

Minutes of Meeting
Armstrong Community Development District

The regular meeting of the Board of Supervisors of the Armstrong Community Development District was held Wednesday, August 8, 2018 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
Liam O'Reilly	Greenpointe

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Affidavit of Publication

An affidavit of publication of the public hearing was included in the agenda package.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the May 2, 2018 Meeting

Mr. Perry stated next is approval of the minutes of the May 2, 2018 meeting. Are there any corrections to the minutes?

Mr. Taylor made an amendment to page 6.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor the minutes of the May 2, 2018 meeting were approved as amended.

FIFTH ORDER OF BUSINESS

**Ratification of Audit Engagement Letter with
Grau & Associates for Fiscal Year 2017**

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor the engagement letter with Grau & Associates to perform the fiscal year 2017 audit was ratified.

SIXTH ORDER OF BUSINESS

**Consideration of Audit Engagement Letter
with Grau & Associates for Fiscal Year 2018**

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor the engagement letter with Grau & Associates to perform the fiscal year 2018 audit was approved.

SEVENTH ORDER OF BUSINESS

Acceptance of Audit for Fiscal Year 2017

Mr. Perry stated this audit was finished between meetings and it has been filed with the State of Florida. There were not a lot of transactions for fiscal year ended 2017, however, on page 1 there is a clean opinion, which is what you want to see in any audit. On page 23 is an opinion in regard to internal controls in which they found no issues and on page 27 in regard to the rules of the auditor general there are specific things that have to be complied with and they found no issues with any of that. It is a clean report and has been filed with the State of Florida and filed with the county.

On MOTION by Mr. Taylor seconded by Mr. Arrowsmith with all in favor the fiscal year 2017 audit was accepted.

EIGHTH ORDER OF BUSINESS

**Consideration of Resolution 2018-07
Resetting the Date of the Public Hearing on
the Proposed Budget for Fiscal Year
2018/2019**

Mr. Perry stated next is consideration of Resolution 2018-07 that reset the date of the public hearings for the budget for fiscal year 2019 that was moved from August 1 to this meeting date, which is August 8.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor Resolution 2018-07 resetting the budget hearing to August 8, 2018 was approved.

NINTH ORDER OF BUSINESS

Public Hearing to Adopt the Budget for Fiscal Year 2019

A. Consideration of Resolution 2018-08 Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year 2019

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor the public hearing was opened.

Mr. Perry stated this budget is very similar to what you have seen before as the approved budget. It is a developer funded budget for fiscal year 2019 and includes all the administrative expenses and as a developer funded budget we are not assessing the developer so it is more of a pay as you go basis, which is consistent with what we have been doing so far. This is pretty normal for districts in the early phases because it gives you a little more flexibility in regard to expenditures of the district versus assessing where you might budget for certain expenses that aren't incurred and you still have to pay for that. There have not been any changes since what was approved. It does include a narrative of the expenses and also the debt service funds for the 2017A Bonds and the B Bonds.

Mr. Arrowsmith asked how do we handle splitting going forward?

Mr. Perry stated that would be the consideration of the funding agreements. In the agenda package we have a funding agreement with Greyhawk Venture, LLC and one with Armstrong Venture, LLC.

Mr. Taylor stated I have read these and the only comments I have are on the one between Armstrong CDD and Armstrong Venture on page 2, paragraph 1 in the last sentence it notes that the funding would be 50%. Is this new?

Mr. Perry stated the one I have I don't know if it is the latest version or not.

Mr. Taylor stated I sent some clarifications last night to Katie.

Ms. Buchanan stated I don't think Jim has that copy. I don't know that I made any changes to the allocation section just cleaned up the name and the reference to ownership.

Mr. Taylor stated on page 2 it cites, Greenpointe Communities and I wanted that to reflect Greyhawk Venture, LLC and under the other agreement between Armstrong CDD and Greyhawk Venture, I don't know if you made this change but the developer, which is us Greyhawk Venture, LLC has already purchased versus under contract.

Ms. Buchanan stated I did make that change.

Mr. Taylor stated the last change, which I don't know if I sent to you, but my signature block would be without the "S", it is Michael C.

Ms. Buchanan stated I will take the signature block and get it circulated via email.

Mr. Arrowsmith asked when will Tynes be done?

Mr. Vincent stated probably May of next year.

Mr. Taylor stated but you are contracting your lands from the district. You are going through the contraction of the commercial lands right now?

Mr. Arrowsmith stated yes.

Ms. Buchanan stated the boundary amendment hearing is next Tuesday before the County Commission. It will happen pretty quickly unless something changes.

Mr. Arrowsmith stated that is not going to be in the district, but we will still have Tynes Boulevard that will be involved with the district. I'm not sure it is 50/50, we have not talked about it. I'm sure the bulk of everything is going to be Greyhawk and I'm not sure we should be paying 50%.

Mr. Taylor stated I think we can tie it to county acceptance of Tynes Boulevard 1B and 2, we can split the cost until that time and that is a milestone. We are controlling the timetable on getting it completed and that would be a fair way.

Ms. Ayers asked would that mean A?

Mr. Taylor stated I don't know, it is weather dependent and a lot of things. It will be substantially done April of next year but then you have the same thing we are all going through with Clay Electric, you have to get power in that road. You can't get irrigation or anything in until the power is there. You get to a certain point then you are at the mercy of the franchise utility so it is impossible to give you a set date until we have a definitive date from them so I think that is the best way to deal with it.

Mr. Perry stated I'm suggesting we get a motion approving the two funding agreements with the provision in regard to Armstrong Venture the 50% funding would cease upon acceptance of Tynes Boulevard by the county.

Ms. Buchanan stated okay, I can make that modification.

Mr. Perry stated we will have the board approve that in substantial form in case there are a couple nits.

Mr. Arrowsmith stated there will be a savings because we won't be paying anybody to be on the board. I don't know who you are putting on the board.

Mr. Taylor stated that is yet to be determined.

On MOTION by Mr. Taylor seconded by Mr. Arrowsmith with all in favor the fiscal year 2018/2019 funding agreements were approved in substantial form and on the Armstrong Venture agreement the 50% funding will cease upon acceptance of Tynes Boulevard by the county.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor Resolution 2018-08 was approved.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor the public hearing was closed.

B. Consideration of Fiscal Year 2018/2019 Funding Agreements

This item taken earlier in the meeting.

TENTH ORDER OF BUSINESS

Ratification of Request for Proposals for Amenity Center Construction

Mr. Perry stated I'm asking the board to ratify the request for proposals that was sent out prior to this meeting and subsequent to the last meeting.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor the request for proposals for the amenity center construction was ratified.

ELEVENTH ORDER OF BUSINESS**Consideration of Proposals for Amenity Center Construction**

Mr. Perry stated there were three proposals received, one from Dickey Smith, one from Scherer and one from Carlton and I have copies of the proposals here in case they are needed by any member of the board or staff.

Mr. Vincent stated there are three proposals, all three came in acknowledging all the addendums and met all the qualifications that were required by the documents. I put together some preliminary scoring and the second sheet is the scoring criteria and it breaks down to 100 points: 10 points for personnel, 20 points for proposer's experience, 10 points for understanding the scope, 10 points for financial capability and 25 points for price and schedule respectively. We have done some preliminary scoring and provided the ranking in order, Scherer Construction would be in first place, Dickey Smith in second place and Carlton Construction in third place. I have been through this with the CDD attorney as well as the design architect, Basham & Lucas, and they vetted all proposals and looked at all the bids accordingly and this is where the scoring ended up.

Mr. Taylor asked what are your thoughts on the timeframe for Scherer? It is quite different than the Dickey and Carlton schedule.

Mr. Vincent stated they received the max 15 points for the fastest schedule but we did think that was a little bit on the unreasonable side so we docked them a point for that. We also docked them a point for experience based on a past project. Due to the base bid number and also the aggressiveness of the schedule they still remain in first place. They all have the experience requirements, which I believe is three past projects completed with similar size and scope. If the board adopts this proposed scoring we would then with the help of Katie begin the contract negotiations with that builder. Assuming everything goes well we expect a few weeks prior to executing the contract and upon that we would issue a notice to proceed. They would need to apply for a building permit so they would not mobilize for at least 60 days. If contract negotiations are not successful with the no. 1 ranked contractor the CDD would default to the no. 2 ranked contractor, which would be Dickey Smith. The duration is 164 days, which is 5 ½ months. There is site work scope that was excluded in this GC contract, i.e. the parking lot for the amenity center, that design has been done by the engineer and has been submitted for a permit so that work will need to begin prior to the GC beginning work so there is a scenario where if that work is not substantially complete then the GC would be held up a little bit.

Mr. Taylor asked the bids are good for how long?

Ms. Buchanan stated 120 days.

Mr. Vincent stated the civil scope for the amenity center we expect to be pretty small, it is some storm drainage and a parking lot with 30 spaces.

Mr. Perry stated we would look to the board to rank the proposals as discussed with Scherer no. 1 at \$2,215,380, Dickey Smith no. 2 at \$2,243,380 and Carlton no. 3 at \$2,289,416.

Mr. Taylor moved to rank Scherer no. 1 with 98 points, Dickey Smith no. 2 with 96.3 points and Carlton was no. 3 with 95.8 points and to authorize the vice chairman to negotiate a contract with the no. 1 ranked firm and Ms. Ayers seconded the motion.

Mr. Arrowsmith stated the only concern I would have is the timing.

Mr. Vincent stated one thing we did through the architect, there was a pre-bid meeting where we informed all the contractors of the existing situation with the Tynes Boulevard construction as well as Greyhawk infrastructure construction. They are well aware of no availability of utilities in power and we have asked them to take that into consideration in their proposal number that there is preference given to the infrastructure construction along Tynes. We do anticipate giving them a staging area and staying out of everyone's way.

On voice vote with all in favor the motion passed.

TWELFTH ORDER OF BUSINESS

Consideration of Proposal from Basham & Lucas for Construction Administration

Mr. Perry stated the proposal from Basham & Lucas for construction administration is included in your agenda package and the total cost is approximately \$27,200.

Mr. Vincent stated that is a not to exceed number. The majority of this billing is for construction administration. The current contract is for design and construction drawings. Now that we are entering into the construction phase this contract will allow them to process RFIs, shop drawing review and that type of construction administration items. It is billed at an hourly rate with a not to exceed amount of \$27,200.

On MOTION by Mr. Taylor seconded by Mr. Arrowsmith with all in favor the proposal from Basham & Lucas for construction administration for the amenity center in an amount not to exceed \$27,200 was approved.

THIRTEENTH ORDER OF BUSINESS Consideration of Project Administrator Agreement

Mr. Perry stated item eight is consideration of project administrator agreement and that is included in your agenda package and that is with Greyhawk Venture, LLC in regard to the project as defined under section A. This is at no additional cost.

Mr. O'Reilly stated this is the project administrator agreement that was discussed in February and the form is a standard form and the compensation is zero dollars.

Mr. Taylor asked when does it expire?

Ms. Buchanan stated I think it is at the completion of the project.

Mr. Taylor stated that would be for Phase 1. It would have to be amended for Phases 2 and 3?

Ms. Buchanan stated the engineer's report, the initial one as supplemented by the second one so technically I think we are probably okay assuming your part 2 is included in the initial engineer's report.

Mr. Taylor stated as long as it encompasses all 500 I think this is fine to move forward with.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor a project administrator agreement with Greyhawk Venture, LLC was approved.

FOURTEENTH ORDER OF BUSINESS Staff Reports

A. District Counsel

There being none, the next item followed.

B. District Engineer

1. Ratification of Requisitions 10-19

Mr. Perry stated there is a detailed listing of requisitions 10 through and including 19 in the agenda package and those total \$1,993,041 and have been processed with the trustee during the period from the last meeting to today.

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor requisitions 10-19 were ratified.

2. Consideration of Requisitions 20 – 24

Mr. Hadden stated next is consideration of requisitions 20 through and including 24.

Mr. Perry stated you have the details of those in the agenda package and they total \$296,610.19 and they have been reviewed by staff.

Mr. Vincent stated the two Vallencourt invoices I believe are to be paid out of the construction account. That is not part of Tynes Boulevard.

Mr. Hadden stated yes.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor requisitions 20-24 were approved.

3. Ratification of Change Order No. 5 Tynes Boulevard 1A

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor change order no. 5 with Vallencourt Construction for Tynes Boulevard 1A in the amount of \$7,968.36 was approved.

4. Consideration of Jr. Davis Change Order

Mr. O'Reilly stated this change order no. 1 covers lots of things but one of the items is the as-builts were wrong so there had to be additional force main along Oakleaf to connect into their manifold line. A large chunk of the change order is for the upsizing of the lift station, both pumps and wet well, electrical panels. We had discussions with Katie about a funding agreement with East West and the CDD to reimburse a portion of those lift station charges. I propose that this change order be approved to continue work subject to that agreement that would be drafted by Katie.

Mr. Vincent stated basically as representative of Armstrong Ventures I met with Mike and Liam last month and we went through the costs for the pump station force main and associated items and we looked at the service area for West Bank and we agreed on a monetary amount that would be a payment from the entity, it wouldn't be from Armstrong Ventures but it would be from our developing entity West Bank and with specific amounts and when they would be paid. That is something that we will be working with district counsel to have executed and it will be tied to recordation of plats in the West Bank Project and it is a specific monetary amount, which all three of us have agreed to.

Mr. Perry asked I don't have a copy of that but what is the total dollar amount for the change order?

Mr. Hadden responded \$238,707.53.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor district staff was authorized to work with those landowner entities to develop an agreement, which recognizes the funding relating to the upsizing of the lift station and the chairman was delegated the authority to finalize that between meetings.

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor change order no. 1 with Jr. Davis in the amount of \$238,707.53 was approved.

C. District Manager

1. Designation of Date, Time and Location for Landowners' Meeting and Election, Resolution 2018-09

Mr. Perry stated by statute we need to set a landowners' meeting for the first Tuesday in November, which would be November 6, 2018. After that we do have a meeting schedule in the agenda package and I believe we need to change the date on that for November because we have November 7th on the schedule. We propose to set the landowners meeting for 3:30 and immediately thereafter have the regular meeting of the board.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor Resolution 2018-09 designating November 6, 2018 at 3:30 p.m. as the landowners' meeting was approved.

2. Discussion of Meeting Schedule for Fiscal Year 2019

Mr. Perry stated the next item is the meeting schedule for fiscal year 2019 and we will change the date that is currently on there for November 7th to November 6th at 3:30 p.m. at this location. We will cancel meetings if there is no need to meet.

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor the notice that the board will meet on the first Wednesday of each month at 3:30 p.m. in the same location for fiscal year 2019 with the exception of the November meeting that will be held on November 6, 2018 immediately following the landowners' meeting was approved.

D. Tynes Boulevard Project Administrator

Mr. Vincent stated East West staff has been working with GMS to try to resolve the slowdown in payments from Clay County. I think we have reached resolution. This is a pass through but knowing it is important to get contractors paid on time we have had a lot of difficulty with the Clay County process. I think we have gotten that solved and fortunately no one has threatened to walk off the job yet. I think we have a good plan of action and that will start to see fruition and people will get paid in a more timely manner.

At next month's meeting I will bring updated schedules as it relates to 1A and 1B and 2. Essentially it will be paved this week and if it is a cool week we will be okay for construction driving next week. I didn't want to run heavy equipment on asphalt that goes down in August. We will continue to want to use the construction access too. As it relates to schedule 1A will basically go on a somewhat shutdown until we can better determine the responsive nature of Clay Electric to get utilities through there. We will have final completion of that and opening the road before Thanksgiving.

As it relates to 1B and 2 since we moved forces off of 1B and 2 and tried to focus on getting to this milestone of paving this week we are reassessing our schedule starting tomorrow and we will have an updated schedule. I would see us certainly being close to being done in April of next year, it is dependent on Clay Electric's timetable. Folks at Greenpointe and Greyhawk should understand that situation.

Mr. O'Reilly asked do you see any delay because of the Clay County payment issue that you just mentioned regarding Phase 1A? Is that holding up Phase 1A's schedule?

Mr. Vincent responded no. What has resulted in this is everybody is getting paid on a monthly basis it is just they are taking 90 days to get paid. All we are trying to do is get it caught up to where it is closer to 30 days. As district counsel will tell you by Florida Statute we are required to pay in 30 days so we are in default there. It has had no effect. Vallencourt had engineering and England Thims & Miller has been very cooperative with this situation so it has not affected the schedule and will not affect the schedule. The biggest affect to the schedule right now as it relates to completing 1A now the paving is going down this week is Clay Electric.

Mr. Taylor stated we anticipate builders starting the first of September.

FIFTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

There being none, the next item followed.

SIXTEENTH ORDER OF BUSINESS Financial Statements as of June 30, 2018

A copy of the June 30, 2018 financials was included in the agenda package.

SEVENTEENTH ORDER OF BUSINESS Ratification of Funding Request No. 22-24 (General Fund)

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor funding requests 22-24 from the general fund were ratified.

EIGHTEENTH ORDER OF BUSINESS Ratification of Funding Requests No. 18-21 (Construction Fund)

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor funding requests 18-21 from the construction fund were ratified.

NINETEENTH ORDER OF BUSINESS Next Scheduled Meeting – 09/05/18 at 3:30 p.m. at the Eagle Landing Sales Center

Mr. Perry stated the next scheduled meeting is September 5, 2018 and if for some reason we don't need to have that meeting we will cancel it.

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor the meeting adjourned at 4:43 p.m.



Secretary/Assistant Secretary



Chairperson/Vice Chairperson