

**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 May 16, 2012 at 1:30 p.m.**, at **The Renaissance Center, 28121 Palmira Blvd., Bonita Springs, Florida 34135.**

Present and constituting a quorum were:

J. Gary Kaenzig, Jr.	Chair
Brian Neary	Vice Chair
Thomas H. Van Tassel	Assistant Secretary
Dan Abrams (via telephone)	Assistant Secretary
Frank Godshall	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Jonathan Johnson	District Counsel
Brett Sealy	MBS Capital Markets, LLC
Michelle Blackstock (via telephone)	Grau & Associates
David Robson	Johnson Engineering
Nelson Johnson	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 1:40 p.m., and noted, for the record, that Supervisors Kaenzig, Neary and Van Tassel were present, in person. Supervisor Abrams attended via telephone.

SECOND ORDER OF BUSINESS

**Acceptance of Resignation of Supervisor
Marc Hirsch**

Mr. Kaenzig presented Supervisor Marc Hirsch's resignation letter for consideration.

On MOTION by Mr. Neary and seconded by Mr. Van Tassel, with all in favor, the resignation of Mr. Marc Hirsch, dated April 13, 2012, was accepted.

- **Discussion/Consideration of Potential Candidates to Fill Unexpired Term**

Mr. Adams stated that, with a vacant seat, statutorily, the remaining Board Members have the responsibility to consider appointing a replacement for the remainder of the term. The term for Seat 4 expires November, 2013; however, later in the meeting there will be an opportunity to extend the term to 2014.

Mr. Neary nominated Mr. Frank Godshall. Mr. Kaenzig asked if there were any other nominations.

In response to Mr. Abram’s inquiry, Mr. Kaenzig stated that Mr. Godshall has been nominated and he is an outstanding citizen of the community of Terrazzo. Mr. Godshall’s resignation from Mediterra South was accepted earlier today, because his new residence is in Mediterra North.

On MOTION by Mr. Neary and seconded by Mr. Van Tassel, with all in favor, appointment of Mr. Frank Godshall to fill Seat 4, was approved.

- **Administration of Oath of Office to Newly Appointed Supervisor (*the following to be provided in separate package*)**

Mr. Adams, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Godshall. Mr. Adams reminded Mr. Godshall that he is subject to the Sunshine Law previously disclosed to him.

Mr. Adams advised Mr. Godshall that he will receive a package, from Management, that will include an oath that must be signed, notarized and returned to Management. Mr. Adams briefly explained 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**

- **Consideration of Resolution 2012-8, Electing Officers of the District**

Mr. Adams advised that, when there is an election or a replacement is appointed, the Board is required to consider its slate officers. Prior to his resignation, Mr. Hirsch was an Assistant Secretary. Mr. Adams indicated that the slate of officers to be considered include Chair, Vice Chair, Assistant Secretaries and two (2) Staff members to serve as Secretary, Treasurer and Assistant Treasurer. He advised that the Board can choose to maintain the current slate of officers and add Mr. Godshall as an 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
Frank Godshall	Assistant Secretary
Craig Wrathell	Assistant Secretary

On MOTION by Mr. Abrams and seconded by Mr. Neary, with all in favor, Resolution 2012-8, Electing the Officers of The Mediterra North Community Development District, as nominated, was adopted.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2012-4, Extending the Terms of Office for All Current Supervisors to Coincide with the General Election

Mr. Adams presented Resolution 2012-4.

In response to a question, Mr. Adams stated that the District is currently scheduled to hold landowners' elections in odd years. He explained that the District has not reached the General Election trigger of 250 qualified electors. Mr. Adams indicated that this resolution will be deferred, as it does not need to be considered this year.

In response to Mr. Kaenzig's inquiry regarding general election criteria, Mr. Adams stated that the District is old enough but currently only has 221 qualified electors; thus, it does not meet the required threshold for the general election process.

FOURTH ORDER OF BUSINESS

Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2011, Prepared by Grau & Associates

Ms. Michelle Blackstock, of Grau & Associates, presented the Audited Financial Report for the Fiscal Year ended September 30, 2011. Referring to the Independent Auditor's Report, she noted that it is an unqualified opinion, meaning it is a clean opinion. Summarizing the balance sheet, on Page 8, Ms. Blackstock stated that, as of September 30, 2011, the District's total assets of \$1,706,517 exceeded its liabilities of \$86,144, leaving a total fund balance of \$1,620,373. The statement of revenues, expenditures and changes, on Page 10, reflects that total revenues of \$1,537,262 exceeded expenditures of \$1,528,518, resulting in a slight excess in revenues over expenditures of \$8,744, which increased the fund balances. She referred to the Report on Internal Controls and Compliance, on Page 22, and the Management Letter, on Page 23, noting that both indicate a clean opinion and there were no findings for the current or prior years.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2012-5, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2011

Mr. Kaenzig presented Resolution 2012-5 and asked for any questions.

On MOTION by Mr. Neary and seconded by Mr. Godshall, with all in favor, Resolution 2012-5, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2011, was adopted.

SIXTH ORDER OF BUSINESS

Update and Consideration of Any Remaining Documents Related to the Series 2001 Bond Refinancing

Mr. Sealy recalled discussions held at a prior Mediterra South meeting. At that time, his firm was seeking approval of a delegation resolution, by Mediterra South, allowing his firm to price the bonds pursuant to certain parameters. Mediterra North also has a form of resolution, which is not as voluminous in content as Mediterra South, because Mediterra South is the issuer of the bonds.

Mr. Sealy was pleased to report that the bonds were priced on May 2; all the bonds were sold and the transaction is scheduled to close on May 17.

Mr. Sealy provided the Board with copies of a spreadsheet containing pertinent information regarding the terms of the bonds, as well as information that was previously provided over the last several months. Mr. Sealy indicated that he summarized the last estimated results, from the most recent Board meeting, and compared those figures against the actual results achieved when the bonds were priced.

Referring to the spreadsheet, Mr. Sealy noted that, for all three (3) bond series, the actual results of the net present value percentages were significantly better than the estimated value. For Mediterra North, this translates to 13.62% net present value percentage savings verses the estimated 9.54%. The total dollars of net present value savings increased from \$587,707 to \$820,563.

Mr. Sealy recalled that a parameter set forth in the Districts' delegation resolution was pricing the bonds so that there would be, at minimum, a 10% annual debt service reduction. He noted that, for the 2001 bonds, his firm originally estimated a reduction of \$73,000; the actual reduction is approximately \$81,000. Mr. Sealy clarified that the numbers are rounded and may change every year; however, they stay consistent around \$81,000. The original percentage reduction estimate was 12.97%, that amount increased to 14.26%. The average coupon increased slightly because, in the previous estimates, it was assumed that the bonds were going to be priced with 'original issue discount', meaning that the bonds would be priced at a 460 coupon yield 480. The bonds will be priced at a slight dollar discount, which assists in obtaining better pricing, overall.

Mr. Sealy stated that, specifically in the case of Mediterra North, there was a proceeds/principal issue. He needed to ensure that the principal amount of refunding bonds was either equal to, or less than, the current outstanding bond. To date, the principal amount of the outstanding bonds is \$6,025,000. After the refunding, the principal amount of bonds that will be outstanding will also be \$6,025,000. In essence, the original issue discount was eliminated to reduce the principal and make sure that Mediterra North residents will not endure a higher total principal assessment post-refinancing, than they did pre-refinancing. This accounts for the increase in the average coupon, with better results.

Mr. Sealy estimated the cost of issuance to be approximately \$240,000; the actual cost was \$150,500. Given that the cost of issuance was significantly less than anticipated, the net interest costs decreased by three (3) to four (4) basis points.

Mr. Sealy recalled that there was an in-depth discussion regarding the debt service reserve fund. For both Districts, it was estimated that the debt service reserve fund would be equal to 75% of the maximum annual debt service and, ultimately, that is how the bonds were structured. He noted that all figures on the spreadsheet are 'net' numbers; net of any money that was on hand and net of any costs associated with the bond issue.

Mr. Abrams asked for the total amount of the loan and the interest rate. Mr. Sealy stated that the principal amount of the refinanced bonds is \$6,025,000 and clarified that to take advantage of lower coupons and yields, along the yields curve, the bonds were priced with serials and maturities. The average coupon for Mediterra North 2001 bonds was 4.84%.

Mr. Abrams commended Mr. Sealy on a job well done.

▪ **Consideration of Resolution 2012-7, Supplemental Assessment Resolution**

****This item was an addition to the agenda.****

Mr. Johnson presented Resolution 2012-7 and stated that this resolution is the final condition preceding execution of the closing documents and funding of the bonds. Resolution 2012-7 will impose special assessments that will secure the proposed 2012 bonds under the existing master lien and will not require an additional assessment process. Mr. Johnson recalled that the assessment methodology and the District's earlier process were approved by the court when the bonds were originally validated. Staff relied upon and used that lien and methodology.

Mr. Johnson reviewed the attachments to Resolution 2012-7. He indicated that the debt service schedule, as well as the assessment report prepared by Wrathell, Hunt and Associates, LLC, is, as it was originally presented to the Board; the only changes are that the actual terms and conditions of the bond as negotiated and sold, were added to the tables.

Mr. Johnson stated that the resolution is in final form and noted that, upon adoption the lien will become effective. His office will record the assessment notice in the real property records, which will put subsequent purchasers on notice of the change in the lien and identify a contact for a follow up.

On MOTION by Mr. Neary and seconded by Mr. Godshall, with all in favor, Resolution 2012-7, Supplemental Assessment Resolution, was adopted.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2012-6, Approving the District’s Proposed Budget for Fiscal Year 2013 and Setting a Public Hearing Thereon Pursuant to Florida Law

Mr. Adams presented Resolution 2012-6, approving the proposed budget for the purposes of setting the public hearing for August 15, 2012 at 1:30 p.m., at this location. The resolution directs Management to distribute the budget to the local municipalities, in accordance with Florida law.

Mr. Adams reported that, from an operating perspective, the budget is status quo. Mr. Adams noted, contractual services, on Page 1, has been reduced by \$15,000, as a result of the reduced contract the District awarded earlier in the year,. Consistent with last year’s direction from the Board to become more aggressive with aquascaping, the \$15,000 was moved to the aquascaping line item.

Mr. Godshall noted that there are transposition errors in last year’s numbers, on Page 18. Mr. Van Tassel recalled that this item was discussed last year, in detail, and errors were discovered in this section, as well. Mr. Adams stated that this is a comparison table that requires manual insertion and it will be corrected.

In response to Mr. Abrams’ question, Mr. Adams indicated that the numbers under arbitrage rebate calculation will be updated. Conversation followed regarding contractual services. Mr. Adams clarified that, for contractual services, he is projecting that the District will spend \$37,000, through September 30, 2012.

Mr. Godshall expressed his concern regarding the assessment numbers, as it seems that the assessments, per owner, will increase by 8.6%. Mr. Adams stated that the numbers are incorrect because appropriations have decreased year-over-year and the use of fund balance will be the same. Mr. Adams stated that the chart will be adjusted.

In response to Mr. Abrams’ question, Mr. Adams stated that the assessments will reduce, slightly. Mr. Godshall clarified that the assessment will decrease by 15% for the O&M; however, the chart, on Page 5, currently reflects assessments increasing by 8.5%. Mr. Adams

indicated that the same figures from the fund balance will be utilized; overall appropriations for the year are slightly less, resulting in a reduction in O&M assessments.

Mr. Adams concurred with Mr. Abrams' statement and confirmed that, when you combine the two (2) into the cumulative total, which appears on the property tax bill, there will be a slight reduction in O&M and a more significant reduction on the debt service side. The total assessment will be approximately 15% lower, on average. Mr. Abrams suggested advising the residents of the reduction. Mr. Adams advised that Mediterra South directed Staff to prepare a newsletter to include an article on the reduction.

Mr. Godshall recalled that, in the prior year, a cost reduction was added to the O&M, which reduced the assessment. Mr. Adams explained that fund balance was used and proposed the same for this year. The District's operating fund balance is almost a full 100% coverage and should be decreased to a more responsible level.

Mr. Johnson pointed out that the governor's study commission will be investigating how community development districts are utilizing reserve funds. In response to a question, Mr. Johnson stated that the commission may have recommendations for the districts or there may be changes in legislation, in 2015.

On MOTION by Mr. Godshall and seconded by Mr. Neary, with all in favor, Resolution 2012-6, Approving the District's Proposed Budget for Fiscal Year 2013 and Setting a Public Hearing for August 15, 2012 at 1:30 p.m., was adopted.

EIGHTH ORDER OF BUSINESS

Consideration of Minutes

- **January 18, 2012 Regular Meeting**

Mr. Kaenzig presented the January 18, 2012 Regular Meeting Minutes and asked for any additions, corrections or deletions.

On MOTION by Mr. Neary and seconded by Mr. Van Tassel, with all in favor, the January 18, 2012 Regular Meeting Minutes, as presented, were approved.

- **March 15, 2012 Special Meeting**

Mr. Kaenzig presented the March 15, 2012 Special Meeting Minutes and asked for any additions, corrections or deletions.

On MOTION by Mr. Neary and seconded by Mr. Godshall, with all in favor, the March 15, 2012 Special Meeting Minutes, as presented, were approved.

- **April 11, 2012 Special Meeting**

Mr. Kaenzig presented the April 11, 2012 Special Meeting Minutes and asked for any additions, corrections or deletions.

On MOTION by Mr. Neary and seconded by Mr. Van Tassel, with all in favor, the April 11, 2012 Special Meeting Minutes, as presented, were approved.

NINTH ORDER OF BUSINESS

Staff Reports

a. Attorney

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

b. Engineer

Mr. Nelson Johnson, a resident, requested an update on the lake bank near the preserve area. Mr. Neary advised that he inspected the area and a number of issues were identified with last fall's plantings. The contractor replanted a number of lakes. Mr. Adams clarified that the replant was performed at the contractor's cost.

A question arose on brush fires. Mr. Adams stated that there was a concern from a Mediterra South Board Member regarding the fall out from a brush fire and the ability of the forestry service, or the fire department, to get equipment into the area. Mr. Adams recalled that the District Engineer indicated that the conservation easement permits will not allow installation of access roads. He indicated that, if enough governmental entities, such as the fire and forestry departments, expressed an interest in installing that type of facility, it may apply enough pressure to the water management district to allow the provision.

Mr. Robson added that the conservation easement contains a clause, allowing some paths; however, it does not contain provisions for access with mechanical equipment, of the size and type needed. For fire access roads an alternate easement will be needed.

Mr. Adams stated that, ultimately, the forestry and the fire departments will take the necessary steps to protect life and personal property. The premise of the Mediterra South discussion was providing access points that will limit damage to expensive assets, such as the golf course.

c. Manager

i. Unaudited Financial Statements as of April 30, 2012

Mr. Adams presented the Unaudited Financial statements as of April 30, 2012.

ii. 221 Registered Voters in District as of April 15, 2012

Mr. Adams reported that there were 221 registered voters residing within the District’s boundaries, as of April 15, 2012. He reiterated that the general election process will be triggered when the District reaches 250 registered voters.

iii. NEXT MEETING DATE: August 15, 2012 at 1:30 P.M.

Mr. Adams advised that the next meeting date will be August 15, 2012.

In response to Mr. Godshall’s inquiry, Mr. Adams explained the landowner’s election process.

TENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors’

There being no audience members present and no Supervisors’ request, the next item followed.

ELEVENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned.

**On MOTION by Mr. Neary and seconded by Mr. Van Tassel,
with all in favor, the meeting adjourned at approximately 2:24
p.m.**


Secretary/Assistant Secretary


Chair/Vice Chair