

**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, **July 29, 2020** at 1:00 p.m. via Zoom conferencing.

Present and constituting a quorum were:

Art Lancaster	Chairman
John Dodson	Vice Chairman
Linda Scandurra	Supervisor
Chris Hill	Supervisor

Also present were:

Jim Oliver	District Manager
Wes Haber	District Counsel
Brian Stephens	Operations Manager
Bre Meeks	Amenity Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 1:00 p.m. Four members of the Board were present via Zoom constituting a quorum.

SECOND ORDER OF BUSINESS

Administrative Item – Reappointment of Supervisor Chris Hill

Mr. Oliver explained that immediately following the May 6th meeting, Supervisor Chris Hill submitted his resignation based on a misunderstanding that he was required to relinquish his board seat due to an employment change. Mr. Hill was notified that board seat eligibility is not linked to his employment. He made the decision to withdraw his resignation. Mr. Oliver then asked for the Board to reappoint Chris Hill to Seat 5, also pointing out that his seat would be open for election this November at the Landowner's election.

On MOTION by Mr. Lancaster seconded by Mr. Dodson, with all in favor the Reappointment of Chris Hill to Seat 5 of the Board, was approved.
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THIRD ORDER OF BUSINESS

Public Comment

Mr. Oliver asked that the public keep their comments for this portion of the meeting focused on items on the agenda, adding that they would have a chance at the end of the meeting to provide comments on CDD matters, whether on the agenda or not. There being no public comments at this time, the next item followed.

FOURTH ORDER OF BUSINESS

Affidavits of Publication

Mr. Oliver noted that the budget hearing was noticed in the St. Augustine Record twice, as required by the Florida Statute.

FIFTH ORDER OF BUSINESS

Approval of Minutes of the May 6, 2020 Meeting

Mr. Oliver presented the minutes of the May 6, 2020 meeting. He asked for any additions, corrections, or deletions to the meeting minutes. The Board had no changes to the minutes.

On MOTION by Mr. Lancaster seconded by Mr. Dodson with all in favor the Minutes of the May 6, 2020 Meeting were approved.

FIFTH ORDER OF BUSINESS

Presentation of Fiscal Year 2019 Financial Audit

Mr. Oliver stated that the financial audit for Fiscal Year 2019 was included in the agenda package and was also posted to the District’s website, as well as to the Florida Division of Financial Services. He presented the audit noting that the Opinion Letter of the auditor stated that it was a clean audit. He presented the management discussion and analysis sections of the audit on pages 3-6, as well as the annual financials on pages 7-12,

Mr. Oliver noted that they auditors found no deficiencies in internal control that they consider to be material weaknesses. Page 26 included the Independent Auditor’s Report and Compliance with requirements of Section 218.415 of Florida Statutes. The auditor found that the District complied in all material respects with the aforementioned requirements for Fiscal Year 2019.

The report shows that the District had no prior or current year findings, and that the District was in good financial health and had no emergency financial conditions. Mr. Oliver asked if the Board had any questions. Hearing none,

On MOTION by Mr. Lancaster seconded by Mr. Hill with all in favor, the Fiscal Year 2019 Audit, was approved.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2020-06,
Resetting the Date and Time of the Public
Hearing on the Proposed Budget**

Mr. Haber stated that the District made the determination that the original date set by the Board was not going to work, therefore the Board decided to change the date of the public hearing on the budget, adding that the notice requirements for the Budget Public Hearing were still met. He clarified that this resolution was just an acknowledgement on record that the Board ratified the change of the date.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor, Resolution 2020-06 Resetting the Date and Time of the Public Hearing on the Proposed Budget, was approved.

SEVENTH ORDER OF BUSINESS

Public Hearing

Mr. Oliver stated that the FY21 budget is substantially the same as the FY20 budget. He added that they would be discussing three budgets at the meeting; the General Fund Budget, which includes administrative, maintenance, and operating costs of the District, and the Capital Reserve Budget and Debt Service budget for the bonds issued to build the existing infrastructure in the District. While presenting the General Fund Budget, Mr. Oliver pointed out the total revenues line where the budget had been essentially unchanged, going from \$595,000 to \$590,000. He pointed out the top 3 lines of revenues, including the Developer Contributions to supplement assessments dropping from \$90,000 to \$85,000, and Assessments going from \$377,000 to \$440,000 on platted lots on the tax roll. He added that the reason that the amount went up is that they are no longer direct bill, but instead on the tax roll. Mr. Oliver then went on to the Expenditure section of the budget, noting that the Administrative Budget costs dropped from \$101,000 to \$94,000.

Mr. Oliver presented the Amenity Center costs, which includes the cost of the operating and maintaining the Amenity Center. He explained that there was a slight increase in costs from \$210,000 to \$228,000 due to the Repairs and Maintenance line item which was budgeted at \$4,300 last year, but they project to spend about \$19,000 this year. They budgeted \$25,000 for this year as the facilities have grown older. He also presented the Ground Maintenance Expenditures, which dropped from \$284,000 to \$268,000, pointing out the Landscape Maintenance went up from \$141,000 to \$151,000 and will most likely to continue to go up annually due to the growth of the District and more common areas, as well as the cost-of-living adjustments. He also pointed out the Reclaimed Water Expenditure that was budgeted at \$76,000, but they will probably be spending in the \$36,000 to \$40,000 range, depending on drought conditions. Therefore, they lowered the amount to \$50,000.

Mr. Oliver pointed out that the Total Expenses line was nearly flat, going from \$595,000 to \$590,000. He pointed out the table which showed per unit assessments remaining unchanged at \$882 per platted lot. Mr. Oliver explained the District pays a 2% Collection Fee to the County Tax Collector. He also pointed out that if residents pay their tax bill by November 30th, they get a 4% discount on the CDD assessments and property taxes.

Mr. Oliver stated that the next several pages were line item descriptions, and that the pages after that included the Debt Service Fund budget for the Series 2016 Bonds, which were issued to build the infrastructures throughout the District including roads, utilities, the Stormwater Management facility, as well as the entire amenity footprint to include the dog park. He noted the debt service assessments are used to pay the two semi-annual interest payments that are due on November and May 1st of each year, as well as a principal payment due on November 1st.

Mr. Oliver went on to explain the Amortization Schedule which lists the annual principal and interest payments the District submits to the trustee for payment to the bond holders, adding that the bonds mature in 2048.

Mr. Oliver presented the Capital Reserve Fund, pointing out that it was not funded much because it is a new District, but that over the years it will be built up so that the District will have money to repair and replace assets as they get older. Mr. Oliver asked if the Board wanted to discuss any part of the Fiscal Year 2021 Budget. Hearing no comments from the Board, the public hearing was opened.

On MOTION by Mr. Lancaster seconded by Mr. Dodson with all in favor, the Opening on the Public Hearing, was approved.

Mr. Oliver asked that any residents who wished to comment keep their discussions to three minutes.

A resident asked where the District would see any expenditures in regards to future development, to which Mr. Oliver responded that it would not affect the Operations and Maintenance Budget for FY 2021. Mr. Oliver added that as there are more units and common areas to maintain, the total assessments would likely be higher to cover the costs. He also said that as we approach buildout and have more platted lots to share costs, the O&M assessments should stay stable or decrease over the years.

Mr. Oliver asked if there were any more comments. Hearing none,

On MOTION by Mr. Dodson seconded by Mr. Lancaster with all in favor, the Closing on the Public Hearing, was approved.

A. Consideration of Resolution 2020-07, Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2021

Mr. Haber stated that this resolution makes certain findings regarding the budget itself and provides that the budget described in the public hearing should be adopted in that form, and provides certain provisions related to any potential amendments to the budget that may be necessary for the future. He clarified that the public hearing for the budget had already been held and that Mr. Oliver noted that it was properly noticed in the newspaper. All that would be required is a motion to approve. He asked if there were any questions. Hearing no questions on the resolution,

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor, Resolution 2020-07, Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2021, was approved.

B. Consideration of Resolution 2020-08, Imposing Special Assessments and Certifying an Assessment Roll

Mr. Haber stated that this resolution relates to the assessments that will fund the budgets that were just adopted including the Operations and Management Budget, as well as the Debt

Assessment budgets. He explained that the resolution certified the already levied debt assessments for collection, and also levies the O&M Assessments that will pay for the budget just adopted.

Mr. Haber added that no public hearing was required for this resolution because the O&M assessments did not increase from the prior year’s budget. He also noted that there were two methods of collection, including assessments that could be collected directly and assessments that are collected on the tax roll. He explained that for unplatted and undeveloped property, assessments would be collected by the District manager by sending an invoice to the owner of the unplatted property. For platted property, the assessments are certified to the county and are collected on the same bill that residents receive for their Ad Valorem taxes, and are collected in that manner.

On MOTION by Mr. Dodson seconded by Mr. Hill with all in favor, Resolution 2020-08 Imposing Special Assessments and Certifying an Assessment Roll, was approved.

EIGHTH ORDER OF BUSINESS

**Consideration of Resolution 2020-09,
Designating Landowners’ Meeting Date**

Mr. Haber explained the resolution, stating that CDD’s are governed by Chapter 190 under Florida Statutes, which relates to election and turnover of the Board from landowner controlled to resident controlled seats. That happens when the CDD is 6 years old and that there are 250 or more qualified electors or more living within the boundaries of the CDD. He stated that a “qualified elector” is defined as an adult who resides within the District with a primary place of residence within the District. They also need to be registered to vote with the Supervisor of Elections in St. John’s County. He added that the scenario listed above happens on even years because of the seat terms of all the Board members. Mr. Haber stated that there were five Supervisors on the Board, two of which expire in November of 2022, and three that expire in November 2020. Because the CDD had not reached the designated 6 year mark, the Board would hold a landowner election. He explained that in this election landowners have the opportunity to vote on the members of the Board. Once the qualified elector threshold had been reached, the elections for the vacancies would be held by the St. John’s County Supervisor of Elections and individuals would be able to qualify with the Supervisor of Elections, being elected through the general election process. He noted that that scenario could be possible in 2022 if they reach the qualified elector’s threshold.

Mr. Haber explained that the current resolution up for motion was to set the date for the landowner’s election for the seats that expire in 2020. Mr. Oliver added that the District did have at least 250 qualified electors within the district, so the general elections process would indeed begin in November 2022. He clarified that they would notify the residents as the time approached. He also pointed out that there was an administrative error, Linda Scandurra’s last name was misspelled, as well as Seat #5 being held by Chris Hill. Mr. Oliver asked the Board if they had any more questions. Hearing none,

On MOTION by Mr. Lancaster seconded by Mr. Dodson with all in favor, Resolution 2020-09 Designating the Landowner’s Meeting Date as November 4, 2020 at 1:00 p.m., was approved.

NINTH ORDER OF BUSINESS

Consideration of First Amendment of Amenity Management Services with RMS

Mr. Oliver stated there was a copy of the first amendment in the agenda packet. He added that the last page showed the proposal submitted by RMS. He noted it would be at the same cost as Fiscal Year 2020. He asked if the Board had any questions. Hearing none,

On MOTION by Mr. Lancaster seconded by Mr. Dodson with all in favor the First Amendment of Amenity Management Services with RMS, was approved.

TENTH ORDER OF BUSINESS

Consideration of Field Operations & Janitorial Services with RMS

Mr. Oliver stated that the pricing for the Field Operations and Janitorial Services would be the same pricing for Fiscal Year 2021 that was contracted for Fiscal Year 2020. Mr. Oliver asked if the Board had any questions. Hearing none,

On MOTION by Mr. Dodson seconded by Mr. Lancaster, with all in favor, the Consideration of Field Operations and Janitorial Services with RMS, was approved.

ELEVENTH ORDER OF BUSINESS

Other Business

Mr. Oliver pointed out that regarding Resolution 2020-09, there is one vacant spot. For seat #4 the term for the seat expires in November of 2022. He added that the spot had not been filled

since the previous Supervisor resigned from that seat. The Chairman suggested that the Board could consider filling that spot with a resident. He explained that other Boards had done it in the past by sending an e-blast and posting to the website that the Board was soliciting letters of interest or resumes of residents who had wished to apply for the position. He stated that if the Board would like to at the next Board meeting, they could consider those letters of interest and resumes in order to appoint a fifth member to the Board.

The Board agreed on that suggestion, and Mr. Oliver added that he would notify the residents of the opportunity and bring back to the Board at the next meeting the names and resumes of those who are interested.

TWELTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Haber stated that the deadline for the ability to hold virtual meetings is set to expire on July 31st and there had not currently been an extension of the deadline. If the mandate was not extended, Board would be required to meet in person, but if it is extended the Board would have the option to determine whether it would want to meet in person or virtually.

He also noted that the landowner election that was set had been extended until November, He had received questions on whether the virtual meetings extended to the election, to which he clarified that they would not.

B. District Engineer – Approval of Requisitions No. 145 & 146

Being that the District Engineer was absent from the meeting, Mr. Oliver presented Requisitions No. 145 and 146, noting that they were both payable to Clary & Associates. He explained that they were for survey work that is related to the installation of a force main along IGP Boulevard due to a requirement of ST. John’s County as it would provide water further west along IGP. He asked that the Board ratify the two requisitions.

On MOTION by Mr. Lancaster seconded by Mr. Hill, with all in favor, Requisitions No. 145 & 146, were approved.

C. District Manager – Presentation of Meeting Schedule for FY 2021

Mr. Oliver explained that the District meets on a quarterly schedule and has been using the Northeast Florida Regional Airport Conference Center for meetings at 1:00 p.m. He also added that if additional matters come up meetings can be continued or a special meeting can be scheduled. He noted that as listed in the agenda packets, meetings were scheduled to be held in November, February, May, and August.

On MOTION by Mr. Lancaster seconded by Mr. Dodson, with all in favor, the Meeting Schedule for FY 2021, were approved.

D. Field Services – Operations Memorandum

Mr. Stephens presented the Operations Memorandum, pointing out highlights such as the exterior ceilings and wooden trim of the Amenities Center being painted, and the annual termite treatment being scheduled for August. He also added that all of the pool and patio furniture had been pressure washed, and the area rugs and upholstery in the clubhouse were cleaned, as well as the pressure washing of the sidewalks outside the clubhouse. The dog park also had trash cans placed around the area, a flag pole was ordered for in front of the Amenities Center Complex, and associates had been contacted about the pool light issue with getting those fixed. Mr. Stephens went on to explain that he was continuing to work with Land Care on the Maple and Oak tree issues, and that he would forward the information to the board once he received any answers.

E. Amenity Report – Amenity Report

Ms. Meeks stated that the clubhouse pool and fitness center were continuing to have regular use since they were reopened. She added that the movie night the past Friday had been successful, and she was continuing to be in the process of scheduling more entertainment and vendors for the “Dancing in the Streets” event scheduled to be held in early September. She hoped to see more participation in community events if the Coronavirus dissipated through the end of the year. Ms. Meeks also added that she had gotten positive feedback from residents as they were enjoying the monthly newsletter, and therefore she would continue to send those out.

THIRTEENTH ORDER OF BUSINESS

Supervisor’s Requests

There being none, the next item followed.

FOURTEENTH ORDER OF BUSINESS

Audience Comments

Mr. Oliver stated that this was the time for the audience to make any comments they wished, adding that there wouldn't necessarily be a back and forth commentary with the Board. Some response would be immediate and some would come later.

A resident commented that he still had concerns with people continuing to go behind his residence and using it as an access path to walk their dogs and loiter there. He asked that there be more communication to new residents that his property was not public access. He also added that there were people not following rules and guidelines at the Amenity Center, and asked if there were any cameras at the pool. Ms. Meeks responded that there were no cameras at the pool, but that there were at the entrance. Mr. Haber clarified that under Florida law the location of cameras within the facility were exempt and confidential in order to prevent the general public from learning the District's security system and abusing it. He added that Board members have the right not to discuss the cameras in an open meeting but can be discussed in a private setting. The resident clarified that the only reason he asked about the cameras was not for the location, but to see if there were any that were being viewed as many people were not following the rules of the facility, such as doing flips in the pool and hanging on the cables in the pool. The resident added that other communities have required identification for residents, such as an arm band, to be able to tell if they are a homeowner or a guest. He requested that the Board adopt a policy like that sometime in the future.

Mr. Stephens added that all of comments mentioned were good comments, and now that the CDD had an Amenity Manager on site those types of issues could be watched and addressed. He pointed out that as far as access they were giving keys to everyone who was a resident, and that it goes hand in hand with showing who has a right to be onsite. Mr. Stephens asked Ms. Meeks if the gated access was continually operating, to which she responded yes, while also adding that she regularly checks the traffic. The resident interjected that he has seen people on numerous occasions reach over and hit the bar with no card in order to gain access. Mr. Stephens would look at a higher cap on the fence to prevent that from happening again.

Another resident expressed her concern about the Maple and Oak trees being replaced because they were dying and that when they were being replaced, the replacements were smaller and inconsistent with the mature existing Oak trees. She asked if they would have an update during the next meeting about replacing the Maples and aerating the base of the oak trees lining the main road. She also asked if Ms. Meeks had decided what type of seat cushions would be replacing the

old ones that were taken out because of the mildew. Ms. Meeks answered that the cushions with broken zippers were taken to a repair shop and the fabric of the other cushions were still in good condition. Ms. Meeks added that as soon as they got those back they would be put back on the seats. The resident asked for clarification that the pool lights were being fixed, to which Mr. Stephens answered yes. She thanked everyone for trying to bring the Amenity Center up to standard.

Another resident asked for clarification on what the technical definition of “landowner” was, and asked if it was a resident. Mr. Haber clarified that anyone who owns property within the District is considered a landowner. He explained that the way the election works is that a 1 acre/lot basis is entitled to 1 vote, so a resident that owns a home is entitled to participate in the landowner election giving them one vote for the 1 lot that they own. If the lot is greater than an acre, they get 2 votes. Mr. Sheldon asked how many lots in the CDD were sold or owned, as well as how many were open and undeveloped lots there were. Mr. Oliver answered that it would be based on what the current data is as they approach the landowner’s election, but that the majority of the landowner votes may be controlled by the developer due to the amount of undeveloped land. Mr. Oliver stated that those numbers would be sent out as they get closer to the election. The resident asked if those numbers were pulled from the tax records, to which Mr. Oliver answered the property appraiser’s website and landowner documents.

FIFTEENTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet as of June 30, 2020 and Statement of Revenues & Expenditures

Mr. Oliver stated that the income statements presented were the same as the ones presented in the budget. He clarified that they were unaudited, but that they would be audited at the end of the fiscal year. He noted there were no unusual variances were seen on the income statement.

B. Assessment Receipt Schedule

Mr. Oliver noted that the CDD was 100% collected for the fiscal year and that they would start over when they would provide the assessment roll to the county tax collector for FY 2021.

C. Approval of Check Register

Mr. Oliver clarified that the Check register required Board approval.

On MOTION by Mr. Hill seconded by Mr. Lancaster with all in favor the Check Register was approved.

SIXTEENTH ORDER OF BUSINESS

Next Scheduled Meeting – November 4, 2020 at 1:00 p.m.

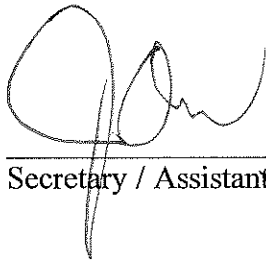
Mr. Oliver stated the next scheduled meeting date would be November 4, 2020 at the airport. He noted that they would start with the Landowner’s election before moving on to the CDD meeting where they would swear in new supervisors that might be in attendance.

SEVENTEENTH ORDER OF BUSINESS

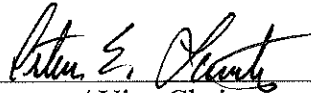
Adjournment

The meeting was adjourned at 1:52 p.m.

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



Secretary / Assistant Secretary



Chairperson / Vice Chairperson