

Minutes of Meeting
Durbin Crossing
Community Development District

The regular meeting of the Board of Supervisors of the Durbin Crossing Community Development District was held Monday, April 24, 2017 at 6:05 p.m. at the Durbin South Amenity Center, 145 South Durbin Parkway, Jacksonville, Florida.

Present and constituting a quorum were:

Peter E. Pollicino	Chairman
Tim Brownlee	Vice Chairman
Sarah Gabel Hall	Supervisor
Jason Harrah	Supervisor
Debbie Driscoll	Supervisor

Also present were:

Dave deNagy	District Manager
Mike Eckert	District Counsel
Stephen Howell	Vesta/Amenity Services Group
Dan Fagen	Vesta/Amenity Services Group
Margaret Alfano	Vesta/Amenity Services Group
Daniel Laughlin	GMS

The following is a summary of the discussions and actions taken at the April 24, 2017 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Pledge of Allegiance

SECOND ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 6:05 p.m.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Discussion of Matters Related to U.S. Bank Litigation

Mr. deNagy stated I received word from Scott Clark the lawsuit has been filed; however, nothing substantive has taken place since then. We will keep you apprised of anything that comes up.

FIFTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. **Approval of Minutes of the March 13, 2017 Continued Meeting and the March 27, 2017 Meeting**
- B. **Balance Sheet and Statement of Revenues and Expenses**
- C. **Assessment Receipt Schedule**
- D. **Impact Fee Summery Report**
- E. **Check Register**

On MOTION by Mr. Brownlee seconded by Mr. Harrah with all in favor the consent agenda items were approved.

SIXTH ORDER OF BUSINESS

Acceptance of Audit Committee Recommendation

Mr. deNagy stated item six is acceptance of the audit committee recommendation of ranking of the audit proposals being: McDirmit Davis no. 1, Berger Toombs no. 2, Grau & Associates no. 3 and Carr Riggs no. 4.

On MOTION by Mr. Harrah seconded by Ms. Hall with all in favor the recommendation of the audit committee of McDirmit Davis no. 1, Berger Toombs no. 2, Grau & Associates no. 3 and Carr Riggs no. 4 was accepted.

SEVENTH ORDER OF BUSINESS

Consideration of Non-Exclusive Grants and Assignments of Easements

Mr. Eckert stated this is a constant process that we have been going through in reviewing all the plats that have been recorded against properties within the district and determining which easements the district needs. We have been working with the two developers to try to get those easements in the district's favor. What you have in your agenda package are assignments of easements to the district for Phase 1 Units 2, 3, and 4, Phase 2B Units 1 and 2, Durbin Crossing

North Phase 2C, Durbin Crossing North Phase 2D, Durbin Crossing North Phase 2E Unit 1. We are asking the board to accept those easements subject to final review by district counsel and the only reason it is subject to that is that we did note there was one instance on the plat where it wasn't included in the easement and we will have to go back to the developer and tell them to redo the easement. The map I handed out to you that highlights the areas of the easements is correct. You will be approving the easements depicted on this map subject to district counsel verifying all of them are included in the conveyance documents.

Mr. Brownlee asked are all these easements with the developers?

Mr. Eckert stated they are either with the developer or jointly owned by the developer and the HOA or they are ones that we have some right to in the declaration of covenants but I would rather have them on this document it would resolve some of the issues we have been having over the last six months to a year in terms of people saying we don't have the easement over their property. This will give us a separate recorded document.

Mr. Brownlee asked are all of these in North?

Mr. Eckert stated all these are in North and these are ones we don't already have.

Mr. Brownlee asked do we have the ones in South already?

Mr. Eckert stated we have some in South and that is the next round that we will be seeing either next month or the month after that. We have done most of our work there and we provided that to the developer but we haven't gotten an affirmative response back from them that it has included everything. I think there is a pond near the commercial area that the district owns a part of but not all of and we are trying to clean that up as well.

On MOTION by Mr. Brownlee seconded by Ms. Driscoll with all in favor the easements outlined above and depicted in the attached map were accepted subject to final review by district counsel.

Mr. Harrah asked is this something that once we get it identified that we can put on our website so there is no question there is a map that you can see where the easements are located?

Mr. Eckert stated we certainly can. I suggest as soon as we do Durbin Crossing South you may want to commission George to do some sort of a larger map that shows all the district's easements and that is what we typically do and have one map.

EIGHTH ORDER OF BUSINESS

Consideration of Amended and Restated Disclosure of Public Finance

Mr. Eckert stated the board was successful in refinancing the bonds and achieved about a 10% savings on behalf of the residents not too long ago. There is a document that is recorded against all the property in the district called, a disclosure of public financing and it is required by Chapter 190, F.S. It is something that will show up in people's title search to give them notice that they are going to be living within the CDD if they buy the property and what their assessment levels are and because we refinanced those bonds we needed to make sure that we updated that disclosure of public financing.

Mr. Brownlee stated on page 7, note 1 says, the above chart excludes properties that have partially prepaid or fully prepaid their debt assessments. Note 2 says, properties that have partially prepaid their debt assessments will receive a proportional increase based upon the remaining par debt on their property compared to the total par debt issued. Is that right, should that be decrease?

Mr. deNagy stated I think the par debt went up and the assessments went down.

Mr. Eckert stated it is correct terminology because when you refinanced your bonds the principal went up slightly but your payment went down so there was a proportional increase in the par debt on someone who had partially prepaid. The par is still less than the assessment lien that is out there against each property.

On MOTION by Mr. Harrah seconded by Mr. Pollicino with all in favor the amended and restated disclosure of public finance was approved and staff was authorized to record the document in the public records.

NINTH ORDER OF BUSINESS

Discussion of Fiscal Year 2018 Budget

Mr. deNagy stated the proposed fiscal year 2018 budget was provided under separate cover. I want to emphasize that this is a draft only. We are not approving anything tonight and this is purely for discussion if any. We will be approving our budget at our May meeting. The budget process is a two-step process, we approve the budget then allow at least 60 days to lapse before we adopt the budget for purposes of levying assessments. The O&M budget is one of two components of the CDD assessment the other component being the debt assessment. The two combined make up the annual CDD assessment. We certify those assessments for collection

with the St. Johns County tax collector, the CDD assessment is included as part of the property tax bill when it comes out in November. Typically the debt is fixed for 30 years and the O&M is variable from year to year.

We are showing a 13% increase in O&M. I will highlight a couple of the bigger items and I have put in a column showing the dollar change from FY 2017 to FY 2018. The first one is under administrative costs and this is a placeholder for attorney fees related to the U.S. Bank litigation. I consulted with Scott Clark and this is our estimate of the costs of litigation from October 1, through September 30, 2018, an estimate of \$75,000. I have talked to the chairman about this and my recommendation is to not include this as part of our assessments. We are projecting at least \$150,000 in carry over that we can use to pay for the attorney fees. With the attorney fees for litigation taken out the actual increase would be a little over 8 ½%.

The next part of the budget is the amenity center expenses. We have some increase in our property insurance of \$1,361. For amenity center management we have the cost for Vesta included in our budget and these are tentative, I'm working with Margaret, Dan and Steve on the final numbers. You will see some increases that I put in that total \$24,378 and these are not final numbers.

Grounds maintenance is where the lion's share of the 8 ½% increase is and I have gone through each of these line items and we have over \$94,000 of expenses increasing starting with reuse and we are working to scrub these numbers.

Lake maintenance is Aquatic Systems and we knew that there was going to be an increase and we are projecting \$45,000, which is an increase over our budgeted \$36,000 and for a full year that will result in a \$13,557 increase.

Miscellaneous is kind of a catchall for miscellaneous costs and I'm still scrubbing these numbers to see what we have that are recurring costs versus fixed or one-time costs.

Irrigation repairs have gone up and as the system ages we realize more irrigation repairs. I will be working with Steve and Margaret on this number but I show an increase from \$11,000 to \$20,000.

The last major line item that has an increase is our capital reserve. We will be talking about our capital reserve study tonight and the recommended funding for fiscal year 2018 budget is \$170,695 and that is a \$30,000 increase for our reserve fund.

Based on the full increase, which includes the \$75,000 in legal would result in about \$132 increase or about \$10 a month for an 83 foot lot and without the \$75,000 it would be \$84 per year increase for an 83 foot lot. We are not approving anything tonight this is purely for reference. I encourage you to review the budget, get back with me with any questions before our May meeting and we will put together the budget for the May meeting for approval so we can move forward and eventually adopt our budget.

Mr. Pollicino stated it has been a while since we had an increase and the items that Dave outlined are increases in maintenance as our community grows. A significant portion is for amenity center management and it has to do with community growth and residents who have been here a long time know that we have not typically staffed Durbin North with lifeguards or someone checking badges but as we get bigger it is becoming increasingly difficult to manage from here. It has become apparent that we need additional staff up there.

Is the increase for water for additional areas coming online or is that an increase from JEA?

Mr. deNagy stated I didn't look at the current rates that JEA is charging whether there is an increase. We have about 30 to 40 irrigation accounts and I was simply looking at our actuals for the first six months.

Mr. Pollicino stated the other item I want to draw attention to is the \$13,000 for the lakes. As residents are aware we have had a significant problem with our lakes the past couple of years. We changed vendors and the new vendor is a little more expensive but they are doing a lot more due diligence and are more active in keeping the ponds in pristine condition. We are hoping this additional money is going to resolve the issue of keeping our ponds in a condition we have come to expect.

The last big item is an additional \$30,000 for capital reserves that will be needed for repair and replacement of capital items.

Mr. deNagy stated in addition one of the tricky things for the budget, and it depends on how the board and residents feel about it, depending on how tight you want the budget will determine how long this budget will stay in place without having annual increases. We like to design a budget so it is somewhat stable for two, three or four years if possible.

Mr. Gruhn stated you talked about the lot increase for current residents. How much of this actually counts for new residents that make up some of the differences?

Mr. Pollicino stated the budget accounts for all lots developed and undeveloped so there are no additional funds when they sell more townhomes. The unit count includes all the unsold lots as well.

Mr. Eckert stated a better way to understand it is the developer or the owner of undeveloped land has been paying O&M assessments all along.

Ms. Hall stated the more new residents we get the more foot traffic we get and more staffing we need.

Mr. Gruhn asked if we are not changing the size of the amenity centers, we are not adding any equipment just more people why would the maintenance go up? Why do we need to add lifeguards?

Ms. Hall stated that facility wasn't staffed and I have been up there a lot of times and it can get crazy, parents don't have their kids follow the rules, a lot of pool rules are being broken and with staff there you will actually protect the facility a little bit so you don't have to pay as much in maintenance later.

Mr. Nyman asked you said the bonds we are saving 10% is that in cash? If we are saving on the bonds wouldn't that help with the 8% in the budget?

Mr. Pollicino stated the bond is a fixed number on the assessment and this portion is the variable portion of the assessment.

Mr. Eckert stated when we refinanced the bonds that reduced everybody's annual debt assessment that you see on your tax bill.

Mr. deNagy stated when I bring the budget to the next meeting for approval I will show the net impact to the residents.

Mr. Mitchell asked the lights by the pool was supposed to increase the amount of time the pool was open but they close it at dusk. Why wasn't it open late last year, we should have the extra hours.

Ms. Hall stated that is a good question.

Mr. Pollicino stated last year we said the pool lights would be on from Memorial Day to September. If the board decides to increase the hours and incur the expense of staff we can do that. It comes down to the budget and what the residents want if you want it open longer we can do that.

Ms. Hall stated I think what Felix is trying to say is I think it was only open late a couple nights a week instead of all week.

Mr. Mitchell stated you put in the lights in order to stay open later but we haven't seen the benefit.

Mr. Harrah stated we wouldn't use it 12 months of the year so we could expand it a month to the left and a month to the right, going into April and October.

Ms. Hall stated I think what he is saying is we would like to see it open Tuesday through Sunday at night. I don't see why it couldn't be swim at your own risk the last hour or two. Could we just staff it with a pool monitor the last two hours of the night and no water slide? That gives families a chance to come and swim.

Mr. Harrah stated we need to come up with the cost for seven days a week, a cost for Tuesday through Sunday and a variable for the calendar as well. How many months do we want to do this? That would take the amenity center management cost up for each option. Can you come back with options for five days a week, seven days a week, March or April and October?

Ms. Alfano stated I will have costs for the next meeting.

TENTH ORDER OF BUSINESS

Consideration of Accepting the Capital Reserve Study

Mr. deNagy stated the updated capital reserve study is dated April 18, 2017, we sent it out to the board today and it will be posted on the website. There was one change made since the last meeting we removed the pool that was scheduled for resurfacing two years from now to this year along with the South pool so we get economies of scale with the pricing for resurfacing.

On MOTION by Ms. Hall seconded by Mr. Pollicino with all in favor the reserve study dated April 18, 2017 was accepted.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Eckert stated we do anticipate over the next couple of meetings bringing back to you the Durbin Crossing South easements.

It does look like the bill is going to pass that will require ethics training for all special district board members, four hours a year. We are currently investigating the best way to help

you get that training. It won't go into effect until 2018, it has already been in effect for city council and county commissioners. As usually happens with local government officials it starts with counties and cities and we catch up with it at some point. We will talk about whether or not that is something we build into our attorney report or if you want to do the online version.

B. District Engineer

There being none, the next item followed.

C. District Manager

Mr. deNagy stated I received an email and you should have received this evening from resident, Kristin Land. Kristin lives in Durbin North and had come to the board in the early part of 2015 and where she lives borders the parkway and is asking that a brick wall be installed instead of fencing. I wanted to bring that up and she thought she could be here tonight to present it herself but she couldn't make it. I did ask that she send an email to all of you.

D. General Manager - Report

Ms. Alfano reviewed her report, copy of which was included in the agenda package.

E. Operations Manager - Report

Mr. Howell gave an overview of the field operation manager's report, copy of which is attached hereto and made a part hereof.

TWELFTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Rucker stated I want to go back to the lighting issue for the pool. July 25th there was board discussion to leave the lights on until 8:00 p.m. it ended with the district manager was going to go back and look at the policies and adjust the hours.

Mr. del Toro asked the survey is not completed yet but when it is completed what is the plan? Will there be a review process, action plan or what?

Mr. Pollicino stated last time we did a survey was two years ago and there was a similar response rate. At some point it becomes somewhat statistically insignificant when you look at the overall number of residents when you have 100 yes votes for something and 60 no votes it is hard to make a decision based on 60 people when there are 2,000 residents. We take it under advisement and when the survey results come in we will look at it but it is a small sample size it is difficult to make a million dollar decision based on a couple hundred votes.

Mr. del Toro stated I agree is it is a small sample size on the other hand it is typical of surveys done anywhere.

A resident stated it sounds like there have been 400 responses out of 2,000 I would say a little under 20% is not unreasonable. How many responses that you got two years ago were acted on?

Mr. Pollicino stated I believe we did the lights, which was an extremely popular item. I don't remember anything else that was on that survey. There is no way we can draw a line and say if we X number of responses we spend a certain amount of money. I believe the survey results will give guidance to the board about what people are really passionate about and if 80% is happy with the status quo then we take that under advisement as well.

A resident asked was there any follow-up after the survey to the people who responded that said here is what we reviewed here is what we did about it thank for your feedback? From my perspective if someone sent me a survey two years ago and nothing happened why would I respond to the next survey?

Ms. Driscoll stated it was discussed and acted on at subsequent meetings.

Mr. Pollicino stated the results will be published.

Ms. Driscoll stated the minutes of our meetings are published on the website so you can review those.

A resident stated this is my first CDD meeting. I did a review of the last emails that came out where the survey was listed in the subject line that was not a budgeted item. I believe you are here to represent the broader community, I appreciate your effort but I think it would be good for the board to be a little more proactive in the traditional ways that they reach out to the community. Posting minutes on the website is expecting 2,000 people say let's go see what they talked about last month. Most of us work late hours and can't come to every CDD meeting but

traditional I'm going to post the minutes and then I make all the decisions for the community is not necessarily a good way to reach out to the members of the community.

Mr. Brown stated I check my email all the time and I didn't see anything about a survey.

Mr. Pollicino stated speak with Margaret.

Mr. Brown stated I know it is a challenge because I have been involved in surveys. I would challenge the board to come up with a more user friendly way to reach out to the residents and get them involved with the survey and then maybe a committee of people who have expertise to see if they can help you along the way.

Mr. Schack stated I have been here for two years and this is the first meeting I have been to. We moved from JCP so you think you have issues here but as to communication I think if you do a write-up in every newsletter so I don't feel left out because I work. Just a couple paragraphs to bring you up to speed about what's going on, balance sheets and revenue stuff is all good information but if you want a general idea just check that out. The items on the survey we were giving our opinion on, how did you come up with those items? Some of them are very relevant to the community and some of them not really.

Ms. Driscoll stated these are items that were brought to Margaret's attention on several occasions. Everything on that survey came from the residents.

A resident stated I filled out the survey but didn't write anything in the comment section and once you do it you can't change any answers you can't leave any comments.

Mr. Pollicino stated get with Margaret after the meeting and she will get your email address and reset your survey.

A resident stated I was disappointed there wasn't any type of grill or pool expansion. We were members of a very small pool in Omaha where they had lifeguards take turns managing the snack station and it was all prepackaged stuff but it was popsicles and soda, chips and things like that.

Mr. Pollicino stated I know this is one of your first meetings. Every single item you brought up has been discussed with the board. We had a grill here for probably five years and people were not cleaning it and it became a liability issue.

Ms. Hall stated she wants a snack bar she wants someone to grill for her.

Mr. Pollicino stated the snack bar option has been discussed and unless the CDD plans on subsidizing it, it doesn't make any money. I think Julington Creek is on their third or fourth

vendor. People like the idea of coming to the amenity center and spending \$6 on a burger but the reality is people won't and we end up losing money.

A resident asked what about a food truck on Saturday afternoon?

Mr. Pollicino stated food trucks are a great model.

A resident asked can we just invite them to come?

Ms. Alfano stated I think we just need to let residents know when they are going to be here. We are going to increase it this year and you are going to see more food trucks in the summer.

A resident stated the problem is there are breaks and you don't have food truck Friday and food trucks have to work everyday all year round. If the volume isn't there they just go away and people don't go there on Friday nights anymore because they don't know if the trucks are going to be there or not.

Ms. Alfano stated that's what happened a year ago and they basically stopped it November through Spring there were no food trucks. There are food trucks every Friday night now. We had scheduling issues and 95% of the time they are there.

Mr. Pollicino stated I have seen a lot of passion and interest in this room, we all live here, we all have jobs, we all have kids we are all busy. The HOA is going to have two or three openings on their board and if anyone in this room is interested in serving the community and helping out the HOA the gentleman's name is John Jurkow and you can get his contact information from Margaret.

FOURTEENTH ORDER OF BUSINESS

**Next Scheduled Meeting – May 22, 2017 @
6:00 p.m. at the Durbin South Amenity
Center**

Mr. deNagy stated our next meeting will be May 22, 2017 at 6:00 p.m. here at the South Amenity Center.

On MOTION by Mr. Brownlee seconded by Ms. Hall with all in favor the meeting adjourned at 7:30 p.m.

April 24, 2017

Durbin Crossing CDD



Secretary/Assistant Secretary



Chairman/Vice Chairman