MINUTES OF MEETING
SAMPSON CREEK
COMMUNITY DEVELOPMENT DISTRICT

A budget workshop meeting of the Board of Supervisors of the Sampson Creek Community Development District was held on Tuesday, February 7, 2023 at 6:00 p.m. at St. Johns Golf & Country Club, Meeting Room, 219 St. Johns Golf Drive, St. Augustine, Florida.

Present and constituting a quorum were:

Robert Sevestre	Chairman
Laura Webb	Vice Chairperson
Mike Yuro	Supervisor
Graham Leary	Supervisor

Also present were:

Daniel Laughlin	District Manager
Residents	

The following is a summary of the actions taken at the February 7, 2023 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS **Roll Call**

Mr. Laughlin called the budget workshop to order at 6:00 p.m. A quorum was present. No action could be taken at this meeting.

SECOND ORDER OF BUSINESS **Public Comment *(regarding agenda items listed below)***

Mr. Laughlin opened the public comment period. A resident asked if there was $7.9 million in bond debt. Mr. Laughlin replied affirmatively. There being no comments, Mr. Laughlin closed the general audience comments period.

THIRD ORDER OF BUSINESS **Discussion of District Debt**

Mr. Laughlin received the following questions from Mr. Leary:

- *Who manages the District bonds and debt acquisition and had there been any changes?* Mr. Laughlin indicated that the District Manager prepares the Methodology Report, the District Engineer prepares the Engineer's Report, there was an Investment Banker, MBS Capital and a Trustee, US Bank. There were no changes to the bond issuances.
- *Who markets and secures the financing?* Mr. Laughlin stated MBS Capital secured the financing. Ms. Rhonda Mossing was a principal of the firm. Mr. Leary requested further information on MBS.

Mr. Yuro recalled that the purpose of the 2016 bonds was for the Splash Pad and pool modifications and the 2020 bonds were for the road resurfacing, amenity and recreation enhancements, stormwater system repairs, professional fees and cost-of-issuance (COI). Mr. Laughlin stated that the 2016 bonds refunded the 2006 bonds; $6,175,000 was issued and the current outstanding amount was $5,430,000. For the 2020 bonds, $2,520,000 was issued and $2,500,000 was outstanding, for a total amount outstanding of $7,930,000. There were leftover funds because the road resurfacing in the Engineer's Report was quoted at $1.9 million, but it only cost $1.2 million. $657,000 could be used for the sidewalks and redeem the outstanding bonds after the District Engineer certifies the project complete. Mr. Yuro asked if there were savings from the road resurfacing. Mr. Laughlin stated $125,000 was set aside for recreational enhancements, $67,000 was spent and $50,000 was set aside for stormwater repairs and no funds were spent. Ms. Webb suggested saving those funds for the next time that the roads needed to be resurfaced. Mr. Laughlin stated the funds must be spent within three years.

- *How much in fees were paid for the road resurfacing?* Mr. Laughlin stated $304,052 was paid in COI and provided the breakdown. Mr. Yuro questioned why they paid less for COI for the 2020 bonds versus the 2016 bonds. Mr. Laughlin noted it was only $65,000 more for the 2016 bonds.
- *How does this compare with other Districts for comparison purposes?* Mr. Laughlin had Districts that were comparable in size such as the St. Johns Forest CDD, which currently had $3,261,625 outstanding and the Brandy Creek CDD,

which issued $5,500,000 for Phase 1 and currently had $4,545,000 outstanding. For Phase 2, they issued $2,750,000 and currently had $2,535,000 outstanding.

Ms. Webb questioned when the bonds were due. Mr. Laughlin confirmed that they were 30-year bonds. The 2020 bonds would mature in 2050. Ms. Webb asked if it was similar to an interest only loan or if they were paying down the principal. Mr. Laughlin stated it was being paid down and was similar to a mortgage as the first 10 to 15 years of payments were going into the interest. It increased by $10,000 each year. Mr. Yuro noticed that assessments were not changing, but the payments were doubling and tripling and questioned whether the bonds could be paid early since the money sitting in the bank was accumulating. Mr. Laughlin explained that it was not doubling and tripling. The amounts were set in the Methodology Report. Mr. Yuro questioned how additional amounts were calculated. Mr. Laughlin would ask the Assessment Administrator. Residents questioned the assessment to pay off the bonds. Mr. Laughlin stated that all residents paid $113 per year for the 2020 bonds per household. Assessments were collected through the Tax Bill under the non-ad valorem section by the county and the money was transferred to the Trustee. There would be no change in the bonds unless they were refinanced as the annual assessment would remain the same.

- *According to the Balance sheet, there was $541,000 in a US Bank custodian account. What is the purpose of it?* Mr. Laughlin explained that the total collected revenue from the maintenance assessment was $965,000, which was for the General Fund. When that money was collected from the county for operation and maintenance (O&M), it went into the custody account. It does generate interest. Money would be transferred from the custody account into the checking account with Wells Fargo to pay bills.
- *Where does the money we collect to pay back the bonds each year go?* Mr. Laughlin stated that it was with US Bank, which was different than the custody account. There were three main funds on the Balance Sheet; the General Fund (O&M), Debt Service and Reserve.
- *Is the balance of the bond funds $361,235 for Series 2016 that is available for us to spend?* Mr. Laughlin stated it would be for paying the bond back.
- *On the Balance Sheet, why are we not showing the full long-term liability ($8 million of outstanding bonds)?* Mr. Laughlin would ask the accountant, but there

were total assets (mostly cash and all District funds), liabilities (payments) and fund equity (cash available).

The Board requested a basic fact sheet for what bonds were issued. Mr. Yuro stated the Use of Funds for the 2016 bonds only accounted for $1 million for the $6,175,000 that was issued. Mr. Laughlin would obtain the 2006 information from the accountant. Mr. Yuro voiced concern that the Reserve Study was suggesting $122,000 per year contribution and last year the contribution was $83,000, which was lowered to $75,000 for this year. Mr. Laughlin pointed out that the Reserve Study was only a tool, but it could be revised. Mr. Leary requested a proposal. Mr. Yuro asked if they should be contributing an additional $100,000 to the Reserve Fund as there would be $1.5 million in road expenditures in 15 years. Mr. Laughlin stated they could either issue bonds or raise assessments. Mr. Leary felt that they needed a Strategic Plan.

- *What is the $820,000 of R&R?* Mr. Laughlin explained that it was the *Repair & Replacement Fund* for anything that did not fall within the categories such as landscape improvements, lighting and JSC security system. Mr. Leary requested that *R&R* be identified as *Repair & Replacement*.
- *What is the current process for the community to accrue its yearly bond installments?* Mr. Laughlin stated the District collects annual debt assessments on property owners Tax Bill for the payment of annual bond installments principal and payments each year. No accrual was required. Mr. Yuro questioned whether the assessments to homeowners were fixed for the 30-year life of the bond or would it change. Mr. Laughlin stated it was fixed. If they issued new bonds, there would be an additional assessment.

Mr. Yuro questioned why the assessment levy for this year was only $73,000. Mr. Laughlin would look at the Assessment Methodology and provide an answer. Mr. Yuro asked if it was broken out into the three categories. Mr. Laughlin stated the Debt Service assessment was not included. It was per lot size. He had an internal Assessment Roll that he could provide to Mr. Yuro. Residents could pay off their debt portion of the bond at any time, which could be requested from GMS. It was not beneficial unless they planned to live in the house for a long time. Residents could request a one-time paydown.

- *Can the community use the $600,000 in excess funds to pay back the outstanding bonds?* Mr. Laughlin stated that the community can do that, but there were fees from the attorney, engineer and Assessment Consultant. There was also $60,000 remaining in Recreational Enhancements. Ms. Webb asked if money could be given back to homeowners. Mr. Laughlin stated it would lower the debt service payment, but it must go back to the bondholders. Mr. Sevestre pointed out that part of that money could be used for improvements in the community. Mr. Laughlin stated road resurfacing was specified in the Engineer's Report, but the District Engineer was looking at whether those funds could be used for sidewalk repairs as the sidewalks were repaired when the road resurfacing was completed and the Splash Pad. Ms. Webb questioned where the requirement came from that the funds must be used for a specific purpose. Mr. Laughlin explained that there was an agreement between the District and the bondholders. Ms. Webb suggested that the District pave the golf course parking lot and the golf course pay the District back. Mr. Sevestre recalled making multiple deals with the golf course on the parking lot and they refused.

Mr. Yuro requested a list of the additional fees to be paid and their contributions over the past 10 years. Mr. Laughlin expected an increase in the O&M assessment. The Proposed Budget would be presented at the March meeting. Mr. Leary pointed out that the Board learned the following today: 1) There was $8 million in debt, 2) Debt Service assessments were likely to remain stable, 3) Regardless of what the loan was, whether $3 million or $1 million, there would be COI fees of $300,000 or more, 4) The $600,000 excess funds from the 2020 bond could only be spent on roads and sidewalk repairs and 5) If they did not use that money in three years, they must pay it back,

FOURTH ORDER OF BUSINESS Supervisor's Requests

There being none, the next item followed.

FIFTH ORDER OF BUSINESS Public Comments

Mr. Laughlin opened the public comment period. Residents questioned whether Reserve Funds could be used for hurricane repairs and what happened once they paid off the debt. Mr. Laughlin stated that they had insurance and FEMA reimbursement. The CDD would always exist, but it could be dissolved. Having a debt was not a requirement of the CDD, but the CDD was allowed to issue tax-exempt bonds. Resident Mike Davis of 250 Eagle Point Drive asked if there was anything preventing the CDD from issuing additional bonds. Mr. Laughlin stated that the Board could schedule a public hearing, residents could be against it, but the Board could approve it. Most Districts had developers that only cared about building homes and selling them versus this Board, which was made up of residents. If bonds were issued, the Board Members would also be paying the assessments. A Resident questioned how much of the $100,000 in excess funds would be depleted each year. Mr. Laughlin stated excess funds of $91,000 was being transferred into the reserve from last year, which would increase reserves to almost $200,000, but would verify this and provide an updated report. A Resident questioned how much of their assessment would pay bonds. Mr. Laughlin would provide a breakdown. A Resident suggested a one-time assessment for the next fiscal year versus spending $300,000 on fees. There being no further comments, Mr. Laughlin closed the general audience comments period.

Ms. Webb left the meeting.

Mr. Leary listed the following action items: 1) Having sidewalk repairs being paid out of the bond, 2) The fees to pay back the bond, 3) Obtaining a proposal to revise the Reserve Study for future Capital Reserve Fund improvements, 4) Simplified debt information document for the website, 5) Information on MBS, 6) How assessments were calculated, if they were fixed or would change and how much of the assessment would pay the bonds, 7) Change *R&R* to *Repair & Replacement* and 8) Why the Balance Sheet was not showing the full long-term liability.

SIXTH ORDER OF BUSINESS **Next Scheduled Meeting – February 16, 2023 @ 6:00 p.m. @ St. Johns Golf & Country Club Meeting Room**

Mr. Laughlin stated the next meeting was scheduled for February 16, 2023 at 6:00 p.m. at this location.

SEVENTH ORDER OF BUSINESS **Adjournment**

On MOTION by Mr. Leary seconded by Mr. Sevestre with all in favor the meeting was adjourned.

DocuSigned by:
Daniel Laughlin
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Secretary/Assistant Secretary

DocuSigned by:
Robert Sevestre
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Chairman/Vice Chairman