

**MINUTES OF MEETING  
COUNTRY GREENS  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Country Greens Community Development District was held at 5:00 P.M. on Monday, October 22, 2012 at Hampton Inn, 19700 US Highway 441, Mount Dora, Florida.

Present and constituting a quorum were:

|                   |                                         |
|-------------------|-----------------------------------------|
| Kenneth Bolser    | Chairman (by phone)                     |
| David Warden      | Vice Chairman                           |
| Alma Graham       | Assistant Secretary                     |
| Catherine Catusus | Assistant Secretary                     |
| Barbara Hensinger | Assistant Secretary ( <i>by phone</i> ) |

Also present were:

|               |                                  |
|---------------|----------------------------------|
| Gary L. Moyer | Manager - Moyer Management Group |
| Roy Van Wyk   | Attorney: Hopping Green          |
| Ray Malavé    | Engineer: Bowyer-Singleton       |
| Brian Smith   | Severn Trent Services            |

*The following is a summary of the minutes and actions taken at the October 22, 2012 Country Greens Board of Supervisors meeting.*

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Moyer called the meeting to order at 5:00 P.M. and stated that all Supervisors were present.

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the August 27, 2012 Meeting**

Mr. Moyer stated each Board member received a copy of the minutes of the August 27, 2012 meeting and requested any corrections, additions or deletions.

There were no corrections.

|                                                                                                                              |
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| On MOTION by Ms. Catusus seconded by Ms. Graham with all in favor, the minutes of the August 27, 2012 meeting were approved. |
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**THIRD ORDER OF BUSINESS**

**Action Items**

There not being any, the next item followed.

**FOURTH ORDER OF BUSINESS****District Managers Report****A. Financial Statements**

Mr. Moyer reviewed the financial statements through September 30, 2012, which were included in the agenda package and reported the following:

- This is the end of the fiscal year and the CDD collected all non ad-valorem assessments, with the exception of a few hundred dollars. Due to discounts not taken, the CDD ended up with \$4,111 more in revenue than anticipated.
- On the administrative side, the expenditures were \$5,790 under budget on a pro-rata basis. However, on the field side, because of the fence, the District expended \$14,000. Overall, the District overspent by \$8,151.

**B. Check Register**

Mr. Moyer reviewed the check register, which was included in the agenda package.

On MOTION by Ms. Hensinger seconded by Ms. Catusus with all in favor the financials for September 30, 2012 and Check Register for the period August 1, 2012 through September 30, 2012 in the amount of \$68,013.66 were approved.

**C. Consideration of Resolution 2013-2 Amending the General Fund Budget for Fiscal Year 2012**

Mr. Moyer provided a budget amendment resolution to the Board and reported the following:

- Under Florida Law, governments have 60 days to make year end budget adjustments.
- In most of these cases, when addressing additional expenditures, which had not been budgeted, the funds will come from the Fund Balance.
- Overall, the District needs to obtain \$4,040 from the Fund Balance.
- This Resolution does not amend the budget to match the amounts shown in the financial statements through September 30, 2012. In some cases, money was added to some line items to cover additional invoices presented in October.
- Ms. Catusus addressed the following:
  - She questioned why Capital Outlay increased by \$40,000. *Mr. Moyer confirmed this was the amount of the contingency.*
  - She questioned why Landscaping increased by \$10,000. *Mr. Smith indicated this was for plant installation.*

On MOTION by Ms. Hensinger seconded by Mr. Warden with all in favor Resolution 2013-1 Amending the General Fund Budget for fiscal year 2012 was adopted.

**D. Consideration of Engagement Letter with Grau & Associates to Provide Arbitrage Rebate Services for Series 2003 Bonds**

Mr. Moyer provided an engagement letter with Grau & Associates to perform arbitrage rebate calculations and reported the following:

- Grau & Associates has done this work in the past.
- This is a requirement under Federal Law pursuant to the IRS in order to determine whether or not the CDD is earning more money on investments than on the bond when bonds are sold.
- If there is positive arbitrage, the money is rebated through the Federal Treasury.
- The engagement is from July of 2013 through July of 2015.
- The fee they are proposing for this work will not exceed \$600, which is the market amount for this type of work.

On MOTION by Ms. Catusus seconded by Mr. Bolser with all in favor the Engagement Letter with Grau & Associates to Provide Arbitrage Rebate Services for the Series 2003 Bonds in an amount not to exceed \$600 was approved.

**MBS Capital Markets Presentation**

Mr. Brett Sealy from MBS Capital Markets, LLC. made the following presentation regarding re-financing of the bonds:

- This is a favorable interest rate environment.
- The principle members of MBS have been in the special District finance business for more than 20 years. They have underwritten \$10 billion in bonds.
- He served as lead banker on the prior financing.
- The bonds were initially issued on a non-rated tax exempt basis.
- There was currently \$5,355,000 in outstanding bonds. The bonds become callable on May 1, 2013.
- Considerations to take into account when considering re-financing:
  - *Economic*: Most governments use a net present value benchmark of 3% to 5%.

- *Timing*: Optionally callable at a 1% premium on May 1, 2013. Depends on whether or not there is a significant reduction in the annual debt service.
- *Credit*: Depends on whether the bonds could be re-financed at an investment grade rating. Preliminary data shows a hindrance due to vacant developed lots with low assessed values and the percentage of debt service paid by the top ten taxpayers.
- There are estimated net present value savings of 3.47%. The estimated maximum annual debt service reduction is 11.13% or \$51,775.
- They still have some additional credit work to do to make sure the estimates provided are accurate.
- They only get paid if they successfully deliver a yield.

The Board asked the following questions:

- *Who are our top ten taxpayers?*
  - Mr. Sealy indicated the main taxpayers are the owners of commercial tracts and CVS, which represents 30% to 35%. The rating agencies are looking for exposure less than 7% to 8%.
- *How would this be affected if there were current sales on the vacant lots?*
  - Mr. Sealy indicated this would not change the ability to get a rating at this point. The District would need to have 90% sales on those lots.
- *How would the rating be affected if the properties were sold in five years?*
  - Mr. Sealy indicated the rating would improve.
- *How would the development of the 15 acre parcel a year from now affect this?*
  - Mr. Sealy indicated there would still be an issue. However, if 90% of the developed lots had homes and there was still a vacant commercial parcel, they could find a way to structure the deal to get a large component rated.
- *If we were to do this on a non-rated basis in May of 2013, when is the next time we could look into re-financing?*
  - Mr. Sealy indicated typically any new issue is going to have call protection, which is 10 years.
- *Would it have the same maturity date?*
  - Mr. Sealy indicated under Florida Law, the CDD would be prohibited from extending the maturity.

- Mr. Moyer pointed out the principle allocated to each lot would not change.
- *Is there a three year recoup of our investment?*
  - Mr. Sealy indicated these were net numbers and all costs of issuance get funded out of bond proceeds.
- *Is the reduction in reserves typical?*
  - Mr. Sealy indicated most deals structured as non-rated transactions had a Debt Service Reserve Fund equal to one year's principle and interest. They have been negotiating with the rating agencies to decrease the reserve from the maximum annual of one year principle and interest. This was not considered to be found money as it would be used as a source of funds
- *If the golf course decided to build a clubhouse over the next five years, what effect would this have?*
  - Mr. Sealy indicated it would add value to the overall community, but it would not be a trigger to get a rating until the 200 vacant developed lots were sold.

On MOTION by Ms. Catasus seconded by Ms. Graham with all in favor, MBS Capital Markets, LLC. was retained to proceed with completing the re-financing analysis.

**FIFTH ORDER OF BUSINESS**

**Staff Reports**

- A. Attorney – Consideration of Resolution 2013-2 Changing the Registered Agent and Registered Office**
  - This is a housekeeping matter changing the Registered Agent and office to Mr. Van Wyk.
  - The purpose of a Registered Agent is to accept service of process in legal proceedings and answer complaints. Most Districts have their Attorney or Manager as their Registered Agent.
  - Ms. Catasus questioned who the prior Registered Agent was. *Mr. Van Wyk confirmed it was his office, but the Attorney designated Registered Agent was Ms. Cheryl Stuart.*

On MOTION by Ms. Catasus seconded by Mr. Warden with all in favor, Resolution 2013-2 Changing the Registered Agent and Registered Office was adopted.

**B. Engineer**

- Mr. Malavé reported at the last meeting, there was discussion about the remnant piece of property on the right-of-way of Route 437 and the taking by maintenance. This is a legal step, which needs to occur since the District has been performing the maintenance. Their plan was to meet with the County to see if they want to perform the maintenance and speak to the affected property owner.
- Mr. Van Wyk indicated the County declared the property was not theirs, but they actually own a strip, which they do not wish to maintain. The question on the table is whether the CDD wants to maintain it instead of incurring Attorney's fees to resolve this matter.
- Ms. Catusus addressed the following:
  - She questioned whether the unclaimed piece was owned by the homeowner as her concern was whether they would have an issue in a few years. *Mr. Malavé indicated there were two pieces of property on the south side and smaller slivers on the north side. Whatever is done with one should be done to the others. Since the County told the owner this was only a right-of-way, they backed off.*
  - She questioned whether it would be prudent as a government entity for the CDD to ask the County to address the right-of-way more formally. *Mr. Malavé confirmed they have not provided an official letter. He recommended leaving this matter alone and seeing what happens in the future.*
- Ms. Hensinger questioned whether there was real estate law if an entity maintains property for a certain number of years, it automatically becomes under their ownership. *Mr. Van Wyk confirmed this was the case.*

### **C. Field Operations - Field Maintenance Report**

Mr. Smith reviewed the Field Maintenance and Landscaping Reports, which were included in the agenda package and available in the District Office for public review during normal business hours.

- The installation of the fence is 50% complete. All of the existing fences have been pressure washed.
- They are doing some utility repairs in the gas easement on Cardinal. The corner of Cardinal and 44<sup>th</sup> will be angled and have landscaping.

- The fountains are operating well.
- The new Landscape Contractor is doing a good job.
- He met with the Electrician regarding the lighting in the center island at the side entrance near CVS. It will cost several hundred dollars to install some large lights on either side of the entrance.
- Ms. Catusus questioned whether the Electrician did anything about the gate off of 437.
  - Mr. Warden indicated the Service Provider addressed this, but the antenna was broken after they left.
  - Ms. Catusus suggested installing some cameras.

**SIXTH ORDER OF BUSINESS**

**Other Business**

There not being any, the next item followed.

**SEVENTH ORDER OF BUSINESS**

**Supervisor Requests and Audience Comments**

- Ms. Catusus questioned the status of the individual who requested trees on CDD property. Mr. Moyer indicated he sent a letter after the last Board meeting advising what the Board requested in terms of getting consent from his neighbors, but never heard back from them.

**EIGHTH ORDER OF BUSINESS**

**Adjournment**

There being no further business,

On MOTION by Ms. Catusus seconded by Ms. Hensinger with all in favor, the meeting was adjourned.

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Gary L. Moyer  
Secretary

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Kenneth Bolser  
Chairman