

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, May 23, 2016 at 6:00 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
Leonard Rucker	Supervisor

Also present were:

Dave deNagy	District Manager
Mike Eckert	District Counsel
Clark Gates	Hopping Green & Sams
Stephen Howell	Vesta/Amenity Services Group
Roy Deary	Vesta/Amenity Services Group
Jennifer Meadows	Vesta/Amenity Services Group
Margaret Alfano	Vesta/Amenity Services Group
Bill Kinsey	Down to Earth
Anthony Sharp	D.R. Horton
Shane Ricci	D.R. Horton
Batey McGraw	Dream Finders Homes
Several Residents	

The following is a summary of the discussions and actions taken at the May 23, 2016 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Pledge of Allegiance

Mr. deNagy called the meeting to order at 6:00 p.m. and led the pledge or allegiance.

SECOND ORDER OF BUSINESS

Roll Call

Mr. deNagy called the roll.

THIRD ORDER OF BUSINESS

Audience Comments

Mr. Jurkow stated I have a lot of discussion items on the budget and I didn't know if you wanted them now or when you discuss the budget.

Mr. Pollicino stated you can wait until we get to the budget.

FOURTH ORDER OF BUSINESS

Presentation by D.R. Horton Regarding Play Structure Options

Mr. Sharp stated what I provided tonight is an overall plan with a couple cut sections showing security gates. I also provided a rendering for the playground upgrade, full engineering drawings for the boardwalk and a cut sheet for the lighting we propose. We were going to put rope lighting under both ends, LED that will be very bright.

Mr. Eckert stated I have been in contact with Mark Dearing of D.R. Horton in relation to the boardwalk and agreement and the burden is on D.R. Horton to prepare the initial draft of that agreement. I have not seen that yet so there isn't an agreement for the board to vote on tonight.

Overhead Electric Line

Mr. Ricci stated the drawing in front of you is a drawing prepared by JEA Electric they are requesting permission to install an overhead electric line and add to the existing easement to serve our community across the street, Durbin Crossing Townhomes. The aerial will connect to an existing aerial line on the east side of St. Johns Parkway and span across the parkway to our community.

Mr. Eckert stated typically the district doesn't have any power to approve or disapprove the location of electrical systems, however, in this case it is going through a drainage easement that the district has. Your district engineer has looked at it and didn't have any concerns from an engineering perspective but D.R. Horton has asked for the district's consent to place the power lines in that spot and that is why we brought it to you.

Mr. Pollicino asked is this the most logical choice?

Mr. Ricci stated yes.

Mr. Rucker asked is it overhead or underground?

Mr. Ricci stated this section going over St. Johns Parkway and through the easement will be overhead and once it gets to our community all the electric is underground.

Ms. Hall moved to authorize staff to prepare whatever paperwork is necessary to grant the consent to place the power lines in the existing easement and Mr. Pollicino seconded the motion.

Mr. Eckert stated this specific item is not on the agenda so we need to take any audience comments before we take a vote.

There being none,

On voice vote with all in favor the motion passed.

Mr. Eckert stated we are back to the boardwalk at this point as well as the playground. Those are the two items you have been presented materials on. This is the first time I have seen these documents and I think we need to share them with our district engineer and he needs to be able to explain to you what it is going to look like and what it is going to mean. They are here offering to answer any questions you have on that and I think you should take advantage of that but ultimately George is going to have to look at this and this will be incorporated into the agreement once we actually get that document.

Ms. Hall stated your residents will access the north amenity center through the boardwalk. Will that be via amenity access cards?

Mr. Sharp responded yes, they will match your system.

Ms. Hall asked what if I wanted to walk on the boardwalk just to walk through nature, could I do it?

Mr. Eckert responded that will be up to the district if we own this boardwalk and the security we can control whether anybody's access cards work through there.

Mr. Brownlee asked is there enough information for George to comment on?

Mr. Eckert stated I think you pretty much have full engineering plans for him to be able to comment on and provide some information to you. This is what the board asked them to bring back to you at the last meeting.

Mr. Pollicino stated on the playground structure while we appreciate what you submitted in my opinion it is inadequate for the anticipated influx of residents. We also asked Margaret to put together a drawing that would meet anticipated needs and that has a cost estimate of \$114,000.

Mr. Harrah asked where are we proposing to place this? Are we taking what we have up and replacing or is this going to be in addition?

Mr. Pollicino responded this will be in addition.

Ms. Hall stated Margaret even thought about the adults when she added a cardio walker and elliptical, which is outdoor play equipment for grown-ups.

Mr. Pollicino stated this is substantially higher than what you initially asked for but I think this could be an opportunity for both the current and future residents. We ask that you give this serious consideration.

Mr. Harrah stated George will review the engineering part of this and come to the next meeting and say yes or no and you will review our proposal for the playground and say yes or no at the next meeting.

Mr. Eckert stated I think to the extent you can work with Mark to get that agreement and incorporate what your proposal is into that agreement in terms of the playground that is probably the best place. It has been great you provided a lot of information for the board and come back with what the board asked for in terms of the technical specs on that but I think we probably need to start working on negotiating a document at this point.

Ms. Hall stated I think it would be a good idea if Margaret could look at the cost of doing a gazebo next to it that could be rented for parties and could potentially pay for itself.

Operations Manager

Mr. Pollicino stated as a board member and resident I am well aware of issues we have had with the landscaping. Bill met with me just prior to this meeting and he listened to my concerns and our frustrations. He has assured me that the grass will come back, it will be green and he agreed to dip into his own pocket and replace some of the grass that died on his watch and I commend him for stepping up and agreeing to make those enhancements. There were no excuses made or finger pointing. He said there is an issue and he is willing to address those issues.

Mr. Howell stated Bill can speak with respect to the grass. I spent a lot of time with Bill going over a better way to streamline work orders and needs of the community with respect to landscaping than it has been in my short existence here with me finding issues and bringing them to his attention and the paperwork and phone calls going back and forth to get anything accomplished. I requested today that if anyone sees an issue to bring it to my attention in order to streamline things and get to them a lot faster. They finished all the fertilization. We have come across a handful of properties that when they transitioned from the other management and outsourced the spray schedule a couple areas were missed. That has been addressed now.

Mr. Kinsey left the meeting at this time.

FIFTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of Minutes of the April 4, 2016 Meeting**
- B. Balance Sheet as of April 30, 2016 and Statement of Revenues and Expenses for the Period Ending April 30, 2016**
- C. Assessment Receipt Schedule**
- D. Impact Fee Summery Report**
- E. Check Register**

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

SIXTH ORDER OF BUSINESS

Acceptance of the Draft Audit Report for Fiscal Year 2015

Mr. deNagy stated the next item is acceptance of the draft audit report for fiscal year 2015 and this would be subject to attorney comments, which we have received. Page 3 are some opinions, I had asked Mr. Gaines for an explanation of the different opinions, specifically the adverse, qualified and unmodified opinions. We usually read into the record the unmodified opinions, which you can read for yourself. Until I get an answer on that I don't think there is an issue but I wanted to bring it to your attention.

Page 31 is the internal control over financial reporting and compliance at the bottom of the page in the last paragraph that I would like to read into the record, that, "we did not identify any deficiencies in internal control that we consider to be material weaknesses." On pages 33 to 35 is the management letter and you will see there was a prior audit finding regarding the impact

fee bonds. We are continuing to work with the bondholders and interested parties to have that squared away. There was one other comment the auditor made for a finding of 2015-02, I did not find that finding in the audit report and I'm looking for an answer on that.

I think this is substantially complete and subject to attorney comments and my getting responses from the auditor I look for a motion accepting the draft audit report for fiscal year 2015.

On MOTION by Mr. Brownlee seconded by Mr. Pollicino with all in favor the fiscal year 2015 draft audit was accepted subject to revisions noted by counsel and staff was authorized to transmit the final report to the State of Florida.

SEVENTH ORDER OF BUSINESS

Discussion of the Fiscal Year 2017 Budget

Mr. deNagy stated if you turn to section 7 of your agenda package, this is a preliminary budget and we will bring the budget before the board at your June 13th meeting, which is about a week earlier than we normally have our meeting for budget approval. The reason for that is we need to have the budget approved prior to June 15th per Florida Statute.

The CDD assessments are made up of two components, operations and maintenance, and we will talk about that tonight as the general fund budget, and there is the debt service budget and that is the money that is paid as part of your CDD assessment that goes to pay back the bonds, the proceeds of which was used to put in all the infrastructure, the amenity center, stormwater ponds, landscaping and so forth. Your CDD assessment is made up of debt and that debt assessment will stay the same unless we refund the bonds. The life of the bond is 30 years and I believe it is paid off in 2035. The O&M, general fund, that we are going to talk about can vary from year to year depending on the cost of services. It is a two-step process to adopt a budget for purposes of levying assessments. We have to wait 60 days after the budget is approved before it is adopted. We send copies to the county for any comments and our budget adoption meeting is scheduled for August 22nd and that will be the time we work through all the issues and get it finalized. The adopted budget is the document that is the basis for levying assessments that we send to the county. Your CDD assessment is collected as part of your property tax bill in St. Johns County that go out in November.

Mr. deNagy stated we don't have any change in assessments forecast for fiscal year 2017 then reviewed the line item changes in the proposed budget.

EIGHTH ORDER OF BUSINESS

**Consideration of Request to Encroach on
Drainage Easement**

Mr. deNagy stated in your agenda package is an email from Matt Courtney requesting an encroachment into the district's drainage easement similar to what we had for another pool and you have George's response and it is essentially the same response and there is a map on the back. He doesn't have a problem with the request; however, he wanted to point out that it could create an obstruction down the road if we have other requests.

Mr. Eckert stated what is being asked of the board is to give up one of their property rights, which is handled on an individual basis. George has pointed out before that you need to make sure that when you do this that you are not creating a situation where you can't maintain your ponds or pond banks. If everybody encroached into that easement it would be very difficult for you to be able to maintain your ponds; however, we have only had one request before and that was somewhat of a unique situation. We have this request and we have another one coming up a little later in the meeting. The latter is much less formal and is one you have heard from before regarding the Willow Winds Parkway issue. This particular item is at the board's discretion whether or not you wish to grant an encroachment into the district's drainage easement.

Mr. Pollicino stated my philosophy is the same as the other one. Any time a resident wants to create value to their home, I'm in favor as long as it doesn't inhibit our ability to maintain the property.

Mr. Harrah stated each one of these that come up you should review and say can I get my equipment around there to adequately maintain the pond behind that if it is that close. You check that box. Then no. 2 is if we approve these do we provide a disclaimer that if we have a slope failure or something right there and we need to get a dozer in what happens if we have an issue?

Mr. Eckert stated if you have an issue and you have given up that property right because you are vacating the easement for the period of the encroachment. If you have to get on that property to make a repair you are going to be doing it at your cost. If you can't work something out collaboratively with the property owner there is the ability to use eminent domain to take the land you need to do the repairs.

Mr. Harrah stated we already approved one. My fear is we have a failure, the pool guy puts everything in and doesn't get it sloped good enough and there is an issue they are going to come to us and say your slope is down and what if we can't get in to fix it.

Mr. deNagy stated it is really not setting a precedent. I think we said at the last meeting that any of these that come before the board will be considered on a case-by-case basis.

Mr. Harrah stated I understand but the word is out there that one has been approved. I don't have an issue but there is a risk that if we do it we are assuming the contractor is grading our slope back adjacent to the pond is adequate.

Mr. Pollicino stated I think we have to take this on a case-by-case basis and if we get to an upper limit we can deny it.

Mr. Courtney stated you can see a lot of residents don't have enough room to put a pool and a couple have already built other structures that are not pools already. It would be inside the current fence line and not past the top of the hill.

Mr. Harrah asked why do we have that easement?

Mr. Eckert stated mostly for maintenance in terms of if you had to repair pond banks. Murabella just spent about \$1.1 million on pond bank repairs and used those easements to do those repairs. The first issue the board has identified is that the construction will cause a problem with the pond banks and we usually try to take care of that with language in the actual easement that if the construction causes a problem then the homeowner is going to be responsible for remedying that. The second issue is access to deal with major pond bank reconstruction issues, which some communities have to deal with. Finally, you have to make sure that from whatever access we have to the pond or multiple accesses that you can access every area of the pond bank. You can't have an encroachment here and an encroachment here and no access in-between. That is one of the other issues that you need to consider on what you want to do.

You are approving the partial release of your easement and the way we have done this in the past in this district and others is the homeowner approaches the board and if the board is in favor of it the board authorizes us to prepare a document to release the easement. The homeowner is responsible to pay the cost of that so other people in the community don't bear the cost of something that benefits just one parcel of property and that is the process we have gone

through in the past. It really is a policy decision by the board, do you want to give up that property right or do you not.

Mr. Brownlee asked do we know what the plan is to reinforce the area on the side of the pool that faces the pond?

Mr. Courtney stated there will be a retaining wall by the pool contractor. All the plans are in accordance with pool standards and building standards.

Mr. Eckert stated the area where the pool is proposed currently is a flat area.

On MOTION by Mr. Pollicino seconded by Mr. Harrah with four in favor and Mr. Rucker voting no district counsel was authorized to prepare and the chairman was authorized to execute a release of the drainage easement to the extent necessary to accommodate the proposed improvement at 1933 Dumfries Court subject to the resident paying the legal and engineering costs that would be incurred by the district to review this and prepare those documents.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Eckert stated I want to introduce Clark Gates to the board, Clark has been working on this district since January and he is going to give a brief legislative update then I have a couple items I want to address to the board as well.

Mr. Gates stated a couple bills passed that will go into effect this year, the first deals with the CDD website. The law adds a length of time for a few items, for example, the tentative budget has to remain on the CDD website for 45 days, the adopted and approved budget for two years and there are additional requirements to provide a link to the Department of Financial Services and include the board meeting schedule. I checked the website today and all those things are up there, Dave's office is well aware of all of those changes and he has made sure those are already in place.

The other bill requires an additional statement in contracts that you will see in agreements going forward regarding public records requests. The additional statement will be in any contract with vendors and contractors in 14-point, bold font that states who is the public records custodian, which is Dave, and it gives his email address and phone number and mailing address which to allow the contractor to ask questions regarding public record requests. Also, if there is a

public records request, the contractor will be contacted by Dave and will allow the requester to go to the contractor and inspect the records if needed and if someone makes a public records request they are now required to wait eight business days before they can bring a lawsuit.

Mr. Eckert stated if you will recall at the last meeting we talked about a request to vacate an easement in a backyard that was needed to access the pond. We reported back to that resident the district wasn't interested in funding gates over the district's access easements. That resident then reached out to the builder of their home and the builder agreed to go ahead and fund those gates. As a district we need to have access to the pond through that easement. The District has an easement and as long as their use isn't interfering with our ability to use the easement we don't really have a veto power over whether someone privately funds the gates. That is the status with this request. Ms. Gaskill, which is the Willow Winds Parkway lot 401 wanted Dave and I to bring this back to the board and ask you to reconsider vacating the easement in the backyard because she believes that the district utilizing the access easement along the side of her house reduces the useable sides of her yard. We said we would bring it back to you one more time and depending on what the board wants us to do we can report back to her and it will be the last time I ever bring this up.

It was the consensus of the board to not reconsider the request.

Mr. Eckert stated the next item is Dream Finders. My understanding from talking to their counsel is that Dream Finders has taken down the two parcels of property, which was one of the contingencies in our contract to sell them the right of way access. They had to close on those properties first, which I think they have done. We have some representatives of Dream Finders here who are going to talk about the lighting and landscaping for that entry roadway. We will handle that under other business. We are now in the process of working with Dream Finders to close out the punch list items, the most important of which is the lighting and landscaping for that area.

B. Engineer

There being none, the next item followed.

C. Manager – Report on the Number of Registered Voters (3,508)

Mr. deNagy stated under Florida Statutes we are required to report the number of registered voters in the district and as you can see there are 3,508 registered voters within the Durbin Crossing boundaries.

D. General Manager - Report

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

E. Operation Manager – Report

Mr. Howell gave an overview of the items in his report after which the following action was taken.

On MOTION by Mr. Rucker seconded by Mr. Harrah with all in favor the proposal to install electrical service in the storage shed in the amount of \$1,040 was approved.
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TENTH ORDER OF BUSINESS

Other Business

Mr. Eckert stated one of the requirements with Dream Finders is that the board has to approve the landscape plan and also the lighting plan for the access road to their community. We received and the district engineer received very technical drawings that we really couldn't understand how it was going to look. Rather than just present you with those I thought it would be fair to Dream Finders to ask them to come in and describe to you what they intend to do. You may or may not reach a point tonight where you have enough information to approve anything but them explaining what their plan is, is important.

Mr. McGraw reviewed and discussed the lighting and landscape plan.

Mr. Eckert stated the engineer reviewed the plans and had two preliminary comments, one being the proposed 3-gallon Viburnum should be a little bit bigger than that and the other concern was whether or not it is true down lighting, which is what we envisioned when we talked to the closest neighbors and you have some solutions to reduce the amount of light pollution by spray painting them but 10 years from now when we go to the HOA and say you have to re-spray paint it and they may say no. That may be something we need to work on with you a little bit more.

Mr. Pollicino stated in the interest of moving forward if the board wants to give me the authority to approve one of five light options I will be more than happy to take that on and I can work with district counsel on approving that light. Is that the only item?

Mr. McGraw stated I can say we will use 7 gallon plants with no problem.

Mr. Harrah asked are we all in agreement on the landscaping plan with the larger plants?

Mr. Pollicino stated 4-7 gallon plants.

Mr. Harrah stated on the lighting there are seven lights in question.

On MOTION by Mr. Harrah seconded by Ms. Hall with all in favor the chairman was authorized to sign off on the landscape and lighting plans once he is satisfied that the board's concerns have been addressed.

ELEVENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Rucker stated I want to understand what is going on with the maintenance of the medians in the parkway.

Mr. deNagy stated when we did the RFP we took certain areas out of the landscape contract. At that time our operations manager, Louis Cowling contacted the county and the county had agreed to maintain those median areas on 223 and some other areas, including the monument on 244. Time passed and that information got to the public works director of St. Johns County who said they are not going to maintain that and said there was miscommunication in the county. That is how we got to the point of the median not being cut. I have been in contact with the new public works director and he has done a one-time cut. They are in the process of doing research into the background of what they have and what paperwork saying the district is to maintain those medians. The only caveat is that I checked with George and all those areas he is questioning are outside the district boundaries. I will follow-up with him this week.

Mr. Harrah stated I spoke with the public works director as well and he seemed to indicate that there was a hold harmless agreement that alluded to the fact that we would maintain the medians and these other areas. Do we have any documentation on our end?

Mr. Eckert stated I have looked for that for the last year and we asked the county because the county said we have an agreement but the only thing they produced is a hold harmless agreement for two signs.

Mr. Harrah asked have we reached out to Mr. Sessions to get historical feedback?

Mr. deNagy stated yes, I contacted Jason and when Durbin was being formed in 2004/2005 Jason had been in contact with the county about them maintaining those areas that are in question. The county's turnaround time to cut the grass was not to his satisfaction so he took it upon himself to have the landscapers maintain those areas because he was trying to sell houses. It is my understanding, in talking with Jason, that the county is responsible for the areas in question. Those areas that have been cut are outside the district boundaries. We are talking about St. Johns Parkway and Longleaf Pine from the monument to Creekside High School to where it intersects with 223.

Mr. Harrah stated I'm talking about 210 all the way to Racetrack. They mowed Veterans but they did not mow that.

Mr. Pollicino stated at this point they have not produced any legal compelling reason why we should maintain county property. It is outrageous for them to come to a CDD to use resident funded money to mow county property. Dave is looking into it and counsel looked at it and found no reason we are compelled to mow it.

Mr. Harrah stated if the county says they can't find any documents we have to mow Veterans and the other area. From what I heard their budget for the entire county is about \$200,000 a year to mow. The best we are looking at is every six to eight weeks and it is not going to look like it did under our previous contracts.

Mr. Rucker stated maybe we can supplement what the county does.

Mr. Harrah stated we have passed a balanced budget for the past several years and I would hate to go to the community for something like that to say the county is not going to mow their own property so we are going to do it. We have to set the expectations of the residents that it is not going to look like it did when Down to Earth did it.

Mr. Pollicino stated we are struggling with grass within our own boundaries I can't recommend we start maintaining county property with CDD money.

Mr. Eckert stated if there was an interlocal agreement between the district and the county that says we will maintain it then I will come back to you and say you have an agreement that says you will maintain it. I have not seen that in our records and we have been involved with the district since the very beginning.

Mr. Noel stated we live in Durbin Village and bought our home a year and a half ago and there is a parcel that is right on the edge of St. Johns Parkway and there is a roundabout as if there is going to be a commercial development in that parcel. Are there plans for commercial?

Mr. Pollicino stated I believe it is still for sale and it is zoned for commercial.

Mr. Noel stated people are driving in there and throwing trash and they have bonfires out there. Is there anything we can do to close that off?

Mr. Pollicino asked will you talk to Jason and see if he wants to put a barrier up there?

Mr. deNagy stated yes.

Mr. Pollicino stated that won't stop the bonfires but you can contact the St. Johns County non-emergency number and let them know what is going on.

Ms. Noel stated I appreciate Sarah asking the question about security on the boardwalk because all the residents of the townhouses will have access to everything that we have, there is no reason we shouldn't have access to that boardwalk.

I know there were concerns about giving up access to easements but once you do it we have lost the right forever to access those easements. When you review the pools look into if it is necessary because he has a 14 foot wide pool and could have had an 11 foot wide pool and not gone into our easement.

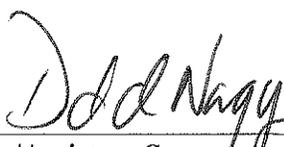
Mr. Jurkow stated the equipment for the gym you are talking about buying in 2017, I hope you buy really good stuff because the ellipticals we bought recently are not that good.

TWELFTH ORDER OF BUSINESS

Next Scheduled Meeting – June 13, 2016 @ 6:00 p.m. at the Durbin South Amenity Center

Mr. deNagy stated the next meeting is June 13, 2016 at 6:00 p.m.

On MOTION by Mr. Brownlee seconded by Mr. Pollicino with all in favor the meeting adjourned at 8:35 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman