

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**STERLING HILL
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Sterling Hill Community Development District was held on **Thursday, January 16, 2014 at 6:30 p.m.** at the Sterling Hill North Clubhouse located at 4411 Sterling Hill Boulevard, Spring Hill, Florida, 34609.

Present and constituting a quorum:

Christina Miller	Board Supervisor, Chairman
Sandra Manuele	Board Supervisor, Vice Chairman
Frances Krause	Board Supervisor, Assistant Secretary
Louis Peters	Board Supervisor, Assistant Secretary
John Blakley	Board Supervisor, Assistant Secretary

Also present were:

Scott Brizendine	District Manager; Rizzetta & Company, Inc.
John Toborg	Field Operations Manager; Rizzetta & Company, Inc.
John Vericker	District Counsel; Straley & Robin
Jason Pond	Club Manager
Audience	

FIRST ORDER OF BUSINESS

Call to Order and Pledge of Allegiance

Ms. Miller called the meeting to order and Mr. Brizendine performed the roll call confirming a quorum for the meeting.

Ms. Miller asked all those in attendance to stand and recite the Pledge of Allegiance.

SECOND ORDER OF BUSINESS

Audience Comments on Agenda Items

A brief discussion ensued regarding items 5B and 5C on the agenda, with the Board explaining that 5B relates to a proposed area for storage of RV's and Boats that is still in discussion. Mr. Brizendine explained that 5C is a resolution setting a mandatory public hearing to update the rules of procedure that are used to govern how the District operates its meetings and addresses various procedures for going out to bid for services or handling records requests, etc.

A resident inquired as to why the District would be involved in a foreclosure and Mr. Vericker explained that this is property the developer stopped paying the assessments on and the Trust Indenture requires the Board to foreclose on them. He stated that the Board will be considering an offer from the bank holding the mortgages on four of the lots later in the meeting.

THIRD ORDER OF BUSINESS

Consideration of Minutes of the Board of Supervisors' Meeting Held on December 10, 2013

On a Motion by Ms. Manuele, seconded by Ms. Krause, with all in favor, the Board approved the minutes of the Board of Supervisors' meeting held on December 10, 2013 as presented for Sterling Hill Community Development District.

FOURTH ORDER OF BUSINESS

Consideration of Operation and Maintenance Expenditures for December 2013

A brief discussion ensued regarding the variance in the water bills for the North and South Clubhouses. Mr. Pond stated that he asked the Hernando County Utilities to come out and check the water meter and was told that everything appears to be functioning properly.

On a Motion by Mr. Blakley, seconded by Mr. Peters, with all in favor, the Board approved the Operation and Maintenance expenditures for December 2013 totaling \$61,273.62 for Sterling Hill Community Development District.

FIFTH ORDER OF BUSINESS

Consideration of Costs to Establish an SPE for Oversight of Foreclosable Property

Mr. Vericker provided a brief synopsis of the history behind the request to establish an SPE to oversee the foreclosable property and reviewed the advantages of doing so, which include the ability to maintain the property and to limit the District's liability. It was stated that the start up costs would be approximately \$8,000 with ongoing costs of a monthly management fee from Rizzetta, liability insurance, and maintenance or an estimated \$38,800 annually. A lengthy discussion ensued regarding the requirement to foreclose on the lots based on the Trust Indenture, the fact that the amount of tax and bond debt on the property has made selling the lots difficult, the need for liability insurance, the possibility of the County eventually taking possession of the property, the advantages of maintaining the property, and how the proposed SPE differs from those Mr. Blakley works with. Mr. Blakley, Mr. Vericker and Mr. Brizendine all recommended that the Board approve the creation of the SPE and responded to audience comments on the topic.

On a Motion by Mr. Peters, seconded by Ms. Krause, with all in favor, the Board approved the creation of an SPE to oversee the foreclosable property for Sterling Hill Community Development District.

SIXTH ORDER OF BUSINESS**Consideration of Establishment of an RV/
Boat Storage Area**

Mr. Pond presented the Board with a lay out for approximately 120 spaces that could be established in the area that is being considered for use as an RV/Boat Storage area. He stated that the 120 spaces would consist of some 10' by 20' areas and some 12' by 32' areas for larger campers or boats. Mr. Pond stated that he researched the rental rates for this type of storage facility in Hernando and Pasco Counties and learned that the smaller spaces averaged out to \$60.00 a month and the larger ones \$70.00 a month. He stated that even if those costs are cut in half for residents the storage area could generate between \$35,000 and \$40,000 in revenue for the District once lay out costs have been recouped based on full occupancy. He stated that there has been a great deal of interest in the storage area and he is confident that it would be full. A brief discussion ensued regarding concerns with liability issues, potential workload Staff would be undertaking, the need to have a contract that addresses how non-payment would be handled, the breakdown of costs to establish the area (approximately \$100,000), the need to establish an ongoing maintenance budget and whether there might be any issues with the stormwater drainage systems. Mr. Brizendine was asked to obtain pricing for insurance and to have District Engineer review the drainage requirements. Mr. Pond stated that he would contact the County to see what restrictions they might have.

Mr. Pond was asked to present his report and he asked whether the Board was still interested in fencing in the basketball court as discussed a few months ago. He stated that people interested in using the facility would have to provide an id and the names of those in his/her group. Mr. Pond reviewed the pricing that was obtained during budget discussions for fencing that would match the tennis courts. The Board and Staff responded to audience comments regarding the hours of use for the courts, current issues, and the desired goal to control the number of non-residents using the courts.

On a Motion by Mr. Peters, seconded by Ms. Manuele, with all in favor, the Board approved the installation of fencing around the basketball court at a cost of \$13,849 for Sterling Hill Community Development District.

A resident asked about the possibility of having the off-duty officers on-site at 4:00 p.m. rather than 4:30 p.m to address parking and other ongoing issues that are occurring at that time. Mr. Pond stated that he would put in the request.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2014-01,
Setting a Public Hearing on Rules of
Procedure**

Mr. Vericker stated that most of the changes relate to the competitive bidding procedures and the new law addressing audience comments. He stated that the rules are procedural for the Board and have nothing to do with operational rules or fees for the clubhouses. The Board asked that a redline version of the changes be provided to them and Mr. Vericker stated that he would research whether that was a word version available that would allow him to do so.

Mr. Brizendine stated that a public hearing is required before the rules can be provided and recommended that the Board schedule it as part of the regular March 11th meeting.

On a Motion by Mr. Blakley, seconded by Mr. Peters, with all in favor, the Board approved Resolution 2014-01, Setting the public on Rules of Procedure for March 11, 2014, at 8:00 a.m. at the Sterling Hill North Clubhouse, located at 4411 Sterling Hill Boulevard, Spring Hill, FL 64609 for Sterling Hill Community Development District.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Vericker stated that his office received a letter from an attorney representing a bank that holds the mortgage on four lots commonly referred to as the "Burns lots" making an offer to take title of those lots. He stated that the offer does not include the attorneys fees accrued thus far and he would like to see the District make a counter offer that does include those fees of approximately \$12,000 to \$16,000, so the District can be reimbursed for them. He stated that this would reduce the number of lots included in the SPE and remove them from the District's liability.

On a Motion by Ms. Manuele, seconded by Ms. Krause, with all in favor, the Board authorized District Counsel to present a counter offer to include payment of attorney fees of approximately \$12,000 to \$16,000 for Sterling Hill Community Development District.

B. District Engineer

Not present.

C. Field Operations Manager

Mr. Toborg stated that he provided pictures of the plants being recommended for installation in the various proposals that were initially presented a few months back for refurbishment of Elgin Boulevard between the north and south intersections. He stated that the total cost is \$14,407.50, noting that he would be glad to review the proposals individually if desired. Mr. Brizendine stated that the District budgeted \$26,500 for landscape replacement, which correlates to \$24,680 after taking into consideration the annual rotations completed through out the year.

Mr. Toborg stated that Mr. Pond did ask him about the possibility of using an outside vendor to reduce costs, explaining that he does not recommend that option with plants as an outside vendor is not aware of the irrigation in place, offer the same 1 yr. warranty, and typically results in finger pointing should any issues arise. He confirmed that he would be handling the oversight of the project to ensure that the correct number of plants is installed etc. and estimated that the install would take about a week with the irrigation slightly longer. It was noted that the plants would not be installed until March.

On a Motion by Mr. Peters, seconded by Ms. Manuele, with all in favor, the Board approved all of the proposals for landscape refurbishments (\$14,407.50) for Sterling Hill for installation in March Community Development District.

Mr. Toborg stated that there would be additional proposals down the road addressing areas along the south side of Sterling Hill Boulevard. He confirmed that the mulch should be installed within a week or two as they are completing the trenching now to assist with reducing the amount of mulch that washes away. Mr. Toborg stated that he has directed staff to keep an eye on the trenching as the sugar sand found throughout the District tends to fill in the trenches.

E. District Manager

Mr. Brizendine provided a brief overview of the District financial status, stating that it has collected \$819,950 or 66% of the assessments. He touched on the various account balances and projected that the District will be under budget at the end of the fiscal year based on current spending.

NINTH ORDER OF BUSINESS

**Supervisor Requests and Audience
Comments**

Audience

A request was made that the Board hold evening meetings every other month. Ms. Miller stated that historically attendance has been minimal during evening meetings, but there is one scheduled every quarter. She stated that should attendance increase they would consider adding more.

Supervisors

No Supervisor requests were put forward.

TENTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. Blakley, seconded by Mr. Peters, with all in favor, the Board of Supervisors adjourned the meeting at 7:45 p.m. for Sterling Hill Community Development District.



Secretary/Assistant Secretary



Chairman/Vice Chairman