

**MINUTES OF MEETING**

**Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.**

**HERITAGE ISLE AT VIERA  
COMMUNITY DEVELOPMENT DISTRICT**

The special meeting of the Board of Supervisors of Heritage Isle at Viera Community Development District was held on **Friday, February 24, 2017 at 11:04 a.m.** at the Brevard County Government Center, located at 2725 Judge Fran Jamieson Way, Building C, Viera, FL 32940.

Present and constituting a quorum:

Jay Williams	<b>Board Supervisor, Chairman</b>
Roger Teurfs	<b>Board Supervisor, Vice Chairman</b>
Kenneth Bonin	<b>Board Supervisor, Assistant Secretary</b>
William Rex Gieseler	<b>Board Supervisor, Assistant Secretary</b>
William Robart	<b>Board Supervisor, Assistant Secretary</b>

Also present were:

Anthony Jeancola	<b>District Manager, Rizzetta &amp; Company, Inc.</b>
Jere Earlywine	<b>District Counsel, Hopping Green &amp; Sams, P.A.</b>
Ana Saunders	<b>District Engineer, BSE Consultants</b>
Robbie Cox	<b>MBS Capital Markets, LLC</b>
General Audience	<b>Present</b>

**FIRST ORDER OF BUSINESS**

**Call to Order**

Mr. Williams called the meeting to order and Mr. Jeancola called the roll confirming a quorum.

**SECOND ORDER OF BUSINESS**

**Audience Comments on Agenda Items**

An audience member commented on issues regarding drainage which has resulted in mold on the sidewalks and 2 minor accidents due to slip and falls. He is requesting pressure washing be performed and provided photos showing the affected areas. Mr. Williams confirmed receipt of the letter and photos and stated that the issue will be discussed in the meeting.

Ms. Post commented on agenda item 6F - Discussion Regarding the Replacement of Entry Fountains and would like to see the fountains moved away from the bridge as the water sprays and gets into the electric boxes therefore causing the lights to go out as well as other minor issues. Brief discussion ensued.

Mr. Turiano handed the Board a list of suggestions including solutions to resolve CDD issues such as sidewalk and street conditions. Mr. Williams stated that these suggestions will be looked into and that the Board will follow-up. Suggestions may possibly be put on the next agenda.

Ms. Zahler commented on agenda item 6D - Discussion Regarding Phases 7 & 8 Conveyances. She requested clarification regarding a specific area by Kline backing towards the water area and if that potential CDD property was included in the conveyance. Discussion ensued.

Ms. Zahler also commented on weeds and debris around the pond behind Kline and inquired about a cost to clean it up. She inquired about the study that was discussed in October 2016 regarding the "diseased trees" along Legacy. She indicated that there are more trees now. Mr. Williams responded and stated that they are awaiting a report from Mr. Romano at Tropic-Care. The District has not met since last Fall.

**THIRD ORDER OF BUSINESS**

**Discussion with MBS Capital Markets LLC  
Regarding Bond Refinancing**

Mr. Williams gave a brief background on the bond refinance done on the first have of the development which in turn secured some savings for the community.

Mr. Jeancola introduced Mr. Cox from MBS Capital Markets, LLC.

Mr. Cox introduced himself and gave a brief description of MBS Capital Markets, LLC. They are engaged as the District's underwriter for the refinancing of the bonds (the most recent agreement being in 2012 prior to the 2013 deal). He provided Mr. Jeancola with a supplemental engagement letter authorizing MBS to further research and advise the Board of options regarding the bond refinance. Discussion ensued.

Mr. Cox stated that after the election in November 2016, rates spiked into late December. Rates have been historically low in the past 18 months. They were able to refinance a number of transactions at good rates. Rates are still favorable at this time. A question was raised regarding the time this process would take and Mr. Cox stated that in a best case scenario, the whole process can take about 3 months.

<p>On Motion by Mr. Gieseler, seconded by Mr. Teurfs, with all in favor, the Board of Supervisors accepted the engagement letter with MBS Capital Markets, LLC, for Heritage Isle at Viera Community Development District.</p>
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Mr. Cox began his presentation to the Board and provided a little more background. The refinance may have to be a bank loan or shopped with the municipal bond market. The District would be rated by a rating agency based upon property value, location, strength of financial statements, etc. MBS would cover the cost of submitting a credit package and asks that the District reimburses them if it closes on a transaction. The cost would then come out of the bond issuance. The rating agencies generally charge \$10,000.00-\$15,000.00 to perform their services, depending on the size of the issuance.

Mr. Cox informed the Board that the District's series 2005 bonds had a par amount of \$7,195,000.00 with a maturity date of May 1<sup>st</sup>, 2037. The 2005 bonds are currently at a 5.50% rate. He ran some ballpark numbers and stated that bank placement may be an option. The District currently has about \$5,100,000.00 outstanding and they were callable in 2014. There is no penalty for taking them out now. Options include a rate of public offering, a 20 year traditional bank finance (which is limited), and a 10 year rate lock with a 20 year amortization. A 10 year rate lock is an option that can be explored as significant savings can be achieved in the first 10 years.

Mr. Earlywine inquired if the District would have to contribute to the principal to cover any costs in order to proceed with the refinancing of the bonds. Mr. Cox stated that they should be able to maintain par neutrality. Discussion ensued.

On Motion by Mr. Williams, seconded by Mr. Teurfs, with all in favor, the Board of Supervisors authorized MBS Capital Markets, LLC to submit a credit package, for Heritage Isle at Viera Community Development District.

**FOURTH ORDER OF BUSINESS**

**Consideration of the Minutes of the Board of Supervisors' Meeting held October 25, 2016**

Mr. Williams reviewed the minutes with the Board of Supervisors.

On Motion by Mr. Bonin, seconded by Mr. Gieseler, with all in favor, the Board of Supervisors approved the minutes of the Board of Supervisors' Regular Meeting held October 25, 2016 for Heritage Isle at Viera Community Development District.

**FIFTH ORDER OF BUSINESS**

**Consideration of Unaudited Financial Statement for January 2017**

The Board reviewed the Unaudited Financial Statement for January 2017.

*Agenda Item 6D - Discussion Regarding Phases 7 & 8 Conveyances was taken out of order*

There was a question raised on whether the Phase 7 & 8 conveyances were the reason why Lennar has not paid the District since June 2016. Mr. Jeancola stated that they agreed to reimburse the District the funds for the work performed by Watson on the infrastructure within those phases. The update pertaining to the conveyances still has to be executed by Lennar. We did receive the funds for Phase 7 and are awaiting the funds for Phase 8. Discussion ensued.

It was requested that the Board be informed whether they are on/off budget on a monthly basis. Mr. Jeancola stated that as of 1/31/17, the District is running under budget at \$65,381.00.

Mr. Earlywine addressed agenda Item 6D - Discussion Regarding Phases 7 & 8 Conveyances. He stated that Lennar had an objection to a provision regarding defects. They are ready to sign and provide a check if the District strikes the provision. One year warranties are not typically given on infrastructure that has been in the ground for awhile. One usually receives warranties provided by the contractor but in this case, those have already expired. They are typically passed along through the bill of sale. Discussion ensued.

It was noted that the well is included in the agreement. Mr. Gieseler indicated that one of the reasons why he agreed to approve the conveyances was because of the 1 year maintenance warranty. He expressed concern regarding the condition of pond 8 and second irrigation pump. He questioned if there was sufficient flow.

Mr. Earlywine suggested that if the District waives the 1 year maintenance warranty, perhaps Lennar would correct aesthetic improvements to the pond on Kline. Mr. Williams shared the same sentiments.

Mr. Jeancola confirmed that Mr. Romano from Tropic-Care initiated the necessary repairs to pump. Ms. Saunders commented on the pond on Kline and stated that based on plans, it appears to be constructed. Discussion ensued.

Mr. Gieseler suggested that Hoover review the pump to see if they can service it in the future.

A motion was made by Mr. Williams, seconded by Mr. Teurfs, to approve the removal of the 1 year maintenance warranty clause, and otherwise authorize the conveyance documents for Phases 1 through 8 as previously presented to the Board, for Heritage Isle at Viera Community Development District.

Mr. Gieseler opposed.

On a Motion by Mr. Gieseler, seconded by Mr. Teurfs, with all in favor, the Board of Supervisors accepted the unaudited financial statement for January 2017 for Heritage Isle at Viera Community Development District.

#### **SIXTH ORDER OF BUSINESS**

#### **Ratification of the Operation and Maintenance Expenditures for September 2016 through January 2017**

Mr. Jeancola reviewed the amounts for the Operation and Maintenance Expenditures for September 2016 through January 2017. Mr. Gieseler questioned the December 2016 Hopping Green & Sams billing. Mr. Earlywine indicated a portion pertained to the Phase 1-8 conveyances. Mr. Gieseler requested that irrigation repair invoices better identify where the repairs are being made. Brief discussion ensued.

On Motion by Mr. Teurfs, seconded by Mr. Bonin, with all in favor, the Board of Supervisors ratified the operation and maintenance expenditures for September 2016 in the amount of \$85,346.17, October 2016 in the amount of \$77,846.86, November 2016 in the amount of \$33,135.65, December 2016 in the amount of \$25,756.74 and January 2017 in the amount of \$53,674.08, for Heritage Isle at Viera Community Development District.

**SEVENTH ORDER OF BUSINESS**

**Staff Reports**

- A. District Counsel  
No report.

Mr. Williams thanked Mr. Earlywine for his invaluable service with the negotiations between the District and Lennar.

- B. District Engineer

Ms. Saunders stated that projects have been completed over the last couple months.

- C. District Manager

Mr. Jeancola informed the Board regarding Phase 7 landscaping concerns from residents. They are requesting the installation of hedges on/along the walkway. Mr. Romano (Tropic-Care) can provide the District with pricing. Another option is to allow residents to plant hedges on CDD property at their own expense using the District's vendor. Mr. Earlywine noted that the plant installation needs to have some sort of public purpose behind it. There may be impacts and/or modifications to the irrigation that may have to be reviewed. Discussion ensued.

Mr. Gieseler volunteered to convey the information discussed regarding the Phase 7 enhancements (land, irrigation and future maintenance). Homeowners may be allowed to prepay while utilizing the District's vendor in order to plant in a prescribed manner.

<p>On Motion by Mr. Williams, seconded by Mr. Gieseler, with all in favor, the Board appointed Mr. Gieseler to discuss the Phase 7 enhancements with residents, for Heritage Isle at Viera Community Development District.</p>
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- D. Operations Manager

Mr. Jeancola presented and reviewed the February 2017 field inspection report performed by Mr. Green. A question was raised regarding lights not working. Mr. Jeancola stated that he would have to follow-up with Mr. Green.

- E. Tropic-Care  
Not Present.

A comment was made regarding a previous discussion that was held regarding trimming hedges in order to obtain a line of sight for safety precautions. The Board stated that this was previously approved.

**EIGHTH ORDER OF BUSINESS**

**Consideration of Landscape Related Proposals**

Mr. Jeancola presented the proposals received for the rear gate landscaping and bollards. He stated that Mr. Gieseler met with Mr. Romano from Tropic-Care and also spoke with Ms. Saunders regarding the use of golf cart in restricted areas. These below proposals are options for the Board to consider:

*Consideration of Rear Gate Landscaping & Bollards*

- *Tropic-Care - \$27,820.00*
- *Watson - \$2,550.00*

*Consideration of Rear Gate Landscaping*

- *Yardman - \$5,100.00*

Mr. Gieseler commented on the possibility of an influx of golf carts being driven on public sidewalks and how to handle it. He walked the area with Ms. Saunders who identified what can be done prior to obtaining proposals from vendors regarding the landscaping of the bollards. A suggestion was made for gold cart riders to enter via bar code access in order to eliminate using the sidewalks. Discussion ensued.

It was suggested that a modified and less elaborate proposal be requested from Tropic-Care. Mr. Gieseler received feedback on whether to wait and see if there is an influx of traffic due to new residents moving in versus being proactive and putting these measures in place. Ms. Saunders suggested holding off on the installation of bollards and landscaping until school is back in session. She also suggested installing a 4 foot high fence. She will obtain estimates for various fencing materials.

Mr. Jeancola presented the following proposal received from Tropic-Care for general landscaping:

*Consideration of General Landscaping*

- *Tropic-Care - \$5,440.00*

This will cover areas within the community as a whole where declining plant materials exist. Mr. Williams expressed concern as to whether this proposal was inclusive of the diseased trees. Mr. Jeancola confirmed that this proposal does not address the tree issue. Mr. Williams would like to request a proposal to address the diseased trees. Discussion ensued.

A motion was made by Mr. Williams, seconded by Mr. Teurfs, to approve the proposal for General Landscaping in the amount of \$5,440.00, for Heritage Isle at Viera Community Development District.

Mr. Gieseler opposed.

Ms. Saunders brought up the cutting of the walkway hedges for line of sight purposes as previously discussed in the meeting. As per the meeting minutes, she does not believe that a motion was ever made to approve this matter.

On a motion by Mr. Bonin, seconded by Mr. Williams, with all in favor, the Board approved cutting the walkway hedges for line of sight purposes, for Heritage Isle at Viera Community Development District.

**NINTH ORDER OF BUSINESS**

**Consideration of Bench Relocation and Concrete Slab Proposal - Watson**

The Board reviewed and discussed the bench relocation and concrete slab proposal received from Watson in the amount of \$1,700.00. Discussion ensued.

The Board agreed to table this agenda item and discuss with adjacent lot owners.

**TENTH ORDER OF BUSINESS**

**Consideration of MOU between HIDA, HIRVA & CDD**

Mr. Jeancola presented a general description of the MOU between HIDA, HIRVA & CDD.

Mr. Earlywine discussed the Memo of Understanding between HIDA, HIRVA & CDD and would like to request additional language indicating that it is a good faith document, and does not create any contractual rights. Discussion ensued.

A motion to approve the MOU between HIDA, HIRVA & CDD was made but failed.

**ELEVENTH ORDER OF BUSINESS**

**Discussion Regarding Phases 7 & 8 Conveyances**

*Agenda Item 6D - Discussion Regarding Phases 7 & 8 Conveyances was taken out of order and covered under Agenda Item 3B – Consideration of Unaudited Financial Statements for January 2017*

**TWELFTH ORDER OF BUSINESS**

**Consideration of 2017 Infrastructure Inspection and Maintenance Report Authorization**

Mr. Jeancola presented and reviewed the 2017 Infrastructure Inspection and Maintenance Report Authorization with the Board. Ms. Saunders noted that Phase 8 was not included in the inspection as it was performed last March. Pods E and F were included. A question was raised regarding the cost and the benefits of performing these inspections. Ms. Saunders believes that the costs are similar from the previous inspection and tied to the locked in rate. She will confirm. She stated that benefit of performing the inspections is getting a good view of what is happening in the neighborhood and with the infrastructure. The inspection includes sidewalk, curbs and storm system just to name a few. Discussion ensued.

On Motion by Bonin, seconded by Mr. Robart, with all in favor, the Board of Supervisors approved BSE Consultants' 2017 Infrastructure Inspection and Maintenance Report Authorization, for Heritage Isle at Viera Community Development District.

**THIRTEENTH ORDER OF BUSINESS**

**Discussion Regarding the Replacement of Entry Fountains**

Mr. Jeancola presented and reviewed the replacement of entry fountain proposals with the Board. He reviewed the potential options for reference. There is aging infrastructure in the ponds and control structures. It would cost \$12,000.00 to repair the current fountains. Vertex suggested changing over to 2 fountains rather than having 4 entry fountains. Fountain options include geyserjet, multigeysers and trigeyser. The 10 horsepower fountains can run between \$14,000.00-\$20,000.00 each. Mr. Jeancola can request proposals for the smaller options (5 horsepower). Discussion ensued regarding a wind shut down option and the alternating color options.

**FOURTEENTH ORDER OF BUSINESS**

**Consideration of Pressure Washing Proposals– Space Coast**

Mr. Jeancola presented and discussed the pressure washing proposal received from Space Coast.

Pressure washing is performed every 2 years. Space Coast has provided a proposal in the amount of \$30,700.00 which includes Phases 7 and 8, monuments and chemical treatment. Previous proposals didn't include these items. It was requested that courtesy touch ups be requested and/or included. A request for linear foot price was made to cover emergency and/or on-call issues.

On Motion by Williams, seconded by Mr. Teurfs, with all in favor, the Board of Supervisors approved the pressure washing proposal received from Space Coast in the amount of \$30,700.00 with the condition that a linear foot price is provided, for Heritage Isle at Viera Community Development District.

Ms. Saunders asked for a schedule in order to coordinate with her inspections. Mr. Jeancola stated that it could be anywhere from 30-45 days but that he will confirm. An e-mail blast will be sent to let the residents know. General discussion ensued.

**FIFTEENTH ORDER OF BUSINESS**

**Audience Comments and Supervisor Requests**

Mr. Glassburn commented that the drainage issues on the sidewalks could be improved by adjusting the grading of the sod. He stated that he has observed golf carts cutting through the commons. He commented on the hedges on the walkways in Phase 7 and how many residents will not want to pay for it.

Mr. Roberts thanked the Board for agreeing to proceed with pressure washing.

Ms. Post stated that in the landscaping meeting, Mr. Romano (Tropic-Care) indicated that Hoover will not service the pump unless the parts are replaced. She also commented on the sod replacement and that the Village is faced with the same dilemma of not knowing the cause. She commented on the informational meeting that was cancelled and that an e-mail blast should have been sent as opposed to only updating the website. She suggested that these types of meetings be held at Heritage Isle instead. She asked about the turnaround time to contact Mr. Jeancola via e-mail in order to get a response. Mr. Jeancola responded that if he is in the office, he usually

responds within 24 hours. If further research is required, it can take a little longer. Ms. Post would just like an acknowledgement.

Mr. Walter applauded the Board on taking up the issue regarding the hedges on the walkways in Phase 7. He believes that the root issue is a safety issue.

Ms. Gotham asked about the Phase 4 handicap access at Guerrero and Bancroft. Ms. Saunders responded that the design of that phase was created years ago but that the handicap access that is currently in place is appropriate. Discussion ensued. Ms. Saunders will request a proposal to look into enhancing handicap access options at Guerrero and Bancroft.

Mr. DeLarusso recommended getting Hoover's statement about not servicing the pump unless the parts are replaced in writing.

Ms. Zahler stated that the pump was out of commission for about 2 weeks.

Mr. Pitt commented that the purpose of the MOU was better communication.

Mr. Goldstein wants to reconsider the conveyance and would like the Board to reconsider as well.

Mr. Gieseler updated the Board on the reserve study. Tract OS44B was missing sections of sidewalk in Pod F.

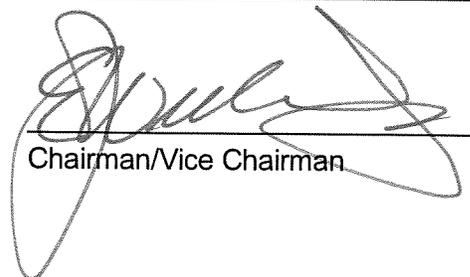
Mr. Bonin cannot make the Board of Supervisors meeting scheduled for August 22, 2017.

Mr. Jeancola announced that the next meeting is scheduled for Tuesday, March 28, 2017 at 10:30 a.m.

**SIXTEENTH ORDER OF BUSINESS                      Adjournment**

On Motion by Mr. Teurfs, seconded by Mr. Gieseler, with all in favor, the Board of Supervisors adjourned the meeting at 2:45 p.m. for Heritage Isle at Viera Community Development District.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman      3/28/17