



Reserve

Community Development District #2

<http://www.Reserve2cdd.com>

Peter Perry, Chairman

James Burchell, Vice Chairman

Frank Martínez, Assistant Secretary

Jerry Lorenzo, Assistant Secretary

Eugene Antuna, Assistant Secretary

January 19, 2017



Reserve

Community Development District #2

5385 N. Nob Hill Road, Sunrise, Florida 33351

Phone: 954-721-8681 - Fax: 954-721-9202

January 12, 2017

Board of Supervisors Reserve Community Development District #2

Dear Board Members:

The regular meeting of the Board of Supervisors of the **Reserve Community Development District #2** is scheduled for **January 19, 2017 at 9:30 a.m. at 2160 NW Reserve Park Trace, Port St. Lucie, Florida**. Following is the advance agenda for the meeting.

1. Oath of Office for Newly Elected Supervisor(s) elected at the General Election held on November 8, 2016 for Seat #2 and Seat #4
2. Roll Call
3. Organizational Matters
 - A. Consideration of **Resolution #2017-01** Confirming the General Election Results for Seat #2 and Seat #4
 - B. Consideration of **Resolution #2017-02** Electing Officers
4. Approval of the Minutes of the November 17, 2016 Meeting
5. Staff Reports
 - A. Attorney
 - B. District Consultant
 - C. Manager
6. Supervisors Requests and Audience Comments
7. Financial Reports
 - A. Approval of Check Register
 - B. Balance Sheet and Income Statement
8. Adjournment

After the newly elected supervisors subscribe to an oath of office, we will then consider **Resolution #2017-01** Confirming the General Election Results for Seat #2 and Seat #4 and **Resolution #2017-02** Electing Officers. Copies of the resolutions are enclosed for your review.

Enclosed for your review are the minutes from the November 17, 2016 meeting.

The financials are also enclosed. The balance of the agenda is routine in nature and staff will present their reports at the meeting. Any additional documentation will be provided under separate cover or presented at the meeting. I look forward to seeing you at the meeting and in the meantime if you have any questions, please contact me.

Sincerely,



Rich Hans
Manager

cc: Daniel Harrell

Robert Fromm

Bob Lawson

Mary Danielsen

Rhonda Mossing

RESOLUTION 2017-01

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE RESERVE COMMUNITY DEVELOPMENT DISTRICT #2 RECOGNIZING AND ACCEPTING THE ST. LUCIE COUNTY CANVASSING BOARD'S DECLARATION AND CERTIFICATION OF THE RESULTS OF THE NOVEMBER 08, 2016 GENERAL ELECTION FOR SUPERVISORS OF THE RESERVE COMMUNITY DEVELOPMENT DISTRICT #2; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, elections of members of the Board of Supervisors (the "Board") of the Reserve Community Development District #2 (the "District") are nonpartisan, are held pursuant to the provisions of Section 190.006, Florida Statutes, and are conducted in the manner prescribed by law for holding general elections; and

WHEREAS, an election of Board members was held at the same time as the General Election in St. Lucie County; and

WHEREAS, on November 08, 2016, the Supervisor of Elections of St. Lucie County appointed inspectors and clerks of elections, prepared and furnished ballots, designated polling places, and held elections for members of the Board of Supervisors of the District; and

WHEREAS, Section 105.051, Florida Statutes, provides that the name of an unopposed candidate for an office elected on a nonpartisan basis shall not appear on the ballot and such candidate shall be deemed to have voted for himself or herself at the general election; and

WHEREAS, the Supervisor of Elections of St. Lucie County canvassed the returns of the election of District Board members by the qualified electors of the District; and

WHEREAS, the St. Lucie County Canvassing Board has declared and certified the results of the election for Board members which the District desires to recognize and accept.

Exhibit A

Certificate of St. Lucie County Canvassing Board

Reserve Community Development District 2, Seat 2	<u>James Burchell (Active- <i>Qualified</i>)</u>
Reserve Community Development District 2, Seat 4	<u>Frank Martinez (Active- <i>Qualified</i>)</u>

RESOLUTION 2017-02

**A RESOLUTION ELECTING OFFICERS OF THE RESERVE
COMMUNITY DEVELOPMENT DISTRICT #2**

WHEREAS, the Board of Supervisors of **the Reserve Community Development District # 2** desires to elect the below recited persons to the offices specified.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF THE RESERVE COMMUNITY
DEVELOPMENT DISTRICT #2:**

1. The following persons were elected to the offices shown, to wit:

_____	Chairman
_____	Vice Chairman
_____	Treasurer
_____	Secretary
_____	Assistant Secretary
_____	Assistant Secretary
_____	Assistant Secretary

PASSED AND ADOPTED THIS _____ DAY OF _____

Chairman / Vice Chairman

Secretary / Assistant Secretary

**MINUTES OF MEETING
RESERVE
COMMUNITY DEVELOPMENT DISTRICT #2**

The regular meeting of the Board of Supervisors of the Reserve Community Development District #2 was held on Thursday, November 17, 2016 at 9:30 a.m. at 2160 NW Reserve Park Trace, Port St. Lucie, Florida.

Present and constituting a quorum were:

Peter Perry	Chairman
James Burchell	Vice Chairman
Frank Martinez	Assistant Secretary
Eugene Antuna	Assistant Secretary

Also present were:

Rich Hans	District Manager
Bob Fromm	District Consultant

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Approval of Minutes of the July 21, 2016 Meeting

Mr. Hans: Item No. 2 we have our minutes from our July 21st meeting. If there are any comments on those we'll take those, if not, a motion approving those would be in order.

On MOTION by Mr. Perry seconded by Mr. Martinez with all in favor, the Minutes of the July 21, 2016 Meeting were approved.
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THIRD ORDER OF BUSINESS

Consideration of Engagement Letter and Addendum to Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2016

Mr. Hans: Item No. 3 is consideration of an engagement letter and addendum to the engagement letter with Grau & Associates to perform the audit for the fiscal year ending September 30, 2016. It's in line with their annual fees that they proposed, \$3,200, and the addendum is because they supplied their engagement letter and there's a new law that went into effect as of July 1st that any of our agreements with contractors have to include certain statements about public records, the process of them keeping public records and who to refer to if they ever have any requests. So that wasn't in their original engagement letter, so it's just added as an addendum. So if there are any questions or discussion on this I'll take it, if not, a motion to approve would be in order.

On MOTION by Mr. Martinez seconded by Mr. Antuna with all in favor, accepting the engagement letter an addendum to engagement letter with Grau & Associates to perform the audit for Fiscal Year ending September 30, 2016 was approved.

FOURTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Hans: Then under staff reports, under attorney, no attorney today, there's nothing that he needed to attend today for.

B. District Consultant

Mr. Hans: District Consultant, Bob anything for us today?

Mr. Fromm: Just some overview items. The Sabal Creek water, not that it affects anybody but a year later the county has taken that project over, and they had their beauty contest to select 3 firms to do the engineering, all stuff we've done a year earlier,

but if we would have proceeded along the path we were on, the Sabal Creek Homeowners Association would have been on the hook for \$100,000. In case, for some reason it never went through and they never got reimbursed, so they turned it over to the county, the county said we'll take all the financial risk. So all of that is going forward, and it's just probably 6 months to a year away by the time we get the permits, close the bonds, and then do the water.

Mr. Antuna: Is there any plans to do sewer?

Mr. Fromm: It's getting way too expensive. The only sewer you could do is those vacuum packed systems, in other words they used to have the old grinder pumps over in Port St. Lucie, those aren't so good. Now they have a new very expensive way of, and it's effectively a suction system, it's an upgraded grinder system, but it's very, very expensive, but anyway, with their water obviously the quality of the water and their insurance rates will go way down.

Mr. Antuna: They'll get fire hydrants?

Mr. Fromm: Yes.

Mr. Antuna: And all the water comes from St. Lucie West?

Mr. Fromm: Well effectively we still make water here, we have finished our final take or pay from them, so we take 7.3 million gallons a day from them, but we've paid for more than that if we wanted to, but we could still make it cheaper. So in the summer we take almost all of it from them, that's when it's slow. When it's not slow, it's about 80/20 mix. So that's where we're at with them, and all the sewer goes to them.

Mr. Antuna: And their connection for Sabal Creek is going to be?

Mr. Fromm: Off of Reserve so the Plantation Lakes link will go all the way around and then hook in back here by the guardhouse and Legacy.

Mr. Antuna: The west guardhouse?

Mr. Fromm: Yes. So that's the big water project. Then as you know we dodge the big bullet with Hurricane Matthew, and during that time we had a conference call with South Florida Water Management, they let us open the gate 3 days early. I was able to get the new Lang employee involved because Steve Brown is gone.

Mr. Antuna: I made him call you.

Mr. Fromm: Right and that was the right idea because they didn't know where any of the gates were, or what you're supposed to do with them, so I said, let's get them all down. So they got all the upper ones down, we got the one at Vistana/Sheridan down for them, so we were able to get the upper basins down a foot, and the lower basins down a foot before the storm when we got 3" to 4", but we did keep the gates open for 4 days after and we brought them back up and within 12 hours we were above control again. Again, the theory is prior to that storm we had gotten 9" of rain, prior to the storm, in the 3 week period prior to the storm. So everything was saturated, so if you only have 15% lakes for every 1" of rain you get, it goes up 6" so that's why it was important, and that's why even when it's down a foot, as soon as you put the gate up, all the water kicks in.

Mr. Martinez: Right 15% is lakes right?

Mr. Fromm: Right, so 6 to 1, so when the rain falls on the ground, 6" of it goes to the lake and that's why it goes for every 1".

Mr. Burchell: I never knew that was official, but I knew that in our lake, if you get 1" of rain, the lake goes up 6".

Mr. Fromm: Right after it's saturated, but in the dry season, no, it's like an inch for every inch, but once it's saturated you have to get ahead of the curve.

Mr. Antuna: Do you know what our District limit is now on weir 1?

Mr. Fromm: Well we can lower it and let it run.

Mr. Antuna: But we don't have a limit on the discharge?

Mr. Fromm: No during the settlement negotiations I offered to even provide the engineering to get another gate, all they wanted was money, they didn't want any improvements, they just wanted the money, but South Florida Water Management has a whole different mindset about when we permitted the adjustable gate, that was years ago, and they have all these controls on it, one of which for instance is they will lower the gate, but I have to be onsite within 15 to 20 minutes of that gate so that I can put it back up if the downstream starts flooding. So George comes for the utilities, and thank God

November 17, 2016

Reserve #2 CDD

he did, and I come for the stormwater and we were here Thursday, Friday, Saturday and Sunday, but the CDD spent \$75,000 for a brand new generator and so guess what happened? The power goes out, George is in Golf Villas, he made it from Golf Villas up here to the circle in 3 minutes, Rick the other guy that lives not far from here, the police wouldn't let him out of his street. So if George isn't here, we're doing boil water notices, and the generator was fine, but there's a breaker box that didn't work, so he was on the phone at 3:00 in the morning with the generator people and I said, it can't be our generator so go look at the breaker box over here, and over here, and they tripped. So we dodged the bullet and in the checks and that's the pleasure of the board, I billed the Verano and Reserve 1 and Reserve 2 an extra \$500 for spending 3 days here. If you do not come and look at what the gates are every day and South Florida Water Management calls me, then you have to know whether you're above or below control during the storm, and if you're below control you're supposed to close the gates and all that stuff.

Mr. Perry: Do we need to make a motion at this time to approve that?

Mr. Hans: Well when we approve the check register because it's in there but it's been brought up.

Mr. Perry: Ok.

Mr. Hans: So when you approve the register it will be in there.

Mr. Fromm: Ok right, because I brought it up to the other boards. Anyway, so those are the stories of today's CDD meeting.

Mr. Antuna: That's great. Is there any news on the new construction that's going on our borderline there?

Mr. Fromm: The paving of the road?

Mr. Antuna: No the wall that's going up, and is it going to continue?

Mr. Fromm: The wall?

Mr. Antuna: Yes.

Mr. Fromm: Yes, I'm permitting another section, we have 2,500 lineal feet with I think 8 outfall controls.

Mr. Antuna: And that's towards the road?

Mr. Fromm: That's from "Tom's house" all the way down to our lift station which is roughly halfway to Glades.

Mr. Antuna: Ok halfway to Glades.

Mr. Fromm: Then I'm permitting another 1,500 feet right now which will get past the last two houses and hopefully I can put that wall up in the first part of the year before the rainy season in April or May and then the paving of Commerce Center South.

Mr. Antuna: I heard that now is going to be over the beginning of the year?

Mr. Fromm: I met with Bill in anticipation there might be a slow down or not, we're still going to try to do it before the end of the year. The paving part is easy, it's interfacing with the city and the county, and all of that stuff, but we'll know a little bit more on that next week.

Mr. Hans: Alright. Anything else under consultant?

Mr. Fromm: No that's it.

C. Manager

Mr. Hans: As for the manager, nothing really to report. The next meeting is scheduled for January 19, 2017.

FIFTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Hans: Moving on to supervisors requests, anything from our supervisors? Not hearing any, we can let the record reflect we have no audience here today for any comments.

SIXTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

B. Balance Sheet and Income Statement

Mr. Hans: Moving on to our financial reports. You have your check register and the balance sheet and income statement. So if there are any questions or discussions on any of the items we can take those, and if not, a motion approving those would be in order.

On MOTION by Mr. Perry seconded by Mr. Burchell with all in favor, the Check Register, Balance Sheet and Income Statement were approved.

SEVENTH ORDER OF BUSINESS Adjournment

Mr. Hans: And if there is no other District business, a motion to adjourn would be in order.

On MOTION by Mr. Martinez seconded by Mr. Burchell with all in favor the meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

Reserve
Community Development District #2

Check Run Summary
January 19, 2017

<u>Date</u>	<u>Check Numbers</u>	<u>Amount</u>
11/28/16	942-944	\$101,742.82
12/14/16	945-946	\$129,626.07
12/23/16	947	\$9,324.21
01/05/17	948-950	\$8,175.15
Total		<u><u>\$248,868.25</u></u>

*** CHECK DATES 11/11/2016 - 01/10/2017 ***

GF - RESERVE CDD #2
BANK A RESERVE CDD #2 GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
11/28/16	00004	11/15/16	56106941	2016	11	310-51300-42000			DELIVERIES THRU 11/15/16	*	164.87		
								FEDEX				164.87	000942
11/28/16	00049	11/09/16	2016611	2016	11	310-51300-31800			2016 TRIM & TAX ROLL	*	7,344.83		
								KEN PRUITT, PROPERTY APPRAISER				7,344.83	000943
11/28/16	00048	11/28/16	11282016	2016	11	300-20700-10000			TXFER OF TAX RECEIPTS	*	94,233.12		
								RESERVE CDD #2				94,233.12	000944
12/14/16	00028	12/01/16	136	2016	12	310-51300-34000			DEC 2016 - MGMT FEES	*	2,684.17		
		12/01/16	136	2016	12	310-51300-44000			DEC 2016 - RENT	*	200.00		
		12/01/16	136	2016	12	310-51300-35101			DEC 2016 - WEBSITE ADMIN	*	41.67		
		12/01/16	136	2016	12	310-51300-42000			DEC 2016 - POSTAGE	*	3.94		
		12/01/16	136	2016	12	310-51300-42500			DEC 2016 - COPIES	*	53.40		
								GMS - SO FLORIDA, LLC				2,983.18	000945
12/14/16	00048	12/14/16	12142016	2016	12	300-20700-10000			TXFER OF TAX RECEIPTS	*	126,642.89		
								RESERVE CDD #2				126,642.89	000946
12/23/16	00048	12/23/16	12232016	2016	12	300-20700-10000			TXFER OF TAX RECEIPTS	*	9,324.21		
								RESERVE CDD #2				9,324.21	000947
1/05/17	00028	1/02/17	137	2017	01	310-51300-34000			JAN 2017 - MGMT FEES	*	2,684.17		
		1/02/17	137	2017	01	310-51300-35100			JAN 2017 - COMPUTER TIME	*	20.83		
		1/02/17	137	2017	01	310-51300-44000			JAN 2017 - RENT	*	200.00		
		1/02/17	137	2017	01	310-51300-35101			JAN 2017 - WEBSITE ADMIN	*	41.67		
		1/02/17	137	2017	01	310-51300-42000			JAN 2017 - POSTAGE	*	2.30		
								GMS - SO FLORIDA, LLC				2,948.97	000948
1/05/17	00048	1/05/17	01052017	2017	01	300-20700-10000			TXFER OF TAX RECEIPTS	*	4,226.18		
								RESERVE CDD #2				4,226.18	000949

RES2 RESERVE 2 IARAUJO

AP300R

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER

RUN 1/10/17

PAGE 2

*** CHECK DATES 11/11/2016 - 01/10/2017 ***

GF - RESERVE CDD #2

BANK A RESERVE CDD #2 GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
1/05/17	00022	1/01/17	01012017	201701 310-51300-31400		ROBERT L. FROMM & ASSOCIATES	*	1,000.00	1,000.00	000950

TOTAL FOR BANK A 248,868.25

TOTAL FOR REGISTER 248,868.25

RES2 RESERVE 2 IARAUJO

RESERVE #2
COMMUNITY DEVELOPMENT DISTRICT
Long Term Debt Report
FY 2017

<i>Series 2010A, Special Assessment Bonds</i>	
<i>Interest Rate:</i>	4.41%
<i>Maturity Date:</i>	5/1/2025
<i>Reserve Fund Requirement:</i>	10% of Maximum Annual Debt Service
<i>Bonds outstanding - 9/30/2016</i>	<u>\$2,205,000.00</u>
<i>Current Bonds Outstanding</i>	<i>\$2,205,000.00</i>
<i>Total Current Bonds Outstanding</i>	<i>\$2,205,000.00</i>

RESERVE
COMMUNITY DEVELOPMENT DISTRICT #2
COMBINED BALANCE SHEET
December 31, 2016

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	
ASSETS:			
Cash	\$68,766	---	\$68,766
Due from other	---	\$4,226	\$4,226
Investments:			
<u>SERIES 2010</u>			
Reserve A	---	\$27,542	\$27,542
Revenue A	---	\$247,302	\$247,302
TOTAL ASSETS	<u>\$68,766</u>	<u>\$279,071</u>	<u>\$347,836</u>
LIABILITIES:			
Accounts Payable	\$600	---	\$600
Due to other Funds	\$4,226	---	\$4,226
TOTAL LIABILITIES	<u>\$4,826</u>	<u>\$0</u>	<u>\$4,826</u>
FUND BALANCES:			
Nonspendable:			
Restricted:			
Debt Service	---	\$279,071	\$279,071
Assigned	\$26,122	---	\$26,122
Unassigned	\$37,818	---	\$37,818
TOTAL FUND BALANCES	<u>\$63,940</u>	<u>\$279,071</u>	<u>\$343,010</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$68,766</u>	<u>\$279,071</u>	<u>\$347,836</u>

RESERVE

COMMUNITY DEVELOPMENT DISTRICT #2

GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending December 31, 2016

	ADOPTED BUDGET	PRORATED BUDGET THRU 12/31/2016	ACTUAL THRU 12/31/2016	VARIANCE
REVENUES:				
Assessment - Levy	\$70,010	\$59,638	\$59,638	\$0
TOTAL REVENUES	\$70,010	\$59,638	\$59,638	\$0
EXPENDITURES:				
ADMINISTRATIVE:				
Supervisor Fees	\$4,000	\$1,000	\$800	\$200
FICA Expense	\$306	\$77	\$61	\$15
Engineering	\$500	\$125	\$0	\$125
Attorney	\$1,500	\$375	\$0	\$375
Trustee Fees	\$3,750	\$938	\$0	\$938
Property Appraiser	\$7,345	\$7,345	\$7,345	\$0
Collection Agent	\$6,000	\$1,500	\$1,500	\$0
Assessment Roll	\$2,500	\$625	\$0	\$625
Annual Audit	\$3,200	\$800	\$0	\$800
Management Fees	\$32,210	\$8,053	\$8,053	(\$0)
Computer Time	\$250	\$63	\$62	\$0
Telephone	\$50	\$12	\$0	\$12
Postage	\$1,000	\$250	\$172	\$78
Printing & Binding	\$250	\$63	\$65	(\$3)
Rentals & Leases	\$2,400	\$600	\$600	\$0
Meeting Room Rental	\$2,400	\$600	\$600	\$0
Insurance	\$5,885	\$5,885	\$5,457	\$428
Legal Advertising	\$1,250	\$313	\$0	\$313
Other Current Charges	\$360	\$90	\$85	\$5
Contingency	\$5,000	\$1,250	\$0	\$1,250
Office Supplies	\$150	\$38	\$0	\$38
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
Operating Reserve	\$15,151	\$3,788	\$0	\$3,788
Website Compliance	\$500	\$125	\$125	(\$0)
TOTAL EXPENDITURES	\$96,131	\$34,086	\$25,100	\$8,987
EXCESS REVENUES (EXPENDITURES)	(\$26,121)		\$34,538	
FUND BALANCE - Beginning	\$26,122		\$29,401	
FUND BALANCE - Ending	<u>\$0</u>		<u>\$63,940</u>	

RESERVE
COMMUNITY DEVELOPMENT DISTRICT #2
DEBT SERVICE FUND
SERIES 2010

*Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending December 31, 2016*

	ADOPTED BUDGET	PRORATED THRU 12/31/2016	ACTUAL THRU 12/31/2016	VARIANCE
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REVENUES:

Interest Income	\$0	\$0	\$46	\$46
Assessments	\$275,197	\$234,426	\$234,426	\$0
TOTAL REVENUES	\$275,197	\$234,426	\$234,473	\$46

EXPENDITURES:

Series 2010

Interest - 11/1	\$45,644	\$45,644	\$45,644	\$0
Interest - 5/1	\$44,899	\$0	\$0	\$0
Principal - 5/1	\$185,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$275,543	\$45,644	\$45,644	\$0
FUND BALANCE - Beginning	\$62,744		\$90,242	
FUND BALANCE - Ending	\$62,398		\$279,071	