

RESOLUTION 2017-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HERITAGE PALMS COMMUNITY DEVELOPMENT DISTRICT RELATING TO THE ANNUAL APPROPRIATIONS OF THE DISTRICT AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018, AND REFERENCING THE MAINTENANCE AND BENEFIT SPECIAL ASSESSMENTS TO BE LEVIED BY THE DISTRICT FOR SAID FISCAL YEAR

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2017, submitted to the Board of Supervisors (the Board) a proposed budget for the next ensuing budget year along with an explanatory and complete financial plan for each fund of the Heritage Palms Community Development District, pursuant to the provisions of Section 190.008(2)(a), Florida Statutes; and

WHEREAS, at least sixty (60) days prior to the adoption of the proposed annual budget and any proposed long-term financial plan or program of the District for future operations (the Proposed Budget) the District filed a copy of the Proposed Budget with the general purpose local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), Florida Statutes; and

WHEREAS, the District further posted the Proposed Budget on its website as required pursuant to Section 189.016, Florida Statutes; and

WHEREAS, on May 22, 2017, the Board set July 24, 2017, as the date for a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a) Florida Statutes; and

WHEREAS, Section 190.008(2)(a), Florida Statutes requires that, prior to October 1 of each year, the Board by passage of the Annual Appropriation Resolution shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget on a Cash Flow Budget basis, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year; and

WHEREAS, Section 190.021, Florida Statutes provides that the Annual Appropriation Resolution shall also fix the Maintenance Special Assessments and Benefit Special Assessments upon each piece of property within the boundaries of the District benefited, specifically and peculiarly, by the maintenance and/or capital improvement programs of the District, such levy representing the amount of District assessments necessary to provide for payment during the ensuing budget year of all properly authorized expenditures to be incurred by the District, including principal and interest of special revenue, capital improvement and/or benefit assessment

bonds, in order for the District to exercise its various general and special powers to implement its single and specialized infrastructure provision purpose; and

WHEREAS, the Board finds and determines that the non-ad valorem special assessments it imposes and levies by this Resolution for maintenance on the parcels of property involved will constitute a mechanism by which the property owners lawfully and validly will reimburse the District for those certain special and peculiar benefits the District has determined are received by, and flow to, the parcels of property from the systems, facilities and services being provided, and that the special and peculiar benefits are apportioned in a manner that is fair and reasonable in accordance with applicable assessment methodology and related case law; and

WHEREAS, the Chair of the Board may designate the District Manager or other person to certify the non-ad valorem assessment roll to the Tax Collector in and for Lee County political subdivision on compatible electronic medium tied to the property identification number no later than September 15, 2017 so that the Tax Collector may merge that roll with others into the collection roll from which the November tax notice is to be printed and mailed; and

WHEREAS, the proceeds from the collections of these imposed and levied non-ad valorem assessments shall be paid to the District; and

WHEREAS, the Tax Collector, under the direct supervision of the Florida Department of Revenue performs the state work in preparing, mailing out, collecting and enforcing against delinquency the non-ad valorem assessments of the District using the Uniform Collection Methodology for non-ad valorem assessments; and

WHEREAS, if the Property Appraiser and the Tax Collector have adopted a different technological procedure for certifying and merging the rolls, then that procedure must be worked out and negotiated with Board approval through the auspices of the District Manager before there are any deviations from the provisions of Section 197.3632, Florida Statutes, and Rule 12D-18, Florida Administrative Code.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF HERITAGE PALMS COMMUNITY
DEVELOPMENT DISTRICT;**

Section 1. The provisions of the foregoing recitals are true and correct and are incorporated herein as dispositive.

Section 2. Budget

- a. The Board has reviewed the District Manager's Proposed Budget, a copy of which is on file with the office of the District Treasurer and the office of the Recording Secretary, and is hereby attached to this Resolution, and hereby approves certain amendments thereto, as shown in Section 3 below.
- b. The District Manager's Proposed Budget, as amended by the Board, is adopted hereby in accordance with the provisions of Section 190.008(2)(a), Florida Statutes, and incorporated herein by reference; provided, however, that the comparative figures contained in the adopted budget may be revised subsequently as deemed necessary by the

District Manager to reflect actual revenues and expenditures for the Fiscal Year 2016/2017 and/or revised projections for Fiscal Year 2017/2018.

- c. The adopted budget, as amended, shall be maintained in the office of the District Treasurer and the District Recording Secretary and identified as The Budget for the Heritage Palms Community Development District for the Fiscal Year Ending September 30, 2018, as Adopted by the Board of Supervisors on July 24, 2017.

Section 3. Appropriations

There is hereby appropriated out of the revenues of the District, for the Fiscal Year beginning October 1, 2017, and ending September 30, 2018, the sum of Four Hundred Ninety Eight Thousand Six Hundred (\$498,600) to be raised by the applicable imposition and levy by the Board of applicable non-ad valorem special assessments and otherwise, which sum is deemed by the Board of Supervisors to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ 498, 600
DEBT SERVICE FUND	\$ - 0 -
CAPITAL PROJECTS FUND	\$ - 0 -
ENTERPRISE FUNDS	\$ - 0 -
 Total All Funds	 \$ 498,600

Section 4. Supplemental Appropriations

The Board may authorize by resolution supplemental appropriations or revenue changes for any lawful purpose from funds on hand or estimated to be received within the fiscal year as follows:

- a. Board may authorize a transfer of the unexpended balance or portion thereof of any appropriation item.
- b. Board may authorize an appropriation from the unappropriated balance of any fund.
- c. Board may increase any revenue or income budget account to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.

The District Manager and Treasurer shall have the power within a given fund to authorize the transfer of any unexpended balance of any appropriation item or any portion thereof, provided such transfers do not exceed Ten Thousand (\$10,000) Dollars or have the effect of causing more than 10% of the total appropriation of a given program or project to be transferred, previously approved transfers included. Such transfer shall not have the effect of causing a more than \$10,000 or 10% increase, previously approved transfers included, to the original budget appropriation for the receiving program. Transfers within a program or project may be approved by the applicable department director and the District Manager or Treasurer. The District Manager or Treasurer must establish administrative procedures, which require information on the request forms proving that such transfer requests comply with this section.

Section 5. Maintenance Special Assessment Levy: Fixed and Referenced and to be Levied by the Board

- a. The Fiscal Year 2017/2018 Maintenance Special Assessment Levy (the Assessment Levy) for the assessment upon all the property within the boundaries of the District based upon the special and peculiar benefit received and further based upon reasonable and fair apportionment of the special benefit, shall be in accordance with the attached Exhibit A, which levy represents the amount of District assessments necessary to provide for payment during the aforementioned budget year of all properly authorized expenditures to be incurred by the District, including principal and interest of special revenue, capital improvement and/or benefit assessment bonds. Said Assessment Levy shall be distributed as follows:

General Fund O & M
Debt Service Fund

\$ [See Assessment Levy Resolution 2016-05]
\$ [See Assessment Levy Resolution 2016-05]

- b. The designee of the Chair of the Board of the District shall be the Manager or the Treasurer of the District designated to certify the non-ad valorem assessment roll to the Tax Collector in and for the Lee County political subdivision, in accordance with applicable provisions of State law (Chapters 170, 190 and 197, Florida Statutes) and applicable rules (Rule 12D-18, Florida Administrative Code) which shall include not only the maintenance special assessment levy but also the total for the debt service levy, as required by and pursuant to law.

PASSED AND ADOPTED this 24th day of July, 2017.

**HERITAGE PALMS COMMUNITY
DEVELOPMENT DISTRICT**

ATTEST:



Calvin Teague
Secretary



Stanley Switzer
Chairman

Annual Operating Budget

Fiscal Year 2018

Heritage Palms Community Development District



Prepared By



HERITAGE PALMS

Community Development District

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HERITAGE PALMS
Community Development District

Operating Budget
Fiscal Year 2018

HERITAGE PALMS

Community Development District

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year 2018 Proposed Budget

	ACTUAL FY 2015	ACTUAL FY 2016	ADOPTED BUDGET		ACTUAL OCT	PROJECTED		TOTAL PROJECTED 2017	PROPOSED BUDGET FY 2018
			FY 2016	FY 2017		APR - 2017	MAY SEP - 2017		
Revenues									
Interest - Investments	1,305	2,421	700	1,200	1,476	1,054		2,530	1,200
Interest - Tax Collector	119	-	-	-	63	25		88	-
Special Assmnts- Tax Collector	457,050	498,600	498,600	498,600	489,518	9,082		498,600	498,600
Special Assmnts- Discounts	(15,880)	(18,345)	(19,944)	(19,944)	(18,472)	-		(18,472)	(19,944)
Other Miscellaneous Revenues	10	-	-	-	901	-		901	-
Total Revenues	442,604	482,676	479,356	479,856	473,486	10,161		483,647	479,856
Expenses									
Administrative									
P/R-Board of Supervisors	4,800	8,200	6,000	6,000	3,000	3,000		6,000	6,000
FICA Taxes	367	627	459	459	230	230		460	459
Profserv-Engineering	8,432	6,395	10,000	10,000	4,872	5,000		9,872	10,000
Profserv-Legal Services	1,075	260	5,000	3,500	7,300	1,500		8,800	3,500
Profserv-Mgmt Consulting Serv	56,228	57,915	57,915	59,652	38,608	24,855		63,463	59,652
Profserv-Property Appraiser	2,412	1,662	1,662	1,662	1,662	-		1,662	1,662
Profserv-Special Assessment	4,841	4,841	4,841	4,841	3,631	2,015		5,646	4,841
Auditing Services	4,500	4,500	4,500	4,500	-	4,500		4,500	4,500
Communication - Telephone	-	-	25	-	-	-		-	-

HERITAGE PALMS

Community Development District

General Fund

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Fiscal Year 2018 Proposed Budget

	ACTUAL FY 2015	ACTUAL FY 2016	ADOPTED BUDGET		ACTUAL OCT	PROJECTED		TOTAL PROJECTED 2017	PROPOSED BUDGET FY 2018
			FY 2016	FY 2017		APR - 2017	MAY SEP - 2017		
Postage and Freight	620	1,437	800	800	249	250	499	800	
Insurance - General Liability	7,578	7,670	8,715	8,000	7,760	-	7,760	8,000	
Printing and Binding	1,284	634	1,000	1,000	-	668	668	1,000	
Legal Advertising	1,060	1,351	1,500	1,500	582	900	1,482	1,500	
Misc-Bank Charge	594	914	600	600	407	290	697	600	
Misc-Assessment Collection Cost	2,277	2,327	2,493	2,493	2,327	150	2,477	2,493	
Misc-Web Hosting	177	400	470	470	415	195	610	470	
Office Supplies	176	182	400	400	-	50	50	400	
Annual District Filing Fee	175	175	175	175	175	-	175	175	
Total Administrative	96,596	99,490	106,555	106,052	71,218	43,603	114,821	106,052	
Field									
Profserv-Field Management	7,850	10,000	10,000	13,000	6,500	5,415	11,915	13,000	
Contracts-Preserve Maintenance	15,917	15,760	15,760	15,760	7,880	7,880	15,760	15,760	
Contracts-Lakes	60,000	80,211	70,000	94,512	55,132	39,380	94,512	94,512	
Contracts-Aerator Maintenance	4,600	4,660	6,000	6,000	2,360	2,000	4,360	6,000	
Electricity - Aerator	9,598	8,758	11,000	10,000	5,237	3,741	8,978	10,000	
Electricity - Fountain	-	-	10,000	7,000	-	-	-	2,000	
R&M-Aquascaping	1,192	-	5,000	4,000	-	4,000	4,000	4,000	

HERITAGE PALMS

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General Fund

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Fiscal Year 2018 Proposed Budget

	ACTUAL FY 2015	ACTUAL FY 2016	ADOPTED BUDGET		ACTUAL OCT APR - 2017	PROJECTED		TOTAL PROJECTED 2017	PROPOSED BUDGET FY 2018
			FY 2016	FY 2017		MAY	SEP - 2017		
R&M-Contingency	5,276	921	14,041	19,544	-	13,028	13,028	13,028	17,044
R&M-Lake	4,724	4,015	5,000	5,000	4,424	3,332	7,756	7,756	5,000
R&M-Preserves	16,131	9,224	13,000	12,488	6,909	8,324	15,233	15,233	12,488
R&M-Lake Erosion	-	15,700	5,000	5,000	5,500	3,332	8,832	8,832	5,000
Improvements - Fountain	-	17,900	23,000	-	-	-	-	-	-
Total Field	125,288	167,149	187,801	192,304	93,942	90,432	184,374	184,374	184,804
<u>Road and Street Facilities</u>									
R&M-Storm Drain Cleaning	9,222	560	25,000	24,500	363	8,000	8,363	8,363	24,500
R&M-Concrete	35,325	15,350	10,000	10,000	775	5,000	5,775	5,775	10,000
R&M-Sidewalk Cleaning	22,200	973	15,000	12,000	11,678	-	11,678	11,678	12,000
R&M-Roads	5,375	7,875	5,000	5,000	1,301	1,000	2,301	2,301	-
Total Road and Street Facilities	72,122	24,758	55,000	51,500	14,117	14,000	28,117	28,117	46,500
<u>Reserves</u>									
Reserve - Bulkheads	-	-	30,000	100,000	-	130,000	130,000	130,000	65,000
Reserve - Roadways	-	-	100,000	30,000	-	400,000	400,000	400,000	75,000
Total Reserves	-	-	130,000	130,000	-	530,000	530,000	530,000	140,000

HERITAGE PALMS

Community Development District

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year 2018 Proposed Budget

	ACTUAL FY 2015	ACTUAL FY 2016	ADOPTED		ADOPTED BUDGET FY 2017	ACTUAL			PROJECTED		TOTAL PROJECTED 2017	PROPOSED BUDGET FY 2018
			BUDGET FY 2016	BUDGET FY 2017		OCT APR - 2017	MAY SEP - 2017					
Total Expenses	294,006	291,397	479,356	479,856	179,277	678,035		857,312		477,356		
Revenue Over (Under) Expenses	148,598	191,279	-	-	294,209	(667,874)		(373,665)		2,500		
Fund Balance Beginning	288,151	436,749	436,749	590,007	628,030	922,239		628,030		254,365		
Fund Balance Ending	436,749	628,030	436,749	628,030	922,239	254,365		254,365		256,865		

RESERVES	FY 2017		FY 2018	
	FY 2017	Expenses	FY 2018	
Operating	87,464		87,464	
Bulkheads	140,000	130,000	75,000	
Roads	515,000	400,000	190,000	
Unallocated	15,566		46,901	

Budget Narrative

Fiscal Year 2018

REVENUES

Interest-Investments

The District earns interest on the monthly average collected balance for their operating and money market accounts.

Interest-Tax Collector

The County Tax Collector invests assessments collected and invests them until paid to the CDD, any interest earned in that time is given to the District.

Special Assessments-Tax Collector

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District to pay for the operating expenditures during the Fiscal Year.

Special Assessments-Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of assessments. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

Other Miscellaneous Revenues

This is where unanticipated revenues are received, for example in the current fiscal year \$900 was paid by the Tax Collector from FY2015 and couldn't be reassigned to the FY2016 FY. Therefore, it was accounted for here.

EXPENSES

Administrative**P/R-Board of Supervisors**

Chapter 190 of the Florida Statutes allows for members of the Board of Supervisors to be compensated \$200 per meeting at which they are in attendance. The amount for the Fiscal Year is based upon all supervisors attending six meetings.

FICA Taxes

Taxes are calculated as 7.65% of board payroll.

Professional Services-Engineering

The District's engineer provides general engineering services to the District, i.e. attendance and preparation for monthly board meetings when requested, review of invoices, and other specifically requested assignments.

Professional Services-Legal Services

The District's attorney provides general legal services to the District, i.e., attendance and preparation for monthly Board meetings, review of contracts, review of agreements and resolutions, and other research as directed or requested by the Board of Supervisors and the District Manager.

Budget Narrative

Fiscal Year 2018

EXPENSES

Administrative *(continued)***Professional Services-Property Appraiser**

The Lee County Property Appraiser provides the District with a listing of the legal description of each property parcel within the District boundaries, and the names and addresses of the owners of such property. The District reimburses the Lee County Property Appraiser for necessary administrative costs incurred to provide this service. The budget for property appraiser costs is based upon \$1.00/parcel.

Professional Services-Special Assessment

The District receives assessment services as part of a Management Agreement with PDM, Inc. This fee includes preparation of the annual assessment roll for submittal to the County Tax Collector. In addition, the fee includes the maintenance of the debt service lien book/roll and answering questions and estoppel inquiries from the residents and realtors.

Auditing Services

The District is required to conduct an annual audit of its financial records by an Independent Certified Public Accounting Firm. The budgeted amount for the fiscal year is based on contracted fees from the prior year.

Postage and Freight

Actual postage and/or freight used for District mailings including agenda packages, vendor checks and other correspondence.

Insurance-General Liability

The District's General Liability & Public Officials Liability Insurance policy is with Public Risk Insurance Agency, Inc. They specialize in providing insurance coverage to governmental agencies. The amount in the budget represents approximately 3% increase.

Printing and Binding

Unanticipated copies used in the preparation of agenda packages, required mailings, and other special projects.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings and other public hearings in a newspaper of general circulation.

Miscellaneous-Bank Charges

This includes monthly bank charges for the maintenance of the operating accounts.

Miscellaneous-Assessment Collection Costs

The District reimburses the Lee County Tax Collector for the necessary administrative costs and the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The budget for collection costs is based on \$1.50/parcel.

Miscellaneous-Web Hosting

The District expects to incur costs associated with maintaining the website.

Budget Narrative

Fiscal Year 2018

EXPENSES

Administrative (continued)

Office Supplies

Supplies used in the preparation and binding of agenda packages, required mailings, and other special projects

Annual District Filing Fee

The District is required to pay an annual fee of \$175 to the Department of Community Affairs.

Field

Professional Services-Field Management

The District contracts with PDM for field management services for the District.

Contracts-Preserve Maintenance

This is for the maintenance of the preserves of the District and includes Uplands, LLC semi-annual preserve maintenance services at \$15,760/yr.

Contracts-Lakes

The District currently has a contract with Lake & Wetland Management to provide monthly maintenance of the lakes within the District at a charge of \$7,876/month.

Contracts-Aerator Maintenance

Maintenance of the lake aerators in the lakes around the District and includes Aquatic System's semi-annual services for \$6,000/year.

Electricity-Aerator

This is for the electricity to run the various aerators within the District.

Electricity-Fountain

This is for the electricity for the lake fountains.

R&M-Aquascaping

This is for the littoral plantings that are necessary for the District.

R&M-Contingency

Any costs incurred not budgeted within another line item.

R&M-Lake

Any costs associated with the non-routine maintenance of the lakes.

R&M-Preserves

Costs associated with the maintenance of the preserves and the fence line between residential properties and the preserve areas.

Budget Narrative

Fiscal Year 2018

EXPENSES

Field *(continued)***R&M-Lake Erosion**

Costs associated with the repair and prevention of erosion around the lakes.

Improvement-Fountain

This is for installation of new fountains but none are planned for FY2018.

Road and Street Facilities**R&M-Storm Drain Cleaning**

This is for the repairs, maintenance and cleaning of the storm drains of the District.

R&M-Concrete

This is for repairs and maintenance of the concrete in the District.

R&M-Sidewalk Cleaning

This is for the cleaning of the sidewalks in the District.

R&M-Roads

This is for repairs and maintenance of the roads in the District.

Reserves**Reserve-Bulkheads**

Funds to be set aside as assigned reserves for future significant repairs and replacement of Bulkheads.

Reserve-Roadways

Funds to be set aside as assigned reserves for future significant roadway repairs.

HERITAGE PALMS
Community Development District

Supporting Budget Schedule
Fiscal Year 2018

HERITAGE PALMS

Community Development District

General Fund

Exhibit "A" Allocation of Fund Balances

<u>AVAILABLE FUNDS</u>	<u>Amount</u>	
Beginning Fund Balance - Fiscal Year 2018	256,865	
Net Change in Fund Balance - Fiscal Year 2018	2,500	
Reserves - Fiscal Year 2018 Additions	140,000	
Total Funds Available (Estimated) - 09/30/2017	399,365	
<u>ALLOCATION OF AVAILABLE FUNDS</u>		
Assigned Fund Balance		
Operating Reserves - First Quarter Operating Capital	87,464	⁽¹⁾
<u>Bulkheads</u>		
Reserves - Bulkheads FY 2015	10,000	
Reserves - Bulkheads FY 2016	30,000	
Reserves - Bulkheads FY 2017	100,000	
Reserves - Bulkheads FY 2018	65,000	
<i>Bulkheads Reserve Total</i>	205,000	
Expenses - Bulkheads FY 2017	130,000	
<i>Bulkheads Expenses Total</i>	130,000	
Funds Remaining	75,000	75,000
<u>Roadways</u>		
Reserves - Roadways FY 2015	385,000	
Reserves - Roadways FY 2016	100,000	
Reserves - Roadways FY 2017	30,000	
Reserves - Roadways FY 2018	75,000	
<i>Roadways Reserve Total</i>	590,000	
Expenses - Roadways FY 2017	400,000	
Expenses - Roadways FY 2018	-	
<i>Roadways Expenses Total</i>	400,000	
Funds Remaining	190,000	190,000
Total Allocation of Available Funds	\$352,464	
Total Unassigned (undesignated) Cash	46,901	

Notes

⁽¹⁾ Represents approximately less than 3 months of operating expenditures, net of capital expenditures.

Comparison of Assessment Rates

Fiscal Year 2018 vs Fiscal Year 2017

Number of Units	FY 2018 per Unit	FY 2017 per Unit	Increase (Decrease)	Total Assessments
1662	\$ 300	\$ 300	-	\$ 498,600