

**MINUTES OF MEETING
HAMMOCK RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

The Regular meeting of the Board of Supervisors of the Hammock Reserve Community Development District was held Tuesday, **September 15, 2020** at 1:15 p.m. via Zoom Teleconference, pursuant to Executive Order 20-69, issued by Governor DeSantis, as amended and supplemented.

Present and constituting a quorum:

Rennie Heath
Lauren Schwenk
Patrick Marone
Matthew Cassidy

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary

Also present were:

Jill Burns
Michelle Rigoni
Roy Van Wyk
Bob Gang
Ashton Bligh
April Payeur

District Manager, GMS
Hopping Green & Sams
Hopping Green & Sams
Greenberg Traurig
Greenberg Traurig
Developer's Office

FIRST ORDER OF BUSINESS

Roll Call

Ms. Burns called the meeting to order and called the roll. There were four members present via zoom constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Ms. Burns stated that there were no members joining the meeting via Zoom or by the phone line.

THIRD ORDER OF BUSINESS

Approval of Minutes of the August 12, 2020 and August 18, 2020 Board of Supervisors Meeting

Ms. Burns presented the August 12, 2020 and the August 18, 2020 Board of Supervisors meeting minutes and asked for any comments, changes, or corrections. The Board had no changes or corrections to the minutes.

On MOTION by Mr. Marone, seconded by Mr. Cassidy, with all in favor, the Minutes of the August 12, 2020 and August 18, 2020 Board of Supervisors Meeting, was approved.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2020-38
Delegated Award Resolution**

- A. Form of First Supplemental Trust Indenture**
- B. Form of Bond Purchase Contract**
- C. Form of Preliminary Limited Offering Memorandum**
- D. Form of Rule 15c2-12 Certificate**
- E. Form of Continuing Disclosure Agreement**

Ms. Bligh noted that the delegation resolution was contemplated when the Board adopted the bond resolution in December 2019. It contains documents as exhibits to sell one series of bonds, the Assessment Area 1 Bond. The forms of these documents include a First Supplemental Trust Indenture, a Bond Purchase Contract, a Preliminary Limited Offer Memorandum, a Rule 15c2-12 Certificate, and a Continuing Disclosure Agreement. Florida law requires certain findings, which are under Section 4, that a public offering does not need to be done. Due to the complexity of the financing having a negotiated sale, it is in the best interest of the District for the underwriter to assist in obtaining the most attractive financing. The bonds will be issued only to accredited investors and the District will not be adversely affected if the bonds are not sold via competitive sale. Under Section 5 there are certain parameters, which include optional redemption of the bond no later than November 1, 2032. It also has the interest rate on the Assessment Area 1 Bonds that shall not exceed an average net interest cost rate and includes the calculations as such. The aggregate principle amount of the Assessment Area 1 Bond shall not exceed \$7,000,000 and the Assessment Area 1 Bond shall have a maturity not later than the maximum term allowed by Florida law. The price at which the Assessment Area 1 Bond shall be sold to the underwriter shall not be less than 98% of the aggregate base amount of the Assessment Area 1 Bonds. Ms. Bligh asked if there were any questions on the Delegation Resolution.

Mr. Gang noted that there was a date of May 1, 2032 in the version of the bond that was printed in the agenda and he wanted to clarify that the date was updated to November 1, 2032. To

which Ms. Bligh answered yes, SMS had provided to do a standard November 1, 2032 in all delegation resolutions.

On MOTION by Mr. Heath seconded by Mr. Cassidy, with all in favor, Resolution 2020-38 Delegated Award Resolution, was approved.

FIFTH ORDER OF BUSINESS

Appointment of Audit Committee and Chairman

Ms. Burns asked that the Board appoint themselves as the Audit Committee.

On MOTION by Mr. Rhinehart, seconded by Mr. Cassidy, with all in favor, Appointment of the Board of Supervisors as the Audit Committee, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Supplemental Assessment Methodology (Phase 1)

Ms. Burns reviewed the tables in the Assessment Methodology. Table 1, the development program, shows 144 units under contract by builders that are not Meritage and then the Meritage lots are separated out to 87 units. They all have the same ERU. Table 2 outlines the Capital Improvement Plan for Phase 1. Table 3 shows a bond sizing of \$5,330,000. Table 4 shows the improvement cost per product type and they are broken down by the entities that are under contract. Table 5, there is a developer contribution for the 87 Meritage lots which is bringing the par debt per unit down to \$22, 638. The par debt per unit on the rest of the lots under contract are \$23,337. Table 6 shows the net and gross debt assessments per unit. The net assessments for the Meritage lots is \$1,310 annually and the net debt assessment on the all other lots is \$1,350. The difference there is the developer contribution which us lowering the annual assessment amount. Table 7 shows the preliminary assessment role with all the debt allocated by acreage, it is currently owned by JMBI. There is a legal description attached as well as a map that defines those areas under contract. She asked if there were any questions or comments on the Assessment Methodology.

Ms. Rigoni asked if the Supplemental Assessment Methodology was consistent with the Master Report, to which Ms. Burns answer yes. Ms. Rigoni asked if the land subject to the special assessments receive benefits that are equal to or exceeding the assessments that are levied; Ms. Burns Answered yes. Ms. Rigoni asked is Ms. Burns’s opinion, that it is reasonably and fairly allocated per the methodology; Ms. Burns again answers yes.

On MOTION by Mr. Heath, seconded by Ms. Schwenk, with all in favor, the Supplemental Assessment Methodology (Phase I), was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Rigoni noted she had nothing to report.

B. Engineer

There being none, the next item followed.

C. District Manager's Report

i. Approval of Check Register

Ms. Burns stated that the check register included in the agenda is from August 10th though September 7th, the total is \$728.65.

On MOTION by Mr. Heath, seconded by Mr. Marone, with all in favor, the Check Register, was approved.

ii. Balance Sheet & Income Statement

Ms. Burns states that financials are included in the packet for review and there is no action necessary unless there are any questions.

EIGHTH ORDER OF BUSINESS

Other Business

Ms. Schwenk had a question about debt service reserve. She noted that on the newer issuances, the debt service goes back to the construction account and is able to be returned upon all the lots closing to the third party builder. She asked if it is ever assigned to go back to the developer or a particular land owner and not go to the construction account.

Mr. Gang answered for tax reasons, being bond proceeds, if it is not needed as a reserve and it is initially designated as a reserve, it needs to go either to redeem bonds or for some other legitimate purpose, for instance to pay for infrastructure. But it would need to have an audit trail for the IRS. To just say it would be paid out of the CAP-I account to developer "x", would not be sufficient. This way it goes to an acquisition account and a requisition is available and there is a

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record of what it was spent on. It is needed for protection in the event of tracing all the money for good costs, in the event of an audit.

NINTH ORDER OF BUSINESS

Supervisors Requests and Audience comments

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Adjournment

Ms. Burns adjourned the meeting.

On MOTION by Ms. Schwenk, seconded by Mr. Marone, with all in favor, the meeting was adjourned..


Secretary/Assistant Secretary


Chairman/Vice Chairman