

MINUTES OF MEETING
PINE RIDGE PLANTATION COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Pine Ridge Plantation Community Development District was held on Tuesday, May 19, 2020 at 6:00 p.m. via Zoom Conferencing.

Present and constituting a quorum were:

Matt Biagetti	Chairman
Jeff Arp	Vice Chairman
Jerry Ritchie	Supervisor
Jeff Lewis	Supervisor
Nelson Nazario	Supervisor

Also present were:

Ernesto Torres	District Manager
Jason Walters	District Counsel
Chris Hall	Operations Manager
Maria Cranford	Amenity Manager
Sete Zare	MBS Capital Markets

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the January 21, 2020 Meeting

Mr. Torres stated included in your agenda package is a copy of the minutes of the January 21, 2020 meeting.

Mr. Ritchie stated I had one correction on page four in the third paragraph it should say be “pint” instead of “gallon” and where it says “bigger” it should be “quarts.”

On MOTION by Mr. Biagetti seconded by Mr. Nazario with all in favor the Minutes of the January 21, 2020 Meeting were approved as revised.

FOURTH ORDER OF BUSINESS

Acceptance of Fiscal Year 2019 Audit Report

Mr. Torres stated included in your agenda package is a copy of the Fiscal Year 2019 audit report. The audit report was performed by Berger, Toombs, Elam, Gaines & Frank and is a clean audit. The opinion letter states, “In our opinion, Pine Ridge Plantation Community Development District complies in all material respects with the requirements during the year ending on September 30, 2019.”

Mr. Ritchie stated on page 12 it says total governmental fund balances are \$2,235,000 but I couldn’t find anything that explains that.

Mr. Torres stated I am sure that is your total general fund balance. That consists of your total credits and your debt services. At one point your total assets were \$3.1M. I think it is a floating number.

Mr. Ritchie stated on page 25 it says U.S. Bank managed money market for \$1.217M.

Mr. Torres stated if you look at tab number 9 of your agenda package, the first page of that document gives you a breakdown of your general funds. I will get with you offline to discuss the balance sheet.

On MOTION by Mr. Biagetti seconded by Mr. Arp with all in favor the Fiscal Year 2019 Audit Report was accepted.

SIXTH ORDER OF BUSINESS

Discussion on Refinancing Status and Direction

Ms. Zare stated I am very thrilled to note that we could submit a credit package to S&P, in hopes of getting a credit on this refinancing, as well as ATM for credit enhancement. We should hear back from both of them at the start of June and I think to help expedite this process, there was a question whether we wanted to refinance the annual debt service reduction, so not only would your debt stay consistent to where it is today but you reduce your annual debt service period. The second option that was on the table was if we want to realize those savings upfront and take that money and use it for certain improvements that the board and District have in mind. This scenario would increase your par outstanding debt to where it is today. There are pros and cons to that scenario but we definitely want to talk to the board about what direction you want to move into. The second scenario is a much longer process.

Mr. Ritchie asked on scenario one, what would be the expected interest rate for a refinancing and the percentage of upfront costs?

Ms. Zare responded that is a tough question to answer right now. I am sure everyone is aware of the pandemic and the effects it has had on the economy and the bond market. We have seen a lot of outflows in the bond market, which has kind of slowed things down. There is so much volatility within the market to actually identify where the market will be when we price. When we do price and those rates are locked in, it would be the point where we provide savings to the District. Your interest rates on your 2006A was fairly high at 5.4%, so there is going to be pretty good savings regardless of where the market shakes out at the time of pricing. There are other factors that go into play with that. We have a few things that we are waiting on. What S&P comes back with on an underlining rating can impact where we price in terms of investment grade scale. The second component to that is we submitted to ATM, which is an insurer, and they will come back with their premiums on insurance, as well as whether they provide us with surety. It can also impact the savings, as well. I think what will be very beneficial for the District is to start considering what option they do want to take and whether they want to realize the savings upfront or if they want to do an annual debt service reduction because the longer we take in doing that, the longer it is going to take to get to the point, where we can send out an offering document, get price and lock in those rates and close on this. There is one benefit when you opt into the first scenario, it maintains part in trialities, so you do not have to notice residents that their debt is increasing, which has always been a plus for most Districts. While the second scenario is a very viable scenario, it takes a little bit longer because not only do you have to notice residents for a 30 day period but it generates a lot of questions for residents.

Mr. Biagetti asked do you have rough figures on what the average savings may be and what the proceeds would be for the second option?

Ms. Zare responded I hesitate to put out any numbers because there is so much volatility in the market. It would be tough to put an estimate on it right this moment. I think we would be in a better place to do that, once we get a rating from S&P and we get insurance premiums from ATM.

Mr. Nazario asked how long do you think it is going to be before this thing is over?

Ms. Zare responded it is really dependent upon which scenario you pick. If you pick scenario one, you want annual debt service reduction and that cuts 30 days off of the transaction. If you moved forward with scenario one, we would get an answer back from ATM and S&P at the start of June. At that point and time I would engage all of the working members to draft all of the necessary documents, so we would probably come back to the board at the end of June. From that point on, we release an offering document. It takes about two weeks to print, market and price the bonds. We would close within the last two weeks of July.

Mr. Torres asked what if this board went with option one today and did the refinancing for reduction of costs but in three years, they wanted to construct a capital related project, what impact would option one have to that board in three years from now?

Ms. Zare responded it would require us to go back to the bondholders and say that the District now wants to expand on their amenities and we would need consent for us to do that. You would have to notice your residents because their debt would be increasing but it is the board that makes the decision for the District.

Mr. Arp stated it sounds like option two would be the better option if we already have something in the works. Is there a penalty if we went with that option and then didn't build anything within the three years?

Ms. Zare responded yes. The engineer would have to certify that 85% of the funds will be expended within three years, so there has to be something in the boards mind that they want done and can done within that timeframe. You don't have to make the decision now. It would be very helpful that we do have a direction before the first week of June though.

Mr. Biagetti stated we have discussed this a few times over the years. What I don't want to do is increase assessments to the residents and none of these scenarios would increase assessments. Option one would certainly reduce everyone's annual assessments for the bond portion but my thought is to go with option two. I don't know what that specific project is right now but I think that is a conversation we need to have and talk to our neighbors about it. I think it would be a good time to enhance what we already have in Pine Ridge.

Mr. Walters asked in terms of the S&P rating, how long is that rating good for?

Ms. Zare responded that would be good for a six month period before we could convert it to an actual public rating.

Mr. Ritchie asked so in three and a half years from now when we want to build a pool, couldn't we just go out for another bond issue?

Ms. Zare responded we would have to get bondholder consent from the 2020 bondholders to actually do that.

Mr. Walters stated I do recall in one project where there was an allowance that the District would be allowed to issue up to a certain amount without bondholder consent. I don't know if you think that is still feasible in today's market or not.

Ms. Zare stated that one was where the residents were not ready to pull the trigger on a pool and had an estimate of what the pool would cost, so we allowed flexibility within the indenture to issue up to an amount certain, so that we wouldn't have to get bondholder consent down the road.

Ms. Navario stated I am voting for option A for these reasons; we got to move. We have been in a stagnant position for well over a year and it doesn't appear if we are moving forward. As a matter of fact, it is almost like we are digging a hole and we can't move. If we go with option 2 in knowing the kinds of families and homeowners, we have here that is going to take forever and a day. On top of that, we have all of these new homeowners moving in.

Mr. Biagetti stated we certainly do want to get this done and we are further along than we have been in the past. It has been presented. We will have solid information in early June and I think then we could look at a special meeting to make the decision on which route we want to go with. Correct me if I am wrong but if we were to issue more bonds in a few years then that would include additional fees and closing costs again that the District would have to pay.

Ms. Zare stated that is correct. It would be a separate issuance, so it would entail engaging the working team again.

Mr. Ritchie stated I think the original intent of the refinancing process was to reduce the assessments. I would rather see the interest rate be reduced, so that we could pass on savings to the residents in this community. What we save on interest will be overtaken by an increase in property taxes, so it would be a net difference of 0 to the average person in this community. I am an advocate of option A.

Mr. Lewis stated I see the points on option A and B. Keeping the debt the same is nice but from seeing all of the residents and talking to them, there is really no amenities here for

existing residents let alone new residents coming in. We are short on the pool size. I am leaning on the second option two. I am leaning towards adding another body of water. I like what I see at Grey Hawk. We could also put another playground on the empty piece of land on Leap Frog Lane. Adding more amenities could increase land value. It is really a wash whether you want to add things now or things later. I am leaning to option B.

Mr. Arp stated there are some good pros and cons with both. I do like the idea of getting this done. How long would it take to get permits and all of those other things done?

Mr. Hall responded you are probably looking at a year or less.

Mr. Arp stated I would like to know if we went with option A what the savings would be. If it is not too much then I could see people saying that they want another pool then. Do you know what a pool costs?

Mr. Biagetti responded I don't but I would be willing to work with the contractors to get some ballpark pricing.

Mr. Walters stated on the Watercreek deal, we were able to get some flexibility baked into deal. At the end of the day, they were able to categorize because they knew the sizing, so they said we will have x amount of money to work with and these are the types of components that we wish to construct with those funds.

Ms. Zare asked would it be helpful if we scheduled a special board meeting and I provide the board with an analysis?

Mr. Walters responded I think getting the information out as soon as we get it would be helpful to the board, so that we could start stewing on it. A decision would require a meeting.

Mr. Torres stated we could continue this meeting to June 2nd.

Ms. Zare stated it would have to be the following week, so we could get a response back.

Mr. Torres stated it looks like the 15th would be better for everyone.

Mr. Hall stated Oakleaf had an eight lane lap pool put in and their pool was about \$250,000. We can also look at other projects and get some other numbers together to present to you.

Mr. Torres stated I will get a list from ETM on projects that they have done.

Mr. Biagetti stated we just put in new tennis courts at Eagle Harbor. We had two clay courts put in and two hard courts put in and I think the total project was \$340,000. I don't

think that we would want to move into the clay court situation but we could do hard courts. That cost was with lighting too. I do like the idea of adding a couple tennis courts. I would also agree with a playground, which would cost \$65,000 to \$75,000.

Mr. Hall stated I am getting proposals for a playground at another District and I am getting prices around \$30,000 to \$35,000.

Mr. Torres asked what about a splash park?

Mr. Hall responded Brian just went through a new splashpad at Bartram Springs, so I can get numbers from him for the cost.

Mr. Torres stated I will get a list together and bring it to the meeting on the 15th for you.

Mr. Hall stated I would like to see a refurbishment of the slide and the slide tower.

Ms. Cranford stated it definitely needs it.

Mr. Torres stated we do have capital reserves for that.

Mr. Hall stated the slide keeps deteriorating and we keep patching it. Eventually we will have to redo it.

Mr. Torres stated in another community that I have; the insurance company did an inspection and they closed down the tower. I would rather do that as soon as the offseason is here. Let's get a plan done for that.

Mr. Navario asked why were these two options not put on the table for us to look at six, seven, eight or nine months ago?

Ms. Zare responded I believe in August last year I did present to the board with both options and the board directed me to submit to S&P with both options, which we have done.

Mr. Navario stated but what I am saying is if we knew seven or eight months ago that we would be making this decision so we should have already had numbers in hand. Where is a list of future projects for the community? That has been bugging me for a very long time. Why don't we have a one year plan or a two year plan?

Mr. Biagetti responded I believe we had a capital reserve study done a few years ago. It outlines a 50 year plan for the District.

Mr. Torres stated we did have a reserve study done. We don't have a shelf plan for future capital projects. We are developing a plan now for future capital projects. We have talked about monument sign refurbishment. We have talked about the security cameras being upgraded and painting of the exterior. We have a capital reserve plan, which guides us on how

we spent our capital reserves. We will continue this meeting until June 15th to get scenarios from Sete for both options A and B and then we will also provide a project list for the board to get an idea of what projects are costing.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2020-05,
Approving the Proposed Budget for Fiscal
Year 2021 and Setting a Public Hearing to
Adopt**

Mr. Torres stated included in your agenda package is Resolution 2020-05 and the proposed budget for Fiscal Year 2021. We would suggest having the public hearing on July 21st. In the general fund revenue column, you have to look at Fiscal Year 2020 and Fiscal Year 2021. Your assessment level in Fiscal Year 2020 was \$537,569. I am proposing the assessment levels are the same in Fiscal Year 2021. There are a few increases in the budget and there are some decreases. Last year the administrative expenditure line you budgeted \$119,000 and this year you are at \$118,000. There is a slight increase in insurance. RMS has provided an increase request for amenity management and for field management services. There is an increase in pool chemicals and a slight increase in your water utility and RMS is also proposing an additional staff level to do the gate monitoring. Last year your capital reserve contribution was \$35,000 and this year, in order to keep the assessment levels the same, we are reducing your capital reserves from \$35,000 to \$20,000. If you look at your capital reserve balance, we are ending as of April at \$339,000. We are healthy in capital reserves.

Mr. Arp asked on the pool maintenance and pool chemicals, the guy that would clean the pool is he paid under pool maintenance or pool chemicals?

Mr. Hall responded he is pool maintenance. Poolsure is your pool chemical company.

Mr. Arp stated that seems like a lot if we are paying them \$12,500 a year. He is making \$2,000 a month. Does that seem right to clean the pool and dump some chlorine in it? Is that something maybe we should shop for?

Mr. Hall responded that is RMS pool maintenance. He is here three days a week and that is pretty standard cost for the year. The pool chemicals don't get charged for RMS. We can get quotes for pool companies if you would like.

Mr. Navario stated it might be a good idea for us to nitpick everything.

Mr. Arp stated I would like to get three quotes for pool maintenance and see if we can get that reduced a little bit.

Mr. Biagetti stated I have no issues with that but when you break it down that is \$86 per visit. I don't think it is terribly out of line but it wouldn't harm us to have information.

Mr. Torres stated we will let them bid it with chemicals included and without.

Mr. Hall stated we can do that but they all typically use Poolsure and mark it up.

Mr. Torres stated there is an additional charge with the gate monitor. That is a \$5,700 increase that we didn't have last year.

Mr. Hall stated the gate monitor was approved last year and during this year we used lifeguards to fill that position. I believe we just wanted to break it out to have a dedicated budget for gate monitors. It would be an hourly employee just like your lifeguards.

Ms. Cranford stated generally what happens is we have a lifeguard at the top of the slide and a lifeguard at the bottom of the slide and then you have your third lifeguard that is your roving lifeguard and then we have had an additional person who is then at the gate. I think the gate monitors were originally added it was in the middle of the season, which is where that \$1,500 came into play and then last year we realized that no additional changes had been made to accommodate a full season. Basically having that person at the gate was cutting into the lifeguard budget.

Mr. Biagetti stated I would agree that that position is needed.

Mr. Torres asked what is the amenity assistant line item for then?

Mr. Hall responded that is for the assistant that works with Maria on the weekends and during the evenings.

Mr. Biagetti asked are you recommending that we reduce the facility assistant line item and add in gate attendant?

Mr. Torres responded we can put that \$6,000 back into capital reserves.

On MOTION by Mr. Lewis seconded by Mr. Nazario with all in favor Resolution 2020-05 Approving the Proposed Budget for Fiscal Year 2021 and Setting a Public Hearing for July 21, 2020 at 6:00 p.m. was approved.

SEVENTH ORDER OF BUSINESS**Staff Reports****A. Attorney**

Mr. Walters stated included in your agenda package is the property appraisers parcel report and a quit claim deed referencing the two tracts. This is the Isles of Pines parcel to the north that was going to be developed into platted lots. That has since been redesigned and was part of the replatting that we have dealt with over the past. This is a parcel within that Isles of Pine area that was originally going to be a stormwater pond and that is why we had ownership to it but now it is part of a vacant parcel that is not going to be developed, so there isn't going to need to be a stormwater parcel there and there is no reason to own it. The thought is to go ahead and convey that back to the Developer. I know they have some Countywide stormwater things they are working on that could involve that parcel, so they would like to have that parcel. The thought is to get that conveyed out of the Districts name and back to that landowner.

Mr. Biagetti stated it seems to be an area of mischief back there. Has the Developer noted if they are able to do anything with that property back there now?

Mr. Walters responded that is another reason that it behooves us not to own it. We don't want to be the property owner in those instances. My understanding is the County has a more global stormwater overflow, where they are always looking for land and I understand they are talking to the County about utilizing that for conservation. I don't think there is any plans to develop that as residential. I would inform them that if that was the case then we would be coming back to them for additional assessments. The landowner has to sign the permit, so the County was saying this parcel is owned by the District, so they would need to sign it and I told them that we had no intention of being a part of that permit process.

Mr. Biagetti stated if there is nothing going to be back there then I would love to approach the Developer about blocking off access to that whole area back there.

Mr. Ritchie asked are you saying we are going to convey the pond or the property and the pond to the Developer?

Mr. Walters responded no. The original intent with the pond was that once that property was developed then there would be a stormwater pond there but there is no pond there now.

Mr. Ritchie stated there is a body of water back there now.

Mr. Walters stated yes. That was related to some fill operations. That is not specific to this parcel. I know the Developer had utilized that parcel for some fill dirt in the past.

On MOTION by Mr. Biagetti seconded by Mr. Nazario with all in favor the Conveyance of Two Tracts by Deed was approved as presented.

Mr. Walters stated there has been a slew of governmental directives related to things that have impacted Districts. The reason we are able to have this meeting in the format we are having it is by virtue of the Governors executive orders. We will continue to monitor all of those and keep the rest of staff and supervisors and staff in the loop.

B. District Manager

- 1. Report on the Number of Registered Voters**
- 2. General Elections**

Mr. Torres stated there are 1,185 registered voters residing in the District. This year is an election year. There are two seats in the District that have terms expiring. If you wish to keep your seat or run for the seat you will need to register at the supervisor of elections office.

C. Engineer

There being none, the next item followed.

D. Operations Manager

- 1. Report**
- 2. Down to Earth Landscape Reports**

Mr. Hall stated the seven gallon plants will cost \$35 per plant, so it adds \$600 to the total. LED lighting was completed awhile back. I know we still have a couple issues with some trees blocking a couple areas but it has really brightened it up. The splash ground has been repainted. The slide is ready to go.

Mr. Torres asked can you give us an update on the islands?

Mr. Hall responded I just signed a new proposal and they should be ready to go.

E. Amenity Manager

Ms. Cranford stated we have been doing food trucks like crazy. We opened the pool last Thursday. Everyone has been really good with signing up for their pool times. During the week we bumped the time from an hour to an hour and a half. Next week I will make some additional changes to the sign up times. I am finding during the week that only half of the slots

are being filled, so I am going to start allowing additional time and additional sign ups. It has been going well and it has been a smooth process.

EIGHTH ORDER OF BUSINESS Audience Comments/Supervisor's Requests

Mr. Navario asked what is the status of the District?

Mr. Torres responded from a financial standpoint you look healthy. From a staff point, you look healthy. From a resident complaint standpoint, the only issues that sometimes come up is with landscaping.

Mr. Ritchie asked how many CDD communities does GMS manage?

Mr. Torres responded I think we have the majority of Florida but in Northeast Florida I think we have 60 CDDs.

Mr. Lewis asked did we get any estimates back on the fountains?

Mr. Hall responded yes. It would be \$12,773 for a five horse fountain and that does not include the electrical work on the bank, which would be around \$4,000 to \$7,000 depending upon where they can draw power from.

Mr. Lewis stated I was thinking the main big pond needs one and the big pond back by Clay Charter could probably use one.

Mr. Hall stated if we went with a lower horsepower fountain, it is \$10,467 and then you would include your electrical work.

Mr. Navario asked can we include the fountains on the list we are working on?

Mr. Hall responded absolutely.

Mr. Lewis asked when we get rid of tract 2 will our signage come down?

Mr. Walters responded I don't believe so. I believe that is part of the master improvements because that is still a northern entrance into the community. Those monumentations stay because they are in the County right-of-way.

NINTH ORDER OF BUSINESS Financial Statements

A. Balance Sheet and Statement of Revenues & Expenditures for the Period Ending April 30, 2020

Mr. Torres stated included in your agenda package is a copy of the balance sheet and income statement.

B. Assessment Receipts Schedule

Mr. Torres stated included in your agenda package is a copy of the assessment receipts schedule.

C. Approval of Check Register

Mr. Torres stated included in your agenda package is the check register.

On MOTION by Mr. Biagetti seconded by Mr. Arp with all in favor the Check Register was approved.

TENTH ORDER OF BUSINESS

Next Scheduled Meeting - 7/21/20 @ 6:00 p.m. at the Pine Ridge Plantation Amenity Center

Mr. Torres stated the next regularly scheduled meeting is July 21st at 6:00 p.m. We have a special meeting scheduled for June 15th at 6:00 p.m.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Biagetti seconded by Mr. Arp with all in favor the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman