

MINUTES OF MEETING
GARDENS AT HAMMOCK BEACH
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Gardens at Hammock Beach Community Development District was held on Monday, September 24, 2018 at 9:30 a.m. at City Centr  at Palm Coast Town Center, 145 City Place, Suite 300, Palm Coast, Florida.

Present and constituting a quorum were:

Clint Smith	Chairman
David Lusby	Vice Chairman
William Livingston	Assistant Secretary

Also present was:

George Flint	District Manager
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FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order at 9:30 a.m. Mr. Livingston and Mr. Smith were present; however, Kenneth Belshe resigned. The rules contemplate that when two Board Members are present, a third person could be appointed for purposes of a quorum.

- **Organizational Matters: Discussion of Appointment of an Individual to Fulfill Board Vacancy** (*Taken Out of Order*)

Mr. Flint: For purposes of a quorum, I would ask for a nomination to fill the vacancy?

Mr. Smith: I appoint David Lusby.

On MOTION by Mr. Smith, seconded by Mr. Livingston, with all in favor, the appointment of David Lusby to Seat 3, was approved.

Mr. Flint being a Notary Public of the State of Florida administered the Oath of Office to Mr. Lusby.

Mr. Flint: I will notarize the Oath for you. I understand that you are on two other CDD Boards.

Mr. Lusby: Yes.

Mr. Flint: So you are well aware of the financial disclosure requirements, Sunshine and Public Records Laws?

Mr. Lusby: Yes.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: No members of the public are present.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Acceptance of Resignation of Kenneth Belshe

Mr. Flint: Since we now have three Board Members, the Board can accept Mr. Belshe's resignation.

On MOTION by Mr. Smith, seconded by Mr. Livingston, with all in favor, the resignation of Kenneth Belshe, was accepted.

B. Discussion of Appointment of an Individual to Fulfill Board Vacancy

This item was discussed.

C. Administration of Oath of Office to Newly Appointed Board Members

This item was discussed.

D. Consideration of Resolution 2018-01 Electing Officers

Mr. Flint: Previously, Mr. Belshe was Chairman, Mr. Smith was Vice Chairman, Mr. Livingston was an Assistant Secretary, I was Assistant Secretary and Ariel Lovera was Assistant Treasurer. The Board can elect a slate of officers or take each seat individually.

Mr. Livingston: Do you want to be Chairman, Clint, or do you want Mr. Lusby to be Chairman?

Mr. Smith: I don't mind.

Mr. Livingston: I propose electing Clint as Chairman, David as Vice Chairman, I will remain as Assistant Secretary and the rest of the slate would remain the same.

On MOTION by Mr. Livingston, seconded by Mr. Lusby, with all in favor, Resolution 2018-03 Electing Officers, designating Clint Smith as Chairman, David Lusby as Vice Chairman, William Livingston as Assistant Secretary, George Flint as Secretary and Ariel Lovera as Treasurer, was adopted.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the June 5, 2018 Meeting

Mr. Flint: The minutes were provided in the agenda package. Did the Board have any comments, changes or corrections?

Mr. Smith: They look fine to me.

On MOTION by Mr. Livingston, seconded by Mr. Smith, with all in favor, the minutes of the June 5, 2018 meeting, were approved as presented.

FIFTH ORDER OF BUSINESS

Public Hearing

A. Consideration of Resolution 2018-04 Adopting the Fiscal Year 2019 Budget and Relating to the Annual Appropriations

Mr. Flint: At this time, we will open the public hearing, noting for the record that no members of the public are present to provide comment or testimony, so we will bring it back to the Board. Resolution 2018-04, adopting the budget for Fiscal Year 2019, starts on October 1st. You previously approved the Proposed Budget and set the date, place and time for the public hearing. We met the requirements that are stated in the Resolution, as far as posting on the website and transmitting it to Flagler County. Exhibit A to the Resolution is the Proposed Budget, which contemplates a Developer Funding Agreement as the funding source. No assessments would be imposed. It is a minimal budget. Under the Funding Agreement, the developer would only be responsible for actual costs, not necessarily the entire budget. For example, right now, because we haven't triggered the requirement, we don't do an annual audit, but we have it budgeted, in case we need to do that. Are there any questions on the Resolution or the budget?

Mr. Smith: I don't have any.

On MOTION by Mr. Smith, seconded by Mr. Livingston, with all in favor, Resolution 2018-04, adopting the Fiscal Year 2018 budget and relating to the annual appropriations, was adopted.

Mr. Flint: We will close the public hearing.

SIXTH ORDER OF BUSINESS

Consideration of Fiscal Year 2019 Funding Agreement

Mr. Flint: This is the same form of Funding Agreement that the District considered in the past. The budget that was just approved, is attached as an exhibit to this agreement, which obligates Palm Coast Intercostal, LLC to fund the expenses reflected in the adopted budget.

On MOTION by Mr. Smith, seconded by Mr. Lusby, with all in favor, the Funding Agreement between the District and Palm Coast Intercostal LLC, for Fiscal Year 2019, was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Manager’s Report

i. Balance Sheet and Income Statement

Mr. Flint: We have the unaudited Financial Statements through August 31, 2018. No action is required by the Board. You can see that our actual expenses are \$1,506, and we have \$1,070 in cash in the bank. You will see the month-to-month summary of the expenses. Two Funding Requests were submitted and both were funded, according to Page 4. Are there any questions on the Financial Statements? Hearing none,

ii. Ratification of Fiscal Year 2018 Funding Request #2

Mr. Flint: Funding Request #2 was submitted to the developer under the Funding Agreement for Fiscal Year 2018, which totals \$1,699.14. It includes a Management Fee, FedEx charges and advertising costs.

Mr. Smith: So that’s a new Funding Request?

Mr. Flint: Yes, because its dated September and the financials are through August. Since it has already been funded, so are asking for the Board to ratify it.

On MOTION by Mr. Smith, seconded by Mr. Livingston, with all in favor, Funding Request #2 for Fiscal Year 2018, was ratified.

iii. Approval of Fiscal Year 2019 Meeting Schedule

Mr. Flint: Each year, the Board is required to approve an annual meeting notice. In the past, the Board approved a notice to meet on an as needed basis. When you meet, we will meet the noticing requirements. We prepared a sample notice reflecting that the Board will meet on an as needed basis. If you are comfortable with that, a motion to approve that notice would be in order.

Mr. Smith: Do we have an anticipated next meeting date?

Mr. Flint: If nothing is happening, the next time that the Board will need to meet, would be in the May timeframe to approve a Proposed Budget, and then in August/September for the final budget. We only anticipate two meetings a year, mostly timed on the budget adoption process. Obviously, that will change if the District is activated.

On MOTION by Mr. Smith, seconded by Mr. Livingston, with all in favor, the Fiscal Year 2019 meeting schedule designating meeting on an as needed basis, was approved.

EIGHTH ORDER OF BUSINESS

Other Business

Mr. Flint: That’s all we have on the agenda. Is there any other business?

Mr. Smith: We had discussion at the last meeting about the name. If I remember from the minutes, someone was going to check on this.

Mr. Livingston: I read the minutes and it sounds like Daniel Baker was going to talk to staff.

Mr. Smith: Someone was going to check to see if there was an objection.

Mr. Flint: Their concern was the use of the name, with the sale restriction, and whether that was a problem. Daniel has not followed up with me. I can call him after the meeting.

Mr. Smith: You probably should. My feeling was if they go forward with the project, and the CDD played a role, it would be better to conform the name to whatever the name of the project is. What is the name? Have you seen the plan?

Mr. Lusby: I haven’t seen the latest one.

Mr. Smith: It’s a pretty ambitious plan. It has almost 4,000 units.

Mr. Flint: I will follow up. There's a cost associated with changing the name, which would have to be borne by the developer. I guess if they press the issue and insist, you may want to hold off on changing it. There's no determination as to whether it is going to be utilized or not.

Mr. Smith: It would be good to get something from him, saying that he had no objection, because the agreement did prohibit using certain names. I don't remember the exact language in the agreement, but it would probably be a good idea to get a "*no objection*" or however he wants to word it.

Mr. Flint: I can ask him to provide a letter, because I still deal with him on some Reunion business.

Mr. Smith: Did you see where Restoration was purchased by Miami Corp?

Mr. Livingston: Yes.

Mr. Smith: Restoration was an enormous project, that is south of 44 and east of I-95. It is partially in Edgewater and New Smyrna.

Mr. Flint: It's surprising that Miami Corp would buy more land when they already acquired 50,000 acres.

Mr. Smith: They got a good deal. The original developer paid \$120 million, paid Frank \$20 million and Miami Corp. bought it for \$16 million. From a strategic standpoint, it makes sense for them.

Mr. Flint: They hold a lot of land.

Mr. Smith: I was surprised that they purchased it, but then when I think about it, for that price, they couldn't go wrong.

NINTH ORDER OF BUSINESS

Supervisor's Request

Mr. Flint: Is there anything else that we need to discuss from the Board's perspective? If not, we can adjourn the meeting.

TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Lusby, seconded by Mr. Smith, with all in favor, the meeting was adjourned.

September 24, 2018

Gardens at Hammock Beach CDD



Secretary / Assistant Secretary



Chairman / Vice Chairman