

MINUTES OF MEETING
TISON'S LANDING COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Tison's Landing Community Development District was held Thursday, May 26, 2016 at 11:00 a.m. at England-Thims & Miller, Inc. 14775 Old St. Augustine Road, Jacksonville, Florida 32258.

Present and constituting a quorum were:

Doug Maier	Chairman
Fitch King	Vice-Chairman
Aaron Roberts	Supervisor
Courtney Stilwell	Supervisor

Also present were:

Dave deNagy	District Manager
Gerald Knight	District Council
Brian Stephens	Riverside Management Services
Emma Dobrie	Riverside Management Services
Sete Zare	MBS Capital Markets, LLC

Resident Guests:

Dan Plourde
Katrina Plourde
Wade Nessel
Carman Pagano

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 11:00 a.m.

SECOND ORDER OF BUSINESS

Public Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

**Presentation by MBS Capital Markets,
LLC Regarding Bond Refunding**

Ms. Sete Zare referred to the presentation in front of the board members. The Series 2005A bonds, in conjunction with the Series 2005B bonds were issued in December 2008. The 2005B bonds have been paid down in full, so the real focus is on the 2005A bonds. The A

bonds were issued at \$10.3 million but currently the outstanding debt is \$5.225 million. At the discretion of the board, the 2005 bonds can be called that have a 5.625 coupon and replace it with a lower interest rate bonds. You are going from high interest rate debt to lower interest rate debt, which is what is going to generate your savings. There will continue to be one assessment area for the Series 2016 financing. One resident has prepaid their assessment, so the assessment area is 679 units. About 80% of the debt is levied on vertical units, and we can take advantage of the 80% that is vertically built out. We can approach S&P, and they will get the credit worthiness of this 80% of the debt. An underlying rating can be secured, which means a lower interest rate can be secured on this portion of the debt. We will have to price a non-rated rate on the 20%, but because it is one assessment area, it will be a blended rate. The entire community benefits from that blended rate. Ms. Zare referred the board members to Page 5 and went through the metrics. We can generate about \$600,000 in present value savings, which equates to 11.72% of the refunded bonds. The residents will see about \$50,000 in whole in savings. Ms. Zare referred the board members to Page 6 of the presentation. With the refinancing, the debt service can be lowered to \$377, a savings of \$50 each year. The maturity of the bonds will stay intact. Ms. Zare asked the board members if they would be comfortable having her approach S&P with a credit package in order to secure underlying rating.

Mr. deNagy stated the board has talked about taking some cash out from the refunding to pay for some capital improvements, not all but some, and have the rest allocated to the reduction in debt service.

Ms. Zare responded we can do that. We can maintain a current level, and savings generated would be put into a capital improvement account. The Engineer has to approve those infrastructure needs.

Mr. deNagy stated I see the savings per unit range from \$50 to \$114, if we were to, for example, accrue a \$35 savings for everybody, and whatever the difference is we can squirrel that away in a reserve fund. Is that possible?

Ms. Zare responded we could do that. I would have to run the numbers to see if it generates enough for you to move forward with any sort of infrastructure improvement. As long as I don't increase the current assessment level, we can play with the neighbors.

Mr. deNagy asked how much did you say on an annual basis - \$50,000.

Ms. Zare responded in totality \$50,000.

Mr. deNagy stated so maybe the board would say we want \$25,000 in Capital Reserves.

Ms. Zare stated the difference could be applied.

Ms. Stilwell asked what are the restrictions on the infrastructure improvements?

Ms. Zare responded there would be restrictions. It could be for stormwater improvements, roads, any horizontal infrastructure improvements. An engineer would have to approve those. I can get the detail on exactly what is acceptable. It has to be for public use because it is going to benefit the entire community.

Mr. Maier stated what we would like to do is use for the amenity because the amenity is a District facility. We like to do some additional improvements, i.e., remarketing the kids' pool and possibly expanding the exercise/fitness room.

Ms. Zare responded that would qualify.

Mr. Maier stated it would have to be a capital expense, not a maintenance cost, and we would have to have the Engineer look at it and maybe do a supplemental Engineer's report that would describe what the money would be used for.

Mr. Maier asked do you think another way of doing it, Dave, would be to just raise the O&M to create a greater budget.

Mr. deNagy responded we could do that.

Mr. Maier stated pass the savings on then also increase the budget so that we can have additional dollars to do additional projects that we would like to do.

Mr. deNagy stated we have already approved an increase of just under \$53 a year per unit. Next year we could add more.

Mr. Maier asked are you approaching this as a public offering or a private placement?

Ms. Zare responded I ran the numbers as a public offering, but it is not something we can consider as well. The numbers are based off of a public offering.

Mr. Maier asked if the board decided not to go forward for some reason, is that a cost that the board would have to cover?

Ms. Zare responded the board won't see any costs until the bonds are actually issued. Our fee will not be paid unless we close the bonds.

Mr. Maier stated if, after you get the rating, we decide not to go forward, what would be that cost?

Ms. Zare responded I will confirm, but I am pretty sure that the District won't feel the cost of that. Let me confirm it and get back to you.

Mr. deNagy stated I think that is the case. I think the agreement with MBS is contingent upon the bonds closing

Resident Carman Pagano asked with the interest rate in the period of rising rates, how confident are you with this 4.39%, and what happens if the Fed raises the rate?

Ms. Zare responded nobody can predict where the market is going to move, but right now we are at an all-time low interest rate environment, which is why the faster we act, we can attempt to secure a lower interest rate.

Ms. Stilwell asked what is the timeframe?

Ms. Zare responded the next steps would be for me to put a credit package together after we understand whether or not we want to move forward with just savings or if we want to actually build a project fund. I can run the numbers based on what you prefer, and then I go to S&P, and S&P would give us an underlying rating on the bonds. We would have to go through the assessment process, so there is an increase in par and because of that, that triggers the assessment process, which is a 30-day notice to your residents. I assumed an August close, and I think that is a pretty comfortable timeframe.

Mr. deNagy stated something to keep in mind with the tax roll in Duval County, we have to have that certified with numbers in place by August 1, which is when the tax roll needs to be certified to Duval County.

Mr. Maier stated so the par debt following the refunding is higher than the par debt before the refunding?

Ms. Zare responded yes, it would be.

Mr. Maier stated so there would be a public hearing where residents can come and ask questions.

Ms. Zare stated that is about a 30-day process, and we have to notify residents 30 days in advance of any public hearing.

Resident Dan Plourde asked with that notice being sent to the residents, do they actually have a say in that decision or do they tell their board members, and the board members have the decision.

Ms. Zare responded I think the board members actually hold the final decision, but it is the board member's responsibility to listen to the community and their feelings.

Mr. Plourde stated I am in favor of refinancing and putting some of the money into the capital gains to make repairs or improve our property. There are a lot of places we can improve it. A lot of us are in favor of it. We are also in favor of lowering our cost too, but I think we might want to get a flavor of everybody in the neighborhood. I know I and my neighbors would like to the amenity center improvements, and at the same time we want to save money too.

Mr. deNagy stated Eagle Harbor did a refunding in 2014. They did cash out some money for amenity improvements, and they also realized a debt reduction on their CDD assessments.

Ms. Stilwell stated I know we approved the increase, could this offset that increase?

Mr. deNagy responded looking at the numbers right now, yes, because we had a \$53 increase in O&M, so if we didn't take any cash out then yes, that would offset that.

Ms. Zare stated I will run the numbers to confirm.

Mr. Maier asked when would you need to know how much the District wants to put into this capital account? Do you need to know what it is going to be used for?

Ms. Zare responded the sooner the better. The sooner I understand the bond structure, I can put a package together. The longer it takes, the more delay we have in financing the Series 2016 bonds.

Mr. deNagy asked Mr. Knight about taking action today because our timeframe is very limited.

Mr. Knight responded you can authorize MBS to go ahead and get started on the credit rating and do what they have to do to get the bonds rated. She is telling us that in order to put that together she has to know how much we want to put aside for capital costs for the project.

Ms. Zare stated I can actually go back after this and submit it to you to see how much funds will be generated just from pulling straight into a project fund rather than actually generating savings. Maybe that will help in your decision on what you want to do with the refinancing.

Mr. deNagy stated my guess is we will need to have another meeting. Our next meeting is in July. We have to have a meeting sometime in June. Getting back to the 30-day public notice requirement, I don't know how soon the credit rating can be done.

Ms. Zare stated I will get started on it immediately. I have already put a lot of it together in the hopes that you would approve us going forward. We will get it going pretty fast.

Mr. Knight stated I think our first step is to authorize MBS to go forward.

On MOTION by Mr. Maier seconded by Ms. Stilwell with all in favor to authorize MBS Capital Markets to obtain the necessary credit rating to initiate the refunding was approved.

Ms. Zare stated I will get you a revised set of numbers to see what the construction fund would generate.

Mr. deNagy stated timing wise, what do you think is appropriate for holding the next meeting?

Mr. Knight stated we start the process and schedule a Public Hearing.

Ms. Zare stated when you want to have the meeting in June is the trigger date for when the bond financing starts.

After discussion, the board decided to hold a special meeting on June 23 at 11:00 a.m. to being the Chapter 170 process.

On MOTION by Mr. King seconded by Mr. Maier with all in favor to hold a special board meeting on June 23, 2016 at 11:00 a.m. for the purpose of initiating the Chapter 170 process was approved.

FOURTH ORDER OF BUSINESS

Staff Reports

A. Manager – Report on the Number of Registered Voters (770)

Mr. deNagy stated it is required by Florida statues that I report on the registered number of voters in Yellow Bluff. As of April 15, there are 770 registered voters in the District. That doesn't make a difference right now with what is going on. You need 250 registered voters in order to start the General Election process, and you are well above that

number. When the General Election is held on November 4, we will have the two open seats on the ballot for people to vote for when they vote for the President. If you are interested in serving on the board, I would get your name on the ballot for November. If you are on the ballot and run unopposed, you are automatically on the board.

B. Amenity Manager

Mr. deNagy stated I spoke with our District Counsel, and we had an issue with a resident at the Amenity Center. Emma is our Amenity manager. We had an issue with this same resident last year. The resident was suspended for two months for violation of the Amenity policies. I spoke with District Counsel, and staff can move accordingly per the policies. I wanted the board to know that it is recommended this resident be suspended for another two months. We don't need board action on that, however, there is an appeal process. If the resident comes back and doesn't feel the two-month suspension is warranted, they can appeal it. The board would be required to listen to the residents and decide if the punishment needs to be charged or not. We will be sending a letter to the resident.

FIFTH ORDER OF BUSINESS

Organizational Matters

Mr. deNagy stated as a way of background, Courtney Stilwell and Aaron Roberts have served on the board for over a year, and the District appreciates your service. Unfortunately they have some plans that have them moving out of the community, and once you are not a resident, you can't be on the board. We have three candidates here today for filling those positions and this will be an 8-step process. The first thing we want to do would be discussion points for the current board members because the board members will be deciding who to appoint. The terms for Courtney and Aaron run through 2018. Fitch and Doug's terms run through 2016. We have another board member who is in the military, and she is not here. Her term runs through 2018. I tried to contact her, but I believe she is overseas. What we would like to do today is fill Courtney's and Aaron's seats. We want to move Doug and Fitch into a two year longer term since they have been involved in the community. This was explained in the email to you. So the two residents that we pick of the three of you here will serve through November of this year. I would encourage you if you are interested in staying on the board, even though you are going to be on the board, if you are selected today, for just a short term, I

would still encourage you to go and put your name in the hat with the Supervisor of Elections and get your name on the ballot. Given you are elected in November, your term will run for four years. You will be on the board until 2020 if you are elected.

A. Discussion of Candidate Resumes

Mr. deNagy stated board members should have received resumes from Carman Pagano, Dan Plourde, and Wade Nettet, and all three are here.

Mr. Dan Plourde stated he has lived in the community for over five years. I am a retired Merchant Marine. When I served with the Marines, I was Chief Engineer of a ship that carried billion dollar cargo, and we had to maintain our own budgets. My budget was roughly \$7 million a year. He also managed the maintenance and budget for a ship, the Fort McHenry, for the US Navy. I plan to stay in the community for quite a while, and my schedule is flexible.

Mr. Wade Nettet stated I moved into the community just under a year ago. I am currently on active duty. I have been in the Navy for over 12 years, and before that I was a financial advisor for American Express. For the next three years I will be stateside, so it is not an issue of me going anywhere. I would like to have some influence on where the community goes and talk to my neighbors and explain to them why certain things are the way they are. I think I would enjoy it.

Mr. Carman Pagano stated I am retired. My career was mostly in Information Technology. The last place I worked was Vanguard Group, which is a mutual fund company. I have an undergraduate degree in Information Technology. My degree also included enough credits in Accounting to count as a major. I also have an MBA in finance. I bought in 2010 with the intent of making this my retirement home. I have a vested interest in seeing that the community thrives. I feel like I could bring a lot to the board. What I have heard today is stuff that I did in my career.

Mr. Maier expressed his thanks to the three candidates. The decision to make is going to be very tough. I am also on the HOA board, and I will need some people on the HOA board as well. Whoever we don't choose today, if you would like to participate in the HOA board, that opportunity is there.

Mr. deNagy stated we will still need two people's names on the ballots at General Election.

- B. Acceptance of Resignations**
- C. Appointment of New Supervisors for Unexpired Terms of Office**
- D. Oaths of Office for Newly Appointed Supervisors**
- E. General Information for New Supervisors**

Mr. deNagy stated we will have Doug in Seat 1 resign his seat, and then the board members will appoint one of the three folks here to fill that seat. After that, Courtney or Aaron will resign her seat, and we will ask the board to appoint Doug to fill that seat because he has resigned, and we want him back on the board in one of those seats. After that, Fitch King will resign, and we will appoint one of the folks here to Fitch's seat. Then Courtney or Aaron will resign, and we will ask the remaining board members to appoint Fitch to that seat. That should move everybody around where we have Doug and Fitch in Courtney's and Aaron's seats, and the terms would run through 2018. The new board members will fill Doug's and Fitch's seats, which will run through November 2016. The first thing we need is for Doug to resign and the board to accept Doug's resignation.

Mr. Maier stated I will resign my position.

On MOTION by Ms. Roberts seconded by Mr. King with all in favor to accept Doug Maier's resignation from Seat 1 was approved.

Mr. deNagy stated the next board action would be to appoint a new board member to fill Mr. Maier's seat, Seat #1.

On MOTION by Mr. King seconded by Ms. Stilwell with all in favor to appoint Carmen Pagano to Seat #1 was approved.

Mr. deNagy administered the Oath of Office to Mr. Pagano. He stated if you wish to accept pay, it will be \$200 per meeting up to a maximum of \$4,800 per year. Mr. Pagano declined to receive pay. Mr. deNagy provided Mr. Pagano paperwork that needs to be filled out and filed with the Supervisor of Elections of Duvall County. He also provided general information about the CDD and a copy of the Sunshine Laws. It was recommended that he go

personally to file the information with the Supervisor of Elections and bring a stamped copy back.

Mr. deNagy stated the next item would be to have Aaron Roberts resign her seat, which is Seat #4.

On MOTION by Mr. King seconded by Ms. Stilwell with all in favor to accept Aaron Robert's resignation from Seat 4 was approved.

Mr. deNagy provided paperwork to Ms. Roberts that should be filed with the Supervisor of Elections letting them know she has resigned from the board.

Mr. deNagy stated our next item would be to appoint Doug Maier to Ms. Robert's seat, Seat #4.

On MOTION by Mr. Pagano seconded by Ms. Stilwell with all in favor to appoint Doug Maier to Seat #4 was approved.

Mr. deNagy administered the Oath of Office to Mr. Maier.

Mr. deNagy stated the next item would be to accept the resignation of Fitch King, Seat #3, term through 2016.

On MOTION by Ms. Stilwell seconded by Mr. Pagano with all in favor to accept Fitch King's resignation from Seat 3 was approved.

Mr. deNagy stated the next motion will be to appoint Mr. Plourde or Mr. Nessel to Seat #3.

On MOTION by Mr. Maier seconded by Mr. Pagano with all in favor to appoint Daniel Plourde to Seat #3 was approved.

Mr. deNagy administered the Oath of Office to Mr. Plourde. Mr. Plourde accepted compensation. Mr. deNagy provided paperwork to Mr. Plourde to complete including W4 and I9 forms. A copy of the Sunshine Laws was provided to Mr. Plourde.

Mr. deNagy stated next is to accept the resignation of Courtney Stilwell from the board.

On MOTION by Mr. King seconded by Mr. Plourde with all in favor to accept Courtney Stilwell's resignation from Seat #2 was approved.

Mr. deNagy stated the next item would be to appointment Fitch King to Seat #2.

On MOTION by Mr. Maier seconded by Mr. Pagano with all in favor to appoint Fitch King to Seat #2 was approved.

Mr. deNagy administered the Oath of Office to Mr. King.

Mr. deNagy gave a brief overview of the Sunshine Law to Mr. Pagano and Mr. Plourde. As a board member, District business can only be talked about in a public meeting that has been noticed. If you run into another board member while you are in the community, you can't talk about District business outside of a board meeting. If you have questions, you can contact me, any staff members, or District Counsel. It was suggested that any paperwork received regarding CDD meetings be kept in a separate file.

Mr. Knight stated if you send or receive an email from staff members regarding CDD board business, that is a public record and have to be preserved. We suggest setting up a separate email account just to receive CDD emails. When you respond to an email that might have been sent out to everybody, do not hit Reply All. Also, CDD business should not be discussed at an HOA meeting because other board members may be at the HOA meeting.

F. Election of Officers, Resolution 2016-02

Mr. deNagy stated this is where we elect and Chairman and Vice-Chair. The remaining board members typically serve as an Assistant Secretary. I serve as Secretary/Treasurer. Jim Perry, who is our Managing Director, serves as Assistant Secretary and Assistant Treasurer. Jim Oliver is a District Manger and Patti Powers is an accountant who serve as Assistant Treasurer. GMS serves in those positions because we sign documents, checks, and agreements. Right now I look for a nomination for Chairman

On MOTION by Mr. Pagano seconded by Mr. King with all in favor to appoint Doug Maier to serve as Chair was approved.

Mr. deNagy stated the next motion will be for Vice Chair.

On MOTION by Mr. Maier seconded by Mr. Pagano with all in favor to appoint Fitch King to serve as Vice-Chair was approved.

Mr. deNagy stated the balance of the seats would be Assistant Secretary for Dan Plourde and Carman Pagano. We will also keep myself as Secretary Treasurer, Jim Perry as Assistant Secretary/Assistant Treasurer, and Jim Oliver and Patti Powers as Assistant Treasurer.

On MOTION by Mr. Maier seconded by Mr. King with all in favor for Dan Plourde and Carman Pagano to serve as Assistant Secretaries was approved.

SIXTH ORDER OF BUSINESS

Supervisor Request / Audience Comments

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS

Next Scheduled Meeting

Mr. deNagy stated our next scheduled meeting is June 23 at 11:00 a.m., and our next regular meeting will be July 7, 2016 at 10:00 a.m. at this location.

EIGHTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Plourde seconded by Mr. Maier with all in favor the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman