

Minutes of Meeting
Tolomato
Community Development District

The regular meeting of the Board of Supervisors of the Tolomato Community Development District was held Tuesday January 22, 2019 at 3:00 p.m. in the Nocatee Amenity Center, 245 Nocatee Center Way, Ponte Vedra, Florida

Present and constituting a quorum were:

William Fitzgerald	Vice Chairman
Jon Morris	Assistant Secretary
Cherya Cavanaugh	Assistant Secretary

Also present were:

Jim Perry	District Manager
Katie Buchanan	District Counsel by telephone
Scott Wild	District Engineer by telephone
Steve Hanson	Tolomoto
Lee Hovis	Tolomoto
Tina Burleigh	Tolomoto
Justin Williams	Connelly & Wicker
David Ray	GMS
Dave Eldrich	Tolomoto
Maurice Rudolph	Parc Group

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 3:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Affidavit of Publication

A copy of the affidavit of publication of the notice of meeting was included in the agenda packages.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the December 18, 2018 meeting

On MOTION by Mr. Fitzgerald seconded by Ms. Cavanaugh with all in favor the minutes of the December 18, 2018 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Public Hearing to Consideration of Resolution Amending the Rate Structure for Use of Recreation Facilities; Adopting by Rule the Rates and Fees for Use of the Recreation Facilities; Resolution 2019-04

Mr. Perry stated the purpose of today's public hearing is the adoption of rates, fees, rentals and other charges and the adoption of rules relating to user privileges. Pursuant to Section 190.035 rates, fees, rentals and other charges for any use of the facilities or services must be fixed after a public hearing, which allows landowners and other interested persons to have an opportunity to comment on the same.

David has provided those to you previously, he can go over those briefly with you. I have a few questions before we go into the public hearing. David, are such rates, fees, rentals and charges based upon the amount of services furnished?

Mr. David Ray responded yes. They are determined in part based on the amount of services furnished. Additionally, the proposed rental rates are consistent with the rates, fees, rentals and charges adopted by similar CDDs.

Mr. Perry asked are such rates, fees, rentals and charges just and equitable and uniform for users of the same class?

Mr. David Ray responded yes. Users of the same class will pay the same.

Mr. Perry asked will the rates, fees, rentals or other charges described produce revenues together with any other assessments and revenues pledged for such purpose at least sufficient to provide for all expenses of the operation and maintenance of such facility or services and to pay when due all bonds and interest thereon for the payment of such revenues are pledged?

Mr. David Ray stated Tolomato levies sufficient assessments to provide for the operation and maintenance of each facility without the collection of user and rental fees; however,

Tolomato's rates and fees are priced to ensure that the user pays for the cost of operating the facility during the rental event as well as cleaning and maintaining the facilities after reach use.

On MOTION by Mr. Fitzgerald seconded by Ms. Cavanaugh with all in favor the public hearing was opened.

Mr. Perry stated included under the resolution is a redline copy of the changes and David can highlight a few of them.

Mr. David Ray stated the first part of the changes is the rates for Crosswater Hall. Rates were raised for Crosswater Hall about two years ago. We were the most affordable venue around and sometimes the crowds would get a little bit rowdy that resulted in some damage, trash in the parking lot, etc.

We increased the rates and doubled the deposit as a deterrent. As a result rentals dropped and we knew that would happen but we book 12 to 18 months in advance so we are just now beginning to see the results of those. As expected we have seen a decrease in booking, for the first three months of the current fiscal year Crosswater Hall rental revenue was down by 14% or \$15,000 from last year. In the bigger picture we don't have people hanging around the parking lot, drinking and throwing beer bottles. We have a lot more dates available and the first policy change is a 30-day pricing. Typically, weddings would book 12 to 18 months out and we implemented recently with our promotional rate and what we are seeing is the church groups, baby showers booking it and using it and the rental is half what it would be, but we are not having any of the issues. The first item is 30 days rentals so if it is not booked, within 30 days you could book it and it is half of the price but still the same full \$1,000 deposit. We are able to supplement the revenue and we are still avoiding the additional problems we were having previously.

The next major change is on page 13, bounce house, we are deleting the bounce house. The district owns a small bounce house, which was available for rental. That bounce house is not in good condition anymore and we have since replaced it with two larger bounce houses. The original one was confined and difficult to manage because the kids were in an enclosed area. The current bounce houses are much more open concept; you go in one side, do your thing and come out the other side so it keeps a flow, the kids aren't jumping on top of each other and it is easy to manage but they are too big to rent out so we are working with a couple of companies that specialize in that and when someone rents a pavilion and they want a bounce house we are telling

them to call these companies. These companies have insurance, the district and GMS are a named insured on the policies and it is much easier to manage and we are deleting that from our rates.

On page 14 is the rental of Cypress Park and 20 Mile Park pavilions. We rent Greenleaf Pavilion, 20 Mile Post Pavilion, which are not associated with any pools. These two relate to the pavilions associated with the pools. We had deleted them previously because the problem is people will rent them for a birthday party and then feel that they can use the pools. We cut that out. We found what happened in its place was unregulated they were using them for birthday parties and using the pools. We are putting them back in because it gives us a little more control over telling them that it doesn't come with pool usage. It puts it back in the same class as the other pavilions.

The last one on page 18 are sponsorship rates beginning with the farmers market. We raised the sponsorship rate for a primary sponsor from \$600 to \$700 and a row sponsor stays at \$400. We are sold out and farmers markets sponsorships are only available through June, we have one primary sponsor and seven of the row sponsors for a total of \$3,500 in sponsorships and we can probably sell six or seven more sponsorships if we didn't feel it would distract from the market. In addition, we have \$25 from each vendor for total revenue of \$5,200. On one hand the economics tells me to raise the prices, but I look at these as being fair prices and it is open for discussion. I don't see the value of a row sponsorship being much more than \$400 but the demand is huge.

The next line item we are actually reducing the sponsorship for food truck events. That hasn't taken off as well and we have a sponsor for maybe every other one so we are bringing that price down until that picks up.

Mr. Morris asked how does that compare to rates at other communities?

Ms. Burleigh stated there are not many that are comparable and Oakleaf is comparable, but they only have a \$500 security deposit.

Mr. David Ray stated when we did our study many years ago for the initial rates we set our deposit at \$500 and when we increased the rates we doubled the deposit to \$1,000.

Mr. Morris stated we increased the rates and revenue has gone down and you are suggesting that is due to the rate increase or increased deposit.

Mr. David Ray stated both and it was intentional. We knew the revenue would go down, but we also knew we would have less issues. As a resident is it worth it not to have people throwing beer bottles in the parking lot?

Ms. Cavanaugh asked has the part about the pavilion rentals been communicated to the Nocatee residents in order to avoid the pop-up parties?

Mr. David Ray stated if it is not rented you are welcome to have a pop-up party. If it is not rented it is intended to be shared, which means don't stake it out and try to have an exclusive party.

Ms. Cavanaugh stated but you can reserve it by paying for the session.

Mr. David Ray stated correct and then you get exclusive use and it is stressed that it does not include access to the pool.

Ms. Cavanaugh asked how is that monitored?

Mr. David Ray responded on weekends there is a monitor at those pools. They do try to get around that and use it anyway, but we don't spend a lot of money on the Cypress Pool and the 20 Mile Pools other than peak times because we are not running into capacity issues. If there are 14 people there and four of them shouldn't be there we are not going to spend money to keep the four out.

Ms. Cavanaugh asked what is the coverage received for a sponsorship?

Mr. David Ray stated for a farmers market the primary sponsor will be the named sponsor so the email will go out and in the email it will have as an example the farmers market presented by Barnhorst Eye Associates. That will be in an email, we will get it in the calendar, etc. they will have the most prominent booth. For a row sponsor essentially, they get to come to the market. For events other than the farmers market there is less structure so there is much more freedom for a sponsor to do things.

Mr. Fitzgerald stated you said the row sponsors the demand is higher than the supply. Your plan is to gradually increase that to see when you get to a flashpoint?

Mr. David Ray stated yes. Right now we are sold out through June but we haven't opened it up for July and August and we are still evaluating what we want to do. The demand tells me that there is willingness to pay a higher price, \$400 seems like a very fair price and I don't want to take advantage of anyone or price ourselves out of the market. It is something we are continually weighing and any feedback and comments on that would be helpful.

Ms. Cavanaugh stated as a business owner working with a budget I feel it is fair in conjunction with the amount of exposure that it gets not at the event but prior to the event with the email, the calendar and that limited amount of exposure to have your name attached to the event so the \$400 is very fair.

On MOTION by Mr. Fitzgerald seconded by Ms. Cavanaugh with all in favor the public hearing was closed.

On MOTION by Mr. Morris seconded by Ms. Cavanaugh with all in favor Resolution 2019-04 was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

1. Construction Updates

Mr. Wild stated for the construction update I would like to present the proposal from Florida Roads Contracting. About a year or so ago we had undertaken a sidewalk widening project in the Valley Ridge section in the City of Jacksonville in anticipation of converting that sidewalk to a cart path once the City of Jacksonville passed an ordinance that addressed cart paths. The city's ordinance got bogged down and the contractor finished the actual sidewalk widening part of the project and we didn't want to assume any liability on behalf of the district so we told them not to put the signage and the striping that would truly make it a cart path that would be used by carts at that time. We change ordered out of Florida Roads contract the signage and striping and closed the contract. Since then the ordinance did get passed and we got the construction plans approved in accordance with that ordinance. To complete the actual cart path project we need to add back in the signage and striping. We need to get it completed so that it can officially be used as a cart path.

The proposal in front of you is for \$29,696, which is the identical amount that we change ordered out of their contract about a year ago.

On MOTION by Mr. Morris seconded by Ms. Cavanaugh with all in favor the change order to Florida Roads contract in the amount of \$29,696 was approved.

2. Consideration of Change Orders

Mr. Williams outlined change orders 5, 6, 7, and 8 for the spray park with Attraction and Entertainment Solutions.

On MOTION by Mr. Fitzgerald seconded by Ms. Cavanaugh with all in favor change orders 5, 6, 7, and 8 with Attractions and Entertainment Solutions were approved as presented.

Mr. Williams stated you have change order no. 3 with Carlton Construction, our general contractor for the spray park. They should be done next week and we will be doing walk throughs. This is a change order derived from architectural changes, gaps in the plans from the architect, which has been an ongoing issue with this project and some deletions of scope that we had.

On MOTION by Mr. Morris seconded by Ms. Cavanaugh with all in favor change order no. 3 with Carlton Construction for an increase of \$144,296.82 was approved.

3. Consideration of Work Authorizations

There being none, the next item followed.

4. Requisition Summary

Mr. Wild stated we provided an updated requisition list and there were three requisitions added. The requisitions to be approved from the 2018 bond account are requisitions 56 – 77 totaling \$595,355.21 and requisitions to be approved from the impact fee account 678 through 682 totaling \$6,049,877 and requisitions from the 2006 account 2987 and 2988 totaling \$18,779 for the total requisition amount to be approved being \$621,183.98.

On MOTION by Mr. Fitzgerald seconded by Ms. Cavanaugh with all in favor the requisitions outlined above were approved.

C. Manager – Re-adopt Resolution 2019-03 to Include Dave deNagy as an Assistant Treasurer for Tolomato Community Development District, Appointed in 12/18/18 Meeting

On MOTION by Mr. Fitzgerald seconded by Ms. Cavanaugh with all in favor Resolution 2019-03 was readopted to include Dave deNagy as an assistant treasurer.

D. Community Manager

1. Community Manager Report

Mr. David Ray stated the report is in the agenda package. We had previously talked about the concerts and in talking with a couple of groups that are recognized in the field and are interested in doing it. One group does Beaches Octoberfest and it is also owned by a business that is run out Nocatee.

The grand opening of the spray park and the dedication of the event field is March 9th. We are looking at that as being a major event and excited to have that coming.

2. Renewal of Five Safety System Contract with Cintas

On MOTION by Mr. Fitzgerald seconded by Ms. Cavanaugh with all in favor the contract with Cintas along with the alarm monitoring was renewed.

SEVENTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet as of December 31, 2018 and Statement of Revenues and Expenditures for the Period Ended December 31, 2018

A copy of the balance sheet and statement of revenues and expenditures were included in your agenda package.

B. Construction Schedule – December 31, 2018

A copy of the construction schedule was included in your agenda package.

C. Assessment Receipt Schedule

A copy of the assessment receipt schedule was included in your agenda package.

D. Check Register

On MOTION by Mr. Fitzgerald seconded by Mr. Morris with all in favor the check register approved.

EIGHTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

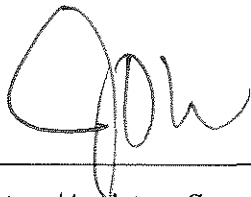
NINTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

There being none, the next item followe.

TENTH ORDER OF BUSINESS Next Schedule Regular Meeting – February 26, 2019 at 3:00 p.m. at the Nocatee Amenity Center

Mr. Perry stated our next scheduled meeting is going to be February 26, 2019 at 3:00 p.m. in the same location.

On MOTION by Mr. Fitzgerald seconded by Ms. Cavanaugh with all in favor the meeting adjourned at 3:33 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman