

MINUTES OF MEETING
GARDENS AT HAMMOCK BEACH
COMMUNITY DEVELOPMENT DISTRICT

The meeting of the Board of Supervisors of the Gardens at Hammock Beach Community Development District was held on Monday, June 5, 2018 at 9:30 a.m. at City Centré at Palm Coast Town Center, 145 City Place, Suite 300, Palm Coast, Florida.

Present and constituting a quorum were:

Kenneth Belshe	Chairman
Clint Smith	Vice Chairman
Daniel Baker	Assistant Secretary
Carlton Grant	Assistant Secretary
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 9:00 a.m. Mr. Baker and Mr. Grant were present; however, a resignation was received from Terry Bechtold, which reduced the number of Board Members to two. The rules contemplate that when you have two members, a third person could be appointed for purposes of a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

Mr. Flint: Before we accept the resignation of Terry Bechtold, we have three seats open. For purposes of a quorum, the two remaining Board Members need to appoint someone in order to conduct business. Are there any nominations?

Mr. Baker: I nominate Kenneth Belshe to Seat 3.

On MOTION by Mr. Baker, seconded by Mr. Grant, with all in favor, the appointment of Kenneth Belshe to Seat 3, was approved.

Mr. Flint administered the Oath of Office to Mr. Belshe.

Mr. Flint: I will notarize the oath for you. In your Supervisor packet, there is an informational sheet and Form 1, Statement of Financial Interest, which is a financial disclosure form required by the State of Florida, which has to be filed with the Supervisor of Elections in the County that you live in. It is important to file this form within 30 days of today's meeting, because it's tracked by the Commission on Ethics, and you have the potential of being fined \$25 a day, for maximum of \$1,500. Each year, the Supervisor of Elections will mail a renewal to you on June 1, which is due on July 1 of each year. When you leave the Board, you must file Form 1F within 60 days of leaving the Board. We will mail Form 1F to you as a reminder, but we included it in here for your information. As a Board member, under Chapter 190, you are entitled to receive compensation of \$200 per meeting. If you don't choose to accept the compensation, you can waive it. In this case, you would probably be taking it out of one pocket and putting it in the other. It's up to the Board Members on whether you choose to waive it or accept it. If you choose to accept it, W-4 and I-9 Forms are in your packet.

Mr. Belshe: Is the form to waive or accept in here?

Mr. Flint: You would waive it on the record. If you accept it, you can file the W-4 and I-9 Forms with my office, as we process those payments. As a Board Member, you are a public official, so you are subject to the Sunshine and Public Record Laws and other laws that apply to public officials. I'm sure that you are aware of those laws. The Government in the Sunshine Law is the most important one. The basic premise is that you cannot talk to other Board Members about CDD business, outside of a publicly noticed meeting. That goes for texts, emails, verbal communication, that sort of thing. The other important law has to do with public records. Anything you have in your possession that's CDD related, could be subject to a public records request, so we always suggest that you keep it separate from your other business or personal information.

A. Acceptance of Resignation of Terry Bechtold

Mr. Flint: Since we now have three Board Members, the Board can accept the resignation from Mr. Bechtold.

On MOTION by Mr. Baker, seconded by Mr. Grant, with all in favor, the resignation of Terry Bechtold, was accepted.

B. Discussion of Appointment of Individuals to Fulfill Board Vacancies

Mr. Flint: We have two remaining seats. Are there any nominations to fill either of those seats?

Mr. Belshe: I nominate Bill Livingston and Clint Smith.

On MOTION by Mr. Belshe, seconded by Mr. Baker, with all in favor, the appointments of Bill Livingston and Clint Smith to the CDD Board, were approved.

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

Mr. Flint being a Notary Public of the State of Florida administered the Oaths of Office to Mr. Livingston and Mr. Smith.

D. Consideration of Resolution 2018-01 Electing Officers

Mr. Flint: Resolution 2018-01 provides for the election of a Chairman, Vice Chairman, Secretary, Assistant Secretary, Treasurer and Assistant Treasurer. The Chairman and Vice Chairman must be Board Members. The other offices do not need to be Board Members. Typically, the Chairman and Vice Chairman are Board Members and the other three Board Members would be Assistant Secretaries, so they can attest the signature if they need to, of the Chairman and Vice Chairman. The District Manager has historically been Secretary and the District Accountant serves as Treasurer. That allows us to administratively handle the bank accounts, sign checks, etc. I request that I be appointed an Assistant Secretary and that the Accountant, Ariel Lovera, be elected Assistant Treasurer.

Mr. Belshe: I think we should do it in the easiest and efficient way.

Mr. Livingston: I propose electing Ken as Chairman, Clint as Vice Chairman, I will be an Assistant Secretary, George will be Secretary and the Accountant as Assistant Treasurer.

On MOTION by Mr. Livingston, seconded by Mr. Smith, with all in favor, Resolution 2018-01 Electing Officers, designating Kenneth Belshe as Chairman, Clint Smith as Vice Chairman, Daniel Baker, Carlton Grant and William Livingston as Assistant Secretaries, George Flint as Secretary and Ariel Lovera as Treasurer, was adopted.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the July 17, 2017 Meeting

Mr. Flint: The minutes were provided in the agenda package.

Mr. Belshe: I assume that the new Board Members don't have to vote, because we weren't in attendance at that meeting.

Mr. Flint: You are required to vote on the minutes. The only time that you cannot vote is if you have a conflict of interest.

On MOTION by Mr. Baker, seconded by Mr. Grant, with all in favor, the minutes of the July 17, 2017 meeting, as presented, was approved.

FIFTH ORDER OF BUSINESS

Consideration of District Consent to Assignment of Developer Funding Agreement

Mr. Flint: In the current fiscal year, the budget was attached to a Developer Funding Agreement, that obligated the Hammock Beach River Club, LLC. to fund the expenses of the District. As part of the transaction, the Funding Agreement was assigned to Palm Coast Intercoastal, LLC., so this consent is consenting to that assignment. There will be a new Funding Agreement in August when you adopt your budget for next year, as this consent expires at the end of the fiscal year.

On MOTION by Mr. Belshe, seconded by Mr. Smith, with all in favor, approving the District's Consent to Assignment of Developer Funding Agreement, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2018-02 Approving the Proposed Fiscal Year 2019 Budget and Setting a Public Hearing

Mr. Flint: Resolution 2018-02 approves the Proposed Budget and sets the date, place and time of the public hearing for its final consideration. The Board is required to approved a Proposed Budget by June 15th of each year. It's not a binding document, but it is a requirement. There is also a requirement that we send the budget to Flagler County, at least 60 days before the public hearing. They have the ability to comment on it. They don't have any approval authority. We've never received a comment from Flagler County or any other city or county we ever sent one to, but it is a process that we have to go through. The Proposed Budget is not binding on the Board. You can make changes between now and at the public hearing, if the Board chooses to.

Mr. Belshe: You can't increase it though, right?

Mr. Flint: At this point, it's a Developer Funding Agreement for the Operating Budget, so you could increase it. If we imposed assessments, then there are some additional noticing requirements that we would have to go through, if it was going to increase. At this point, this budget could go up or down, because no assessments are associated with it.

Mr. Baker: Just for context, we established the budget in the event that we wanted to activate the development, so it was a placeholder, but we operated efficiently. You may want to take a look at the structure.

Mr. Belshe: The actual is not much.

Mr. Baker: George did a good job and I recommend the continuation of GMS.

Mr. Flint: Obviously, this is not a realistic budget going forward, but you can amend the budget at any time, if you chose to do it later. The bottom line is, because you don't have assessments funding this, you have a lot of flexibility.

Mr. Belshe: What is the actual cost of operation for a year?

Mr. Baker: \$4,000.

Mr. Flint: That is for two meetings and GMS charges \$2,000. There are also bank fees and advertising costs.

Mr. Belshe: You don't have an attorney or engineer.

Mr. Flint: No, so I recommend that you engage District Counsel and a District Engineer. Are there any other questions on the proposed budget? Hearing none, we need a motion to approve the Resolution.

On MOTION by Mr. Belshe, seconded by Mr. Smith, with all in favor, Resolution 2018-02 Approving the Proposed Fiscal Year 2019 Budget and Setting a Public Hearing for August 20, 2018 at 9:30 a.m. at the City Centre at Palm Coast Town Center, 145 City Place, Suite 300, Palm Coast, Florida, was adopted.

SEVENTH ORDER OF BUSINESS Staff Reports

A. District Manager’s Report

i. Balance Sheet and Income Statement

Mr. Flint: You have the unaudited financial statements through April 30, 2017. No action is required by the Board. I will note on Page 4, that the schedule needs to be corrected. There are no outstanding funding requests.

Mr. Belshe: You have some money in the bank.

Mr. Baker: \$466.99.

Mr. Flint: Part of that was to cover bank fees.

ii. Ratification of Fiscal Year 2017 Funding Request #5

Mr. Flint: Funding Request #5, in the amount of \$1,110.99, was paid on February 12, 2018. This was for the prior fiscal year. It includes advertising, FedEx and bank fees. It has already been funded, so we are asking for the Board to ratify it.

On MOTION by Mr. Belshe, seconded by Mr. Livingston, with all in favor, ratification of Funding Request #5 for Fiscal Year 2017, was approved.

iii. Presentation of Number of Registered Voters – 0

Mr. Flint: We are required each year to announce the number of registered voters within the District as of April 15th. We included a letter from the Supervisor of Elections, indicating that there are no registered voters within the boundaries of the District. Once you hit 250 registered voters and the District is six years old, two of the five seats transition to General Election, which means you have to live within the District and be a registered voter, to serve on the Board. Each year we track this, as required by the Florida Statutes. There is no action on that.

iv. Designation of November 26, 2018 as Landowners’ Meeting Date

Mr. Flint: There is a Landowners' Meeting that needs to be scheduled for this November. It can occur at any time in November. We are suggesting November 26, 2018, which is the Monday after Thanksgiving, but it's not a Board Meeting, it's a Landowner Election. The only one who needs to attend is a landowner or proxyholder that is designated by the landowner and myself. A sample agenda for the Landowner Election is in your agenda package, as well as the form of the landowner proxy.

Mr. Baker: All you have to do is sign a proxy as the landowner or Jerry could sign it.

Mr. Flint: You can make anyone a proxyholder.

Mr. Baker: I never went to one. I always signed a proxy.

Mr. Flint: If you are okay with that date, I would ask for a motion designating November 26, 2018 as the Landowners' Meeting.

On MOTION by Mr. Belshe, seconded by Mr. Smith, with all in favor, designating November 26, 2018 as the Landowners' Meeting, was approved.

EIGHTH ORDER OF BUSINESS

Other Business

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

Mr. Belshe: How is the District named in the agreement? There was a prohibition on the use of certain names.

Mr. Baker: Correct.

Mr. Belshe: Obviously, this is a standalone legal entity. I don't know how anybody feels about the name of the District.

Mr. Grant: Is there a process to change the name?

Mr. Flint: You have the petition Flagler County to amend it. It's not as easy as you think, to change the name of a Government, and there would be some costs associated with it. You would want to engage in an attorney to prepare a petition to submit to the County.

Mr. Belshe: Daniel, as you understand it, did that prohibition include using this?

Mr. Baker: I thought about it when I saw this agenda. It's not a marketing tool. I can talk to our folks and see if it's a hard and fast process.

Mr. Belshe: If you decide to issue bonds, it would be worth going through the process, because of the confusion of having the CDD called “*Gardens at Hammock Beach*”, when you call the development “*Casa _____*.” In the meantime, it’s fine.

Mr. Grant: We will just leave it alone for now.

Mr. Baker: That’s fine.

Mr. Flint: Normally the CDD’s name is not out front anyway.

Mr. Belshe: Eventually, down the road, there will be elections and people will have signs out in their yard. If you make the decision not to use the CDD for anything, then it should be dissolved, because there’s an ongoing cost of having it.

Mr. Flint: We can deal with that later, if you want to. Is there anything else?

Mr. Baker: In terms of my seat on the Board, I appreciate all of your service, George and the opportunity to participate in setting up this CDD, but that service has come to an end, so I am going to formally resign my seat. I will send a formal letter.

Mr. Flint: We need a motion to accept Mr. Baker’s resignation.

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

Mr. Grant: George, following Daniel’s resignation, I would like to formally submit my resignation.

Mr. Flint: We need a motion to accept Mr. Grant’s resignation.

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

NINTH ORDER OF BUSINESS

Supervisor’s Request

Mr. Flint: Is there anything else from the Board?

Mr. Belshe: Yes. Is our next meeting, August 20th?

Mr. Flint: Yes. Its set by Resolution, for the primary purpose of adopting the annual budget. The public hearing was scheduled for August 20, 2018 at 9:30 a.m. at this location.

Mr. Belshe: Could it be held by telephone?

Mr. Flint: You need to have three Board members physically here. They could be on the phone or not attend.

Mr. Belshe: I will not be in the State on August 20th.

Mr. Smith: I may not be here either.

Mr. Flint: Do we want to reconsider the Resolution?

Mr. Belshe: Is there a date certain that the public hearing has to occur before?

Mr. Flint: It must happen before September 30th. If you were doing assessments, the public hearing must occur in August, but since you are not issuing assessments, you can schedule the public hearing all the way up to September 30th, which is the end of the Fiscal Year.

Mr. Belshe: Can we choose that date later or does it need to be done today?

Mr. Flint: It should be set by Resolution, because we need to advertise it.

Mr. Belshe: I would like to go out as far as we can.

****Due to a technical issue with the audio recording, the remainder of the meeting was summarized.****

On MOTION by Mr. Belshe, seconded by Mr. Smith, with all in favor, amending the adoption of Resolution 2018-02 Approving the Proposed Fiscal Year 2019 Budget, to reschedule the Public Hearing for September 18, 2018 at 9:30 a.m. at the City Centre at Palm Coast Town Center, 145 City Place, Suite 300, Palm Coast, Florida, was approved.

TENTH ORDER OF BUSINESS

Adjournment

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


Secretary / Assistant Secretary


Chairman / Vice Chairman