

**MINUTES OF MEETING
MEDITERRA NORTH
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Mediterra North Community Development District's Board of Supervisors was held on **Wednesday, January 18, 2012 at 1:30 p.m.**, at **The Renaissance Center, 28121 Palmira Blvd., Bonita Springs, Florida 34135.**

Present and constituting a quorum were:

Gary Kaenzig, Jr.	Chair
Brian Neary	Vice Chair
Thomas H. Van Tassel	Assistant Secretary
Dan Abrams	Assistant Secretary
Marc Hirsch	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Dave Robson (via telephone)	District Manger
Brett Sealy	MBS Capital Markets, LLC
John Kessler	FMS Bonds

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 1:35 p.m., noting, for the record, that Supervisors Van Tassel, Neary, Hirsch and Kaenzig were present, in person. Supervisor Abrams was not present at roll call.

SECOND ORDER OF BUSINESS

Administrative Items

a. Administration of Oath of Office to Newly Elected Supervisors (*the following to be provided in separate package*)

Mr. Adams reported that the Landowners' Election for Seats 3, 4 and 5 was held in November, at which the incumbent Supervisors, Mr. Neary, Mr. Hirsch and Mr. Kaenzig, were elected to new terms.

Mr. Adams, a notary of the State of Florida and duly authorized, administered the oath of office to Supervisors Neary, Hirsch and Kaenzig and provided them with the following items:

- **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
 - **Membership, Obligations and Responsibilities**
 - **Form 1: Statement of Financial Interests**
 - **Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - **Form 1F: Final Statement of Financial Interests**
- b. Consideration of Resolution 2012-1, Canvassing and Certifying the Results of the Landowners' Election**

Mr. Adams presented Resolution 2012-1 for consideration. He reported that Mr. Neary, Mr. Hirsch and Mr. Kaenzig were reelected, with Mr. Neary and Mr. Kaenzig each receiving 77 votes and Mr. Hirsch receiving 76. As a result, Mr. Neary and Mr. Kaenzig were elected to serve four (4)-year terms and Mr. Hirsch was elected to a two (2)-year term.

On MOTION by Mr. Abrams and seconded by Mr. Neary, with all in favor, Resolution 2012-1, Canvassing and Certifying the Results of the Landowners' Election, was adopted.

c. Consideration of Resolution 2012-2, Electing Officers of the District

Mr. Adams advised that, as a result of the election, the Board must consider its slate of officers. He indicated the Board can maintain the same slate of officers or shift seats, if desired. Mr. Van Tassel currently serves as Chair, Mr. Abrams is Vice Chair, the remaining Supervisors are Assistant Secretaries, Mr. Adams serves as Secretary and Mr. Wrathell is both Treasurer and Assistant Secretary. The following slate of officers was nominated:

Gary Kaenzig, Jr.	Chair
Brian Neary	Vice Chair
Chuck Adams	Secretary
Craig Wrathell	Treasurer
Dan Abrams	Assistant Secretary
Thomas H. Van Tassel	Assistant Secretary
Marc Hirsch	Assistant Secretary
Craig Wrathell	Assistant Secretary

On MOTION by Mr. Neary and seconded by Mr. Van Tassel, with all in favor, Resolution 2012-2, Electing Officers of the District, as nominated, was adopted.

d. Consideration of Minutes

- **October 19, 2011 Regular Meeting**

Mr. Adams presented the October 19, 2011 Regular Meeting Minutes and asked for any additions, corrections or deletions.

On MOTION by Mr. Neary and seconded by Mr. Kaenzig, with all in favor, the October 19, 2011 Regular Meeting Minutes, as presented, were approved.

- **November 2, 2011 Landowners' Meeting**

Mr. Adams presented the November 2, 2011 Landowners' Meeting Minutes and asked for any additions, corrections or deletions.

On MOTION by Mr. Abrams and seconded by Mr. Van Tassel, with all in favor, the November 2, 2011 Landowners' Meeting, as presented, were approved.

THIRD ORDER OF BUSINESS

Other Business

a. Discussion: Golf Club Pending Payoff of CDD Debt Service and Presentation by MBS Capital/FMS Regarding Potential Refinancing of Remaining Mediterra South Series 1999/2001 and Mediterra North Series 2001 Bond Debt

Mr. Adams recalled previous discussions regarding the potential refinancing of Mediterra South and North's older bonds. At the time, the Districts had difficulty obtaining a favorable rating due to the concentration of risk related to the golf club ownership of approximately half of the outstanding bond amounts and the unfavorable markets. Mr. Adams felt things have changed recently and the golf club's plan to pay off their debt, which will remove their concentration of risk, should result in a more favorable rating and create an opportunity for the remainder of the bonds to be refinanced.

Mr. Adams indicated Mr. Sealy, formerly of Prager Sealy, is with a new company, MBS Capital Markets, LLC. Mr. Sealy has prepared an analysis of the current situation for presentation.

Mr. Sealy explained the formation of his new firm and indicated MBS Capital was formed to take over the land-secured finance portion of Prager Sealy; it was an amicable split. He highlighted his firm's recent refinancing work with other CDDs. He confirmed Prager Sealy will no longer handle land-secured financing and has agreed to resign from its contracts, allowing clients to hire and transition to MBS Capital.

Mr. Sealy noted that the rating, last summer, was not what the Districts had hoped for, limiting the refinancing opportunities. He advised that things have recently changed, interest rates are low and, with the elimination of the concentration of the golf course debt, he suggests resubmitting a credit package, with the hope of refinancing the three (3) bonds. Mr. Sealy reviewed the updated refinancing opportunities, provided as a handout. He discussed the Standard & Poor's (S&P) rating considerations regarding concentration of the top 10% of taxpayers, the debt service reserve fund (DSRF) stress and the developed versus undeveloped nature of the District.

Mr. Sealy reviewed the concentration of top 10% of taxpayers for each bond issue area. He noted that, if the three (3) areas are aggregated, the concentration comes down enough to pass the DSRF stress test. He reviewed the horizontal and vertical development status of the bonds and acknowledged that the 1999A bonds' aggregate total reduces but advised that combining all of them, for an aggregate, benefits the other bonds, overall. Mr. Sealy noted that any savings would be eroded by issuance costs if the bonds are refinanced, on an individual basis.

Mr. Sealy explained the proposed refinancing structure and estimated refinancing results. He highlighted the projected annual reduction of debt service assessments based on receiving a low or a medium investment grade rating. He reiterated the differential between receiving a low or medium investment grade rating is negligible.

Mr. Sealy confirmed if a favorable rating is not received, the Boards must readdress the matter. He advised that the Mediterra South Board authorized him to proceed with the combined credit package.

Mr. Abrams, having attended the Mediterra South meeting, earlier today, confirmed the discussions at that meeting and his opinion that the approach presented makes the best sense for the community, as a whole.

In response to a question regarding how they can combine the North and South bonds, Mr. Sealy indicated there is precedent, whereby a district can take the lead in issuing, on behalf

of the other. In similar situations, he has had the non-issuing CDD enter into an interlocal agreement with the issuing CDD, whereby they would levy assessments equal to their share of the debt service and remit those assessments to the issuing CDD to ensure 100% payment of the debt service.

Exact structuring of the deal is still in progress but Mr. Sealy feels it can definitely be accomplished. Mr. Sealy indicated the disclosure statement will outline the credit dynamics of all three (3) of the bond issues, on an aggregate basis, which will be consistent with how it is structured.

Mr. Sealy reviewed the projected annual reduction of debt service assessments for the various bonds, depending on receiving a low investment or a medium investment grade. He noted the difference is small.

Mr. Kessler indicated the yields in the municipal bond market are very good and right now is a very opportune time to issue bonds. The Districts are in a much better position, now that the golf course debt is paid off.

Mr. Sealy indicated the next step is for the Board to authorize his firm to proceed with the resubmission of a credit package to S&P. He acknowledged that the Mediterra North bonds are callable on May 1, without a premium. Mr. Sealy reiterated that Prager Sealy has agreed to resign.

On MOTION by Mr. Abrams and seconded by Mr. Neary, with all in favor, the resignation of Prager Sealy, subject to receipt of a resignation letter, was accepted.

On MOTION by Mr. Hirsch and seconded by Mr. Kaenzig, with all in favor, engagement of MBS Capital Markets, LLC/FMS, was approved.

It was noted that Mr. Sealy's firm will take the risk of the cost of the rating and the only time the Districts will pay for the rating is if they elect to proceed with the refinancing and his firm successfully completes the refinancing; those costs would be part of the costs of issuance.

On MOTION by Mr. Kaenzig and seconded by Mr. Van Tassel, with all in favor, authorizing MBS Capital Markets, LLC/FMS to proceed with resubmitting a credit package to obtain a credit assessment from Standard & Poor's, was approved.

*****Mr. Sealy and Mr. Kessler left the meeting.*****

b. Consideration of Revised Proposals for Lake Bank Restoration Project

Mr. Adams recalled previous discussions regarding lake bank erosion repairs, some of which are the CDDs' responsibility and some being the responsibility of the residents. Based on the results presented at the last meeting, additional and/or revised proposals were obtained. Mr. Adams reviewed the cost breakdown between CDD lakes, Lake #34 and residential repair areas. Lake #34 is adjacent to the golf course and repairs are being considered separately as they are more extensive and will involve use of geotube. Mr. Adams indicated Anchor Marine specializes in geotube type repairs and submitted a proposal for \$5,500 for the Lake #34 repairs; this is a longer-term fix than the other proposed methods, at a significantly lower cost.

Management has evaluated the proposals and Mr. Adams recommended contracting with Gulf Scapes for the CDD and resident repair portions. The CDD expenses are \$18,904, plus the Lake #34 expense of \$5,500, for a total CDD cost of \$24,404. The proposed repair cost for the resident portion is \$23,338.

Mr. Adams highlighted the CDD and resident expense proposal breakdowns. He indicated the goal is to notify the residents of their area needing repair and offer them the opportunity to repair it, simultaneously with the Districts' repairs, with the option of using the Districts' contractor or one of their choosing.

Mr. Adams reminded the Board that its portion is only 30% of the total, as this project is a shared expense with Mediterra South.

On MOTION by Mr. Van Tassel and seconded by Mr. Abrams, with all in favor, authorizing Staff to enter into a contract with Gulf Scapes for lake bank erosion repairs, in a not-to-exceed amount of \$18,904 for the CDD portion, and with Anchor Marine Services for repairs to Lake #34, in a not-to-exceed amount of \$5,500, was approved.

FOURTH ORDER OF BUSINESS

Staff Reports

a. Attorney

There being nothing additional to report, the next item followed.

b. Engineer

There being no report, the next item followed.

c. Manager

i. Unaudited Financial Statements as of November 30, 2011

Mr. Adams presented the Unaudited Financial Statements as of November 30, 2011, noting minimal activity.

Mr. Abrams indicated the golf course loan funding is expected to be completed in March.

ii. NEXT MEETING DATE: May 16, 2012 at 11:30 A.M.

Mr. Adams indicated the next regular meeting is scheduled for May 16, 2012; however, he anticipated meeting prior to that date.

FIFTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors'

A Board Member noted an area that was replanted but has not come in and asked that Ms. Crismond review the area.


Mr. Adams reported on the status of the lake and wetland maintenance contract with LakeMasters approved at the last meeting, in the amount of \$133,000. He indicated he was able to negotiate a contract of \$129,000, with LakeMasters.

SIXTH ORDER OF BUSINESS

Adjournment

There being no further business, the meeting adjourned.

**On MOTION by Mr. Abrams and seconded by Mr. Hirsch,
with all in favor, the meeting adjourned at 2:23 p.m.**


Secretary/Assistant Secretary


Chair/Vice Chair