

MINUTES OF MEETING  
SANDMINE ROAD  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Sandmine Road Community Development District was held Thursday, July 16, 2020 at 2:00 p.m. via Zoom Video Conferencing, pursuant to Executive Orders 20-52, 20-69, 20-112, and 20-150 issued by Governor DeSantis on March 9, 2020, March 20, 2020, April 29, 2020, and June 23, 2020 respectively, and any extensions or supplements thereof, and pursuant to Section 120.54(5)(b)2., Florida Statutes.

Present and constituting a quorum were:

Wesley Hunt	Chairman
Aaron Struckmeyer	Vice Chairman
Eric Baker	Assistant Secretary
Amy Steiger	Assistant Secretary

Also present were:

George Flint	District Manager
Tucker Mackie	District Counsel
Emma Gregory	District Counsel
Broc Althafer	District Engineer
Steve Zucker	Shutts & Bowen
Steve Sanford	Bond Counsel

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order and called the roll. Four Board Members were present via Zoom teleconference constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Flint recognized that this was a Zoom meeting per the governors executive order which allows government entities to meet without a physical quorum. The website and legal notice provided instructions for any members of the public that would like to participate. There were no members of the public attending via Zoom.

**THIRD ORDER OF BUSINESS****Organizational Matters****A. Acceptance of Resignation of Doug Hoffman**

Mr. Flint stated that a resignation was received from Doug Hoffman after the last meeting. Mr. Flint asked for a motion to accept the resignation.

On MOTION by Mr. Struckmeyer, seconded by Ms. Steiger, with all in favor, Acceptance of Doug Hoffman's resignation, was approved.

**B. Appointment of Individual to Fulfill the Board Vacancy with a Term Ending November 2022**

Mr. Flint stated that any time there is a vacancy during a Board Members term, the remaining Board Members appoint a replacement through the end of the term. He noted Doug's seat had a term expiring in 2022. Mr. Flint asked for nominations for the vacancy. Mr. Struckmeyer nominated Chris Wrenn. Mr. Flint asked for a motion to appoint Chris Wrenn.

On MOTION by Mr. Struckmeyer, seconded by Mr. Baker, with all in favor, the Nomination of Chris Wrenn for the Board Vacancy, was approved.

**C. Administration of Oath of Office to Newly Appointed Supervisor**

Mr. Flint explained to Chris that since the meeting was not being held physically that he can't be sworn in right now. Mr. Flint noted that Mr. Wrenn would be provided with the Oath of Office Form and anything else that needs to be filled out by Board Members. Mr. Flint asked him to have it signed by a notary prior to the next Board meeting and after that he could then participate as a full Board Member. Mr. Flint stated at this point he could participate in the discussions to an extent, but he would not be able to vote on anything. Mr. Flint noted a quorum was present without Mr. Wrenn.

**D. Consideration of Resolution 2020-32 Electing an Assistant Secretary**

Mr. Flint presented the resolution electing the nominated person as an Assistant Secretary. He noted Doug was serving as an Assistant Secretary previously. Mr. Flint asked for a motion to approve Chris Wrenn as an Assistant Secretary. Mr. Flint also stated that the officers could change

positions if the Board wished to do so. Mr. Struckmeyer motioned to make Chris an Assistant Secretary.

On MOTION by Mr. Struckmeyer, seconded by Ms. Steiger, with all in favor, Resolution 2020-32 Electing Chris Wrenn as Assistant Secretary, was approved.

#### **FOURTH ORDER OF BUSINESS**

#### **Approval of Minutes of the June 5, 2020 and June 18, 2020 Meetings**

Mr. Flint asked if the Board had any comments or corrections to the minutes.

On MOTION by Mr. Struckmeyer, seconded by Ms. Steiger, with all in favor, the minutes of the June 5<sup>th</sup>, 2020 and June 18<sup>th</sup>, 2020 meetings, were approved.

#### **FIFTH ORDER OF BUSINESS**

#### **Public Hearings**

##### **A. Consideration of Resolution 2020-33 Adopting the Fiscal Year 2020 & 2021 Budgets and Relating to the Annual Appropriations**

Mr. Flint asked for a motion to open the Public Hearing.

On MOTION by Mr. Struckmeyer, seconded by Mr. Baker, with all in favor, Opening the Public Hearing, was approved.

Mr. Flint stated a proposed budget was previously adopted and the Board set the date, place, and time for adoption of the budgets for Fiscal Year 2020 and 2021. Exhibit 'A' to the resolution is a budget for both fiscal years. Mr. Flint noted that it is a standard administrator budget. The Fiscal Year 2020 budget is prorated for the full 12 months. He stated that the resolution contemplates the District entering into a Developer Funding Agreement with Pulte Home Company, LLC. He stated this budget and resolution would be attached to the funding agreement. He stated the developer would only be obligated to pay the actual costs. Adopting the budget doesn't obligate the developer for the full amount, it only obligates the developer for what the actual expenses are. Mr. Flint asked if there were any questions.

Mr. Flint stated for the record there were no members of the public participating. Mr. Flint brought it back to the Board for consideration of Resolution 2020-33.

Mr. Struckmeyer asked if the budget and expenditures could be put in as an ongoing costs as part of the assessments on the individual lots they must be funded by the developer. Mr. Flint stated this first year a Developer Funding Agreement would have to be entered because they could not impose Operation & Maintenance Assessments. Mr. Flint stated it could be done for the next fiscal year.

Mr. Flint stated this is just administrative and operational expenses would be coming online. Then going into Fiscal Year 2022, which starts in October, assessments would be in place that will be reflected on the November 2021 tax bill. Mr. Flint asked for a motion if there were no further questions or discussion.

On MOTION by Mr. Struckmeyer, seconded by Ms. Steiger, with all in favor, Resolution 2020-33 Adopting the Fiscal Year 2020 & 2021 Budgets and Relating to the Annual Appropriations, was approved.

Mr. Flint asked for a motion to close the public hearing.

On MOTION by Mr. Struckmeyer, seconded by Ms. Steiger, with all in favor, Closing the Public Hearing, was approved.

## **SIXTH ORDER OF BUSINESS**

### **Consideration of Fiscal Year 2021 Budget Funding Agreement**

Mr. Flint stated the budgets that were just approved would be attached to this agreement. He stated the District will submit funding requests as expenses are incurred. The funding requests will end up being on the agenda for ratification or approval depending on the timing. He noted this is a two party agreement. To the extent Pulte has any questions before executing, changes can be made with District Counsel and any comments will be considered. Mr. Flint asked for any questions on the funding agreement. Hearing none,

On MOTION by Mr. Struckmeyer, seconded by Ms. Steiger, with all in favor, the Fiscal Year 2021 Budget Funding Agreement, was approved.

**SEVENTH ORDER OF BUSINESS****Consideration of Resolution 2020-34  
Delegation Resolution**

Mr. Flint noted that Steve Sanford, Bond Counsel, was on the line as well as Emma Gregory District Counsel. Mr. Flint asked Steve to present his delegation resolution.

Mr. Sanford introduced himself from Greenburg Traurig serving as Bond Counsel to the District. Mr. Sanford noted that the Board at this meeting is setting forth certain parameters which if they are met the Chair or the Vice Chair will be authorized to sign a bond purchase contract without the need for a special meeting. In effect, the parameters make the signing of the bond purchase contract an administrative act which can take place outside of a public meeting. The resolution also asks the Board to approve certain documents.

Mr. Sanford noted that the Board adopted a resolution in April authorizing up to \$25,000,000 in bonds and approved a form of a Master Trust Indenture and Supplemental Indenture. The purpose of that resolution was to be able to go into Circuit Court and validate the bonds. He noted he thought the validation hearing was set for July 20<sup>th</sup>. It was always contemplated at the time the resolution was adopted that they would come back before the Board with a subsequent resolution that would have the documents relating to the first series of bonds to be approved by the Board. Those documents all in substantially final form are, one the Preliminary Limited Offering Memorandum which is the perspectives which is used by the underwriter (FMS Bonds) to solicit purchases of the bonds. Once the bonds are sold that preliminary offering memorandum will be turned into a final document and it will have all of the final bond terms, redemption provisions, and sources and uses. The next document that will be approved is the Bond Purchasing Agreement itself and that's between the District and the underwriter. That's the agreement that gets signed by the Chair or Vice Chair once the bonds are sold. It sets forth all of the conditions, opinions, certificates, and other deliverables that are required to get to the finish line. The next document is the Continuing Disclosure Agreement. That's an agreement between the District, GMS (serving as Dissemination Agent), and the developer. This is something that is required under SEC rules. It requires that there be annual disclosure of the operating data concerning the District as well as a status of the development and the project. It also requires disclosure within ten business days of any material events, which are enumerated in that agreement. Material events would be a drawl on the reserve or a default principal in interest, etc. The last document the Board is being asked to approve is the Supplemental Indenture, even though the Board has already approved a form of the supplemental indenture. He requested for the Board

to reapprove the document which is between the District and the Trustee which is US Bank. This is because they fine-tuned the agreement and had received some comments and they would like to have it approved pursuant to this resolution.

Mr. Sanford noted that there is also language in the resolution that there is a Methodology Report and an Engineer's Report. He noted that instead of having a special meeting if there is any need to modify or tweak either one of those reports in connection with the sale of the bonds this resolution authorizes those changes to be made without the need for a special meeting.

Lastly section three of the resolution is the parameters. The parameters are that the maximum amount of bonds authorized for this first series of bonds which only pertains to Assessment Area 1 cannot exceed \$7,000,000. It does not bind the Board to issue \$7,000,000 that's just a not-to-exceed amount. The maximum net interest rate is governed by Florida Statutes. Third it sets forth the compensation of the underwriter. How that works is the underwriter buys the bonds from the District at .98 cents on the dollar. They turn around and sell the bonds for the dollar and the difference is the compensation to the underwriter. If the underwriter comes back and says I need more, they couldn't pay more without coming to the Board. Mr. Sanford states he is confident that's the set price for the underwriter. He asked for questions and if no questions he recommended to move to adopt Resolution 2020-34.

On MOTION by Mr. Struckmeyer, seconded by Mr. Baker, with all in favor, Resolution 2020-34 Delegation Resolution, was approved.

## **EIGHTH ORDER OF BUSINESS**

### **Ranking of Proposals for District Engineering Services and Selection of District Engineer**

Mr. Flint stated under the CCNA Act the District is required to bid out engineering services that exceed a certain amount of dollars. An RFP for engineering services was issued and advertised. As a result, one response was received from Osceola Engineering. Ranking criteria was approved by the Board and included in the notice. Mr. Flint noted that the rules do provide the Board with the ability to rebid it since they only received one response. The Board had the option to rebid it, or choose to authorize staff to negotiate an agreement with Osceola Engineering.

Mr. Struckmeyer stated he was good with proposed engineer and authorizing the negotiation of the services with Osceola Engineering.

On MOTION by Mr. Struckmeyer, seconded by Mr. Baker, with all in favor, Selection of Osceola Engineering for District Engineering Services and Authorization of Staff to Negotiate an Agreement, was approved.

## **NINTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. Attorney**

Ms. Gregory stated that the bond validation is scheduled for July 20<sup>th</sup> and the calendar invites were sent out. The hearing will be held by Zoom. Everyone is asked to attend by video so that in the event the judge wants testimony you will be able to be sworn in virtually. She also updated the Board on the Senate Bill 14-66. The bill does 2 things. It amends the Districts website requirements so that less materials have to be posted on the website. That will come into effect once the Districts website goes online. It also clarifies the applicability of abuse of public position provisions. She stated it basically means under certain sections of Florida Statutes this bill has clarified that public officials governed by those sections are not abusing their public position when acting in accordance with those sections. She asked for questions from the Board.

Mr. Flint asked if the Chair was requested or someone from Pulte to participate as well. Ms. Gregory stated yes, that they spoke with Eric Baker (Pulte) and he is going to attend the validation.

#### **B. Engineer**

Mr. Althafer had nothing further to report to the Board.

#### **C. District Manager's Report.**

##### **i. Balance Sheet and Income Statement**

Mr. Flint noted the unaudited financials through June 30<sup>th</sup>. There was no action required.

##### **ii. Consideration of FY20 Funding Request #4**

Mr. Flint stated that Funding Request #4 is in the amount of \$11,736.77. He noted that the expenses relate to financing and the bond issuance. Mr. Flint asked for any questions on Funding Request #4.



On MOTION by Mr. Struckmeyer, seconded by Ms. Steiger, with all in favor, FY20 Funding Request No. 4, was approved.

**iii. Approval of Fiscal Year 2021 Meeting Schedule**

Mr. Flint stated each year an annual meeting schedule is approved. On the agenda it has been prepared with the Board meeting the 3<sup>rd</sup> Thursday at 2:00 p.m. at the construction trailer at 2227 Lelani Circle Davenport, Florida 33897. The meetings are scheduled monthly. In the event that no meeting is required it can be cancelled. He noted the date, place, time and frequency can be changed if the dates don't work for the Board. He asked for comments, thoughts, or questions on the proposed times.

Mr. Flint noted that in August they are waiting to see whether the governor extends the executive order again or whether it will be physical meetings after August 1<sup>st</sup>. Mr. Flint stated if meetings are still remote there is language that gives the Board the authority to continue to meet remotely if needed. Mr. Flint asked for motion is if the date, place, and time were agreeable.

On MOTION by Mr. Struckmeyer, seconded by Ms. Steiger, with all in favor, Fiscal Year 2021 Meeting Schedule, was approved.

**TENTH ORDER OF BUSINESS**

**Other Business**

Mr. Flint asked for any other comments. There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Supervisors Request**

Mr. Zucker asked when the next meeting was scheduled in August. Mr. Flint noted it was Thursday August 20<sup>th</sup> at 2:00 p.m. Mr. Zucker stated he didn't know the schedule on the bond closing but wasn't sure the 30 day appeal period would run by then. He stated a special meeting might have to be held to approve any final documents since the closing is in August.

Mr. Flint stated that would be coordinated once the underwriter determines the timing on the pricing. He acknowledged the appeal period would be pretty tight on that. He stated a special meeting might be scheduled or wait until September. He stated he would coordinate and get it advertised.



**TWELTH ORDER OF BUSINESSES**

**Adjournment**

Mr. Flint adjourned the meeting.

On MOTION by Mr. Struckmeyer, seconded by Ms. Steiger, with all in favor, the meeting was adjourned.

  
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Secretary/Assistant Secretary

  
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Chairman/Vice Chairman