

MINUTES OF MEETING
JULINGTON CREEK PLANTATION
COMMUNITY DEVELOPMENT DISTRICT

The October 10, 2006 meeting of the Board of Supervisors of the Julington Creek Plantation Community Development District was reconvened Monday, October 16, 2006 at 6:00 p.m. at the Community Development District Administrative Offices, 950 Davis Pond Boulevard, St. Johns, Florida.

Present and constituting a quorum were:

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| Susan S. Beaugrand | Chairperson |
| Kathleen P. Minnis | Vice Chairman |
| Al Abbatiello | Assistant Secretary |
| April Spears | Assistant Secretary |
| Brian Pincket | Assistant Secretary |

Also present were:

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| James Oliver | District Manager |
| Jonathan Johnson | District Counsel by telephone |
| Matt Maggione | District Engineer |
| Stacie Hernandez | General Manager |
| James Perry | GMS |
| Pam Holton | Prager Sealy & Co. by telephone |
| Several residents | |

FIRST ORDER OF BUSINESS

Roll Call

Ms. Beaugrand stated we are going to reopen the meeting from October 10, 2006.

SECOND ORDER OF BUSINESS

Matters Related to Bond Financing

Ms. Beaugrand stated the second item is matters related to bond financing. First we will go over the engineer's report. Matt, if you can just identify for the Supervisors what changes have been made.

A. Presentation of Engineer's Report

Mr. Maggiore stated this is essentially what you saw at the meeting last week. Table 1 which is on page 2, we have a summary that lists the costs of the two facilities. It lists the costs you have already incurred and it also includes the cash you will receive from Horton and the net amount that has to be financed in the bond issue. That is basically what changed.

Towards the end of the document on the cost estimate for the new facility we added the total of costs already paid on the last page of the report, the \$958,621, that wasn't shown previously.

Susan, in your absence we did make some changes between construction costs.

B. Presentation of Assessment Methodology

Mr. Perry stated you should have before you two documents. One is stapled and is the assessment methodology report. The other is a one page hand out which will opine to the assessment methodology report and the O&M.

Ms. Beaugrand asked is this the same report that Crystal sent?

Mr. Perry responded there were some minor changes to the report itself but it is basically the same data.

In the methodology report we will focus on the tables. Table 1 shows the assessable units in the District and how the current tax rolls as presented is associated with each of the development units is allocated. It runs from a single family units, multi-family, church, commercial, utilities, etc.

Page 2 is the project recreation facility and this ties in with the engineer's report that was just discussed and the net amount to be financed currently is \$14,562,399. That number flows through to Table 3 which is the bond financing that the District is looking to initiate. The bond financing we are going through, we are looking at a par amount of bonds of \$13,540,000. Those bonds are anticipated to be issued at a 30 year maturity with a 5.8% bond rate. Those numbers provide for a maximum annual debt assessment for this bond issuance which basically starts to flow through into Table 4. Under Table 4 we can spread the allocation of the project cost from the engineer's report which this total project cost is over \$15 million. Associated with that is the allocation of the bonds that are going to be issued and give you a par debt per unit which is the layering on of debt per unit that we anticipate with the issuance of these bonds. Those numbers basically flow through to Table 5. The thing to focus on is the third to the last column which is

bonds maximum annual debt assessment per unit and it shows what we are going to be allocating to each of these units. It also shows at the end what the maximum annual debt assessment per unit is for the bond series 2002 and 2006.

Ms. Beaugrand stated for the benefit of our residents here can you just relay what those numbers are on the single family unit, what we start out, what we add on and what we end up at?

Mr. Perry responded right now we have an increase of \$140 for a single family unit for this bond series. We also have an increase under the multi-family units from \$43 to \$95, the church is \$179, the commercial ranges from \$3,200 to \$3,500 and the golf is an additional \$559. If you look at those numbers that is the increase associated with this debt issue. Keep in mind that that is one component associated with this project. The second component is O&M and the O&M is not a part of this report. This is only associated with debt. What we have done is provided you another sheet here and this shows the debt service per unit. Let's take a single family home the total debt service per unit for a single family home will be \$355, the O&M per unit will be approximately \$321 and that is based upon an O&M budget of about \$1,500,000. We talked with Stacie and there might be some increases in that.

Ms. Beaugrand stated I see \$312.

Mr. Perry stated I changed the format of this report to make it a little easier to follow and there were some changes in some of the numbers. The O&M per unit under column 5 is \$321, the total assessments per unit would now be \$676 versus the current assessment of \$520 or \$156 change, about a 30% increase in assessments. That is a total gross up rate, it includes the 4% maximum discount. If you did pay that early and took advantage of the discount the increase would really be \$129 per year.

Ms. Minnis stated you have \$140 here and you go to \$156 here, is this number both O&M and bond?

Mr. Perry responded the \$676 is both O&M and bond.

Ms. Beaugrand stated you have the original 2002 plus the increase from the 2006 which will be a total debt service of \$355 on the bond. Then you have the O&M at \$321 which takes you to a total assessment of the \$676 versus the current assessment of \$520 leaving a change of \$156. I think it is important to note the discount again for the benefit of the residents. Anyone who has a mortgage your taxes are going to be paid in November and get the full benefit of the discount. If you don't you are certainly at the control on your own. For the most part, most

people should probably be paying at that discount and only have an increase of \$129 versus \$156.

Mr. Perry stated that is correct. This is in line with the numbers we discussed previously at the other meetings.

Mr. Pincket stated I didn't follow. Where is the discount reflected on this chart?

Ms. Beaugrand stated it is not on the chart. He verbally added that. Here is the change based on your taxes being due in March. If you pay your taxes early you get the full 4% discount which would take it down from \$156 to \$129 or someplace in-between depending on when you pay your taxes.

Mr. Pincket asked do we have a number that shows the O&M right now prior to the additional O&M? We have a lumped in number.

Mr. Perry responded the current O&M is about \$600,063 and what has been built into this is a total of \$1,500,000 so the increase is about \$836,000. That increase is solely associated with the new facility.

Mr. Pincket asked not this building?

Ms. Beaugrand stated that was already in our budget for 2007.

Mr. Abbatiello stated the \$1,500,000 O&M is based on all of the figures that Stacie gave that includes this current pool as well. It also includes all the staff members she identified. What happens if we don't hire all of those people for 6 months, 9 months or a year? There could be a timeframe where we are not going to have a full staff as Stacie suggested. Or we may not even want to have the full staff depending on costs. What happens?

Mr. Perry responded keep in mind this report is associated with the debt. Once you issue the bonds those numbers are going to be fixed. The O&M associated with this you will set as a budget next year so that \$1,500,000 might be \$86,000, it could be \$1.2 million, depending on what you set that number at, it will be allocated to the units throughout the District.

Mr. Abbatiello stated so O&M on an annual basis can fluctuate depending on staffing.

Mr. Perry responded that is correct.

Ms. Beaugrand stated what will happen is if we don't need to staff up until later, we have a cost savings. We have a higher carry forward.

Mr. Pincket stated therefore could potentially reduce assessments the next year.

Ms. Beaugrand responded theoretically. I think you would want to be careful to say that because that is a temporary staffing position. You have to look at where we are going to ultimately be and make sure that we budget for where we will ultimately be. We are going to have a ramp up period. That would only be natural. We just have to be real disciplined and careful about how we think about that because I think that could be dangerous from a budgetary standpoint.

Mr. Perry stated one other thing in the process, once the bonds are sold and the numbers are firmed up there will be another report just like this that will reflect final numbers. Those numbers now are the estimated interest rate. That could fluctuate but I think Prager was very conservative so hopefully the numbers will come down a little bit on the interest rate.

C. Consideration of Resolution 2007-01 Declaring Special Assessments

Mr. Johnson stated you have in our agenda package from the original meeting as well as circulated electronically copies of two resolutions. What is before you tonight is the decision to start the process. Nothing you do tonight will impose a lien or consummate a bond sale rather it is a two step start. First you declare that you intend to undertake projects that you intend to fund it with assessments and then you set the public hearing to give landowners and residents an opportunity to provide insight and comment relative to the project and the assessment. From the day you pull the trigger it is a little over 30 days to give that notice because of the requirements of the statute in terms of individual mailed notice which you have already authorized England Thims to put together as well as notice in the newspaper in terms of certain legal ads that have to be run. If you would like me to I would be happy to talk you through those two resolutions and at the end of that talk about where we think we will try to look for a hearing date.

The first resolution is Resolution 2007-01 and this is a resolution which declares that you intend to undertake the project outlined in the engineer's report and that you intend to fund it through special assessments. It is a resolution which is in a form that is very much prescribed by the statutory language of Chapter 170, specifically 170.03, 170.05, 170.07 and 170.08. In essence the first page walks through some determinations on your part that it is in the best interest of the District to proceed with the project, notice that the documents have been on file in addition to being on file at GMS, we are placing them on file here with the local District records. Starting on page 2 you make findings that you will levy assessments to defray the improvements,

describe what those improvements are with reference to two exhibits, Exhibit A will be the engineer's report that Mr. Maggiore prepared and Exhibit B will be the assessment report that Mr. Perry presented. Paragraph 3 and 4 will then be filled in with the total cost data number from Mr. Maggiore's report and the total amount to be defrayed by the assessments will be filled in from Mr. Perry's report. The findings of sections 5, 6, 7, and 8 are statutory and we have prepared to place on file a plat showing all of the lots in the community as well as the commercial and other acreage in order for someone to compare that against the roll and look up their property if they would like to do so. These assessments will be paid in not over 30 annual installments. On page 3, paragraphs 10, 11, and 12 directing that the Board by a subsequent resolution set a public hearing and you are to publish this resolution once a week for two weeks in a newspaper of general circulation in the county.

Although there is language in here that you shall adopt and you shall do, obviously you do retain the ability under the statute to make changes to the methodology report at that public hearing. That is part of the purpose of the public hearing to take input whether it comes from you as a Board member or response to members of the public, you do have the flexibility to consider doing things differently than how they have been presented to you tonight if you so desire.

The first step in this process would be to adopt Resolution 2007-01 with the blanks filled in from the two reports presented and with those attached as exhibits A and B.

Ms. Minnis asked has the assessment plat been put on file here already?

Mr. Johnson responded Mr. Maggiore brought that over at the last meeting.

Mr. Maggiore stated I gave that to Jim Oliver at the last meeting. It is the cover sheet of the assessment maps that go with the assessment roll document.

Ms. Minnis stated here in this office, that is my question.

Mr. Oliver stated I have a copy at my office, we can bring it tomorrow.

Mr. Pincket stated Jonathan, you and I chatted a little bit outside the meeting in the past about the numbers that we are going to be putting in on these blanks here. The first one being the estimated cost, the second being the assessments that will defray those costs plus some other costs incurred with bond financing and related costs. I have a concern that whatever numbers we put down in this resolution, that we are not held to them because I am looking for the flexibility of perhaps issuing more bonds than we really think we need with the understanding that if we

don't need them because of the increase in construction costs didn't occur or for whatever reason we have excess proceeds from the bonds that we then can somehow apply those back to the principal portion and keep the assessments down. I don't want to get caught in a situation where we are raising a certain amount of money and we find that due to construction costs we don't have the money to complete the project or complete it the way we wanted to and of course, we are stuck because now we have issued bonds and we don't have sufficient money to complete the process.

Mr. Johnson responded given where you are today in order to preserve as much flexibility as you are seeking I think you would want to use the estimated costs presented in Mr. Maggiore's improvement program in paragraph 3 but note for paragraph 4 that the assessments will defray approximately \$15 million which will include the estimated costs plus all the other things including reserves. You legally cannot issue more than \$15 million in bonds without going back to the circuit court to get additional permission to do that but if you use \$15 million for no other purposes other than it pushes your assessment numbers higher than are presented in Mr. Perry's report, that does put the community on notice and you would need to go back through some additional assessment proceedings if you ultimately plan to use all of that bonding capacity.

Ms. Minnis stated someone has to make a motion for the resolution, they need a number put in there.

Mr. Johnson stated Matt will read into the record the number of the estimated costs and then unless you want to do it differently we would put \$15 million in paragraph 4.

Ms. Beaugrand stated it will be the \$14,528,000.

Mr. Maggiore responded it will be \$15,071,020.

Mr. Pincket stated for line 3. Line 4 would be \$15 million?

Mr. Johnson responded that would be \$15 million. We cannot issue more debt than that.

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| On MOTION by Ms. Minnis seconded by Mr. Pincket with all in favor Resolution 2007-01 was approved. |
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D. Consideration of Resolution 2007-02 Setting Public Hearing

Mr. Johnson stated Resolution 2007-02 is the resolution which sets a public hearing. We do need to fill in a specific date, time and location. Given the requirements of both published and mailed letters your November 14 meeting will not be sufficient time for us to make that. Given that the next week is Thanksgiving you might consider looking at Monday, November 20 otherwise I suggest you look at something like the 27th, 28th, 29th. I think Pam has joined us and I will ask Pam, if we get that assessment hearing right after Thanksgiving does that still keep you on the schedule that you are looking at?

Ms. Holton stated if we can do it early in the week of the 27th it will help but I think we could still get the deal done within a couple of weeks of having the Board take action. The bond market kind of shuts down after mid December so we really need to try to have all the documents approved and in final form.

Ms. Beaugrand asked is there any benefit to trying to do it on the 20th versus the 27th?

Ms. Holton responded we are going to lose the week of the 28th anyway. If we could do it the 27th or 28th we will end up in the same place.

Mr. Abbatiello stated it seems the 28th is more suitable.

Ms. Holton stated that will be fine.

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| On MOTION by Ms. Minnis seconded by Mr. Abbatiello with all in favor Resolution 2007-02 setting the public hearing for November 28, 2006 at 6:00 p.m. at the administrative offices was approved. |
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Mr. Abbatiello asked do we still need the 14th meeting?

Ms. Beaugrand responded I think we need to keep the 14th meeting on the calendar at this point and have staff check with everybody, particularly Paul to see if there is a reason to have that meeting. I think if there is not, it would be nice to not have two meetings in that month but I want to keep it reserved in case. If we can get a decision well enough in advance to get word out that would be good.

THIRD ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

On MOTION by Ms. Minnis seconded by Mr. Pincket with all in favor the meeting adjourned at 6:30 p.m.

Secretary/Assistant Secretary

Chairperson/Vice Chairman