



HGRD BOARD OF  
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General Manager

July 11, 2022

Dear Herons Glen Recreation District Property Owner:

As you can imagine, it was with great difficulty that we crafted next year's budget. Rising inflation, labor shortages, and supply chain issues have all contributed to challenges not only in our personal lives but to the District as well. In creating this budget, we were faced with providing sufficient funding to not only maintain services but improve areas of concern expressed by our residents, while trying to keep the assessment as low as possible. Times are tough for all of us and the last thing the Board wanted to do is add to your burden.

With that said, we were initially presented with a budget that proposed a 15% increase in assessments. We were shocked, to say the least, and knew we had our work cut out for us. After an initial review, it became apparent that most of the line items in operations and maintenance left little room to be reduced without a reduction in services and maintenance.

We then focused on the capital and deferred maintenance reserves component of the budget. After much discussion, it was determined that we would no longer reserve for those major items in the capital plan which could be financed through the issuance of bonds in 14 years when the initial tranche of our present bonds is paid off. The fiscal impact of this decision was a reduction of \$262 in your yearly assessment per lot.

While this helped reduce the assessments, it was not our sole reason for making the decision. As a matter of philosophy, the Board felt it unfair to have our present residents pay for improvements to be made some 15 years in the future to be enjoyed by a whole new group of residents. Additionally, one of the main benefits of being a Recreation District is our ability to raise money by issuing long-term bonds thus allowing us to maintain lower reserve funds as compared to private clubs.

After 3 full days of study, questions and debate we have produced a proposed 2022-2023 budget that establishes a yearly assessment of \$2,535 which is a 10% increase over the present year, which equates to an increased payment of \$19 per month.

Some of the contributing factors to this increase, in addition to the challenges outlined above, are a 20% increase in employee health insurance, an 18% increase in property & liability insurance, and a mandatory increase in the minimum wage.

While every member of the Board wishes we could have reduced the percentage of the increase in the assessment, given our fiduciary responsibilities, we feel we have done the best we could for our residents and the community.

Attached to this letter is the “Official Notice” of the planned assessment for next year beginning October 1, 2022. This assessment provides the cash flow to run District operations successfully. Assuming the budget is adopted without change, each lot owner will be assessed \$2,535 per year in quarterly installments of \$634.

**GOLF MEMBERSHIPS:** Here again we were faced with some challenges. In addition to inflation (i.e., the cost of fertilizer went from \$50,000 in 2021 to \$160,000 this year), we had the recommendation from the Green Committee that in order to prolong the life and overall playability of the golf course, we reduce the number of yearly rounds played. In order to accomplish this and still satisfy the needs of the membership, a reduction in overall membership was necessary resulting in higher fees. It should also be noted that for those members who maintained their membership during the golf course renovation their fees were frozen for the past three years, and now must catch up to the new rates.

The golf membership rates for 2022-2023 are as follows:

Resident Single \$3,300, with sales tax amount due = **\$3,514.50**

Resident Household \$5,280, with sales tax amount due = **\$5,621.80**

Non-Resident Single \$4,900, with sales tax amount due = **\$5,218.50**

Non-Resident Couple \$6,700, with sales tax amount due = **\$7,127.00**

New Non-Resident memberships will be assessed a one-time Capital Contribution fee of \$1,000

**TENNIS FEE:** The annual assessment for the Tennis Association is \$10,000. This assessment is due in the Administrative Office no later 5:00 PM on Friday, September 30, 2022.

**NEW RESIDENT CAPITAL ASSESSMENT:** The assessment for new property owners closing on property on October 1, 2022, or later will be \$4,000.

The Public Hearing for adopting the Fiscal Year 2022-2023 Annual Budget and Assessment will be on Thursday, September 1, 2022, at 5:00 PM if you have any questions or comments. We welcome you to attend our Board meetings.

Thank you for your support.

Herons Glen Board of Supervisors:

<i>Howard Young</i>	HGRD Board Chair
<i>Peter Owers</i>	HGRD Board Vice-Chair
<i>Jayne Schwarz</i>	HGRD Board Treasurer
<i>Mary Ann Polvinen</i>	HGRD Board Secretary
<i>William Kulkoski</i>	HGRD Board Assistant Treasurer/Secretary

Attachments:

- Notice of Public Hearing
- Proposed Operating Budget

**NOTICE OF PUBLIC HEARING  
TO ADOPT NON-AD VALOREM ASSESSMENT ROLL**

**NOTICE IS HEREBY GIVEN** that the Herons Glen Recreation District (the “District”) has called for a public hearing to be held on **Thursday, September 1, 2022 at 5:00 p.m.** in the Clubhouse of the Herons Glen Golf & Country Club, 2250 Herons Glen Boulevard, North Fort Myers, Lee County, Florida, for the purpose of adopting its Annual Budget and non-ad valorem assessment roll in the form of special assessments to defray the cost of bond debt service and operating and maintaining the District’s Recreational Facilities and to fund capital replacement and deferred maintenance reserve accounts during its upcoming fiscal year, 2022/2023. (These annual assessments are here referred to as the “Special Assessments” and the September 1, 2022, public hearing is here referred to as the “Public Hearing”).

The total amount of the proposed Operation and Maintenance (“O&M”) Special Assessment per lot is **\$2,535.00** for developed lots (lots with homes on them) and **\$2,312.75** for undeveloped (vacant) lots. The debt service (“Bond”) assessment is \$1,424.58 per lot.

For developed lots, the Operation and Maintenance assessments are proposed to be billed directly by the District in quarterly installments of **\$634.00**. For undeveloped lots and lots owned by owners who are two or more quarters delinquent, the O&M amounts stated above are proposed to be collected either directly by the District or by the County Tax Collector, as determined from time to time. The actual final assessment amount for each lot will be determined by the Board of Supervisors at the Public Hearing.

The District proposes to levy these non-ad valorem Special Assessments against the specially benefitted property within the boundaries of the District and within the Herons Glen, Del Vera and Mystic subdivisions, North Fort Myers, Lee County, Florida, for the purposes of acquisition, operation, maintenance, replacement, and management of the District’s Recreation Facilities, all as more fully described in Resolution No. 2022-13.

Pursuant to Resolution No. 2022-13, the District has stated its intent to use methods of collecting the Special Assessments authorized by Chapters 170 and/or 197, Florida Statutes. Failure of a property owner in the District to pay the Special Assessments levied on such owner’s property when due will cause a tax certificate to be issued if the assessment is placed on the tax roll, or a lien to be filed upon such property if the assessment is not placed on the tax roll, either of which may result in loss of title to the property. The total amount of all proposed assessments is \$3,294,719.00.

All affected property owners have the right to appear at the Public Hearing and the right to file written objections with the District within twenty (20) days from the date of this notice. If a person decides to appeal any decisions made by the Board of the District with respect to any matters considered at the Public Hearing, that person will need a record of the proceedings and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based.

Any person requiring special accommodations at any of the meetings because of a disability or physical impairment should contact Herons Glen at 239-731-4501 at least five (5) calendar days prior to the meeting.

HERONS GLEN RECREATION DISTRICT  
Dated: July 11, 2022

**HERONS GLEN RECREATION DISTRICT 2022-2023 PROPOSED OPERATING BUDGET**

<b>DEPARTMENTS</b>	<b>2021-22 BUDGET</b>	<b>2021-22 Y/E PROJ</b>	<b>2022-23 BUDGET</b>	<b>\$ Δ</b>	<b>% Δ</b>
Administration	\$ 802,357	\$ 775,102	\$ 879,312	\$ 76,955	9.6%
Restaurant/Lounge	410,176	499,294	491,766	81,590	19.9%
Clubhouse	790,812	793,474	888,694	97,882	12.4%
Irrigation (CLIS)	229,164	233,929	288,922	59,758	26.1%
Fitness Center	68,526	72,984	70,205	1,679	2.4%
<b>TOTAL:</b>	<b>\$2,301,034</b>	<b>\$2,374,784</b>	<b>\$2,618,899</b>	<b>\$ 317,865</b>	<b>13.8%</b>

**CAPITAL AND DEFERRED MAINTENANCE**

Capital	\$ 364,000		\$ 293,893	\$ (70,107)	-19.3%
Deferred Maintenance	\$ 332,800		\$ 381,928	\$ 49,128	14.8%

<b>TOTAL ANNUAL ASSESSMENT</b>	<b><u>\$2,997,834</u></b>		<b><u>\$3,294,719</u></b>	<b><u>\$ 296,886</u></b>	<b><u>9.9%</u></b>
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**GOLF OPERATIONS**

Pro Shop	\$1,405,913	\$1,111,366	\$1,662,774	\$ 256,861	18.3%
Golf Course Maint	(1,405,914)	(1,408,738)	(1,662,774)	256,859	18.3%

<b>NET GOLF OPERATIONS:</b>	<b>\$ (1)</b>	<b>\$ (297,372)</b>	<b>\$ 0</b>	<b>\$ 2</b>	
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**Golf Membership**

	<b>2021-22</b>		<b>2022-23</b>		
Resident Household	\$ 4,505		\$ 5,280		17.2%
Resident Single	2,703		3,300		22.1%

<b>Tennis Association Fee</b>	<b>\$ 10,000</b>		<b>\$ 10,000</b>		<b>0.0%</b>
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	<b>2021-22 Annual</b>	<b>2022-23 Annual</b>	<b>2022-23 Quarterly</b>	<b>\$ Δ Annual</b>	
<b>O&amp;M Assessment per lot: (rounded)</b>					
O&M	\$ 1,768	\$ 2,015	\$ 504	\$ 247	13.9%
Capital Replacement Reserve*	280	226	\$ 57	\$ (54)	-19.3%
Deferred Maint Reserve**	256	294	\$ 73	\$ 38	14.8%
<b>Total O&amp;M Assessment per lot:</b>	<b>\$ 2,304</b>	<b>\$ 2,535</b>	<b>\$ 634</b>	<b>\$ 230</b>	<b>10.0%</b>

\* Capital Reserve calculated based on a 20-yr average of annual needs according to the Long Range Plan

\*\* Deferred Maintenance Reserve calculated on a 10-yr average of annual needs according to the Long Range Plan

*Debt service (bond payments) are an amount of \$1,424.58 per year, which will appear on your Lee County Property Tax bill.*