

MINUTES OF MEETING
WELLNESS RIDGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Wellness Ridge Community Development District was held Wednesday, June 26, 2024 at 10:30 a.m. at the Cooper Memorial Library, 2525 Oakley Seaver Drive, Clermont, Florida.

Present and constituting a quorum were:

Adam Morgan	Chairman
Rob Bonin	Vice Chairman <i>by telephone</i>
Brent Kewley	Assistant Secretary
Christopher Forbes	Assistant Secretary

Also present were:

George Flint	District Manager
Jay Lazarovich	District Counsel <i>by telephone</i>
John Prowell	District Engineer <i>by telephone</i>
Lisa Krivan	Lennar Homes <i>by telephone</i>
Alan Scheerer	Field Manager
Clayton Smith	Field Manager
2 residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment

Ms. Agotos: What do you actually manage?

Mr. Flint: The Community Development District manages the stormwater system, roadways, streetlights, landscaping, right now we are doing the landscaping of the major roadways on an interim basis until the County sets up an MSTU to pay for streetlights and landscape maintenance on some of the major roads. The developer wasn't sure if they wanted the HOA to own the amenities or the CDD. Ultimately, the HOA will own the amenities and I understand those costs will be built into the 2025 HOA budget. The current adopted budget is on the agenda today and we are amending the current year and the proposed budget for next year dealing with the amenity issue.

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Mr. Forbes: The amenities inside your subdivision like the pavilion, playground, those are CDD owned and maintained. What they are referring to as the HOA is going to be what is on the north side of the boulevard, which is going to be the large amenity site. The smaller amenity site on 1A, there is a dog park in 1B that is being built, those smaller amenities are owned and maintained by the CDD.

Ms. Agosta: If you are also managing the landscaping, many of the trees being planted on the side of the sidewalk are dead and no one is replacing them. My house backs up to that main road so we just have that wall installed and today they were there planting some trees as well on the other side of the wall. I believe across from there is where we are going to have the amenities.

Mr. Forbes: That is correct.

Ms. Agosta: Do you have all the permits and that is a go?

Mr. Forbes: Yes.

Ms. Agosta: I'm concerned with the lack of response from the HOA and the fact that we are paying such a high CDD amount. I'm not used to that, I'm not from Florida.

Mr. Flint: It is a non-ad valorem assessment that is on your tax bill. There are other non-ad valorem assessments on there as well. It is a government entity and collected on the tax bill. There are over 1,000 Community Development Districts in Florida, most of the highly amenitized communities do have Community Development Districts associated with them. The debt portion is fixed and the operations and maintenance portion may change year to year as the budget is adopted depending on the costs associated with what the CDD maintains. The five-member Board is initially elected by Landowner election, one vote per acre or part thereof initially. There is a provision in the statute that transitions the Landowner elected Board to a general election process. At a point in time this Board will start to transition to general election, which means the Board members will be elected the same way you elect a city commissioner, county commissions and school board members. Once the District is in existence for six year and has 250 registered voters, the seats start to transition and at that point you will have residents running for those offices. It is phased in over time.

Mr. Fumase: The 2024 budget, when the amenity fee was put in there, that was figured into assessments for residents, correct?

Mr. Flint: No. We had this conversation in the email. There is an offsetting developer contribution in that budget.

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Mr. Fumase: I understand that but you based the budget and charged individuals, a lot, correct?

Mr. Flint: We will discuss that when we get to the budget.

THIRD ORDER OF BUSINESS

Approval of Minutes of the May 22, 2024 Meeting

On MOTION by Mr. Morgan seconded by Mr. Kewley with all in favor the minutes of the May 22, 2024 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2024-02 Amending Fiscal Year 2024 Adopted Budget

Mr. Flint: This is the current year budget that is in place. At the time the current year budget was approved, August 2023, we weren't sure if the amenities were going to be owned and maintained by the CDD or the HOA. For flexibility we included the costs in the FY24 budget in the event they did end up being CDD, but you can see we had a \$279,999 developer contribution on the revenue side. The costs associated with the amenities were not covered by the \$462,000 in assessments that were levied. All the other operating expenses of the District are being paid for by the assessments, the \$462,000. There are other expenses equal to the amount of the assessments that the owners are paying so the amenities are not being paid for by those assessments. The developer contribution is only made when the expenses were incurred and since the amenities were not constructed and maintained we didn't send a funding request to the developer to get that money. The money has not been paid and it has not been spent because we are not maintaining amenities.

Mr. Fumase: But the money paid by the people who own the houses got moved to cover other costs inside the CDD.

Mr. Flint: It didn't get moved. We have an adopted budget with two revenue sources. One revenue source is developer contribution which has not been made because we don't have the expenses. Any money collected this year and not spent will be rolled over next year and go into a fund balance going into the next year if there are remaining funds. This budget included a developer contribution in the event some of these expenses were incurred and there was a shortfall we would have submitted a developer funding request to the developer.

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This amended budget is backing out all the expenses associated with the amenity and eliminating the developer contribution.

Mr. Morgan: We are basically zeroing out the amenities.

Mr. Flint: Yes, and eliminating the developer contribution. It is really to avoid confusion if someone pulls up the adopted budget.

On MOTION by Mr. Morgan seconded by Mr. Kewley with all in favor Resolution 2024-02 Amending Fiscal Year 2024 Adopted Budget was approved.

FIFTH ORDER OF BUSINESS

Consideration of Revised Proposed FY2025 Budget

Mr. Flint: Related to the same issue, when you approved the proposed budget, we still had the amenity costs because at that point the developer had not advised us of their decision on who was going to own and maintain the amenity. In this revised proposed budget we have removed the amenity costs, there is still a significant developer contribution and that is because we have all the infrastructure costs related to streetlights and landscaping for the major thoroughfare. We kept the per unit assessments the same as they were last year and balanced the budget with developer contribution, which is still \$470,000. The public hearing will be in August at which time you will adopt the budget.

On MOTION by Mr. Morgan seconded by Mr. Kewley with all in favor the Revised Proposed Fiscal Year 2025 Budget was approved.

SIXTH ORDER OF BUSINESS

Review and Acceptance of Fiscal Year 2023 Audit Report

Mr. Flint: The CDD as a governmental entity is required to have an annual independent audit, you selected Grau & Associates through the RFQ process. In the letter to management there were no prior year or current year findings or recommendations and we have complied with the provisions of the auditor general they are required to review. It is a clean audit.

On MOTION by Mr. Morgan seconded by Mr. Kewley with all in favor the Fiscal Year 2023 audit was accepted and staff was directed to transmit the final report to the State of Florida.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

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i. Legislative Update Memo

Mr. Lazarovich: Included in the agenda was a memo from our firm regarding updated legislative action. The law going into effect July 1 that effects CDDs is that you have to set goals and objectives and determine performance standards and post them on the District’s website. GMS has prepared a set of goals and objectives for the Board’s review.

We sent our revisions to the interlocal agreement to Lake County at the beginning of June and haven’t heard back from them yet. I will get that tied up before the next meeting.

B. Engineer

i. Discussion of Pending Plat Conveyances

Mr. Prowell: Phase 2 and Phase 3 are currently under review.

Mr. Forbes: Phase 2 plat is approved and recorded.

ii. Status of Permit Transfers

Mr. Prowell: Our course of action has been to be transferring our water management district phase permits upon completion of each phase.

C. District Manager’s Report

i. Approval of Check Register

Mr. Flint presented the check register for May 2024 in the amount of \$16,720.20.

On MOTION by Mr. Morgan seconded by Mr. Forbes with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

A copy of the financials was included in the agenda package.

iii. Form 1 Filing Reminder – Due July 1st

Mr. Flint: This is a reminder of the form 1 filing deadline of July 1st.

D. Field Manager’s Report

i. Consideration of Landscape Maintenance Addendum from Frank Polly Sod

Mr. Scheerer: Included in the agenda package is an addendum to the maintenance contract with Frank Polly Sod to take care of the trashcans and dog stations onsite. We did add \$5,000 to the 2025 budget as well for any future dog stations and this will also help cover the cost of the purchase and installation.

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On MOTION by Mr. Morgan seconded by Mr. Kewley with all in favor the Addendum to the Landscape Maintenance Contract with Frank Polly Sod was approved.

Mr. Scheerer: We will bring back an addendum to the landscape contract at the next meeting as well as for the maintenance of that right of way on Schofield as well as the interim maintenance of Wellness Way. We want to track the expenses for Wellness because of the MSTU if and when the city wants to reimburse us for those expenses under the MSTU, we want to have an accurate account of those dollar amounts. Chris sent me information yesterday about other potential areas and Clayton and I will review that with Chris and see what other areas we may need to add to Frank Polly Sod contract.

Mr. Morgan: Are we tracking dead trees that was brought up earlier in the meeting?

Ms. Agosto: They are inside of the neighborhood.

Mr. Scheerer: In front of the homes?

Ms. Agosto: Yes.

Mr. Flint: That usually falls under the homeowner.

Mr. Forbes: It depends when they were put in. I know our warranty is for a period of time. You should have someone you are speaking with at Lennar, customer care, somebody you have contact with. Anything related to your home you need to talk with them.

Ms. Agosto: They just plopped them in and didn't strap them and they are dead.

Mr. Flint: That sounds like a warranty issue.

Mr. Fumase: Are you going to update the map on your website outlining the areas you are responsible for?

Mr. Flint: We are working on that. Jay had mentioned the goals and objectives. Our approach is to bring those to the Board when you adopt your budget. It happened quickly so we are going to have a standard set for the first year for the Board to consider, then we can tweak that in future years.

EIGHTH ORDER OF BUSINESS

Other Business

There being no comments, the next item followed.

NINTH ORDER OF BUSINESS

Supervisor's Requests

There being no comments, the next item followed.

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TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Morgan seconded by Mr. Kewley with all in favor the meeting adjourned at 11:02 a.m.

DocuSigned by:

George Flint

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Secretary/Assistant Secretary

DocuSigned by:

Adam Morgan

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Chairman/Vice Chairman