

**MINUTES OF MEETING  
HERITAGE OAK PARK  
COMMUNITY DEVELOPMENT DISTRICT**

The recessed meeting of the Board of Supervisors of the Heritage Oak Park Community Development District held on Thursday, May 17, 2018 at 10:00 a.m. was reconvened on Thursday, June 7, 2018 at 10:07 a.m. at the Heritage Oak Park Lodge, 19520 Heritage Oak Boulevard, Port Charlotte, Florida.

Present and constituting a quorum were:

Brian Bitgood (via telephone)	Chairperson
Paul Falduto, Jr.	Vice Chairperson
Olin Earl Bell	Assistant Secretary
Donald Oppenheim	Assistant Secretary
Edward Carey	Assistant Secretary

Also present were:

Robert Koncar	District Manager
Michelle Egan	Project Manager
Brandon Romine	Field Services
Residents	

*The following is a summary of the minutes and actions taken at the June 7, 2018 continued meeting of the Heritage Oak Park CDD Board of Supervisors.*

**FIRST ORDER OF BUSINESS**

**Call to Order and Roll Call**

Mr. Falduto called the meeting to order. He requested before Mr. Koncar calls the roll, to make a motion to allow Mr. Bitgood to participate by telephone.

On MOTION by Mr. Carey seconded by Mr. Oppenheim with all in favor allowing Chairman Mr. Bitgood to participate in this meeting by telephone.
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Mr. Koncar called the roll.

**SECOND ORDER OF BUSINESS**

**Pledge of Allegiance**

The Pledge of Allegiance was recited.

**THIRD ORDER OF BUSINESS**

**Audience Comments on Agenda Items**

There being no audience comments, the next item followed.

**FOURTH ORDER OF BUSINESS**

**Discussion and Review of Fiscal Year 2019 Budget**

- Mr. Koncar reviewed the Fiscal Year 2019 budget using a screen presentation.
- The Board sees a breakdown from the 2018 budget to the 2019 budget. The goal of this meeting is for the Board to establish the highest level of assessments.
- The Board can reduce or change the budget at your public hearing in August, but you cannot increase assessments for whatever level you set at today's meeting.
- He reviewed each item in the proposed budget.
- After the meeting today, Mr. Koncar will send the Board a summary of changes to the budget.

On MOTION by Mr. Bitgood seconded by Mr. Oppenheim with all in favor the proposed budget as presented was approved.

**FIFTH ORDER OF BUSINESS**

**Discussion on Financial Advisor and the Cost to Hire One**

- Mr. Koncar asked the Board whether they wanted to discuss the loan and the impact of the loan depending on what option the Board chooses.
- Mr. Falduto felt it should be discussed because it will have an input on setting the maximum levy for 2018-2019.
- On the screen, total assessment increases for the O&M budget was shown. The increase per unit would be \$112 per year.
- It shows options for borrowing \$2 million, which includes the payoff of your existing loan; with the principal balance around \$400,000 and the rollup of the O&M itself; the budget increases. On a five-year loan, there is an increase of about 31% for single family and multifamily homes.
- Mr. Bitgood noted if we decide to go ahead with the loan, he suggested only taking out as much as we need at that particular point, do a draw down on the total amount, rather than take it all at the same time.
- Mr. Koncar noted it will take the District a while to get the final plans and the permitting.
- He noted you may not be able to start construction well into the next fiscal year.

- That happened in another district where they budgeted the debt service payment in that fiscal year and ended up with surplus money because they only had to make one payment on their debt service instead of two.
- The way the debt services are structured for local governments and districts, on November 1<sup>st</sup> you make an interest only payment on your debt and on May 1<sup>st</sup> you make a principal and an interest payment.
- Mr. Bitgood noted on the agenda is “Discussion on the Financial Advisor”. Before making a decision on that, he would like to have the Financial Advisor come and give us directions as to the best approach for this.
- Mr. Bitgood does not want to be limited and have to return to the bank again and again. He prefers to borrow a higher amount and make it more like a construction loan.
- Mr. Falduto noted suggested taking a loan of \$2,500,000.
- Mr. Bell suggested taking out \$5,000,000 for a construction loan for a minimum of ten years.
- Mr. Koncar noted the Board should decide on a maximum amount to borrow. He would then come back with what that would mean to the assessments. When you actually get into the calculations, he does not want to set a maximum limit and then find out that is not achievable in a loan. If we can decide on the maximum borrowing, that will be a better approach and you can adjust that at the public hearing.
- Mr. Falduto noted we have to set the maximum levy today.

Mr. Bell MOVED to borrow up to \$5 million on a 15-year term and Mr. Bitgood seconded the motion.

- The motion was further discussed.

On VOICE VOTE with all in favor the prior motion passed.

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2018-03  
Approving the Proposed Budget and  
Setting the Public Hearing**

On MOTION by Mr. Bell seconded by Mr. Oppenheim with all in favor Resolution 2018-03, a resolution approving the budget for Fiscal Year 2019 and setting a public hearing for August 16, 2018 at 10:00 a.m. at the Heritage Oak Park Lodge, 19520 Heritage Oak Boulevard, Port Charlotte, Florida, was adopted.

- Mr. Koncar explained the process noting now that the Board has given direction on the budget and the borrowing, he will return to the Board with a chart looking at 15 years and how that will impact assessments. What will happen now is each resident will receive a letter in the mail informing them on the proposed budget and how much their assessments will go up. They will have an opportunity to come to the public hearing in August and voice concerns.

**SEVENTH ORDER OF BUSINESS**

**Audience Comments**

- An audience member asked if you cannot get a loan for as long as 15 years?
- Mr. Falduto responded then the assessments will go up.

**FIFTH ORDER OF BUSINESS (continued)**

**Discussion on Financial Advisor and the Cost to Hire One (continued)**

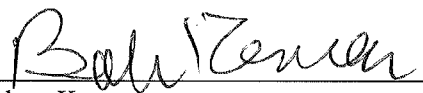
- Mr. Koncar noted we have used a Financial Advisor in the past from a well-recognized firm. He has already reached out to him and asked what his fee would be. Normally, there fees are based on the size of the loan.
- Now that the Board has given us direction on the size of the loan, he will get back to the Board and in the Meeting Notes we will have a number for you on what we think the Financial Advisor will cost us.
- Mr. Bell asked why are we looking for a Financial Advisor over and above what Inframark and the predecessor company has done for us for the past 18 years?
- Mr. Koncar noted the reason why we recommend Financial Advisors is because you are paying off an existing debt. That is usually handled by professionals who are certified in that specific field. Though we have a financial staff, none of them are certified in that. It is well worth the money in our minds to make sure everything is done appropriately to cover the cost of paying that loan off. There will be some additional costs as well. With a \$5 million loan, you will have some cost of issuance and legal fees. You will need a Bond Counselor.
- He will ask Mr. Wendell Gaertner, Financial Advisor, to make a presentation at the July Board meeting.


**EIGHTH ORDER OF BUSINESS**

**Adjournment**

- o There being no further business, the meeting was adjourned.

On MOTION by Mr. Bell seconded by Mr. Carey with all in favor the meeting was adjourned.

  
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Robert Koncar  
Secretary

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Paul Falduto, Jr.  
Vice Chairman  
  
Chairman