

**MINUTES OF MEETING
MOODY RIVER ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Moody River Estates Community Development District's Board of Supervisors was held on **Thursday, October 20, 2016 at 1:00 p.m.**, in the **Clubhouse at Moody River Estates, 3050 Moody River Blvd., North Fort Myers, Florida 33903.**

Present and constituting a quorum were:

Terry Pye	Chair
Ilse Mayer	Assistant Secretary
Elizabeth Keeler	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Michael Eckert (<i>via telephone</i>)	District Counsel
Wes Kayne	District Engineer
Doug Tarn	Barraco & Associates
Resident	

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 1:00 p.m., and noted, for the record, that Supervisors Pye, Mayer and Keeler were present, in person. Supervisor Teckorius was not present. One seat remained vacant.

SECOND ORDER OF BUSINESS

Public Comments (*agenda items*)

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

**Consideration of Resolution 2017-1,
Adopting Prompt Payment Policies and
Procedures Pursuant to Chapter 218,
Florida Statutes; Providing a Severability
Clause; and Providing an Effective Date**

Mr. Adams presented Resolution 2017-1 for the Board's consideration.

Mr. Eckert stated that these policies institute the requirements of the Florida Statutes, in terms of prompt payment, and allow flexibility, for the District’s maximum protection, when a vendor dispute arises in relation to an invoice. The Board would have more discretion when resolving disputes versus deferring to a court.

On MOTION by Ms. Mayer and seconded by Ms. Keeler, with all in favor, Resolution 2017-1, Adopting Prompt Payment Policies and Procedures Pursuant to Chapter 218, Florida Statutes; Providing a Severability Clause; and Providing an Effective Date, was adopted.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2017-2, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016; and Providing for an Effective Date

Mr. Adams presented Resolution 2017-2 for the Board’s consideration. There were significant unforeseen expenses related to fountains, which necessitated rebuilding a number of the electrical panels, for public safety. “Other contractual”, under “Water management”, changed, with regard to the budget and the primary contract, which is for lake maintenance and routine fountain aeration maintenance. A budget amendment was proposed for Fiscal Year 2016, to avoid a finding in the audit. \$22,390 was transferred from fund balance, which allowed for over expenditures and provided a contingency for potential accruals submitted in October for services provided or received in September.

On MOTION by Mr. Pye and seconded by Ms. Mayer, with all in favor, Resolution 2017-2, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016; and Providing for an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Discussion/Consideration: Refinancing the District’s Series 2006 Bonds (*backup to be provided under separate cover*)

Mr. Adams stated that the current bond was outstanding, at \$8,645,000, an average yield at 5.35%, average annual debt service at \$703,916 and total debt service, through the remainder of the term, both principal and interest, at \$14,078,326. The bonds were not rated. The “Reserve Fund” was nearly \$600,000 and the prepayment option occurred on May 1, 2016. After 10 years, the CDD may choose an optional redemption on the bonds, which is a provision within the Trust Indenture. The indenture does not allow for an optional redemption at 100% of value until the 10-year period ends, with the final maturity in 2036. Refinancing the outstanding bonds would reduce them to \$8,500,000. The average yield would be 3.5% to 3.75%, average annual assessment payments would be \$602,063, and the total debt service principal and interest, through the end of maturity, would be \$12,041,253. The rating may be BBB or may be nonrated. The underwriter would determine whether it is worth going through the BBB rating when preparations begin. The reserve fund would be reduced from just below \$600,000 to \$304,000, making the refinancing feasible. The prepayment option on the new 2016 Bonds would be 10 years and the maturity would remain at 2036. There would be a 14% reduction in the annual debt service assessment. The professionals would initiate new 2016 bonds. Mr. Adams suggested Mr. John Kessler, of FMSbonds, as underwriter. Bond Counsel, District Counsel and the District Manager would be involved in preparing a new Special Assessment Methodology Report. None of the professionals would receive payment unless the bonds closed. FMSbonds would push the bonds through by the end of 2016, which would require special meetings, as necessary. The savings and the fees of the professionals were net of the proceeds.

On MOTION by Mr. Pye and seconded by Ms. Mayer, with all in favor, Refinancing the District’s Series 2006 Bonds, was approved.

SIXTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of August 31, 2016

Mr. Adams presented the Unaudited Financial Statements as of August 31, 2016.

SEVENTH ORDER OF BUSINESS

Approval of August 18, 2016 Public Hearing and Regular Meeting Minutes

Mr. Adams presented the August 18, 2016 Public Hearing and Regular Meeting Minutes and asked for any additions, deletions or corrections.

The following change was made:

Line 310: Change “Mayer” to “Crismond”

On MOTION by Ms. Mayer and seconded by Mr. Pye, with all in favor, August 18, 2016 Public Hearing and Regular Meeting Minutes, as amended, were approved.

EIGHTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Eckert stated that the District was named in a lawsuit, filed in Lee County, as a Defendant in a Quiet Title Action, meaning someone purchased or took ownership of a property. The Plaintiff is the Florida Tax Lien Assets IV LLP. Regions Banks, Darth Properties, Lee Development Corporation and the CDD were named as defendant. When someone takes title to property, whether through foreclosure sale or the tax deed process, oftentimes, those parties will file a Quiet Title Action so that the court determines that they are the property owner. District Counsel’s involvement would be to ensure that CDD assessments and deed restrictions placed on the property by virtue of the settlement, several years ago, survive the Quiet Title Action. A copy of the complaint and answer were provided to Mr. Adams for dissemination to the Board. The District’s interests in the property must be protected.

B. District Engineer

Mr. Kayne stated that, this morning, he noticed a change in the grading and drainage in the area. Mr. Adams sent a letter to Mr. Jim Ratz, with DR Horton, and copied the South Florida Water Management District (SFWMD), who issued the Notice of Violation. Mr. Ratz would review and address any of the drainage issues that relate to properties that DR Horton constructed that were not modified for a pool or some other addition. Mr. Adams noted that every lot line was staked, front and back, which was a new occurrence. Mr. Adams would

follow up with Mr. Ratz and provide the information to the SFWMD, who were recognizing DR Horton as the offending party, even though the District was the permittee. The HOA President was provided the information, as well.

C. District Manager

Mr. Adams stated that, since the last meeting, the District received Code Enforcement violations from Lee County on five ponds. The violations were primarily for an insufficient amount of littoral plants. One or two of the shoreline cypress trees died and must be replaced. An exotic plant was growing next to a well control panel and it was removed. Cypress trees were removed and replaced and supplemental plantings were installed and five or six of the code violations were abated. Lee County expressed appreciation for the District's prompt response. A suggestion was made for a meeting with the HOA to discuss maintenance responsibilities and communication regarding improvements. The District owns and operates the stormwater management system. Ms. Keeler requested participation in the meeting.

Ms. Crismond stated on Lake #9, some residents installed landscape packages in the rear of their property, which is on the CDD's easement. Photos were taken, notification letters would be sent to residents and the HOA would be informed. The HOA may have given prior approval.

Mr. Adams stated that the next regularly scheduled meeting will be held on January 19, 2017 at 1:00 p.m., at this location. The Board may consider appointees to fill the vacant seat for the remainder of the unexpired term. A letter of interest was received.

TENTH ORDER OF BUSINESS

Public Comments (*non-agenda items*)

There being no public comments, the next item followed.

NINTH ORDER OF BUSINESS

Supervisors' Requests

There being no Supervisors' requests, the next item followed.

TENTH ORDER OF BUSINESS


Adjournment

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

On MOTION by Ms. Mayer and seconded by Ms. Keeler, with all in favor, the meeting adjourned at 1:27 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair