

MINUTES OF MEETING
HERITAGE PARK
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Heritage Park Community Development District was held on Thursday, September 26, 2024 at 1:00 p.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	District Manager
Wes Haber <i>by phone</i>	District Counsel
Ryan Stilwell <i>by phone</i>	District Engineer
Kyle Magee <i>by phone</i>	Kutak Rock
Bob Gang <i>by phone</i>	Bond Counsel
Rhonda Mossing	MBS Capital Markets
Gerri Ferry	HOA
Residents	

The following is a summary of the actions taken at the September 26, 2024 Heritage Park Community Development District's Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment

There being no comments, the next item followed.

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- **Series 2024 Bond Matters** (*Item 5*)

Mr. Oliver requested that the Board discuss the bond matters at this time, since Bond Counsel and other staff were present. This process commenced a few months ago, but there were some items to discuss, such as the approval of the Preliminary Assessment Report; Resolution 2024-04, Declaring the Special Assessments; Resolution 2024-06, Scheduling a Public Hearing for November 7, 2027 at this location and the term sheets from Seacoast Bank and Regions. At the August meeting, the Board approved the Engineer's Report that Mr. Stilwell prepared, approving the purchase of the vacant parcel, Parcel B, but no improvements beyond that. In addition, at a prior meeting, the Board authorized the Chair to work with staff to negotiate a Purchase and Sales Agreement with the landowner, which was provided to the Board in the agenda package and would be executed by the Chair today, in anticipation of the closing on November 22nd.

- A. Preliminary Assessment Report**

Mr. Oliver recalled that MBS Capital Markets (MBS) provided a 12-page outline of the bond process at a prior meeting and the purpose of this meeting was to issue bonds, in order to make the parcel purchase. This was great timing, as they would be refunding bonds at a better interest rate, which would in turn, lower assessments. It would also extend the entire debt by one year, as the new 2024 refunding bonds would be paid off in 2035 and the revenue bonds would be paid off in 2036, the debt will increase, but the assessments would slightly decrease. In the Preliminary Assessment Report, there was a narrative section that provided an overview of the key elements, along with a series of tables. When bonds were issued in 2004 and refinanced in 2013, properties within the District boundaries received special benefits, so that cost of the improvement or assessments, were less than the value of the land. As they were now purchasing that land, they may not be able to put a price tag on the value, but the benefits were greater than the cost of the assessment, as there would no longer be a fence blocking the parking lot anymore. The second section, Section 2.0, identified what the refunding was for and discussed the two types of bonds, 1) Series 2024 refunding bonds, which refunded the 2013 bonds and 2) Revenue bonds, in order to make the parcel purchase. Section 3.0 assigned the debt. Other than this parcel, there were no remaining lots to levy debt on. Table 1, Number of Assessable Units, showed the assessable units for the Series 2024 refunding and revenue bonds, which was 703, but only 685 lots would be assessed, as the remainder paid off their bonds. Under Table 2, Sources and Uses

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of Funds, bonds would be issued in the amount of \$400,000, in order to generate the \$360,000 that would be used to purchase the parcel.

Mr. Oliver pointed out that under Table 3, Allocation of Series 2024 Par Debt per Unit by Product Type, were the product types for the Series 2024 refunding and revenue bonds, the single-family and multi-family homes, as well as the allocation. The most important table was Table 4, Annual Debt Service Assessment per Unit and by Assessment Area. The net number shows the assessment, in terms of paying back the debt, which were collected through the Tax Collector on Tax Bills that were sent to property owners on November 1st of each year. There was a 2% collection fee, but property owners could take advantage of a 4% discount, by paying their Tax Bill by November 30th. There were three sections in this table, one for the Series 2024 refunding bonds, a second one for the revenue bonds and a third one for total combined. The refunding bonds did not go past 2036, as they would be paid off in 2035. For example, for the single family 53' lots, each owner would pay an assessment of \$484.21, but in 2035, it would increase to \$487.43. However, in the bottom table, for the total combined, starting next year, the single family 53' lots would be paying an assessment of \$505.36, but in 2035, they would be paying \$487.43. The remaining pages, have the Assessment Roll, based on the Parcel ID numbers, which would go onto property Tax Bills in November of 2025. Ms. Wharton asked in 2036, if property owners must pay between \$243.72 or \$781.73, depending on their lot size. Mr. Oliver explained that it was actually decreasing, as for example, the single family 53' lot owners would be paying \$505.36 and \$487.43 in 2035.

On MOTION by Mr. Ferry seconded by Mr. Curran with all in favor approving the Preliminary Second Supplemental Special Assessment Methodology Report dated September 26, 2024 for the Series 2024 Refunding and Revenue Bonds was approved.

B. Declaration of Special Assessments

Mr. Haber presented Resolution 2024-05, Declaring Special Assessments, which was the first step in levying assessments. This step was necessary, because it had to do with new money bonds, resulting in an extension of the term and more money being paid by each home. Attached to the resolution as exhibits, was an Assessment Methodology and Engineer's Report. The purpose of the resolution was to approve the Assessment Methodology and the Engineer's

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Report, for the acquisition of the real property and pay for the property through the issuance of bonds, which would be secured by special assessments.

On MOTION by Ms. Wharton seconded by Mr. Ferry with all in favor Resolution 2024-05 Declaring Special Assessments for the Series 2024 Refunding and Revenue Bonds was adopted.

C. Consideration of Resolution Setting a Public Hearing Date

Mr. Haber presented Resolution 2024-06, Setting a Public Hearing for November 7, 2024 for the Series 2024 Refunding and Revenue Bonds. There was a requirement to provide notification to property owners of the bond issuance and the potential assessment increase, 30 days in advance of the public hearing. Ms. Wharton asked if the letter must be sent within 10 days. Mr. Oliver confirmed that the letter would be sent out next week and the public hearing would be held on November 7, 2024 at 1:00 p.m. at this location.

On MOTION by Mr. Pingotti seconded by Ms. Kinnecom with all in favor Resolution 2024-06 Setting a Public Hearing for November 7, 2024 for the Series 2024 Refunding and Revenue Bonds was adopted.

D. Consideration of Term Sheets from Banks

Ms. Rhonda Mossing of MBS recalled that the Board hired MBS several months ago, to obtain financing for the acquisition of Parcel B and look into the economics of refunding the bonds. It was good to do them both at the same time, because the cost of the financing for the new parcel, was borne by the refunding bond and there would be a sharing of costs, providing for a cost savings. A credit package was sent to 25 different banks, to solicit interest in participating in this financing and two term sheets were received. There was a third one, but it was verbal and was 5.5%, which was too high. Ms. Wharton agreed. The two term sheets were from Regions and Seacoast Bank. Regions proposed a rate of 3.87% and Seacoast proposed 4.35%. Based on the Regions proposal, MBS staff worked with GMS staff to incorporate the numbers into the Assessment Methodology Report. In addition, she prepared a Supplemental Report of the refunding savings and cost of new money, as the savings and difference in costs were not included in the Assessment Methodology Report. For the refunding bonds, the District would be saving approximately \$88.55 per year, for a single family 53' lot and the new money portion

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would be approximately \$23.37 per year. The bottom line was that assessments would be decreasing, even though the District was incurring more debt. Ms. Wharton questioned the current rate. Ms. Mossing indicated that the current rate had an average coupon of 5.09% and provided a summary of the savings versus the cost and net savings, which could be used for the mailed notices. Once the term sheet was approved by the Board, Bond Counsel would start working on the documents necessary to close on the financing. MBS would finalize the numbers over the next 30 days and fine-tune the cost of issuance.

On MOTION by Mr. Ferry seconded by Ms. Wharton with all in favor the term sheet from Regions Bank was approved.

Ms. Wharton questioned whether there was anything unusual in the Regions proposal. Ms. Mossing confirmed that the terms and interest rate were good and there was nothing unusual. The District would incur fewer costs of issuance by going through a bank, versus a public offering, which would require having the bonds rated, the District having to pay an investment fee, receiving the lowest coupon possible and having another attorney get involved to prepare an Offering Memorandum. However, Regions wanted to serve as Trustee and maintain the District's operating accounts. Mr. Ferry felt that was fair. Ms. Wharton appreciated that explanation from Ms. Mossing, as well as her professionalism. Mr. Oliver would coordinate the documents.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the July 25, 2024 and August 22, 2024 Meetings

Mr. Oliver presented the minutes of the July 25, 2024 and August 22, 2024 meetings, which were included in the agenda package. On Page 3 of the July 25, 2024 minutes, "*Mr. Masters*" should be "*Mr. Oliver.*" In the motion box on Page 4, "*continent*" should be "*contingent.*" Ms. Wharton questioned the net increase of \$833. Mr. Oliver would provide an explanation.

On MOTION by Ms. Wharton seconded by Ms. Kinnecom with all in favor the Minutes of the July 25, 2024 Meeting were approved as amended the Minutes of the August 22, 2024 Meeting were approved as presented.

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FOURTH ORDER OF BUSINESS

**Ratification of Audit Engagement Letter with
Grau & Associates for Fiscal Year 2024**

Mr. Oliver reported that the fiscal year ended on September 30th and they were now starting the audit process. Grau & Associates (Grau) was selected by the Audit Committee when they went through the Request for Proposal (RFP) process. An engagement letter for the Fiscal Year 2024 audit in the amount of \$3,500, was presented, which was the lowest in all of his CDDs. In order to start the audit process, Mr. Oliver had the documents signed.

On MOTION by Ms. Wharton seconded by Mr. Curran with all in favor the engagement letter with Grau & Associates to perform the audit for Fiscal Year 2024 in the amount of \$3,500 was ratified.

FIFTH ORDER OF BUSINESS

Series 2024 Bond Matters

- A. Preliminary Assessment Report**
- B. Declaration of Special Assessments**
- C. Consideration of Resolution Setting a Public Hearing Date**
- D. Consideration of Term Sheets from Banks**

This item was discussed.

SIXTH ORDER OF BUSINESS

Staff Reports

- A. Attorney**

Mr. Haber reported that the Purchase and Sale Agreement was finalized, at the price discussed by the Board, at a prior meeting. It included forms of dismissals from the HOA litigation, which would be filed upon closing of the real property and all encumbrances would be removed prior to closing on the real property. Ms. Wharton questioned the provision about having the fence removed. Mr. Haber believed that there was a provision under “*Other Terms*,” regarding dismissal from the HOA and that the fence would be removed. Mr. Oliver asked if there was any other action to take, other than to execute the document. Mr. Haber requested that it be mailed to him after it was executed.

- B. Engineer**

Mr. Stilwell had no report but was available to answer questions.

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C. Manager

There being no comments, the next item followed.

D. Operations Manager

Mr. Ferry noted that Mr. Jeff Johnson emailed the Operations Manager Report to the Board. Mr. Oliver spoke with Mr. Johnson this morning, who indicated that the fountain on Pond 1000 was installed and running and the fountain on Pond 1700 was pulled, in order to assess some issues. Mr. Oliver would inform Mr. Johnson about reports of resident trees encroaching over District property, impacting the mowers. Ms. Wharton noticed that the fountains were out when she was bicycling. On one fountain, the box looked different and she could not find the reset button, but Mr. Johnson informed her that it was an irrigation box.

SEVENTH ORDER OF BUSINESS

Audience Comments

Ms. Geri Ferry, HOA President thanked the Board, on behalf of the HOA, for the purchase of the vacant parcel. Once the fence was removed, holes from the fence posts, would be repaired by their maintenance person. She thanked the Board for all of their hard work.

EIGHTH ORDER OF BUSINESS

Supervisors Requests

Ms. Wharton hoped that the hurricane was uneventful. Mr. Curran submitted two tickets to Florida, Power & Light (FPL); one on September 20th for the light that was out on Tall Pine Court and Oak Arbor Circle and another for a light that was on all the time on Heritage Park Drive, behind 804 Oak Arbor Circle. FPL has a tool that identified all of the lights, but one light on the corner of Woodlawn Road and Heritage Park Drive, which was on all the time, was not on there. There was one in front of 833 Oak Arbor, between two big Oak trees, which turn on when the sun was out and off when it was cloudy or at night. Ms. Wharton would provide the light poles that she notated and requested a larger map of the drainage easements from the District Engineer from January of 2021, which had addresses on it, so that she could mark all of the lights. Mr. Stilwell would provide one.

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NINTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet and Statement of Revenues & Expenditures

Mr. Oliver presented the Unaudited Financial Statements through August 31, 2024, which were included in the agenda package. They were 11 months into the fiscal year. There were no unusual variances and the balance in the Capital Reserve Fund was \$137,000. Some of those funds would be used towards closing costs. There was a positive variance in the General Fund.

B. Assessment Receipt Schedule

Mr. Oliver 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. Oliver presented the Check Register for May 1, 2024 to July 17, 2024 in the amount of \$48,293.48, which was included in the agenda package.

On MOTION by Mr. Ferry seconded by Mr. Pingotti with all in favor the Check Register for August 16, 2024 to September 18, 2024 in the amount of \$28,123.78 was approved.

TENTH ORDER OF BUSINESS

Next Scheduled Meeting – November 21, 2024 @ 1:00 p.m.

Mr. Oliver reported that the next meeting was scheduled for November 21, 2024 at 1:00 p.m., but there would be the public hearing on November 7th. Mailed notices would be sent to all property owners, 30 days in advance. He anticipated some phone calls, as the letter could be confusing, but they would make it as understandable as possible and as long as they explained to residents that they were doing something good, it would keep down the number of residents that would come to the meeting. However, people had the right to attend the public hearing and make a comment. Ms. Ferry would provide a larger room.

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ELEVENTH ORDER OF BUSINESS

Adjournment

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

DocuSigned by:
Jim Oliver
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Secretary/Assistant Secretary

Signed by:
Thomas Perry
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Chairman/Vice Chairman