

**MINUTES OF MEETING  
ROLLING OAKS  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Rolling Oaks Community Development District was held Thursday, **August 24, 2023** at 1:00 p.m. at the Margaritaville Resort Orlando, 8000 Fins Up Circle, Kissimmee, Florida.

Present and constituting a quorum were:

John Chiste	Chairman
Jared Bouskila	Vice Chairman <i>by telephone</i>
Cora DiFiore	Assistant Secretary <i>by telephone</i>
Peter Brown	Assistant Secretary
Steven Dougherty	Assistant Secretary

Also present were:

Tricia Adams	Manager
Vivek Babbar	Attorney <i>by telephone</i>
Dave Schmitt	Engineer <i>by telephone</i>

**FIRST ORDER OF BUSINESS**

**Roll Call**

Ms. Adams called the meeting to order and called the roll.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

A resident stated we have a transient community and my neighbors were hoping to get a virtual meeting. There are 600 plus owners who would probably like to listen to your meetings and learn more about what's going on.

Mr. Chiste stated that is something we plan to take up today. Does everyone understand what a CDD board is versus an HOA board? It is totally different. We are not an HOA dealing with specific items that impact the residents. It is more of a global board relative to the community development district, common areas that are outside your specific homes. The fees collected by

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the CDD are used to take care of roads and entrances and lighting and things like that. A lot of things related to the HOA are out of the district's control.

A resident stated I wanted more detail on some budget items, landscape enhancement and utilities have an increase. I want to understand what that is going towards or if it is appropriate for some of that to go towards the Phase 9 development.

Mr. Chiste we will hold those for the budget hearing.

A resident stated because we have such transient people who don't live in the they want to make sure they have a right to vote and a way to vote. We can't do electronic signatures and have to collect signatures from all over the world. Because of the nature of this community we will never have the 250 registered voters, we are never going to get to a general election. How can we make this work fair and the owners have a voice.

Mr. Serro asked on page 7 you have 500 single-family units is that townhomes?

Ms. Adams stated we will go over the method.

A resident stated you see the construction on the wrong property, the 300 acres then breaking down to 230 acres. What is the status of those condos across on the lake? Construction has stopped.

Mr. Chiste stated the CDD does not build those, the developer builds those. The CDD has nothing to do with that construction. Bonds were sold to help build the infrastructure, the streets, lighting, entryways, gates, things like that. What goes on with the building of a hotel, retail, etc. the CDD has nothing to do with that.

Ms. Felix asked if more properties are closing and there are more CDD imposed fees wouldn't that make up for some of the budget increases?

Mr. Chiste stated yes and no because there are certain properties that have been carved out the side of the CDD or certain properties only pay a portion of the CDD costs.

Mr. Brown stated the areas encumbered by the CDD are all the cottages, all the townhomes, the condos that will be built, the townhouses that will be built, all pay into the CDD. Also the apartments that are on the southwest portion of the property pay into the O&M only.

Mr. Chiste stated the O&M is the operations and maintenance, they all pay that. They were not allocated a portion of the bonds, because most rental properties can't afford to repay the bonds, but they do pay their share of the maintenance.

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Mr. Brown stated I don't think we have had an increase for the last six years. This year the road was completed around the entire Fins Up Circle and the streetlights come on, the maintenance, the cleaning, landscaping around Fins Up Circle this year. Last year it stopped by Phase 7. This year it is the full circle and that is a lump of expenses that had to go on this year, yet not everything is closed so there is an unmatched increase in expense that will be absorbed so there shouldn't be this kind of increase in the future. Anything like a retail operating business such as the hotel, waterpark, clubs are not a part of the CDD.

Ms. Sessa stated streetlights on my street were inoperable for a long time, the gate was struck by lightning and it has been over a year and it hasn't been fixed. The guards just open the gate and it is public access, there is no real deterrents. Putting in these gates with an access button would have been nice because it is a huge expense to move the road, sidewalk, landscaping.

Mr. Brown stated there are owners who feel the other way, that like having the people there. It is public access and the gate was originally designed to be a manned gate just like the south gate. It was the request of the residents that we have the gate.

Ms. Sessa asked how did they vote for that?

Mr. Brown stated there wasn't a vote, I'm telling you what the opinions were. Just like you are voicing opinions and making comments now, people throughout the last six years have made comments.

Ms. Sessa stated that is what we are asking, a more formal process. In all organizations proxies are accepted by mail rather than a couple people determining a huge budget. Putting it to a vote would make more sense. What if 70% of the homeowners don't want to spend that money on that item because it is not worth it to us versus 10%. We don't know because we weren't given that chance. That is the point we are trying to make.

Mr. Sutton stated we have one public access and one gate that makes more sense.

Mr. Million stated if this increase is to catch up from last year, what would be a normal increase for a project such as this.

Ms. Adams stated when CDD fees are increased typically the goal is to have them increase no more than three-to-five-year intervals, however because of the CPI and inflation over the last two years most CDDs are realizing significant cost increases. Much of the field budget is driven by the costs of labor and the impact of the minimum wage increase.

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Mr. Chiste stated we don't insure any structures in this budget, if we did it would not be a great situation. Insurance costs in the state have gone through the roof. That is just an example of the cost increase.

A resident asked where does the CDD show up on the county bill?

Ms. Adams stated it is not required by statute to be on the TRIM notice.

A resident stated it may not be required but why is it not on there.

Mr. Chiste stated in your closing documents in several place it indicated that your property was subject to a CDD. It is in your contract to buy if you bought from the developer and is in three at least three different places. If you bought from another homeowner, I don't know what they provided to you.

Mr. Babar stated it should also be on their title report. We record documents in the public records, including the notice of establishment, establishing the CDD as well as notice of lien with respect to the debt assessments. We do everything we can to have notice out there. Obviously, we are not part of the sales process, but the CDD has the obligations from Chapter 190, Florida Statutes and those additional disclosures.

Other comments: there should be a CDD class for the owners to help understand the process, cameras on gates, gate guards not 24 hours, mailing address for CDD and there was an email received from a resident voicing opposition to the increase in assessments.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the May 25, 2023 Meeting**

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor the minutes of the May 25, 2023 meeting were approved as presented.

**FOURTH ORDER OF BUSINESS**

**Discussion of Virtual Meeting Attendance**

Ms. Adams stated we have received requests from property owners and residents who requested to attend the board meetings via Zoom technology. During COVID many CDDs became accustomed to this technology. The way that could work is we offer a Zoom link on the district's website and any member of the public would access that Zoom meeting during the public comment period and those interested in speaking would raise their hand and we would bring them into the meeting for the public comment period, otherwise they are able to see and hear what is happening

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at the meeting, to the extent the technology allows. From time to time there are issues with internet access that make the Zoom technology a little frustrating and there are times when the audio may not be as clear. There is no significant duress for staff, we have the equipment and we are happy to set that up if that is something the board members would like to see.

On MOTION by Mr. Chiste seconded by Mr. Dougherty with all in favor virtual meeting attendance was approved.

Ms. Adams stated in the future we will provide a Zoom link that can be accessed by district staff, board members and members of the public.

Mr. Chiste asked is there a cost based on the number of portals?

Ms. Adams stated our firm has a professional level account that allows for up to 500 attendees per webinar. We set it up as a webinar because of the better controls for public meetings.

## **FIFTH ORDER OF BUSINESS**

### **Public Hearing**

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor the public hearings were opened.

Ms. Adams stated Resolution 2023-10 adopts the budget for fiscal year 2024 that starts October 1, 2023 and ends September 30, 2024. Passing the resolution adopts the budget and allows for appropriations of the general fund and debt service funds and it has provisions for budget amendments. Attached to the resolution is the proposed budget that includes the general fund budget, the debt service budgets for the 2016, 2018 and 2022 series of bonds that have already been imposed but your assessment resolution authorizes collection on the Osceola County tax bill.

In the revenue section we have proposed \$813,131 in assessments, these are the CDD operation and maintenance fees that will be on the non-ad valorem section of the tax bill. In the past there was a developer contribution to offset some of the expenses. Now that the project is built out that developer contribution is going away so we have zeroed out that line item. All the assessments are borne by the property owners who benefit from the maintenance of the district.

The first section is administrative expenses, the cost to operate the district. We have a proposed budget of \$131,480, the previous year's budget was \$127,176. There is an increase for

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management fees, insurance, meeting rooms and other expenses. The proposed budget is based on the history as well as increases we have been made aware of.

The field expenses are next and this is where we are seeing the increases that are driving the proposed increase for operations and maintenance fees. We do have property insurance for certain assets that is proposed to be \$15,384, increases in utility expenses, streetlights, water and sewer utilities, and landscape maintenance. Landscape enhancement is to address any issues that could come up outside the budgeted landscape maintenance scope. We are realizing some savings on lawn mowing and trimming and lake maintenance. We have a line item for contingencies.

Mr. Chiste stated the increases in electric for streetlights, utilities, and landscape maintenance are due to increased costs and an increase in area. Areas came online during fiscal year 2023 and will be in the fiscal year 2024 budget.

Mr. Brown stated everything from the Domain Apartments to Phase 7 was not in previous years, that was a road that was not completed the stormwater was not in. Now it is in place and needs to be maintained. We lease the streetlights and if there is an issue with a streetlight Duke has to come and fix it.

Ms. Adams stated on the bottom of page 2 there are two tables that has the proposed assessment for fiscal year 2024. That top table looks at the different product types, 663 single-family assessable units, 645 condo assessable units, and 352 apartment assessable units. They are based on an ERU factor that was established when the debt was issued. A single-family home is equivalent to 1 ERU.

Mr. Brown stated single family is both cottages and townhomes.

Ms. Adams stated the condos are .8 ERU and the apartments are .5 ERU and this is relevant to the benefit they receive. What is important to residents is the last number in the row, which is the gross per unit, for single-family homes the proposed gross per unit is \$638.40, condos is \$510.72 and apartments is \$319.20. There is also a net number and is what the district receives because the county charges a fee to the district to collect the assessments on the tax roll and everyone can get up to a 4% savings if they pay their taxes in November. The last table on page 2 shows the increase per unit. The next section of the budget is the narrative and gives a full explanation of each line item in the budget.

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Mr. Chiste stated the debt service is set when the bonds are issued, the only thing we control is the O&M expenses. Let's open the floor to the public regarding what is being spent because I think that is important.

Mr. Hansen stated you did a great job in explaining the budget. There are a couple things I heard but don't understand. You said you had to finish the road and add more lights and that raised the price and that is huge increase. That is not the cost of the electric, there has to be something else. I don't understand that the people who benefit from that, the common areas, the hotels whatever, why are they not contributing to that, why are we paying for that?

Mr. Chiste stated everybody has access to the entire road and the hotels were carved out from day one; that is not new. It is not a decision to be made now.

Mr. Hansen stated the condos started out as condos but are now short-term rentals.

Mr. Brown stated those were always planned to be on the assessments. If you look at the assessments back to your issue about the developer burden, if you look at the top table on page 2, it is allocated across the developed property, the developer is paying for 645 condos because there are no other owners right now. Same with the 663 single-family, one section is being paid by the developer the other 662 are paid by residents and the 345 on the condos will go to the owners as they are sold but until such time the developer is carrying that portion of the burden.

Ms. Adams stated the property owner gets a tax bill and whoever owns that property get the bill.

A resident asked but the contribution is no longer there.

Mr. Brown stated that is different, that was when the developer owned undeveloped property. Now the property is all assigned to the 663 and 345; it is being paid by the developer in a different way.

Mr. Chiste stated almost 40% of these dollars are paid by the developer because the developer owns all these unsold units and unsold lots. Eventually the developer will have nothing to pay when all the units are sold.

Mr. Hansen stated that is not going to change our situation, we are already in there.

A resident asked how did the developer assign the ERUs?

Mr. Brown stated that is determined through the engineer's report and I think what they did was the apartments have studios, one's and two's, cottages is everything from one to eight

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bedrooms so it was an allocation of how you look at the amount of usage created upon the infrastructure. That was an analysis by the engineer.

Ms. Adams stated when the debt is issued there is master assessment methodology and that takes the projects in the engineer's report and allocates how those funds will be shared by the assessable units. It is considered a fair share of the debt or in this case the maintenance based on the benefit.

Other comments: Stormwater system, coordinate pond mowing with HOA, landscape enhancements, responsibility of landscapers, bid threshold for contracts, CDD pays for CDD contracts, HOA is responsible for their property, increase in utilities, irrigation system, lease versus purchasing streetlights, bond retirement.

Ms. Adams stated once the board adopts a budget, we need to fund it and the way we propose to fund it is with the operations and maintenance assessments and we are imposing that fee, the board is authorizing collection on the property tax bill and authorizing collection of the debt service in accordance with the budget we just reviewed.

There were no questions or comments on the assessment resolution.

On MOTION by Mr. Brown seconded by Mr. Dougherty with all in favor the public hearing was closed.

**A. Consideration of Resolution 2023-10 Adopting the Fiscal Year 2024 Budget and Relating to the Annual Appropriations**

On MOTION by Mr. Chiste seconded by Mr. Dougherty with all in favor Resolution 2023-10 Adopting the Fiscal Year 2024 Budget and Relating to the Annual Appropriations was approved.

**B. Consideration of Resolution 2023-11 Imposing Special Assessments and Certifying an Assessment Roll**

Ms. Adams stated attached to Resolution 2023-11 will be a copy of the budget as well as the tax roll.

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor Resolution 2023-11 Imposing Special Assessments and Certifying an Assessment Roll was approved.



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**SIXTH ORDER OF BUSINESS****Review and Acceptance of Annual Engineer's Report**

Ms. Adams stated a copy of the annual engineer's report was included as part of the agenda package. The report is required by to the trust indentures for the series 2016, 2018 and 2022 bond issues to ensure the assets are being maintained in accordance with proper standards and to ensure that there is adequate budgeting and adequate insurance coverage.

On MOTION by Mr. Chiste seconded by Mr. Dougherty with all in favor the annual engineer's report was accepted.

**SEVENTH ORDER OF BUSINESS****Approval of Drainage Fee Agreement with Reedy Creek Improvement District**

Ms. Adams stated the agreement is between Reedy Creek Improvement District, Rolling Oaks Community Development District and Rolling Oaks Splendid LLC. This agreement was required by Reedy Creek because of the discharge of the stormwater system into the Reedy Creek Improvement District area.

Mr. Babbar stated the developer is paying the one-time fee to tie into the Reedy Creek drainage system and the developer or their assigns are required to maintain certain insurance policies, the only obligation the district has is to maintain its drainage infrastructure designed on government regulation and permits and as long as the developer maintains their insurance policy the district only has to maintain commercial general liability insurance in the amounts of \$1 million per occurrence and \$2 million in the aggregate, which we already have. There is not going to be any additional cost to the district. I recommend the board approve n substantial form, that way we can make any final changes and get it executed as soon as possible.

On MOTION by Mr. Chiste seconded by Mr. Dougherty with all in favor the drainage fee agreement with Reedy Creek Improvement District was approved in substantial form.

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**EIGHTH ORDER OF BUSINESS****Appointment of Audit Committee**

Ms. Adams stated we do have an audit committee meeting scheduled today. The district is required to undergo an annual, independent audit. We appoint an audit committee to approve the request for proposals and the notice. Typically, boards appoint themselves as the audit committee.

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor the board of supervisors was appointed to serve as the audit committee.

**NINTH ORDER OF BUSINESS****Staff Reports****A. Attorney**

Ms. Adams stated during the public comment period there were questions about participating virtually and I explained that the landowners' meetings are conducted in accordance with Florida Statutes. There were questions about the use of technology such as electronic voting or other methods that HOAs might use. If you could address options that CDDs have that would be helpful.

Mr. Babbar stated with respect to electronic voting, the district is limited with respect to Florida Statutes that may apply to other government entities as well. If we do ever want to utilize electronic signatures or allow them for any of our district business, we have to invest in technology that can authenticate and verify those signatures. That is the reason we are not able to accept printed copies unless there is a wet signature for that reason. That is an added expense, none of my districts have really gone down that road because of the additional expense. It is something we can explore but it is an unusual request. I can understand why it is being made especially in this community, but we have to have the authentication aspect in place. These are elected officials. Right now we are doing landowner elections but as the transition to landowner control they are going to be on the general election and the supervisor of elections handles that process. They handle lots of other elections and invest significant amounts of money and have the staff appropriate to verify that as well as contracts in place.

A resident stated it is very unlikely we will ever have a general election based on the nature of this community. It will always be a landowner's election.

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**B. Engineer**

There being no comments, the next item followed.

**C. Manager**

**i. Approval of Check Register**

On MOTION by Mr. Chiste seconded by Mr. Dougherty with all in favor the check register was approved.

**ii. Balance Sheet and Income Statement**

A copy of the balance sheet and income statement were included in the agenda package.

**iii. Approval of Fiscal Year 2024 Meeting Schedule**

On MOTION by Mr. Dougherty seconded by Mr. Chiste with all in favor the fiscal year 2024 meeting schedule was approved reflecting meetings on the fourth Thursday of the month with the exception of no meeting in November 2023.

**TENTH ORDER OF BUSINESS**

**Supervisor’s Requests**

There being no comments, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Next Meeting Date – September 28, 2023**

Ms. Adams stated the next meeting will be held September 29, 2023 at 1:00 p.m. in the same location.

**TWELFTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Chiste seconded by Mr. Dougherty with all in favor the meeting adjourned at 2:25 p.m.

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*Tricia Adams*  
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Secretary/Assistant Secretary

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*John Chiste*  
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Chairman/Vice Chairman