

Minutes of Meeting
Armstrong Community Development District

The regular meeting of the Board of Supervisors of the Armstrong Community Development District was held Thursday, March 16, 2023 at 10:00 a.m. at the Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida.

Present and constituting a quorum were:

Liam O'Reilly	Chairman
Kendrick Taylor	Supervisor
Christine Bowen	Supervisor
Jorge Vergara Molero	Supervisor

Also present were:

Marilee Giles	District Manager
Wes Haber	District Counsel by telephone
Katie Buchanan	District Counsel by telephone
Scott Wild	District Engineer by telephone
John Woods	Evergreen
Alex Boyer	Armstrong CDD Facility Manager

FIRST ORDER OF BUSINESS

Roll Call

Ms. Giles called the meeting to order at 10:00 a.m. and called the roll.

SECOND ORDER OF BUSINESS

Public Comment

A resident stated I looked for the current minutes on the website.

Ms. Giles stated item 4 is approval of the minutes and once they are approved, they are placed on the website.

A resident stated we were here last week at 3:30 because that was on the website. Luckily I went on and saw this particular date and time. In the future can you put the correct meeting date and time on the website?

Ms. Giles stated I apologize for that.

THIRD ORDER OF BUSINESS

Organizational Matters

March 16, 2023

Armstrong CDD

Ms. Giles stated I received an email from Mike Taylor and at this time I look for a motion to accept his resignation.

On MOTION by Mr. O'Reilly seconded by Mr. Vergara Molero with all in favor Mike Taylor's resignation was accepted.

A. Appointment of New Supervisor(s)

This item tabled.

B. Oath of Office for Newly Appointed Supervisor(s)

This item tabled.

C. Election of Officers, Resolution 2023-06

This item tabled.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the February 9, 2023 Meeting

On MOTION by Mr. Taylor seconded by Ms. Bowen with all in favor the minutes of the February 9, 2023 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Consideration of Proposals for Capital Reserve Study

Ms. Giles stated there are three proposals to conduct a capital reserve study in the agenda package. They will come in look at all the assets and lay out a 30-year plan, year by year to repair or replace those assets. They will also tell you year by year how much to put into your capital reserve fund. Right now the district doesn't have a capital reserve fund, which is typical of a younger district. The three proposals are from Community Advisors for \$4,000, Reserve Advisors for \$5,550 and Reserve Study Institute for \$2,200. You don't have to do a capital reserve study, but it is recommended by your staff.

Mr. Vergara Molero asked what are the benefit of a capital reserve study?

Ms. Giles stated a capital reserve study is a lengthy study done on your district and I will relate it to your home as I talk about it. A capital reserve fund is similar to a savings account in that you know your roof is getting old and you are going to have to replace it, your appliances are getting old and you have to replace them. A team of certified engineers go through the district,

March 16, 2023

Armstrong CDD

looks at every asset in the district, the pool, fencing, playground equipment, all the assets and lays out the life of that asset over 30 years, what you anticipate having to repair or replace each one of those assets. It also lays out over that 30-year period how much money in each of the year columns that you need to set aside to repair or replace that particular asset. It does take into account interest and inflation. This would be our first reserve study and it would have the 6.5% inflation rate we are at now, which is good for this district because most of the reserve studies are at a 2% inflation rate. About every five years staff will recommend that you do an update to the reserve study. Staff recommends that you have one because it helps us anticipate how much to set aside in your capital reserve fund. This district was established in 2016, it is turning over to a resident board and it is normal to not have a capital reserve fund set up yet because it has mostly been developer funding over the last five years. Last year was the first year the developer did not fund the district in part.

Mr. Boyer stated for those who have been more involved from the beginning we are always playing catchup. If you look at your current budget you don't have enough to focus on repairs and preventative maintenance in the same fiscal year. We have had fan issues and umbrella expenses that you have incurred. You now have the ability to make choices and in order to give you that opportunity you are going to need funds to do so. We have to find a way to make sure you know how we are taking care of what you have and how you build additional funds to make adjustments to your community. This reserve study helps us as well as you to educate and make sure the community understands it is not cheap. We are getting to a point that in the next three years the pool pumps are going to have to be replaced. In another district the pump system for the sprinkler system has gone down. It helps everyone be prepared for these repairs and replacements.

Ms. Bowen stated I think we should table this because I don't know that we have \$5,000 in this year's budget but the numbers are good to look at going into next budget to plan for next year.

Ms. Giles stated you would pick one of those three to conduct the study, you don't necessarily have to pick the \$5,500 one. I checked with the accountant since funds are very tight and she recommended we take it out of the field contingency line, there is \$3,000 in that line right now. Depending on which reserve study you picked that is the budget line it would come out of. You can table it. We will approve our budget at the May 11th meeting. If the reserve study is completed after the May 11th date you wouldn't start setting aside capital reserve funds until FY25.

March 16, 2023

Armstrong CDD

Without the reserve study the board could come up their own amount, just estimate. Let’s say the study comes back and suggests you set aside \$50,000; you could recommend a lower amount.

Ms. Bowen asked if we choose one today, what is the likelihood of getting it back in time for the budget to implement it for next year?

Ms. Giles stated of those three they usually take about 45 days. They said how long it would take to complete it.

Ms. Bowen stated it was 4-6 weeks after the site visit.

Mr. O’Reilly stated generally I would be supportive of doing this and I have worked with two of the three companies. Any of them would be fine. In my experience these reserve studies are extremely conservative and when you get the report it scares everybody.

Mr. Vergara Molero asked if we chose Community Advisors where would we get the other \$1,000 from?

Ms. Giles stated I would have to work with the accountant because as you look at the financials, in the administrative section there is \$7,000 as of now that we haven’t used as projected, but in the field section we have overspent by \$9,000, there is \$4,000 left in the amenity section. Overall the district for the remainder of the six months doesn’t have a lot of wiggle room. If you are leaning towards Community Advisors I would reach out to the accountant before reaching out to Charles Sheppard.

Mr. Vergara Molero stated we can’t contract for more than we have, see if he will do it for \$3,000.

Mr. O’Reilly stated if he won’t lower his price the board can still put some amount of money in the upcoming budget to go into capital reserves.

On MOTION by Mr. Taylor seconded by Mr. O’Reilly with all in favor the proposal from Community Advisors to prepare the capital reserve study was approved contingent upon negotiating the price down to \$3,000 and as an alternative to pay \$3,000 in this budget year and \$1,000 in the upcoming budget year and if that is not possible then go with Reserve Study Institute in the amount of \$2,200.

SIXTH ORDER OF BUSINESS

**Discussion of Fiscal Year 2024 Budget
(approve proposed budget May 11, 2023)**

March 16, 2023

Armstrong CDD

Ms. Giles stated Alex and John have a list of the larger agreements that are set to expire. They all expire throughout FY24 and I believe they have started to move forward on some of those. What staff needs from the board is guidance of how to proceed. We can talk about the agreements that are set to expire, do you want to go out to bid, do you want us to gather proposals, do you want us to contact each of the vendors to see if they will stay on.

Mr. Boyer stated as of now no one is increasing fees for the next fiscal year other than janitorial services. They are working on updating their agreements for the new timeline we have discussed. Tree Amigos is not going to do an increase this upcoming fiscal year but they are going to propose a three-year agreement with a 2% increase for fiscal year 2025 and 2026. We are getting all the contracts in line with the fiscal year.

Security they are currently not but they may say that they need an increase. They are on the fiscal year.

Ms. Giles stated they are good until September 2024.

Mr. O'Reilly stated keep in mind the contracts have a 30-day termination clause so you are not locked into a contract.

Mr. Vergara Molero asked do we have a daily inspection or how do we keep track of what they are or not doing their job?

Mr. Boyer stated we have a site representative I keep in contact with.

Ms. Giles stated the landscape agreement is the one that has a requirement for a monthly quality inspection report. Alex, will security provide anything we can present to the board at the next meeting?

Mr. Boyer stated we can ask for that. I have emails from everyone saying, no increase. The only one with an increase is janitorial.

Ms. Giles stated the only other agreement we haven't discussed is amenity management and operations management and we will need to know about that one moving forward.

Mr. Boyer stated since there is an increase in janitorial and they have not improved since Christmas and appear to have staffing issues, we have started collecting proposals.

Mr. Vergara Molero stated there was an item we talked about the last time that should be coming out of the CDD budget and not the HOA budget.

Mr. Boyer stated John's time is being billed out of the HOA; that should definitely be moved.

March 16, 2023

Armstrong CDD

Ms. Giles stated that one expires May 1, 2023 with one renewal so it expires May 1, 2024.

Mr. Boyer stated so the board is aware your current management agreement is a subcontract with the HOA. Essentially the HOA manages the oversight of staff for the CDD. If you would move that you would have an actual proposal for a CDD amenity management agreement, which would separate your fees between HOA and CDD.

Mr. Vergara Molero asked will that increase the fee?

Ms. Giles stated yes.

Ms. Bowen stated the HOA is paying Evergreen and the amenity management falls under that.

Ms. Giles stated yes.

Mr. Vergara Molero stated I want to make sure that now we have a clear understanding of the implications of moving one line item.

Ms. Bowen stated we initially thought it should be under here because of the CDD related but when we found out more information about it being under the management I'm not opposed to keeping it on the HOA side especially if it is not going to cause increases on the CDD side.

Mr. Vergara Molero stated it is all about not having to increase assessments if it is not needed.

Mr. O'Reilly stated we structured it that way because the HOA was operating in a surplus and the CDD was not. Rather than increase dues if the HOA could pay for those services out of the HOA dues it worked out fine. If you move it to the CDD at the end of the day if you increase one and decrease the other it is probably a wash. It was more about convenience and organization than it is about dollars. If you flip it to the CDD the assessments will have to go up.

Ms. Giles asked is that an agreement you are looking into also because that expires in 2024.

Mr. Boyer stated I am not personally looking into it. It is an HOA agreement and that would come from Brian on the HOA side. It is not a CDD agreement that is why I did not look into it. If you want us to put together a proposal for the CDD and take it out of the HOA we can do that.

Ms. Giles stated that is not what I'm proposing. We just need to follow-up with the HOA. Is the HOA going to continue down this path or on May 1st in the middle of our fiscal year are they going to say we don't want to do this anymore?

March 16, 2023

Armstrong CDD

Ms. Bowen stated it is now a resident board and we are meeting next week to establish our first meeting. Once we schedule the meetings we will be talking about budgets and that conversation is going to happen.

Mr. O'Reilly stated one idea to give the HOA some time to make a decision, you may want to include it in the CDD draft budget because you can approve a budget at a higher amount and then when you can lower it when you actually adopt the budget.

Mr. Taylor stated I think we should include it in our draft budget. That will give the HOA time to figure out their structure and how they are going to operate. If they choose to keep the status quo we can remove it from our budget.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being none, the next item followed.

B. District Engineer

1. Work Authorization No. 10

Ms. Giles stated the \$6,000 estimated fee is consistent with the budget.

Mr. Wild stated the scope of work is our general consulting, attending the meetings, preparing requisitions and process them and so forth. This is to adjust the hourly rates for the rest of the fiscal year.

On MOTION by Mr. Taylor seconded by Mr. O'Reilly with all in favor work authorization no. 10 in the amount of \$6,000 was approved.

2. Ratification of Requisition No. 101

On MOTION by Ms. Bowen seconded by Mr. Vergara Molero with all in favor requisition 101 payable to Eisman & Russo in the amount of \$220.11 was ratified.

C. District Manager

There being none, the net item followed.

March 16, 2023

Armstrong CDD

D. Facility Manager

1. Report

Mr. Woods gave an overview of the report, copy of which was included in the agenda package.

2. Proposals for Message Board

This item tabled.

3. Proposals for Pool Cleaning

Mr. Boyer stated the proposal from Crown does not include chemicals, the proposal from Pool Troopers does include chemicals. Crown is still providing chemicals, but the new proposal does not include chemicals. If they were putting in the proper amount of chemicals with each service, we would not be having the problems we are having.

Ms. Giles stated let John and Alex work the numbers with Pool Troopers if you want to implement this in 30-days because that is definitely overbudget. As the months go by we will see how much we can free up from other line items to cover this. That could be board guidance you can approve in substantial form, direct staff to work with Pool Troopers and come back to the next meeting and give you the option to talk through on the termination.

Mr. Taylor stated if they are confident that they can maintain our pool so that we are not having health violations we know the current company cannot do that so I would like staff to approach them and see if they can come down a little bit this fiscal year with the goal of next year we will budget the \$1,650.

On MOTION by Mr. Taylor seconded by Ms. Bowen with all in favor the proposal from Pool Troopers in the amount of \$1,650 per month was approved for fiscal year 2024.

On MOTION by Mr. O'Reilly seconded by Mr. Vergara Molero with all in favor Supervisor Taylor was authorized to work with staff on a cost from Pool Troopers for the balance of fiscal year 2023 with a target of \$1,150 and then to give Crown Pools the 30-day notice.

March 16, 2023

Armstrong CDD

4. Monthly Quality Inspection Report

EIGHTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. O'Reilly asked is there any balance in the debt service reserve funds that can be released?

Ms. Giles stated I will check.

Mr. Haber left the telephone conference at this time and Ms. Buchanan joined the meeting by telephone conference at this time.

Ms. Buchanan stated I know what you are asking, but there are probably no funds left.

Mr. O'Reilly stated as an update on Phase 2 and 3 paving, we did our inspection with the county, in the Lennar section you have seen all the curb repair being done. Lennar did that on their own accord, they cooperated. Richmond American was not as cooperative so we are doing it ourselves and will back bill Richmond American for their curb repairs that happened during home construction. We are hoping that within the next 60-days those curbs will be repaired and we can do the final lift of asphalt as we did in Phase 1. Our development team is telling me 60 maybe 90 days depending on paving crew timing. When the paving is scheduled I will give plenty of notice to Marilee and Alex and get it on the Facebook page to remind everybody that you can't park on the street for that day.

Ms. Bowen stated on the Lennar side we have paver driveways and some pavers were smeared with the concrete, some were cut into. We were told that if there were any damaged pavers they are going to be replaced. What is the process for that?

Mr. O'Reilly stated the contractor that did it we will make them go back and do that. I could have my development team do a walk through on everything and make a list of the addresses that need to be repaired and have the contractor go back in.

Mr. Vergara Molero stated we were talking about what other districts in the area might or might not do throughout the year to facilitate at least one or two meetings on a different schedule. I would like us to consider specific meetings that are after hours.

Mr. O'Reilly stated I'm not opposed to that.

Ms. Giles stated we will approve the FY24 schedule but there are two budget meetings, an approval in May and adoption in July and if you want to use those two as your night meetings we

March 16, 2023

Armstrong CDD

can do that and that will give staff an opportunity to look at our schedules to make sure it doesn't conflict.

Mr. Vergara Molero stated I would like to have one in the second quarter and budget adoption.

Mr. O'Reilly stated I suggest the late meetings only require participation by Marilee and district counsel.

Ms. Giles stated if it is a light agenda you don't have to have the engineer call in. A lot of our districts that are established the engineer doesn't call in. We will still budget the engineer line but if he doesn't need to attend we don't have him on the line. Sometimes he will drop off to save the district some money. You are looking at the January/February/March timeframe and the budget adoption.

Ms. Jackson stated you were discussing capital reserves, is that the same as the operating reserve?

Ms. Giles stated no, the operating is the O&M, operations and maintenance.

Ms. Jackson asked are you saying we don't have anything at this time and you need to build it up.

Ms. Giles stated correct.

Ms. Jackson stated the companies you discussed, I think you decided on Community Advisors. Are they looking at every last asset to determine the life cycle so you budget going forward?

Ms. Giles stated yes. They will generate a 30-40 page report with all those assets listed.

Mr. O'Reilly stated when you get that list I suggest you go through and delete things on that list because if you reserve for every single little tiny thing it will cost a fortune.

Ms. Jackson asked are the financials posted?

Ms. Giles stated yes on the website there is a section for the agenda and the financials are part of that document.

Ms. Williams asked since you are going to be paving are you going to put speed bumps in because of the speeding?

Mr. O'Reilly responded no. The CDD is obligated to do the final lift of paving to finish the road. It is a county road and you can request through the county to have speed bumps. In my

March 16, 2023

Armstrong CDD

experience they are pretty opposed to speed bumps. If you feel there is an area that is worse than others you can request that of the county.

Ms. Williams stated you mentioned the assessments we pay to the CDD there is an O&M and capital reserve, two budgets.

Ms. Giles stated it is the same budget and they both fall under the general fund. I will show you after the meeting. The operation and maintenance takes care of the daily stuff and the capital reserve fund is also under that same general fund that is part of the assessment.

Ms. Williams asked how do you allocate a percentage of the assessments that we pay?

Ms. Giles stated there is an allocation of what each resident pays, it shows how many homes and I will show that to you after the meeting. Sometimes it is based on lot size.

Mr. O'Reilly stated this district is the same for every lot for O&M.

Ms. Bowen stated there are two bonds, Phase 2 & 3 are under the 2019 bond and you have the O&M and debt assessment, there are two portions to your CDD assessment. I will forward that document to you and that will answer your questions.

Ms. Giles stated the bonds are a little different.

Ms. Williams stated John is on site and Alex is his supervisor. They are supposed to supervise the contractors but there is a lot of debris by the pond and they don't mow that. Is anybody watching them so there is consistency because that is not happening.

Mr. Woods stated we got on that builder to take some of that trash out of there.

Ms. Williams asked can you make sure the landscapers take care of that since that is a big part of our budget?

Ms. Giles stated he pointed out that there is a builder there. A lot of times it is the builder's debris that is in the pond and if someone let's John know there is a lot of construction debris he can reach out to that builder and have it taken care of. As to the other debris if the residents let him know he can take care of that.

Ms. Williams asked how are the complaints handled? What is the turnaround?

Ms. Giles stated we don't answer HOA complaints and we tell the resident to take it up with them. If it is on the CDD side, staff is available Monday through Friday, we would like to hear about issues Monday through Friday so that we can more quickly address it. If the resident waits until the meeting they are usually upset by then because it is an older complaint but we just let John or Alex know if it is an operation issue.

March 16, 2023

Armstrong CDD

Mr. Vergara Molero stated all of our contact information is on the website and we can't communicate with each other but we can try to handle the issues.

Mr. Boyer stated you can email me, John or Marilee and we will address your CDD concerns.

Mr. O'Reilly stated Marilee Giles is with the management company that manages the CDD especially on the financial side. Her email is on the website. If you have a generic CDD complaint or question she is the best one to contact. If it is something she cannot answer or is not something is CDD related she will direct you elsewhere. If you feel that you are not getting responses then I encourage you to email or cc the supervisors but the supervisors are not managing the day to day business. They are not going to know financial information off the top of their head. Marilee and the company she works for is the prime point of contact for CDD business.

Ms. Williams stated we are leasing the equipment for the amenity center. Is there a reason you lease?

Mr. Boyer stated it is a lease to buy.

A resident asked does anyone monitor the speed of cars coming through? Is there a concern about health with the pool?

Mr. Taylor stated speeding has been an issue and the district can't police that, it is the county who does that. I suggest you take that up with the county sheriff. The more people who do that we may get more response from the sheriff. We have had issues where the health department has closed the pool until the chlorine gets back in balance. That is an issue with the current pool company and that is what we are addressing now.

A resident asked do we have security?

Mr. Taylor stated we do have security, it is not 24/7 and it is just for the amenity center.

Mr. O'Reilly left the meeting at this time.

NINTH ORDER OF BUSINESS

Financial Reports

A. Financial Statements as of February 28, 2023

A copy of the financials was included in the agenda package.

B. Check Register

March 16, 2023

Armstrong CDD

On MOTION by Mr. Vergara Molero seconded by Mr. Taylor with all in favor the check register was approved.

TENTH ORDER OF BUSINESS

Next Scheduled Meeting – April 13, 2023 at 3:30 p.m. at the Plantation Oaks Amenity Center

Ms. Giles stated the next meeting will be held April 13, 2023 at 3:30 p.m. in the same location.

On MOTION by Mr. Vergara Molero seconded by Ms. Bowen with all in favor the meeting adjourned at 12:07 p.m.

DocuSigned by:
Marilee Giles
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Secretary/Assistant Secretary

DocuSigned by:
Liam O'Reilly
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Chairperson/Vice Chairperson