

Mr. Flint: Any other questions on the budget?

Mr. Bain: Just on page 6, George, just a minor correction there. The 2<sup>nd</sup> column, Actual Through 4/30/19 and the total is at \$25,000 Special Call-11/1 wasn't added there in the column. Just a small correction. It doesn't affect anything.

Mr. Flint: Okay, I see that. We missed that row for the Special Call. I appreciate that, and we will make that correction. Anything else from the Board?

On MOTION by Mr. Scherff, seconded by Mr. Greene, with all in favor, Consideration of Resolution 2019-02 Approving the Proposed Fiscal Year 2020 Budget with the correction to the Debt Service Fund current year Expenditures, was approved.

**SEVENTH ORDER OF BUSINESS**

**Ratification of Work Authorization 2019-01 with Dewberry Engineers, Inc.**

Mr. Flint: The next item is a Work Authorization for the District Engineer to inspect the District's assets. It's required, under the Trust Indenture for the bonds, to be done annually because of the timing of needing the letter report I executed that on behalf of the District. I am asking the Board to ratify that action.

On MOTION by Mr. Moherek, seconded by Mr. Scherff, with all in favor, Ratification of Work Authorization 2019-01 with Dewberry Engineers, Inc., was ratified.

**EIGHTH ORDER OF BUSINESS**

**Appointment of Audit Committee and Chairman**

Mr. Flint: This is required to select an annual independent auditor. This is typically done every three years. We have asked and the current form of the bid for five years of pricing in the event we want to go a little bit longer than every three years. There is a slight cost increase of doing this. You have to do an extra notice, etc. In the past the Board has appointed themselves as the Audit Committee. If you want to continue with that practice, we have an advertised audit committee meeting immediately after this meeting.

Mr. Scherff: I see no reason not to continue that.

Mr. Flint: Okay. Is that a motion?

On MOTION by Mr. Scherff, seconded by Mr. Moherek, with all in favor, Appointment of Audit Committee, was approved.

Mr. Flint: You are also required to appoint a Chair for the Audit Committee.

Mr. Moherek: Mr. Greene.

On MOTION by Mr. Moherek, seconded by Mr. Garvin, with all in favor, Appointment of Elmer Greene as Chairman, was approved.

**NINTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being none, the next item followed.

**B. District Manager's Report**

**1. Approval of Check Register**

Mr. Flint: You have the check register from February 12<sup>th</sup> through May 14<sup>th</sup>. Did the Board have any questions on it?

Mr. Scherff: I noticed on pond mowing for January, February, and April there's \$4,000. Wasn't that to be taken up by the Homeowners Association?

Mr. Flint: Yes, those checks were voided. We had a little bit of confusion because our accountant saw that we stopped getting the invoices. They were sending them to the HOA and

the HOA was paying them, but our accountant thought that they were doing the right thing and calling and asking for the invoices. So, those were processed, but they were subsequently voided.

Mr. Scherff: Okay, so that's not us.

Mr. Flint: We haven't paid for anything after January. The money was refunded by the contractor back to the District.

Mr. Scherff: Good.

Mr. Flint: That's a good catch. Anything else?

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

**2. Balance Sheet and Income Statement**

Mr. Flint: The balance sheet and income statement has been provided through April 30<sup>th</sup>. These are unaudited. If the Board has any questions, we can discuss those.

**3. Presentation of Number of Registered Voters-964**

Mr. Flint: We also have a letter from the Supervisor of Elections indicating there are 964 active registered voters in the District.

Mr. Scherff: What is the purpose of us getting that number?

Mr. Flint: The transition of the Board from Landowner Election to General Election is triggered by 250 registered voters. The problem is, the statutes don't say once you meet 250 registered voters you no longer have to report it. They say you must annually report the number of registered voters as of April 15<sup>th</sup>. We have to keep reporting it even though really the purpose of it was to monitor that 250 registered voter trigger which you've met and fully transitioned.

Mr. Scherff: Okay, thank you.

**TENTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Supervisor's Requests**

Mr. Moherek: The only thing I would like to bring up, I was concerned about the curbing and whether we should do anything about it. Some of the curbs have a lot of mold and mildew

built up on them. I understand that Indigo has somebody do their whole community and I just want to bring it up for discussion if anybody else is concerned about it.

Mr. Flint: In Indigo the CDD owns the roads, so we have contracted the pressure washing. In Candler the Homeowners Association owns the roads.

Mr. Moherek: Do we have any idea what it costs per home on an average?

Mr. Flint: Well, we could look at what it costs for Indigo, but it's not a Candler CDD issue. We couldn't pressure wash the curbs if we wanted to because they are owned by the HOA which is a private entity and you can't spend public funds on private assets. I know some representatives of the HOA are here, and it would be more appropriate to talk to them about it.

Mr. Hisey: The HOA does own those roadways and we do have budgeted dollars in place to start pressure washing the streets.

Mr. Moherek: I know they've started and I see some of it is done. We have a situation where a lot of people have done it themselves. But then you will see clean, dirty, clean, dirty. Whoever is doing the power washing is charging for it. Are they only charging for the bad areas or how do they do that?

Mr. Hisey: Initially, the only things that were done by the contractor was the main roadway, 81<sup>st</sup> and I believe that is what we had budgeted originally. We're just doing the interior loop there. Getting into each neighborhood, I don't know if that's in the budget yet.

Mr. Moherek: Do you have any idea what the cost is to do that?

Mr. Hisey: I don't have that on me right now, no, sir.

Mr. Moherek: What I'd like to do is find out what it would cost to do the whole community, so we have an idea and we can have a discussion about it.

Mr. Hisey: We can put that down for the HOA meeting when it comes up.

Mr. Moherek: Okay, thank you.

Mr. Flint: Any other Supervisor's requests? Hearing none,

**TWELTH ORDER OF BUSINESS**

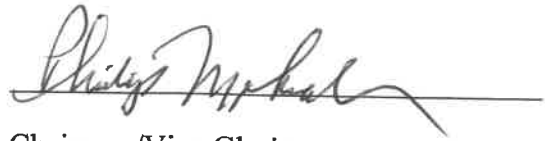
**Adjournment**

The meeting was adjourned.

On MOTION by Mr. Greene, seconded by Mr. Scherff, with all in favor, the meeting adjourned at 9:35 a.m.

A handwritten signature in black ink, consisting of stylized initials and a surname, positioned above a horizontal line.

Secretary/Assistant Secretary

A handwritten signature in black ink, appearing to read 'Philip Michael', positioned above a horizontal line.

Chairman/Vice Chairman