

Minutes of Meeting
Armstrong Community Development District

The regular meeting of the Board of Supervisors of the Armstrong Community Development District was held Wednesday, December 6, 2017 at 3:30 p.m. at the Eagle Landing Sales Center, 3973 Eagle Landing Parkway, Orange Park, Florida.

Present and constituting a quorum were:

Roger Arrowsmith	Chairman
Marilyn Ayers	Vice Chairperson
Mike Taylor	Supervisor
Grady Miars	Supervisor (by telephone)

Also present were:

James Perry	District Manger
Katie Buchanan	District Counsel (by telephone)
Keith Hadden	District Engineer
Dean Vincent	Armstrong Ventures
Greg Kern	Greenpointe

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 3:30 p.m.

SECOND ORDER OF BUSINESS

Public Comment

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the October 4, 2017 Meeting

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor the minutes of the October 4, 2017 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Ratification of CEI Agreement with ETM for Tynes Boulevard Extension Phase 1B & 2

Ms. Buchanan stated the board has seen this previously and it is substantially similar to the version that was executed for Phase 1A as well.

Ms. Ayers stated this one isn't dated and I think my copy has a date on it because I hand delivered it and I believe it was the 29th.

Mr. Perry stated we will make sure that it is dated the 29th on the copy we have.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor the CEI agreement with ETM for Tynes Boulevard Extension Phase 1B & 2 was ratified.

FIFTH ORDER OF BUSINESS

Ratification of Developer Agreement with CCUA (Tynes Boulevard Extension Phase 1A)

Ms. Buchanan stated this is a form agreement that CCUA prepares so we had very few changes and the one thing I will add is we didn't include indemnification language as it applies to this property.

Mr. Vincent stated there are a few other things that are non-standard from this, one is there are no prepayment fees, no inspection fees and no fees paid period, it is simply to reimburse the differential costs between the ----- and the ----- and it is done not when everything is done but as work is performed. Secondly, given the nature of who the contractor is, Vallencourt, the fact that Mike Vallencourt, Sr. is chair of the board of CCUA, Katie was able to work with the CCUA attorney to have language in there to deal with the two year warranty bond where basically since the district can't provide one, Vallencourt's bonding company has provided it directly and basically, Vallencourt will provide the district the standard letter that CCUA requires as it relates to standing behind the defects. They will provide and then we will do a subsequent letter. That was all pretty non-standard.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor the developer agreement with the Clay County Utility Authority for Tynes Boulevard Extension Phase 1A was ratified.

SIXTH ORDER OF BUSINESS

Consideration of Advance Funding Agreement for Tynes Boulevard Extension

Mr. Vincent stated the county has \$4 million of the \$7 million that they already have funded towards Tynes Boulevard. They were not successful to get them to advance the remaining \$3 million earlier because it was to everyone's benefit to have this road completed.

Armstrong Venture during the course of next summer is going to advance fund \$1.2 million to the district to allow 1B and 2 to go forward because the goal is to have the road completed by the end of next year. Essentially Armstrong Venture would be furnishing when it is time to pay the bills and everything to send funds directly to GMS and the account will be paid from that, there would be no reimbursement from the county until October 1, 2018 when the remaining \$3 million comes available. At that point not all the \$1.2 million as we see it right now will be refunded back because we see that costs even with the \$7 million with what CCUA is reimbursing there could be \$300,000 to \$400,000 so there would be a partial reimbursement but not to exceed \$1.2 million.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor the advance funding agreement with Armstrong Venture, LLC for Tynes Boulevard Extension was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Hold Harmless Agreement for Costs Incurred in Connection with Tynes Boulevard Extension

Ms. Buchanan stated along the same lines and relating subject matter, essentially the developer agrees if the district incurs reimbursable costs that are in excess of \$7 million and that amount is not reimbursed by the county then the developer will provide those funds to the district. Although it is contemplated that it relates to the letter of credit and secondly if there is a claim that has to be made in connection with their guarantee they agreed to release it and hold the district harmless for that amount as well. This relates back to the fact that the developer has issued a letter of credit to the county but ultimately this district is the one that is contracting with the contractors for the work. We just wanted to make sure that if there was a problem with receiving funding we would have another source to pay our obligations to the contractor since we don't intend to levy a special assessment within the district for funding.

Mr. Vincent stated this is something that the county suggested that we pursue and Katie and I agreed there was no reason to pursue it as long as contractually the amount of the work for 1A was less than the funding available but since we released the contract for 1B and 2 this needs to be in place. The effective date of the contract for 1B and 2 is 12/7, which is tomorrow.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor the hold harmless agreement with Armstrong Venture, LLC for costs incurred in connection with Tynes Boulevard Extension was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Disclosure of Public Financing and Maintenance of Improvements to Real Property Undertaken

Mr. Perry stated included in your agenda package is the document with regard to the disclosure. It is a standard disclosure arrangement that will be recorded. They do these for all the districts and they are updated periodically.

Ms. Buchanan stated if you will take a look at it and let me know if you have any comments I would like to get those before we actually record it. If I can get a second set of eyes on the legal description that would be helpful. Ultimately, we want to record this so that it shows up on title searches in connection with purchases of the property so that everybody is on notice that district improvements have been assessed.

Mr. Vincent asked who did the legal description?

Ms. Buchanan stated my paralegal but I think she pulled the legal description of the whole district from the notice of establishment but the assessment area is limited to the Phase 1 assessment area. I think it is correct but I would appreciate another set of eyes.

Mr. Perry stated I know Exhibit A is right because that is the whole district.

Ms. Buchanan stated right then Exhibit B would be just Parcel A and B.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor the disclosure of public financing and maintenance of improvements to real property undertaken was approved subject to further review to verify the legal description.

NINTH ORDER OF BU SINESS

Consideration of Resolution 2018-01 Ratifying the Sale of the 2017 Bonds

Mr. Perry stated this is a standard form resolution that ties up the issuance of the bonds.

Ms. Buchanan stated it is to make sure that if there wasn't something detailed in our bond authority documents that the board ratifies any actions that may have been necessary to get the deal done.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor Resolution 2018-01 was approved.

TENTH ORDER OF BUSINESS

Consideration of Proposals for Architecture Services

Mr. Perry stated we provided in the agenda package a proposal from the one vendor who provided a document and that was Basham & Lucas Design Group.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor Basham & Lucas Design Group, Inc. was ranked the top ranked firm and Mr. Taylor was authorized to negotiate the final form of standard architectural agreement.

ELEVENTH ORDER OF BUSINESS

Consideration of Resolution 2018-02 Amending the Fiscal Year 2017 Budget

Mr. Perry stated next is consideration of Resolution 2018-02 amending the fiscal year 2017 budget. This is a cleanup resolution tied to the bonds. When you approved the budget last year we didn't have the bonds issued and this is reflecting the receipt of those funds in regard to the debt service fund for the bond and the interest reserve that was established when we closed.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor Resolution 2018-02 was approved.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being none, the next item followed.

B. District Engineer

Mr. Hadden stated Jr. Davis has submitted their first pay request and I need to submit this for payment. I have already checked it and I can sign off on it. Can we get this approved for payment and not have to wait for the January meeting?

Mr. Perry responded yes, can you tell me the amount?

Mr. Hadden responded \$278,449.66.

Mr. Perry stated we will ask the board to consider approving the invoices from Jr. Davis for \$278,449.66 to be processed on a requisition approved by the engineer and the district manager and/or chair will sign and process the requisition with the trustee.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor the invoices from Jr. Davis in the amount of \$278,449.66 to be processed on a requisition were approved.

C. District Manager

There being none, the next item followed.

D. Tynes Boulevard Project Administrator

Mr. Vincent stated tomorrow we have a preconstruction meeting on 1B and 2. The final completion date for 1B and 2 is 12/6/18 final completion date for 1A as of today is August 3, 2018. I expect the contractor request an extension of time due to the storm. We will also have between now and the meeting next month the CCUA developer agreement but this is not timely enough to where it justifies the board meeting if you didn't have other action. What I would ask is when you get that if the Tynes Boulevard project administrator and district counsel can work with CCUA on that agreement we will bring it to the February meeting.

I would like a little clarification with the seven-day notice issue. I'm not talking about the payment on the stuff on the bonds I'm talking about the stuff on Tynes Boulevard. We advanced the \$600,000 into the account from the county for this very reason knowing that the seven days and when you get invoices in on a project and they might come in seven days in advance of the notice because making payment is a little different from that account than it might be as it relates to the bond issue because the funds are already there. Basically, what you are bringing here to the commissioners is the reimbursement request you are sending to the county. I would rather as long as funds are in that account not hold the payment of the consultants or the contractors up if they happen to not get it to be seven days in advance of the notice of the meeting when we have the funds available for payment. I think it is something we need to talk about because the meeting is the 3rd or 4th of the month and trying to get the invoices in a seven-day period especially when I know we have the money in the account do we have any latitude as it relates to Tynes Boulevard to be able to pay those or do we have to wait if they fail to do so?

Mr. Perry stated I don't think it is any different just because we have the funds there and the relationship. These are public meetings and members of the public can come and we try to make sure that all the items on the agenda if we are going to have action on them we have the documents available. As a matter of course you would always want to have an approval of expenditures and so forth on the agenda and subsequent documents available for any members of the public. I know there are no members of the public coming to this.

Mr. Vincent stated that is why we set up the advance funding in the Interlocal agreement for this very reason. Now we are finding that the seven-day notice is counter intuitive.

Mr. Arrowsmith stated in going out and negotiating and talking to people they appreciate the fact that they get paid in a timely manner and are willing to sometimes take a little bit less in their contracts because of what we have always experienced. Is there any difficulty with doing just what we have done here with what Mr. Hadden had?

Mr. Perry stated typically what we try to do to accommodate things on an as needed basis but it should be more an exception rather than the rule is like what we did with the one with Keith today. We don't want to hold it up five weeks so that should be the exception. With that said and Katie can jump in I'm assuming we could probably structure something that would give the processing of the payments of that during the interim in between the meetings as long as it was signed off by the chair and another designee that we could process those but we need to have some kind of procedure or process in place.

Mr. Vincent stated I understand and I'm trying to get the stuff to Patti as soon as I can but I can't get it to her until I have it.

Mr. Arrowsmith asked if we are not having a January meeting does that invoice not get approved and paid until February? I don't want to have a meeting just to approve the invoice.

Ms. Buchanan stated the prompt payment act for construction servicers is 25 days after the date on which the payment request or invoice is stamped. It sounds to me like our issue is more that our payment schedule isn't lining up with our meeting schedule. Is that what I'm hearing?

Mr. Vincent stated most of my guys deliver by the 25th of the month. It was received the 22nd but was routed to me instead of the district engineer and we had a meeting with the contractor yesterday and I realized it didn't get to your hands. When you have it the first week of every month especially when the Wednesday hits close to the first of the month that is the real

problem. Saying it is going to be the 25th and getting it by the 25th is not exactly what happens. I gave Jim prior to the meeting two invoices that had come to me in the last couple of days so we don't have a January meeting and we didn't meet the seven days for this meeting they won't get paid until February.

Mr. Perry stated we did modify this funding request after the agendas were done. We are trying to make it work but it sounds like it is a schedule issue maybe the meeting date should be changed by a week later.

Mr. Vincent stated actually I don't want to do that.

Mr. Perry stated let me look at it again.

**THIRTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience
Comments**

Mr. Taylor stated the developer of Greenpointe had submitted some accounting regarding some prepaid expenses to be reimbursed by the district now that we have closed on the bond and I would like the ability to reconcile that post the meeting today so that we can get that reimbursement into the developer's account and I need direction on how to do that.

Mr. Hadden stated Katie, Mike asked me about that before the meeting and I told him I had started working on that and dropped the ball. I know you and I had talked several weeks ago about there is some stuff that we can say that is public related versus lot related and that kind of thing and I will try to go back through and look at those a little quicker and get them wrapped up.

Ms. Buchanan stated I think Mike has the same ultimate problem that Dean did in that he can go through and prepare the requisition but ultimately the board can't authorize Keith to submit that requisition prior to having it approved without knowing the amount. What I think and I'm looking back at the initial email the initial review that I did, it looks like it is give or take \$100,000 based on my review we can approve a requisition in an amount not to exceed that with the understanding that if there is anything more than that it could be that we do a second requisition but he would get the bulk of it now or we could approve an amount like \$115,000. Otherwise I think we wait.

Mr. Taylor stated we did not have a meeting last month so this is one of those circumstances.

Ms. Buchanan stated the landowner did provide documentation of expenses incurred prior to the bond issuance that they want to have refunded through bond proceeds. To name the

items that Keith and I agree are eligible are likely Hadden Engineering invoices, Universal Engineering Services, Environmental Services and there may be some other miscellaneous but ultimately what will happen is Keith will go through and certify that these are in fact related to the project, funded and were appropriately expended and Keith will complete the requisition and submit that for reimbursement.

Mr. Arrowsmith stated I don't have any difficulty with them all being project related to what is under the bonds and approved for CDD expenses as long as we would have the ability that should there be anything in there that may not be project related that may be related to Tynes Boulevard or something else that there may be a reckoning if you will at some point down the road but I don't have any difficulty approving anything that is under the guidelines of what should be for the bonds.

Ms. Buchanan asked what would be the next requisition number?

Mr. Perry responded 18-03.

Ms. Buchanan stated the motion would be to authorize requisition 18-03 in an amount not to exceed \$100,000 for those project related expenses as confirmed and certified to by the district engineer.

On MOTION by Mr. Taylor seconded by Mr. Arrowsmith with all in favor the engineer was authorized to prepare requisition 18-03 for reimbursement of project related expenses as confirmed and certified by the district engineer payable to Greenpointe in an amount not to exceed \$100,000.

FOURTEENTH ORDER OF BUSINESS Financial Statements as of October 31, 2017

Mr. Perry stated next is the financial statements as of October 31, 2017 including the balance sheet, general fund, debt service fund, capital projects funds that are still available, long term debt analysis and listing of outstanding funding requests.

FIFTEENTH ORDER OF BUSINESS Consideration of Funding Requests Nos. 15 & 16 (General Fund)

Mr. Perry stated next is consideration of funding request no. 15 in the amount of \$14,680.31 and no. 16 in the amount of \$12,054.75 from the general fund.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor funding requests 15 & 16 from the general fund were approved.

SIXTEENTH ORDER OF BUSINESS Consideration of Funding Requests Nos. 10 & 11 (Construction Fund)

Mr. Perry stated next is consideration of funding requests no. 10 totaling \$20,914.60 and no. 11 in the amount of \$4,712.98 that has been revised to include Vallencourt Construction Co. an addition of \$159,120.36 for a total for no. 11 of \$163,833.34 from the construction fund.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor funding requests 10 & 11 as revised from the construction fund were approved.

SEVENTEENTH ORDER OF BUSINESS Next Scheduled Meeting – January 3, 2018 at 3:30 p.m. at the Eagle Landing Sales Center

Mr. Perry stated our next scheduled meeting is going to be January 3, 2018 at 3:30 p.m. at this location.

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor the meeting adjourned at 4:10 p.m.


Secretary/Assistant Secretary


Chairperson/Vice Chairperson