

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, June 25, 2018 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
Debbie Driscoll	Supervisor

Also present were:

Daniel Laughlin	District Manager
Dave deNagy	District Manager
Michelle Rigoni	District Counsel
Scott Clark	Special Counsel
Stephen Howell	Vesta/Amenity Services Group
Dan Fagen	Vesta/Amenity Services Group
Roy Deary	Vesta/Amenity Services Group
Margaret Alfano	Vesta/Amenity Services Group

The following is a summary of the minutes and actions taken at the June 25, 2018 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Pledge of Allegiance

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

SECOND ORDER OF BUSINESS

Roll Call

Mr. Laughlin called the roll.

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. Clark gave an overview of the efforts made to date and the unsuccessful mediation and stated not long ago I asked the attorney for the trustee to make the trustee's best offer and I did that because we are at the point in the litigation where both sides have spent quite a bit of money. We had produced about 125,000 pages of documents and have gone through that and the weight of the expenditure of money is going to start increasing significantly as we move toward a trial, take depositions and things like that. The amount that has been offered as a settlement is \$1,001,164.24. I wanted to bring that to the board this evening for a few reasons, (1) it is a significant offer that I think you should consider taking and (2) they put a timeline on it, which actually has passed but they have agreed to extend it through this evening's meeting and (3) as the letter indicates they are continuing to draw their litigation expenses from this escrow and I don't agree that is the proper thing to do but it will make a difference in our ability down the road to make a settlement. They are essentially settling this with our money and they are litigating it with our money and they are willing now to walk away and give what I think would be certainly not the best-case recovery but a significant recovery for the district and I thought we should take this time to consider it.

The board members discussed the offer and expressed their agreement with Mr. Clark and took the following action.

On MOTION by Mr. Pollicino seconded by Ms. Driscoll with all in favor the settlement offer of \$1,001,164.24 was accepted and the Chairman was authorized to execute a settlement agreement and releases of all the parties involved in the litigation including the bondholders and execute all other documents necessary for the settlement to be completed.

Mr. Clark stated thank you to the board members, it has been my pleasure to work with you on this. I will work with the Chairman and we will see this through and get it completed and when it is done and the litigation has been dismissed I will report that back to the board.

Mr. Clark left the telephone conference at this time.

FIFTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of Minutes of the May 21, 2018 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 Ms. Hall seconded by Mr. Pollicino with all in favor the consent agenda items were approved.

SIXTH ORDER OF BUSINESS

Discussion of Fiscal Year 2019 Budget

Mr. deNagy gave an overview of line item changes to the proposed budget under administrative, amenity and grounds maintenance and stated there is no change overall in the total budget and that there is no increase in O&M assessments for FY19, as a result of the line item changes. We can still make changes to the budget at our July meeting, we don't adopt the budget until August.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Ms. Rigoni stated we reviewed the latest proposal from Corner Lot Development to purchase that sliver of land and it has not progressed to a form of agreement we are comfortable recommending to the board to either reject or accept. After talking to the Chairman, we decided to draft our own option agreement, which he reviewed today and approved, and we have proposed it to Corner Lot Development.

B. District Engineer

There being none, the next item followed.

C. District Manager

Mr. deNagy stated one thing I thought about while making the motion on the settlement agreement, we can talk about this and formalize it at your next meeting but the money that we receive from the settlement offer we can put in our capital reserve account and have a formal motion from the board at the next meeting.

On MOTION by Mr. Pollicino seconded by Mr. Brownlee with all in favor staff was directed to deposit monies received from the settlement agreement into the capital reserve account.

Mr. Pollicino stated as time goes by sometimes people forget the hard work and dedication by past board members and I think this is a good reminder of the work our past members have done. A plaque was presented which included names and terms of past board members.

D. General Manager - Report

Mr. Deary stated I want to formally announce to the board that Margaret has accepted an offer to become the general manager of another district in the area. From Dan's and my perspective we are excited that she is going to embrace another opportunity to have a new set of challenges and ultimately it will help her grow in our company professionally. We have appreciated Margaret's dedication and hard work here a Durbin Crossing, it is everything I envisioned when we recruited Margaret three years ago and she has several more months here and we are going to make sure it is a smooth transition. We have not identified her replacement yet, Dan is involved in an external and internal search of candidates to make sure we have a quality pool of people to draw from. We see this unfolding over the next couple of months.

Mr. Pollicino stated I have had multiple conversations with Margaret and Dan since the announcement came and we were fortunate to have her for the short time we had her, but Margaret is destined for bigger and better things and we would never get in the way of someone's career path at Vesta or any other ventures. We wish you nothing but the best of luck. Mr. Pollicino also stated that Mr. Deary has spoken with Mr. Pollicino, expressing Vesta's intent to allow Mr. Pollicino to offer input in the decision-making process of who will ultimately replace Ms. Alfano.

E. Operations Manager - Report

Mr. Howell gave an overview of the field operation manager's report, copy of which was included in the agenda package.

EIGHTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

NINTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

A resident stated two years ago an issue came up at the north amenity center about umbrellas and last year they were purchased and four of the tables are not there.

Mr. Howell stated they are in storage because there are so many days when there is no one using them so we haven't put them out just for preservation of the umbrellas but now that we have full days of hot weather we will get them out there.

TENTH ORDER OF BUSINESS

Next Scheduled Meeting – July 23, 2018 @ 6:00 p.m. at the Durbin South Amenity Center

Mr. Laughlin stated our next scheduled meeting is July 23, 2018 at 6:00 p.m. here at the Durbin South amenity Center.

On MOTION by Mr. Brownlee seconded by Ms. Hall with all in favor the meeting adjourned at 6:45 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman