

**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, July 12, 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

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Steve Riggs, Auditor (<i>via telephone</i>)	Carr, Riggs & Ingram, LLC
Bill Crusselle	General Manager – Master Association
John Burns	Golf Course Superintendent
Chris Ansley	Assistant GC Superintendent
Herb Brim	Resident
Dean Kitchin	Resident
Bart Cutshall	Supervisor-Elect

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 Supervisors Russell, Nelson, Elliot and Herr were present, in person. Supervisor Robert Zimmerman was not present.

SECOND ORDER OF BUSINESS

Public Comments [3 minutes per person]

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Presentation of Audited Financial Statements for Fiscal Year Ended September 30, 2015, Prepared by Carr, Riggs & Ingram, LLC

Mr. Riggs presented the Audited Financial Statements for the fiscal year ended September 30, 2015. The audit was considered to be a clean or unmodified opinion. There were a small amount of "Accounts receivable", "Prepaid expenditures" and very few "Liabilities". "Fund balances" are the net worth for the General Fund; the ending fund balance was \$266,184. Based on the "Balance Sheet" for the "General Fund", there were no potential issues. The "Debt Service" fund was very similar to the "General" fund, with very little activity. The "Balance Sheet" was relatively clean. On Page 12, the "Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds" is a Profit and Loss statement, similar to the monthly financial statements. "Excess of revenues over expenditures" was the net income for the year. The balances were positive in the "General" and "Debt Service" funds. With regard to the "Notes to Financial Statements", on Page 19, "Note 3: Investments", the CDD's investments were considered to be relatively safe. The District invested in accordance with its investment policy and Florida Statutes. On Page 20, with respect to "Note 4: Capital Assets", there were no additions to the District's Capital Assets, in Fiscal Year 2015, with the exception of an additional accumulated depreciation of a fixed asset. This was considered to be standard. "Note 5: Bonds Payable", on Pages 20 and 21, reflected that the District made payments of \$160,000 on the "Series 2008" bonds and \$75,000 on the "Land mortgage". The only significant footnote, on Page 22, reflected the project the District reimbursed the County for. The "Budget to Actual Comparison Schedule – General Fund", on Page 23, reflected that budget and actual amounts were very similar. With regard to "Expenditures", the District expended a lot less than what was budgeted, specifically related to the \$316,000 for "Capital outlay", which the District would reimburse the County for. With that exception, everything was in order. No deficiencies were noted in the "The Independent Auditors' Report on Internal Control Over Financial Reporting" on Page 24. There were no findings in the "Management Letter" on Page 26, and the "Independent Accountant's Report", on Page 28 found that everything was in order with the District's investment policies.

FOURTH ORDER OF BUSINESS**Consideration of Resolution 2016-3,
Accepting the Audited Financial
Statements for the Fiscal Year Ended
September 30, 2015**

Mr. Adams presented Resolution 2016-3 for the Board's consideration.

On MOTION by Mr. Elliot and seconded by Mr. Herr, with all in favor, Resolution 2016-3, Accepting the Audited Financial Statements for the Fiscal Year Ended September 30, 2015, was adopted.

****Mr. Riggs left the meeting at approximately 2:09 p.m.****

FIFTH ORDER OF BUSINESS

Continued Discussion: Fiscal Year 2017 Proposed Budget

Mr. Adams stated that, at the last meeting, adjustments were made to the proposed Fiscal Year 2017 budget. "Supervisors' fees" increased from \$3,000 to \$7,000, recognizing that, in the future, all Board Members may wish to accept the \$200 per meeting Supervisor fee. The other adjustment was in the "Dry retention pond refurbishment/planting" line item, which increased from \$20,000 to \$50,000. While these changes increased the proposed assessments, they still remained \$4 less than Fiscal Year 2016. The "Fund balance – ending (projected)", on Page 2, reflected a balance of approximately \$144,000, even with the additions. The effluent water project would be paid off in Fiscal Year 2017 and land purchase paid off in Fiscal Year 2018.

SIXTH ORDER OF BUSINESS

Update: Qualified Candidates for November 8, 2016 General Election

- i. SEAT 1: J. 'Bart' Cutshall (*unopposed*)**
- ii. SEAT 2: Neil Emery Goulette**
Michael C. Miller
- iii. SEAT 3: Dean Kitchin**
Michael V. Walsh

Mr. Adams stated that Mr. 'Bart' Cutshall qualified, unopposed, for Seat 1, Mr. Neil Emery Goulette and Mr. Michael C. Miller qualified for Seat 2 and Mr. Dean Kitchin and Mr. Michael V. Walsh qualified for Seat 3. In November, the ballot for the Heritage Pines CDD will include Seats 2 and 3. Mr. Cutshall is now a Supervisor-Elect and, pursuant to Statute, may not have conversations with Board Members outside of a Board Meeting regarding District business. The four candidates who qualified opposed may freely communicate with the Board Members, outside of a Board Meeting. Mr. Cutshall would be sworn in at the next CDD meeting after the election, which would be held in January, 2017.

SEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of May 31, 2016

Mr. Adams presented the Unaudited Financial Statements as of May 31, 2016. Revenues were 99% collected, through May 31. Expenses were in line, year-to-date, and overall expenditures were prorated at 30% because the County reimbursement for the effluent project was not received.

EIGHTH ORDER OF BUSINESS

Approval of June 14, 2016 Regular Meeting Minutes

Mr. Adams presented the June 14, 2016 Regular Meeting Minutes and asked for any additions, deletions or corrections.

Line 22 and throughout: Replace “Sales” with “Crusselle”

On MOTION by Mr. Russell and seconded by Mr. Nelson, with all in favor, the June 14, 2016 Regular Meeting Minutes, as amended, were approved.

NINTH ORDER OF BUSINESS

Other Business

Mr. Adams stated that LakeMasters was contracted to treat the large lake/wetland area of lily pads, as they did one year ago. Through the rainy season, flow is required in and out of the area. Per the Southwest Florida Water Management District (SWFWMD), a 30% reduction was allowed and would begin next week. As a wetland preserve, a certain amount of vegetative cover was necessary. Within approximately 30 days, a change would be evident. The cost was approximately \$1,000.

Mr. Herr commented that a number of people in the community expressed interest in pickleball, expanded shuffleboard lanes, horseshoes and corn hole. There was a real need for recreational activities other than golf and tennis. The District has a beautiful piece of property that could be adapted for such activities, with relative ease. Management was asked to provide a proposal for the area, with HOA sponsorship. Another idea was to build a dog walking area.

Mr. Russell asked Mr. Crusselle if the HOA considered these suggestions. Mr. Crusselle stated it was mentioned once or twice, in the last eight months but not recently. The HOA was focused on pavilion construction, at the club. Of the four activities mentioned, only pickleball

was discussed, several times. The dog walk was diligently addressed, early on. Residents reacted unfavorably to Mr. Crusselle when the idea to relocate where homeowners walked their dogs was proposed. He continued to scout locations for the dog walk but the consensus appeared to be that certain common areas were designated and residents would not drive to the back of the community to walk their dogs when they live in the front.

Mr. Russell asked Mr. Nelson to research the ideas discussed and develop a proposal. Mr. Nelson stated that the dog walk/dog park was the subject of many conversations over the last seven years. The area beyond the 18th tee was used for dog walking, because of the shade trees; any area could be opened but, without shade, it would not be used. With regard to the property in front of the community that the CDD purchased, Mr. Nelson's opinion was that the popularity of designating a dog walk area was limited.

Mr. Herr stated that there was an unofficial dog walk area close to Webster Grove. There is a tradition and location where people walk their dogs. If homeowners were encouraged to walk their dogs in the property up front, near the trees, it would be ideal. The residents who live along Grand Club Drive, from the gate to the clubhouse, would no longer complain about dogs being walked in their area. Mr. Herr believed that, if the walk was built, people would use it.

Mr. Nelson recalled that, last year, the CDD voted to leave the undeveloped property in its natural state; however, changes could be voted on. Mr. Elliott felt that, due to the tenure of three Board Members and the upcoming election, the matter should be tabled for discussion by the new Board.

Mr. Herr wanted an estimate of the project for consideration by the new Board. The plan could be developed and presented at the October meeting and the new Board could make a decision. Mr. Russell restated his request that Mr. Nelson research the project, to include restrooms and a dog watering station. Natural paths would suffice.

TENTH ORDER OF BUSINESS**Board Member Reports****A. Ponds and Lakes: *Supervisor Robert Zimmerman***

Mr. Nelson stated that, when checking the dry retention areas (EDRA), LakeMasters was applying treatments. Mr. Russell noted that a lot of algae was present, more than the norm. Mr. Adams stated that algae bloomed heavily, due to the oppressive heat. Mr. Crusselle stated that, with regard to the conditions on Number 9, testing was determined that it was not oil on the surface; if it was, the fish would be dead.

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

There being no report, the next item followed.

C. Reclaimed Water Project: *Supervisor Raymond Russell*

Mr. Russell reported that the District Engineer was waiting for a statement from Universal Engineering Sciences (UES). A recommendation for grout installation was forthcoming, though he was not clear on what that meant. Based on the price of grout, it could cost \$5,000 to \$10,000.

Mr. Burns stated that Nathan, the Superintendent of the Contractors, was also obtaining pricing. There is also a silt issue in the pipes. Mr. Russell reported that the contractors cleaned sand out of a Whisper Green 4” pipe yesterday. Additionally, six different houses were tested and the water was “clear as could be”. Mr. Russell believed that the problem was solved. If not, contractors would return.

A resident stated that he had the most sand, possibly one-half a gallon, while his neighbor had approximately two cups, at the most. Other neighbors had none.

Mr. Russell hoped that the problem was solved and wanted to be informed if it continued.

Mr. Herb Brim, a resident, discussed how he was able to quantify the amount of sand was on his property this morning.

Mr. Nelson asked if Mr. Dean Kitchin, a resident who installed many irrigation systems, experienced what Mr. Brim experienced, where the system was working and suddenly it had sand in the sprinkler heads. Mr. Kitchin stated that it sounded as though Mr. Brim has a 4” pipe and the gas connection was leaking. Before the system was turned on, 100,000 gallons of water should have flowed through it. Mr. Russell stated that occurred. Mr. Kitchin discussed other possibilities.

Mr. Russell recommended that a “key” be made available in the maintenance barn. Occasionally, issues arise when no one is on property, such as a Sunday.

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

Mr. Nelson stated that Chris and his crew were spraying for weeds. Other than that, everything was going well.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being no report, the next item followed.

B. District Engineer

There being no report, the next item followed.

C. District Manager

i. NEXT MEETING: September 13, 2016 at 2:00 P.M.

The next meeting will be held on September 13, 2016 at 2:00 p.m., at this location. The primary agenda item would be the budget Public Hearing.

TWELFTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Russell asked that Mr. Burns provide a list of plants that require replacement, for the 2017 budget.

Mr. Elliott wanted to know if the approved work on EDRAs 25 and 28 was scheduled. Mr. Adams stated that it was in the proposed Fiscal Year 2017 budget.

Mr. Herr referred to the Unaudited Financial Statements, the "Dry retention pond refurbishment/planting" line item, on Page 2, and recalled that the Board previously decided to complete this work. Mr. Adams explained that due to the sinkhole, the project was postponed for a few months.

In response to a question about whether the design for landscaping the front entrance, along with a cost estimate, was reviewed, Mr. Crusselle advised that the first set of plans was reviewed by the committee and sent back. The second set was received on Friday, so no dollar amount was approved, as of yet. It was hoped that, within the next 30 days, a proposal would be presented, with the possibility of work beginning in early fall.

THIRTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

**On MOTION by Mr. Russell and seconded by Mr. Nelson,
with all in favor, the meeting adjourned at 2:47 p.m.**


Secretary/Assistant Secretary


Chair/Vice Chair