

**MINUTES OF MEETING
HERITAGE HARBOUR NORTH
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Heritage Harbour North Community Development District was held on Thursday, February 2, 2023, at 1:30 p.m., at the River Strand Golf and Country Club, 7155 Grand Estuary Trail, Bradenton, Florida 34212.

Present and constituting a quorum:

Nancy Lyons	Chairperson
John Wisz	Vice Chairperson
Pauline Tasler	Assistant Secretary (present by phone)
Michael Fisher	Assistant Secretary
Louise Buckley	Assistant Secretary

Also present were:

James P. Ward	District Manager
Greg Urbancic	District Counsel
Ben Steets	Grau and Associates

Audience:

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS WERE
TRANSCRIBED IN *ITALICS*.**

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. James P. Ward called the meeting to order at approximately 1:36 p.m. He called roll and all Members of the Board were present constituting a quorum.

SECOND ORDER OF BUSINESS

Consideration of Minutes

December 1, 2022, Regular Meeting Minutes

Mr. Ward asked if there were any additions, corrections, or deletions to the Minutes.

A couple of corrections were made to the Minutes.

On MOTION made by Ms. Nancy Lyons, seconded by Mr. Michael Fisher, and with all in favor, the December 1, 2022, Regular Meeting Minutes were approved as corrected.

THIRD ORDER OF BUSINESS**Consideration of Audited Financial Statements****Consideration and acceptance of the Audited Financial Statements for the Fiscal Year ended September 30, 2022**

Mr. Ward introduced Mr. Ben Steets with Grau and Associates.

Mr. Ben Steets reviewed the Audited Financial Statements indicating the first few pages declared the auditor's opinion which was clean and fair. He stated page 3 was the Management's Discussion and Analysis which was a recap of the financial activity for the year; page 4 was the condensed Statement of Net Position, or the balance sheet, and was consistent with the prior year; page 5 was the Statement of Changes in Net Position, or condensed income statement, which was consistent with the prior year. He reported beginning page 7 was the Financial Statements including statement of net position; balance sheet; statement of activities; fund balance sheet; and statement of revenues, expenditures, and changes in fund balance. He reported page 13 began the notes to the financial statements which were standard disclosures. He noted the District paid down \$155,000 dollars' worth of principal on the 2014 bonds last year and \$680,000 dollars' worth of principal on the 2017 bonds, with an ending long term debt balance of \$6.9 million dollars on Series 2014 and \$16.085 million dollars on Series 2017. He reported page 21 showed the Budget to Actuals. He discussed the remainder of the Audited Financial Statements which included various reports required by the Florida Auditor General. He indicated the District was in compliance, and there were no findings.

Mr. Michael Fisher asked about page 13, financing improvements. *When we are talking about improvements, are we talking about the initial underground irrigation systems?*

Mr. Ward: Financing improvements means doing bond issues to finance capital improvements.

Mr. Fisher: Would a capital improvement be the underground irrigation system?

Mr. Ward: The line distribution system, yes.

Mr. Fisher: That was done in 2006.

Mr. Ward: These bonds are 2007 bonds, so it would have been sometime after that. There are two series of bonds on this project, so it could have been done one of two years. The first bond issue was done in 2007, the second was 2014, so some of it could have been done in 2014.

Mr. Fisher: The underground irrigation system was done by the developer. Do you have a reserve?

Mr. Ward: No. We do not. The District does not reserve for any improvements to our assets which include both that reuse system and the stormwater management system. Those are the responsibility in this District, although I know they turned it over to the Master, the responsibility of the River Strand

Association, pursuant to a contract that we have. If they contracted that out with the HOA, the Master, that's their business. It doesn't matter to us, but under that agreement, it should be theirs. I'm going to tell you, that's a very old agreement with the Master. I would bet you it is silent on restoration work.

Mr. Fisher: Because, this is when they were put in for River Strand, in 2006, and there is a life of like 20 years or 25 years.

Mr. Ward: Utility lines, it's probably longer, but I don't know what kind of utility lines are in the ground. I don't know if it's PVC. I don't know if it's something different from that. If it's PVC, it's generally less than 20 years.

Mr. Fisher: It's PVC and it's going to have to be replaced at some point. So, that would be the responsibility of River Strand?

Mr. Ward: I think River Strand probably has an argument under that agreement that they can say to the District, we want you to do that. Now, we are not funded for it. You don't have to do it, you being this Board. We don't have to do that, but if you chose to do that then we would have to put another capital assessment in place and levy the assessment.

Mr. Fisher: That's what I'm asking because I know River Strand is not budgeting for that.

Mr. Ward: This District doesn't really have much money. We levy our assessments which are about \$100,000 dollars a year in this District which is like nothing. So, most of my Districts – I'm just starting to do that with some of my Districts, so they are budgeting \$200,000 to \$250,000 dollars to do that which would more than triple your assessment rates in this project. So, give us a few years' notice if you want to do that so we can build up to it. He asked if there were any other questions; hearing none, he called for a motion.

On MOTION made by Ms. Nancy Lyons, seconded by Ms. Pauline Tasler, and with all in favor, the Audited Financial Statements were accepted.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2023-2

Consideration of Resolution 2023-2, Approving the Proposed Fiscal Year 2024 Budget and setting the Public Hearing on Thursday, May 4, 2023, at 1:30 P.M. at the River Strand Golf & Country Club (Club House), 7155 Grand Estuary Trail, Bradenton, Florida 34212

Mr. Ward: This budget is basically exactly the same as what you've seen in prior years. The rate is \$67.21, it was \$66.93, so it's basically the same number, and it also includes the debt service funds. I think we are probably a few years out from being able to refinance the 2017 bonds. Your other bonds are 2014, so in another year we might be able to take a look at that, but I don't know if you're going to get much bang for your buck refinancing a 5% bond, but we will see.

Discussion ensued regarding the bonds and the interest rates of the different series of bonds.

Ms. Lyons asked about the financial statements reference to 85-foot lots. *The HOA deleted any reference to 85 foot lots in River Strand.*

Mr. Ward: What the HOA does with respect to lot designations is completely independent of what we do. Ours is based on the original methodology which was done in 2007 originally, and the other set of bonds in 2014, so there are 85-foot lots. Most of them I think are on the river. There are not a lot of them in this community if I am remembering correctly.

Discussion ensued regarding lot sizes.

On MOTION made by Mr. Michael Fisher, seconded by Ms. Nancy Lyons, and with all in favor, Resolution 2023-2 was adopted, and the Chair was authorized to sign.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2023-3

Consideration of Resolution 2023-3, a resolution of the Board of Supervisors of the Heritage Harbour North Community Development District accepting certain conveyances from the Developer, Lennar Homes, LLC, relating to the clean-up of property ownership within the District; authorizing the Chairman or the Vice Chairman (in the Chairman's Absence) to execute such Conveyance Documents to the extent necessary to evidence the District's acceptance; providing for severability, providing for conflicts; and providing for an effective date

Mr. Ward: This is what we talked about at your last meeting. I guess it's been floating around in the community for a long time with respect to slivers of land that apparently are still in the name of Lennar Homes and the need for them to go somewhere besides Lennar Homes. Greg Urbancic is on the phone. He and Dave Underhill, your District Engineer, did a great job and spent a ton of time putting together all of the quit claim deeds that were necessary to move all of these parcels of land that are in Lennar's name, into the name of the CDD. They encompass things like lake banks, maybe a preserve. I know the one preserve area you call "the homeless shelter" is in here, and a few other lands. The map that I gave you is a printout of the map that Dave Underhill prepared for us to show you where all of those little things are. Lennar wants to get them out of their name, and they are not going to pay the tax bills as I understand, so we are probably going to end up having to pay that, because they don't want this land anymore and it needs to go somewhere. The tax bills on these are like \$20 or \$50 dollars, and once we get a transfer to the CDD, we will probably get a minor tax bill from the period of January 1, 2023 till whatever the closing date is. That will come out November this year, and then they will come off the tax rolls because we are a government and once they come into our name we are free from ad valorem taxes.

Ms. Tasler: My question was in regard to liability. Do we have any liability in regard to any of these parcels or any kind of SFWMD issues or any other issues relative to contamination or environmental issues? Anything else from an insurance standpoint? Are we opening ourselves up to anything?

Mr. Ward: With respect to permits, no. It probably bolsters our position in the permitting because now we have control of the entire water management system. Any time you take property, you will always take on general liability, but we are covered as general liability insurance covers basically all of those

acts. Obviously you can get sued if somebody gets hurt, but you are covered for insurance purposes in those instances. And honestly, in all my years, I've never had a District that has had that kind of a claim against them.

Ms. Tasler: And no issues of contamination?

Mr. Ward: No. They are slivers of land like lake banks and preserves.

Discussion ensued regarding the various slivers of land which would be transferred to the CDD; where the slivers of land were located; and pollution of a silver of land close to the road frequented by homeless.

Mr. Ward: Like I said, you will always take on some liability. The problem here is, it's in someone else's name and it needs to go somewhere. If you don't take it, it will go to a tax sale certificate and that's a problem. You ought to take because at least you can control it. If there's a problem, then you at least have the authority. He asked if there were any questions; hearing none, he called for a motion.

On MOTION made by Mr. John Wisz, seconded by Ms. Pauline Tasler, and with all in favor, Resolution 2023-3 was adopted, and the Chair was authorized to sign.

SIXTH ORDER OF BUSINESS

Staff Reports

I. District Attorney

No report.

II. District Engineer

No report.

III. District Manager

- a) Important Board Meeting Dates for Balance of Fiscal Year 2023**
 - i. Public Hearings: FY2024 Budget Adoption – May 4, 2023, 1:30 P.M.**
- b) Financial Statement for period ending November 30, 2022 (unaudited)**
- c) Financial Statement for period ending December 31, 2022 (unaudited)**

Mr. Ward: Just remember May 4 is your public hearing.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Ward asked if there were any audience members present in person, on audio or video, with questions or comments; there were none. He asked if there were any Supervisor's requests.

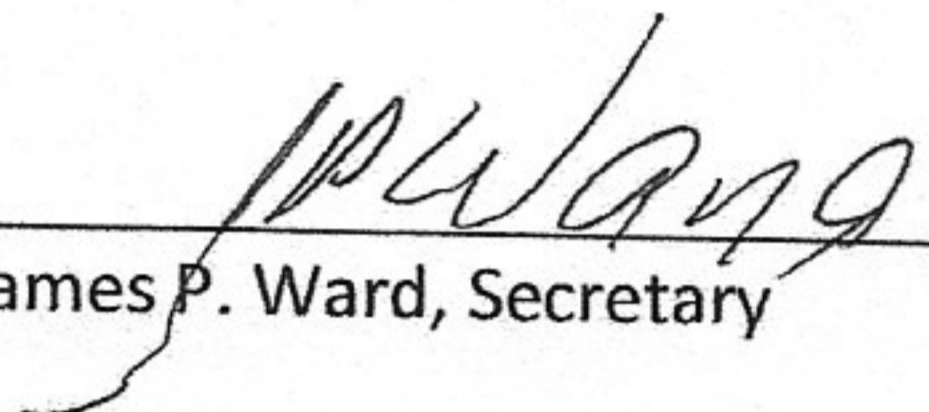
EIGHTH ORDER OF BUSINESS

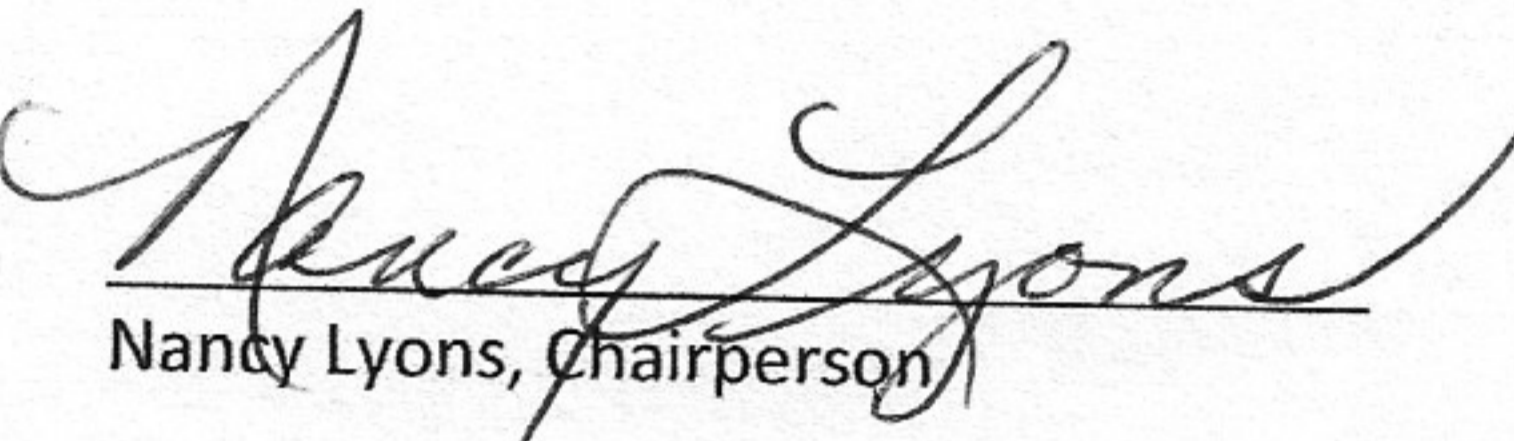
Adjournment

Mr. Ward adjourned the meeting at approximately 2:03 p.m.

On MOTION made by Ms. Pauline Tasler, seconded by Ms. Nancy Lyons, and with all in favor, the Meeting was adjourned.

Heritage Harbour North
Community Development District


James P. Ward, Secretary


Nancy Lyons, Chairperson