

MINUTES OF MEETING
AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT

A regular meeting of the Board of Supervisors of the Amelia Concourse Community Development District was held Tuesday, May 12, 2016 at 9:37 a.m. at the Amelia Concourse Amenity Center, 85200 Amaryllis Court, Fernandina Beach, Florida 32034.

Present and constituting a quorum were:

James Marvin	Chairman
David Jae	Vice Chairman (by phone)
Scott Campbell	Supervisor
Debbie Malloch	Supervisor

Also present were:

David deNagy	District Manager
Jason Walters	District Counsel (by phone)
Tony Shiver	First Coast CNS

FIRST ORDER OF BUSINESS **Roll Call**
Mr. deNagy called the meeting to order at 9:37 a.m.

SECOND ORDER OF BUSINESS **Audience Comments**
There being none, the next item followed.

THIRD ORDER OF BUSINESS **Acceptance of Audit Committee Recommendation**

On MOTION by Mr. Campbell seconded by Mr. Marvin with all in favor the Audit Committee's Recommendation was accepted.

FOURTH ORDER OF BUSINESS **Consideration of Proposal from Aquatics Systems Inc. for Annual Lake Maintenance Services**

Mr. deNagy stated included in your agenda package is a proposal from Aquatics Systems Inc. for annual lake maintenance. The lake maintenance services are increasing in fiscal year

2017. We are adding two ponds with the phase two work. There is a diagram included in the proposal.

Mr. Campbell asked is this prorated?

Mr. Shiver responded we can go back and ask them to make the changes.

Mr. Marvin stated just make sure we are not paying for them before they are accepted.

On MOTION by Mr. Marvin seconded by Mr. Campbell with all in favor the Proposal from Aquatics Systems Inc. for Annual Lake Maintenance Services was approved, subject to prorated service.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2016-08,
Amending the FY 2016 SPE Budget**

Mr. deNagy stated this is simply moving some line items around to account for expenditures in the special purpose entity budget.

On MOTION by Mr. Marvin seconded by Ms. Malloch with all in favor Resolution 2016-08 Amending the FY 2016 SPE Budget was approved.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2016-09,
Approving the Proposed Budget for Fiscal
Year 2017 and Setting a Public Hearing Date
for Adoption**

Mr. deNagy stated the budget itself includes the general fund. The budget process is a two-step process. Today, the board is looking at approving the budget. I have a summary that I have done of the highlights. We are looking at an increase in the general fund budget. The expenditures are planned to go up \$59,434. You just approved the Aquatics Systems budget. We have budgeted a full 12 months of their new proposal. It was an additional \$3,356 for adding two lakes. On page two of the budget is the amenity center. That budget is going up \$19,779. There are two items that make up the majority of this increase. There is amenity staffing. There has been talk about staffing the amenity center on weekends. Tony had put together a proposal that would involve staffing here for seven months, which would start in March of 2017.

Mr. Shiver stated this would be to have a facility attendant here on Saturday and Sunday for eight hours. We are finding out there are a lot of beer bottles on the pool deck. The other reason we would like to have someone here is to have residents have access to staff.

Mr. Campbell asked does that take into account holidays at all?

Mr. Shiver responded it is simply Saturday and Sundays. If there is a holiday period that the District would want to staff then we would absorb that or work it out with staff to adjust hours in the month, so we can put more hours in the day.

Ms. Malloch asked we had previously supplied that service, right?

Mr. Shiver responded once before last summer when things got out of control.

Ms. Malloch asked and we didn't have it planned for this year?

Mr. Shiver responded no. Now that we have opened the pool up, I have automatically seen that it is going to be a necessity for this community.

Mr. Marvin asked so this is purely administrative and doesn't have anything to do with lifeguarding?

Mr. Shiver responded no. We will have additional signage with contact information. The signage will also include other District policies for the amenity center.

Mr. Marvin asked do you find this consistent with other amenity facilities needing to have someone like this?

Mr. deNagy responded yes. It is necessary. We have about 35 residents CDDs that we represent in North Florida and this is typical.

Mr. Marvin asked so as the community grows, the need becomes greater?

Mr. deNagy responded it does. Staffing accounts for \$7,900 of the \$19,000. We have another \$11,410 in facility maintenance. We have our normal facility maintenance included in there but we have also added some items that we will need. I think there is a pool vacuum for \$2,500. There is pool filters for \$1,500 and pool drains for \$2,500.

Mr. Shiver stated the pool vacuum is equipment that needs to stay onsite to service the swimming pool.

Mr. Marvin asked so we don't have pool vacuums now?

Mr. Shiver responded it is built into the system. It wastes water every time we have to clean filters or vacuum the pool. These systems typically pay for themselves.

Mr. Marvin asked so this is an improved vacuum system?

Mr. Shiver responded it is. This is to replace all of the pool filters. The Virginia Graham Baker Act requires that all pool drains be replaced with a new design. They expire after seven years, so ours will be expiring soon. The health department hasn't nailed us yet but they will.

Mr. Marvin asked what does that involve?

Mr. Shiver responded they will send a diver down to the bottom of the swimming pool and take those drains out and put new drains down.

Mr. Marvin asked so just the grates?

Mr. Shiver responded yes. If there is a problem with the framing then they will have to size the frame for the new drain.

Mr. Marvin asked what is the cost of the new drains?

Mr. Shiver responded I just had one done that had two main drains for \$1,000. We have three swimming pools. The one in the activity pool will be much simpler but there are four drains in those. The cost will probably be under \$2,500.

Mr. Marvin asked so three items make up the \$11,410?

Mr. deNagy responded there is normal facility maintenance in there too. This has just been added to the budget for Fiscal Year 2017. The next item is our reserves. We have a \$28,000 increase for capital outlay next year, as well as additional savings in our capital reserve. We are increasing capital reserves by just under \$7,000. If we start building our capital reserves then we shouldn't need capital outlay as much in the future. For next year for capital outlay, we have \$28,000. That is made up of pool furniture of \$5,000, an awning of \$6,000, painting of \$8,000, and playground equipment of \$6,000 and a new A/C unit of \$3,000.

Mr. Shiver stated in that last couple of CDD meetings, there have been requests from residents to add additional furniture to the swimming pool. This \$5,000 will cover about 15 chaise lounges, a couple of pool deck tables, umbrellas and chairs for those tables. Additional shade was requested, so that is what the awning is for. Painting is for mainly the front entrance but also touching up at this facility and some columns. Previously in the year, I had brought up to the board that most of all of the columns along the perimeter fence needed work and it was suggested that we do this in stages, so this would be the first stage. We were asked by the residents at a previous meeting to see about getting swings. The playground equipment is also just a budget number. We were asked by the residents at a previous CDD meeting to see about getting swings. A reputable company that does that said that is not possible. They offered alternatives. If you want to add additional equipment to the playground for toddlers then the \$6,000 number is what you get for commercial equipment to be installed. This would be for spring rockers and other additional equipment but swings will not work there. We have been throwing money at the air conditioning unit that services that side of the facility with the

bathrooms and the attendant office to keep it running but it keeps failing. This is the original air conditioning unit. It will fail, so I have asked to budget for that.

Mr. Marvin stated maybe we could postpone the awning until the next year, as opposed to doing everything all at once.

Mr. Shiver stated in that \$5,000 pool furniture budget that does include additional umbrellas. I agree we can postpone the awning.

Mr. Marvin stated I guess we could leave it in the budget for now and take it out at the final meeting, if need be.

Mr. deNagy stated if you turn to page one, even though there is only a \$96 increase in administrative cost, I did want to point out a couple of line items. GMS is proposing a 3% increase in management fees. We haven't had an increase in four years, so that would be included in the budget. We did have a reduction in our arbitrage costs. We were able to negotiate a lower cost for the arbitrage reports for the bonds. We reduced our legal advertising costs. We had some hefty legal advertising costs with our bonds but those have been paid out of the general fund but will be reimbursed through the cost of issuance. In our Fiscal Year 2016, we had a new website requirement. We are lowering that fee for maintenance of the website to \$500.

Mr. Marvin asked what about our engineering line item?

Mr. deNagy responded I checked with Dan and he was fine with the \$5,000.

Mr. Marvin asked and attorney fees?

Mr. Walters responded I am comfortable with the current level.

Mr. Campbell asked is your time on the bond issuance being covered by cost of issuance?

Mr. deNagy responded yes that will all be paid out of cost of issuance.

Mr. Marvin asked so why is it so high at \$20,000?

Mr. Walters responded the projected is always a little tricky because there are some accounts outstanding. I project that we will come in, in the teens. With maintenance coming on board with phase two, I expect there will be some additional cost but if you want to lower it a little bit then I would be comfortable with that.

Mr. Marvin asked so this year we are showing projected total for the current budget year at \$8,000 and next year, you are going to need \$20,000?

Mr. Walters responded no. That is a projection based off of the run rate. I am saying there are currently other bills outstanding because they are not always included in every financial. My projection is it will be higher than \$8,000 for this year. With the way the accounting software works, it looks at the first couple of months and runs that through for the entire year.

Mr. Marvin asked so is the \$7,951 no good?

Mr. deNagy responded that is a projected number.

Mr. Walters stated I would be fine with \$17,500 for that number.

Mr. Marvin stated that is fine with me.

Mr. Campbell asked for information technology under admin, is that because of the new State of Florida?

Mr. deNagy responded we have a backup system for all of our Districts and \$1,000 of that is for the backup. The \$500 will be the new website compliance fee. So with the change in legal, the assessment increase would be \$134 on an annual basis. If we approve the budget at that level, there would be a required notice. Those numbers would be sent out to all of the residents. If we need to tweak the budget more, we can.

Mr. Campbell asked so there has not been an assessment increase since when?

Mr. deNagy responded at least four or five years. Pages three through seven are line item narratives of the general fund budget. If you turn to page eight, you will see the debt service fund budget. This is just showing the interest and principal payments on the Series 2007 Bonds. We have a copy of the SPE budget for Fiscal Year 2017 included in your agenda package. There is also an outline of capital reserve projections. We don't have the bond information for the new bonds because we haven't closed on the bonds yet.

On MOTION by Ms. Malloch seconded by Mr. Marvin with all in favor Resolution 2016-09 Approving the Proposed Budget for Fiscal Year 2017 and Setting a Public Hearing for August 11, 2016 at 9:30 a.m. at the Amelia Concourse Amenity Center, 85200 Amaryllis Court, Fernandina Beach, FL 32034 was approved.

SEVENTH ORDER OF BUSINESS

Other Business

Mr. Marvin stated I would like to ask you to contact the CDD Engineer and find out why they are working on these repairs now that the lakes are pumped down.

Mr. deNagy stated I will do that.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There being none, the next item followed.

C. Manager

1. Waterway Inspection Report

Mr. deNagy stated we have received the waterway inspection report. This is something new that I have seen from Aquatics Systems. There is an outline of what they have done. As I receive these, I will include them in the agenda packages.

2. Report on the Number of Registered Voters (221)

Mr. deNagy stated included in your agenda package is a letter from the supervisor of elections informing us there are 221 registered voters residing in the District. We are just under where we need to be for general elections to start, which is 250 qualified electors.

D. Operations Manager - Report

Mr. Shiver stated we finally finished all of the work that needed to be done on the swimming pool pumps. None of this was foreseen but we did lose the main pool pump and the variable speed drive. We have been running the pool pump for the past month without the variable speed drive, which means it has been consuming far more electricity than what it needed to. We did have the variable speed drive installed last week, so now everything is working the way it is supposed to. We had a custom fit pool cover installed. We ordered it months ago and it finally got done. The board should consider reducing or limiting access to this room because of potential vandalism or damage from people coming into the swimming pool. It is typical that facilities like this are only available for reservations.

Mr. Marvin asked could you and Dave work on that and then at the next meeting we could vote on it?

Mr. Shiver responded absolutely.

NINTH ORDER OF BUSINESS

Audience Comments / Supervisor's Requests

A resident asked can you explain lake maintenance?

Mr. Shiver responded there are several different things they do for lake maintenance. One thing they do is stock the fish in the pond to maintain the water quality. Sometimes they spray the banks to control weeds. It all really depends on what is in the aquatics system contract. The one thing that we are adding to the contract is litter and debris removal. That is something that is going to start in October. It was not a part of the contract previously.

Mr. Marvin stated it is typically about keeping the water quality, so that it doesn't get overgrown with algae.

A resident stated we were lead to believe that once the ponds were pumped out that they would not go back up until it rained. Is that correct?

Mr. Marvin responded correct.

A resident asked would anything change now as far as lake maintenance because of the fact that the ponds are lower?

Mr. Shiver responded no because they would still need to treat any water that is still in there because it would become stagnant.

A resident asked is there anyway to know what the chemicals are that they are spraying?

Mr. Shiver responded I don't know but I could try to find out for you.

A resident stated I would like to know about the process that the board took on the decision on draining these ponds. I represent a lot of people who could not be here today and they do not know why this was done. Is it true that you are working with AJ Johns?

Mr. Marvin responded correct.

A resident asked and they are a contractor of the CDD?

Mr. Marvin responded correct.

A resident asked did they tell you this had to be done?

Mr. Marvin responded yes.

A resident asked and you arbitralaly said okay?

Mr. Marvin responded no.

A resident asked did you bring in any other independent organizations to check that out?

Mr. Marvin responded we relied on the expertise of our CDD Civil Engineer. We had lengthy discussions about it at two of these board meetings. We explored other opportunities and based on the engineers knowledge and the direction of the contractor that this was the best way to do it. All that I can do is apologize for the inconvenience and tell you that it shouldn't be very long.

A resident stated I quoted you last time saying it would take two to three months to fill it up. It is going to take a year and a half to fill up.

Mr. Marvin stated I certainly hope not.

A resident stated a lot of us are concerned because you are making decisions and you don't live here. You don't have to deal with this on a daily basis. This was a major decision that you people made.

Mr. Marvin stated decisions are not made lightly. We are very concerned about this property. We are very concerned about the lake draw down. We have had a lot of discussion about it and we were assured by our civil engineer, who is a CDD consultant that it had to be done this way. I'm sorry that you don't care for the approach but we try to make the best decisions we can from meeting to meeting.

A resident stated it is just that this is such a major decision for this community. I think a little more could have been done with respect to bringing in independent consultants, as opposed to AJ Johns, where it is in their best interest to do it this way. I think you could have spent a little bit of money and brought in other people that could have given you other assessments.

Mr. deNagy stated I think the engineer had more than one bidder come in.

Ms. Malloch stated we had three bidders.

A resident asked so they all said that the ponds had to be drained to fix the drainage system?

Mr. deNagy responded yes. I don't think there was an alternative that I am aware of other than to drain the ponds. We always bid out the work, so that we have those different opinions and prices.

A resident stated I am representing other residents here. We are extremely disturbed with what you have done.

A resident stated I own lot 50. Is phase two going to be beyond us? The reason for me asking that is we have a lot of people drive back there and take their four wheelers back there at 2:00 a.m. and 3:00 a.m. in the morning. I notice a lot of people driving back there and throwing out trash. If that isn't going to be phase two is there anyway we could put a barrier at the cul-de-sac?

Ms. Malloch responded that would be phase three.

Mr. Shiver stated I can get a price for a barrier.

Mr. Marvin stated you would have to put a fence up and fence it all off. Get us a price to do that.

Mr. Shiver stated okay.

A resident asked when does the fiscal year commence?

Mr. deNagy responded it runs October 1st through September 30th.

TENTH ORDER OF BUSINESS

Next Scheduled Meeting – August 11, 2016 at 9:30 a.m. at Amelia Concourse Amenity Center

Mr. deNagy stated the next schedule meeting is August 11, 2016 at 9:30 a.m. at this location.

ELEVENTH ORDER OF BUSINESS

Adjournment

ms.

On MOTION by Mr. Malloch seconded by Mr. Campbell with all in favor the Meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman