

**MINUTES OF MEETING
SEBASTIAN ISLES
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Sebastian Isles Community Development District held Public Hearings and a Regular Meeting on August 19, 2024 at 10:30 a.m., at the offices of Alvarez Engineers, 8935 NW 35th Lane, Suite #101, Doral, Florida 33172.

Present were:

Cynthia Caldevilla
David Tello
Rebeca Cortes

Chair
Vice Chair
Assistant Secretary

Also present:

Daniel Rom
Kristen Thomas
Mike Pawelczyk
Juan Alvarez
Cynthia Wilhelm (via telephone)
Zach Griffin (via telephone)
Francisco Contreras

District Manager
Wrathell, Hunt and Associates, LLC
District Counsel
District Engineer
Bond Counsel
Forestar
Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Rom called the meeting to order at 10:33 a.m.

Supervisors Caldevilla, Tello and Cortes were present. Supervisor Leonard was not present. One seat was vacant.

SECOND ORDER OF BUSINESS

Public Comments

No members of the public spoke.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2024-06, Ratifying the Action of the District Manager in Re-Setting the Date of the Public Hearing on the Proposed Budget for Fiscal Year 2024/2025; Amending Resolution 2024-03 to Reset the Hearing Thereon; Providing a

Severability Clause; and Providing an Effective Date

Mr. Rom presented Resolution 2024-06.

On MOTION by Mr. Tello and seconded by Ms. Caldevilla, with all in favor, Resolution 2024-06, Ratifying the Action of the District Manager in Re-Setting the Date of the Public Hearing on the Proposed Budget for Fiscal Year 2024/2025 to August 19, 2024 at 10:30 a.m., at the offices of Alvarez Engineers, 8935 NW 35th Lane, Suite #101, Doral, Florida 33172; Amending Resolution 2024-03 to Reset the Hearing Thereon; Providing a Severability Clause; and Providing an Effective Date, was adopted.

FOURTH ORDER OF BUSINESS

Consider Appointment to Fill Unexpired Term of Seat 5

- **Administration of Oath of Office (the following will also be provided in a separate package)**
 - A. **Required Ethics Training and Disclosure Filing**
 - **Sample Form 1 2023/Instructions**
 - B. **Membership, Obligation and Responsibilities**
 - C. **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
 - D. **Form 8B: Memorandum of Voting Conflict for County, Municipal and other Local Publics Officers**

This item was deferred.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2024-02, Electing and Removing Officers of the District and Providing for an Effective Date

This item was deferred.

SIXTH ORDER OF BUSINESS

Presentation of Master Engineer's Report

Mr. Alvarez stated that the Master Engineer's Report is the same as the version accepted on August 15, 2022. Certain documents need to be completed to coincide with the statement in the Engineer's Report that a Portion of Tract A, the roads in the parking lot, should be deeded to

the CDD, in addition to a drainage easement, in order for the CDD to reimburse those costs out of the bond proceeds.

Mr. Pawelczyk suggested initiating one motion to reaccept the Engineer's Report, once the Preliminary First Supplemental Special Assessment Methodology Report is presented.

SEVENTH ORDER OF BUSINESS**Presentation of First Supplemental Special Assessment Methodology Report**

Mr. Rom stated that a Master Special Assessment Methodology Report was prepared about the same time as the Master District Engineer's Report. The Preliminary First Supplemental Special Assessment Methodology Report dated August 19, 2024 is specific to the Series 2024 bond issuance, anticipated within 30-days. He read Sections of the Report and reviewed other pertinent information, such as the Development Program, CIP, Financing Program, Assessment Methodology, True-up Mechanism and the Appendix Tables.

Mr. Rom read the following:

- Page 1, Section 1.2 Scope of the First Supplemental Report: "This First Supplemental Report presents the projections for financing a portion of what is known as the "2024 Project," which refers to the portion of the District's overall Capital Improvement Plan" related to the development of the 251 residential units within the District. The 2024 Project is described by Alvarez Engineers, Inc. (the "District Engineer") in the Engineer's Report dated August 15, 2022 (the "Engineer's Report"). This First Supplemental Report also describes the method for the allocation of direct and special benefits and the apportionment of special assessment debt resulting from the provision and funding of a portion of the 2024 Project with proceeds of indebtedness projected to be issued by the District."
- Page 3, Section 2.2 The Development Program: "The development of Sebastian Isles is anticipated to be conducted by D.R. Horton, Inc. or an affiliated entity (the "Developer"). Based upon the information provided by the Developer and the District Engineer, the current development plan envisions a total of 251 residential dwelling units developed over a multi-year period in one (1) or more development phases, although unit numbers, land use types and phasing may change throughout the development period. Table 1 in the Appendix illustrates the development plan for Sebastian Isles."
- Page 3, Section 3.2 The 2024 Project: "The 2024 Project comprises a portion of the Capital Improvement Plan for the District and is designed to serve and will directly benefit, upon platting,

the 251 residential dwelling units that are projected to be developed within the District. According to the Engineer's Report, the 2024 Project is comprised of roadway improvements, stormwater management and drainage, water distribution system, and sanitary collection system, the costs of which, along with contingencies and professional services, were estimated by the District Engineer at \$7,428,000. Table 2 in the Appendix illustrates the specific components of the Capital Improvement Plan."

➤ Page 4, Section 4.2 Types of Bonds Proposed: "The financing plan for the District provides for the issuance of the Series 2024 Bonds in the estimated principal amount of \$4,215,000* to finance a portion of the 2024 Project costs in the estimated total amount of \$3,727,924.38. It is anticipated that any costs of the 2024 Project which are not funded by the Series 2024 Bonds will be completed or funded by the Developer. The Series 2024 Bonds are structured to be amortized in 30 annual installments. Interest payments on the Series 2024 Bonds would be made every May 1 and November 1, and principal payments on the Series 2024 Bonds would be made either every May 1 or November 1. In order to finance a portion of the costs of the 2024 Project in the estimated total amount of \$3,727,924.38, the District will need to borrow more funds and incur indebtedness in the estimated principal amount of \$4,215,000. The difference is comprised of funding a debt service reserve, funding capitalized interest and paying costs of issuance, which include the underwriter's discount. Table 3 in the Appendix presented the Preliminary sources and uses of funding for the Series 2024 Bonds."

➤ Page 5, Section 5.2 Benefit Allocation: "The public infrastructure included in the Capital Improvement Plan will comprise an interrelated system of master improvements, which means that all of the public infrastructure improvements will serve the entire District and such public improvements will be interrelated in such way that, once constructed, they will reinforce each other and their combined benefit will be greater than the sum of their individual benefits. All of the product types within the District will benefit from each infrastructure improvement category, as the improvements provide basic infrastructure to all product types and all phases of development within the District and benefit all product types in all phases within the District as an integrated system of improvements."

➤ Page 10, Section 5.6 True-Up Mechanism: "The District's assessment program is predicated on the development of lots in a manner sufficient to include all of the planned Equivalent Residential Units ("ERUs") as set forth in Table 4 in the Appendix ("Development Plan"). At such time as lands within the District are to be platted (or re-platted) or site plans are

to be approved (or reapproved), the plat or site plan (either, herein, “Proposed Plat”) shall be presented to the District for a “true-up” review”. This is to ensure the lots receives the proper benefit allocation.

➤ Page 12, Section 5.7 Assessment Roll: “The Series 2024 Bond Assessments in the estimated amount of \$1,677,324.19* are proposed to be levied over the area described in Exhibit “A”, the Sebastian Place Townhomes. The Series 2024 Bond Assessments in the estimated amount of \$2,537,675.81* are proposed to be levied over the area described in Exhibit “B”, the Hibiscus Place single-family homes. Excluding any capitalized interest period, debt service assessments shall be paid in no more than thirty (30) annual principal installments.”

➤ Page 13, Table 1 details the development plan to consist of a total of 251 units, broken down as 116 townhomes and 135 single family homes, which matches the Engineer’s Report.

Asked if Hibiscus Place is the same as Baywood II, Ms. Caldevilla replied affirmatively.

Mr. Rom noted the following:

➤ On Page 13, Table 2 describes the 2024 CIP Projected Estimated Costs of \$7,428,000.

➤ On Page 13, the Table 3 Preliminary Sources and Uses of Funds outlines the par amount of bonds of \$4,215,000 to fund the \$3,727,924.38 Project. This includes the costs of financing, capitalized interest and debt service reserve.

➤ On Page 14, Table 4 describes the Benefit Allocation and breakout of the ERU factors and unit count.

➤ On Page 14, Table 5 reflects the Allocation of Project Costs based on the ERU method and the infrastructure anticipated to be financed by the Series 2024 bonds

➤ On Page 14, Table 6 outlines the Series 2024 Bond Assessment Apportionment.

Mr. Pawelczyk suggested reaccepting the Engineer’s Report and approving the Preliminary a First Supplemental Special Assessment Methodology Report, in substantial form, as the figures will be updated once the bonds are marketed and sold.

On MOTION by Ms. Caldevilla and seconded by Ms. Cortes, with all in favor, reaccepting the Master Engineer’s Report dated August 15, 2022 and the Preliminary First Supplemental Special Assessment Methodology Report, dated August 19, 2024, in substantial form, subject to updating the figures once the bonds are marketed and sold, was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2024-07, Delegating to the Chairman of the Board of Supervisors of Sebastian Isles Community Development District (the "District") the Authority to Approve the sale, Issuance and Terms of sale of Sebastian Isles Community Development District Capital Improvement Revenue Bonds, Series 2024, as a Single Series of Bonds Under the Master Trust Indenture (the "Series 2024 Bonds") in Order to Finance a Portion of the Costs of the Capital Improvement Plan; Establishing the Parameters for the Principal Amounts, Interest Rates, Maturity Dates, Redemption Provisions and Other Details Thereof; Approving the Form of and Authorizing the Chairman to Accept the Bond Purchase Contract for the Series 2024 Bonds; Approving a Negotiated Sale of the Series 2024 Bonds to the Underwriter; Approving the Forms of the Master Trust Indenture and First Supplemental Trust Indenture and Authorizing the Execution and Delivery Thereof by Certain Officers of the District; Appointing a Trustee, Paying Agent and Bond Registrar for the Series 2024 Bonds; Approving the Form of the Series 2024 Bonds; Approving the Form of and Authorizing the Use of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum Relating to the Series 2024 Bonds; Approving the Form of the Continuing Disclosure Agreement Relating to the Series 2024 Bonds; Authorizing Certain Officers of the District to Take All Actions Required and to Execute and Deliver All Documents, Instruments and Certificates Necessary in Connection With the Issuance, Sale and Delivery of the Series 2024 Bonds; Authorizing the Vice Chairman and Assistant Secretaries to Act in the Stead of the Chairman or the Secretary, as the Case May Be; Specifying the Application Of the Proceeds of the Series 2024 Bonds; Authorizing Certain Officers of the District to Take All Actions and Enter into All Agreements Required in Connection

**with the Acquisition and Construction of
the Capital Improvement Plan; and
Providing an Effective Date**

Ms. Wilhelm presented Resolution 2024-07, known as the Delegated Award Resolution. Resolution 2024-07 accomplishes the following:

- Sets forth certain parameters under Schedule I that, if met, authorizes the Chair or Vice Chair to execute the Bond Purchase Contract.
- Approves the forms of Exhibit documents attached to the Resolution in substantial form that are needed to market and sell the bonds, including the Master and Supplemental Indenture; Bond Purchase Contract with FMSbonds, Inc.; Preliminary Limited Offering Memorandum (PLOM); Continuing Disclosure Agreement.
- Schedule I outlines that the maximum principal amount or par amount of the bonds is not to exceed \$6 million; the maximum coupon rate or interest rate is the maximum statutory rate; Underwriting discount is a maximum of 2%; the not to exceed maturity date is the maximum allowed by law, which is 30 principal payments; and the redemption provisions provided in the form of the bond, which is attached to the form of the Supplemental Indenture.

On MOTION by Mr. Tello and seconded by Ms. Cortes, with all in favor, Resolution 2024-07, Delegating to the Chairman of the Board of Supervisors of Sebastian Isles Community Development District (the "District") the Authority to Approve the sale, Issuance and Terms of sale of Sebastian Isles Community Development District Capital Improvement Revenue Bonds, Series 2024, as a Single Series of Bonds Under the Master Trust Indenture (the "Series 2024 Bonds") in Order to Finance a Portion of the Costs of the Capital Improvement Plan; Establishing the Parameters for the Principal Amounts, Interest Rates, Maturity Dates, Redemption Provisions and Other Details Thereof; Approving the Form of and Authorizing the Chairman to Accept the Bond Purchase Contract for the Series 2024 Bonds; Approving a Negotiated Sale of the Series 2024 Bonds to the Underwriter; Approving the Forms of the Master Trust Indenture and First Supplemental Trust Indenture and Authorizing the Execution and Delivery Thereof by Certain Officers of the District; Appointing a Trustee, Paying Agent and Bond Registrar for the Series 2024 Bonds; Approving the Form of the Series 2024 Bonds; Approving the Form of and Authorizing the Use of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum Relating to the Series 2024 Bonds; Approving the Form of the Continuing Disclosure Agreement Relating to the Series 2024 Bonds; Authorizing Certain Officers of the District to Take All Actions Required and to Execute and Deliver All Documents, Instruments and Certificates Necessary in Connection With the Issuance, Sale and Delivery of the Series 2024 Bonds; Authorizing the Vice Chairman and

Assistant Secretaries to Act in the Stead of the Chairman or the Secretary, as the Case May Be; Specifying the Application Of the Proceeds of the Series 2024 Bonds; Authorizing Certain Officers of the District to Take All Actions and Enter into All Agreements Required in Connection with the Acquisition and Construction of the Capital Improvement Plan; and Providing an Effective Date, in substantial form, was adopted.

NINTH ORDER OF BUSINESS**Consideration of Ancillary Documents for Series 2024 Bonds (to be provided at meeting)****A. Acquisition Agreement**

Mr. Pawelczyk stated that the Acquisition Agreement was approved in 2023 but it was not executed. He updated the dates and signatories in the Acquisition Agreement so it is ready for execution; the new version was emailed to those on the distribution list and no additional comments were received. It is ready for signature and does not need to be re-approved.

Mr. Pawelczyk presented the following:

B. Collateral Assignment and Assumption of Development Rights**C. Completion Agreement****D. Declaration of Consent to Jurisdiction****E. Lien of Record of the Sebastian Isles CDD****F. True Up Agreement**

Mr. Pawelczyk asked if there were any questions from the Board or the public. There were no questions or comments.

On MOTION by Mr. Tello and seconded by Ms. Caldevilla, with all in favor, the Ancillary Documents for the Series 2024 Bonds, all in substantial final form and authorizing execution at or around the time of the bond closing, were approved.

TENTH ORDER OF BUSINESS**Public Hearing on Adoption of Fiscal Year 2024/2025 Budget****A. Affidavit of Publication****B. Consideration of Resolution 2024-08 Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2024, and Ending**

September 30, 2025, as amended; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

Mr. Rom reviewed the updates that were made to the Fiscal Year 2025 budget at the last meeting. He suggested reducing the “Legal advertising” budget from \$20,000 to \$6,500, as he anticipates incurring the majority of the advertising expense in Fiscal Year 2024, not 2025.

On MOTION by Mr. Tello and seconded by Ms. Caldevilla, with all in favor, the Public Hearing was opened.

Resident Francisco Contreras asked if the “Legal advertising” budget was the only change to the Fiscal Year 2025 budget. Mr. Rom stated the Fiscal Year 2025 Operations and Maintenance (O&M) assessment amount also changed.

No other affected property owners or members of the public spoke.

On MOTION by Mr. Tello and seconded by Ms. Caldevilla, with all in favor, the Public Hearing was closed.

The following change will be made to the proposed Fiscal Year 2025 budget:

Page 1, “Legal advertising”: Change “\$20,000” to “\$6,500”

On MOTION by Ms. Caldevilla and seconded by Ms. Cortes, with all in favor, Resolution 2024-08, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2024, and Ending September 30, 2025, as amended; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

ELEVENTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Imposition of Maintenance and Operation Assessments to Fund the Budget for Fiscal Year 2024/2025, Pursuant to Florida Law

- A. Proof/Affidavit of Publication**
- B. Mailed Notice(s) to Property Owners**

C. Consideration of Resolution 2024-09 Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2024/2025; Providing for the Collection and Enforcement of Special Assessments, Including but Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date

Mr. Rom presented Resolution 2024-09.

On MOTION by Ms. Caldevilla and seconded by Mr. Tello, with all in favor, the Public Hearing was opened.

Mr. Contreras asked if the CDD assessment amounts listed in the Mailed Notice will be on the County tax bill. Mr. Rom replied affirmatively. It was noted this information is also on the Sebastian Isles CDD website.

No further affected property owners or members of the public spoke.

On MOTION by Ms. Caldevilla and seconded by Mr. Tello, with all in favor, the Public Hearing was closed.

On MOTION by Mr. Tello and seconded by Ms. Cortes, with all in favor, Resolution 2024-09 Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2024/2025; Providing for the Collection and Enforcement of Special Assessments, Including but Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.

TWELFTH ORDER OF BUSINESS

Consideration of Goals and Objectives Reporting [HB7013 – Special Districts Performance Measures and Standards Reporting]

Mr. Rom and Mr. Pawelczyk presented the Memorandum detailing the new requirement for special districts to establish goals and objectives annually and develop performance measures and standards to assess the achievement of the goals and objectives, publish an annual report on its website detailing the goals and objectives achieved, the performance measures and standards used, and any goals or objectives that were not achieved. Community Communication

and Engagement, Infrastructure and Facilities Maintenance, and Financial Transparency and Accountability are the key categories to focus on for Fiscal Year 2025.

Mr. Rom presented the Performance Measures/Standards & Annual Reporting Form developed for the CDD and explained how the CDD will meet the goals.

On MOTION by Mr. Tello and seconded by Ms. Cortes, with all in favor, the Goals and Objectives and the Performance Measures/Standards & Annual Reporting Form, were approved.

THIRTEENTH ORDER OF BUSINESS

Consideration of Resolution 2024-10, Establishing an Electronic Signature Policy, Providing District Manager with Authority and Responsibility for Approval of Electronic Signatures and Implementation of Control Processes and Procedures to Ensure Compliance, Integrity, and Security, in Accordance with Chapter 688, Florida Statutes; and Providing for Severability and Effective Date

Mr. Rom presented Resolution 2024-10 and read the title. Mr. Pawelczyk stated that this will be a much more efficient process and it is compliant with State law.

On MOTION by Mr. Tello and seconded by Ms. Cortes, with all in favor, Resolution 2024-10, Establishing an Electronic Signature Policy, Providing District Manager with Authority and Responsibility for Approval of Electronic Signatures and Implementation of Control Processes and Procedures to Ensure Compliance, Integrity, and Security, in Accordance with Chapter 688, Florida Statutes; and Providing for Severability and Effective Date, was adopted.

FOURTEENTH ORDER OF BUSINESS

Consideration of Response(s) to Request for Qualifications (RFQ) for Engineering Services

- A. Affidavit of Publication**
- B. RFQ Package**
- C. Respondent: Alvarez Engineers, Inc.**

These item were included for informational purposes.

- D. Competitive Selection Criteria/Ranking**

Mr. Rom stated that, with Alvarez Engineers, Inc. (Alvarez) as the sole respondent to the RFQ for Engineering Services, the Board can deem Alvarez as the #1 ranked respondent and authorize Staff to execute a contract. Mr. Pawelczyk stated that the Board can accept the bid or rebid the project.

E. Award of Contract

On MOTION by Ms. Caldevilla and seconded by Mr. Tello, with all in favor, deeming the sole respondent, Alvarez Engineers, Inc., as the #1 ranked respondent to the RFQ for Engineering Services, waiving any further bidding, and awarding the Engineering Services Contract to Alvarez Engineers, Inc., was approved.

On MOTION by Ms. Caldevilla and seconded by Mr. Tello, with all in favor, authorizing Staff to negotiate a District Engineering Agreement with Alvarez Engineers, Inc., and authorizing execution, was approved.

FIFTEENTH ORDER OF BUSINESS

**Acceptance of Unaudited Financial
Statements as of June 30 2024**

On MOTION by Ms. Caldevilla and seconded by Ms. Cortes, with all in favor, the Unaudited Financial Statements as of June 30, 2024, were accepted.

SIXTEENTH ORDER OF BUSINESS

**Approval of April 15, 2024 Regular Meeting
Minutes**

On MOTION by Mr. Tello and seconded by Ms. Cortes, with all in favor, the April 15, 2024 Regular Meeting Minutes, as presented, were approved.

SEVENTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: Billing, Cochran, Lyles, Mauro & Ramsey, P.A

• 2024 Legislative Update – Supplemental Information

Mr. Pawelczyk presented the Memorandum explaining the newly adopted legislation requiring CDD vendors execute the “Affidavit of Compliance with Anti-Human Trafficking Laws” that will be kept on file with any CDD contract or agreement.

B. District Engineer [Interim]: Alvarez Engineers, Inc.

Remove “interim” from future agenda.

Mr. Alvarez asked if the Board wants to consider accepting a blanket easement on Tract A, while they work on the permanent easement.

On MOTION by Ms. Caldevilla and seconded by Mr. Tello, with all in favor, authorizing Mr. Pawelczyk to work with Mr. Alvarez and Developer D.R. Horton to create an easement for a drainage access roadway to the CDD, over Tract A, in the townhomes section, and authorize the execution thereof, was approved.

C. District Manager: Wrathell, Hunt and Associates, LLC

- **NEXT MEETING DATE: September 16, 2024 at 10:30 AM, or immediately following the adjournment of the Juniper Cove CDD meeting**
 - **QUORUM CHECK**

The September 16, 2024 meeting will likely be cancelled.

EIGHTEENTH ORDER OF BUSINESS

Public Comments

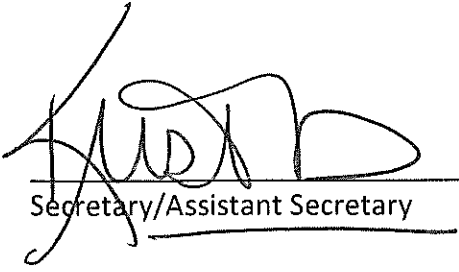
Mr. Contreras asked if the CDD residences share the HOA. Ms. Caldevilla stated that the HOA is separate from the CDD.

NINETEENTH ORDER OF BUSINESS

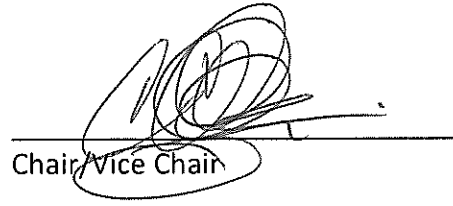
Adjournment

On MOTION by Ms. Cortes and seconded by Mr. Tello, with all in favor, the meeting adjourned at 11:22 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair