

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, November 19, 2019 at 9:10 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
Gerald Colen	District Counsel
Lynette Vermillion	On Top Of The World Communities
Robert Stepp	On Top Of The World Communities
Patty Soriano	On Top Of The World Communities
Travis Smith	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: Any members of the public want to provide comment? Yes, sir, if you would step forward to the mic and state your name and address and try to limit your comments to 3min.

Richard Rose, 8882 SW 84 Circle: I have a simple request to have a contractor bring a stump grinder through the commons and basin to the back yard. There's no access through the side yards. We had a lightning strike last summer and the tree has been taken down, but the stump needs to be ground so I can replant. It is a simple request. I have pictures and a suggested route. I believe Travis also came, did you come prepared with a route also?

Mr. Smith: With a route?

Mr. Rose: Yes, to get through that basin?

Mr. Smith: Yes.

Mr. Rose: You did? Well, hopefully we are on the same page on the route.

Mr. Flint: I got an email on this I think it was the day before yesterday from Philip. The only question I asked him was the stump grinder going to be towed in by a vehicle versus self-propelled?

Mr. Rose: It will be towed.

Mr. Flint: Okay, the only thing we normally do on this situation is there's a simple agreement that we would sign with you that would require if there is any damage that it be restored.

Mr. Rose: Sure.

Mr. Flint: Typically, we have that agreement that indicates if there's any damage by the contractor coming in or out that they would have to whether it's restoring the sod or whatever that the homeowner would be responsible for those expenses.

Mr. Garvin: Do we need a motion on it?

Mr. Flint: I think we can handle it administratively unless there's any objection from the Board.

Mr. Rose: So, what is the process? I would sign the agreement and who should I be dealing with?

Mr. Flint: It would be me. Philip Hisey reached out to me. I had asked the question on the stump grinder. Some of those are self-propelled and they are lighter, and they don't do as much damage as a pick-up truck or something towing it in. I'd ask him that question to understand how much wear and tear there would be. If he is comfortable with a pick-up truck towing a stump grinder back there and we have the agreement in place, then it shouldn't be a problem.

Mr. Rose: So, the next step is?

Mr. Flint: I'll need to find the agreement we used the last time we did something like this, and we'll send it to you. If you want to provide me your contact information I can get it after the meeting. I can email it to you, and we can handle it that way.

Mr. Rose: Thank you very much.

Mr. Flint: Alright, any other public comments? Hearing none,

**THIRD ORDER OF BUSINESS**

**Notice for Meeting**

Mr. Flint: The notice of the meeting is in your agenda package. It was advertised in the Ocala Star Banner on September 22<sup>nd</sup>.

**FOURTH ORDER OF BUSINESS**

**Approval of Minutes of the August 20, 2019 Board of Supervisors Meeting and Acceptance of Minutes of the August 20, 2019 Audit Committee Meeting**

Mr. Flint: Were there any questions or comments on those? If not, is there a motion to approve those minutes? Hearing none,

On MOTION by Mr. Moherek, seconded by Mr. Scherff, with all in favor, the minutes of the August 20, 2019 Board of Supervisors meeting and acceptance of minutes of the August 20, 2019 Audit Committee meeting, were approved.

**FIFTH ORDER OF BUSINESS**

**Ratification of Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for Fiscal Year 2019**

Mr. Flint: The Board went through the RFQ process for an independent auditing services and you selected Berger Toombs as the independent auditor for the District. In order to get the audit moving, I executed the agreement. I'm asking the Board to ratify that action.

On MOTION by Mr. Bain, seconded by Mr. Greene, with all in favor, the Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for Fiscal Year 2019, was ratified.

**SIXTH ORDER OF BUSINESS**

**Review and Acceptance of Fiscal Year 2019 Draft Audit Report**

Mr. Flint: They did very well in getting the audit out. You see that we have a draft in your agenda package for the Fiscal Year 2019 Audit. If you refer to the management letter on page 33, you'll see that there are no adverse findings or recommendations and it is a clean audit. There are no current or prior year finance recommendations. Are there any questions on the audit? If not, is there a motion to approve it?

On MOTION by Mr. Greene, seconded by Mr. Moherek, with all in favor, the Fiscal Year 2019 Draft Audit Report, was approved.

Mr. Scherff: I think we should go on record saying thank you to George and his group for taking good care of us and making sure that everything is according to the law.

Mr. Flint: Thank you, Mr. Scherff.

## **SEVENTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. Attorney**

Ms. Wagoner: I have nothing to report.

#### **B. District Manager's Report**

##### **1. Approval of Check Register**

Mr. Flint: You have the check run summary from August 13<sup>th</sup> through November 11<sup>th</sup> totaling \$25,532.77. The detailed register is behind the summary. Does the Board have any questions on the check register?

Mr. Scherff: I have 2 questions. The \$5,000 for GMS Assessment Roll Certificate, what is that?

Mr. Flint: That's a one-time per year fee. We maintain and certify the assessment roll for the District. We certify it to the county for collection on the tax bill. That's a one-time fee that is billed at the beginning of the fiscal year when the roll is certified.

Mr. Scherff: And the other one for Egis Insurance Advisors.

Mr. Flint: That's the annual insurance policy. It's also a one-time charge. It's usually paid in September and then reflected in your October financials.

Mr. Scherff: That's all been budgeted, I assume?

Mr. Flint: Yes, it has been budgeted. It's within budget and primarily it's a liability insurance policy as well as a public officials liability policy that protects the Board members.

Mr. Scherff: Good.

Mr. Flint: Any other questions on the financials?

## **2. Balance Sheet and Income Statement**

Mr. Flint: The balance sheet and income statement are in your agenda.

### **EIGHTH ORDER OF BUSINESS**

#### **Other Business**

Mr. Flint: Is there any other business the Board would like to discuss that was not on the agenda?

Mr. Scherff: Yes, I have two things. Number one, do we have any residents who are not paying their taxes? Therefore, we're not getting our money as the non-ad valorem part of the taxes.

Mr. Flint: We may have residents who are not paying their taxes, but what happens is a tax certificate sale occurs and the certificate is purchased, and we receive the assessment revenue at that point. We're 100% collected on assessments. We always have been. We don't personally track, that's the tax collector's responsibility. When we choose to use the tax bill as a collection method, we basically turn it over to the county tax collector and they are the ones that monitor the collections. What we monitor is percent collected because we don't have the ability to directly enforce tax payments. It's the tax collector's responsibility. The way it's set up in Florida, if someone doesn't pay their taxes by the end of March, starting in the May/June timeframe there's what's called a tax certificate sale.

Mr. Scherff: I've seen that.

Mr. Flint: People can go out and basically pay the taxes on behalf of the person that did not pay and then in competitive environments they bid with other people to purchase that tax certificate. Basically, you are bidding an interest rate. What interest rate you would be repaid once the taxes were eventually paid. Typically by the end of June we're 100% collected regardless whether people have paid their taxes.

Mr. Scherff: The other question is I got an email from the Districts, which is a publication creating better communities, and in there it says, "Powerful software weapons are becoming available to attackers. The tools are easy to get on the dark web. You can basically buy an attack with bitcoins. Districts could start process with free vulnerability scans from CISA. We provide a report on what we find, and we can scan your systems on a scheduled basis to spot trends and check for vulnerabilities from emerging threats." How good is our security? The reason that I am concerned is that our social security numbers are obviously within your system.

Mr. Flint: The District's website itself is limited. Everything on that website is public records, so there's really not an issue with people wanting to steal data or anything like that. From that perspective, really it doesn't make a lot of sense to spend a lot of money on security for the District's website. The only thing that's on that is the public records that we are required to put on there by the state. As far as your personal payroll or your social security information, the bank information, that is on GMS's server and we do have significant protections on that. We also have redundancy and back ups and all that set up. From that perspective, you are protected on our system. The District itself does not really have any vulnerability because there's really no data.

Mr. Scherff: The only thing would be our social security numbers; that would be the one thing I'm most concerned about.

Mr. Flint: The only time that comes into play is with our processing of the Board pay monthly and that's protected on our system. Anytime that information is ever published in a record, it's only going to be the last 4 digits of that that are actually in the data. Otherwise, it's protected as well as bank account numbers and that sort of thing.

Mr. Scherff: You send us a check, so our bank account numbers aren't in the District.

Mr. Flint: No, but the District has a bank account. So, that information is protected as well.

Mr. Scherff: Okay, thank you.

#### **NINTH ORDER OF BUSINESS**

#### **Supervisor's Requests**

Mr. Flint: Anything else from the Board? Hearing none,

#### **TENTH ORDER OF BUSINESS**

#### **Adjournment**

The meeting was adjourned.

On MOTION by Mr. Moherek, seconded by Mr. Scherff, with all in favor, the meeting adjourned at 9:22.
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Secretary/Assistant Secretary



Chairman/Vice Chairman