

MINUTES OF MEETING
HERITAGE PARK
COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Heritage Park Community Development District was held on Thursday, August 22, 2024 at 10:00 a.m. at the Heritage Park Amenity Center, 225 Hefferon Drive, St. Augustine, Florida 32084.

Present and constituting a quorum were:

Joanne Wharton	Chairperson
Robert Curran	Vice Chairman
Thomas Ferry	Supervisor
Judith Kinnecom	Supervisor
Louis Pingotti	Supervisor

Also present were:

Jim Oliver <i>by phone</i>	District Manager, GMS
Daniel Laughlin	GMS
Kyle Magee <i>by phone</i>	District Counsel
Wes Haber <i>by phone</i>	District Counsel
Ryan Stilwell <i>by phone</i>	District Engineer
Rhonda Mossing <i>by phone</i>	MBS Capital Markets
Residents	

The following is a summary of actions taken at the August 22, 2024 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Laughlin called the meeting to order at 1:00 p.m. All Supervisors were present.

Mr. Oliver apologized for not being present but was traveling to Tallahassee for another meeting that was already scheduled. He spoke with the Chairperson yesterday and appreciated the Board coming together in order to go through the process of issuing the bonds. This meeting was a special meeting, the regular meeting was next month and there would be one more special meeting. Ms. Wharton appreciated that.

SECOND ORDER OF BUSINESS

Public Comment

August 22, 2024

Heritage Park CDD

There being no comments, the next item followed.

THIRD ORDER OF BUSINESS**Consideration of Engagement Letter with
Greenberg Traurig**

Mr. Laughlin presented an Engagement Letter with Greenberg Traurig, to serve as Bond Counsel for the issuance of bonds for the purchase of Parcel B. Ms. Wharton questioned the language where Greenberg Traurig expected to be paid their normal hourly rate, less 10% for their time, in the unlikely event that the Board decided to stop the transaction and what that amounted to. Mr. Haber did not know the exact amount. Mr. Oliver pointed out that the gap was 10% of their \$55,000 fee, plus any expenses that they incur. Mr. Haber explained that when the Board approved the bonds, the expectation was for the District to meet certain expectations related to interest rates and the amount of assessments when the bonds were issued. If the District met the expectations and the Board chose not to proceed with the transaction, Greenberg Traurig expected to be paid, but if the finance team was unable to meet the expectations, there would be no charge. Ms. Wharton questioned what the expectations were. Mr. Haber stated that MBS Capital Markets (MBS) provided a summary of the expectations required in order to acquire the property, the amount of money needed and the increase in assessments that the District would need to levy, in order to pay off the refinancing and new bonds. Ms. Rhonda Mossing with MBS Capital Markets clarified that it was based on what they presented at last month's meeting.

Ms. Wharton voiced concern about what the bond rate were going to be at the end of the year, which was part of the expectations and questioned whether there were going to be acceptable rates, as of today. Ms. Mossing confirmed that they did not plan to close until the November/December timeframe and the rates may change, but based upon today's market, it still met expectations. Ms. Wharton questioned the current rate and whether it would increase, decrease or remain the same during an election year. Ms. Mossing confirmed that she ran the numbers at 4.5%, which was due to the build-out of the District, status, value of the property and the credit package that was prepared and sent to the bank. There were fluctuations in rates a week before or after an election, but it depends on the election itself. Ms. Wharton pointed out that November was not a good time to issue bonds, but December was and questioned the latest that they could lock in a rate and whether they could lock into the rate now in order to close in December. Ms. Mossing indicated that they were marketing the bonds to interested banks that

August 22, 2024

Heritage Park CDD

they worked with in the past, understood municipal bonds and worked with CDDs. The term sheets include how long the bank was willing to lock in the rate, which varied between banks and would be provided 60 to 90 days from when the bonds closed. They were due back by September 1st and would be provided to the Board at the September meeting. A term sheet that Ms. Mossing received two weeks ago, included a rate of 4.19%; however, the public market suddenly went down 30 basis points and before the term sheet was approved the Board, the bank agreed to reduce it to 4.1%, which was better than what they could have received in the public market. Ms. Wharton appreciated this clarification.

On MOTION by Ms. Wharton seconded by Mr. Ferry with all in favor the Engagement Letter with Greenberg Traurig was approved.

FOURTH ORDER OF BUSINESS

Series 2024 Bond Matters

A. Supplemental Engineer's Report

Mr. Stilwell presented the Supplemental Engineer's Report, which identified the property being acquired and potential uses for it, such as creating a passive park and the costs involved. A Resident noted a typo on Page 4 of the Appraisal Report, indicating that the date of the report was March 25, 2024, which should be changed to March 6, 2024, the date of the inspection. Mr. Laughlin stated that staff would make this change. Ms. Wharton appreciated the resident pointing this out. Mr. Haber recommended asking the Appraiser to provide a revised report. Mr. Ferry was concerned about whether there were any easements, encroachments or restrictions that would adversely affect the value, but noted according to Page 13, there were none. Ms. Wharton questioned whether there would be title insurance. Mr. Haber confirmed that the Purchase and Sale Agreement, contemplated that title insurance would be provided and a review of title prior to closing would take place.

On MOTION by Ms. Wharton seconded by Mr. Pingotti with all in favor the Supplemental Engineer's Report was accepted.

August 22, 2024

Heritage Park CDD

FIFTH ORDER OF BUSINESS**Discussion of CDD Goals and Objectives**

Mr. Laughlin reported that the State of Florida was now requiring CDDs to adopt goals and objectives by October 1st and at the end of each fiscal year, thereafter. At this time, they would be broad, as direction was not provided on exactly what they were looking for and GMS worked with District Counsel on an initial plan. The goals that were provided, were either covered in the District's normal practice or were good practices that the District already engaged in, such as holding at least four regular Board meetings, notice of meeting compliance, as well as some financial items. In December, the Board would review all of the goals and objectives and grade themselves on whether or not they achieved them. They would be posted to the CDD website and was similar to what other CDDs approved. Ms. Wharton agreed, as they were activities that the District already performed. Mr. Laughlin pointed out that they could evolve over time, but to meet the deadline of October 1st, it was sufficient.

On MOTION by Ms. Wharton seconded by Ms. Kinnecom with all in favor the District's goals and objectives were approved as presented.

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

Mr. Haber reported that his office prepared a Purchase and Sale Agreement and provided it to the seller. In turn, counsel for the seller then provided comments, which they were still discussing. Mr. Haber was working on language with respect to the dismissal of the HOA lawsuit with prejudice, meaning that they did not have any right to refine it after the fact, as he wanted to ensure that the agreement was clear, when the District accepted title to the property. In addition, there was a fence on the property and the agreement would obligate the seller to remove it, before the District accepted the property. At the seller's request, there was also language in the agreement that the purchase price was the amount in the appraisal and was being paid in two ways; actual cash that the District received from the bond issue and an additional \$200,000 that the District received as a donation. The seller had questions about this language; however, Mr. Haber wanted to ensure that the agreement was clear, that the District was not making any representations or guarantees that the seller would be able to take a tax deduction, by virtue of the \$200,000 contribution and if for some reason, the contribution was not able to be

August 22, 2024

Heritage Park CDD

made, the seller would have any right to come back to the District for any additional monies. Ms. Wharton understood that it was already addressed when the agreement was drafted. Mr. Haber confirmed that it was addressed in the initial version, but the seller had concerns about it and did not think that the Board would be comfortable not having that language in the agreement. However, they have not reached finality on the language, as it was still being discussed. Ms. Wharton believed that the seller was looking for a tax break and wanted certain verbiage and thanked Mr. Haber for protecting the District.

Ms. Wharton preferred that the fence be removed prior to closing or possession or that certain amount be held in escrow at closing, that the fence be removed within seven days and that the lawsuit not be listed until the transfer of title at closing. Mr. Haber recalled discussion that a voluntary dismissal with prejudice would be held in escrow, with the understanding that at the time the transaction closed and the property was conveyed to the CDD, the dismissal could then be recorded in the lawsuit, as a guarantee by the plaintiff, after the District takes the property, as the lawsuit would no longer be effect. Ms. Wharton pointed out that there was a verbal guarantee. Mr. Haber indicated that the verbal was not likely to not enforceable and preferred to have something in writing. In his opinion, the easiest way was to remove the fence, but that was not an issue, based on his conversations, as the seller was willing to remove the fence. Ms. Wharton appreciated the update. Ms. Mossing recalled that the acquisition of the property was for \$360,000 and did not include the additional \$50,000 that was included in the Engineer's Report for potential improvements in the future and asked if this was something that the District wanted to fund separately or roll it into the bonds. Ms. Wharton felt they did not need the \$50,000, as there was only an existing trail that just needed maintenance and they could hold off on including a bench for a few years. However, there may need an additional \$5,000 to \$10,000 for general maintenance, but there were contingency funds in the budget that could be used for this purpose.

B. Engineer

There being no comments, the next item followed.

C. Manager

There being no comments, the next item followed.

August 22, 2024

Heritage Park CDD

D. Operations Manager

There being no comments, the next item followed.

SEVENTH ORDER OF BUSINESS Audience Comments

Ms. Gerri Ferry, President of the HOA Board, questioned whether the Board wanted her to speak to their attorney about obtaining something in writing regarding the lawsuit, as there was a hold on the lawsuit at this point. Ms. Wharton was in agreement for Ms. Ferry do so. Ms. Ferry would have their attorney provide the information to Mr. Haber and noted that the irrigation to the parcel was turned off, but there was a water meter bill, which was miniscule, as their typical water bill was \$20,000 throughout the years. There was a box, which was replaced last year and at this time, the landscaping was halted. Ms. Wharton did not mind the grass growing, but the weeds were getting bad. A Resident understood that residents would be paying \$1,100 per year in taxes and asked if it was for this parcel only. Ms. Wharton confirmed that the District was exempt from paying taxes.

EIGHTH ORDER OF BUSINESS Supervisors Requests

There being no comments, the next item followed.

NINTH ORDER OF BUSINESS Financial Reports**A. Balance Sheet and Statement of Revenues & Expenditures**

Mr. Laughlin presented the Unaudited Financial Statements through July 31, 2024, which were included in the agenda package. The District was currently operating under budget.

B. Assessment Receipt Schedule

Mr. Laughlin presented the Assessment Receipt Schedule, which was included in the agenda package. The District was fully collected for FY 2024.

C. Approval of Check Register

Mr. Laughlin presented the check register for July 17, 2024 to August 16, 2024 in the amount of \$16,353.47, which was included in the agenda package. Ms. Wharton did not like the huge bill for the signs and questioned the \$984 for contract administration. Mr. Laughlin believed that it was the operations management. Mr. Oliver confirmed that it was an annual fee for Mr. Jeff Johnson's services.

August 22, 2024

Heritage Park CDD

On MOTION by Ms. Wharton seconded by Mr. Ferry with all in favor the Check Register for July 17, 2024 to August 16, 2024 in the amount of \$16,353.47 was approved.

TENTH ORDER OF BUSINESS

Next Scheduled Meeting – September 26, 2024 @ 1:00 p.m.

Mr. Laughlin stated the next meeting was scheduled for September 26, 2024 at 1:00 p.m.

• **Audience Comments (Item 7)**

Resident Ann Jermaine reported when she mentioned to her neighbor that she was coming to this meeting, the neighbor, who was a longtime resident, did not know that residents could attend and was asked by other residents whether these meetings could be held via Zoom. Mr. Laughlin stated it was possible to do so. Ms. Wharton requested that GMS look into the viability and cost of having Zoom meetings and provide at the next meeting. Mr. Curran indicated that signage was posted for these meetings, which was similar to meetings that the HOA posted signage for. Ms. Wharton pointed out that the CDD meetings were also posted in the newsletter and on the CDD website. Ms. Wharton apologized for not providing the streetlight mapping, as she had issues that came up. She was still working on it.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Ferry seconded by Mr. Pingotti with all in favor the meeting was adjourned.

DocuSigned by:

DTBA5E5E7410418...
Secretary/Assistant Secretary

Signed by:

0774D1053D0146E...
Chairman/Vice Chairman