

ABERDEEN
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Aberdeen Community Development District was held Tuesday, July 24, 2018 at 4:00 p.m. at the Aberdeen Amenity Center, 110 Flower of Scotland Avenue, St. Johns, Florida 32259.

Present and constituting a quorum were:

Rhonda Lovett	Chairperson
Angela Andrews	Vice Chairperson
Dennis M. Clarke	Supervisor
Hillary (Beth) Fore	Supervisor
Gary Davis	Supervisor

Also present were:

Jim Oliver	District Manager
Mike Eckert	District Counsel
George Katsaras	District Engineer
Ernesto Torres	GMS, LLC
Brian Stephens	Operations Manager
Mike Lucas	Basham & Lucas
Lauren Egleston	Amenity Center Manager
Dan Fagen	Vesta/Amenity Services Group
Brett Sealy	MBS Capital Markets, LLC (by telephone)

The following is a summary of the actions taken at the July 24, 2018 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Lovett called the meeting to order at 4:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the June 26, 2018 Meeting

On MOTION by Ms. Fore seconded by Mr. Clarke with all in favor the minutes of the June 26, 2018 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Discussion of Financing of Capital Improvements

Mr. Oliver stated we are working to secure financing as soon as possible, while rates are still low.. We will also talk about planning potential capital improvements, as a longer range project. As part of that, a couple things to discuss are the engineer's report, that is an important component of the financing package and also key in planning for the projects. You reviewed a version of the engineer's report at your last meeting., We refined those numbers based on market increases construction costs. We will talk about some excerpts from the assessment methodology report. After that review, the Board should be in a position to give staff guidance so that we can bring a complete assessment methodology report to you in about two weeks. We will continue this meeting and approve the resolutions necessary to have a public hearing regarding the issue of the bonds. We will have a public hearing in the mid-September timeframe to issue bonds in late September or early October.

Mr. Sealy joined the meeting by telephone at this time.

Mr. Sealy stated now that an improvement plan has been identified and I believe your counsel and manager have taken you through this, the next step would be to undertake the Chapter 170, 197 assessment process whereby the district would make a determination of benefit and allocation of assessments as a result of the projects that have been identified within the engineer's report. That process is generally about a 60 day process while there is only notification requirements of a public hearing for 30 days. Generally districts provide for just a little bit more time to start and complete the assessment process based upon the number of individual mailed notices that need to go out. In a situation like this we may budget 45 or 60 days just to provide that time to get all the notices out to notice each of the landowners that would be affected by the special assessments. During that time various staff members including myself would be preparing various documents in order to complete an offering document that would ultimately be utilized as a marketing document to go out and sell the bonds. All of that activity, that document compilation and drafting can be going on during the timeframe that is necessary in order to notice the assessment public hearing then following completion of the hearing we would then go ahead and mail an offering document that generally given the size of

this bond issue would take about seven days to market the bonds and then we would need another week to 10 days on the backend in order to be able to put all those required documents in place to actually close and fund. From start to finish it is generally a the 90 day process from the time that the board commences the assessment process and authorizes district staff to proceed along the path of a bond issue.

Mr. Eckert stated I think today we have the engineer's report, we can look at that and Jim has some assessment tables and we are going to be asking the board to defer items, C and D until we have a continued meeting so that we can get the methodology formalized after we receive input from you but we could then go on and deal with the bond counsel later today.

A. Revised Engineer's Report

Mr. Katsaras stated in the agenda package you have the latest engineer's report. The \$930,000 for the fitness center is based on real costs that we received from Bartram Springs, which was a similar project done within the last year or so. All these numbers include soft costs as well and that is engineering and architects. On this particular one it is just the building and a little bit of utility work around the building so we may need to bump that up depending on where it sits for site work and if we need parking and some other little improvements like that. We also added fitness equipment per Jim's recommendation, which is a good thing to include when you have a new fitness center and we put in \$110,000 and that is what it was at Bartram Springs.

Mr. Oliver stated these are not budgets, but are estimated costs for planning purposes. A construction fund will be established to complete as many of these projects as you can fund. You may not be able to do all these projects for cost reasons. Until we actually get hard proposals from contactors and vendors, we won't know what the actual costs are going to be.

Mr. Katsaras stated a couple of things to note are some of these shade structures for the pool deck we have \$40,000 and the estimate we got was about \$7,500 and we bumped it up a little bit to about \$10,000 per shade structure and we allocated money for four. That is the same with the pond fountains, we included four of those. The improvements to the pocket parks we estimated a budget but we don't know exactly how many and we have \$40,000 for that one. Item 6 is the lighted tennis courts the \$75,000 is for two so if you wanted four, I don't know if we have room for that but it would be double.

Mr. Oliver stated some of these projects may end up being mutually exclusive. We also have on the engineer's report, splash pad and we may change that to pool deck improvements and you may decide that you want to pursue something else. It may not be in your cost range to do a splash pad but perhaps you could do some other type of deck improvements that caters towards toddlers.

Mr. Lucas stated if you could move your playground to a pocket park or somewhere else you could keep your water features together. There are splash zone areas, you have a footprint then by code you have to have certain areas around that but if you wanted to do some type of play feature we would try to do something over there and then relocate the playground.

Ms. Lovett asked how would it compare as far as monetary if we did a zero entry on the pool?

Mr. Lucas stated until we get out there and see how much physical room you have we won't know. You don't have a big playground but you have a nice size area and we will probably eat into some of your deck area to make it worthwhile. We would have to explore, start with the minimum clearances because I don't want to reduce your deck area because it is valuable. But that is probably one option we could do, steal a little deck area if it is to make something worthwhile. Something big enough for the kids to play in and you have something to show for your money.

B. Consideration of Assessment Methodology

Mr. Andrews asked is it possible to make the assessments equal for everyone and not go by lot size?

Mr. Oliver stated I will address that question in just a moment. The improvement costs in the engineer's report is \$1,712,000. On table 2, you will see to net construction proceeds of \$1,712,000 requires a bond issue of about \$2.2 million. The table shows how those funds are used: construction, debt service, cost of issuance and underwriter discount, and capitalized interest to make the semi-annual interest payments for November and May. We won't have this process completed in time to include it in this year's budget. It shows the projected interest rate at 5.28%.

The next page is what Angela was referring to. Assessment allocations mirror the methodology used for the 2005 bond issue. I will get with the assessment consultant, Jim Perry,

and see if it is possible to do allocate the assessments equally for all singler family products. The current methodology results in annual assessments ranging from \$77 for a single-family 53' to \$117 for he largest lots with 80' front footage.

This is a relatively small bond issue for improvements like this and on a percentage basis, the costs of issuance are a little bit higher as many of the cost are based on flat fee reagrardless of bond sizing.

C. Consideration of Resolution 2018-05 Declaring Special Assessments for New Project

This item deferred to the continued meeting.

D. Consideration of Resolution 2018-06 Setting a Public Hearing on Special Assessments for New Project

This item deferred to the continued meeting.

FIFTH ORDER OF BUSINESS

Consideration of Retention of Bond Counsel

Mr. Eckert stated we have two proposals for bond counsel, one from Greenberg Traurig and one from Squire Patton Boggs, that used to be Squire, Sanders and Dempsey at the time they worked on your initial bonds as well as they helped you out on the 2013 IRS audit that came back in the district's favor there was no findings against the district or anything like that. The amounts are close, Greenberg Traurig is a flat fee of \$30,000 plus expenses not to exceed \$2,000 and Squire Patton Boggs is a fee between \$25,000 and \$35,000 if it is in the form of a direct placement or bank loan or between \$40,000 and \$50,000 plus expenses if it is a financing with public bond offering.

Mr. Oliver asked Brett, do you think we will most likely go to a public offering or do bank financing, what is most advantageous to the district in this climate?

Mr. Sealy responded I think at this point in time to the extent that the district is looking to take advantage of a 30-year financing to our knowledge and with the extensive experience that we have in the current CDD marketplace there isn't a bank that is going to be willing to do a 30-year deal. Just on that alone we know we wouldn't go the bank private placement route. To the extent the district might consider even shorter maturity to match the duration limitations banks have today there are some underlying credit dynamics here that would not lend itself to going the

bank route. It would be highly unlikely that we would go the private placement route and instead go the public offering route because the types of institutional buyers that buy non-rated CDD bonds are very used to buying bonds with similar underlying credit dynamics that the district currently possesses at this time.

Mr. Eckert stated just so the board is aware these are both extremely reputable bond counsel firms in the State of Florida.

On MOTION by Ms. Andrews seconded by Ms. Fore with all in favor the engagement letter with Greenberg Traurig to serve as bond counsel for the recreational bonds was approved.

SIXTH ORDER OF BUSINESS

Discussion of Capital Projects

Mr. Oliver stated Mike Lucas is here to answer any questions you may have. You have his drawings based on the input that you and the residents provided to him. I would like to see some type of plan with a child’s aquatic feature out there where the existing playground is.

Mr. Lucas stated I will do that.

Mr. Oliver stated when I talked with Mike earlier today about the lessons learned in Bartram Springs and St. Johns Golf & Country Club we would like to suggest to the board to focus on your biggest projects first rather than trying to do all the projects at once. Once that is near completion you can recalculate and decide which of the higher priorities projects you want to do.

Mr. Lucas stated we know the footprint of the fitness building, it will be rectangular and incorporate your architecture here.

SEVENTH ORDER OF BUSINESS

Discussion of Fiscal Year 2019 Approved Budget

Mr. Oliver stated you approved a proposed budget at the May meeting, we are refining this budget and you are going to have a budget hearing on August 28th and that will be a night meeting. At the public hearing we will take public input and the board will adopt the budget as well as certify the assessment roll that will go to the tax collector and be put on the tax bill that goes out November 1st. Assessments are staying the same, there is no increase in the O&M budget and even with adoption of the budget in August it is not the same as the contracts, there are several contractor bills we will have to go through as we approach the end of the fiscal year

but what you have in the budget isn't necessarily what you will contract for. A case in point is later on when we talk about the landscape RFP process, and you will see the proposals at the next meeting and that number is going to change.

Mr. Fagan stated pool maintenance, janitorial and general maintenance go up by 3% and in the budget is lifestyle coordinator. However, I think it should be more lifestyle services where it is not just an individual creating, designing, planning partnerships with vendors and that type of thing but also in service or during events, etc. Lauren gets someone from the front desk staff to help with events or we use the special event fund line item to help fund that extra staffing. We are proposing the increase based on the need; the special events continue to be popular and the attendants can continue to grow. If you prefer to keep it unchanged then we will pull staffing funds from the special event line item. Lifeguards, we recommend no changes, that is one additional guard in the summer. Facility management is not only manager but also front desk, front office staff, etc. Lauren works long hours and half of those hours are alone in the office Budget hours as needed. We recommend staffing based on the volume of people and level of service you expect.

EIGHTH ORDER OF BUSINESS

Consideration of Landscape RFP Project Manual

Mr. Torres stated the announcement has gone to the newspaper and has been published and the packet that was provided we have a mandatory pre-bid meeting scheduled for July 30th here. They will pick up the packets at our office and the pre-bid will be here and proposals are due on August 16, 2018 and they will be available for Board consideration at the meeting on August 28th.

Ms. Lovett stated we have had issues with turnover in the landscaping staff and if there is a way to ask about their training process because we get people who don't know what to do.

Mr. Stephens stated that is when you have to rely on the onsite supervisor. I have gone on rides with R&D's supervisor and in some aspects it seems to have helped a little and in some aspects it has not.

NINTH ORDER OF BUSINESS

Discussion of Guest Policies for Use of Swimming Pools

Ms. Egleston outlined the issues that have come up with having differences in guest policies and the need to have the same policy as outlined in the amenity management report.

Mr. Eckert stated we will take a look at how the policies were adopted and make sure the right procedure for that and we can bring to the continued meeting notice for rulemaking and rule development.

TENTH ORDER OF BUSINESS

Discussion of Amenity Center Staffing on Weekends

Ms. Egleston reported that additional training for her staff will take place so that they have the confidence to be able to call the police if necessary and not be intimidated by adult residents.

ELEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There being none, the next item followed.

C. Manager

There being none, the next item followed.

D. Operation Manager - Report

Mr. Stephens reviewed the items outlined in the monthly memorandum, which was included in the agenda package.

E. Amenity Center Manager - Report

Ms. Egleston reviewed the amenity center activities and maintenance items, which were outlined on the monthly memorandum, which was included as part of the agenda package.

THIRTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet as of June 30, 2018 and Statement of Revenues and Expenses for the Period Ending June 30, 2018

A copy of the financials was included in the agenda package.

B. Assessment Receipt Schedule

A copy of the assessment receipt schedule was included in the agenda package.

C. Impact Fee Summary Report

A copy of the impact fee summary report was included in the agenda package.

D. Approval of Check Register

On MOTION by Ms. Fore seconded by Mr. Davis with all in favor the check register was approved.

**FOURTEENTH ORDER OF BUSINESS Supervisors Requests and Audience
Comments**

A resident stated I think it is ridiculous that building a gym costs \$900,000 and you can build the same size house and it costs \$350,000.

Ms. Andrews stated it is a commercial building.

Mr. Katsaras stated we built one in Bartram Springs and it was \$780,000 and that number also includes soft costs, engineering, survey, etc. There is a parking lot and the drainage needs to get routed to this system. These are budget numbers, we don't want to be low so it is probably inflated but not inflated that much.

Mr. Eckert stated I have seen this happen before, the board takes audience comments, which is what the law requires you to do, take them under advisement and if there are things the board wants to assign staff to look at that is fine. We should take public comment the board directs staff what to follow-up on for the next meeting and then we move on. I make that suggestion to the board.

A resident stated there is common area alongside me and I have had to re-sod my yard every year because of growth coming into my yard from the common area. I talked to someone

at the amenity center and they said they would pass my number on to this guy and nothing has been done.

Ms. Andrews stated we all have to deal with that. I live on a pond and they have destroyed my backyard and I had St. Augustine. We all deal with it. The seeds blow in and it comes up.

A resident asked why can't you maintain that part by the pipe?

Mr. Stephens stated I have been out there with the landscapers and that will be resolved by Friday. Mowing is all we do because it is unirrigated Bahia and does very well without irrigation.

A resident stated I wouldn't mind irrigating and sodding that area also.

Mr. Eckert stated we would have to have a license agreement to allow that to be done.

A resident asked when the pool does close when there is lightning, is that posted anywhere?

Ms. Egleston stated we used to do that but I was told we put up too many, the pool is open the pool is closed.

A resident asked couldn't we have a live stream then we could see if it were open or closed.

Mr. Eckert stated you are going to have privacy concerns from residents if you livestream. I would not recommend that.

Mr. Davis stated it could be set up on a Facebook page that could accessed easily.

Ms. Egleston stated yes but someone would have to monitor it and update.

A resident stated there is an issue at the pool with smoking, alcohol then vaping by residents. Will guests have a wristband?

Ms. Andrews stated wristbands are a great idea, but they come with a cost.

Ms. Egleston stated going forward please pull one of my staff over in privacy and tell them what is going on and let me know.

A resident asked is there overnight parking here at the amenity center?

Ms. Fore responded no.

A resident stated there are vehicles here overnight. I don't know how you are going to address it or find them.

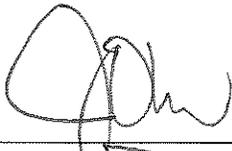
Ms. Egleston stated if you see them send me a message and let me know.

FIFTEENTH ORDER OF BUSINESS

Next Scheduled Meeting – 08/28/18 @ 4:00 p.m. @ Aberdeen Amenity Center

Mr. Torres stated we are going to continue the meeting for three items, the rulemaking and the two items we continued on the financing.

On MOTION by Ms. Lovett seconded by Mr. Davis with all in favor the meeting was continued to August 7, 2018 at 4:00 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman