

**MINUTES OF MEETING  
INDIANTOWN COMMUNITY DEVELOPMENT DISTRICT**

A Special Meeting of the Indiantown Community Development District's Board of Supervisors was held on **Monday, May 12, 2014**, at **1:00 p.m.**, at the offices of **Indiantown Realty, 15828 S.W. Warfield Boulevard, Indiantown, Florida 34956**.

**Present at the meeting were:**

Tom Kenny	Chairman
David Powers	Vice Chair
Scott Watson	Assistant Secretary
James Padgett	Assistant Secretary

**Also present were:**

Craig Wrathell	District Manager
Tucker Mackie ( <i>via telephone</i> )	District Counsel

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Kenny called the meeting to order at 1:10 p.m. Mr. Wrathell noted, for the record, that Supervisors Kenny, Powers, Watson, and Padgett were present, in person. Supervisor Parker was not present.

**SECOND ORDER OF BUSINESS**

**Presentation of Audited Financial Statements for Fiscal Year Ended September 30, 2012, Prepared by Carr, Riggs & Ingram, LLC**

Mr. Wrathell presented the Audited Financial Statements for the fiscal year ended September 30, 2012. He noted that the District's activities were "pretty limited".

Mr. Wrathell advised that Page 2 highlights that the liabilities of the District exceeded the assets by \$894. Revenues totaled \$29,500 and were developer funded. Mr. Wrathell recalled that a different firm was managing the District during Fiscal Year 2012. During this audit period, current Management Staff observed that the cause of the liabilities exceeding the assets was attributed to the lack of a budgeted audit expense, for Fiscal Year 2012 and insurance was over budget by approximately \$1,000. Mr. Wrathell advised that the Fiscal Year 2013 audit reflects that the deficit "was made up".

Mr. Wrathell reiterated that the budget is developer funded. He reviewed the “Balance Sheet”, on Page 2, and noted the “overall negative position”, which means that the account payables exceeded the actual funding that was due from the developer, at that point.

Mr. Wrathell explained that Staff submits the invoices to iStar Financial, the developer, who reviews them and transmits a check, payable to the District, for payment of the expenditures.

On Page 15, Mr. Wrathell detailed the “Budget to Actual Comparison Schedule”. He noted that \$27,000 was budgeted and \$30,317 was expended. The developer offset the difference.

Mr. Wrathell reviewed the “Internal Control Over Financial Reporting and on Compliance and Other Matters”, on Pages 16 and 17, and read the following statement: “We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses...” He explained that this statement confirms that Staff takes precautions in handling the District’s funds to ensure that there is no reasonable opportunity for fraud or embezzlement. The person receiving funds is not the same person paying invoices and checks are locked up.

Mr. Wrathell noted that Page 17 confirms that tests disclosed no instances of noncompliance or other matters required to be reported, under Government Auditing Standards.” He indicated that, due to the District’s limited activity, there is no opportunity to violate any state statutes. Mr. Wrathell advised that the District’s funds must be on deposit in a qualified public depository.

With regard to the “Management Letter” on Pages 18 and 19, Mr. Wrathell stated that the District had no prior year findings or recommendations; therefore, there were no recommendations made in the preceding annual audit report.

Mr. Wrathell confirmed that there were no findings and this is a clean financial audit.

Mr. Wrathell indicated that a District could be reported to the state, when liabilities exceed assets, resulting in a declining cash position. He advised that the auditor used discretion, as this is a developer-funded budget, and did not report the District as being in a state of financial deteriorating condition.

Mr. Wrathell reiterated that this is a clean financial audit for the period ending September 30, 2012.

Mr. Kenny requested clarification regarding the procedure for the funding requests and noted that he “has not seen one in awhile”. Mr. Wrathell indicated that the District has not incurred many expenses, since the prior meeting, and advised that he will ensure that Mr. Kenny is copied on all funding requests. Mr. Kenny pointed out that he must sign all funding requests.

**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2014-1, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2012**

Mr. Wrathell presented Resolution 2014-1 for the Board’s consideration.

**On MOTION by Mr. Kenny and seconded by Mr. Powers, with all in favor, Resolution 2014-1, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2012, was adopted.**

**FOURTH ORDER OF BUSINESS**

**Presentation of Audited Financial Statements for Fiscal Year Ended September 30, 2013, Prepared by Carr, Riggs & Ingram, LLC**

Mr. Wrathell presented the Audited Financial Statements for the fiscal year ended September 30, 2013. On Page 2, he noted that the audit was completed on April 22, 2014, in compliance with the statutory deadline of June 30.

Mr. Wrathell referred to Page 3 and noted that the “Financial Highlights” reflect that the District’s assets exceeded its liabilities, as of September 30, 2013. He advised that the prior year deficit was made up through developer funding.

Mr. Wrathell detailed the “Balance Sheet”, on Page 9, and indicated that the “Accrued payroll” line item relates to Supervisors’ fees. The “Developer advance” line item reflects funds that are deposited to keep the account open and free from additional bank fees.

Mr. Wrathell referred to the “Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds”, on Page 10, and pointed out the beginning fund balance was at a deficit of \$894 but the ending fund balance had a surplus of \$517.

Mr. Wrathell advised that the “Budget to Actual Comparison Schedule – General Fund”, on Page 16, reflects that \$27,000 was budgeted for expenditures and \$19,515 was expended.

“Revenues” exceeded “Expenditures” by \$1,411, which is the reason the District’s “fund balance went from negative to positive in one year”.

Mr. Wrathell reviewed the “Report on Internal Control Over Financial Reporting and on Compliance and other Matters”, on Pages 17 and 18. He indicated that the report confirms that the auditor did not identify any deficiencies in internal control considered to be material weaknesses. “Compliance and Other Matters”, on Pages 17 and 18 confirms that tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

With regard to the “Management Letter”, on Pages 19 and 20, Mr. Wrathell advised that the District had no prior year findings or recommendations. He confirmed that this was a clean audit.

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2014-2, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2013**

Mr. Wrathell presented Resolution 2014-2 for the Board’s consideration.

**On MOTION by Mr. Kenny and seconded by Mr. Powers, with all in favor, Resolution 2014-2, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2013, was adopted.**

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2014-3, Approving the District’s Proposed Budget for Fiscal Year 2015 and Setting a Public Hearing Thereon Pursuant to Florida Law**

Mr. Wrathell presented Resolution 2014-3 for the Board’s consideration.

Mr. Wrathell explained that the District is statutorily required to present a proposed budget by June 15, each year. He indicated that he is presenting the proposed budget for Fiscal Year 2014/2015, which begins October 1, 2014 and runs through September 30, 2015.

Mr. Wrathell referred to the proposed budget handout and noted that a change was made to the version contained in the agenda. He advised that the “Miscellaneous” and “Bank fees”

line items were removed, as the District has contingencies that address these items. The change decreases the “Total expenditure” from \$13,750 to \$13,375.

Mr. Wrathell stated that the “General Fund Expenditures” are defined on Page 2.

With regard to the “Expenditures”, on Page 1, Mr. Wrathell indicated that the “Management/accounting/recording”, “Supervisors”, “Legal” and “Audit” line items remain the same as the prior year. He explained that the “Annual district filing fee” is for filing an annual report with Department of Economic Opportunity, which was formerly known as DCA. He noted that the District’s insurance includes general liability and directors and officers’ liability.

The Board agreed to schedule the public hearing on August 11, 2014.

**On MOTION by Mr. Kenny and seconded by Mr. Powers, with all in favor, Resolution 2014-3, Approving the District’s Proposed Budget for Fiscal Year 2015, as amended, and Setting a Public Hearing Thereon Pursuant to Florida Law for Monday, August 11, 2014 at 1:00 p.m., at this location, was adopted.**

**SEVENTH ORDER OF BUSINESS**

**Discussion: New “Opportunity to Be Heard” Legislation**

Ms. Mackie advised that a memorandum dated January 22, 2014, regarding the “New “Opportunity to Be Heard” Legislation” and a proposed Resolution 2014-4, which stems from that memo, are included in the agenda.

Ms. Mackie explained that, at the conclusion of the 2013 legislative session, there were changes to Section 286, Florida Statutes, which provide that the public must be given a reasonable opportunity to comment on matters that come before the Board. There was a specific change as to when the audience has the opportunity to comment. Ms. Mackie recalled that the District previously provided an audience comment section at the end of the meeting. As a result of the changes in legislation and statutes, the memorandum and the policy recommended by District Counsel, the audience comment section should be moved to the beginning of the meeting, such that the audience would have the opportunity to comment on any item prior to the Board taking action.

Ms. Mackie identified a paragraph in the memorandum that affirms that the District will be in compliance, by virtue of Section 286, if the Board adopts the new policy. Any action taken

in violation of the opportunity to be heard policy will not be void as a result of the violation, if, in fact, the Board adopts the policy.

- **Consideration of Resolution 2014-4, Providing for the Public’s Opportunity to Be Heard; Designating Public Comment Periods; Designating a Procedure to Identify Individuals Seeking to Be Heard; Addressing Public Decorum; Addressing Exceptions; And Providing for Severability and an Effective Date**

Ms. Mackie presented Resolution 2014-4 for the Board’s consideration. She noted that the resolution is detailed and is geared toward Districts with large public participation.

Ms. Mackie reiterated that the audience comment section should appear prior to any Board action being taken.

Mr. Kenny asked if there is a legal requirement to publish the policy. Ms. Mackie replied no; the revised policy does not have to be published. She noted that the Board will discuss the Updated Rules of Procedure during the next agenda item, and Florida Administrative Procedures requires the District to advertise a public hearing date to consider the rules. Ms. Mackie clarified that the “opportunity to be heard” policy can be adopted absent of a public hearing.

Mr. Kenny questioned whether expenses were budgeted for an additional public hearing.

Mr. Wrathell indicated that \$1,000 was budgeted for advertising; the publication for the Updated Rules of Procedure public hearing may exceed that amount. Mr. Wrathell noted that the budget can be revised in August, prior to adoption, if additional advertising fees are incurred.

In response to Mr. Kenny’s question, Mr. Wrathell confirmed that the budget can be revised up to the date of the public hearing. He clarified that this particular advertising expense will fall within the Fiscal Year 2014 budget; therefore, the budget will only be amended if total expenditures exceed the budget.

<p><b>On MOTION by Mr. Kenny and seconded by Mr. Powers, with all in favor, Resolution 2014-4, Providing for the Public’s Opportunity to Be Heard; Designating Public Comment Periods; Designating a Procedure to Identify Individuals Seeking to Be Heard; Addressing Public Decorum; Addressing Exceptions; And Providing for Severability and an Effective Date, was adopted.</b></p>
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**EIGHTH ORDER OF BUSINESS**

**Consideration of Publication of Notices of Rule Development and Rulemaking Relating to Updated Rules of Procedure**

- A. Memorandum Regarding the Updated Provisions
- B. Updated Rules of Procedure
- C. Notice of Rule Development
- D. Notice of Rulemaking

Ms. Mackie referred to the memorandum regarding the “Updated Provisions of the District’s Rules of Procedure”. The memorandum explains the legislative changes that required the revisions. She confirmed that the changes were incorporated in the District’s Rules of Procedure and the major changes are detailed in the memorandum.

Ms. Mackie advised that the proposed, Updated Rules of Procedure are included behind the memorandum. She indicated that the Board’s action today will schedule a public hearing to consider the Rules of Procedure and suggested setting it for the same date as the budget public hearing.

Mr. Kenny requested that Mr. Wrathell have his Staff send a reminder email the day before to the public hearing.

**On MOTION by Mr. Kenny and seconded by Mr. Powers, with all in favor, the Notices of Rule Development and Rulemaking, Relating to the Updated Rules of Procedure, and Setting a Public Hearing for August 11, 2014 at 1:00 p.m., at this location, and authorizing Staff to advertise, accordingly, were approved.**

**NINTH ORDER OF BUSINESS**

**Consideration of Hopping Green & Sams 2014 Rates**

Ms. Mackie presented a letter proposing an increase to Hopping Green & Sams’ legal rates. She noted a \$5 increase in the partners’ hourly rates and \$10 increase in her hourly rate.

**On MOTION by Mr. Kenny and seconded by Mr. Powers, with all in favor, the Hopping Green & Sams 2014 Rate schedule, as presented, was approved.**

**TENTH ORDER OF BUSINESS**

**Notice of Landowners’ Meeting: November \_\_, 2014 [Seats 3, 4, 5]**

- A. Election Instructions

**B. Official Ballot**

**C. Landowner Proxy**

Mr. Wrathell reported that a Landowners’ election will be held in November, 2014. He noted that the advertisement fees will be charged to the Fiscal Year 2015 budget. Mr. Wrathell advised that Seats 3, 4 and 5, held by Mr. Watson, Mr. Padgett and Mr. Parker, respectively, are up for election.

Mr. Kenny confirmed that he will attend the Landowners’ meeting and vote, via proxy.

Discussion ensued regarding Mr. Parker’s military service in Afghanistan. Mr. Kenny suggested that Staff confirm whether Mr. Parker would like to remain on the Board. Mr. Wrathell advised that he will contact Mr. Parker.

Ms. Mackie stated that she will review the proxy forms to ensure that they are in order.

Discussion ensued regarding a location for the Landowners’ meeting. The Landowners’ meeting will be held at the offices of Indiantown Realty.

Mr. Wrathell advised that a date for the Landowners’ meeting will be determined prior to the next meeting; the Board can authorize advertisement of the election at the next meeting.

In response to Mr. Kenny’s question, Mr. Wrathell confirmed that the Board should be receiving the financial disclosure forms from the Supervisor of Elections Office in June. Mr. Kenny reminded the Board to file their forms in a timely manner.

**ELEVENTH ORDER OF BUSINESS**

**Approval of August 12, 2013 Public Hearing and Regular Meeting Minutes**

Mr. Wrathell presented the August 12, 2013 Public Hearing and Regular Meeting Minutes and asked for any additions, deletions or corrections.

**On MOTION by Mr. Kenny and seconded by Mr. Powers, with all in favor, the August 12, 2013 Public Hearing and Regular Meeting Minutes, as presented, were approved.**

**TWELFTH ORDER OF BUSINESS**

**Other Business**

Mr. Kenny advised that the developer will renew the option to purchase the right-of-way from the church and noted that the payment will be made in July. He confirmed that this is a developer transaction.



**THIRTEENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being nothing additional to report, the next item followed.

**B. Engineer**

There being no report, the next item followed.

**C. Manager**

**i. Approval of Unaudited Financial Statements as of March 31, 2014**

Mr. Wrathell presented the Unaudited Financial Statements as of March 31, 2014. He pointed out the District’s limited activity.

Mr. Kenny noted that funding requests were previously submitted quarterly. Mr. Wrathell advised that the process changed about six months ago, due to the limited activity; therefore, funding requests are submitted on an as-needed basis.

**On MOTION by Mr. Powers and seconded by Mr. Kenny, with all in favor, the Unaudited Financial Statements as of March 31, 2014, were approved.**

**ii. 0 Registered Voters in District as of April 15, 2014**

Mr. Wrathell reported that there were no registered voters residing within the boundaries of the District, as of April 15, 2014.

**FOURTEENTH ORDER OF BUSINESS**

**Audience  
Requests**

**Comments/Supervisors’**

There being no audience comments or Supervisors’ requests, the next item followed.

**FIFTEENTH ORDER OF BUSINESS**

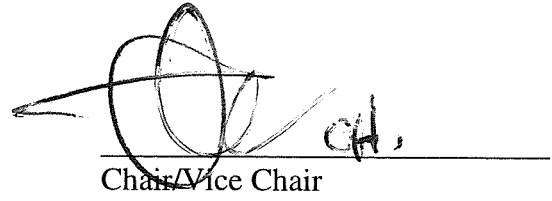
**Adjournment**

There being no further business to discuss, the meeting adjourned.

**On MOTION by Mr. Powers and seconded by Mr. Watson, with all in favor, the meeting adjourned at 1:46 p.m.**



Secretary/Assistant Secretary



Chair/Vice Chair