

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, September 14, 2022 at 6:00 p.m. at the RiverTown Amenity Center, 156 Landing Street, St. Johns, Florida.

Present and constituting a quorum were:

Mac McIntyre	Chairman
Erick Saks	Vice Chairman
Frederick Baron	Supervisor
Robert Cameron	Supervisor
Scott Maynard	Supervisor

Also present were:

Marilee Giles	District Manager
Jim Oliver	GMS
Darrin Mossing	GMS
Jennifer Kilinski	District Counsel
Ryan Stillwell	District Engineer
Dan Fagen	Vesta/Amenity Services
Eric Olsen	Vesta/Amenity Services
Jason Davidson	Vesta/Amenity Services
Clint Waugh	Vesta/Amenity Services
Jonathan Perry	Vesta/Amenity Services
Kevin McKendree	Vesta/Amenity Services
Trey Sterling	VerdeGo
Bruno Perez	VerdeGo
35 Residents	

The following is a summary of the discussions and actions taken at the September 14, 2022 meeting.

**FIRST ORDER OF BUSINESS**

**Roll Call**

Ms. Giles called the meeting to order at 6:00 p.m. and called the roll.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

September 14, 2022

Rivers Edge CDD

Mr. Krugliak stated I see on the agenda budget comments are comments and not questions. I and the community at large have questions, certain clarification items and I want to make sure before we get to that item that is okay to answer and have some back and forth regarding that.

Ms. Giles stated that is up to the supervisors.

Mr. Krugliak stated for our knowledge, the budget has been adopted. Does our comments carry any weight going forward?

Ms. Giles stated the budget was approved in June; this is the public hearing to adopt the budget. It has not been finalized.

Mr. Callahan stated I know GMS drafted this budget. I just went through the same process at Aberdeen. The board and residents met at the clubhouse in Aberdeen and we knocked 20% off the proposed increase. I urge the board to listen to the residents and shake some of this excess off.

Ms. Long stated there were two times posted for this meeting, one at 6 and one at 6:30. I'm concerned that people will be coming until 6:30.

Mr. Saks stated the Facebook post that there are a lot of comments on was not the correct document; it is an old document I'm not sure where it came from. I didn't post it, but it was dated as of May.

Ms. James asked are you saying the budget we all saw is not the budget?

Ms. Giles stated this CDD has a website, riversedgecdd.com and it is the first item that shows up if you google. I encourage you to let that be your only source of information. District counsel and I will encourage the board to never go to Facebook and participate in social media. The source documents for the CDD are on the Rivers Edge CDD website.

Ms. Cassidy stated I was the one who commented we only have May's data and it appears the actuals have changed because it is updated August 31<sup>st</sup>. The proposed budget for fiscal year 2023 has gone from \$3,644,000 to \$3,637,000.

**THIRD ORDER OF BUSINESS**

**Approval of the Consent Agenda**

**A. Minutes of the August 17, 2022 Meeting**

On MOTION by Mr. Baron seconded by Mr. McIntyre with all in favor the minutes of the August 17, 2022 meeting were approved as presented.

September 14, 2022

Rivers Edge CDD

- B. Balance Sheet & Income Statement**
- C. Assessment Receipt Schedule**
- D. Approval of Check Register**

On MOTION by Mr. Maynard seconded by Mr. Saks with all in favor the check register was approved.

Mr. Saks stated Judy is correct I did say the meeting was at 6:30 p.m. Can we take care of staff reports then come back to the budget?

Ms. Giles stated yes.

The next items taken out of order:

**FIFTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel**

Mr. Baron stated in 2020 and 2021 it appears that we have not received in cost share \$130,000 that we should have. I'm only speculating that it is tied to the amenity center that did not open in time for Watersong and that cost share was planned for January opening that they were using here.

Ms. Kilinski stated we don't share Watersong at all. There was a time in the interlocal relationship where there was a cost share for amenities. It may be that each district paid for their own amenities.

Mr. Baron asked is there paperwork I can look at? Because of the soft opening we allowed residents over here.

Ms. Kilinski stated I don't think there was, but I will work with Marilee on the timing.

**B. District Engineer**

Mr. Stillwell stated at the last meeting Supervisor Saks brought up speed limit signs throughout the community. We have reached out to the county and I'm waiting for feedback and I will continue to follow-up.

On our ponds we get aquatics reports every month. One of my concerns the water in north lake seemed higher than it had been previously. We finally got the manhole opened yesterday and algae was caught in the fish barriers and Jason is working with his staff to clean that out. We are

September 14, 2022

Rivers Edge CDD

going to work on that for the entire district to make sure we go through every outfall. This one was in a manhole so you can't visually check it.

**C. District Manager – Consideration of Designating a Regular Meeting Schedule for Fiscal Year 2023**

Ms. Giles stated I have the FY23 meeting schedule we discussed at the last meeting and we discussed moving the December 21<sup>st</sup> meeting to December 14<sup>th</sup>, which is out of cycle and is the second Wednesday and Supervisor Saks had asked for an additional night meeting and we propose January 18<sup>th</sup> along with your May 17<sup>th</sup> and August 16<sup>th</sup> meetings. May would be your budget approval and August 16<sup>th</sup> would be budget adoption.

On MOTION by Mr. Saks seconded by Mr. Cameron with all in favor the fiscal year 2023 meeting notice was approved as outlined above.

**E. General Manager – Report**

**1. Report**

Mr. Davidson gave an overview of the amenity manager's report, copy of which was included in the agenda package.

**2. Landscape Update – VerdeGo Performance Report**

A copy of the VerdeGo performance report was included in the agenda package.

**3. Pond Service Report**

A copy of the pond service report was included in the agenda.

**E. Landscape - Report**

A copy of the August landscape maintenance report was included in the agenda.

**FOURTH ORDER OF BUSINESS**

**Public Hearing for the Purpose of Adopting a Budget and Imposing Operations and Maintenance Assessments for Fiscal Year 2023**

September 14, 2022

Rivers Edge CDD

Ms. Kilinski stated just for the record it was advertised in the paper, there was direct mailed and it is on the district's website.

Ms. Giles stated before we open the public hearings, I would like to let you know that there are two public hearings, we are going to open them at the same time to adopt the budget and discuss imposing special assessments and certifying the assessment roll.

As a reminder the board approved the proposed budget at the June meeting, there is an increase of 16% in assessments for the residents of Rivers Edge. This budget does support the capital reserve input in accordance with the capital reserve study. I do recommend to the board that we have another capital reserve study done since this one is dated 2016.

Ms. Kilinski stated for purposes of the record this has been duly advertised and noticed both published and mailed. We have talked at four or five meetings about why the assessment increase is occurring. You can have board discussion before you take audience comments. There has been a lot of dialog around why the increase is occurring and it may be an opportunity before you get those questions to give your positions on the budget.

Mr. Saks stated I think it is worth going over the cost share and how it works and how it shows up in the budget.

Ms. Giles stated I think this is on the website and if not, I think we can get it posted overnight. This is the capital reserve study, provided by an independent company and this one was done by Community Advisors. This capital reserve study is a lot like your house. You expect in 20 years to have to replace your roof, so you start setting aside some money in your savings account for these major expenses. The capital reserve study has everything the district owns from asphalt, seal cost, brick pavers, ceiling fans, window shutters, roof, marciting the pool; every asset the district owns. There is a table that shows every year how much money you should set aside for that capital reserve to replace or repair the assets. The ending reserves should equal that amount and that amount goes up and down based on this reserve study and it gives you the year that the independent contractor thinks this item should be replaced. This district is 15 years old and in 2023 there are a couple items that he recommends you repair or replace. That is a general overview of the capital reserve study and how it ties back into the budget.

Mr. Baron stated by September 2023 we should set aside \$724,988. Our budget reflects how much in capital reserve?

Ms. Giles stated \$541,000.

September 14, 2022

Rivers Edge CDD

Mr. Baron stated we are \$200,000 short on the capital reserve being set aside. Even though the budget increased by 16% you are still not allocating enough funds for the future projects that are in that report. As an example, we own seven roads, and we have to do the repaving of those roads. We were unsuccessful in turning these over to St. Johns County.

Mr. Maynard stated this study doesn't include new infrastructure such as pickleball courts that we may want to add and we will have to have additional resources to pay for those and we have had requests to add tennis courts and pickleball courts.

Ms. Giles stated correct, this is just the assets you have currently and is another reason I suggest we get proposals to have another capital reserve study done. If a certain item doesn't break this year and we don't have to replace it, the money stays in the fund for that future expense.

Mr. Saks stated it appears that we spend all the money in the last four months compared to the first eight months and that has to do with the allocation of the cost share agreement.

Ms. Kilinski stated it is collected on a quarterly basis, there is a quarterly true-up based on actuals.

Mr. Mossing stated certain of those finances they were looking at; the cost share was not reflected on the quarterly basis. 50% was paid at the end of April and the next payment was made in August and then the final payment. That will now go to a quarterly basis as we discussed.

On MOTION by Mr. McIntyre seconded by Mr. Cameron with all in favor the public hearing was opened.

Ms. Kilinski stated there are two public hearings: one on the budget and one on the assessments securing the budget. Usually it is repetitive, it is the same thing as the assessments equal the budget. If you have questions on the budget or assessments, it is two public hearings, but we will take those comments at the same time.

A resident asked for an explanation of the three CDDs and the split and River Club Café showed revenues in 2019 but we don't see any of that. How does that operate and why was it removed as a line item?

Mr. Saks stated that is the foundation of the organization and is the problem when people only come to one meeting a year so you don't get the context of what we are doing.

Ms. Kilinski stated originally RiverTown was made up of two CDDs, Rivers Edge and Mainstreet and Mainstreet was a small commercial parcel. St. Joe owned all the property in

September 14, 2022

Rivers Edge CDD

Rivertown at the time. About the time that St. Joe sold to Mattamy Mainstreet and Rivers Edge merged into one district and it was just the Rivers Edge CDD. A CDD is a unit of local government, it is not a quasi-government, it is a unit of local government, which is why you are here tonight, everything is in the public there is no lack of transparency, any record is public record, everything is on the website, we are audited by an independent financial auditor, we have to report to the state and the federal government, all those obligatory requirements that a city or county would. When CDD 1 was formed Mattamy took over, it wasn't a great time for building homes, we are talking about 2009 and 2010 so not quite on the other side of the recession. They decided they wanted to split this community into three districts, part of that was because of the way they planned development, part was because they weren't sure what they were going to do with the property at the time they purchased it and the county blessed having three districts. There is a ton of shared infrastructure between the three districts because it was originally planned as a development of regional impact as one interrelated community. Think about S.R. 13, Orange Branch Trail, Longleaf Parkway, all the clubs, community assets, facilities, amenities, parks. It is one interrelated stormwater system; it is not a separate stormwater system. There are a lot of community assets that are necessarily shared costs. The idea was that there would be an interlocal agreement with the three units of government that would share the cost of maintaining the infrastructure such that no part of the community would be unduly burdened by maintaining the assets. GMS has done a takeoff schedule of what it would look like if we didn't have the interlocal agreement. If Rivers Edge I just paid for the assets within the district boundaries, the assessments would be two to three times higher than you have. It is a benefit to all the property within RiverTown to be able to share those amenities and leverage the districts and all the planned units. In terms of how the interlocal agreement works, it really goes into one pot. If you come to meetings regularly you will see this board has to consider cost share allocations for stuff we knew was coming on line such as new landscape is coming on line, and anything considered an enhancement has to get approved by all three boards. The three boards get together pretty frequently to discuss the way they want to operate RiverTown as a whole. There are a number of planned units still coming, that will not largely change the outcome of assessments because they are already figured into your assessments. The boards met earlier, Mattamy is currently deficit funding about \$3 million of shared infrastructure now on their own and when those units get absorbed they just won't be paying that cost, a new homeowner will be. The assessments would generally stay about

September 14, 2022

Rivers Edge CDD

the same. We represent a little over 200 special districts in the State of Florida, I have had one of those 200+ not have a budget go up this year. I know that doesn't make anybody feel better but the cost of doing business and especially capital reserves have gone up. Most of these districts came up in 2004, 2006, 2007 they all had capital reserve studies, nobody wanted to budget for capital reserves in a big amount when everybody was struggling so we are seeing a lot of assessment increases. That is the history of RiverTown and how these districts came to pass and how the interlocal from a high-level works. The café someone mentioned is 100% deficit funded by Mattamy, this district doesn't pay any costs associated with the café, it is 100% funded by Mattamy.

Mr. Cameron stated if we were split you would not have access to the café, the River Club or the new amenities.

The following comments/questions were made by more than one resident: Possible merging of the three districts, meeting schedules for all three districts, is there a clear specification on every contract and every purchase, increase in landscape contract, cost share for pond maintenance and landscape maintenance, amount of increase in salaries, staffing issues, definition of hospitality staffing, pool maintenance, special event budget, request for more special events, increasing cost of repairs, capital reserve, water bubbling up through pavement is county issue, lifeguards, feedback from surveys, will the increase of residents increase the amount of revenue, are the current residents paying for the private areas, grounds maintenance, irrigation costs, unhappy with landscape maintenance in North Lake, irrigation running during rain events, new landscaper starting in October, against paying for security, budget adjustments, increase is excessive, need of a microphone for resident comments, trespassing on construction sites.

On MOTION by Mr. McIntyre seconded by Mr. Cameron with all in favor the public hearing was closed.

**A. Consideration of Resolution 2022-13 Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year 2023**

Ms. Giles asked is there any guidance from the board based on input from the residents?

Mr. Saks asked I'm curious about the events.

Mr. Davidson stated each year that we had events of the caliber that Ms. James is referencing, we have never gone above that \$60,000.



September 14, 2022

Rivers Edge CDD

On MOTION by Mr. Maynard seconded by Mr. Cameron with all in favor Resolution 2022-13 was approved.

**B. Consideration of Resolution 2022-14 Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2023**

Ms. Kilinski stated next is consideration of Resolution 2022-14 that imposes the lien that will secure the budget that you just approved. This is the actual assessment resolution. There are certain findings in this resolution regarding the processes the district has undertaken to get to this point. This assessment resolution also discusses the way your debt assessment, which is the assessment that is levied in conjunction with the bonds is also collected. Section 1 talks about the benefit and allocation of findings, section 2 is the actual assessment imposition, section 3 is the assessment roll and as you all know the reason, we are under the gun tonight is because the deadline for certifying the assessment roll to St. Johns County for collection is tomorrow. If we don't make that deadline by tomorrow then the tax collector will not be able to collect your assessments, which means they will be directly collected and that is going to be a huge increase of costs to the district. The tax roll assessments are set forth in Exhibits A and B for all platted property. We have direct collect assessments for certain unplatted property. We have certification of the assessment roll, it will allow assessment roll amendments, to the extent the property appraiser updates the assessment roll, which is highly unlikely since it has to be certified tomorrow and severability.

On MOTION by Mr. McIntyre seconded by Mr. Cameron with all in favor Resolution 2022-14 was approved.

**SIXTH ORDER OF BUSINESS**

**Supervisors' Requests and Audience Comments**

Other comments from residents: Timing of the public hearing to adopt the budget, dissatisfaction with irrigation number, actual increase in assessments, collection of assessments on the tax bill, budget is under discussion from May through adoption, election of board members, reason for increases last year and this year is due to landscaping, need of new reserve study and amount to be put in reserves, timing and time of meetings,

September 14, 2022

Rivers Edge CDD

**SEVENTH ORDER OF BUSINESS**

**Next Scheduled Meeting – Wednesday,  
October 19, 2022 @ 11:00 a.m. at the  
RiverTown Amenity Center**

Ms. Giles stated the next meeting will be held October 19, 2022 at 11:00 a.m. in the same location.

On MOTION by Mr. McIntyre seconded by Mr. Saks with all in favor the meeting adjourned at 7:58 p.m.

DocuSigned by:

*Marilee Giles*

3B3269E1043B434

Secretary/Assistant Secretary

DocuSigned by:



31D997FE6B5E4D1

Chairman/Vice Chairman