

Minutes of Meeting  
Tolomato  
Community Development District

The regular meeting of the Board of Supervisors of the Tolomato Community Development District was held Tuesday April 23, 2019 at 3:00 p.m. in the Nocatee Amenity Center, 245 Nocatee Center Way, Ponte Vedra, Florida

Present and constituting a quorum were:

Richard T. Ray	Chairman
William Fitzgerald	Vice Chairman
Cherya Cavanaugh	Supervisor

Also present were:

Dave deNagy	District Manager
Katie Buchanan	District Counsel
Scott Wild	District Engineer
Steve Hanson	Tolomoto
Lee Hovis	Tolomoto
Tina Burleigh	Tolomoto
David Eldredge	Tolomoto
David Ray	GMS
Maurice Rudolph	Parc Group
Sete Zare	MBS Capital Markets, LLC
Brett Sealy	MBS Capital Markets, LLC

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. deNagy 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 March 26, 2019 meeting**

On MOTION by Mr. Ray seconded by Mr. Fitzgerald with all in favor the minutes of the March 26, 2019 meeting were approved as presented.

**FIFTH ORDER OF BUSINESS**

**MBS Capital Markets, LLC Presentation  
Regarding the Potential Refunding of the  
Series 2012A-3 CAB Bonds, Series 2007A-1  
Bonds and Series 2006-1 Bonds**

Mr. Sealy stated I have had the honor of serving in the capacity as the investment banker to the Tolomato/Ridgewood/Split Pine community development districts. My firm specializes in underwriting special purpose taxing district bonds throughout the State of Florida. My partners and myself have completed nearly 1,000 transactions about \$12 Billion in total volume. This is all we do for a living.

In 2006 and 2007 when the district originally issued their first series of bonds there were three series of bonds issued, one by the Split Pine CDD and the other by the Tolomato CDD. Those were issued during a robust economic time and in 2012 the overall debt structure for the district changed rather dramatically as the district embarked on a restructuring program as a result of the economic downturn with a vision in mind that as the real estate market in Florida continued to improve that certain bonds would ultimately have the opportunity to be refinanced that would provide for construction proceeds to continue to complete the district's capital improvement program, specifically some of the recreational facilities. You may recall that you commenced that vision last year following the refinancing of two of the 2012 series of bonds, the result was a slight reduction in annual debt service to all the residents subject to those assessments as well as generation of pretty significant amount of construction proceeds to build additional recreational amenities for the district. As a result of the success of the community this vision is now being accelerated and you are able to continue to embark on this refinancing program, which would provide for refinancing of four series of bonds that are currently outstanding. There are additional series of bonds that will remain outstanding and hopefully over time you will to proceed with this vision and program of refinancing. The result being the generation of construction proceeds, reduction in debt service, no extension of the maturity of any of the bonds. We are not asking

folks to pay longer than they would have otherwise and with the need not to issue brand new series of bonds to continue with the district's capital improvement program.

The 2018 refinancing kicked off the refinance process resulting in \$5.9 million in construction proceeds generated and approximately 4% across the board reduction in annual debt service. That series of bonds that we are looking to refund today are the 2006 series bonds, the initial series of bonds issued by the Tolomato district, the 2007A-1s, the 2007-1s and the 2012A-3 bonds. All of those series of bonds can be refinanced at this point for an economic benefit, the remaining series of bonds still have not achieved their first optional call date, which would provide the ability to refinance them nor have they achieved what we consider to be credit maturity, which would allow us to refinance them by being rated or credit enhanced basis.

The proposed refundings provided for here would be for reduction in debt service, additional construction proceeds for recreational facilities and no extension of the maturity beyond the existing maturity date.

We have taken a hard look at creating a structure that would create the greatest economic benefit for the district. We broke it out into three series of bonds, the first would be refinancing the 2006 bonds and we have already obtained a rating assessment from Standard & Poor's, we will structure those bonds in a similar manner as we did the 2018 bonds in order to achieve the rating we obtained. We also obtained a credit enhancement commitment in the form of bond insurance. The second series would be a combination of a portion of the 2012A-3 bonds, which we achieved credit maturity by virtue of all those parcels having vertical construction thereon and the 2007A-1s as well as the 2007-1s will be combined and by virtue of combining them all together we were able to get an investment grade rating in an even higher category than we were on the 2006 series. Finally the last piece of the 2012A-3, which represents about 50% of the outstanding par amount of that series of bonds while there has been some horizontal development in that area as well as vertical development it has not yet achieved sufficient credit maturity in order to get a rating or any type of credit enhancement but as a result of the very low interest rate environment and the success of the community to date we are actually able to refinance those on a non-rated basis.

The 2006 series bonds, 74% of the assessments securing the bonds are levied on vertical properties and the remaining are levied on parcels that have achieved horizontal development but don't yet have a vertical structure. We will continue to monitor that and make adjustments to those percentages. When a structure leaves bonds in a senior and subordinate bonds, which will provide

the ability to get a rating and insurance on a portion of the deal, the remainder of the deal will be non-rated and we end up blending the rates together, which achieves the best economic result in terms of construction proceeds.

The estimated results of the refinancing of that series of bonds under the assumption the district would be reducing annual debt service in a similar manner to what was done with the 2018 series would be annual reduction of somewhere between \$28 to \$100 per year for each of the landowners within those communities and construction proceeds generation of about \$5.5 million. Today those bonds have an interest rate of 5.4% and we are estimating we could achieve today based on current market conditions about 3.40% so almost a 200 basis point reduction in interest costs.

As it relates to the three series of bonds that we are going to combine we have taken the vertical components of the 2012A-3 as well as the two series of 2007 bonds, which are all vertical at this point and combine those and that allows us to achieve a better result from an investment grade rating standpoint and we have achieved a rating and a commitment for credit enhancement in the form of the issuance of.

In terms of estimating results realizing reduction of about 4% per year would be about \$48 to \$72 depending on the neighborhood and construction proceeds generation of about \$4.3 million. We are going from an estimated 6.40% down to 3.22% versus the estimated 3.41% on the prior slide and that is where you see the 20 basis point differential between BBB+ and an A- and the differential of credit enhancement costs.

The final series of bonds would be the 2012A-3 series, which would be the component of that series of bonds that has not yet achieved credit maturity, estimated interest reduction to about 4.82% using a 4% annual reduction on \$48 to \$72 per year in reduction in debt service and that generates about \$1.665 million in construction proceeds.

The estimated results on the proposed refundings, a 4% reduction in annual debt service, which would be \$28 to \$100 per unit and aggregate construction proceed generation of about \$11.5 million. We would not be seeking to extend the maturity and the reduction in debt service would kick in beginning with the tax bill in November this coming year.

The second to the last and third last bullet point we have given a couple rules of thumb over the course of this process that we will end up discussing as interest rates fluctuate that each reduction in one basis point given the size of these transactions, each reduction in basis point in

interest rate will generate approximately \$90,000 in additional construction proceeds, a 10 basis point swing could be rather dramatic one way or another in reduction or increase. Each 1% increase in annual debt service savings results in about \$1 million reduction in construction proceeds. Your fluctuation of the two levers of offering more reduction versus less reduction each 1% is about \$1 million.

We have given you a lot of information and will take any questions.

Mr. Ray stated you did a great job and I watched the last four months how you sliced and diced this and packaged it to be able to get the ratings and insurance is very consistent with what you have done for the last 15 years. Thank you, we really do appreciate that. When we did the bond restructuring in 2012 we all had hopes we would be here today, that we would have the success that the community has had and there have probably been 6,000 homes sold since then. Having that many homes in the community starts to enhance the credit and to have the interest rates where they are today to be able to sit here in 2019 this is nice to know we can be here today given where we hoped to be in 2012. You did a great job on this. We did our first refinancing in 2018, this \$90 million leads to the future opportunity that is mostly Town Center and then we will have the opportunity in the southern villages.

Mr. Fitzgerald asked is the debt service savings subject to negotiation or why would that fluctuate?

Mr. Sealy stated the whole economics is driven by interest rates but in terms of what portion ends up being a reduction versus what is construction proceeds generation we simply used what was approved as it relates to the two prior refinancings for the base case for this.

Mr. Ray stated the thought there is to make sure that as we go through a series of refinancings over the years everybody is treated the same so one neighbor will be treated similar to the neighborhood that was done two years earlier. Can you explain the range between \$48 and \$72 what determines where you are in that spectrum?

Mr. Sealy stated each different product type had a different benefit allocation at the outset according to the methodology that was prepared. Therefore, a 50-foot lot may have \$1,300 a year a 60-foot lot may have \$1,800 a year. By uniformly applying that 4% for consistency purposes that is what is going to generate a range because the annual debt service assessments are all a range based upon the various product types.

Ms. Buchanan stated I think we are going to apply a uniform adjustment to the methodology that was initially imposed.

Mr. Sealy stated it would make sense to talk about timing and the next steps. A lot of the heavy lifting here is complete, obtaining the ratings and credit enhancement is key to these transactions generating these types of results. With that process behind us there are still some statutory processes that have to be completed and specifically that is the assessment process. While we are lowering everyone's annual assessment and we will maintain those assessments through the life of the bonds, the principal amounts are increasing as a result of a lower interest rate and taking savings for construction proceeds. That requires the district to undertake the public hearing process. Very similar to what we said at the outset they are going to mail notices to each landowner, they will be notified the district is undertaking a refinancing, their annual assessments are projected to go down, the principal assessments will go up and what they pay over the life will be lower than what they would have had we not gone through this process.

Ms. Buchanan stated they will have a chance to prepay.

Mr. Sealy stated that process has notification requirements and what we would be asking for today if you are so inclined would be to in order to try to take advantage of the current low interest rate environment to give some consideration to the continuation of this board meeting for a couple weeks. We have some documentation that needs to be completed in order to send what will end up being several thousand letters.

Mr. Ray stated these letters only go to the people affected by this. The people who got letters last year will not get a letter this year.

Mr. Sealy stated we think we need two weeks in order to get that stuff prepped and we would ask the board to continue the meeting and that will put us at day one and the board would kick off the assessment process at that continued meeting and then we would satisfy the 30 day notice period and handle the required publications and then at the June meeting we would hold the public hearing and we will bring what is called a delegation resolution which at that time you would authorize my firm to market and price the bonds pursuant to some parameters and that will be discussed in detail at that meeting. Then we need about two or three weeks after we get that authorization to market, price and close the bonds. Theoretically it would be a late July closing with the assumption we use the June meeting to hold the equalization hearing.

Mr. Ray asked the day one here is the continued meeting. What needs to happen between now and the continued meeting?

Ms. Buchanan stated we need to draft the notices and the biggest part of the notice is identifying all the property owners, putting together the mailing list.

Mr. Ray stated immediately after the continued meeting the notices go out.

Ms. Buchanan stated right and we have to get the methodology prepared.

Mr. Ray stated the notices go out after that board meeting. There is 10 days between kicking off the assessment process and mailing the notices.

Ms. Buchanan stated we can shorten it.

Mr. Sealy stated you will set the public hearing at the continued meeting.

Ms. Buchanan stated at the continued meeting we will see if we are ready to mail and if we are ready to mail in the next day or two then we would be able to say 35 days from now we will have the hearing rather than the June meeting. Do you want to pick a day for the continued meeting? If May 8<sup>th</sup> works for everyone I will be in town that day.

#### **SIXTH ORDER OF BUSINESS**

#### **Acceptance of Fiscal Year 2018 Final Audit Report**

Mr. deNagy stated the next item is acceptance of the fiscal year 2018 audit report. In the letter from the independent auditor in the front of the report is the opinion of the auditor is favorable. This was a good audit. On page 32 is the report on internal controls and the auditor notes that there were no deficiencies in internal controls and on page 35 is the letter to the board regarding any findings and there was a carryover finding from 2018-01 the reserve requirement that has been in the audit since 2015. By restructuring the bonds that audit comment should go away next year. Other than that it is a good audit.

On MOTION by Mr. Fitzgerald seconded by Mr. Ray with all in favor the fiscal year 2018 audit was accepted.

#### **SEVENTH ORDER OF BUSINESS**

#### **Consideration of Deed Transfer to Tolomato CDD School Bridge and Boardwalk**

Mr. deNagy stated the next five items relate to deed transfer for different items. These will all be subject to being in substantial form.

Ms. Buchanan stated I have gone through these with developer's counsel and requested a couple of global changes, the first is they are going to be special warranty deeds as opposed to deeds of dedication. The second would be the architectural control paragraph would have a limitation of 30 years so that would expire; meaning once we are all gone there will be an end date and even though we won't be around to remember what happened someone else will be able to. Many of these properties are going to come to us and the developer will likely be constructing the work for now because we don't have bond proceeds so they are going to move forward with that. They are going to expand no. 4 to elaborate on the easement rights to provide for the inclusion of construction of the district's projects. All the deed dedications are the same form. There are technical and legal changes that I'm requesting and they will be incorporated. I think it would be helpful to have them explain which part of the project this is so we can all have a little bit of context of what you are actually approving.

Mr. Rudolph pointed out on a map the locations of the various deeds and stated that is the connection to the school, the bridge is complete.

Mr. Ray stated the school bridge I'm confident was never deeded over that goes over from 20 Mile to the school. The map in the package also shows the golf cart bridge at the beginning of the settlement and Colony. Wasn't that one already done? The correct map is in the attachment but also is Tract H. We may have to check but I'm confident that the golf cart path crossing was done already. We are going to have to find out why this is in here.

Mr. Rudolph stated that Tract H is the golf cart bridge and we will follow-up and make sure we didn't already approve that one.

#### **EIGHTH ORDER OF BUSINESS**

#### **Consideration of Deed Transfer to Tolomato CDD North South Collector Road**

Mr. Rudolph stated the next deed is the North South Collector Road and comes off of Conservation Trail.

Ms. Buchanan stated we are going to own it and the developer is currently constructing improvements on it.

Mr. Rudolph responded yes.

#### **NINTH ORDER OF BUSINESS**

#### **Consideration of Deed Transfer to Tolomato CDD Crosswater Park**



Mr. Rudolph pointed out the location on the map and stated the next one is the Crosswater Park and we are doing some work in that area also right now.

**TENTH ORDER OF BUSINESS**

**Consideration of Deed Transfer to Tolomato  
CDD Town Center Road West**

Mr. Rudolph stated the next one is Town Center Road West and pointed out the location on the map.

**ELEVENTH ORDER OF BUSINESS**

**Consideration of Deed Transfer from  
Tolomato CDD to SONOC Company, LLC-7  
Acre Pond on Conservation Trail**

Mr. Rudolph pointed out the location of the stormwater pond on Conservation Trail and stated the CDD is transferring that back to SONOC.

Mr. Fitzgerald asked why do we need to do that?

Ms. Buchanan stated basically the developer gave us too much land. We would request this be approved in substantial form to make sure we get these updated.

On MOTION by Mr. Ray seconded by Ms. Cavanaugh with all in favor the above referenced deed transfers were approved in substantial form.
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**TWELFTH ORDER OF BUSINESS**

**Consideration of Acquisition Agreement –  
Crosswater Park Construction by SONOC  
Company, LLC**

Ms. Buchanan stated they are ready to move forward with this amenity park but the district no longer has funds to move forward with it. This agreement will serve as an IOU saying that should the developer provide the funds to create work product or improvements, when we do have bond proceeds designated for this project we will reimburse the developer for that project. It is very similar in form to the previous version we had, there are safeguards in there that require engineer's certifications and specific conveyances to make sure we have all the ownership interests we need as well as quality improvement products.

On MOTION by Mr. Ray seconded by Ms. Cavanaugh with all in favor the acquisition agreement with SONOC Company, LLC for Crosswater Park construction was approved.
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**THIRTEENTH ORDER OF BUSINESS      Staff Reports**

**A.    Attorney**

There being none, the next item followed.

**B.    Engineer**

**1.    Construction Updates**

**2.    Consideration of Change Orders**

The next item taken out of order.

**5.    Authorization to Solicit Bids for Crosswater Parkway Traffic Signal**

Mr. Wild stated if you will recall at last month's meeting staff was authorized to put together an RFP package for the traffic signal and we have done that. We need to get the evaluation criteria approved by the board and also have the board authorize us to put out the RFP. This evaluation criteria is consistent with the criteria we used on every other project in this district with the different categories and different scoring criteria.

On MOTION by Mr. Ray seconded by Ms. Cavanaugh with all in favor the evaluation criteria was approved and staff was authorized to solicit bids for the Crosswater Parkway traffic signal.

**3.    Consideration of Work Authorizations**

Mr. Wild stated behind tab 3 is a work authorization associated with the traffic signal for the bid evaluation and construction engineering and inspection so that we can certify it is complete and constructed in accordance with our plans. It is an hourly fee with a budget of \$15,000. This is amendment no. 4 to the original work authorization.

On MOTION by Mr. Ray seconded by Mr. Fitzgerald with all in favor amendment 4 to work authorization no. 116 was approved.

Mr. Wild stated next is amendment no. 1 to work authorization 119 is for the possibility of a traffic signal on Crosswater Parkway where the Shell Station is currently. We were originally evaluating taking that median and putting a directional opening but based on conversations with St. Johns County some traffic counts were done and it appears that a traffic signal might be required at that location. This amendment approves not only completing a warrant for the signal but also evaluating potential traffic backup, because it is warranted doesn't mean it is the right thing to do. We will get additional traffic counts, model the traffic for the signal at that location and see what is north and south of it and make sure they can all be synced up so we are not creating a huge traffic issue in the future.

On MOTION by Mr. Ray seconded by Ms. Cavanaugh with all in favor amendment 1 to work authorization 119 was approved with an hourly fee with a budget estimate of \$17,500.

#### **4. Requisition Summary**

On MOTION by Mr. Ray seconded by Ms. Cavanaugh with all in favor requisition no. 2 from the 2018 expansion bond account in the amount of \$9,258.69, requisition 94 from the 2018 CN bond account in the amount of \$32,393.00, 2993 – 2998 from the 2006 CN bond account in the total amount of \$67,358.78 and requisition 2997 from the 2012 general construction account in the amount of \$4,743.16 and from the impact fee account requisitions 690 to 694 in the amount of \$38,300.00 for a total of \$1532,053.63 were approved.

On MOTION by Ms. Cavanaugh seconded by Mr. Fitzgerald with all in favor requisition no. 41 from the spray park account in the amount of \$65,850.00 was approved.

On MOTION by Mr. Ray seconded by Mr. Fitzgerald with all in favor requisitions 1, 2, and 3 to be paid from the general fund in the total amount of \$596,450.79 was approved.

Mr. David Ray stated of the four construction accounts, three of them are zeroed out with these requisitions. The series 2006 account will still have a little over \$9,000 and that would be

the extent of that. The spray park account is dollars that were forwarded from SONOC Company to the spray park account and after this requisition there is a little over \$6,000 left in that account.

**C. Manager**

4:07 PMhere being none, the next item followed.

**D. Community Manager**

**1. Consideration of Tolomato Becoming a Polling Place**

Mr. David Ray stated last month we briefly discussed having this room as a polling place for three election dates in 2020 and this would be a polling place for residents. Now 60% to 75% of voters will be able to vote by mail or early voting. The March 17<sup>th</sup> date they expect between 500 – 700 voters and in 2020 that falls during spring break. August 25<sup>th</sup> school is in. Our historical attendance ranges from 30 to 224 then November 3<sup>rd</sup> we don't expect any conflict with school. The board asked me to come back with maps and the front of the map shows what we would look to do and that is close off Preservation Trail Entrance and we are only dealing with one entry point off Crosswater. That Tuesday we would have the spray park open and splash park closed. Normally on a Tuesday it is the opposite but we will flip them for the election date. Voters would turn right into this splash park parking lot rather than to continue straight therefore, there would not be a conflict between residents and voters.

Ms. Cavanaugh asked what is the required distance between the signs and the polling place?

Mr. David Ray responded 100 feet, although there is legislation going through now that will make it 150 feet. In meeting with the supervisor of elections we agreed that signage would be allowed after the turn into the welcome center. Immediately after that on the southern part of the road and then leading into that parking lot signage would be allowed. We believe that the people coming from the welcome center would turn before that, the people going to the spray park would continue straight.

Ms. Cavanaugh stated I propose to change the entrance to the Preservation Trail Entrance so you don't have those traffic jams with people coming to the welcome center.

Mr. Ray stated when we had this discussion last time we didn't resolve it. I'm still questioning why.

Mr. David Ray stated I'm okay with any decision the board makes. We have had five or six meetings where we sat down and brainstormed any place around Nocatee and they have knocked on every door from conference rooms to churches and schools. They have tried everywhere.

Mr. Ray asked what is the voting district that would be voting here?

Mr. David Ray responded only Nocatee residents would vote at this polling place but only a portion of Nocatee would vote in this polling place.

Mr. Ray stated that helps, now I feel like it is a service to the residents. I feel better about it now.

Mr. Fitzgerald stated I'm willing to try it once and see how it goes and if it doesn't work we will know.

Ms. Cavanaugh stated I still feel that the traffic should come off of Preservation Trail.

Mr. David Ray stated we want to have voting traffic come off of Preservation and spray and splash park comes out of the other entrance.

Ms. Cavanaugh stated then welcome center traffic isn't jammed.

Mr. David Ray stated one of the benefits of that is the supervisor of elections has stated whatever your board decides she will put it to the rules and hand them to the candidates and their workers. When them coming in Preservation that makes a longer area, a bigger area, for them to have signs and waive at people and they are not bothering anybody other than that.

Mr. Ray asked could we move the signage area closer to Preservation? Once you start getting to the park can you stop there?

Mr. David Ray stated there will be no one else in here other than the voters.

Mr. Hovis stated staff has been conversing and if you have Preservation Trail as your entrance then you have to go down to Tidewater make a U-turn and come back in and everybody south would have to go all around through the roundabout.

Mr. Ray stated the other thing that might happen there is people are going to be going to that spot to turn in and then get redirected. You are right, there is no median cut up here. I'm okay either way. I want to keep the signage in an area that is defined and I am assuming they are going to put it in and clean it up.

Mr. David stated yes and this is a one year agreement for three dates and we will see how it goes. Also Katie would add some clarifications and amendments s you usually do?

Ms. Buchanan stated yes, and there are things that the supervisor of elections has previously agreed to so we will just be added as an additional insured, we won't be responsible for damages to election supplies or voting equipment and require that they remove it within one day after the election. We agree that we can continue to have access to the facilities because the actual agreement requires that we can't come in and that just won't work for us. It contemplates a restriction to the area. They are going to indemnify and hold harmless for any damage that occurs while they are using the area.

Mr. Ray stated I'm indifferent on location so if you think coming in from the east to the west is best I'm okay, it was just the signage.

Mr. David Ray stated we will make it subject to approval by the chairman on the specific plan.

Mr. Ray stated right now you just need to let them know we are going to go forward with it, correct.

Mr. David Ray stated correct.

On MOTION by Mr. Ray seconded by Mr. Fitzgerald with all in favor the agreement with the supervisor of elections for Tolomato to become a polling place was approved subject to the amendments to be made by district counsel and approval by the chair of the specific plan.
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Mr. David Ray stated it has been a couple of months since the construction of the expansion of the field. There has been a lot of talk about concerts and other things to use the field for and I have been getting numerous calls from residents and people from the outside about uses and looking at the pros and cons of putting on concerts by ourselves, and it got a little overwhelming so I recruited some help and a couple weeks ago Bill Fitzgerald, Lee and I had a meeting with a group here in Nocatee that expressed interest. It is a group that puts on Jacksonville Beach Oktoberfest and other events.

Mr. Fitzgerald stated David was kind enough to let me meet with the two principals that do this, they are partners in a law firm that is right up the road. I was impressed with them as individuals, I think they have the experience, they have been doing Oktoberfest for five years. They do this as a non-profit on the side, not technically their law firm but they promote their law firm through the events. It is a two-day event in Jax Beach, concerts, four beer locations and they

give you a ticket and you go to each location and get a beer. There would be a feature performer on Saturday night, local bands the rest of the weekend. They were talking about having a Ferris wheel in the aquatic center parking lot, a kids area and they are one of the sponsors of our Easter egg hunt. They are taking all the financial risk, putting up all the money and if they lose money it is out of their pocket if they make money we split it with them 50/50. It might be well worth it.

Mr. David Ray stated there would be a charge for residents of \$20 for a weekend pass that includes the entire weekend. There are concerts throughout Saturday and Sunday with one major concert on Saturday evening. One attractive thing is no time for us, no expertise needed from us, no risk for us, no financial outlay from us yet we would share in profits. The way we are looking at that now is they are estimating their expenses somewhere between \$80,000 to \$110,000 and any revenue over X gets split 50/50.

Mr. Fitzgerald stated they also talked about taking some of profit and putting it in a reserve account and using it to be able to pay for larger feature bands in the future so we can get better groups as we go forward.

Mr. Ray asked are you ready to go with this?

Mr. Fitzgerald responded yes.

Mr. Ray asked is there anything that we need to think about?

Ms. Buchanan stated I'm sure they have an agreement that they would want us to sign so we need to go through that and then David will probably need to check with our insurer to see what type of coverage if any may be necessary.

Mr. Ray asked are we looking at October?

Mr. Fitzgerald stated yes.

Ms. Cavanaugh asked would that be in lieu of what we already do?

Mr. David Ray stated I think we would still have our free resident event.

Ms. Buchanan asked what do you want to work towards bringing back? The agreement, budget and sort of an executive summary?

Mr. Fitzgerald stated that would be great.

#### **FOURTEENTH ORDER OF BUSINESS      Financial Reports**

##### **A. Balance Sheet as of March 31, 2019 and Statement of Revenues and Expenditures for the Period Ended March 31, 2019**

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

**B. Construction Schedule – March 31, 2019**

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. Ray seconded by Ms. Cavanaugh with all in favor the check register approved.

**FIFTEENTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**SIXTEENTH ORDER OF BUSINESS**

**Supervisor's Requests and Audience Comments**

There being none, the next item followed.

**SEVENTEENTH ORDER OF BUSINESS**

**Next Schedule Regular Meeting – May 28, 2019 at 3:00 p.m. at the Nocatee Amenity Center**

Mr. deNagy stated I will need a motion to continue the meeting to May 8, 2019 at 3:00 p.m. in the same location and that will start the assessment process for the bond refunding.

On MOTION by Mr. Ray seconded by Mr. Fitzgerald with all in favor the meeting was continued to May 8, 2019 at 3:00 p.m. in the same location.

  
\_\_\_\_\_  
Secretary/Assistant Secretary

  
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Chairman/Vice Chairman