

MINUTES OF MEETING  
BARTRAM PARK COMMUNITY DEVELOPMENT DISTRICT

A regular meeting of the Board of Supervisors of the Bartram Park Community Development District was held on May 27, 2015 at 11:30 a.m. at the Offices of England-Thims & Miller, Inc. 14775 Old St. Augustine Road, Jacksonville, Florida 32258.

Present and constituting a quorum were:

John Dodson	Chairman
Fionnuala Geoghegan	Vice Chairperson
Pat Evert	Assistant Secretary

Also present were:

Jim Oliver	District Manager
Wes Haber	District Counsel
Jon Kessler	FMS Bonds (by phone)
Sandy Powell	Audience Member
Art Lancaster	Audience Member

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Oliver called the meeting to order at 11:30 a.m.

**SECOND ORDER OF BUSINESS**

**Public Comment**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Organizational Matters**

**B. Consideration of Candidates to Fill Vacancies for Seats 1 and 3 (11/2016)**

**D. Oath of Office for Newly Appointed Supervisors**

Mr. Oliver asked, "John, do you have any candidates to fill seat number one?"

Mr. Dodson responded I will appoint Pat Evert.

*Mr. Oliver administered an oath of office to Ms. Pat Evert.*

Mr. Oliver asked do you have any nominations to fill seat number three?

Mr. Dodson responded I will nominate Fionnuala Geoghegan.

*Mr. Oliver administered an oath of office to Ms. Fionnuala Geoghegan*

On MOTION by Mr. Dodson seconded by Ms. Evert with all in favor to Appoint Ms. Patricia Evert to Fill Seat Number 1 and Fionnuala Geoghegan to Fill Seat Number 3 was approved.

**C. Consideration of Candidates to Fill Vacancies for Seats 2 and 4**

Mr. Oliver stated, Bob Carroll, who is a resident of Bartram Park, is willing to serve. I recommend that he be appointed to fill the vacancy for seat number two.

On MOTION by Ms. Evert seconded by Ms. Geoghegan with all in favor to Appoint Mr. Robert Carroll to Fill Seat Number 2 was approved.

**E. General Information for New Supervisors**

Mr. Oliver stated Bartram Park is different from most CDDs in that this CDD really manages no assets or common areas. The CDD issued bonds and built all of the infrastructure out there, including some offsite improvements to St. Augustine Road and Race Track Road, but then conveyed those improvements to other authorities. Amenities and landscaping are handled either by the HOA or within the gates of the various communities. There are not the common area responsibilities along the lines of what you see at Districts surrounding you, like Bartram Springs, Julington Creek, Aberdeen and Durbin Crossing. The main things that you handle are financial matters. You adopt a budget once a year. You review an annual audit and you also manage the debt service on the bonds. Thirty-year bonds were issued to build the infrastructure here and all of the landowners are paying back those bonds. Later in this meeting, Jon Kessler with FMS Bonds is going to talk about a refunding of those bonds. Because we are form of government, you are subject to the Sunshine Laws and that means that the Supervisors can only discuss District matters with each other when in a noticed meeting. You can talk about anything else. The Sunshine Law restriction includes other forms of communication. You can't use me as a conduit. You want to be careful with your emails. My office or Wes' office may send an email to the board for some input or for information and we always put at the top for supervisors to not reply to all, so that when you respond to us, you are not sharing your thoughts with other supervisors. We also notice all of our meetings. We typically notice in The Daily Record. It is a cost savings to the District, rather than noticing in the Florida Times Union.

Ms. Evert asked how many members can constitute an actual meeting?

Mr. Oliver responded you have to have three Supervisors in person to have a meeting. There may be times when three of you are at the meeting and one or two of the others may participate by phone but we have to have three people here to have a quorum. The other thing is a record keeping law. Everything that you have regarding the District is public record. You are certainly free to take any materials home with you, but just know that I keep official copies of all of the records. The records that you keep are subject to public record requests. Any records that you do keep, you may want to keep segregated, so it is easy to get to. You may want to set up a separate email account or keep it in a separate folder for the email that is generated.

Mr. Haber stated the one other quick point that we like to raise is you are subject to the Code of Ethics that all government officials are subject to. That is found in Chapter 112, Florida Statutes. I have a notebook that my firm puts together for new board members and I can mail those to you. The biggest point on the code of ethics are conflicts of interest. Jim is going to provide you with a document called a Form 1. That is a document that you will need to provide to the Supervisor of Elections in Duval County. On that form, you identify sources of income, as opposed to amounts of income. They are not interested in learning what your assets are or how much you make but instead where your income is derived from. The reason for that is a lot of governments have contracts for maintenance and to the extent that you work for a landscape maintenance company and the District was going to award a contract for landscape maintenance, it is so the public is able to know whether a company that you work for is submitting a proposal. I don't know whether either of you do but to the extent that there is ever a case where you think you may have a conflict, where you are voting on something on this board that may impact your pecuniary interest personally, business wise or with your family members then let Jim or I know and we can walk you through that. You may have to not participate in that particular vote. You would need to declare the conflict on the public record and there is a filing that you need to do.

Mr. Oliver stated I just gave you a packet of documents. The first two documents are oaths of office. The next item is a W4. Supervisors are allowed to receive \$200 per meeting. There is a maximum of \$4,800 a year. This District will probably meet about four times a year. The next item is a Form I9. This is required by Homeland Security. The next item is a Form 1. You will need to complete that and file it with the Duval County Supervisor of Elections within the next 30 days. There is a question and answer document regarding CDDs. There is a copy of Chapter 190. The last item is the Code of Ethics and the Sunshine Amendment.

**A. Acceptance of Rebecca Price Resignation Letter**

Mr. Oliver stated Rebecca Price has provided a resignation letter but since she has provided that, her term has expired.

On MOTION by Ms. Evert seconded by Mr. Dodson with all in favor Rebecca Price Resignation Letter was accepted.

**F. Consideration of Resolution 2015-01, Election of Officers**

Mr. Oliver stated typically for Districts, we have a Chair, a Vice Chair and the balance of the board serve as Assistant Secretaries. Art Lancaster has been serving as the Chair. He is no longer on the board. We would be looking for someone to serve as Chair.

Ms. Evert stated I suggest John Dodson.

Ms. Geoghegan stated I will serve as Vice Chair.

On MOTION by Ms. Evert seconded by Ms. Geoghegan with all in favor Resolution 2015-01 Election of Officers Naming Mr. Dodson as the Chairman, Ms. Geoghegan as Vice Chair, Ms. Evert as Assistant Secretary and All Other Officers Remaining the Same was approved.

**TENTH ORDER OF BUSINESS**

**Other Business**

Mr. Jon Kessler stated I am with a firm by the name of FMS Bonds. I was actually originally involved with the District in 2005 when I was with Banc of America, where I was for about 15 years. I under wrote the bonds for the District back in 2005. I also issued the 2007 bonds and helped the District restructure those. You should have the presentation in front of you.

Mr. Lancaster asked can I go over the overall project first?

Mr. Jon Kessler responded yes.

Mr. Lancaster stated as Master Developer, when we were putting in heavy infrastructure for public improvement, we partially financed it through the CDD with a District bond. There are two bonds on Bartram Park. There is a 2005 bond and there is a 2006. As the project is built out, the bonds are unrated when they are initially put out to the market. As it is secured by rooftops and businesses, the bonds then can become rated. There is an opportunity for the

residents' long term to save money. It is a line item on your tax bill. When Jon did this analysis it showed there was an opportunity and the board thought it would be a good opportunity to help lower the debt for the residents. This only goes on the 2005 bonds.

Mr. Jon Kessler stated there are two rating agencies; Standard & Poor's and Moody's. Moodys really won't rate CDD bonds but Standard & Poor's will. Standard & Poor's is the one that we have already provided a package to and they have given indication that they would rate a portion of the bonds. Starting on page four, the District originally issued \$28.7M of bonds for the 2005 bonds. The current bonds outstanding are \$22.9M. Every time the District makes a payment, there is an interest component and a principal component. The District recently received a prepayment from one of the landowners, Franklin Point. That landowner prepaid its assessments and that will be reflected on the next interest payment, so the bonds will be reduced to \$19.3M. These bonds are secured by roughly 3,080 units. The interest rate on the current bonds is 5.3%. The bonds that are outstanding can be refinanced at 101% of the principal amount of the bonds on May 1, 2015. Most CDD bonds are 30-year term bonds when they are issued. The investors that buy them want call protection, meaning that they can't be refinanced within the first 10 years. Given the fact that the project is primarily built out and where rates are at today, the District can save money. We believe it is going to be around the 10% range, although until the bonds are actually priced that savings is not set. The average interest rate will be about 4.5%. The maturity date of the new bonds will be the exact date of the old bonds. Also, we are not issuing more bonds. When we refinance, we are going to be issuing the same amount of bonds or less bonds. There is no out of pocket costs of the District. All of the costs of the refinancing are paid by the debt service reserve fund, which was a rainy day fund that was set up in the last bond issue. It sits there for the duration of the bonds, unless the bonds are refinanced. Page five is just a graphic of where interest rates are. We are near record lows. We did have a spike in the treasury in the last few weeks. Initially the project was just raw land. Now it is primarily built. A portion of the bonds are eligible for rating from Standard & Poor's. Page nine touches on rating agency criteria. When I approached Standard & Poor's, we did not have this prepayment from Franklin Point, so when I approached the rating agency, we just approached them as if 65% of the community was built but with Franklin Point that percentage is going to be quit a bit higher because the Franklin Point parcel did not have any vertical improvements. I wanted to show you what I actually received from S&P and that assumes that

65% of the bonds are rated and 35% of the bonds are not rated. Even though not all of the bonds would be rated, the way we structure the bonds, if you live in a single family home where there is a 50 foot lot and the home is built and then you have a vacant lot, everyone is going to pay the same no matter what the status of the improvements on the lot. It is just that the structure of the rated/nonrated occurs at the bond level and not at the assessment level. All of the taxpayers for their respective product type would pay the same. On page 11, we show the current bonds and then the proposed bonds. There is \$19.3M outstanding bonds. In the proposed refinancing, the senior would be roughly \$12.2M and the subordinate nonrated would be roughly \$6.4M for a total of \$18.7M. The average coupon would be about a 530 and on the proposed refinancing it would be about 450 or a little less. The annual debt service would be \$1.5M today versus after the refinancing it would be roughly \$1.4M. The maturity date would be the same. On page 12, it shows you the savings. The annual debt service reduction would be in the 9.7% to 10% range. The numbers are a bit conservative. We really never know when we price, where the rates will be. The annual debt service across the District would be \$153,000 and over the life of the remaining bonds it is around \$3M. We ran the same scenario if you flip to page 14. We can probably get more bonds rated and the savings go to about 10%. We already have approval from S&P to provide a rating of BBB. The next step would be to go back with a formal rating with bond documents. If you wanted to go forward, you would authorize your manager and staff to go ahead and we would come back at the next meeting with what we call a bond resolution, which would set parameters. Let's say we are showing close to 10% savings then maybe we show minimal savings of 8.5%. We will come back in 30 days and show you where rates are. The board would set a parameter with a minimum annual savings amount and would authorize staff to go ahead with the refinancing. Then you are probably talking about 30 days to close. From now to a possible refinancing would be eight weeks. This would be reflected on next years tax bill.

Mr. Lancaster asked so eight weeks to close the refinance and then was it locking in the rates 30 days out?

Mr. Jon Kessler responded no. Do you meet monthly?

Mr. Oliver responded we don't, but we can move the meetings along to do that.

Mr. Jon Kessler stated we would probably just need two weeks. We would come back to the board with a resolution, where we would set a parameter for minimum savings that you

wanted. Then we would mail the prospectus and then probably a week or so after that. It would be more in the three to four week timeframe, where you would have the rate locked and then we would close two weeks after that. If we move quickly then we could have rates set in four weeks.

Mr. Oliver stated I certainly recommend the board pursue this. If for some business reason along the way, you decide to pull the plug then you certainly can.

Mr. Haber stated we work on a number of these and we take the position because we are the District's lawyer and we are reviewing the documents on the District's behalf that we aren't generally comfortable doing it on a contingency basis because we don't want our review to be influenced by having a deal that closes. If the deal move forward, we would get paid out of the bond funds. It would not cost you a penny; however, if the deal didn't close then our firm would still be looking to submit a bill to the District for payment for the work that we did. I don't think you would be looking at a huge invoice.

Mr. Jon Kessler stated then we will get bond counsel involved. The only fee that sounds like you would have are if the deal didn't go through would be from Wes' firm.

Mr. Lancaster asked and you can get bond counsel on a retainer?

Mr. Kessler responded yes on a contingent basis.

Mr. Lancaster stated I would just stick with Peter Dame with Akermann Senterfit. I think he did all of the secondary work.

On MOTION by Mr. Dodson seconded by Ms. Geoghegan with all in favor to Authorize Staff to Take Necessary Actions with Documents to Refinance was approved.

Mr. Oliver stated let's take a look at our calendars.

Mr. Jon Kessler stated I think anywhere around June 16<sup>th</sup> or June 17<sup>th</sup>.

Ms. Evert stated I am available.

Ms. Geoghegan stated I am too.

Mr. Oliver stated so we will plan a meeting for June 17<sup>th</sup> at 10:30 a.m. in this location.

Mr. Haber stated Art mentioned the 2005 and 2006 bonds. You will rarely hear about the 2006 bonds because they were restructured. They went away and now what we have are several series of 2012 bonds. We are really sitting today with 2005 bonds and 2012 bonds.

**FOURTH ORDER OF BUSINESS**

**Approval of the Minutes of the November 14, 2014 Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes of the November 14, 2014 meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Dodson seconded by Ms. Evert with all in favor the Minutes of the November 14, 2014 Meeting were approved.

**FIFTH ORDER OF BUSINESS**

**Acceptance of the Minutes of the November 14, 2014 Audit Committee Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes of the November 14, 2014 audit committee meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Dodson seconded by Ms. Geoghegan with all in favor the Minutes of the November 14, 2014 Audit Committee Meeting were accepted.

**SIXTH ORDER OF BUSINESS**

**Ratification of the Minutes of the July 19, 2013 Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes of the July 19, 2013 meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Dodson seconded by Ms. Evert with all in favor the Minutes of the July 19, 2013 Meeting were ratified.

**SEVENTH ORDER OF BUSINESS**

**Ratification of Grau & Associates Engagement Letter for FY14 Audit Services**

Mr. Oliver stated a copy of the engagement letter is included in your agenda package. Because we didn't have any meetings, I executed this on behalf of the District. The fee for the audit was in accordance with the adopted budget.

On MOTION by Mr. Dodson seconded by Ms. Evert with all in favor the Engagement Letter for FY14 Audit Services was ratified.



**EIGHTH ORDER OF BUSINESS**

**Ratification of Requisitions No. 163 and 164**

Mr. Oliver stated included in your agenda package are Requisition Nos. 163 and 164. The first one is to Environmental Services and that is in the amount of \$1,413.20. It shows under item number D what they did. These actions were paid for with the Series 2005 Bond Funds. Requisition No. 164 was for the same service in the amount of \$2,970.90.

On MOTION by Mr. Dodson seconded by Ms. Evert with all in favor Requisitions No. 163 and 164 were ratified.

**NINTH ORDER OF BUSINESS**

**Consideration of Resolution 2015-03, Approving the Proposed Budget for Fiscal Year 2016 and Setting a Public Hearing Date for Adoption**

Mr. Oliver stated when you approve the proposed budget, it actually starts the budget process. What we need to do in Duval County is have a budget adopted by the end of July and then those assessments will be on the tax rolls. This budget is a no increase budget. If you look at the special assessments at the top of the page, you will see the assessments are \$130,000. It is the same amount for fiscal year 2016. If you look at the assessment information at the bottom, you will see that the assessments per unit back in fiscal year 2012 were \$3,987. They dropped to \$3,375 for fiscal year 2013 and have remained the same since.

On MOTION by Mr. Dodson seconded by Ms. Evert with all in favor Resolution 2015-03 Approving the Proposed Budget for Fiscal Year 2016 and Setting a Public Hearing Date for July 29, 2015 at 11:30 a.m. at the Offices of England Thims & Miller, 14775 Old St. Augustine Road, Jacksonville, Florida 32258 was approved.

**ELEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being none, the next item followed.

**B. Manager**

Mr. Oliver stated at the July meeting, we will set the meeting schedule for the coming year. I wanted to give you an update on the fiscal year 2014 audit. I did receive a draft copy and I have provided that to District Counsel for their review. It is a clean audit.

**C. Engineer**

There being none, the next item followed.

**TWELFTH ORDER OF BUSINESS                      Audience Comments / Supervisors' Requests**

There being none, the next item followed.

**THIRTEENTH ORDER OF BUSINESS              Financial Reports:**

**A. Balance Sheet and Statement of Revenues & Expenditures for the Period Ending March 31, 2015**

Mr. Oliver stated included in your agenda package is a copy of the balance sheet and income statement as of March 31, 2015

**B. Treasury Report**

Mr. Oliver stated included in your agenda package is a treasury report.

**C. Assessment Receipts Schedule**

Mr. Oliver stated included in your agenda package is the assessment receipt schedule. You will see we are fully collected.

**D. Approval of Check Register**

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

On MOTION by Mr. Dodson seconded by Ms. Geoghegan with all in favor the Check Register was approved.

**FOURTEENTH ORDER OF BUSINESS              Next Scheduled Meeting – July 29, 2015 at 11:30 a.m. at ETM**

Mr. Oliver stated the next regularly scheduled meeting is July 29, 2015 at 11:30 a.m. at this location.

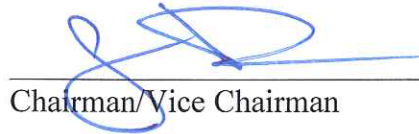
On MOTION by Mr. Dodson seconded by Ms. Evert with all in favor the Meeting was Continued to June 17, 2015 at 10:30 a.m. at the Offices of England Thims & Miller, 14775 Old St. Augustine Road, Jacksonville, Florida 32258.

**FIFTEENTH ORDER OF BUSINESS**

**Adjournment**



Secretary/Assistant Secretary



Chairman/Vice Chairman