

**MINUTES OF MEETING  
TWIN CREEKS NORTH  
COMMUNITY DEVELOPMENT DISTRICT**

A Special Meeting of the Board of Supervisors of the Twin Creeks North Community Development District was held on Thursday, August 17, 2017 at 11:30 a.m., at the offices of Rogers Towers, P.A., located at 100 Whetstone Place, Suite 200, St. Augustine, Florida 32086.

**Present at the meeting were:**

John Kinsey	Chair
Robert Furlong	Vice Chair
Bryan Kinsey	Assistant Secretary
Jared Bouskila <i>(via telephone)</i>	Assistant Secretary

**Also present were:**

Craig Wrathell	District Manager
Neil Brockmeier	District Engineer
Mike Pawelczyk <i>(via telephone)</i>	District Counsel
Steve Sanford <i>(via telephone)</i>	Bond Counsel
Jon Kessler <i>(via telephone)</i>	FMSbonds, Inc.
Scott Keiling <i>(via telephone)</i>	Supervisor-Elect

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Wrathell called the meeting to order at 11:38 a.m. Supervisors John Kinsey, Robert Furlong and Bryan Kinsey were present, in person. Supervisor Jared Bouskila and Supervisor-elect Scott Keiling were attending via telephone.

- **Administration of Oath of Office to Newly Appointed Supervisor, Scott Keiling, Seat 4 [Term Expires November, 2018] *(the following to be provided in a separate package)***

***\*\*\*This item, previously the Third Order of Business, was presented out of order.\*\*\****

Mr. Wrathell stated that Mr. Keiling could participate, via telephone, once sworn in, as there was a quorum. In response to Mr. Wrathell's inquiries, Mr. Keiling confirmed that a Notary Public, was present at his location and he previously served on a number of CDD Boards. Mr. Wrathell, a Notary Public of the State of Florida and duly authorized, administered the Oath of Office, via telephone, to Mr. Keiling. He provided and briefly explained the following items:

- A. **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. **Membership, Obligations and Responsibilities**
- C. **Chapter 190, Florida Statutes**
- D. **Financial Disclosure Forms**
  - i. **Form 1: Statement of Financial Interests**
  - ii. **Form 1X: Amendment to Form 1, Statement of Financial Interests**
  - iii. **Form 1F: Final Statement of Financial Interests**
- E. **Form 8B: Memorandum of Voting Conflict**

**SECOND ORDER OF BUSINESS**

**Public Comments**

There being no public comments, the next item followed.

**THIRD ORDER OF BUSINESS**

**Administration of Oath of Office to Newly Appointed Supervisor, Scott Keiling, Seat 4 [Term Expires November, 2018] *(the following to be provided in a separate package)***

This item was presented following the First Order of Business.

**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2017-11, Delegated Award Resolution**

Mr. Sanford presented Resolution 2017-11. This was the Delegation Resolution related to the issuance of the bonds. The bonds to be authorized were in a not-to-exceed amount of \$5 million, to finance the infrastructure for Parcels 2 and 3 within the District. In addition to authorizing the bonds, the Board must approve certain documents, in connection with the financing. Mr. Sanford reviewed the following documents:

1. **Preliminary Limited Offering Memorandum (PLOM)** - The prospectus that will be used by the Underwriter to market the bonds. Once final pricing is achieved, the PLOM would become a final prospectus containing the final pricing terms.
2. **Bond Purchase Contract** – The Agreement between the District and FMSbonds, as the Underwriter. The Agreement outlined the final terms of the bonds and the deliverables necessary to close the transaction.

**3. Continuing Disclosure Agreement** – The Agreement is required under current SEC Rules and involved the District, the Developer and Wrathell Hunt and Associates, LLC, acting as the Dissemination Agent. It provided a central repository where annual information about the District, Development and the bonds would be filed and, if anything material happened, there was a requirement that the events be spelled out and disclosed. The Agreement is an attempt to ensure that the information remains current so that an individual who wanted to buy the bonds on the secondary market would not be disadvantaged by outdated information in the offering document. This was a common Agreement with all CDD bonds.

**4. Fourth Supplemental Trust Indenture** – This would be the fourth series of bonds issued by the District. This is between the District and Regents Bank, as the Trustee. The interest rates, the redemption provisions and, incorporated by reference, the terms of the Master Trust Indenture, already in place, were included.

Mr. Sanford stated the Delegation Resolution authorized the Chair or the Vice Chair to execute the Bond Purchase Contract without the need for a Special Meeting. The parameters were that the issuance could not exceed \$5 million in bonds, the maximum or average interest coupon on the bonds could not exceed 5½% and if the bonds would be subject to optional redemption, the outside refunding date would be sometime between 2027 through 2030, which would give the bondholder a 10-year call protection. The compensation for the Underwriter is the difference between the par amount of the bonds and the 98%.

In response to Mr. Keiling’s request, Mr. Sanford would amend the documents to reflect Lennar’s principal business address as the Jacksonville office, rather than its Miami office. Mr. Pawelczyk would amend the upcoming documents on today’s agenda. Mr. Kessler stated that the interest rate was well above the current rate of 4.7% and would be put in broad parameters because it was a broad-based resolution. In response to Mr. John Kinsey’s question, Mr. Sanford confirmed that the completion obligation on the bonds and the continuing disclosure obligation regarding the bonds rested with Lennar.

**On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, Resolution 2017-11, Delegated Award Resolution, was adopted.**

**FIFTH ORDER OF BUSINESS**

**Consideration of Bond Financing Documents for Parcels 2 and 3 (in substantial form)**

Mr. Pawelczyk presented the Bond Financing Documents for Parcels 2 and 3. All the documents pertained to Parcels 2 and 3 properties and did not refer to or place the obligation on any other Developers or owners within the District. Approval, in substantial form, in one motion was recommended. He reviewed the following documents:

**A. Acquisition Agreement**

The Agreement was between the District and Lennar Homes LLC, and stipulated that Lennar Homes will complete the neighborhood infrastructure improvements for Parcels 2 and 3, as described, and will complete that portion of the project regardless of whether there were sufficient bond proceeds. Lennar’s address would be amended and Bond Counsel’s comments, distributed on August 9, 2017, would be implemented.

**B. Completion Agreement**

Mr. Pawelczyk had yet to receive final confirmation, as the project may be completed or near completion by the time the bonds are issued. The Agreement was recommended for approval, regardless, and would not be utilized if it was not needed.

**C. Lien of Record**

This document was standard and the blank space would be filled in with the bond issuance amount for the Parcel 2 and 3 bonds.

**D. Declaration of Consent to Jurisdiction (*for informational purposes*)**

This document will be signed by the Developer.

**E. True Up Agreement**

Mr. Pawelczyk reiterated that the numbers will change and District Staff would fill in the blanks, as they are finalized, up to the date of the pre-closing. In response to a question, Mr. Keiling confirmed that a Lennar representative from Jacksonville would execute the documents, on the Developer’s behalf.

**On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, the Bond Financing Documents for Parcels 2 and 3, namely the Acquisition Agreement, Completion Agreement, Lien of Record and True Up Agreement, in substantial form, were approved.**

Mr. Pawelczyk would coordinate with Mr. Keiling regarding the bond issuance schedule and communicate with everyone via email.

**SIXTH ORDER OF BUSINESS**

**Public Hearing to Hear Comments and Objections on the Adoption of the District’s Final Budget for Fiscal Year 2017/2018, Pursuant to Florida Law**

**A. Affidavit of Publication**

Mr. Wrathell presented the affidavit of publication for today’s Public Hearing and Regular Meeting.

**B. Consideration of Resolution 2017-12, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2017, and Ending September 30, 2018; Authorizing Budget Amendments; and Providing an Effective Date**

Mr. Wrathell presented Resolution 2017-12 and provided an overview of the Fiscal Year 2018 budget. Mr. John Kinsey asked about the operation and maintenance (O&M) assessments payment schedule. Mr. Wrathell stated that funds are received at the beginning of each quarter to fund that quarter and invoices to fund the next quarter are circulated in advance of the next quarter. This billing was standard. Discussion ensued regarding the Developer’s funding due dates, the months in each quarter, construction, landscape installation contracting options and whether the District or the Developer would hold the contract and use of bond proceeds.

**\*\*\*Mr. Wrathell opened the Public Hearing.\*\*\***

No members of the public spoke.

**\*\*\*Mr. Wrathell closed the Public Hearing.\*\*\***

**On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, Resolution 2017-12, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2017, and Ending September 30, 2018; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.**

**SEVENTH ORDER OF BUSINESS**

**Consideration of Resolution 2017-13, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2017/2018; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date**

Mr. Wrathell presented Resolution 2017-13. The following changes were made:

Page 2, Section 3, Line 5: Change “February” to “March”

Page 2, Section 3, Line 6: Change “May” to “June

**On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, Resolution 2017-13, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2017/2018; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, as amended, was adopted.**

**EIGHTH ORDER OF BUSINESS**

**Consideration/Ratification of Change Orders**

Mr. Brockmeier presented the following change orders:

**A. Number 002, Southeast Construction Products, Inc., \$155,154.50**

This modification was required for the entry wall modifications to Waterfall Way, based on universal engineering design changes.

**B. Number 3, Florida Roads Contracting LLC, \$98,586.90**

This was to incorporate and upgrade the decorative signage along Waterfall Way.

Mr. Brockmeier presented the following additional change orders:

➤ **Change Order #1, Allstate Electrical Contractors, Inc., \$27,874**

This was for a change in the scope of work for the original bid set to include Jacksonville Electric Authority (JEA) electrical modifications for the two master pump stations that are part of the Waterfall Way contract.

➤ **Change Order #2, Phillips and Jordan, Inc., \$1,009,206.30**

This was a deduction to remove a schedule from the original bid plans for the construction and excavation of Ponds #1 and #2.

➤ **Change Order #2, Vallencourt Construction Co., Inc., \$347,891.58**

This was for the revisions in Construction Plans 4 through 9 and changes required by the utility company for the master utilities located in County Road 210.

Mr. John Kinsey wanted to know why all of the changes on the water and re-use lines were being presented now, given that the plans were approved some time ago. Mr. Brockmeier stated that the previous change orders incorporated other elements that were not referenced to the

direct contract at County Road 210, which included other elements that were not part of the contract and the Contractor was asked to revise the change order to summarize only the items that were listed as part of the County Road 210 upgrades.

**On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, Southeast Construction Products, Inc., Change Order #002 for entry wall modifications to Waterfall Way for \$155,154.50, Florida Roads Contracting LLC Change Order #3 for decorative signage on Waterfall Way for \$98,586.90, Allstate Electrical Contractors, Inc. Change Order #1 for \$27,874, Phillips and Jordan, Inc. Change Order #2 for construction of Ponds #1 and #2 for \$1,009,206.30, and Vallencourt Construction Co., Inc. Change Order #2 for revisions in Construction Plans 4 through 9 for \$347,891.58, were approved.**

**NINTH ORDER OF BUSINESS**

**Presentation of Audited Annual Financial Report for Fiscal Year Ended September 30, 2016, Prepared by Berger, Toombs, Elam, Gaines & Frank**

Mr. Wrathell presented the Audited Annual Financial Report for Fiscal Year Ended September 30, 2016. Page 4 noted that The District’s liabilities exceeded its assets by \$266,350, which was not unusual when debt is issued; later, when the District owns assets, it would have depreciation; however, it is not uncommon, at this stage, for the liabilities to exceed the actual physical assets. Page 7 reflected that Bond Anticipation Notes were issued in the amount of \$8,150,000. Page 26 reflected the issuance of the A-1 and A-2 Bonds, in the amount of \$31.5 million, which retired the Bond Anticipation Notes. There were no deficiencies in the “Independent Auditor’s Report On Internal Control Over Financial Reporting and on Compliance and Other Matters”, on Pages 27 and 28. Pages 29, 30 and 31 indicated that there were no findings on the “Independent Auditor’s Report on Compliance with the Requirements of Section 218.415, Florida Statutes”. It was a clean audit.

**TENTH ORDER OF BUSINESS**

**Consideration of Resolution 2017-14, Accepting the Audited Annual Financial Report for Fiscal Year Ended September 30, 2016**

Mr. Wrathell presented Resolution 2017-14.

**On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, Resolution 2017-14, Accepting the Audited Annual Financial Report for Fiscal Year Ended September 30, 2016, was adopted.**

**ELEVENTH ORDER OF BUSINESS**

**Consideration of AT&T Easement – Beachwalk Boulevard at Twin Creeks North Phase 1**

Mr. Pawelczyk stated that this was related to an easement granted by the Developer, Twin Creeks Development Associates, LLC, to AT&T Florida, Bellsouth Communications, in the area over Albany Bay Boulevard, which was previously examined by Mr. Brockmeier. The CDD was being asked to execute the Joinder of the Easement because it is a beneficiary of the dedication on the Plat.

**On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, the AT&T Easement – Beachwalk Boulevard at Twin Creeks North Phase 1, was approved.**

**TWELFTH ORDER OF BUSINESS**

**Approval of Unaudited Financial Statements as of June 30, 2017**

Mr. Wrathell presented the Unaudited Financial Statements as of June 30, 2017.

**On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, the Unaudited Financial Statements as of June 30, 2017, were approved.**

**THIRTEENTH ORDER OF BUSINESS**

**Consideration of May 18, 2017 Special Meeting Minutes**

Mr. Wrathell presented the May 18, 2017 Special Meeting Minutes and asked for any additions, deletions or corrections.



**On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, the May 18, 2017 Special Meeting Minutes, as presented, were approved.**

**FOURTEENTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel**

- **2017 Legislative Session, Recently Approved Legislation**

Mr. Pawelczyk stated that the District was not impacted by recent legislation, which would help the District avoid troublesome public record requests. Regarding the financial disclosure records, Mr. Pawelczyk reminded Mr. John Kinsey to file Form 1. Mr. Wrathell reminded Mr. Keiling to complete and forward a payroll form for compensation purposes.

**B. District Engineer**

There being no report, the next item followed

**C. District Manager**

There being no report, the next item followed.

**FIFTEENTH ORDER OF BUSINESS**

**Board Members' Comments/Requests**

There being no Board Members' comments or requests, the next item followed.

**SIXTEENTH ORDER OF BUSINESS**

**Public Comments**

There being no public comments, the next item followed.

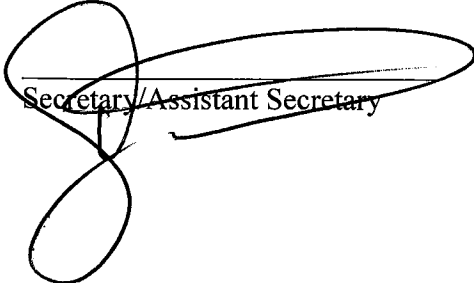
**SEVENTEENTH ORDER OF BUSINESS**

**Adjournment**

There being nothing further to discuss, the meeting adjourned.

**On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, the meeting adjourned at 12:34 p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair