

Minutes of Meeting  
Rivers Edge  
Community Development District

The regular meeting of the Board of Supervisors of the Rivers Edge Community Development District was held Wednesday, June 15, 2016 at 11:00 a.m. at the Rivertown Amenity Center, 156 Landing Street, St. Johns, Florida.

Present and constituting a quorum were:

Jason Sessions	Chairman
Kerry Soltis	Supervisor
Jason Beard	Supervisor

Also present were:

Jim Perry	District Manager
Jennifer Kilinski	District Counsel
Ryan Stillwell	District Engineer
David Provost	Mattamy Homes
Dan Fagan	Vesta
Roy Deary	Vesta
Amanda Lee	Vesta
Danny Tyler	Nabors Giblin Nickerson
Robbie Cox	MBS Capital Markets
8 Residents	

The following is a summary of the minutes and actions taken at the June 15, 2016 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Perry called the meeting to order at 11:00 a.m.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the May 18, 2016 Meeting**

On MOTION by Mr. Sessions seconded by Mr. Beard with all in favor the minutes of the May 18, 2016 meeting were approved.

**FOURTH ORDER OF BUSINESS**

**Acceptance of Minutes of the May 18, 2016  
Audit Committee Meeting**

On MOTION by Mr. Beard seconded by Ms. Soltis with all in favor the minutes of the May 18, 2016 audit committee meeting were accepted.

**FIFTH ORDER OF BUSINESS**

**Public Hearing to Consider the Imposition of  
Special Assessments**

On MOTION by Mr. Sessions seconded by Ms. Soltis with all in favor the public hearing was opened.

Ms. Kilinski stated as the board may recall several months ago we started the process of both financing and a boundary amendment and today is the culmination of the master assessment methodology and adoption of the master capital improvement plan. The reason is twofold, one is we are going for a boundary amendment and in order to culminate the boundary amendment we need to remove the master assessment lien that is currently encumbered by all 4,100 acres in the 2008A Bonds to the land that is anticipated to be the revised district boundary. The second reason is we want to be able to issue another series of bonds, Series 2016 Bonds, which we will talk about in more detail later and in order to do that we need to revise our master assessment methodology contemplated in the revised capital improvement plan contemplated for the revised district boundaries. It is important to note that the actions you are taking today will only be related to the master assessment lien and you will see as we go through the resolution we will be adopting maximum assessment levels. We are not actually levying assessments on any property today it is really establishing maximum assessment levels, which will be based on the report that Ryan is going to provide to you, the numbers provided therein as well as Jim's master assessment methodology. Later on we will actually affix the assessments that will be allocated to certain currently undeveloped property in the future by a supplemental assessment resolution but we won't be able to do that until we actually have the terms of the bonds and the amount of the bonds so we can allocate the assessments accordingly. Today we are not encumbering any

new property all the homeowner properties that are currently here will not be impacted by the new master assessment lien this is only to set us up for the future.

Mr. Sessions stated the platted lots that are on the ground today that you, homeowners, occupy are not affected. This is for future development that the developer will be undertaking.

**B. Presentation of the Amended and Restated Master Improvement Plan**

Mr. Stillwell stated in your agenda package you have the amended and restated master improvement plan. We are reducing the boundary of the current CDD by approximately 2,500 acres. Figure 2 is a large master plan map, basically the restated improvement plan is now strictly limited to the core of the overall master plan for Rivertown, for the Rivers Edge CDD so everything you see in a maroon color is part of this restated master improvement plan. A significant amount of the costs of the future development are now outside the boundary of the Rivers Edge CDD. At the back of the report you will see that the costs of the overall improvement plan have been significantly reduced for the Rivers Edge CDD, they have gone from a potential of \$379 million to \$113 million. That is basically what the report does, it gives more detail about what those costs are.

Ms. Kilinski stated there are two questions we need to have answered for the record. Based on your experience are the cost estimates reasonable and proper?

Mr. Stillwell responded yes.

Ms. Kilinski asked is it reasonable to believe that the updated CIP will be capable of being completed by the district?

Mr. Stillwell responded yes.

**A. Presentation of Master Special Assessment Methodology Report**

Mr. Perry stated we handed out an updated master special assessment methodology report dated May 18, 2016. The basis of this report is taking the current district from approximately 4,500 units down to about 1,461 units. Out of that there are 468 lots already platted and in the ground and as stated earlier this does not affect the residents who have platted lots. There is debt from the 2008A Bond issue that has been assigned to your lot, it is a 30-year bond and that will stay in place for the 30 years. None of these actions will have an impact on those 468 platted lots.

In regards to the methodology we have an estimated bond issue for the construction improvement plan and allocate that to the new development program for the amended boundaries of the district. In doing that we receive what is called a maximum benefit, we will never issue bonds to that maximum amount as the developer funds a large portion of the infrastructure. That is the basis of the report and it goes from the product types from 30 foot lots to 90 foot lots and is a restatement of what was done in prior years. Attached to that is an assessment roll that shows the debt that was allocated in regards to the 2008A Bonds and again it doesn't affect any of the current property owners on the platted lots and we have an assessment roll that incorporate the master lien for the unplatted lands.

Ms. Kilinski stated keep in mind the two prongs for ascertaining special assessment benefit and reasonable apportionment. In your professional opinion do the lands being assessed receive special benefits?

Mr. Perry stated they do.

Ms. Kilinski asked in your professional opinion are the master assessments reasonably apportioned to lands in the district?

Mr. Perry stated they are.

Ms. Kilinski asked in your professional opinion is it reasonable, proper and just to assess the cost of the master CIP to lands in the district?

Mr. Perry responded yes.

Ms. Kilinski asked is it your opinion that the special benefits the lands will receive as set forth in the final assessment roll that you just presented will be equal or in excess of the maximum master assessments thereon when allocated?

Mr. Perry responded they are, yes.

Ms. Kilinski asked is it your opinion that it is in the best interests of the district that the master assessments be paid and collected in accordance with the methodology?

Mr. Perry responded it is, yes.

### **C. Public Comment**

Ms. Byrd asked are we going from more homes to less homes?

Mr. Sessions stated this doesn't really concern that item. Today the Rivertown CDD encompasses all 4,170 acres and in order to develop the property moving forward properly and in

keeping with market conditions we are going to issue bonds to bring the CDD down to 1,700 acres and the other lands may or may not be in future CDDs, we anticipate they will be but they may not. This doesn't have anything to do with building more or less homes within Rivertown this has to do with the size of the CDD and the bond assessments associated with lots that will be in the new boundary, which is less than 1,500 units. This has to do with the assessments allocated to the less than 1,500 units minus the 468 lots already platted on the ground today. This doesn't affect the lots sitting behind the gate that are finished today because those lots have been platted and have assessments assigned to that. This is for future lots we are developing and how the assessments are going to be allocated towards those and what those funds will be used for when we do assign debt to those lots.

A resident asked what is the overall purpose for splitting?

Mr. Sessions responded the overall purpose for splitting is probably better management. Today we have 4,170 acres controlled by one CDD that has time limitations on management and time limitations on budgets. If we split it up it is a little bit more easily managed from the developer's standpoint. It is not uncommon for CDDs next to each other in a common DRI to have agreements that allow them to work together for efficiency of scale for management purposes.

Mr. Perry stated Oakleaf has three CDDs.

Mr. Sessions stated within those three CDDs they cost share, management share and do things together to maximize the efficiency of scale. We don't know 15 years from now what we are going to develop on the northwest side of this property, how many lots, the location of the roads, what size entries the market is going to want, what the market conditions are going to be for CDD fees that is unpredictable and today we want to have something we can manage for the short term and plan for the longer term properly.

On MOTION by Mr. Beard seconded by Ms. Soltis with all in favor the public hearing was closed.
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**D. Consideration of Resolution 2016-05**

Ms. Kilinski stated for purposes of the record this resolution essentially will levy the second master assessment lien. Keep in mind we have the first master assessment lien but this

resolution will also at the time the bonds are tendered release in part the 2008A assessments that are currently encumbered on the undeveloped property.

The whereas clauses set forth the board's authority to adopt the resolution. The next section goes into the background of the district's previous financings and the events that led to today, specifically that the district previously validated not to exceed \$533 million in capital improvement revenue bonds, that the district previously adopted a joint CIP with the Main Street CDD; that Main Street issued \$13 million 2008A Bonds and \$19 million in 2008B Bonds. Those districts merged together and this district is now pursuing a boundary amendment to reduce the size to just under 1,700 acres. As a result the district is adopting an amended and restated CIP that will be formally adopted by this resolution and in order to support a boundary amendment, a change of development plan that has been described and other reasons the district is seeking to refund and redeem tendering of certain of its 2008A Bonds, that after redemption of the tendered bonds the only bonds outstanding will be secured by the existing platted lots that we previously described and that will be articulated in the assessment roll. The new master lien will be levied in accordance with the methodology, the legal description attached to the report and will affix maximum assessment levels in accordance with the assessment methodology.

Section 2 A – D provides the statutory authority for the district to take the actions, E – G makes findings related to the master projects and by adopting this resolution you will find it is in the district's best interests to adopt and assess for the master project and provide the funds to complete the project as previously described. H – L are historical findings that the board did previously adopt a resolution authorizing the actions completed today and did notice this public hearing in accordance with Florida Law. Section M we are updating that, the public hearing was advertised for May 18<sup>th</sup>, we continued the public hearing to June 15<sup>th</sup> and this provisions confirms our actions today and that the board is meeting as an equalization board to levy the master lien. Under section N we have the specific board findings today, you are formally adopting the master CIP, you are adopting the master assessment methodology, it confirms that the true-up provisions and mechanisms and confirms the special benefit outlined in both reports. Section 3 authorizes the amended master project, section 4 approves the costs in the amended master project, section 5 equalizes, approves, confirms and levies the master assessments, section 6 releases a portion of the first master assessment lien upon tender of the 2008 Bonds, section 7 finalizes and equalizes the special assessments in accordance with the master CIP, section 8

provides for the payment and prepayment of special assessments and the manner of collection, section 9 provides application of true-up payments, section 10 provides that certain property owned by the HOA and governments are exempt from assessments, section 11 provides for recording of the assessments in the property records.

On MOTION by Mr. Beard seconded by Ms. Soltis with all in favor Resolution 2016-05 was approved.

## **SIXTH ORDER OF BUSINESS**

### **Consideration of Other Financing Documents**

#### **A. Consideration of Engineer's Report Series 2016 Bonds**

Ms. Kilinski stated the reason that you are considering preliminarily the engineer's report for the 2016 Bonds and the special assessment methodology is because these documents will be provided within the preliminary limited offering memorandum, which is the document that is posted to say to everybody who may want to purchase these bonds, here is what we are offering, here are the terms, here is everything about the district and you need to include the engineer's report and the methodology. We are only approving these in substantial form, there will be changes in them between now and the time that we adopt the supplemental assessment resolution that will finalize these documents.

Mr. Stillwell stated in the agenda packet is the 2016 engineer's report with a map outlining the area we are talking about. The main improvements that are being associated with this are the minor collector roadways, which include the extension of Orange Branch Trail to the north as well as Rivertown Main Street, master drainage improvements, which is all the stormwater collection system and ponds associated with those roadways and other master infrastructure including pocket parks, dog parks and the entry feature at the north end of Orange Branch Trail. The map indicates the area where the assessments will be specifically and there is a remaining portion of Rivers Edge CDD once the boundary amendment is completed that is taken out of this area. Also an explanation of the costs associated with these master improvements of \$8 ½ million with an outline and breakdown of those costs and how they are allocated.

On MOTION by Mr. Sessions seconded by Mr. Beard with all in favor the engineer's report for the series 2016 bonds was approved in substantial form.

**B. Consideration of Preliminary Special Assessment Methodology Report for the Series 2016 Capital Improvement Revenue and Refunding Bonds**

Mr. Perry stated next is the special assessment allocation report for the Series 2016 Bonds. This report dovetails with the engineer's construction project for 2016, there are approximately 648 lots that this bond issue will be associated with and the bond issue will be approximately \$10,550,000. The report goes through some background in regards to prior assessments and also goes through the tables with the allocation of this bond issue to the different product types. This has no impact on the lots that are currently platted, this is for future platting of lots to be developed by the developer. The bond issue is anticipated to occur sometime during the end of summer and this is a draft and we ask that the board consider approving it in substantial form.

On MOTION by Mr. Beard seconded by Ms. Soltis with all in favor the preliminary special assessment methodology report for the Series 2016 capital improvement revenue and refunding bonds was approved in substantial form.

**SEVENTH ORDER OF BUSINESS**

**Discussion of Bond Tender Process/Consideration of Invitation to Tender**

Mr. Tyler stated we are going to be approving documents today and first I will go through the tender process. When the assessments were originally undertaken they were on all of the undeveloped land in the district because we had no idea, St. Joe had no idea where they were going to initially develop and how development was going to take place. You have to look at it as this whole pool of water and it is level over the entire development and as lots were platted a sponge went in and absorbed some of the water and it was supposed to eventually have one sponge that absorbed all the water, in other words all the assessments had gone to platted lots. The development plan changed after the recession and the two districts merged into one, a new developer has come in, has different plans, not radically different but in terms of timing and phasing and general market conditions. We still have with regard to the 2008A Bonds some water in the pond and not enough sponges to absorb it. We didn't want to have a situation where

Mattamy might decide to develop property first that is going to be secured by this new bond issue and leave those bondholders out there secured only by undeveloped property while the new bondholders are getting something different. We believe one of the bondholders is willing to tender enough bonds to get rid of all the bonds so that we get down to the level of the only outstanding 2008 Bonds are secured by your platted lots. They are better off than they would have been. Under federal securities law you can't go to one bondholder and say we want to make a deal with you, we have to give all the bondholders an opportunity to participate at the same price and the same terms. We are going to send out to all the existing bondholders a tender offer to purchase their bonds if they are willing to tender them and we will set a price and indicate that price and hopefully, we will be over subscribed but we think we at least will be fully subscribed so that we get rid of those bonds. The reason we are tendering for them and not just paying them off is that they are not optionally redeemable right now. In other words we couldn't just go out and tell them that we are going to buy them up and not only that they are not tied to particular assessment units. The tender off is what we had to do so there is an invitation to tender we are going to accompany that with the preliminary limited offering memorandum with some language in it to make sure the bondholders know because we are offering to purchase securities from them so any fraud provisions and other provisions of the securities law apply we have to give them all the information they need in order to make an informed investment decision whether they want out or in. That is the explanation of the tender and that is the first part of the process.

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| <b>EIGHTH ORDER OF BUSINESS</b>   | <b>Consideration of Resolution<br/>Delegated Award</b> | <b>2016-06</b> |
| <ul style="list-style-type: none"> <li><b>A. Consideration of Bond Purchase Contract</b></li> <li><b>B. Consideration of Form of Invitation to Tender for Purchase</b></li> <li><b>C. Consideration of Third Supplemental Trust Indenture</b></li> <li><b>D. Consideration of form of Preliminary Limited Offering Memorandum</b></li> <li><b>E. Consideration of Form of Continuing Disclosure Agreement</b></li> <li><b>F. Consideration of Form of Collateral Assignment</b></li> <li><b>G. Consideration of Form of True Up Agreement</b></li> <li><b>H. Consideration of Form of Completion Agreement</b></li> <li><b>I. Consideration of Form of Acquisition Agreement</b></li> </ul> |  |                |

Mr. Tyler stated the second aspect is you have a delegated award resolution, which is 2016-06. Previously the board had adopted a master trust indenture and under which the 2008A Bonds were issued by Main Street but now has merged so it is now Rivers Edge. You are ratifying that master trust indenture but it is already out there, it is what the 2008 Bonds are operating under and contains all the boilerplate information that bondholders are accustomed to, general administrative provisions for the trustee and those sorts of things so we don't have to repeat them every time we do a bond issue. What we do every time we do a bond issue is do a supplemental indenture and that is what you have the form of here. The supplemental indenture contains the terms and provisions of the particular bonds that you are doing and it will have the pricing information, redemption information, the forms of bonds and anything that is different in this deal that is not the same as other deals. There are a number of ancillary documents that you are approving that are part of the security package for the bondholders. There is a collateral assignment agreement, which in the recession we may have been able to foreclose on property but the bondholders didn't have the development rights to actually develop the property. We get a collateral assignment of the development rights that in the event of a default the trustee can enforce those development rights together with having the property. There is a true-up agreement that will be signed by Mattamy that will be their obligation to make a true-up payment if the number or make-up of lots is not as originally intended. You are approving the form of acquisition and construction agreement, which is an agreement so the district can acquire completed infrastructure, plans and designs and things like that from the developer and getting certain warranties and representations and completion assurances from the developer. You also have the form of the preliminary offering memorandum and this is a securities law disclosure document. While tax-exempt bonds are not subject to registration like corporate securities they are subject to anti-fraud provisions that means that you have to give the investor all the material information necessary in order for them to make an informed investment decision and that information has to be materially accurate. The document has a general description of the transaction then there will be a description of the bonds and the terms of the bonds, a description of the indenture and security, a description of the project, the engineering report, description of the assessments and the assessment report. There will be a description of the officers and board members of the district, a description of bondholder risk factors, a description of all these ancillary documents that I discussed and the supplemental indenture. There will be a section on

tax matters because we will be giving an opinion that the interest on the bonds will be excludable from gross income for federal income tax purposes. There will be information on the developer and the development that is furnished by the developer and they will certify as to the truth and accuracy of that. That is the limited offering memorandum and that was prepared by your disclosure counsel, Brian Crumbaker. There will be an underwriter's counsel who will review all this to make sure from the underwriter's perspective that it is all done right. There are three other documents, the underwriter's documents that Misty has supplied. There is a bond purchase contract, which you are approving the form of, which will be when the bonds are sold the offer document to the district to purchase the bonds. There is a continuing disclosure agreement, which the SEC requires that governments such as the district has to provide periodic disclosure to a national repository, which is an electronic forum that contains annual updated audited financial statements and certain other information, the bondholders in this market will require Mattamy to provide as an obligated person, quarterly disclosure of lot sales and that sort of thing. That information will be there if somebody wants to sell their bonds, somebody in the secondary market will be able to go to that site and review all the information that is out there that is current as of that time.

This is a delegated award, which means you are delegating to the chairman the authority to execute and deliver the bond purchase agreement with the numbers. On the day the pricing is done we have to be in a position for the district to execute and deliver that bond purchase contract with the numbers put in it and you are authorizing the chairman to do that. There are parameters that are limits that the offer has to come in at par amount of less than \$12 million, less than the maximum statutory rate, which is 300 basis points above the bond buyer index of the month preceding the month in which the bonds are sold, and not to exceed maturity date of May 1, 2048, maximum underwriter's discount of 2% and the redemption will be of the types of redemption that are included in the supplemental indenture, which would include optional redemption, extraordinary mandatory redemption and redemption from amortization installments. You are also authorizing officers of the district to execute and deliver all the documents at closing and that includes the vice chairman in lieu of the chairman and an assistant secretary in lieu of the secretary.

On MOTION by Ms. Soltis seconded by Mr. Beard with all in favor Resolution 2016-06 was approved.

**NINTH ORDER OF BUSINESS**

**Consideration of Resolution 2016-07  
Declaring the Series 2008 Project Complete**

Ms. Kilinski stated this ties into the action you have previously taken because we have adopted a new amended master improvement plan that shrinks the size of the 2008 project based on our new master CIP. This resolution will finalize the Series 2008 assessments and declare the 2008 project complete. We don't anticipate any more construction in the 2008 project and far exceeded what we expected to do. There are some blanks on page 3 and I ask that you approve it in substantial form, we are going to finalize the numbers to make sure requisitions match up with what has been constructed to date by the developer versus what was done with the issuance of the 2008 Bonds. The exhibits to this resolution will be the improvement plan, the 2008 assessment methodology that allocated the 2008 assessments, the master CIP you just approved and adopted by resolution today and that will show the actual costs that were part of the 2008 project. Also an updated certificate of the district engineer that certifies the project is complete except for section 3 on page 12 of that certificate the lighting as part of the amenity facility.

Mr. Sessions stated when we have additional proceeds through bonds that should go on the list of deferred costs if possible.

Ms. Kilinski stated we will need to figure out how to structure that.

Mr. Sessions stated we have a running list of the things that the developer has done since Mattamy has taken over and costs if it is a geography thing that we will be looking for deferred costs on later such as \$1 million in sod and irrigation and those items that were funded through the developer and not through the CDD but they were done through the bid process.

Ms. Kilinski stated that is fine as long as it is part of the master capital improvement plan that we just adopted they are eligible for cost reimbursement. These were run through the 2008 project because the district acquired the amenity facility in the course of not having adopted a master CIP to include them and it was something that was anticipated.

Mr. Sessions stated we are going to spend more than we can get back. I understand that as well.

Mr. Kilinski stated the only thing this waives right now is the St. Joe costs that are part of the 2008 project so the \$100,000 that has already been put in the ground that the CDD actually

built and St. Joe reimbursed us for or contracted themselves and then the amenity lights, the \$50,000. Anything that Mattamy has done to date that has not been invoiced through the district to the best of my knowledge is still eligible for reimbursement.

Mr. Stillwell stated the only other thing on that certificate is item 4, which are items moved outside the district boundaries.

Ms. Kilinski stated it also recognizes that the balance in the acquisition construction account right now is zero.

On MOTION by Ms. Soltis seconded by Mr. Beard with all in favor Resolution 2016-07 was approved.

**TENTH ORDER OF BUSINESS**

**Acceptance of Engagement Letter with McDirmit Davis & Company, LLC for FY 2016 Audit Services**

On MOTION by Mr. Sessions seconded by Mr. Beard with all in favor the engagement letter with McDirmit Davis & Company for fiscal year 2016 audit services was approved.

**ELEVENTH ORDER OF BUSINESS**

**Consideration of Resolution 2016-08 Approving the Proposed Budget for Fiscal Year 2017 and Setting a Public Hearing Date for Adoption**

Mr. Perry outlined the budget approval and adoption process and stated item eleven is consideration of Resolution 2016-08 approving the proposed budget for fiscal year 2017 and setting a public hearing date for adoption. There are changes that we need to make to the document. The budget that is proposed today is similar to the budget last year but there are a few changes and one is related to the timing of HOA contributions. When the district received the amenity last year there was still one quarter of assessments that the district was going to receive from the HOA of about \$113,000 so we did not incorporate that into the budget this year.

Mr. Sessions stated we had an issue in the HOA meeting when we converted all of the HOA items to the CDD the timing of the calendar and fiscal year of those budgets was not the same so we had some overlap. I did a big chart and shared it with everybody as to what the annual expense was going to be with a combined HOA/CDD debt and CDD O&M charge and ideally it as going to be very similar to what your combined cost was previously before Mattamy

bought the project. It has remained very similar and our goal is to have it remain very similar, it may fluctuate by a couple dollars. The two challenges are the timing of the budget years and the second challenge is the HOA contemplated all assessments on an equal unit basis in other words no matter what size home or lot you have it was the same fee, the CDD is on an ERU basis that contemplates different fees for different size lots. The other changes you will see forthcoming in the budget that is not outlined in front of you that you have a copy of, two major changes that Jim and I worked on this morning is the number of units and the assessments shown here you will see on page 15 two-thirds of the way down the page there is a total cost allocated, a developed unit allocation, which is the 468 lots on the ground today and there is now there is Mattamy undeveloped. By doing the boundary amendment we are going to change this to show what we think is going to be the number of units that will be in the revised boundary, the developed unit allocation is 468 lots the allocation to Mattamy is only about another 450 lots that developed unit allocation to Mattamy is going to go up to about 900 lots or closer to 1,000, which will allow us to add additional costs into the budget, which we need that are not included today and keep your assessment levels very similar hopefully the same to what you were paying last year. I can't promise that it will be dollar for dollar it may go up or down but some of the items we need to look at in the budget is as you all know we are building a new entrance near Bartram Trail High School and associated with that entrance is a very long spine road that will come to the community, which will be very heavily landscaped as you have seen with the other improvements we have done to date and along with landscape improvements there comes landscape maintenance. The new entry will have to be maintained and there are new common areas, parks, dog park, community lawns and such all those will need to be maintained by the CDD so there are going to be additional costs. The good news for next year's budget is we probably won't have those items completed until February so it will only be about half the year in costs but at some point that will be a full year expense. As we add units hopefully it will offset the additional costs. Our goal has always been to keep the fees where they are today. We don't have the exact numbers today but we are working through it.

Mr. Perry stated you are approving the budget today but not adopting it. The approval is the start of the budget process and one line item we are going to change today is the landscape maintenance under grounds maintenance and add an additional \$350,000 and it can be adjusted

later. As this budget gets refined that number will go to what is contemplated to be bid or we might have bids.

Mr. Sessions stated David is going to send that to Valley Crest and maybe one other and get some preliminary costs to maintain those areas.

Mr. Perry stated other than that change everything else is pretty tight as far as this budget goes. In regard to the administrative side of it that typically never changes from year to year, those numbers are fixed. In regard to grounds maintenance and so forth you will see the one thing that has increased substantially from last year is the irrigation and water use and we had a provision last year of \$90,000 and it looks like our run rate is going to be about \$120,000. In regard to the amenity center there are a few changes in some of the line items but for the most part that budget has remained relatively flat. After that you have short narratives on a lot of the line items that support each of the budgeted items and finally you have the assessments related to the 2008 A Bonds and toward the back of the budget is the allocation methodology and we are going to be changing this from platted lots and bulk lands to the anticipated boundary amendment of 1,460 lots so there are going to be some changes on that. The overall goal is to keep the assessments to the same level that you have today. If there are increases we have to mail notice and that will be the discussion at the meeting in August and we will also talk about it at our next meeting. We will refine this as we go along from month to month.

On MOTION by Mr. Sessions seconded by Mr. Beard with all in favor Resolution 2016-08 approving the proposed fiscal year 2017 budget and setting a public hearing for August 17, 2016 at 6:00 p.m. at the same location was approved.

#### **TWELFTH ORDER OF BUSINESS**

#### **Other Business**

Ms. Kilinski stated there was a letter requested by the trustee to appoint the trustee for purposes of the tender and we need to get that approved.

On MOTION by Mr. Sessions seconded by Mr. Beard with all in favor the letter appointing the trustee for purposes of the tender offer was approved.

#### **THIRTEENTH ORDER OF BUSINESS**

#### **Staff Reports**

**A. Attorney**

Ms. Kilinski stated we did file a boundary amendment petition with St. Johns County and FLAWAC and we will keep you apprised as we go through the process.

**B. Engineer**

Mr. Stillwell stated I ask the residents again because we continue to have problems please let your neighbors know that the north section of Orange Branch Trail is private property and a construction site and to not ride their bikes up there because we continue to have calls from our contractor about that happening.

**C. Manager**

There being none, the next item followed.

**D. Amenity Manager**

**1. Report**

Mr. Fagan gave an overview of the activities that took place during the month.

A resident advised that a number of non-residents are using the pool on weekends and one resident reported that the pool was dirty, garbage left around and the bathrooms were not clean.

**2. Paint Bids**

**3. Proposals for Pool Aerator**

**E. Field Services**

There being none, the next item followed.

**FOURTEENTH ORDER OF BUSINESS      Financial Reports**

**A. Consideration of Tri-Party Funding Request No. 35**

On MOTION by Mr. Sessions seconded by Mr. Beard with all in favor tri-party funding request no. 35 was approved.

**B. Approval of Check Register**

On MOTION by Mr. Sessions seconded by Mr. Beard with all in favor the check register was approved.

**FIFTEENTH ORDER OF BUSINESS      Supervisors' Requests and Audience Comments**

Ms. Long stated the people in the new section don't have keys to the mailboxes yet. I don't know who is in charge of the mailboxes or why they can't get keys.

Mr. Sessions stated we have a Mattamy representative working through that, it is a U.S. Postal Service issue.

Ms. Long stated you said the budget may affect our CDD fees and they may go up.

Mr. Perry stated correct.

Mr. Sessions stated there are two components to the CDD fee, the debt service on the lot you own is fixed and the operation and maintenance component is not a fixed number and there are going to be things that may drive that budget up. FP&L may raise their rates, trash pickup and insurance things that we can't control; general costs are going to go up for certain. What you have is a starting point and what we approved today in general form, we are going to make the unit assessment larger but we are also going to increase the budget. The goal is to keep it similar to what it is. We build a budget for what the true costs are for the reason you bought here and when we turn over the CDD I like to say we are passing along a budget that allows you to maintain the facility in the condition in which you bought and have come to expect.

**SIXTEENTH ORDER OF BUSINESS      Next Scheduled Meeting – Wednesday, July 20, 2016 @ 11:00 a.m. at the Rivertown Amenity Center**

Mr. Perry stated the next meeting is scheduled for Wednesday, July 20<sup>th</sup> at 11:00 a.m. at this location.

On MOTION by Mr. Beard seconded by Mr. Sessions with all in favor the meeting adjourned at 12:22 p.m.



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Secretary/Assistant Secretary



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Chairman/Vice Chairman