

MINUTES OF MEETING
BANNON LAKES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Bannan Lakes Community Development District was held on Wednesday, August 21, 2019 at 1:10 p.m. at the Offices of GMS, 475 West Town Place, Suite 114, St. Augustine, FL 32092.

Present and constituting a quorum were:

John Dodson	Vice Chairman
Linda Scandura	Supervisor
Chris Hill	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel
Brian Stephens	Operations Manager
Robin Nixon	Amenity Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 1:10 p.m.

SECOND ORDER OF BUSINESS

Public Comment

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Affidavit of Publication

Mr. Oliver stated included in your agenda package is an affidavit of publication of required notices for today's meeting and public hearing.

FOURTH ORDER OF BUSINESS

**Acceptance of Audit Committee
Recommendations**

Mr. Oliver stated the audit committee met earlier today and ranked the proposals that we received from Grau & Associates and Berger, Toombs. The audit committee ranked Grau & Associates as the top ranked firm.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor the Ranking of Grau & Associates as the #1 Ranked Firm & Direct Staff to Get Letter of Engagement for the Fiscal Year 2019 Audit was accepted.

FIFTH ORDER OF BUSINESS

Approval of Minutes of the June 5, 2019 Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes of the June 5, 2019 meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor the Minutes of the June 5, 2019 Meeting were approved.

SIXTH ORDER OF BUSINESS

Acceptance of Audit Committee Minutes of the June 5, 2019 Meeting

Mr. Oliver stated included in your agenda package is a copy of the audit committee minutes of the June 5, 2019 meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor the Minutes of the Audit Committee Minutes of the June 5, 2019 Meeting were accepted.

SEVENTH ORDER OF BUSINESS

Public Hearing to Adopt the Budget for Fiscal Year 2020

A. Consideration of Resolution 2019-05, Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2020

Mr. Oliver stated there is not much change in this year’s budget. You will see that the assessment levels for current homeowners and platted lots remained the same as the previous year. Per lots assessments are still \$830 annually on a net basis. There is a slight increase in assessments for the undeveloped land. The administrative budget reduces expenditures from \$112,000 tot \$101,000. The amenity center expenditures are projected to increase ifrom \$161,000 tot \$210,000. We discussed this at our June meeting and the biggest change is the facility management contract. The District budgeted for \$30,900 for Fiscal Year 2019 for part-time coverage. With the steady growth of the community, we have proposed that you staff a fulltime person at the amenity center to better serve our residents and potential homebuyers. We expect landscape maintenance costs to increase during the next fiscal year as Landcare takes on additional commons areas.

Mr. Dodson asked there is a drop in reclaim water line item?

Mr. Oliver responded yes. Based on actual usage this year, we propose we cut that amount by about 25%.

Mr. Oliver responded the \$141,000 includes a first addendum to the Landcare contract. We realize that will probably go up with a second addendum, but you have \$20,000 in landscape contingency.

Ms. Buchanan stated there is deficit funding here and the assessments don't cover the total amount of the budget, so you can't raise the assessment cap. The difference will be funded by the Developer.

On MOTION by Mr. Dodson seconded by Ms. Scandura with all in favor the Public Hearing to Adopt the Budget for Fiscal Year 2020 was opened.

A resident stated our lake in the back of Orchard Cove has never been maintained. We would like to know why our lake is not being taken care of in the back? Also, when they cut the back of the lake, they cut the back end where there are no homes. They didn't cut the side where our homes are. KBB has two bubblers in their pond and we don't have anything back there to keep the water moving. If we are all paying the same CDD fees, then why are we not all being treated the same?

Mr. Oliver asked are these ponds owned by the District?

Mr. Stephens responded the lake he is referring to is the one that Art requested the pricing to mow the back side because we weren't sure at that point if it was HOA or CDD.

Mr. Oliver asked is this lake to be conveyed to the District, or owned and maintained by the HOA?

Mr. Stephens responded not that I am aware of.

A resident stated there is also a wash out going on at that lake.

A resident stated we have a few streetlights that are leaning. Who do we bring that intention to?

Mr. Dodson asked are they on your street?

A resident stated yes.

Mr. Dodson stated that would be Lennar. Once you come in Orchard Cove then those are all Lennar.

A resident asked so you budget for all of the lakes, right? Is the lake that is not being maintained right now going to increase the budget then?

Mr. Oliver responded the District is responsible for maintained all lakes it owns. If this lake is to be conveyed to the District, we will make sure it is maintained and we will adjust the budget accordingly. It won't change your assessment.

A resident asked when you first develop the community before homes come in and you put the ponds in, do you put in aerator systems for each pond?

Mr. Oliver responded most of the District ponds in CDDs I manage don't have aerators or fountains. Often times, fountains are put in by homebuilders for community appearance. We will take a look at that pond. Is Bridge Bay Pond owned by the District?

Mr. Stephens responded yes.

Mr. Oliver stated the smaller the pond, the greater likelihood it can become stagnant.

A resident asked when you come into our entrance are you responsible for the trees that are dying? The entrance is really not appealing to the community.

Mr. Dodson asked right behind the signs?

A resident responded yes.

Mr. Dodson stated there is a dead tree there and that is something we need to go over with Landcare to remove it.

A resident stated there are a couple other dead trees down the roadway when you come in.

A resident stated the gym is overcrowded already. The pool is also small. We have a basketball court that has been unusable for over a month.

A resident stated it seems that the birds are sitting on the hoops.

Mr. Stephens stated we did spikes over top of the basketball pole and down the frame.

A resident stated thank you for lowering the swings. How do we give our opinions on other things we want done? I know they added the benches in the dog park.

A resident asked have you thought about putting in an AED near the fitness center or the pool?

Mr. Oliver responded we have had discussions about it, and we will do that.

A resident asked could it be possible to add a room for the children to be in there safely, so we can go work out?

Mr. Oliver responded the District would need additional funding for new construction or renovation of existing facilities. Robin did share that idea of additional indoor space with me.

A resident asked can we benches for the children? Can we get some benches for the children at the bus stops?

Mr. Hill responded sometimes the schools change the bus stops and you can't control that.

A resident asked are you guys responsible for potholes?

Mr. Oliver responded road repairs are the responsibility of St. Johns County, as they own the roads.. Staff will report potholes to the county, but residents are encourage to contact the county, also.

On MOTION by Mr. Hill seconded by Mr. Dodson with all in favor the Public Hearing to Adopt the Budget for Fiscal Year 2020 was closed.

Ms. Buchanan stated Resolution 2019-05 is the appropriation resolution. It adopts the proposed budget, which would be attached to the resolution and then Jim will insert the total fund balance. It does authorize certain small scale amendments and it is effective upon your approval.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor Resolution 2019-05 Relating to Annual Appropriations and Certifying an Assessment Roll was approved.

B. Consideration of Resolution 2019-06, Imposing Special Assessments and Certifying an Assessment Roll

Ms. Buchanan stated Resolution 2019-06 certifies the debt service assessments for collection and it also levies the annual operation and maintenance assessment. You are going to collect those two different ways; the first would be through the tax roll for platted property and then direct bill for un-platted property.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor Resolution 2019-06 Imposing Special Assessments and Certifying an Assessment Roll was approved.

C. Consideration of Developer Funding Agreement for Fiscal Year 2019-2020

Ms. Buchanan stated included in your agenda package is a Developer Funding Agreement. This is the form between the Developer and the District to cover the difference between what assessments cover in the budget and the actual total budget amount.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor the Developer Funding Agreement for Fiscal Year 2019-2020 was approved.

Mr. Oliver stated as we went through the budget, we talked about moving the amenity manager from a part-time position to a full-time position. I wanted the board to consider obtaining a proposal from the amenity management company and authorize the Chair or Vice Chair to approve that proposal.

Mr. Dodson stated she has been doing a great job.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor the Proposal for Full-Time Amenity Manager for Fiscal Year 2020 was approved, subject to review and approval of the proposal by Chairman.

EIGHTH ORDER OF BUSINESS

Acceptance of Fiscal Year 2018 Financial Audit

Mr. Oliver stated included in your agenda package is the Fiscal Year 2018 Financial Audit. In the auditor’s opinion letter, they write, “In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities in each major fund of the Bannon Lakes CDD as of September 30, 2018.” These are in conformity of the accounting principles generally accepted in the United States of America. Over the next several pages you will see management discussion and analysis and those are followed by the year end financial statements. The next report you will see is the report on internal controls. In the bottom paragraph, the auditor writes, “During our audit, we did not identify any deficiencies in internal control that we consider to be material

weaknesses.” The management letter talks about financial emergency conditions as outline in Section 218,503(1) of Florida Statutes. You will see that Bannon Lakes CDD did not meet any of the conditions described in that chapter. This is a clean audit and it has already been filed with the Auditor General.

On MOTION by Mr. Hill seconded by Ms. Scandura with all in favor the Fiscal Year 2018 Financial Audit was accepted.

NINTH ORDER OF BUSINESS

Consideration of Second Amendment for Renewal of Lake Maintenance / Water Management Services with Lake Doctors, Inc.

Mr. Oliver stated Lake Doctors is the lake maintainer at the District. This will be the second amendment to their basic agreement. There is no increase for this year.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor the Second Amendment for Renewal of Lake Maintenance / Water Management Services with Lake Doctors, Inc. was approved.

TENTH ORDER OF BUSINESS

Consideration of Update to Amenity Policies & Procedures

This item was tabled.

ELEVENTH ORDER OF BUSINESS

Consideration of Proposals for Fence Installation for Playground Area

Mr. Oliver stated at the last meeting we talked about fence installation for the playground area. Brian Stephens has brought the board some proposals for installation of that fence.

Mr. Stephens stated I reached out to four different vendors. Three of the four vendors said they could not get silver plate. I reached out to the fourth vendor, which was the same vendor that did the pool fence. They gave us an exact match to the pool fence. They gave us two different height options, which were 48 inches and 60 inches. Both include two gates on either side of the playground. They will also be core drilling the sidewalk, so that the shade structure and the bench will be inside of the fence structure. One proposal was for \$9,839.76 for the 48 inch fence and for the 60 inch it is \$10,034.99.

Mr. Dodson stated so 60 inch fence would match the pool but a 48 inch fence is standard for a playground.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor the Proposal for the 60 Inch Fence for the Playground Area was approved.

TWELFTH ORDER OF BUSINESS Consideration of Proposals for Pest Control Services

Mr. Oliver stated included in your agenda package is a proposal for pest control services at the amenity center. This is in the amount of \$150 a month. I executed this proposal to get the service started without delay.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor the Proposal for Pest Control Services was ratified.

THIRTEENTH ORDER OF BUSINESS Other Business

Mr. Oliver stated earlier today, we discussed the coordination of a Landcare proposal for additional areas. The other areas are for IGP, the other side of Duran Drive and the back rear bank of the new pond in the back. We still have some questions about their pricing.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor the Landcare Proposal to Include Additional Areas was approved in substantial form, subject to agreement on pricing and coverage area

FOURTEENTH ORDER OF BUSINESS Staff Reports

A. District Counsel

There being none, the next item followed.

B. District Engineer

There being none, the next item followed.

C. District Manager – Presentation of Annual Meeting Schedule for FY2020

Mr. Oliver stated I would like to defer the annual meeting schedule for Fiscal Year 2020 to the next meeting. I do want to take a look at other options for meeting space. One of the places I want to look at is the St. Augustine Airport.

Ms. Buchanan stated the airport’s meeting space is free.

D. Field Services – Operations Memorandum

Mr. Stephens stated we have purchased and installed a new television under the veranda. We have also installed three of the benches inside of the dog park. The exteriors of the fitness center and the clubhouse have been pressure washed. An infant swing was added to the swing set and the other swing was lowered. Freedom Pest Control has completed the annual termite inspection, as well as started the regular pest control service. Landcare has removed multiple dead trees at the clubhouse. The one behind the sign at the entry is on their list. It was supposed to have been done yesterday but I have not been by there to verify it yet.

Mr. Dodson stated it sounds like there are two other ones on the boulevard that have died.

Mr. Stephens stated they are weak looking, but they are not totally dead yet. I talked to the landscapers here about doing a deep root fertilization on all of them.

E. Amenity Report – Manager’s Report

Ms. Nixon stated everything has been going smooth, so far. We have been having Food Truck Thursday’s. We have done a movie night. We also did a princess meet and greet with the Elsa and Anna sisters. We had an ice cream truck come out for National Ice Cream Day. We had a trunk sale. Next time, we will probably do that one in the evening because of the heat. We had a lot of kids participate in that, as well. I have gotten with the Jacksonville Jaguars to do the Chiefs game tickets for a new offer. If you purchase tickets, they are also including free tickets to the preseason Falcons game. The residents are requesting a sunshade over a portion of the pool area, another trash can and a Stairmaster. We are also getting Yoga classes going. Residents are also asking for a squat rack. We got prices from Stephen Wilkinson for a Smith Machine.

Mr. Dodson asked are there some machines that are not being used?

Ms. Nixon responded there are. I can send you a report on the usage of them.

Mr. Dodson stated we should get a proposal from Life Fitness.

FIFTEENTH ORDER OF BUSINESS

Supervisor’s Request and Audience Comments

Mr. Hill stated with the new sod that was just installed it looks like some drainage was blocked.

Mr. Stephens stated I will take a look at it.

A resident asked how much did the benches cost?

Mr. Stephens responded they were about \$400 a piece with shipping and installation.

A resident asked how do we get the construction people to stop feeding the alligators?

Mr. Dodson responded we need to put a notice out to the builders.

A resident stated my kids were the ones that had the Spanish music playing at the pool.

Mr. Oliver stated we have to do what is best for the community and we will take a look at the policies.

A resident stated there is a daycare center right across the street, so maybe that will help out with the fitness center.

SIXTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet as of July 31, 2019 and Statement of Revenues & Expenditures

Mr. Oliver stated included in your agenda package is the balance sheet and income statement as of July 31, 2019.

B. Assessment Receipt Schedule

Mr. Oliver stated included in your agenda package is a copy of the assessment receipt schedule.

C. Approval of Check Register

Mr. Oliver stated included in your agenda package is the check register.

On MOTION by Mr. Dodson seconded by Ms. Scandura with all in favor the Check Register was approved.

D. Consideration of Construction Funding Request No. 20

Mr. Oliver stated included in your agenda package is Construction Funding Request No. 20.

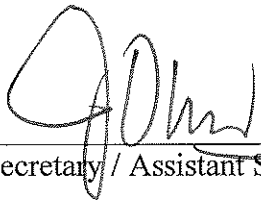
On MOTION by Mr. Hill seconded by Mr. Dodson with all in favor Construction Funding Request No. 20 was approved.

SEVENTEENTH ORDER OF BUSINESS Next Scheduled Meeting – September 18, 2019 at 1:00 p.m. at the Offices of GMS

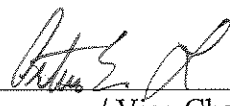
Mr. Oliver stated the next meeting is September 18th but we will only hold it if we feel it is necessary.

EIGHTEENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Hill seconded by Mr. Scandura with all in favor the Meeting was adjourned.



Secretary / Assistant Secretary



Chairperson / Vice Chairperson