

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, December 10, 2018 at 12:00 p.m. at the Oasis Club at ChampionsGate, 1520 Oasis Club Blvd., ChampionsGate, Florida.

Present and constituting a quorum were:

Rob Bonin	Chairman (Appointed)
Lane Register	Chairman (Resigned)
Adam Morgan	Vice Chairman
Mark Revell	Assistant Secretary
Barry Bichard	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	District Counsel
Michael Enot	District Engineer
Alan Scheerer	Field Manager

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

Organizational Matters

A. Acceptance of Resignation of Alvey Kaufman and Appointment of Individual to Fulfill the Board Vacancy with a Term Ending November 2019

Mr. Flint: We have a resignation from Mr. Kaufman. We need a motion to accept the resignation.

On MOTION by Mr. Register seconded by Mr. Morgan with all in favor accepting Alvey Kaufman's resignation was approved.

Mr. Flint: Any time there is a vacancy on the Board, the remaining Board Members appoint the replacement. Are there any nominations at this time to fill that position?

Mr. Register: I appoint Rob Bonin.

On MOTION by Mr. Register seconded by Mr. Morgan with all in favor the appointment of Rob Bonin to fill the Board vacancy with a term ending November 2019 was approved.

B. Administration of Oath of Office to Newly Appointed Board Member

Mr. Flint, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Bonin.

Mr. Flint: Since you are already on other CDD Boards, we don't need to discuss financial disclosure and the other information. Now that Mr. Bonin is on the Board, I understand Mr. Register may be resigning.

Mr. Register: That is correct.

Mr. Flint: We need a motion to accept Mr. Register's resignation.

On MOTION by Mr. Morgan seconded by Mr. Revell with all in favor accepting Lane Register's resignation was approved.

Mr. Flint: Thank you for your service.

Mr. Register left the meeting.

Mr. Flint: Since Lane resigned, there is another vacancy. Are there any nominations to fill this seat?

Mr. Morgan: I appoint Barry Bichard.

On MOTION by Mr. Morgan seconded by Mr. Revell with all in favor the appointment of Barry Bichard to fill the Board vacancy with a term ending November 2021 was approved.

Mr. Flint, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Bichard.

Mr. Flint: Barry, I don't think you are on any other CDD Boards.

Mr. Bichard: I am not on any other CDD Board.

Mr. Flint: Behind the Oath is a Financial Disclosure Form that is required by the State of Florida to be filed within 30 days of today with the Supervisor of Elections in the County you reside in. It's important to file this form because the Commission on Ethics has the ability to fine if you don't submit it. Annually they will send you a revised one in June. It's due on July 1st.

Mr. d'Adesky: I will discuss everything with Barry after the meeting. I actually have a packet of information with Chapter 190, Code of Ethics and the Sunshine Law. The most important thing to remember is that you are now a public official and are not permitted to discuss any CDD business outside of meetings. Remember your emails can be audited for public records requests, so just keep that in mind when you are talking about CDD business.

C. Consideration of Resolution 2019-01 Electing Officers

Mr. Flint: Since we shifted the Board around, you may want to consider officers at this time. We included Resolution 2019-01 in your agenda, electing a Chair, Vice Chair, Secretary, Assistant Secretaries, Treasurer and Assistant Treasurer. Previously, Mr. Register was Chair, Mr. Morgan was Vice Chairman, I was Secretary and the other three Board Members were Assistant Secretaries. Ariel Lovera, the District Accountant was Treasurer. I'm not sure if we had an Assistant Treasurer.

Mr. Morgan: Rob, did you want to be Chair and I will continue as Vice Chair?

Mr. Bonin: Yes, I will serve as Chair. Are you going to be available in the first quarter of 2019?

Mr. Morgan: Absolutely.

On MOTION by Mr. Morgan seconded by Mr. Revell with all in favor Resolution 2019-01 Electing Officers as stated above was adopted.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the October 1, 2018 Meeting

Mr. Flint: You have the minutes from the October 1, 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. Revell with all in favor the minutes of the October 1, 2018 meeting were approved, as presented.

FIFTH ORDER OF BUSINESS

Ratification of the Amended and Restated Notice of Establishment

Mr. Flint: Because we recently expanded the boundaries of the District, District Counsel recorded a revised Notice of Establishment, reflecting the expanded boundaries of the District. It's something the District is required to do, so anyone who purchases property within the District will know that the property is within a CDD. Do you have anything else, Andrew?

Mr. d'Adesky: No.

Mr. Morgan: Does that include Westgate?

Mr. d'Adesky: Yes, every time you form or expand a CDD, you are required to record a new notice, so everybody knows we are within a CDD. You have to record it in 90 days and we have it ratified, so we don't miss that requirement and get into trouble.

Mr. Morgan: Sure, so that's part of the Interlocal Agreement?

Mr. d'Adesky: Yes, it was recorded when the District was expanding when we received the ordinance. The Interlocal Agreement is a requirement of Osceola County and not statutory. They are requiring it for every single CDD when you expand or establish.

Mr. Bonin: Is the 569.4 acres what the new expanded boundary encompasses and is there a map that goes with this?

Mr. Morgan: It's in the Engineering Report.

Mr. Enot: Exhibit 2-1 shows the District boundary. The legal that goes with it is Exhibit 2-2A and 2-2B.

Mr. Morgan: Andrew, are we going to establish a different CDD for the Bronson tract?

Mr. d'Adesky: That was what Chip said to me.

Mr. Morgan: Yes, because there are enough units to support that.

Mr. d'Adesky: That was my understanding. It makes sense to me because it resets the clock.

Mr. Morgan: Absolutely.

Mr. Flint: Are there any questions on the amended and restated Notice of Establishment? If not, we need a motion to ratify it.

On MOTION by Mr. Bonin seconded by Mr. Morgan with all in favor the Amended and Restated Notice of Establishment was ratified.

SIXTH ORDER OF BUSINESS

Ratification of Interlocal Agreement with Osceola County

Mr. d’Adesky: This is the same thing. The Interlocal Agreement is required by Osceola County and includes a lot of notices and development information. Mark McDonald worked on that. It has all been reviewed, signed off on, executed by the County and recorded.

Mr. Flint: We need a motion to ratify the execution of the Interlocal Agreement.

On MOTION by Mr. Morgan seconded by Mr. Revell with all in favor the Interlocal Agreement with Osceola County was ratified.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2019-02 Approving the Phase 1-3B Plat

Mr. d’Adesky: There was a requirement of the County to get proof that the Board approved the dedications on the I-3B plat. I reviewed it and don’t have any objections, it seems to be standard. Therefore, I ask that the Board to approve this and allow the Chair and Vice Chair to sign so we can forward it to the County to sign off on the plat and process in a timely fashion.

Mr. Morgan: Barry, did you review this plat and approve?

Mr. Bichard: Yes.

Mr. Morgan: Do we have to amend it because we changed something or are we just resubmitting it?

Mr. d’Adesky: There was a revision that I received this week, but it was minor.

On MOTION by Mr. Morgan seconded by Mr. Revell with all in favor Resolution 2019-02 Approving the Phase 1-3B Plat was adopted.

EIGHTH ORDER OF BUSINESS

Financing Matters

A. Consideration of Supplemental Engineer’s Report

B. Consideration of Master Assessment Methodology Report

Mr. Flint: I distributed the latest version of the Engineer’s Report and Master Assessment Methodology Report. These documents are drafts. The purpose of the two

resolutions that we are asking you to consider today is to declare the District's intent to put the special assessments in place and set the date of the public hearing. You are not approving the Engineer's Report and Master Assessment Methodology Report in its final version, but are initiating the public hearing process, which will allow us to impose assessments in the expansion area, the Westgate parcel, which is also called The Cove. The Engineer's Report addresses costs for the 2015 assessment area, which was the previous assessment area before the boundaries were expanded. He also included costs associated with The Cove, which is the Westgate expansion parcel. The methodology only deals with the expansion parcel because the boundaries of the District prior to the expansion, had a lien from the Series 2015 bonds. So, we will have to figure out when the Underwriter issues the bonds, how we are going to structure that, but for purposes of today, we are initiating the process of putting assessments on the expansion piece.

Mr. Morgan: Is this for the \$9 million in bonds that we need?

Mr. d'Adesky: Yes, the total amount would be around \$9 million.

Mr. Morgan: For the 195 units.

Mr. d'Adesky: Correct, the issue is that the Westgate portion has never gone through this assessment process, so we have to place a notice, hold a public hearing and go through all of that, whereas the property that is within the District has already gone through that process.

Mr. Morgan: So this would be like a subset within the CDD, but for a different assessment area?

Mr. d'Adesky: Exactly. It would be for a different assessment area that does not have bonds, as well as the Westgate portion. Like I said, there is going to be a lot of discussion on how we structure it on the business side, whether or not there are two series of bonds or two separate assessment areas within one series of bond. That's something we will have to work out, but the important thing is that the Engineer's Report and Master Assessment Methodology Report identify the ceiling, the high end. The bonds will inevitably come in under that. We will finalize it and bring the amount down to actuals, once we get further along in the process.

Mr. Morgan: Okay.

Mr. Flint: The District Engineer broke the expansion property costs out in Table 9.2 on Page 14, which is Mr. Enot's estimate of probable costs related to the improvements in The Cove, which total \$6.7 million. Do you have anything else Mike that you want to point out?

Mr. Enot: No.

Mr. Flint: Are there any questions for the District Engineer?

Mr. Bonin: Refresh my memory on your response email this morning about the game plan you are talking about.

Mr. Flint: As I mentioned, the Series 2015 overlaid the entire boundaries of the District before the expansion took place for Westgate. There is a lien across all of the parcels, with the exception of Westgate, which has an existing assessment lien over the District. The first couple of units absorbed the Series 2015 bonds leaving room for additional bonds to be issued under that initial levy. We expanded the boundaries of the District to bring in the Westgate parcel. What we are doing at this point is imposing a lien on the Westgate parcel because there is already an existing lien on the rest of the property. Mike estimated the cost of The Cove improvements at about \$6.7 million and Table 1 on Page 10 of the Master Assessment Methodology Report shows the Development Plan. There are 195 single-family homes planned for the Westgate expansion area, what we are calling The Cove assessment area. Table 2 identifies the engineer's estimated improvement costs at 6.7 million. That is taken directly from his report.

Mr. Bonin: I want to be clear on what 195 is.

Mr. Flint: Those are the units to be constructed in the expansion.

Mr. Morgan: In the Cove.

Mr. Bonin: But it's more than that. Where did this number come from?

Mr. Enot: It was based on what I was provided; however, Mark McDonald sent me a new exhibit for The Cove.

Mr. Bonin: I can't read the Cove plat, but it has 237 lots.

Mr. Enot: I thought there were 241 lots, but a portion was already accounted for.

Mr. Bonin: That's what I want to be clear on.

Mr. Flint: A portion of that was in the original boundaries.

Mr. Bonin: That's what I want to be clear about.

Mr. d'Adesky: That is the piece we added. Westgate has 195 units. The plat is larger than that, I just wanted to be clear.

Mr. Flint: It's good to ask these questions.

Mr. Enot: I think Mark McDonald changed the numbers, but if it changes again, he can always send me those changes.

Mr. d'Adesky: The benefit is for the larger issuance, you can include some of those master improvements and not just focus on The Cove improvements, so you are getting that as part of the issuance to reimburse some of those expenses.

Mr. Flint: Table 3 on Page 12, takes the \$6.7 million in estimated probable costs for the improvements and we add a debt service reserve of one year's maximum annual debt. What we are doing is creating a ceiling. We don't anticipate that we are going to issue \$9 million in bonds for The Cove because the per unit assessment would be much higher than what the market is going to bare. You only want to go through this once so you are doing the worst-case scenario here. For capitalized interest (CI), we have 24 months. Statutorily, you can go up to 36 months. We don't expect it to be 24 months. You want to time it with either May 1st or November 1st, depending on when you issue and what the developer wants to do as far as how long they want to capitalize the interest. There is a 2% Underwriter's discount, which is per contract between the District and FMSbonds. We put the cost of issuance (COI) at \$220,000, but it will come in lower than that. Then we added a contingency to round it up to \$9 million. So, we have a par amount of \$9 million, understanding that when we actually issue bonds, it's likely to be lower than that. Table 4 takes the cost of those improvements and allocates it to the 195 units, resulting in \$34,484 per unit. Table 5 takes the par debt and allocates it to the 195 units, so when you take the improvement cost plus all of the other costs involved in issuing bonds, you are at \$6,154 per unit. Table 6 shows what the per unit annual assessment would be if we were to issue the full \$9 million. The net assessment is \$3,353 and the gross is \$3,605. Our plan is when we ultimately issue, we are going to be match it with the assessment levels that are currently in place for the Series 2015 bonds.

Mr. Bonin: That's the plan.

Mr. Flint: It will come in lower when we price them. Table 7 is the Preliminary Assessment Roll, the legal description of the expansion area and the acreage, divided into the par and improvement costs. Are there any questions on the Engineer's Report and Master Assessment Methodology Report? We will be refining these reports between now and the public hearing.

Mr. Bonin: The other email that I sent was about the process.

Mr. Flint: As long as we don't go higher than the amounts in these existing reports, we can revise them up to the public hearing.

Mr. Morgan: Is this estimated construction budget accurate to our budget?

Mr. d’Adesky: Its close, but it’s not going to be more than that.

Mr. Flint: At this point, it’s a good probable cost estimate, understanding that you are likely to come in much lower. You will have some room.

Mr. Morgan: So what are we approving at this point?

Mr. Flint: Resolution 2019-03.

C. Consideration of 2019-03 Declaring Special Assessments

Mr. d’Adesky: Resolution 2019-03 declares the special assessments. The blanks will be filled in with the numbers that George just mentioned. It attaches and approves the Engineer’s Report, as well as the preliminary Master Assessment Methodology Report and directs the Board to proceed with scheduling the public hearing. Once again, as George noted, there’s a ceiling and there will be a finalization resolution later on.

On MOTION by Mr. Morgan seconded by Mr. Revell with all in favor Resolution 2019-03 Declaring Special Assessments was adopted.

D. Consideration of 2019-04 Setting a Public Hearing for Special Assessments

Mr. Flint: Resolution 2019-04 sets the date, place and time of the public hearing. There is a 30-day mailed notice requirement, so we can set the public hearing for mid to late January. Is the Board available on January 21, 2019, which is Martin Luther King Day? We don’t have enough time to schedule it for January 14th.

Mr. d’Adesky: It doesn’t need to be on your typical meeting date and time. We can schedule it whenever we want to.

Mr. Flint: I wouldn’t go earlier than January 17th, which is a Thursday.

After further discussion, the public hearing was scheduled for January 22, 2019 at 11:00 a.m.

Mr. Flint: The public hearing will be at this location. Are there any questions? If not, we need a motion to adopt Resolution 2019-04.

On MOTION by Mr. Morgan seconded by Mr. Bichard with all in favor 2019-04 Setting a Public Hearing for Special Assessments on January 22, 2019 at 11:00 a.m. at this location was adopted.

A. Attorney

Mr. Flint: Andrew?

Mr. d’Adesky: We are working with Mike to finalize the land swap and get those conservation parcels turned over.

Mr. Bonin: Is this for the 2.25 acres?

Mr. d’Adesky: Yes. There are 2.2 acres each way.

B. Engineer

Mr. Flint: Mike, do you have anything?

Mr. Enot: No.

C. District Manager’s Report

i. Approval of Check Registers

Mr. Flint: You have the check register from September 25, 2018 through October 29, 2018 totaling \$39,081.22. The detailed register is behind the summary. If the Board has any questions, we can discuss those. If not, I would ask for a motion to approve it.

On MOTION by Mr. Bonin seconded by Mr. Morgan with all in favor the September 25, 2018 through October 29, 2018 Check Register was approved.

ii. Balance Sheet and Income Statement

Mr. Flint: You also have the unaudited financial statements through October 31, 2018. No action is required by the Board, but if you have any questions we can discuss those. The first month of Fiscal Year 2019 started on October 1st.

TENTH ORDER OF BUSINESS

Other Business

Mr. Flint: Was there any other business? Hearing none,

ELEVENTH ORDER OF BUSINESS

Supervisor’s Requests

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

TWELFTH ORDER OF BUSINESS

Adjournment

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



Secretary/Assistant Secretary



Chairman/Vice Chairman