

MINUTES OF MEETING
SAMPSON CREEK COMMUNITY DEVELOPMENT DISTRICT

A Special Meeting of the Board of Supervisors of the Sampson Creek Community Development District was held on Monday, November 30, 2015 at 6:00 p.m. at the St. Johns Golf & Country Club, Swim Club Meeting Room, 219 St. Johns Golf Drive, St. Augustine, Florida.

Present and constituting a quorum were:

Tracy Hayes	Chairman
Pamela Watt	Vice Chairman
Steve Sharpe	Supervisor
Shawn Murray	Supervisor

Also present were:

Jim Oliver	District Manager
Wes Haber	District Counsel
Mike Yuro	District Engineer
Jill Flores	Amenities and Recreation Manager

The following is a summary of the minutes and actions taken at the November 30, 2015 special meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 6:00 p.m.

Mr. Oliver stated I want to talk about the purpose of the meeting tonight. The regular meeting was scheduled for December 16 to kick off the assessment process so that we could consider refunding the bonds. That process will be followed by a public hearing and then forward action to refund the bond if the board decides to do so. In the meantime, there has been discussion between the HOA and Litestream, and staff and the board wanted to look into the matter to see how it would impact the CDD, the landowners, the refunding, and the new bond issue for capital projects. This meeting is to get direction from the board to know how to prepare for the December 16th meeting. There won't be decisions made other than giving board direction on what to do for the December 16th meeting.

SECOND ORDER OF BUSINESS

Public Comment

In response to an inaudible question, Mr. Oliver stated we are going to talk about refunding scenarios, what the savings could be in assessments or how much cash can be taken out for projects. The bonds will expire in 2032, and this is the first option for redemption. Because of low interest rates, this is a good time to consider refinancing.

An audience member asked about an option of paying down the debt further with the money.

Mr. Oliver responded one of the scenarios discussed would be a straight refunding that would lower assessments. Those reductions are about \$18 to \$32 per year per unit.

THIRD ORDER OF BUSINESS

Discussion of Series 2006 Refunding Scenarios

Mr. Oliver provided an outline to the board of things to be discussed. The first item is the HOA-Litestream litigation in relation to CDD matters. The second item is to review the five refunding scenarios, the third item is the process involved if the board decides to proceed with refunding, and the final item is the outcome from the discussion.

Mr. Haber discussed the HOA-Litestream litigation. The CDD is not a part of the litigation, but it cannot be ignored. The same group of people responsible to pay the assessments that will secure any bonds that are issued by virtue of a refunding are the same group of people that potentially could have an assessment levied against them by the HOA to pay any adverse judgment that may come out of that litigation. I have reviewed the pleadings, and they are minimal. The case is presently in arbitration, so any further documents that are filed in the case are confidential. The reason this impacts what we are considering today is the limited scope that we know is something we are going to be required to disclose in connection with the potential refunding. In speaking with the bankers, it is undeterminable the weight that a bank or bondholders on the public market may give this litigation. The CDD's assessments take priority and are superior liens to any lien that the HOA may have against each resident's home within the community. The scenarios the board has been provided are not impacted by the litigation other than whatever scenario is chosen, the board will have to provide that disclosure and see what the

impact is on any particular scenario. If the HOA loses, bond proceeds cannot be used to pay the debt of the HOA. The proceeds can only be used for capital improvements for the District.

Mr. Oliver discussed the next item in the outline, which is to review the five refunding scenarios and referenced Page 3 of the handout.

Scenario #1 is to refund the Series 2006 bonds reflecting annual savings to the residents and reduced annual assessments due to lower interest rates. There would be zero cash out for projects, and you would lower assessments. The range for lowering assessments would be \$18.16 to \$32.55 per year depending on the front footage of the property.

Scenario #2 would be to do the refund, keep assessments exactly the same as they are, and use the savings to generate new money for projects. That would generate cash at \$172,000.

Scenario #3 would be to keep the annual assessments unchanged and do a wrap-around loan. You would have a maturity of one year added to the current maturity. The maturity is actually 2031 for the bonds right now. If you had the new money portion mature in 2032, that would generate \$487,000. The assessments would have a slight increase – ranging from \$5.35 to \$9.60 per year.

Scenario #4 would generate \$800,000, and that would be to extend the current maturity two years, to 2033, and that would increase assessments from \$8.23 to \$14.74 per year.

Scenario #5 would also extend the maturity two years. The assessments would increase from \$1.00 to \$1.78 per year and would generate \$540,000.

Mr. Oliver directed the board members to review the tables in the handout.

Mr. Yuro has done a draft Engineer's Report to give an idea of projects that have been discussed over the last few years and in recent meetings. Only items listed in the Engineer's Report can be funded with bond proceeds. The money can be used for an identifiable project that the board is ready to move forward with within 2 or 3 years from the time the money is received.

Mr. Oliver stated something else that can be considered is doing a refunding now and then do a bond issue down the road. Two things to consider for this scenario is we don't know where rates are going to be then, and there would be no economies of scale in terms of your cost of issuance. You would have the transactional costs for both the new bond issue as well as the refunding. We are looking for direction on how to prepare for the December 16th meeting. Even

after the process is started at the December 16 meeting, things can change along the way including as a result of the public hearing.

Mr. Sharpe stated at one point we discussed extending the maturity for five years and getting a considerable amount. Why wasn't that included.

Mr. Oliver responded they have tried to keep the ability to have bank financing as one of the options, and the banks will only go out so far. We can have them run that scenario and get the information back to the board.

Mr. Haber stated to kick off the assessment process, the board will adopt a preliminary assessment methodology, which is a document that say the District may issue bonds that can be as high as this amount that may result in assessments that are as high as this amount. Typically that document includes maximum amounts. It is that document that will be used to mail a letter to every resident saying the District is considering refunding its bonds, and as a result of this refunding, assessments may go as high as whatever that amount is per unit and may be extended for this amount of time. To gauge what comfort level the board has for that letter is the direction we are looking for. The District Manager will prepare that methodology based on the maximum amounts the board is comfortable with.

Mr. Hayes stated the most was \$14.74, scenario #4.

Mr. Haber stated there is another increase that we will reference in the notice that hasn't been discussed. Assessments are looked at two ways – the annual amount that is paid, which is principal and interest that the District pays on the bonds broken up amongst all the individual lots, and there is the principal amount of debt on each lot that any landowner can pay off. In each of these scenarios, that principal amount on each lot is going to go up. Even in scenario #1 where the annual amount of assessments are going down, the principal amount of assessments on an individual lot is going to go up, but you get the assessment savings each year because of the lower interest rate.

Mr. Oliver stated in the Engineer's Report, there is a long list of potential projects. He encouraged board members to look over the list and see if there is anything that should be included. The report will be considered at the next meeting, but items can be added before that time. For the benefit of the audience members, Mr. Oliver reviewed the possible improvements that can be undertaken: pool improvements, splash park, patio improvements, lighting improvements at the amenity center and throughout the community, pool furniture, shade

structures, pool resurfacing, sidewalk repairs, street tree trimming, fitness equipment purchase/replacement, golf cart parking, tennis court resurfacing, additional tennis courts, tennis court access key system, tennis court LED lighting upgrade, basketball court resurfacing, new doors for aerobic room, new window treatments for the amenity center, resurface Phase 1 and 2 roads, security cameras at three entrances, guard gates if we have full-time guard at some point, street and parking lot modifications for holiday lights, heated swimming, and storage. This wish list can be reduced or added to. Being in the Engineer's Report does not mean each item will be funded.

Mr. Haber stated he will review validation to determine if security projects can be included.

After discussion, the board would like to consider two additional scenarios in which more funding is generated (targets of \$1.2 million and \$2.4 million) through combination of increased assessments and extending maturity of bonds.

FOURTH ORDER OF BUSINESS

Supervisors' Requests/Audience Comments

There being none, the next item followed.

FIFTH ORDER OF BUSINESS

**Next Scheduled Meeting – December 16, 2015
Special Meeting at 6:00 p.m.**

The next scheduled meeting will be December 16, 2015 at 6:00 p.m.

SIXTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Murray seconded by Mr. Sharpe with all in favor the meeting is adjourned.

Secretary/Assistant Secretary

Chairman/Vice Chairman