

MINUTES OF MEETING
BANNON LAKES
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Bannon Lakes Community Development District was held on Wednesday, August 2, 2023 at 1:00 p.m. at the World Golf Village Renaissance Hotel, 500 S. Legacy Trail, St. Augustine, Florida.

Present and constituting a quorum were:

Art Lancaster	Chairman
John Dodson	Vice Chairman
Chris d'Aquin	Supervisor
Chris Hill	Supervisor
Michael Sheldon	Supervisor

Also present were:

Jim Oliver	District Manager
Wes Haber <i>by phone</i>	District Counsel
Howard McGaffney	Governmental Management Services
Jerry Lambert	Operations Manager
Diana Lambert	Amenity Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 1:00 p.m. Five members of the Board were present constituting a quorum. Mr. Oliver recognized Denise Powers upon her departure from Bannon Lakes as their amenity manager. The Board thanked Ms. Powers for her work at Bannon Lakes the past few years and presented a plaque to Ms. Powers.

SECOND ORDER OF BUSINESS

Public Comment

Mr. Oliver noted this was the publics opportunity to make comments on items that were on this agenda.

Resident (Richard Mather) stated that all of the homeowners received a notification of the rate increase, which was a two-page document, and on the website was a 276-page pdf talking about the budget. He asked the Board to consider in the future to have a sentence or two or a

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statement in the letter that went out to the homeowners describing why the rate increase was necessary.

THIRD ORDER OF BUSINESS

Affidavit of Publication

Mr. Oliver noted that there would be public hearings to consider adoption of the FY24 budget and to levy the special assessments and the assessment roll for FY24. He added they met requirements by publishing the meeting in the St. Augustine Record on July 5, 2023 and July 12, 2023.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the May 3, 2023 Meeting

Mr. Oliver presented the meeting minutes from the regular May 3, 2022 Board of Supervisor’s meeting. He noted that he received comments from the Vice Chairman which were incorporated into the minutes. Mr. Haber stated that he had no comments regarding the minutes.

On MOTION by Mr. Lancaster, seconded by Mr. d’Aquin, with all in favor, the Minutes of the May 3, 2023 Board of Supervisor’s Meeting, were approved.

FIFTH ORDER OF BUSINESS

Acceptance of Fiscal Year 2022 Financial Audit

Mr. Oliver stated that as a unit of government in Florida they are required as a District to have an independent audit firm conduct a financial audit each year. This year the audit was conducted by Berger Toombs, and Mr. Oliver reviewed the audit in the agenda package for the Board noting it was a clean audit. There were no exceptions in the audit and they received a clean opinion letter. Mr. Lancaster stated that GMS handles all the books for Bannon Lakes and all their audits have been clean.

On MOTION by Mr. Dodson, seconded by Mr. d’Aquin, with all in favor, Accepting the Fiscal Year 2022 Financial Audit, was approved.

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SIXTH ORDER OF BUSINESS

Overview of Fiscal Year 2024 Budget

Mr. Oliver noted that after they discuss the budget, they will open the public hearings and they will take comments from the audience, close the public hearing, have Board discussion, and then Mr. Haber will walk them through the two resolutions.

Mr. Oliver stated as a unit of government in Florida, the CDD Board is required to approve a budget by June 15 of each year, which you accomplished when you approved your budget in April. You're also required to adopt a budget prior to the end of the fiscal year in September 30. In this case, we need to adopt it by the deadline set by the St. John's County Tax Collector so we can have the certified tax roll to them by September 1 so that they can process the assessment roll and include CDD assessments on the property tax bills that go out November 1. Mr. Oliver stated that any operating surpluses remain with the district, and you can use those carry forward surpluses for any legal purpose, whether it's to help with the operations budget or put into capital reserves. Mr. Oliver stated that the budget that we're going to mainly focus on today is the general fund budget. That is the budget to operate and maintain the District. Each year you consider this and you set what the assessments are. You'll also see the debt service fund budgets for the 2016, 2021, and 2022 bonds. Those assessments are already set. You had public hearings to set those assessments, and the only way those will change at some point after the call period is over, usually a ten-year call period, if interest rates are such that you can refinance at a lower rate most Districts do that. The first one up would be the 2016 bonds and that call period really wouldn't be until about 2026, so we have time for the economy to kind of get back where it should be in terms of interest rates before we do that. The next page is the general fund budget. The assessment, since you first levied assessments on platted lots in this district, has been at \$830 net. That's what it was first established at and you've never had an assessment increase for this District. This is the first year that the district is contemplating an assessment increase since 2016.

Mr. Oliver stated the top section is the revenue section of the budget. And you'll see, if you look at the bottom line for total revenues, you'll see the revenues go from \$666,000 to \$796,000. An increase of \$120,000 in total revenues. And that's about an 18% increase in total revenues to operate the budget. The next few sections are the expenditure section. The first one is the administrative section. Every CDD has an administrative section. If you look at the bottom line under the administrative expenditures, that goes up about \$1,000 from \$122,000 to \$123,800. You're at the lower end of what it costs to operate a district administratively in terms of your

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administrative assessment. I think you're operating pretty efficiently there with your administrative budget. The next section is the Amenity Center budget, and that starts on page one and then carries over to page two. If you look at the total increase, it goes from 275 to 340, an increase of about \$65,000 and an increase of about 24%. And to hit some of the high spots on that, something that's impacting not just this District, but every District in the state of Florida. And frankly, every property owner in the state of Florida is property insurance and that's what that top line is. You'll see the actual property insurance for FY 23 are just over \$17,000. The market is projecting a 50% increase in property rate coverage. So we won't be able to bind an insurance policy until September. The fiscal year starts October 1. We have been checking with other vendors that provide governmental property insurance, and we're looking at Florida Legal Cities, Florida Municipal and Trust, Preferred Governmental Insurance Trust. Right now we haven't found any substantial savings over our current vendor. So we'll continue to monitor that. This is what we have budgeted that'll cover whatever we need. We still hope to actually have lower actuals than what's budgeted in that lineup.

Mr. Oliver stated that there is an increase in facility management, that is for the onsite staffing that we have at the Amenity Center. And that's trying to keep up with the market, it's very difficult to get and keep good people. We need to pay quality people to work at the amenities there so we have a 15% increase there. For field management and operations, you'll see a 15% increase that's roughly budgeted at \$24,000 and that is for the person who oversees all the field operations of the District, manages all the contracts and ensures contracts are those requirements are met and also helps with getting proposals for things such as security camera system, those type of things. That person is not out there full time, that's on an as needed basis. We also have maintenance people on staff that come up there. Going down to facility maintenance, you'll see a pretty good jump there that goes from 20,000 to 33,000. That's a \$13,000 increase. And essentially as this District gets bigger and as it gets older in terms of the age of the facilities, it costs more money to maintain those. And also, we've taken into account inflation over the last couple of years has impacted hourly rates of labor use for those services. Going down to the next line item, repairs and maintenance, that goes from \$27,000 to \$45,000. And we've taken a look at what the actuals are projected to be for this year. We think they're going to come in just under \$44,000.

Mr. Lancaster asked if that includes the pool repair they did this year or if that was on a separate line item. Mr. Lancaster stated that they did get hit by some large equipment failures this

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year. Mr. Oliver stated that they consult with the Board regarding larger repair and replacement expenditures, sometimes they'll take money from a particular line item, or using capital reserves, depending on the issue and .cost.

Mr. Oliver stated many of these maintenance-related line items are not contracted amounts, but based on cost of time and materials. In some cases, budget line items will go over, sometimes they will be under budget. As counsel will explain when we look at the resolutions later, the Board has the ability to move funds between line items.

Mr. Oliver stated that he covered the most significant increases. They did put more money in the holiday decorations line item going from \$1,500 to \$5,000 to get a little bigger bang for holiday decorations this year. The next section is the grounds maintenance, this is essentially for everything outside of the Amenity Center footprint. Landscape maintenance goes from \$151,000 to \$182,000 and that is the cost of maintaining that area, not only with cost increases, but we have more area to maintain. Grounds maintenance increases from \$9,000 to \$19,000, an increase of \$10,000. Those are for things that are not handled by the landscape maintenance company. It can be anything from cleaning sidewalks to picking up trash around the lake banks, along the roads, and other District-owned property. Irrigation repairs shows a substantial increase based on FY23 actuals/ there. It goes up \$6,000. You must deal with irrigation repairs as they come. It's not unusual to have a pretty hefty feature for irrigation repairs. Hopefully once we get through the construction phases, you may see a dip in those costs. Some of it comes from cars parking in the right of way, sometimes heavy equipment hits it, and it can be damaged during construction. In most cases it is difficult to determine who caused the damage and it still needs to be repaired. So you'll see that total section has an increase of \$54,000. Total expenses go up \$120,000. The same as the revenues and the total expenditures go up 18%.

Mr. Oliver stated the difference between the 18% increase in expenditures as opposed to the 13.5% increase in per unit assessments is because you have more platted lots. This year, the number of platted lots have grown from 691 platted lots to 823 platted lots. Within the next twelve to 24 months, all of your lots should be platted out there and that means all of those lots will be fully contributing toward the budget.

Mr. Lancaster stated once this is established and those revenues come in over the next twelve to 24 months, that should more than insulate this budget for the future.

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Mr. Oliver stated exactly. Right now you're at your build out budget amount in terms of assessments. You're still going to have the typical growth that's related to cost of living and that'll happen with time. And future resident-controlled Boards will determine how much they want to put into capital reserves if there are any special projects they want to pursue. But those will be on the shoulders of the resident Boards as they determine how to go forward in the years to come.

Mr. Sheldon stated that this being my first time around, he would appreciate at least a little bit of information on how the process works. He stated I come from a background where you usually have a committee, you've got people that are involved with it. There's input gained from the community, communities. This seems to be very much a very internal process. What I hear you talking about is, yes, it was the budget from 2024, but how does that compare to the projected actuals?

Mr. Lancaster stated that this whole year they have been going through a budgetary process with public hearings. Mr. Oliver stated we certainly talk about budget and finances at every meeting that we have. We approved a budget.

Mr. Lancaster stated don't we have to notice before we go into a final budget?

Mr. Dodson stated last meeting, we had to have a proposed budget, which we did discuss some of the things at that proposed budget meeting in May because we have to file the proposed budget with, I believe, the county or the state by a certain date in June.

Mr. Lancaster stated my point is this is a very open, transparent budgetary process and it's posted to the website. While we're working as a Board, it's all transparent in the decisions and in the discussions, both open publicly and at any time any resident can request budgets or go to the website and see what's going on. But usually the budgetary process is a pretty lengthy process open to the public. It's not just we show up with a budget and that's the budget. It's been hashed out for quite some time. But when you do have a budget that's been running in place and in good standing and there's not problems with reserves and whatnot, then it's usually pretty easy to adjust that budget from our standpoint because we're just looking at exposures like we had that pump go out. Ms. Powers stated the sand filtration system blew. Mr. Lancaster stated that is something you can't control. So going forward we look at do we have further exposure on that or do we have the reserves on that. Beyond that, most of it is typical increases in employment, maintenance contracts, things like that, that just come into us and we have to post that into the budget. Or we can go out for bids too, which we do. I think we went several times out and got different quotes on things.

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Mr. Oliver stated it is typical as you become a resident Board, as you add more residents to the Board, you probably will have more input in terms of what additional services or facilities that you want.

Mr. Sheldon stated I'm just trying to get an understanding. Do you just work off your receipts and your expenditures and then you project on what the increase is going to be and then you have to come up with a number or was there a solicitation process? I know that there's transparency. That's not the point I'm driving at. What I'm trying to get is how does it generate? How does that happen? Because at least myself as a Supervisor, I had no input.

Mr. Oliver stated that everyone on the Board had input because that's why we approved a budget and you did have input. But I realize this is your first budget here.

Mr. Lancaster stated I guess that's where I'm confused, where not having input came in because we all had input on this budget.

Mr. d'Aquin stated I think Michael was saying it is more of a closed process instead of an open inquisitive process. Not necessarily that people, at least the Supervisors, didn't have input opportunities. One of the things from my point of view was like Denise this last year, as she's been managing the amenities, she is seeing things that need to be addressed. For instance, like more housekeeping and we've added increases to the housekeeping. It seems like we have had influence on the budget because of the feet on the ground example of whoever the Amenity Manager is and the Landscape Manager. We can see things happening there and make adjustments according to that and what the needs are. For instance, at the Amenity center I can think of while Denise has been here, we've done things like paint, we've done some repairs to the fitness center, the pool repairs that we've talked about. Those kinds of things are all kind of going into what the new budget should be.

Mr. Lancaster stated that's where I'm confused, because that's why we have a community manager is she's a great liaison to both the community. We would hear from her, hey, our residents think we need more maintenance or more cleaning. The bathrooms are getting used more, we need more and that always came to us as a Board and said, hey, y'all need to consider this, and we would consider that. A lot of times we would ask GMS or Denise to go out and get multiple offers to come back and say, hey, it's going to cost us this much more, or what's the cost benefit and we weighed that as a Board. I want our residents to know that it's a very open process, and we do listen to what you say and that's why our community manager is so important in having a good

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community manager like GMS. They tell us what's going on. We're not allowed to meet or discuss anything outside of this meeting amongst each other. We discuss through our conduit of GMS because we are quasi-judicial and Wes, you can weigh in on this, but we're not allowed to talk internally. So there's no behind the doors, all of our budgetary process is very open. All of our communication is through GMS or our community manager to the residents and that's how we make our decisions and they are always in the best interest of the community.

Mr. Haber stated you're right. There are very specific laws as it relates to making sure this process is an open process. At the last meeting, which was 60 plus days ago, the District, at a publicly noticed Board meeting, approved a proposed budget. That budget is provided to St. John's county for its review, and it gets posted to the District's website. So it's available for any member of the public and residents as well to view that budget. The notice that was mentioned earlier in the meeting gets mailed to every member of the community. The purpose of today's meeting is to hold a public hearing for both the Board and members of the community to show up at today's meeting to provide their own input on the budget and the assessment. So that is all done out in the open, you are correct. Mr. Haber noted that the Board is unable to speak with one another about the budget outside of these meetings. The Board was able to talk about the budget at the last meeting and they are able to hear the public comment, hear staff comments, and then make a determination on today's budget. All of that is how the law contemplates this process would work.

Mr. Haber stated I think I heard mentioned in other contexts, things like committees and stuff like that are used, that becomes difficult for a CDD because of the Sunshine Law. Any committee that may be appointed or designated by this Board then gets subject to the Sunshine Law and it becomes problematic for them to meet and have discussions because those meetings need to be publicly noticed. So the District is doing everything legally it's supposed to do and the law was created to make this as open of a process as possible to allow for members of the public to be able to view the budget and provide input on the budget and then ultimately provide input on the very day the budget is being considered and adopted, which is today's public hearing.

SEVENTH ORDER OF BUSINESS

Public Hearing

Mr. Oliver asked for a motion to open the public hearing.

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On MOTION by Mr. d'Aquin, seconded by Mr. Lancaster, with all in favor, Opening the Public Hearing, was approved.

Mr. Oliver asked for any comments from the public. Resident questioned how they came up with the increase rate. Mr. Oliver stated that they start with the expenditure side of the budget and that resulted in that projected increase in assessment. He noted that they looked at the total number of units that are not yet platted but will be platted within the next 18 months or so. They will impact next year's budget. They will bring the unit count to just under 1,000 units. The growth of those platted lots is going to increase the revenue source, so in Mr. Oliver's opinion the budget seen here today will be fully funded without an assessment increase next year.

Ms. Powers stated that one of the big increases that you see was in the maintenance line items, and that was to increase amount of bodies on site physically doing that general maintenance and that general upkeep of the facility, the grounds, the pond banks. As the community has grown, that was one of the most significant increases was to ensure that we had a person on site more often than we do now, to ensure we maintain at a proper level and that things aren't delayed because we only have someone on site three days a week. We need to get to a point where there was someone on site more like five days a week to do that and maintain the facility and keep it so that five years from now still looks like a brand-new facility.

Resident stated that the notice that went out about a month or so ago. How does that correlate to the income lines on this budget because it doesn't correlate to anything that I pay. I didn't understand what that number was. Mr. Oliver stated if you look at the table at the bottom of page two of the general fund budget, it shows what the assessments are and that's a per unit assessment. At the very bottom you'll see total number of units 823, the net unit assessment, and a net assessment is what the District is getting back. The assessments are collected on the property tax bill, and on the property tax bill, there's a collection fee from the St. John's County Tax Collector of 2%. Also there's a 4% discount, if your property tax bills are paid by November 30, this assessment is reduced by 4%. So that's grossed up by 6%. That's where you see the \$1,001.98 assessment.

Resident stated that the timing of these Board meetings is not conducive to having a lot of community input because most of the community is working, except for some lucky retirees that can come over, but for me, I'm taking work time off to be here. You say it's an open process, it needs to be open to the entire community that fits their schedule and that schedule is in the evening,

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weekends, some other time 1:00 p.m. in the afternoon. Also this facility isn't necessarily convenient and I know our clubhouse isn't that big to host large contingency, but we're paying a couple thousand dollars a year to be here when we've got facilities. Mr. Oliver stated if we are going to have them at night, and certainly we can have the budget hearing at night next year, great idea, but if we are going to have more people because it's night, we are going to have to have a place bigger than your clubhouse. That's a fact. But I think it's a great idea to have the budget hearing at night. I do that a lot of Districts. So I'm fine if you guys want to do that next year.

Resident (Michael Patchen) stated I live on Almond Point where it backs up to the berm is, and the berm is not growing like it should. Is that part of what the CDD manages? It's on the lake. Right across from amenity center. Mr. Lancaster asked if there are trees behind it. Resident stated no, it's just a pond bank. As the rain has increased in the past two months the runoff is just taking more and more. Ms. Lambert stated I noticed that just got sent and Jerry is looking into that land care to kind of see what's going on with it, whether it's an erosion issue or whether it's just for runoff and that we might need to help build back up that pond base again. Ms. Lambert stated that is our pond. It's just a barrier. But we are going to have to investigate whether or not it's a runoff issue from the runoff there that's causing that issue to happen or whether it's just a natural occurrence. So I know that's already on our list.

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

A. Consideration of Resolution 2023-10, Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2024

Mr. Oliver asked for any other Board comments.

Mr. d'Aquin stated at the end of today's meeting, we're going to discuss this security proposal. So it'll be just the Board members looking at the two proposals that are in there and the thousands of dollars that are being part of the proposals. I'm trying to think about should we have something in the budget that's geared specifically towards moving in that direction if we want to.

Mr. Oliver stated that the Board can always amend the budget. So if you make some decisions regarding the security system, whether it's to be funded in FY 23 or FY 24, you can amend the budget to cover that. In terms of hardware that would probably be funded not out of the operations budget but out of the capital reserve budget that you have. Mr. Oliver stated you can't

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increase the assessment above what was noticed in the mailed notice and the published notice. So we can't really impact that with assessments.

Mr. d'Aquin stated so when you're saying that during the fiscal year, once this new budget is in effect, we can make changes. Yes, but it seems like we cannot make changes to the total expected expenditures we can only make line-item changes moving money from one area to another. Mr. Oliver stated you can actually change total expenditures budgeted, but you just have to find the funding source to support that.

Mr. d'Aquin stated I've had a few residents talk to me specifically about mobile security within the community, not just security in the form of cameras or whatever at the Amenity Center. Mr. Oliver stated as security issues come up during the year, we certainly shouldn't wait until the next budget cycle to address that because they're high priority and we'd find a budgetary means to handle that.

Mr. d'Aquin stated another general question, considering we were talking about the accessible units, as that number goes up through the fiscal year, we could potentially collect more than we're estimating we will right now. Mr. Oliver stated no, that's a firm number that you're going to have for this fiscal year, and anything that's planned in next fiscal year will not be assessed until you go through the process for FY25.

Mr. d'Aquin stated Jim, since you're with GMS, in the administrative section under printing and binding, we've budgeted \$1,600. I look back through past fiscal year budgets. It seems like for at least, like, the last three or four years, we've always budgeted \$1,600. Yet we've moved to these iPads instead of physical copies of agenda packages. I don't know how much exactly it used to cost to print up and bind however many copies of the agenda. I'm just wondering if I see that you're expecting by the end of September to actually exceed that \$1,600 by \$34. Where is that extra if we're not doing the expenses of all the printing and binding for our meetings? Mr. Oliver stated that there is certainly a lot of printing that still goes on. The thing we've eliminated is the hard copy agenda packets. It's a small portion of that entire line item to represent the agenda packets.

Mr. d'Aquin stated that there was a significant drop on the refuse for the Amenity Center and we're projecting \$9,800 by the end of September. Ms. Powers stated I did some cost comparison as we were going into the new year and I was able to find another provider other than Republic Services who was going to give us that a strong discount. So when I called Republic

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Services back, they went ahead and renewed our contract at a significant discount so that we would not go to the other provider.

Mr. Oliver asked Mr. Haber to walk the Board through the two resolutions. Mr. Haber stated that the first resolution in your agenda package is for the formal adoption of the budget. This resolution has as an exhibit the final version of the budget to be adopted. It provides blanks for the appropriation of funds in section two. Those blanks will be filled in with the various amounts for each of the budgets. Really, the only budget that was subject to any comment and potential change is the general fund budget. The debt service budgets are set for the term of those bonds. The final section of that resolution talks about the ability to amend the budget. As Jim mentioned, the total amount of the budget can't be amended without finding an alternative revenue source, but the budget can be amended from line item to line item. Mr. Haber stated that upon the adoption of this resolution, this budget will be formally adopted and will be the budget for your next fiscal year, which starts October 1, 2023 and runs through the end of September 2024.

On MOTION by Mr. d'Aquin, seconded by Mr. Hill, with Mr. d'Aquin, Mr. Hill, Mr. Lancaster, and Mr. Dodson in favor and Mr. Sheldon opposed, Resolution 2023-10, Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2024, was approved 4-1.

B. Consideration of Resolution 2023-11, Imposing Special Assessments and Certifying an Assessment Roll

Mr. Haber stated the next resolution is the assessment resolution. As Jim mentioned, two public hearings were held today. One was a public hearing for comments on the budget and the other was a public hearing for comments on the assessments that secure this budget. The two big points that were discussed are how those assessments are allocated and the big distinction is on platted lots versus non-platted lots, with the non-platted lots getting only the administrative portion of the budget and how the assessments are collected. On the platted lots the assessments are collected on the ad valorem tax bill that each landowner within the community receives for the property they own within the boundaries of the District. This resolution formally puts in place the assessments and certifies for collection. For the platted lots, Jim's office will provide an assessment roll to the St. John's county tax collector, and the tax collector will put those amounts on those tax bills. And for the unplatted lots, Jim's office will send invoices to those property

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owners to collect those amounts. By virtue of your adoption of this resolution, you're formally levying and imposing those assessments and certifying them for collection.

On MOTION by Mr. Hill, seconded by Mr. d'Aquin, with all in favor, Resolution 2023-11, Imposing Special Assessments and Certifying an Assessment Roll, was approved.

EIGHTH ORDER OF BUSINESS

**Consideration of Landscape Services
Renewal with Landcare Group Inc.**

Mr. Oliver stated that in the agenda is a copy of the proposed renewal. On page 18, you'll see the annual fee is for \$157,320. Then there's other services they provide, such as installation of colored mulch, those type of things too. Not only do we have a line item for landscape maintenance, but we also have a landscape contingency line item to cover these costs and any other landscape costs that are realized during the fiscal year.

Mr. d'Aquin stated I didn't see any difference in this proposal, there's no changes other than an increased rate. Ms. Powers stated that there is no significant change in scope, it's just an increase in overall cost of what it's costing them for material and labor. Those types of things run the business and everything else stays in place.

Mr. Lancaster stated the one thing I can say about this proposal, it needs an exhibit that shows highlighted area of maintenance. Every year it comes up and that's not shown on here. Mr. Oliver stated to the extent the board approves the proposal, when Wes prepares the agreement, we'll make sure there's an exhibit with the map showing the scope.

On MOTION by Mr. d'Aquin, seconded by Mr. Hill, with all in favor, the Landscape Services Renewal with Landcare Group Inc., was approved in substantial form.

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NINTH ORDER OF BUSINESS

**Consideration of Proposal to Complete a
Capital Reserve Study with Community
Advisors, LLC**

Mr. Oliver stated the next item is consideration proposal to complete a capital reserve study. This is a proposal that is provided by Community Advisors. They do a lot of capital reserve studies for Districts throughout Northeast Florida. It is a local firm. There are other firms that do that usually at about twice the cost. Essentially what the capital reserve study does, it takes into account all the capital assets that are within the District, whether they be equipment, facilities, or other assets and they put a value on that, an expected term of life, and when there is a replacement year expected and what that replacement cost is. We take all of those values and put them into a formula that will generate what the expected capital reserve contribution should be each year based on the expenditures that you have. It's a 30-year outlook, so in some years you may project to have \$50,000 worth of expenditures. In some years, for instance, when you're having the pools resurfaced, you may have \$200,000 worth of expenditures. So you'll see expenditures that can be a range of highs and lows but typically the recommended contributions are just a steadily increasing contribution cost that usually goes up about 3% per year. We're getting this so that we can start putting aside money for the repairs and replacements of those capital assets. We brought this proposal before the board. I know that Chris d'Aquin had suggested this about a year ago and the cost of this capital reserve study would be \$3,900.

Mr. d'Aquin noted that there was only one proposal and asked Mr. Oliver about his experience with Community Advisors. Mr. Oliver stated he has worked with him before and he is very responsive. He stated there are other companies we've used. One is Drew Isaac & Associates. Reserve Advisors out of Tampa is another one. We can reach out to other ones. There's no rush to get this done. I'm happy to get additional proposals and bring them to the next meeting. Mr. Lancaster stated more importantly to me over \$2,000 to \$3,000 is having accurate information long term for the next 30 years. Mr. d'Aquin stated since I'm the one who brought it up, I want to get this done sooner than later. I would certainly be very frustrated if we're sitting here a year from now talking about the next fiscal budget and we still haven't completed one. Mr. Oliver stated I will solicit additional proposals so that you would have them for the FY25 budget process. We'll have them in hand before you even had a budget workshop next Spring. Mr. d'Aquin stated he has an impressive list of CDDs that he has done work for. I noticed at least one of them you used to manage and that's Turnbull Creek. Mr. d'Aquin stated I want to have confidence that moving

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forward, we have an excellent capital reserve report that we can rely on because of track record and thoroughness. Mr. Oliver stated that he would provide additional proposals from Drew Isaac & Associates and Reserve Advisors.

TENTH ORDER OF BUSINESS

Other Business

There being no comments, the next item followed.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Haber stated I noticed in the last minutes I mentioned to the Board that the legislature was considering putting a requirement on CDD Board members to get ethics training and that is a bill that did ultimately pass. Starting January 1, 2024, all CDD board members will be required to take 4 hours of training. The training is to cover three main topics ethics, Sunshine Law and Public Record Law. My office is looking into the ways that those 4 hours can be fulfilled. It's looking like the most economical and best way to fulfill the obligation will be through the Commission on Ethics. Already presently there are government officials that are required to undergo this training and that training is also governed by the Commission on Ethics. So they will be doing CDDs as well and they already have a fairly robust system and courses that folks are able to take advantage of to fulfill the obligations. My firm will be providing more detail as to how you take advantage of the Commission on Ethics offerings to fulfill those obligations as well as other potential ways to do that.

B. Engineer – Ratification of Series 2021 Requisitions No. 45-47

Mr. Oliver in your agenda packets are three requisitions, number 45 through 47. These are with the Series 2021 bonds. The total number of the requisitions value is just under \$1,000. The process for requisitions is we get an invoice, if it's construction related, we send it to the engineer. He certifies it and prepares a requisition. It's then forwarded by me to the Chairman. The Chairman executes it, my office sends it to the trustee, which is Bank of New York for review and payment., to the vendor or contractor. That's the process. These are paid out of construction funds.

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On MOTION by Mr. d’Aquin, seconded by Mr. Lancaster, with all in favor, the Series 2021 Requisitions No. 45-47, were ratified.

C. District Manager – Presentation of Proposed FY24 Meeting Schedule

Mr. Oliver stated that we are required each year to set the meeting schedule for the coming year. You can always add meetings, change dates, continue meetings, cancel meetings, whatever you need to do. This meeting schedule has meeting dates on November 1, February 7, May 1, and August 7 would be for the approval or adoption of the budget. I would suggest we have that meeting at night, at 6:00 p.m.

Mr. d’Aquin stated we're proposing 1:00 p.m. meeting times except for August, which would be 6:00 p.m. Mr. Oliver stated yes and you can, by Board vote, change that meeting schedule anytime during the year. Mr. d’Aquin stated I've always been open to having all of our meetings in the evening. There hasn't been much board support in the past to do that.

On MOTION by Mr. Lancaster, seconded by Mr. Hill, with all in favor, the Fiscal Year 2024 Meeting Schedule, was approved.

D. General Manager – Report

Mr. Lambert asked the Board’s will regarding the purchase of a golf cart, which Ms. Powers had brought to the Board’s attention at a prior meeting. The Board discussed where a golf cart could be stored, and also discussed the possibility of an electric golf cart. Board consensus to approve a not to exceed amount of \$10,500.

On MOTION by Mr. Lancaster, seconded by Mr. Hill, with all in favor, Authorizing the Purchase of an Electric Golf Cart Not to Exceed \$10,500 including a new battery, new charger, and conversion to street legal and Authorizing Mr. d’Aquin to Work with Staff on Review of Proposals and to Approve a Purchase, was approved.

TWELFTH ORDER OF BUSINESS

Audience Comments

Resident asked if anyone knows if there's a plan for adding a wall along or some kind of fencing along the sidewalk where the apartments are so close to the sidewalk.

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Mr. Lancaster stated I do know that the apartment complex is going to be a gated community. So as they finish and start cleaning up, I'm sure there's some type of fencing mechanism going in that matches our community.

Resident stated I know Denise actively battled the duck invasion, but they're back again. I think it's fair to say we probably only had limited amount of success with the cut out wolves. After a short while, became attenuated to seeing them there.

Ms. Powers stated all of the waterfowl deterrents are going to be a constant battle. There is no one solution that will keep them away. It's something that has to be done on a continuous basis. So pretty much every week you're doing something to deter them. You have to put out the coyote, move them each week for a couple of weeks. Then you have to remove them for two weeks and put them back out because the birds become used to them and it stops affecting them. Same thing with the wheels. Same thing with that biodegradable spray. It doesn't hurt anything. Just every week you're doing something like one week you're spraying, one week moving or the pinwheels, one week moving the coyotes. And it's just a continuous thing every single week. And it's something Jerry and I reviewed and that he'll be ensuring that the maintenance staff is making sure those things are done from this point forward.

THIRTEENTH ORDER OF BUSINESS

Supervisor's Requests

There were no Supervisor requests.

FOURTEENTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet and Statement of Revenues & Expenditures for the Period Ending June 30, 2023

Mr. Oliver presented the unaudited financial through June 30, 2023. The Board had no questions.

B. Assessment Receipt Schedules

Mr. Oliver stated that they were 100% collected.

C. Approval of Check Register

Mr. Oliver noted that the check register required Board approval.

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On MOTION by Mr. d'Aquin, seconded by Mr. Lancaster, with all in favor, the Check Register, was approved.

FIFTEENTH ORDER OF BUSINESS

Shade Session Regarding Discussion of Security Matters

Mr. Oliver closed the meeting for the Board to hold a shade session to discuss security matters. Security presentations are targeted for the November 1, 2023 meeting and the Board is asking Envera, Atlantic Security, and other responsive bidders to attend and provide presentations to the Board.

SIXTEENTH ORDER OF BUSINESS

Next Scheduled Meeting – November 1, 2023 @ 1:00 p.m. at the World Golf Renaissance Hotel, 500 S. Legacy Trail, St. Augustine, FL 32092

Mr. Oliver stated the next scheduled regular meeting date would be November 1, 2023 at 1:00 p.m. at the World Golf Renaissance Hotel, 500 S. Legacy Trail, St. Augustine, FL 32092.

SEVENTEENTH ORDER OF BUSINESS


Adjournment

The meeting was adjourned.

On MOTION by Mr. Dodson, seconded by Mr. d'Aquin, with all in favor, the Meeting was adjourned.

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Secretary / Assistant Secretary

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Chairperson / Vice Chairperson