

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, August 20, 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  
Elmer Greene  
Robert Scherff  
John Bain  
Larry Garvin

Chairman  
Vice Chairman  
Assistant Secretary  
Assistant Secretary  
Assistant Secretary

Also present were:

George Flint  
Rachel Wagoner  
Lynette Vermillion  
Philip Hisey  
Robert Stepp

District Manager  
District Counsel  
On Top Of The World Communities  
On Top Of The World Communities  
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**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, the affidavit of publication. The meeting was advertised in accordance with Florida statutes and was advertised on July 30<sup>th</sup> and August 6<sup>th</sup>. Then the annual audit committee was also noticed and you see the notice in your agenda.

**FORTH ORDER OF BUSINESS**

**Approval of Minutes of the May 21, 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. Garvin, with all in favor, the minutes of the May 21, 2019 meeting, were approved as presented.

**FIFTH ORDER OF BUSINESS**

**Public Hearing**

**A. Consideration of Resolution 2019-03 Adopting the Fiscal Year 2020 Budget and Relating to the Annual Appropriations**

Mr. Flint: We will go ahead and open the public hearing and we'll ask if there are any members of the public that would like to provide comment on the Candler Hills East Community Development District Budget or Assessments. Hearing none, we will bring it back to the Board. The first item is Resolution 2019-03 and this adopts the Fiscal Year 2020 budget which starts on October 1<sup>st</sup>. The budget is attached as Exhibit A to the Resolution. It contemplates that the per unit assessment amounts would remain the same. It's substantially the same as what you saw in May when you approved the proposed Budget and set the date, place, and time for the public hearing. Are there any questions?

Mr. Scherff: George, I have a question. Question number 1, have we budgeted for the mulch?

Mr. Flint: I think we will cover that in the Contingency Line.

Mr. Scherff: I was wondering about that.

Mr. Flint: Yes.

Mr. Scherff: Because I think the mulch is still on us, is it not?

Mr. Flint: Yes, everything but the mulch is covered through the agreement with the Homeowners Association. So, when we get the invoice we will apply it to the Contingency.

Mr. Scherff: Another question, what is Arbitrage?

Mr. Flint: Because we issued bonds, the IRS requires the CDD to do a calculation to ensure that we're not earning more interest than we are paying. That is our bank statement. Positive Arbitrage would be the difference between how much we are earning and how much we are paying. We are earning more. Negative Arbitrage would mean we are earning less interest.

Mr. Scherff: I noticed we are about \$4,000 under, so we don't have a problem, correct?

Mr. Flint: Correct.

Mr. Scherff: Okay.

Mr. Flint: Any other questions on the Budget? If not, is there a motion to approve the Resolution?

On MOTION by Mr. Greene, seconded by Mr. Scherff, with all in favor, Consideration of Resolution 2019-03 Adopting the Fiscal Year 2020 Budget and Relating to the Annual Appropriations, was approved.

**B. Consideration of Resolution 2019-04 Imposing Special Assessments and Certifying an Assessment Roll**

Mr. Flint: There are 2 Exhibits to the resolution. The first one is the Budget you just approved and then the second one is Assessment Roll which lists each property and how much each property pays. It's merely just taking what you just approved authorizing us to certify the roll to the county for collection on the Tax Bill. Any questions on the resolution?

Mr. Scherff: I've got two questions. Number 1, on page 6, it's Special Call. What is Special Call?

Mr. Flint: What document are we looking at?

Mr. Scherff: I'm probably 1 step behind.

Mr. Flint: Okay, you are looking at the budget that was just approved. Special Call is if somebody chooses to pay off their remaining debt. There are 2 special calls each year. One coincides with the May 1 payment and one coincides with the November 1 payment. So, if the developer or homeowner chooses to pay off the remaining debt on their property, it goes into an account held by the Trustee and then a Special Call is made and the principal is paid down.

Mr. Scherff: And on page 7, I noticed that on May 1, 2025, the principal is only \$90,000 where the ones before that are \$140,000 and \$145,000. Why is that only \$90,000.

Mr. Flint: That is a good question. I would have to look at that.

Mr. Scherff: It doesn't seem to be consistent.

Mr. Flint: Right. I'm not sure, there's probably two different series. When they sold the bonds, they probably sold them in two different series. That's where the overlap occurs, where

the one goes away and the other one continues. That's usually when you see a blip like that, it's because there's two different interest rates. Those are blended.

Mr. Scherff: Thank you.

Mr. Flint: On the Assessment Resolution were there any questions on that? Is there a motion to approve the Assessment Resolution?

On MOTION by Mr. Bain, seconded by Mr. Scherff, with all in favor, Consideration of Resolution 2019-04 Imposing Special Assessments and Certifying an Assessment Roll, was approved.

## **SIXTH ORDER OF BUSINESS**

### **Acceptance of Audit Committee Recommendation and Selection of #1 Ranked Firm to Provide Auditing Services for Fiscal year 2019**

Mr. Flint: The public hearing is now closed and we will move on. The Board sat as the Audit Committee you ranked Berger Toombs #1, I would ask for a motion to approve the Audit Committee's recommendation.

On MOTION by Mr. Garvin, seconded by Mr. Greene, with all in favor, Acceptance of Audit Committee Recommendation and Selection of #1 Ranked Firm to Provide Auditing Services for Fiscal Year 2019, was approved.

## **SEVENTH 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 May 14<sup>th</sup> through August 13<sup>th</sup> that totals \$16,017.72 and the detailed check register is behind the summary. If the Board has any questions, we can discuss those, if not I would ask for a motion to approve it.

Mr. Scherff: I've got one question, George. The \$1,975 is that is for the IT Assessment?

Mr. Flint: That is the company the Board approved to hire to modify your website to comply with the ADA requirements.

Mr. Scherff: Have we had any feedback on how we did?

Mr. Flint: It has been completed and the website is now ADA compliant.

Mr. Scherff: Good, great.

Mr. Flint: Any other questions?

Mr. Moherek: On the General Funds Report, the month to month detail. I noticed we went over budget on Information Technology by about \$1,900 or so. What happened?

Mr. Flint: Right, that's what Mr. Scherff just asked about. That's the contract you approved to bring the website in compliance with ADA.

Mr. Moherek: Oh, is that what that was?

Mr. Flint: Yes.

Mr. Moherek: And also, on the Dissemination we noticed normally it's \$292 but it was \$542 the first month and then it went up to \$392 one of the other months.

Mr. Flint: I think the \$542 may have been a portion of the prior year; that's why it was higher the first month. It probably included more than 1 month.

Mr. Moherek: Okay.

Mr. Flint: That's a fixed amount. Any other questions on the Check Register or the Financials? If not, is there a motion to approve?

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: Any other questions on the financials? Hearing none, we will move on to the next item.

## **3. Approval of Fiscal Year 2020 Meeting Schedule**

Mr. Flint: Each year the Board is required to approve an annual meeting schedule. We have prepared a proposed meeting schedule that shows you would meet in November, February, May, and August. Of course, you can change those dates or times or frequency if you chose to do that. This is just consistent with how you have met in the past. You can always meet more often if you choose to do so, we would just have to run an extra ad in the newspaper to do that.

On MOTION by Mr. Moherek, seconded by Mr. Garvin, with all in favor, Approval of Fiscal Year 2020 Meeting Schedule, was approved.

**4. Presentation of Arbitrage Rebate Calculation Report**

Mr. Flint: You have the Arbitrage Rebate Calculation Report. This was discussed earlier. The District, under the Internal Revenue code, is required to demonstrate that they are not earning more interest than they are paying. You can see we have a negative rebate requirement of \$8,676. We don't have any Arbitrage issues. Is there a motion to accept the report?

On MOTION by Mr. Moherek, seconded by Mr. Bain, with all in favor, Presentation of Arbitrage Rebate Calculation Report, was approved.

**EIGHTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**NINTH ORDER OF BUSINESS**

**Supervisor's Requests**

Mr. Garvin: I just have one item. I had the opportunity to go on the Bay Laurel tour which Brian did. It was a tremendous experience. He's really informative and explains everything about the water and sewage. I think it behooves all Board Members to go through that tour. It was also impressive that the developer, Ken Colen, is licensed both as water and sewage operator. It's impressive is all I can tell you.

Mr. Flint: I'm sure Brian can mention it during the Bay Laurel meeting, but he puts on a very informative tour of the water and waste water plants. That's under the Bay Laurel Center Community Development District, not Candler or Indigo, but I've heard positive feedback.

Mr. Garvin: It dispels a lot of myths. I can tell you that.


Mr. Flint: Anything else? If not is there a motion to adjourn the Candler Hills East meeting?

**TENTH 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 9:33.



Secretary/Assistant Secretary



Chairman/Vice Chairman