

**MINUTES OF MEETING
FALLSCHASE
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Fallschase Community Development District's Board of Supervisors was held on June 6, 2018 at 1:00 p.m., at 2810 Remington Green Circle, Tallahassee, Florida 32308.

Present at the meeting were:

Richard Yates	Chair
William Lamb	Assistant Secretary
Jeff Phipps	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Edward N. Bass	District Engineer
Ken van Assenderp	District Counsel
Max Beverly	Developer
Chase Williams	Developer's Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called the meeting to order at 1:05 p.m. Supervisors Yates, Lamb and Phipps were present, in person. Supervisor Singletary was not present. One seat was vacant.

Mr. McGaffney offered condolences for the loss of Supervisor Penson, who recently passed away.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2018-07, Approving a Proposed Budget for Fiscal Year 2018-2019 and Setting a Public Hearing Thereon Pursuant To Florida Law; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date

Mr. McGaffney presented Resolution 2018-07. He reviewed the proposed Fiscal Year 2019 budget, including line item increases, decreases and/or adjustments.

Mr. McGaffney read the title of Resolution 2018-07.

On MOTION by Mr. Phipps and seconded by Mr. Yates, with all in favor, Resolution 2018-07, Approving a Proposed Budget for Fiscal Year 2018-2019 and Setting a Public Hearing Thereon Pursuant To Florida Law for August 29, 2018 at 11:00 a.m., at this location; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date, was adopted.

FOURTH ORDER OF BUSINESS

Presentation of Audited Financial Statements for Fiscal Year Ended September 30, 2017, Prepared by Lanigan & Associates, P.C.

Mr. McGaffney presented the Audited Financial Statement for Fiscal Year Ended September 30, 2017 and reviewed the information contained that could be found on each page. There were no findings or instances of noncompliance; this was a clean audit.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2018-08, Accepting the Audited Financial Statements for the Fiscal Year Ended September 30, 2017

Mr. McGaffney presented Resolution 2018-08 and read the title.

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, Resolution 2018-08, Accepting the Audited Financial Statements for the Fiscal Year Ended September 30, 2017, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Agreement with Leon County Tax Collector for Uniform Method of Tax Collection

Mr. McGaffney stated that this Agreement was necessary to place assessments on the property tax bills, when the time arises, once the District has on-roll assessments.

Mr. van Assenderp wanted the following clarified in the minutes:

“This Board recognizes that there is no assessment roll because, this Agreement talks about that it will collect our assessment roll. That last sentence of the first paragraph is a nullity so, if we could put something to that effect, in the minutes and, whoever sends this back to Doris Maloy, who is the Tax Collector, when you get the Chairman to sign it, you will need to make a note there.”

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, the Agreement with Leon County Tax Collector for Uniform Method of Tax Collection, was approved.

SEVENTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of April 30, 2018

Mr. McGaffney presented the Unaudited Financial Statements as of April 30, 2018. Mr. Phipps asked how the District had a negative balance. Mr. McGaffney stated that there will be funding requests that have not been paid.

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, the Unaudited Financial Statements as of April 30, 2018, were approved.

EIGHTH ORDER OF BUSINESS

Approval of February 7, 2018 Public Hearings and Regular Meeting Minutes

Mr. McGaffney presented the February 7, 2018 Public Hearings and Regular Meeting Minutes and asked for any additions, deletions or corrections.

This item was deferred, per Mr. van Assenderp’s recommendation.

NINTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney: *van Assenderp Law*

Mr. van Assenderp stated that the Board should consider a replacement for Mr. Penson, which could occur today or at the next meeting.

Discussion ensued regarding the Spine Road construction project, how it would be funded, a future bond issuance, ownership of the improvements, commencing the assessment levying process this fall.

Mr. van Assenderp stated that now is the time for the District Engineer and District Manager to fulfill their responsibilities of the Charter to look at the construction completed by the Developer to be able to report to the Board that it meets construction material standards of quality and that it meets construction procedures standards for the quality of the Board. Those were some of the questions and answers from a prior meeting. Perhaps the Developer needs to let the Board know so that the Board can let the District Manager and District Engineer start working on the process to monitor and, as an independent reviewer, to make sure that the District, if later, is going to acquire this property using public money, has the construction material been used that is of the quality that needs to be done and the procedure.

Mr. Bass stated that his firm has Construction Management Inspectors on staff. Mr. Phipps asked if that would be a conflict between the Developer and the Board. Mr. van Assenderp asked who would do the dirt construction and building. Mr. Bass stated it was yet to be determined but would be a site contractor of the Developer's choice. Mr. van Assenderp stated that the Charter of this District was written so that there is no conflict in the early stages when there is no one living on the land because, the whole purpose of the District is to prepare the land for market and that involves installing the infrastructure. Mr. van Assenderp asked Mr. Bass if his is a construction firm. Mr. Bass stated that his firm does not perform actual construction. Mr. van Assenderp stated that the District Engineer needs to work with and observe the work and report to the District Manager and Board. The District's Charter states that the District Manager has the charge of supervision of the works of the District, which includes infrastructure. The District Manager can work with the District Engineer and request that they monitor the construction related to the quality of the construction procedure and the quality of the construction materials, on anything that the District does but not the Development of the homes, etc.; rather, the roads, water, sewer, drainage, etc. Mr. Yates noted that the Developer will fund and deal with the issues, prior to the point of turnover or placement with the District; it is a very organized process for both the construction and oversight. Mr. Phipps asked if the City would be involved. Mr. Yates stated that the County

would be involved. Mr. Phipps noted that the County does not do the sewer. Mr. Bass stated that the City will have its own inspectors on site and part of the sewer and potable water installation. Mr. van Assenderp stated, when it is time for the Board to agree to pay to reimburse the Landowner/Developer, that is when the District Engineer and District Manager must affirm that they have monitored the quality of the building procedures, construction procedures and materials and find that it meets muster; otherwise, the Landowner/Developer cannot receive funds. Mr. Phipps referred to the "the Green Book" standard for roads and asked if there was a standard for the utilities. Mr. Bass stated that the City has standards. Mr. van Assenderp stated that, when it is the District's money to pay back the Developer, it helps the District and the Developer but, it is also a duty of the District, before it releases the money, to say at a meeting "Mr. Engineer, You've been giving us these reports. What is your final report? Were the quality of the materials and the quality that would merit us spending our money to pay for it and were the procedures of the quality?" Mr. van Assenderp advised the District Engineer to be ready to start monitoring that and giving periodic reports; the record should show that the Board received a few, even just a few sentences, but, if there is a problem, the District Manager and the Developer should deal with it. Mr. McGaffney stated that the Indenture outlines the parameters for which the funds would be utilized. District Management is ready to proceed, whenever the Board is ready.

Mr. Phipps asked how the District is funding the District Engineer for the monitoring work. Mr. van Assenderp stated that it will be part of the budget and, when the District starts imposing assessments on the Landowner, and later, residents, they will pay assessments through the Tax Collector who will pay the District and those will be used to pay back the bonds. The bond proceeds are paying for it now. Mr. McGaffney stated there would be two funds, a Debt Service and a General Fund. The Debt Service Fund is used to pay back the bonds and the General Fund funds the District's operations, including the District Engineer, Manager, etc. Mr. Phipps asked again how Mr. Bass will be paid for the oversight work. Mr. Yates stated that Mr. Bass will submit invoices to the District Manager and those costs are funded by the Developer through the Funding Agreement. When the bonds are issues and the District imposes assessments, the Developer stops funding. Mr. Lamb explained that Mr. Bass sends his bill to the District Manager then the District Manger sends a funding request to the Developer and the Developer sends the funds to the District and the District pays the District Engineer. This is the same as the answer to the earlier question of why the District had a

negative fund balance; in this type of arrangement, there is almost always a negative fund balance because there are always bills that are not yet paid because no funds are coming in other than from the Developer, though those funding requests. Mr. van Assenderp stated that, when assessments are collected by the Tax Collector, the District will pay the Landowner back. Mr. Yates stated that there would be an Engineering line item in the budget that will define the development costs for which the Developer would seek reimbursement.

B. Engineer: *Moore Bass Consulting, Inc.*

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

Mr. Lamb asked if, for the next meeting, there were any drawings or proposed things or something that visually depicts how the things would be laid out or where the road is located. Mr. Yates anticipated having visuals available by the August meeting.

C. Manager: *Wrathell, Hunt and Associates, LLC*

i. 0 Registered Voters in District as of April 15, 2018

Mr. McGaffney stated that there were zero registered voters residing within the District as of April 15, 2018.

ii. NEXT MEETING DATE: July 11, 2018 at 1:00 P.M.

Mr. McGaffney stated that the next meeting will be on July 11, 2018 at 1:00 p.m., at this location.

ELEVENTH ORDER OF BUSINESS

Audience Comments/Supervisors Requests

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

TWELFTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, the meeting adjourned at 1:42 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair