

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 Wednesday, December 16, 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:

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| Tracy Hayes | Chairman |
| Pamela Watt | Vice Chairman |
| Steve Sharpe | Supervisor |
| Shawn Murray | Supervisor |
| Paul Armstrong | Supervisor |

Also present were:

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| Jim Oliver | District Manager |
| Wes Haber | District Counsel |
| Mike Yuro | District Engineer |
| Jill Flores | Amenities and Recreation Manager |
| Rhonda Mossing | MBS Capital Markets |

The following is a summary of the minutes and actions taken at the December 16, 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.

SECOND ORDER OF BUSINESS

Public Comment

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Consideration of Landscape Maintenance Proposals

Mr. Oliver stated the list of proposers originally started at eight, and the board narrowed that list down at the last meeting. The board wanted more time to do due diligence, contact

references, and give the proposers time to see if they wanted to revise their bids. The two proposers are Duval Landscape and Austin Outdoor. The original proposed amount for Duval Landscape was \$98,076, and they did not change their pricing. Austin Outdoor's original proposed amount was \$142,812, and they reduced their bid to \$137,436.00. Both companies included small price increases for the second and third year options.

Several board members stated they supported going with Duval Landscape.

On MOTION by Mr. Hayes seconded by Mr. Sharpe with all in favor to select Duval Landscape for landscape maintenance was approved.

Mr. Oliver stated counsel will prepare an agreement for a January 1, 2016 start date. The agreement with the current provider, Valley Crest, expires 12/31/15.

FOURTH ORDER OF BUSINESS

Ratification of Engagement Letter with Berger, Toombs, Elam, Gaines & Frank for FY2015 Auditing Services

Mr. Oliver stated last year you went through the audit RFP process, and Berger Toombs was selected as auditor for the years FY14, FY15, and FY16. The cost is \$3,635, which is what was budgeted. The engagement letter was executed by the Chair so the audit could begin.

On MOTION by Mr. Armstrong seconded by Mr. Hayes with all in favor to ratify FY15 audit engagement letter with Berger, Toombs, Elam, Gaines & Frank was approved.

FIFTH ORDER OF BUSINESS

Update and Actions Regarding Series 2006 Bond Refunding

Ms. Watt gave background information about this topic to the audience members present.

Mr. Murray stated the refinancing is to lower the interest rates, which will give the District money in the Capital Improvement Fund.

Mr. Oliver stated today the scenarios will be presented, and the meeting will be continued to early January. At that time documents will be presented to the board for the board's approval

to continue the process. A Public Hearing will be set with a target date of the middle of February.

A. Review Updated Refunding Scenarios

Ms. Rhonda Mossing with MBS Capital Markets presented eight refunding scenarios. Five of the scenarios were previously discussed and three new scenarios were developed at the board's request.

Scenario #1 is to refund the 2006 bonds reflecting annual savings to the residents and reduced annual assessments due to lower interest rates. No new money is generated with this scenario. The annual savings to the residents will vary between \$17 per unit on 55' lots to \$31 per unit on 100' lots.

Scenario #2 is to refund the bonds, keep the current annual assessments unchanged, and determine how much new money can be generated from the savings due to the lower interest rate to fund capital projects. There will be no extension of the maturity date on the bonds. This is based on private placement at 3.4%. The amount of new money generated for capital projects would be approximately \$172,000.

Scenario #3 is to refund the bonds, keep the current annual assessments unchanged, but wrapping the new money that is being generated for capital projects around the existing refunding bonds, which means it will be interest only on the new money through 2031 (the current maturity date). Principal for the new money portion would start amortizing in 2032 and will determine what amount of funds that could be generated for capital projects. This is based on an A- rated refunding with an average coupon of 3.51%. That will generate about \$487,000 in new money.

Scenario #4 is to refund the bonds, have a project fund of \$800,000, extend the maturity for two years to 2033, and no change to the annual assessments. This is based on a private placement of 3.4%. Since there would be a two-year extension, there would be no increase in annual assessments.

Scenario #5 is to refund the bonds, extend the current maturity two years, and reduce the project fund to amount that doesn't increase annual assessments. This is based on a private placement of 3.4%. New money proceeds would be generated in the amount of approximately \$540,000.

Scenario #6 is to refund the bonds and fund the project fund of \$2,400,000, extend the current maturity five years to 2036 for the new money portion, and determine what effect that would have on annual assessments. This is based on a private placement of 3.7%. The change in the assessments during the period in which the current bonds are outstanding, which would be through 2031, was an annual increase for the smaller lots of about \$56 per unit, and \$100 per unit for the larger lots. Between 2032 and 2036, the assessments go down \$4.61 per unit for the smaller lots and \$8.27 per unit for the larger lots.

Scenario #7 is to refund the bonds to fund the project fund of \$1.2 million, extend the current maturity for three years to 2034 for the new money portion, and determine the effect that would have on annual assessments. This is figured based on a private placement at 3.7%. The annual assessments will increase on the smaller lots \$11.93 per unit, and the larger lots would increase \$21.39 per unit through 2031. From 2032 through 2034, the assessments go down about \$79.54 per unit on the smaller lots and \$143 per unit on the larger lots.

Scenario #8 is the same as #7 except #8 is based upon an A- rated public offering based on current market rates. The public offering was at an average coupon of 3.58%. The difference on the smaller lots was an increase of \$10.25 per unit, and the larger lots will have an increase of \$18.38 per unit through 2031. From 2032 through 2034 showed a decrease of \$68.58 per unit for the smaller lots and \$122.93 per unit for the larger lots.

Mr. Oliver stated all numbers are flexible because the interest rates are unknown.

After discussion, the board eliminated Scenario 6 from further consideration due to impact of increased assessment and pushing the maturity date out another five years.

Mr. Oliver stated even though this item is listed later in the agenda, we should now discuss what the potential capital projects are, and a copy of the Engineer's Report is located in the agenda package. After discussion, the list will be scrubbed to remove items more suitably funded by the Capital Reserve Fund (R/R) or General Fund.

For document preparation, the board directed staff to use Scenarios 7 (private placement/bank) and 8 (public offering), which would increase assessments \$10 - \$21 per unit (based on lot size), establish maturity date of 2034, and generate approximately \$1.2 million in proceeds. Other scenarios are still on the table for consideration. All refunding scenarios to be posted to CDD website.

An audience member asked why the roads haven't been turned over to the county.

Mr. Oliver responded of all the other CDDs I am associated with, upon completion of the roads, they are turned over to the county or the city, and they maintain them. When this community was developed, Arvida decided not to turn the roads over so they would have some control over the roads. They are not private roads, however, because they were built with tax-exempt funds, so there are things that can't be done like have gates to keep people out. This board got with the county to ask what steps need to be taken to convey these roads to the county. St. Johns County responded when the CDD was established, the developer decided not to convey the roads and, instead have them maintained by the District, so their initial stance was they didn't want the roads. Over time, there have been discussions with the Director of Public Works, and he has said if we put enough money in escrow, the county will come in, do the inspections of the roads, repair the roads at the District's cost, and once the roads meet the county's specifications, they will consider acceptance of the roads. Our response was that we would want a firm guarantee of acceptance of the roads. Approximately \$500,000 would have to be put in escrow. The District will re-engage with St. Johns County regarding the conveyance of roads.

A resident asked where would the \$500,000 come from for escrow, and where did this list come from.

Mr. Oliver responded there is a Capital Reserve Fund you contribute to each year. The study shows the first major road repairs around 2020. We would have 5 phases of road repair over a 5-year period. We continue to build the capital reserve for those projects. The items on the list of proposed projects or state agencies came from board members, people responding to the survey, and other community sources.

An audience member asked what are the risks to having the county take the roads over? Will the county have more authority to do something that they want to do?

Mr. Oliver responded they would control the roads. You would lose some control over the extent of the maintenance.

A resident asked why are we taking the \$2.4 million scenario off the table?

Ms. Watt responded we don't want to raise fees to that extent, and we don't want to extend too long out. It would be extended five years, and it had a big increase to the rates. We looked at the projects and felt \$1.2 million would be sufficient.

An audience member asked how are we going to prioritize the list to the community?

Mr. Oliver responded based on the information we leave this meeting with, we will put together a fact sheet. This meeting will be continued, but we are also going to set up some type of workshop to be held in mid-January to talk about the projects and prioritize the list. It will be an informal setting.

An audience member asked about the impact of the HOA lawsuit on the cost of the bonds.

Ms. Mossing responded it is not necessarily the cost of the bonds but whether or not we can get the financing if they determine there is too much risk with regard to the HOA. If we went to the rating market, we may not be able to get an investment grade rating on the bonds. If we go through private placements, they do their own internal evaluations and may not want to loan the District the money because of perceived risk. To the best of our ability, we need to try to quantify what the impact is.

Mr. Haber stated he has reviewed the pleadings, and they are all about a motion for injunction and the denial of the injunction, and the case has been referred to arbitration. Once it is in arbitration, the pleadings aren't public. If the worst-case scenario happened, if the HOA were to lose the lawsuit and Litestream gets a judgment against the HOA, the HOA would likely levy an assessment against all the homes. That assessment is still likely to be inferior to the CDD's lien to secure these bonds. My guess is that the lawsuit isn't going to be such that it is going to be a lien on the home that is greater than the value of the home. The priority of the liens may be that they are willing to take the risk because the District will likely have priority above any lien that Litestream would have or the HOA would have.

B. Financing Timetable

Mr. Oliver stated we will need to continue this meeting to January 7 to consider Items C – G. We will set up a workshop to be held mid to late January. At the January 7, we will set a Public Hearing to be held in mid-February.

C. Approval of Term Sheet

This item is tabled to the January 7, 2016 continued meeting.

D. Consideration of Resolution 2016-01, Declaring Special Assessments for Existing Bonds

1. Engineer's Report

This item is tabled to the January 7, 2016 continued meeting.

2. Assessment Methodology

This item is tabled to the January 7, 2016 continued meeting.

E. Consideration of Resolution 2016-02, Setting a Public Hearing on Special Assessment for Existing Bonds

This item is tabled to the January 7, 2016 continued meeting.

F. Consideration of Resolution 2016-03, Declaring Special Assessments for New Projects

This item is tabled to the January 7, 2016 continued meeting.

G. Consideration of Resolution 2016-04, Setting a Public Hearing on Special Assessments for New Project

This item is tabled to the January 7, 2016 continued meeting.

H. Ratification of Agreement with Nabors, Giblin & Nickerson, P.A. for Bond Counsel Services for Proposed Series 2006 Bond Refunding

Mr. Oliver stated they were bond counsel for the Series 2002 and 2006 issues.

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| On MOTION by Mr. Sharpe seconded by Mr. Armstrong with all in favor to ratify existing agreement with Nabors, Giblin & Nickerson, PA for bond counsel services for proposed bond refunding was approved. |
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SIXTH ORDER OF BUSINESS

Discussion of Potential Capital Projects

This item was addressed under Agenda Item #5.

SEVENTH ORDER OF BUSINESS

Consideration of Proposals for A/C Repair

Mr. Bob Sevestre gave his findings as to why the air conditioner unit had failed after three years. Moisture had permeated through the insulation down the metal and rusted the unit out. The proposals from the vendors had the same type of unit being put back in. After doing research, Mr. Sevestre found a company called American Standard that has new air conditioning units that can be installed in a vertical position rather than horizontal, and the life of the unit can be extended. There would also be a reduced amount of humidity coming in. More money would have to be spent to install this type unit, but it would extend the life of the other unit and improve the air quality in the gym.

After discussion, the board decided to table this item until the next meeting. Staff and Supervisor Armstrong to explore other solutions through warranty and original installer.

EIGHTH ORDER OF BUSINESS

Consideration of Quotes for Fitness Equipment

Ms. Flores had been asked to obtain pricing for new fitness equipment. Based on recommendations and feedback from the residents, the ellipticals need to be replaced. Proposals were submitted for three elliptical trainers and two recumbent bikes. Pricing was obtained for the Precor Experience Series, Precor Assurance Series, Vision, Matrix, and BH fitness models. Ms. Flores had the individual who services the equipment rate each manufacturer as to what he sees out in the field. Precor was rated highest, BH was second, Matrix was third, and Vision was last. We currently have four ellipticals, and one is completely down. It is cost-prohibitive to repair that elliptical. The one recumbent bike is highly used, so a recommendation was made to obtain a second one. The overall recommendation is to have three elliptical machines and two recumbent bikes. The Precor estimate does include TVs on the ellipticals. The estimates for the Matrix, Vision, and the BH do not include TVs on the equipment.

After discussion, the board decided to table actions regarding the purchase of fitness equipment.

NINTH ORDER OF BUSINESS

Consideration of Waiver for Use of Dive Blocks

Mr. Armstrong stated we have been allowing residents of the neighborhood to use the starting blocks, and a Waiver of Liability needs to be put in place to ensure the dive blocks are being used correctly. The swim team can use the blocks for meets and practices without signing the waiver because they have liability insurance. The waiver is for residents not a part of the swim team or who are part of the swim team but not participating in a swim team event.

Mr. Haber stated the current rule is that dive blocks can only be used by the swim team, but if you open it up to everybody there is additional liability, and that is why this waiver was prepared. One consideration is the amount of extra work that will be generated to get the waivers signed and enforce the rules.

Discussion followed. Mr. Haber stated the safest bet from a liability perspective is having the cover on the dive blocks that say Stay Off, and only having the swim team use it while there are meets or practices. If you want other people to be able to use it, you are in a better position having the waiver signed. It is then up to the board to determine how to make sure the waiver gets signed. From a liability standpoint, opening it up without having anything in place would expose the District to the most risk.

The board decided to table action regarding the use of dive blocks by residents other than for swim team meets and practices.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Haber stated he had no report.

B. Engineer/Property Manager Report

Mr. Yuro presented his report located in the agenda package. Restoration on the front entrance will start after the holidays. Mr. Yuro recommended approval of renewal agreement with golf course for maintenance of CDD common areas with Bermuda sod.

On MOTION by Mr. Hayes seconded by Mr. Murray with all in favor to renew the agreement with the golf course for maintenance of CDD common areas with Bermuda sod was approved.

Counsel will prepare the renewal document.

Mr. Murray asked that Mr. Yuro get a proposal from Duval to redo the front entrance after the county is done.

Mr. Yuro responded he would, and he would also get a proposal from Duval to do some structural pruning of some trees.

C. Manager

Mr. Oliver stated when the calendar was set for FY16, it was for the 4th Wednesday of every other month for six meetings a year. You have met seven times over the last six months because of special meetings and continued meetings. Mr. Murray has requested that the board consider having meetings on the third Thursday of each month. Other board members agreed with that request. Mr. Oliver stated he would circulate a revised schedule to the board.

Mr. Oliver stated there have been so many special meetings rather than regularly noticed meetings that financials and check registers have not been included in the agenda package. Mr. Oliver has provided the board members the check register and financials through November 2015. The check register needs to be approved.

On MOTION by Mr. Armstrong seconded by Mr. Murray with all in favor the check register through November 30, 2015 was approved.

Mr. Oliver stated you are 25% collected on the assessments.

D. Amenities & Recreation Manager - Report

Ms. Flores presented her report located in the agenda package. The outside of the fitness center has been pressure washed along with the bike pad and underneath the playground pad. The Holiday Traditions event was a huge success, and a lot of positive feedback has been received.

ELEVENTH ORDER OF BUSINESS

Supervisors' Requests/Audience Comments

Supervisors' Requests

Mr. Armstrong brought up the liability issue with the dive blocks and asked that the board think about the purpose of it. Residents have the gym for training, tennis courts for training, treadmills for training, etc., and that is what this is about.

Mr. Hayes stated lighting improvements are listed on the Capital Projects list. The board discussed options to improve parking lot lighting.

Audience Comments

There were no audience comments.

TWELFTH ORDER OF BUSINESS

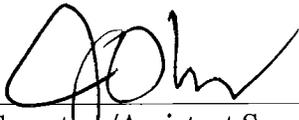
**Next Scheduled Meeting – January 7, 2016
Continued Meeting at 6:00 p.m.**

The next scheduled meeting will be a continuation of this meeting on January 7, 2016 at 6:00 p.m.

THIRTEENTH ORDER OF BUSINESS

Continuation

On MOTION by Mr. Murray seconded by Mr. Hayes with all in favor the meeting is continued until January 7, 2016.


Secretary/Assistant Secretary


Chairman/Vice Chairman