

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, July 25, 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
Leonard Rucker	Supervisor

Also present were:

Dave deNagy	District Manager
Mike Eckert	District Counsel
Clark Gates	Hopping Green & Sams
George Katsaras	District Engineer
Stephen Howell	Vesta/Amenity Services Group
Dan Fagen	Vesta/Amenity Services Group
Josh Fritz	Vesta/Amenity Services Group
Margaret Alfano	Vesta/Amenity Services Group
Bill Kinsey	Down to Earth

The following is a summary of the discussions and actions taken at the July 25, 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 of allegiance

SECOND ORDER OF BUSINESS

Roll Call

Mr. deNagy called the roll.

THIRD ORDER OF BUSINESS

Audience Comments

A resident asked is there any way to lower the interest rate on the bond?

Mr. Eckert stated we are currently in the process of investigating refinancing of the bonds and we are trying to get some of the other real property issues cleaned up from a property that was in default and once we get that cleaned up we should be able to refinance.

FOURTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of Minutes of the June 13, 2016 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. Pollicino with all in favor the consent agenda items were approved.

FIFTH ORDER OF BUSINESS

Discussion of Roadway/Median Landscape Maintenance

Mr. deNagy stated for those of you who have seen the agenda package online you will have seen a memo written to the board by me in regards to landscape issues on the outer roadways. Two years ago, we had worked with the county about maintaining the roadways, Veterans Parkway, CR 223, St. Johns Parkway (CR 2209) and a little segment of Longleaf Pine Parkway (CR 244) from the Durbin entrance marker to the intersection of Veterans Parkway and Longleaf Pine Parkway. We had agreement from the county to maintain landscaping on these roadways. However, when it came down to getting the work done, we found there was miscommunication within the county about having the funds to be able to do the work and we are back at the starting point to get things worked out with the county. In the meantime, we were in the process of getting bids for a new landscape contract. During that process the district looked at C.R. 223 and 2209 and questioned whether or not those areas should be included in the landscape RFP. It was decided at that time, since we had been in discussions with the county and a lot of those areas are outside the boundaries of the district, that it was best that the district not maintain those areas while we work with the county to get those areas maintained. In the previous contract, we had \$51,000 of expenses to maintain those areas so there was a \$51,000

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savings going forward if in fact those areas were going to be maintained by the county. It was decided to go forward with the RFP that did not include 223 and 2209 to which the District realized a significant savings. Earlier this month, on July 6th, Supervisor Harrah, Steve Howell, myself and St. Johns County representative, Greg Caldwell, who works directly for the Public Works Director, met and discussed the issues at hand. I pointed out that a couple years ago the county had agreed to do that but there was a miscommunication within the county. When Greg came and met with the three of us he had talked with his boss, the Public Works Director of St. Johns County, and had agreed the county was willing to maintain Veterans Parkway, the small segment I mentioned on Longleaf Pine from the Durbin entry marker to the intersection of Veterans Parkway as well as the area from Russell Sampson Road on 2209 south to CR 210. They were willing to take all of that over from the district and a lot of that is outside or just parts of those areas are within the district's boundaries. The county did ask if the district would maintain CR 2209 from Russell Sampson Road north to Racetrack Road and we felt that was a good plan. We looked at the costs for the maintenance of 2209 corridor and you can see in the memo we received estimates from Down to Earth as well as the contractor the county uses. Both contractors had agreed to cut every four to five weeks, which is 11 ½ cuts per year and we felt that was sufficient to maintain the areas in question.

There are two options for the board to look at tonight, whether to authorize staff to negotiate an interlocal agreement with St. Johns County that would have to be approved by the county commission, and whether we would have our contractor maintain that area or use the county's contractor.

Mr. Pollicino stated as we go through this process over the next year let's give the county the opportunity to deliver on the promise they made at that meeting. If at any time the level of service or aesthetics falls below our tolerance level, we can always supplement what the county is doing. It comes down to why should we give up an allocation from the county and fund it with CDD dollars.

Mr. Brownlee stated we may need more frequent cuts during the growing season and less frequent cuts in February and March. I would like to be a little more flexible than saying every five weeks.

Mr. Pollicino stated I don't know how much flexibility the county has, but we can ask and at any time we can supplement with a cut if we feel that we need to.

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Mr. Sessions stated I own the commercial property in Durbin and I'm representing the Mattamy townhome project and I was the master developer of Durbin Crossing. The comments made about 2209 and St. Johns Parkway and 223 being outside the district boundary, the lion's share of the CDD fees paid for St. Johns Parkway, that does not sit outside the district, that is not outside the boundaries of the Durbin DRI, that is inside the boundaries, that is part of Durbin Crossing Community Development District. I gave you some maps and I pulled some numbers and if you look at the two multi-family parcels and the commercial parcels that border 2209 they pay 12 ½% of your assessments and coincidentally 12 ½% of the landscape costs are for maintaining that road. The same if you look at these two homeowner pods these people have now lost control of their maintenance of their road as their entry to the community they pay 3% of the O&M fees and it is 3% of the costs. Taking the landscape budget away from these areas that fall within the district within the money you pay is very dangerous. You are now playing a game of picking and choosing where you are going to maintain. The statement that you pay the county for maintenance of roads is correct but the maintenance of roads throughout St. Johns County is terrible. I totally disagree that they are going to be out here every four to five weeks, they will be out here four to six weeks at best and controlling when they come is never going to happen. If they have a budget shortfall they are going to stop coming, and you don't have the money in this budget to supplement it. The reason you have this cost savings is because you did capital projects. Capital projects are to be done with assessments, your O&M is operation and maintenance and this is maintenance for the homeowners that live in these areas. We don't have 300 homeowners who live here today but it is going to happen quickly, the land is being developed and they are going to move in. You have 218 residents that are going to live here, all paying CDD fees and 15% of the O&M charges and this has always been maintained to a lesser standard than the rest of the community, but if we take Peter's comment and say this is a county owned road why are we maintaining county roads, so is all of this road, so is every single road in the community. All those areas in front of your house to be maintained with St. Augustine grass the next board may decide that all those common areas that fall around the entire community are all on county owned property and rights of ways and let's just let the county maintain them all because we want to do more capital projects. This is operations and maintenance. You say to do this to have the budget back in here for \$41,000 raise assessments by 4 ½% frankly that is not far from inflationary rates. We all buy grocers everyday, your dollars go up and your grocery bill

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goes up and inflation goes up. I'm not saying that every year there should be an increase in O&M assessments, and I hope there isn't, but if you look back over the last ten years it has risen very little. That doesn't meet with what the project is doing, what costs are. I grow very concerned when I hear this road falls outside of the boundary of the district, this is in the boundary, this is just as much in the district as this road is. You maintain all across Longleaf Pine Parkway, what if the next board decides we are just not going to maintain that roadway anymore either. This is a very dangerous road you are going down by picking and choosing where within the community you are going to maintain. When you start doing that you are isolating people who pay assessments. If I were in this group of 200 homeowners, I would come to you and say I want a reduction in our assessments, review the assessment methodology, pull out the maintenance costs for this road, pull it out of our assessments, lower our assessments compared to what you are paying. I'm very concerned. We have a large commercial parcel and the intersection I just drove through looks worse than it ever has in the 15 years this development has been going on. I know there was miscommunication between the county. It is the same thing that happened to me at the county, we already maintained this right of way because we gave it to the county parks system and they turned off all the irrigation so all the grass in the right of way died. We, the developer, came back in replanted sod, turned the irrigation back on and you now have irrigation down that road and that is county owned land. I'm struggling with who belongs where. This community is developed for 2,500 residences, 180,000 square feet of office/retail/commercial and everybody pays assessments. For this parcel alone I pay \$100,000 a year in CDD O&M assessments. If you stop maintaining this corridor here my property value goes down. We stop maintaining this corridor all of your home values absolutely go down. Today is the best market we have seen since 2007 and it is not going to last forever, interest rates are going to go up, it is going to slow down. We need to do everything we can to preserve the property values in Durbin Crossing. I challenge you to do capital projects and reduce services just to save costs. Certainly there are capital projects that you want to be done around here and I applaud you for doing them, but, the fact of the matter is, if you look at the proposals you need either extra cash flow or assessments.

Ms. Driscoll stated as I remember you had a contingency plan upon your departure. Was there a succession plan in place?

Mr. Sessions stated there is a lot of misinformation about that. The developer never maintained any of the landscaping.

Ms. Driscoll stated not that the developer maintained it but the CDD was maintaining it but did you know whether or not the CDD was going to continue maintaining it upon your departure?

Mr. Sessions stated I had hopes. Every meeting that we had in the last two years I was on the board I cautioned the board to really make sure that they expended the funds that were given to them to keep the lifestyle and maintenance at a level that you bought here for. I think what is happening now is we are seeing that we are starting to get penny pinching and we are scared to raise dues because inflation drives prices are up and we are seeing lesser services. A classic example is you are getting less services for the same dollars.

Ms. Driscoll stated I have two problems, I see the aesthetics and I have seen a decrease in certain maintenance. I have trouble understanding where the boundaries are because along Russell Sampson Road on the west side is Durbin Crossing property but on the east side is St. Johns Forest, privately owned commercial properties so why are we, the CDD, going to be held responsible to maintain all of St. Johns Parkway when that is bordered by not just CDD property but by other properties?

Mr. Sessions stated you make a choice to maintain them or not.

Ms. Driscoll stated going over to Veterans I see the same issue as well. Whereas Longleaf and other areas within Durbin Crossing we maintain those county roads because they are basically completely surrounded by our community. Whereas the ones that go down St. Johns Parkway are partially bordered by Durbin Crossing.

Mr. Sessions stated everything on the west side of St. Johns Parkway is bordered by Durbin Crossing.

Mr. Pollicino stated that was exactly the rationale when the board made the decision, the board never took an all or nothing approach. We were very thoughtful about what we decided to maintain and what we weren't going to maintain and those decisions were made for the reasons you just stated.

Mr. Sessions stated I understand the board is thinking that the county was going to maintain it and you aren't developers so you don't know better, you haven't experienced it before. But, the county categorically will not maintain these roads properly they have already

said all they are going to do is mow, there is no fertilization, no weeding and no edging. You can see today the grasses are growing over the curbs and out of the roadways. I drove it on the way in and it looks decent in here it looks terrible out there.

A resident asked have we looked at what other subdivisions are doing in St. Johns County?

Mr. Pollicino stated some do and some don't. Julington Creek maintains to a higher level on Racetrack for a similar reason why we maintain Longleaf it is right in the middle of their community. St. Johns Forest doesn't but they have the whole benefit of 2209.

Mr. Sessions stated this is a lot more complex than other areas or master planned communities where there are multiple subdivisions within a master plan and all those rights of ways are maintained by properties that border. We put an apartment complex across from Town Center and we maintain the parkway and now the HOA does. It is a choice. If you mow every two weeks during the growing season the Bahia grass re-seeds and replenishes the grass. If you mow every five weeks Bahia grass may burn then you don't have any seeds to grow and when you mow it you are mowing dirt.

A resident stated I don't feel that we are in a position to double pay for services that we should already be getting. I would rather see money go into reserves and I would like to see more amenities. I would like to see the board move forward with the agreement and see how it goes with the opportunity to come back and supplement if we need to but to take it all on I don't think is the right thing to do.

Mr. Vernon stated I suspect if I didn't mow my lawn for six weeks I would get a letter from the HOA.

Mr. Eckert stated I think it would be appropriate for the board to have some discussion on how you would like staff to proceed.

Mr. Pollicino stated I would like to allow Dave and counsel to work on drafting a final interlocal agreement with the county.

Mr. Pollicino moved to authorize staff to negotiate an interlocal agreement with St. Johns County for the maintenance of road and median landscaping on C.R. 223, C.R. 244 and C.R. 2209 and Ms. Hall seconded the motion.

Mr. Rucker stated we talked about the possibility of supplementing what the county does and there isn't money in the budget and there is nothing in the agreement that allows that. If we go down that path we need a budget to fund that. If we have to supplement it and the agreement needs to allow that to happen.

Mr. Eckert stated nothing is going to be approved until this board approves the interlocal agreement, you are not authorizing the signature of it today. My thought given a lot of the comments that we received is that we need to have something in there saying if they say every four to five weeks that we have the ability in the interim period to provide enhanced landscaping at our cost if the board feels that is something that is desired. We are talking to a large extent about a policy decision and the board is supposed to do what they think is in the best interests of the community, but in drafting the interlocal agreement I would build the flexibility in that you are suggesting and ensure that we have the ability to do that.

Mr. Rucker asked if we go forward with this should we get in touch with our residents and survey to see what the feeling is so it is not just five people talking to themselves?

Mr. Pollicino stated we did speak about that and once this process is in place for a while let's give residents a chance to digest what it looks like and then we can do a survey.

Mr. Eckert stated one thing to keep in mind is the fact that the range of residents that you are going to have is going to change year after year as development progresses. You would have to look at your survey results with the understanding of who is participating in that survey at that point in time.

On voice vote with all in favor the motion passed.

Mr. Sessions stated there are two things that I ask, no. 1 is has the board considered what the cost would be for replacement, putting materials in the ground, Bahia sod and we have to go back to re-seeding and replant is there a budget for that because new sod is more expensive to replace than to maintain. No. 2, how do the different parcel owners, now that you are not going to maintain the road in front of my commercial properties, how do we get an agreement in place that says if you are maintaining everybody else's entrance and we are paying O&M fees then I want my entrance maintained.

Mr. Eckert stated I will have to talk about that I'm not quite sure I understand your question but I think I can talk to you about that, try to understand it better.

Mr. Sessions stated the question is pretty simple.

Mr. Eckert asked who is the agreement with?

Mr. Sessions stated it would be with the townhome association with Southeastern RV and Boat Storage. How do we get that entrance maintained? We are paying fees just like the other areas are and I want my entrance maintained at the same level as the rest of the project.

Mr. Eckert stated I think I understand what you are saying and we have to look at that issue. I understand what you are saying in terms of that maintenance level.

Ms. Hall asked which sections have the Bahia?

Mr. Sessions stated Bahia is all the way down St. Johns Parkway.

SIXTH ORDER OF BUSINESS

Discussion/Consideration of Resolution 2016-07 Adopting Policies for the Use of Service Animals in Public Accommodations

This item tabled until the August meeting.

SEVENTH ORDER OF BUSINESS

Discussion of Fiscal Year 2017 Budget

Mr. deNagy stated this is a placeholder, the proposed budget is in your agenda package in case there are any questions. The public hearing to consider adoption of the budget will be held August 22, 2016.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Eckert stated I will follow-up on the discussion of the refunding bonds. We have been in communication with the district's underwriter related to the refunding. There are a couple issues that they are trying to get their arms around. I did hear back from trustee's counsel that they have all the signature pages for the 8th supplemental indenture, which was the one that raised our reserve requirement so that those funds would not be used to redeem bonds upon November 1. We are still in good shape there to have those moneys available to use for the refunding of the bonds when we get to that point.

There are a couple cleanup items from the GMAC parcel. Specifically, there were certain waivers of interest that the bondholders executed and we are trying to make sure the trustee has those accounting records correct. We have to get that cleaned up before we can go to the market and refund the bonds.

In order to get a decent interest rate at the time you sell bonds there has to be call protection built in, which means you can't refinance your bonds for a certain number of years without paying a substantial penalty to do that. We are now out of the call protection period and since that time we have been investigating doing a refunding and we will continue on that. There isn't anything this board can do to expedite that process it is really more of getting the district's and trustee's books aligned with each other so that we can go to a bond market and take those bonds out.

Dream Finders

Mr. Eckert stated we have been in discussions with Dream Finders, they have asked for an earlier closing date. Our contract with them requires them to have all their development permits in place before such time as we actually close and transfer the real estate for that. They do not have all of their permits in place. They told us that they anticipated having them the third or fourth week of August and we will keep the board updated on that. I think that is an aggressive schedule on their part, but we will wait and see how they do. I estimate a closing on that property probably sometime toward the end of September. Technically under the contract the first week of November is when that closing should occur, but, to the extent all the conditions precedent have been addressed, there is no reason why we shouldn't close earlier than that.

Public Records Requests

Mr. Eckert stated I wanted the board to be aware that there is currently individuals and groups who have been serving public records requests on all local governments including community development districts requesting things like receipts for the purchase of band aids, copier leases, copier charges, copier counters for how many copies were made. The purpose of these requests is not to actually get records, the purpose of the requests is to try to figure out who they can get to mess up in responding to them because Florida Law allows mandatory attorney fees for any violation of the public records law. I wanted you to be aware we have started to see a little bit of a flood of these. We are working with your district manager to make sure that we

have a response that is appropriate and in accordance with Florida Law so that we are not one of those folks that get hauled into court to pay somebody else's attorneys fees.

B. Engineer

There being none, the next item followed.

C. Manager – Discussion of the Fiscal Year 2017 Meeting Schedule

Mr. deNagy stated we have November 28th on the meeting schedule and I recommend that we meet two weeks prior to that on November 14th so we would meet before the Thanksgiving holiday.

On MOTION by Mr. Rucker seconded by Mr. Pollicino with all in favor the fiscal year 2017 meeting schedule was approved as amended.

D. General Manager

1. Report

2. Quotes for Fitness Equipment

Ms. Alfano stated we have narrowed it down to the top two competitors. There was talk about expanding the gym and due to research with the building permit department it is not possible so we are purchasing equipment.

Ms. Hall stated I'm looking at the pictures and these are not the treadmills that I thought we were getting. I would like to table this for another month before we make a final decision.

Mr. Pollicino stated rather than waiting another month why don't we give Sarah the authority, working with Margaret, to choose the models with a not to exceed amount.

Ms. Hall stated I want to make sure we are getting a top of the line model.

On MOTION by Mr. Pollicino seconded by Mr. Rucker with all in favor Ms. Hall was authorized to choose the gym equipment in an amount not to exceed \$45,500.

Creekside High School

Ms. Alfano stated Creekside has modified their request to Thursday morning from 5:45 to 7:45 a.m. The last time we had an agreement the fee was \$325 per month and they are asking that be reduced to fall in line with what they pay other facilities, which will change our fee to \$120 per month. They asked that fee to be all inclusive and to include a lifeguard as well in that \$120.

Mr. Pollicino stated I had a conversation with Margaret and Creekside High School when we offered Monday nights so it would have less impact. They were not receptive to that and requested the early morning time.

Mr. Brownlee asked will \$120 cover our expenses?

Ms. Alfano stated I don't know the exact cost to run the lights and they would need to use the lights for the early morning swim. Initially the board authorized Peter to work with me in regards to the fees and timeframes. But once they deviated from the plan and asked for a decrease, where initially the board was looking for an increase due to the fact of using the lights, we decided to bring it back before the board.

Mr. Pollicino stated the \$325 rate was from 2014 and I was looking for an increase and they came back with \$120. We have to send someone in there to clean and it won't cover that cost. I have a different mindset for this with our Durbin Crossing swim team, this is Creekside and there are probably 50/50 non-residents.

Ms. Hall asked did they say how many lanes they needed?

Ms. Alfano stated they need five.

On MOTION by Mr. Pollicino seconded by Ms. Hall with all in favor staff was authorized to negotiate an agreement with Creekside High School for use of the facility in substantially the same form as prior years agreements, the fee to be \$325.
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Speaker System for South Amenity Center Pool Area

Ms. Alfano stated the next item is regarding our pool speakers at the south facility. Both south and north have original equipment and the sound is starting to fail at this facility. The new sound system will allow us to make announcements about upcoming events and other things.

On MOTION by Mr. Rucker seconded by Mr. Brownlee with all in favor staff was authorized to purchase speakers/AV for the pool area in an amount not to exceed \$3,000.

3. Letters to Homeowners

Ms. Alfano stated next is conservation area disturbance letters. We have residents that back up to wooded areas that are conservation areas that are protected. Clearing and dumping happens from time to time and is in violation of our St. Johns permits. It would be helpful to be able to send these letters to residents as these matters come up versus waiting for a board meeting. Should you approve these letters we would put the information in the newsletter to let folks know of these kinds of violations.

Ms. Hall asked what is the penalty?

Ms. Alfano stated if we do incur penalties for these violations that cost would go to that resident.

Mr. deNagy stated St. Johns River Water Management District manages the conservation area and has penalties.

Mr. Eckert stated they do, we just need to educate the residents on what they can and can't do there and I know at my house I can cut vegetation as it comes across my property line. Once people cross that property line into the conservation easement that is where they can't cut that back and you can't dump back there. You just need to educate people on that. Once they realize and understand that you can't do that it is usually not too big of a problem. The water management district is the one that will fine and typically they will first look at the permit holder and if it is us we will look to the resident for any damages that we get assessed.

Mr. Pollicino asked is there any action we need to take on this item?

Mr. Eckert stated you can do it by motion or just direct us to send the letters.

Mr. Pollicino stated you can send the letters.

E. Operations

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

NINTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Rucker asked since we have lights can we say the pool is open until 8:00 p.m.?

Ms. Alfano stated we can start tomorrow and put it in the newsletter.

Ms. Hall asked why can't we close it later? We spent all this money on lights.

Mr. deNagy asked is there a staffing issue if it is open late?

Ms. Alfano stated there is a staffing consideration. We can change the time to 8:00 p.m. with no financial impact if it is 9:00 p.m. or 10:00 p.m. that changes it. What is your level of expectation as to slide open or slide closed?

Ms. Hall asked can't it be swim at your own risk from 8:00 p.m. to 9:00 p.m. or 10:00 p.m.?

Ms. Alfano stated it could be.

Ms. Hall stated the cost that we would incur is having somebody clean up after the residents leave.

Ms. Alfano stated someone is here until 10:00 p.m.

Ms. Hall stated I think 9:00 p.m. would be nice just in the summers.

Mr. deNagy stated we will look at the amenity policies and make sure it has the appropriate hours of operation.

Mr. Brownlee stated we were here on Tuesday when the thunderstorm came through. The policy on people on the pool deck I guess isn't real clear because there were people under the overhang out here and to me that is dangerous.

Ms. Alfano stated it is very clear any time there is thunder we will clear the entire pool.

ELEVENTH ORDER OF BUSINESS

Next Scheduled Meeting – August 22, 2016 @ 6:00 p.m. at the Durbin South Amenity Center

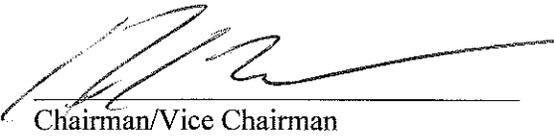
Mr. deNagy stated the next meeting is scheduled for August 22, 2016 at 6:00 p.m.

On MOTION by Mr. Brownlee seconded by Mr. Pollicino with all in favor the meeting adjourned at 7:55 p.m.

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Durbin Crossing CDD


Secretary/Assistant Secretary


Chairman/Vice Chairman