

**MINUTES OF MEETING
HERITAGE PINES
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Heritage Pines Community Development District's Board of Supervisors was held on **Tuesday, June 14, 2016 at 2:00 p.m.**, in the **Heritage Pines Country Club Meeting Room, 11524 Scenic Hills Boulevard, Hudson, Florida 34667.**

Present at the meeting were:

Raymond Russell	Chair
Jack Nelson	Vice Chair
Herbert Elliott	Assistant Secretary
Gilbert Herr	Assistant Secretary
Robert Zimmerman	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Kurt Heath	District Engineer
Bill Crusselle	General Manager – Master Association
John Burns	Golf Course Superintendent
Marty Sabatino	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 2:00 p.m., and noted, for the record, that all Supervisors were present, in person.

▪ **Presentation to Chairman Russell**

****This item was an addition to the Agenda.****

On behalf of the Board, Mr. Zimmerman thanked Mr. Russell for his leadership and years of service on his 90th birthday and presented him with a gift, as a token of the Board's friendship and admiration.

SECOND ORDER OF BUSINESS

Public Comments [3 minutes per person]

Mr. Marty Sabatino, a resident, recalled his campaign to create a smooth transition from the street to the sidewalk onto golf course, to prevent cart damage. Originally, he was told that it was good idea and would save the equipment; however, no action was taken. He provided

photos and contact information for a golf course in Orlando that implemented a solution made of rubber transition plates and wanted to know if the plates could be utilized on the golf course. In response to a question, Mr. Burns responded that Holes #5 and #6 were affected. A Board Member asked if it was a CDD, HOA or golf course issue. When it was brought up to the Board, Mr. Sabatino was notified that it was a CDD issue and he spoke with Mr. Herr. A community in Pembroke Pines was visited to view the plates. He asked the Board to approve a remedy for Holes #5 and #6, which are the worst. When asked his opinion on the matter, Mr. Crusselle responded that residents brought it up but it was awhile ago.

Mr. Adams stated that, if this issue was primarily related to the golf course, it was a golf course issue to address. From the CDD's perspective, it was okay to proceed with a solution, as long as the golf course does not create an issue with blocking drainage, citing stormwater management as a CDD priority. Golf courses all over southwest Florida have crossings, allowing for drainage, and have no problems.

Mr. Russell asked if Mr. Sabatino was referring to steel plates or concrete. Mr. Sabatino responded the options were steel plate or rubber. Plates are not needed at every hole, only when crossing the street. Mr. Heath stated there were eight crossings; from Holes #4 to #5, #5 to #6, #7 to #8 and #8 to #9. Mr. Russell asked what the plates would do to the equipment. Mr. Crusselle stated there was no effect to the equipment but drivers must slow down. Mr. Sabatino stated he did not represent the Golf Committee but he mentioned the plates to the Greens Committee about one-and-a-half years ago. He uses the course daily and is concerned with wear and tear on his body and golf cart from being bounced around going from the road to the sidewalk. Mr. Herr inquired about the cost. Mr. Sabatino did not know and had not met with anyone but had contact information for the rubber transition plates.

Mr. Adams believed it was up to the Golf Club to decide whether to address the issue, what method to use and then to provide the Board with a cross section cut sheet proposal. If the District Engineer determines that it would not create a flow issue, the golf course can decide if and when they want the plates installed. Mr. Sabatino stated the information would be provided at the next meeting.

Mr. Russell suggested partnering with the HOA, 50/50, on the project. Mr. Adams reiterated it was not a CDD issue; it was about crossing over gutters. Mr. Herr made a Motion for the HOA to address the issue and for the District to pay 50% of the cost. Mr. Adams noted there was no second to the Motion; however, a proposal would be presented to the CDD.

THIRD ORDER OF BUSINESS**Consideration of Resolution 2016-1, Approving the District's Proposed Budgets for Fiscal Year 2016/2017 and Setting a Public Hearing Thereon Pursuant to Florida Law; and Providing An Effective Date**

Mr. Adams presented Resolution 2016-1 for the Board's consideration. The Budget would be presented for final adoption at the Public Hearing on September 13, 2016 at 2:00 p.m., at this location. Page 1 reflected a decrease of approximately \$40,000 in total revenues. The "Effluent program" is fully funded and the District was ready to make payments, utilizing three years of previously collected funds and "Unassigned fund balance". On Page 2, the biggest change was "Capital outlay (effluent project)", recognizing it would be expensed between now and the end of Fiscal Year 2016. The "Unassigned" fund balance was \$50,184, for a total fund balance of \$71,964. The District is no longer collecting against the effluent project; however, fund balance must be increased, so the District will collect the same amount in Fiscal Year 2017, identified as an increase to Fund balance, equal to current year collections at \$72,000. Initially, the Effluent program was a five-year assessment program. The District collected for three years and will collect for one more year to bolster the "Fund balance", to prevent borrowing and utilizing fund balance to make the payment. Funds will be added to the "Fund balance", raising the annual appropriations level to 40%, leaving \$144,000 at the end of Fiscal Year 2017, against the annual expenditure budget of approximately \$320,000. "Dry retention pond refurbishment/planting", on Page 2, reflected a budget of \$20,000, with \$5,400 spent, to date. Recently, a depression opened up, costing \$11,000 in hard costs and an additional \$6,000 in engineering and geo-technical work to repair. \$20,000 was projected through September 30, 2016. This was an example of why a healthy fund balance is necessary. If additional events occur during the summer, the CDD would likely make partial payment to Pasco County and hold back a safe amount to address additional depressions, if needed. The budget may be thin but, there is a huge benefit in not having to borrow money for the "Effluent project".

Mr. Russell asked if it was wise to reduce the assessments by \$32. Mr. Adams pointed out that the "Debt Service Assessments" remain the same, year over year, as shown on Page 7, as with a mortgage payment. On the Amortization Schedule, principal and interest do not change, except, as the loan progresses, payments allocated to interest decrease and those to the principal increase. Change primarily occurred in the "Operating budget", which included an approximate

\$30 decrease for all units, except for Pine Ridge, which has a \$3 decrease due to the loss of the “Effluent project” payment. Mr. Adams recommended keeping the assessments at the same level for all units and to avoid an assessment increase in the Pine Ridge units, which would trigger a notice to property owners. If the budget remains as proposed, notices are not required, in the subsequent year, the property out front will roll off, which puts the District back on balance with Pine Ridge in Fiscal Year 2018. Assessment levels would be the same, or less, because \$77,000 for the property out front would be removed.

Mr. Russell asked if the District would be in the same position or in a risk position if the assessment is reduced by \$30. Mr. Adams restated that going up to \$30 would raise the Pine Ridge assessments above prior year amounts, requiring a notice to homeowners. Mr. Adams suggested raising the contingency amount from \$2,500 to \$6,000 and preserving Pine Ridge assessments at the Fiscal Year 2016 level. In Fiscal Year 2018, when the \$75,000 is removed, the units would return to Pine Ridge levels, as they were prior to the “Effluent project” and a more appropriate assessment level in Fiscal Year 2018.

On Page 1, Mr. Herr referred to “Expenditures” and suggested increasing the “Supervisors” fees from \$3,000 to \$7,000, for incoming Board Members who may choose to be paid. Mr. Adams explained that action would bring the assessment level even for Pine Ridge. Mr. Herr commented on the “Dry retention pond refurbishment/planting program”, which began three years ago, installing landscaping in the front Dry Retention Area (DRA), near Scenic Hills, and some DRA’s inside the golf course. In part, to avoid mowing on the big hill, grass was removed and the area was filled with sand and Arizona rocks, with the intent of continuing the program to other holes. At the last meeting, installing proper landscaping in DRAs #25 and #28 was discussed. Mr. Herr felt it was in the best interest of the CDD to increase the \$20,000 line item to \$50,000, and to continue the program of installing sand bottoms, in a certain number of DRAs, and slope landscaping for mowing ease. Those adjustments would increase the “all units”, except for Pine Ridge, to \$478.57, still under the Fiscal Year 2016 level, and would raise Pine Ridge assessments \$23, from \$397.37 to \$420.14.

In response to a question from Mr. Russell, Mr. Burns stated that, prior to beginning any significant work on Hollander, he and Mr. Heath would examine the stability of the bank, beginning with the residence located at 18109 Tiverton Court. The area is approximately 2,000 square feet or 80’x25’. To properly repair the area, it must be filled and sodded. Four truckloads of fill dirt, 22 tons, 18 yards each, would cost approximately \$4,000, \$800 for four pallets of turf

at \$200 each and \$500 for labor. The total cost would be \$5,250. Mr. Russell asked if temporary irrigation was necessary for the project. Mr. Burns responded affirmatively. Mr. Russell asked if redirecting the downspout was an option. Mr. Heath responded that no erosion was detected at #25, though the gopher turtle was active and sighted in several locations. Mr. Russell asked if it would impose a problem with the gopher tortoise. Mr. Burns replied not at this time, as she has not nested in any of the inspected areas. Mr. Herr stated that the Village objected to a proliferation of grass growing out of the DRA into the back lawns of homes adjacent to the DRA. It was proposed that a 3' or 4' barrier be erected with tall grass, similar to the barriers installed at #2. Mr. Burns stated that the most important consideration was guarding against further bank erosion. Suggestions were made but Mr. Burns advised to sod and re-grade the area so it was not as steep. Residents are fearful of erosion due to the steep slope. Mr. Nelson believed that irrigation was very important in holding the banks of areas #25 and #28. Mr. Herr wanted to be certain that the residents of the Village that made the suggestion were notified. Mr. Zimmerman recalled that in a meeting last year, a resident expressed concern about invasive grass that was growing from the DRA into her backyard. It was decided that responsibility lay with lawn care professionals to apply weed killer to remedy encroachment. Mr. Herr responded that this was a different situation. Since the areas require a complete redo, it should not be difficult to add a barrier while reconstructing the property. Mr. Tom Pifer, President of Country Green Village (CGV), should be notified when decisions were made, as he is active in the issue.

Mr. Heath stated that, in the past, irrigation contributed to sparse areas and erosion issues. If sod is planted on the slopes, he wanted to know how they would be irrigated and if the Village or the golf course was responsible for the irrigation. Mr. Burns replied the golf course was too far from the area and would have to tap into the reclaimed water system for irrigation. A Board Member asked if the water would be metered. Mr. Heath responded that the Villages have bulk meters and must extend their piping, with heads to irrigate. Whatever feeds the yards or the side slope would go through that single meter. Mr. Russell requested a proposal before the next meeting.

Mr. Adams reiterated the changes to the proposed budget suggested by Mr. Herr. Mr. Zimmerman expressed caution in increasing the proposed budget because unplanned expenses occur and the "what-if" factor must be considered, referring to the Brook Lawn expenditure of \$11,000 to \$14,000. Mr. Adams explained that some unplanned expenses are mandatory and not

discretionary, as in the Brook Lawn case. The District must respond to those situations appropriately; that was an example of the importance of keeping a healthy “Fund balance”.

Mr. Nelson asked if Mr. Heath received financial information about the backflow preventers, what will happen and would there be a push for them. Pine Ridge Village had backflow preventers and paid for them but they were never tested. Mr. Nelson asked what supported the \$50 fee. Mr. Heath stated Mr. Nelson should be happy he was never charged. Mr. Heath felt that there would be no negotiation of the backflow preventer charges; it would just appear on each resident’s monthly utility bill. There should be no additional charges, assuming the County imposes _____, but they have not done so yet. Next Tuesday is the final Change Order, so the project will be closed out. Mr. Heath will meet with the County, providing the meter information and everything that was installed in the community. Invoices will be sent within the next month or two. That is when the charge should be seen, assuming the County picks it up. Mr. Nelson was informed by Ms. Pam Lynch, of Pasco County utilities, that the District would not be charged for those items and there was no set schedule for inspection. Mr. Heath believed they are replaced every two years or so, not inspected.

Mr. Adams stated that the proposed Fiscal Year 2017 budget adjustments would be reflected in the next iteration and included for discussion, on the July meeting agenda. Separate mailed notices must be sent out in August, prior to the Public Hearing, in September.

On MOTION by Mr. Nelson and seconded by Mr. Russell, with all in favor, Resolution 2016-1, Approving the District’s Proposed Budgets for Fiscal Year 2016/2017, as amended, and Setting a Public Hearing for September 13, 2016 at 2:00 p.m., at this location, was adopted.

FOURTH ORDER OF BUSINESS**Consideration of Resolution 2016-2,
Placing Special District Candidates on
General Election Ballot**

Mr. Adams presented Resolution 2016-2 for the Board’s consideration. Seats 1, 2 and 3, held by Supervisors Zimmerman, Herr and Elliott, respectively, would appear on the ballot, on November 8, 2016. The candidate qualifying period runs from Noon, Monday, June 20, 2016 through Noon, Friday, June 24. As required statutorily, an ad was placed in the newspaper in conjunction with the Supervisor of Elections (SOE), recognizing those Seats.

On MOTION by Mr. Herr and seconded by Mr. Elliott, with all in favor, Resolution 2016-2, Placing Special District Candidates on General Election Ballot, was adopted.

FIFTH ORDER OF BUSINESS

Approval of April 12, 2016 Regular Meeting Minutes

Mr. Adams presented the April 12, 2016 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Elliott and seconded by Mr. Russell, with all in favor, the April 12, 2016 Regular Meeting Minutes, as presented, were approved.

SIXTH ORDER OF BUSINESS

Other Business

Mr. Crusselle presented a report on mosquito control, recalling that the discussion began several weeks ago due to Zika virus concerns. The County sprayed the week prior to the discussion. Aerial treatment was not scheduled because nothing was found when the County checked the traps for activity. Pasco County Mosquito Control tested the wet retention areas for mosquitoes and reported that District retention areas were good and there should be no problems.

SEVENTH ORDER OF BUSINESS

Board Member Reports

A. Ponds and Lakes: *Supervisor Robert Zimmerman*

Mr. Zimmerman asked if LakeMasters treated the lake and the sinkhole, on #9. Mr. Burns responded no, nor have they in the past; it is not within LakeMasters' "normal" duties. Mr. Zimmerman stated it was in the contract. Mr. Burns responded LakeMasters inspected the sinkhole.

Mr. Russell asked when the natural area, between #16 and #17, could be sprayed, what the limit was and for confirmation of twice per year spraying. Mr. Burns responded that he spoke with Dave about this and, following approval, the air boat would be utilized to mitigate 30% to 40% of the hydrilla in the lake. Mr. Adams confirmed that lily pads, not hydrilla, must be treated to keep the flow way open. The fall is a better time for lily pad reduction; treatment is followed by a cold period when nothing grows, providing an extended benefit. Mr. Burns stated

the issue is being monitored. There are some lily pads, although not nearly as many as the previous year; a reduced population by 15% to 20%. Insects were monitored, as well and “so far, so good.”

B. Finance Matters and Negotiations: *Supervisor Gilbert Herr*

Mr. Herr asked if Staff received an invoice from the County. Mr. Adams responded no, although Mr. Heath reported that the final punch list items were almost completed. The invoice should arrive within 30 to 45 days.

C. Reclaimed Water Project: *Supervisor Raymond Russell*

Mr. Russell reported that there were some “hiccups” in two or three of the Villages, which were immediately repaired. They did a great job. Mr. Russell provided Mr. Heath’s write up about specialty work that would be performed, including one about technical services. In response to Mr. Russell’s question regarding when drilling would commence, Mr. Heath stated that the drill rigs should be available Thursday and, if not, an update will be provided on Thursday morning regarding scheduling. Repairs should be made shortly. Mr. Russell expressed concern over how close the sinkhole was to the road.

D. Golf Course and Surrounding Areas: *Supervisor Jack Nelson*

Mr. Nelson hoped that the retention pond issue, at Hole #11, would be corrected quickly. The common areas are “looking so much better than they have in the past,” and the golf course looks better than it has in eight years.

Mr. Russell expressed urgency concerning the sinkhole across the street from his residence that is 40’x40’x20’ in depth. Mr. Crusselle installed protections around the sinkhole and precautions were taken. 72 yards of dirt was poured in to backfill the area. Mr. Heath explained that the geotech company wants to perform a boring in the center of the primary impression and backfill the area. Three borings will be performed. A recommendation would be provided, based on the findings. Hopefully, only backfill and sod would be required. In response to a question from Mr. Russell, Mr. Heath confirmed that concrete would be added.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being no report, the next item followed.

B. Engineer

There being no report, the next item followed.

C. Manager

i. Approval of Unaudited Financial Statements as of April 30, 2016

Mr. Adams presented the Unaudited Financial Statements as of April 30, 2016.

ii. 1,942 Registered Voters in District as of April 15, 2015

Mr. Adams indicated that there were 1,942 registered voters residing within the boundaries of the District as of April 15, 2016. The agenda incorrectly reflected 2015.

iii. NEXT MEETING: July 12, 2016 at 2:00 P.M.

The next meeting will be held on July 12, 2016 at 2:00 p.m., at this location.

NINTH ORDER OF BUSINESS

Supervisors' Requests

There being no Supervisors' requests, the next item followed.

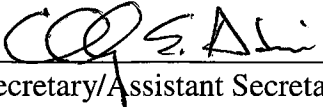
TENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Herr and seconded by Mr. Nelson, with all in favor, the meeting adjourned at 2:50 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair