

MINUTES OF MEETING
SHINGLE CREEK
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Shingle Creek Community Development District was held on Monday, January 22, 2019 at 11:00 a.m. at the Oasis Club at ChampionsGate, 1520 Oasis Club Blvd., ChampionsGate, Florida.

Present and constituting a quorum were:

Rob Bonin	Chairman
Adam Morgan	Vice Chairman
Barry Bichard	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	District Counsel
Michael Enot	District Engineer
Alan Scheerer	Field Manager
Phil Gildan	Greenberg Traurig by phone
Bruce Giles	Greenberg Traurig by phone
Valerie D'Ambrosio	Innovative Management (HOA)

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll. A quorum was present.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: Only Board Members and staff are present, so there are no public comments.

THIRD ORDER OF BUSINESS

Approval of Minutes of the December 10, 2018 Meeting

Mr. Flint: You have the minutes from the December 10, 2018 meeting in your agenda package. Did the Board have any additions, deletions or corrections?

Mr. Morgan: They look good.

Mr. Flint: If there are no corrections, we need a motion to approve the minutes as presented.

On MOTION by Mr. Morgan seconded by Mr. Bichard with all in favor the minutes of the December 10, 2018 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2019-05 Bond Delegation Resolution

Mr. Flint: Bruce Giles of Greenberg Traurig is on the phone. He is filling in for Steve Sanford who normally serves as Bond Counsel, because Steve was not available. Bruce, do you want to present the resolution to the Board?

Mr. Giles: Sure I would be happy to, thank you. By this resolution, you are authorizing your Series 2019 Special Assessment Bonds for a project in the 2019 Assessment Area. The bond size will not exceed \$22,000,000. You will be approving the sale on a negotiated basis as opposed to a competitive basis. The 2019 Project will consist of stormwater drainage facilities, water and sewer facilities and public roadway improvements. As part of the resolution, you will be approving some parameters for the subsequent structuring and pricing of the issue, including a maximum bond size of \$22,000,000, arbitrage yield not-to-exceed 5.75%, a first optional call date not later than December 15, 2032 and a redemption price of par plus accrued interest. The final purchase price will be paid by the Underwriter for the bonds and won't be less than 97.5% of the principal amount of the bonds issued. In addition, you will be approving a form of a Preliminary Limited Offering Memorandum that is attached as Exhibit B to the resolution. You are delegating to the Chairperson or in his absence, another Board Member the authority to deem the Preliminary Limited Offering Memorandum final within the meaning of Rule 15c2-12 of the Securities and Exchange Commission Act of 1934. You are also approving a Continuing Disclosure Agreement, appointing Governmental Management Services (GMS) – Central Florida, LLC as Dissemination Agent in connection with the Continuing Disclosure Agreement. You are approving the Second Supplemental Trust Indenture under your Master Indenture providing for the issuance of the 2019 bond issue, appointing Regions Bank as Trustee, Paying Agent, Registrar and Authenticating Agent under that Indenture and appointing FMSbonds, Inc. as Underwriter for the bonds. It provides that the bonds will be registered in the book-entry only system of the Depository Trust Company, authorizing any necessary modifications to the Assessment Methodology, prepared by GMS – Central Florida and any modifications to the Engineer's Report that might be necessary. I would be happy to address any questions.

Mr. Flint: Thank you Bruce. Are there any questions for Bond Counsel? Hearing none, we need a motion to approve Resolution 2019-05.

On MOTION by Mr. Bonin seconded by Mr. Morgan with all in favor Resolution 2019-05 Bond Delegation Resolution was approved.

FIFTH ORDER OF BUSINESS

Consideration of Acceptance of G-17 Letter

Mr. Flint: As Bond Counsel just told you, the Bond Delegation appoints FMSbonds, Inc. as your Underwriter. The Municipal Securities Rulemaking Board ruled that Rule G-17 requires certain disclosures to be made by the Underwriter. You have a letter in your agenda with those disclosures. If there are any questions, we can discuss those, but this is standard and requires on any bond issue that the Underwriter makes these disclosures. Are there any questions on the G-17 Letter?

Mr. Morgan: It's fairly clear.

Mr. Flint: The main point here is that the Underwriter doesn't have a fiduciary duty to the issuer. That's one of the main tenants of this disclosure. It's the same one on every deal you have done. If there are no further questions, we need a motion to accept the G-17 letter from FMSbonds, Inc.

On MOTION by Mr. Bonin seconded by Mr. Morgan with all in favor the G-17 Letter was accepted.

SIXTH ORDER OF BUSINESS

Public Hearing

Mr. Flint: Next is the public hearing to consider the imposition of assessments and adopt Resolution 2019-06 levying assessments on the expansion parcel and the portion of the I-3B parcel that was owned by the CDD that wasn't originally assessed. There are 12 or 13 lots on that parcel and this covers both the expansion parcel and that small piece of I-3B. You previously set today as the date, place and time for the public hearing and adopted two resolutions, one declaring your intent to levy assessments and the other setting the public hearing. At this time, we will open the public hearing. For the record, no members of the public are present.

A. Consideration of Engineer's Report

Mr. d'Adesky: We don't need to adopt either one of these independently. It was part of the previously approved resolution that was adopted.

Mr. Flint: The Engineer's Report was prepared by KPM Franklin, defining what's called "The 2019 Project" which not only includes improvements for the area that you are considering in this resolution to impose assessments, but also identifies the remaining unfunded 2015 projects in the original boundaries of the District. In the Engineer's Report, the District Engineer defines the project on Page 11 in Tables 9.1, 9.2 and 9.3. The first table, 9.1 has the estimated improvements that were not funded through the original Series 2015 bonds within the original boundaries of the District. Table 9.2 has the estimated improvements in the expansion parcel and Table 9.3 has the estimated improvements in the I-3B parcel.

Mr. Morgan: In Table 9.1, "Professional Fees/Permitting" is \$10,493,282.03. Does it include impact fees?

Mr. Flint: It includes impact fees.

Mr. Morgan: Is it so high because of the impact fees?

Mr. Flint: Yes, we asked that it say "Professional Fees/Permitting/Impact Fees."

Mr. Morgan: Okay, I just wanted to make sure.

Mr. Bichard: It's really the Toho Water Utility for water and sewer.

Mr. Morgan: Right.

Mr. Flint: Mark reviewed these costs and provided comments to Mike Enot incorporating these costs. What we are considering for purposes of this public hearing, is the \$4,414,940 in Table 9.2 and a pro-rated portion of Table 9.3, which covers the cost for all 49 lots. We are only dealing with a portion of the 49 lots. It's either 12 or 13 lots, which I will confirm when I get to the methodology. So, we are using 25% of that \$1,500,000.

Mr. Bichard: Is that because of what was added as opposed to what was there before?

Mr. d'Adesky: Yes, this specific levy is for the things that clearly have never been assessed in the past so The Cove, which was outside of the District and this portion that was owned by the District, were never assessed and that's very clear.

Mr. Flint: Yes, this covers the piece of CDD owned land that we are swapping with Lennar.

Mr. Morgan: So, this is just the 208 units?

Mr. d'Adesky: It's for The Cove units plus the 12 to 13 units that are part of the swap parcel.

Mr. Bichard: Yes, the I-PH3B Swap Area kind of grew off of I-3B and that was not included the first time.

B. Consideration of Master Assessment Methodology Report for the Cove Assessment Area

Mr. Flint: You also have the Master Assessment Methodology Report. Table 1 on Page 10 shows the projected 195 units within the expansion parcel plus the 13 units in what we are calling "*I-PH3B Swap Area*." That's just the piece that the CDD owns that we are swapping with Lennar so there are 208 units between those two.

Mr. Morgan: Rob, I know at the last meeting there was discussion as to the actual amount of lots in The Cove. Did we clarify that because you thought it was more than what we were talking about?

Mr. Bonin: Yes, that's correct because the balance of The Cove lots were already included in what was the former Tract B, on the east side of The Cove. There are 245 lots total in The Cove, but only 208 represents the new land because the balance was the older land.

Mr. Morgan: Are you happy with that number and it's an accurate number?

Mr. Bonin: Yes.

Mr. Morgan: I just wanted to clarify.

Mr. Flint: In Table 2 we have what we are calling "The Cove Costs," which is identified in the Engineer's Report as \$4,414,940. The I-PH3B Swap Area is just 25% of the \$1,500,000 identified in the Engineer's Report that totals \$4,812,800. Table 3 is a bond sizing based on that \$4,812,800. We added a Debt Service Reserve anticipating max annual debt, capitalized interest of 24 months, Underwriter's discount of 2%, cost of issuance of \$220,000 and then we rounded it up with a contingency to get the total of \$6,500,000. We don't anticipate issuing \$6,500,000 for this piece, but are setting a ceiling so you have the flexibility to do that.

Mr. Morgan: In the FMSbonds letter, didn't you say 5.75%? This says 6%.

Mr. d'Adesky: That's in an abundance of caution just to set it higher so it's a percentage higher.

Mr. Flint: This is for purposes of setting a ceiling. The Bond Delegation Resolution is setting parameters when they actually go out and market it. If it's higher than 5.75% they can't close.

Mr. d'Adesky: But it could come back.

Mr. Morgan: Yes, that's why I was asking why it said 6%. Very good.

Mr. Flint: Table 4 shows the improvement cost per unit by taking the 208 lots and dividing it into the \$4,812,800. Table 5 shows the par debt per unit. Table 6 is the net and gross annual debt assessment if we were to actually issue \$6,500,000. It also shows you what the per unit annual assessment would be. Again, we don't necessarily anticipate that will occur, but this is just giving you the flexibility when you actually go to price the bonds. Those will be targeted to what your desired per unit amount is. Table 7 is a Preliminary Assessment Roll, which includes the legal description of the expansion area plus the legal description of the portion of the I-3B parcel, the 2.3 acres. Attached are the legal descriptions. We will need to refine some of this information so you will be adopting this in substantial form. That's the methodology. Are there any questions?

C. Public Comment & Testimony

Mr. Flint: No members of the public are here to provide comment or testimony.

D. Consideration of Resolution 2019-06 Levying Assessments

Mr. d'Adesky: George pretty much explained the levy of assessments. It goes through the authorizations. We previously adopted the Engineer's Report and now we are adopting the Master Assessment Methodology Report as included, which will be attached. We are authorizing the project as described by the Engineer's Report, giving the estimated cost of the improvement as part of the Engineer's Report, confirming the Master Assessment Methodology Report, finalizing the assessments and providing for a payment and method of collection on those improvements.

Mr. Flint: Are there any questions on the resolution?

Mr. d'Adesky: As George said, we are adopting it in substantially final form so we can fill in the dates, update the numbers and make sure those are accurate.

Mr. Flint: If there are no questions, we need a motion to adopt Resolution 2019-06.

On MOTION by Mr. Bonin seconded by Mr. Morgan with all in favor, Resolution 2019-06 Levying Assessments in substantially final form, was approved.

Mr. Flint: At this time we will close the public hearing.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2019-07
Approving Land Swap**

Mr. d’Adesky: This resolution brings together what we previously approved in more of a hodgepodge manner. We previously approved the I-3B plat and any exchanges related to that, but didn’t specify what the District was getting. We had an idea of what the District was giving and which sliver of land needed to be part of I-3B. We eventually settled on acreage which exceeds the amount that the District is receiving, which I believe is 2.5 acres. The engineers had to do a certification of that benefit to clean that up. Bond Counsel requested this resolution just so they have it in a tight package so they can show this was approved as part of their due diligence.

Mr. Morgan: Is this the piece we took out an easement for?

Mr. Bonin: Yes.

Mr. Flint: Are there any questions on the resolution? If not, we need a motion to adopt it.

On MOTION by Mr. Bonin seconded by Mr. Morgan with all in favor, Resolution 2019-08 Approving Land Swap, was approved.

EIGHTH ORDER OF BUSINESS

**Consideration of Resolution 2019-08
Declaring Special Assessments on Certain
Property Within the District for Unallocated
Portions of the 2015 Project – Added**

Mr. Flint: I provided a revised agenda to the Board on two items we added.

Mr. d’Adesky: We have two resolutions; one to declare assessments and the second one to set a public hearing. With these specific assessments, when we described the 2015 project, certain properties that were within the District, all of which at this point are platted, with the exception of I-3B, were not allocated to the Series 2015 debt so they are unallocated for their portion of the 2015 project. There are a large number of units, which Mark has a list of. George can generate a list of the units that are going to be levied as part of this 2019 issuance. In the previous Assessment Methodology Report prepared by Fishkind & Associates, they identified the tracts with parcel ID numbers, but did it without using legal descriptions or associating that with any sketch or legal. Therefore, we were unable to tie those parcel ID numbers together, which are now defunct and can’t be called back up with the current lot list as platted, along with I-3B. There were several exclusions that were in previous descriptions that caused us to say,

“Let’s just re-notice everything.” We spoke with the Underwriter and it won’t mess up the timing. It will happen around the same time as the closing so we will get that done about the end of February and clean this up and make sure that we noticed all of the lots properly. So that is the purpose of these two assessments. The first is the declaration assessment, which will attach Mike Enot’s Engineer’s Report, the same one that is attached to the other report which is why it’s not included. There is also George’s Supplemental Methodology Report, which will include the list of all of the lots to be included within the project.

Mr. Flint: Originally, the 2015 Series was supposed to overlay the entire boundaries of the District and when it was first platted and first assigned. The entire District was originally supposed to be assessed and then as lots were platted, that 2015 Series of debt was supposed to be fully absorbed so that the remaining lots within the District are going to be pledged to this new bond issue.

Mr. Morgan: Have these homeowners been paying assessments?

Mr. d’Adesky: No.

Mr. Morgan: So we are going to get hit with an assessment cost all of a sudden that they had to pay?

Mr. Flint: No, there are only a limited number of lots that may have been closed by Lennar. The unassigned lots are primarily all owned by Lennar.

Mr. Morgan: Okay.

Mr. Flint: There may be a small handful that they closed on. But when we went through the process of assigning the Series 2015 debt, it was primarily signed to end users.

Mr. Morgan: Where would these lots be, in the new section?

Mr. d’Adesky: They are all over the place.

Mr. Morgan: As soon as we fill them, people move in.

Mr. Flint: In an abundance of caution, we are just re-assessing the remaining lots that weren’t assigned the Series 2015 debt.

Mr. d’Adesky: Then they will be on par with the remainder of the community.

Mr. Morgan: Sure.

Mr. Flint: Then when we actually go to issue bonds, we are issuing bonds on the remaining 15 lots plus the expansion area in I-3B.

Mr. Morgan: So we are doing it all at once.

Mr. Flint: Yes, in looking at a 30-day mailed notice requirement, the earliest we would want to do the hearing would be February 25th, which would still give us time to close by the end of February.

Mr. d'Adesky: Something like February 26th or February 27th will work.

Mr. Flint: A lot of times you have the pre-closing right after the assessment hearing and we can likely have the pre-closing on February 25th and close within a couple of days. Andrew, do you want to present Resolution 2019-08?

Mr. d'Adesky: Yes, that was essentially the main parameters of it. The resolution approves and adopts the Engineer's Report, setting the amount of the Capital Improvement Plan, which was listed here as the cost associated with the unallocated portion of the 2015 project. It also states that the assessments are going to defray up to \$22,000,000, which is the amount of the Delegation Resolution. It can't exceed that. It also approves the Engineer's Report and Assessment Methodology Report as attached, noting that the assessments are going to be levied on those properties in accordance with their benefit. It finally proposes to set a subsequent resolution to fix a date and time of the public hearing and allows the District Manager to publish the public hearing date in the newspaper.

On MOTION by Mr. Morgan seconded by Mr. Bonin with all in favor, Resolution 2019-08 Declaring Special Assessments on Certain Property Within the District for Unallocated Portions of the 2015 Project, was approved.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2019-09 Setting a Public Hearing for Special Assessments for Unallocated Portions of the 2015 Project - Added

Mr. d'Adesky: Resolution 2019-09 sets the date, place and time of the public hearing. We need to settle on that. If you want we can have it here. It just needs to be in an area that the public can get to.

Mr. Bonin: Does it need to be at least 30 days out?

Mr. d'Adesky: Yes, which is around February 25th or February 26th.

Mr. Flint: February 25th is a Monday.

Mr. Morgan: That works for me.

Mr. Bonin: February 25th at 1:00 p.m.?

Mr. d'Adesky: Or 11:00 a.m.

Mr. Morgan: 11:00 a.m. is better for me.

Mr. d'Adesky: So the public hearing will be on February 25, 2019 at 11:00 a.m. at this location, which we will include in the blanks the resolution. That allows time for advertising by GMS.

Mr. Flint: Are there any questions? If not, we need a motion to adopt Resolution 2019-09.

On MOTION by Mr. Bonin seconded by Mr. Bichard with all in favor, Resolution 2019-09 Setting a Public Hearing for Special Assessments on Certain Property Within the District for Unallocated Portions of the 2015 Project on February 25, 2019 at 11:00 a.m., at the Oasis Club at ChampionsGate, 1520 Oasis Club Blvd., ChampionsGate, Florida, was approved.

Mr. Morgan: Are individual homeowners notified by mail or do they have to find out about it through the website?

Mr. Flint: To the extent that there are any individual homeowners that own some of those unassigned lots, they are required to get a first class mailed notice, but we are mailing the first class mailed notice to the address that the Property Appraiser provides, which may not always be the end user depending on when they closed.

Mr. Morgan: Okay.

Mr. Flint: Our only obligation is the first class mailed notice and then there are two notices in the newspaper. Even though there is no current debt, if they bought a home, there are disclosures that are in place that tell them that the District may assess up to a certain dollar amount. It was disclosed, although it's not currently on the tax bill.

Mr. Morgan: I understand.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Flint: Do you have anything else Andrew?

Mr. d'Adesky: Adam probably remembers this, but we will deal with the impact fees for the road once we get past the bond issuance, but that's something for the future.

B. Engineer

Mr. Flint: Mike, do you have anything?

Mr. Enot: No.

C. District Manager's Report

i. Approval of Check Register

Mr. Flint: You have the check register from November 26, 2018 through January 16, 2019 totaling \$1,237,927.52. The detailed register is behind the summary. A significant amount is for the transfer of debt service assessments from the General Fund to the Trustee, anywhere it says "Shingle Creek CDD C/O Regions Bank." We get assessment revenue from the County in one check for Operations and Maintenance (O&M) and Debt and then we have to write a check to the Trustee. That's why that number is inflated. A significant portion of that is the debt service assessment revenue. Are there any questions on the check register? If not, I would ask for a motion to approve it.

On MOTION by Mr. Bonin seconded by Mr. Bichard with all in favor, the Check Register November 26, 2018 through January 16, 2019, was approved.

ii. Balance Sheet and Income Statement

Mr. Flint: These are unaudited through December 31, 2018. If there are any questions, we can discuss those. If not, no action is required by the Board.

• **Field Manager's Report** (*Added to the Agenda*)

Mr. Flint: Alan, do you have anything for the Field Manager's Report?

Mr. Scheerer: No, we will be excited when that work is completed in front of Osceola Parkway and Storey Lake Boulevard. We had a landscape inspection and a site visit scheduled for last Thursday with Michelle, which ended up being cancelled, but Down to Earth and I facilitated that. They sent me an email about a possible new pond, but I don't think it's ready for us to be maintaining it yet. I didn't have time to get all of the information prior to this meeting.

Mr. Morgan: Which pond?

Mr. Scheerer: Back by the Target.

Mr. Morgan: That square pond in the back?

Mr. Scheerer: Yes.

Mr. Morgan: I thought we had that under maintenance.

Mr. Scheerer: Not from the CDD’s perspective. I’m not aware that’s been turned over. I just received the information today so I will follow through with that on my next site visit, which will be on Thursday. If I need any information, I guess I can get a hold of Barry and we can double check all of that.

Mr. Bichard: Yes, make sure that I’m emailed on any requests.

Mr. Scheerer: Of course.

Mr. Morgan: That makes sense because Mark keeps asking me to have Horizon mow it.

Mr. Bichard: It’s more than mowing. The bank on Natures Ridge Road isn’t too bad, but the other three are.

Mr. Morgan: He hasn’t asked me to clear those yet. We’ve only cleared the bank on Natures Ridge Road.

Mr. Bichard: Mark told me that he wanted to do three sides of it and to leave the growth behind Target to help hide it. I think we should go ahead and clean everything up.

Mr. Morgan: I will let all of you discuss it.

ELEVENTH ORDER OF BUSINESS Other Business

Mr. Flint: Is there anything else that the Board wants to discuss that is not on the agenda? Hearing none,

TWELFTH ORDER OF BUSINESS Supervisor’s Requests

Mr. Flint: Are there any Supervisor’s requests? If not, we need a motion to adjourn.

THIRTEENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Bonin seconded by Mr. Bichard with all in favor, the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman