

MINUTES OF MEETING

LIVE OAK LAKE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Live Oak Lake Community Development District was held Friday, July 29, 2016, at 10:30 a.m. at the District Office, 313 Campus Street, Celebration, FL 34747.

Present and constituting a quorum were:

Scott Stearns	Chairman
José Rios	Vice Chairman
Walter Beeman	Assistant Secretary
Kimberly Locher	Assistant Secretary

Also present were:

Gary Moyer	Manager: Moyer Management Group
Sarah Sandy	Attorney: Hopping Green & Sams
Rey Malavé	Engineer: Dewberry
Brett Sealy (<i>by phone</i>)	MBS Capital Markets

FIRST ORDER OF BUSINESS

Call to Order

Mr. Moyer called the meeting to order at 10:30 a.m.

SECOND ORDER OF BUSINESS

Roll Call

Mr. Moyer called the roll and stated a quorum was present for the meeting.

THIRD ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

FOURTH ORDER OF BUSINESS

Administrative Matters

A. Appointment of Supervisor to Fill the Unexpired Term of Office for Seat 2

Mr. Moyer stated there is currently a vacancy on the Board that we need to address at some point. I understand we are going to continue carrying this on the agenda since no one has a nomination at this point.

B. Oath of Office for Newly Appointed Supervisor

This item not being considered, the next order of business followed.

FIFTH ORDER OF BUSINESS

Approval of the Minutes of the July 15, 2016, Meeting

Mr. Moyer reviewed the minutes and asked for any additions, corrections, or deletions.

Ms. Sandy stated I sent some corrections to Ms. Brenda Burgess to be incorporated, noting that the meeting was a special meeting and it was held on a Friday. I also made

some comments to the presentation of the first supplemental engineer's report to clarify what was discussed as well as comments on the presentation of the first supplemental assessment report to clarify what is anticipated to be absorbing the Series 2016 assessments. I also wanted to clarify a statement that was attributed to Ms. Cynthia Wilhelm to Ms. Tucker Mackie, as well as a clarification of acquisition of the stormwater tracts and language in the motion box that it was subject to review and receipt of the documents required by the District's acquisition agreement.

On MOTION by Mr. Stearns, seconded by Ms. Locher, unanimous approval was given to the minutes of the July 15, 2016, meeting, as amended.

SIXTH ORDER OF BUSINESS

Public Hearing for the Rules of Procedure

A. Rules of Procedure

Mr. Moyer stated the primary purpose of today's meeting is to hold two public hearings. This first one is for the Board to consider the adoption of our administrative rules of procedure. Ms. Sandy and her team at Hopping Green & Sams provided these rules. They generally are consistent with rules that other districts have adopted. They are rather pro forma, and they also track the provisions of Florida Law. A variety of subjects are incorporated into these rules of procedure. We are required as a District under Chapter 190, Florida Statutes, to adopt rules of procedure, and we do so pursuant to the Administrative Procedures Act, which is Chapter 120, Florida Statutes. This meeting has been noticed for that purpose in accordance with law.

On MOTION by Mr. Stearns, seconded by Mr. Beeman, with all in favor, unanimous approval was given to open the public hearing for the rules of procedure.

Mr. Moyer asked for any comments from the public. Hearing none, he asked for comments from the Board.

Mr. Beeman asked can these rules be modified?

Ms. Sandy stated yes. Generally, Chapter 190, Florida Statutes, provides to the Board the authority to prescribe the powers and duties of the District officers and to conduct District business. These rules cover the duties of the officers, public records policies, and procurement. As Mr. Moyer mentioned, these are the standard rules that we recommend

to all our districts. As Statutes are updated, we will update the rules and bring them back for the Board's consideration if anything needs to be changed.

B. Consideration of Resolution 2016-39 Adopting the Rules of Procedure

Mr. Moyer read Resolution 2016-39 into the record by title.

On MOTION by Mr. Beeman, seconded by Mr. Rios, with all in favor, unanimous approval was given to Resolution 2016-39 adopting the rules of procedure.

On MOTION by Mr. Stearns, seconded by Ms. Locher, with all in favor, unanimous approval was given to close the public hearing for the rules of procedure.

SEVENTH ORDER OF BUSINESS

Public Hearing for the Uniform Method

A. Consideration of Resolution 2016-40 Expressing the District's Intent to Utilize the Uniform Method of Collection for Non-Ad Valorem Assessments

Mr. Moyer read Resolution 2016-40 into the record by title.

Mr. Moyer stated this permits us to use the services of the property appraiser and the tax collector. Having those two constitutional officers involved in collecting our assessments is probably the most efficient way for the District to collect its assessments. This is generally used by most other CDDs that I am aware of to collect assessments.

On MOTION by Mr. Stearns, seconded by Mr. Beeman, with all in favor, unanimous approval was given to open the public hearing for the uniform method.

Mr. Moyer asked for comments from the public. Hearing none, he asked for comments from the Board.

Ms. Sandy stated I will ask Mr. Moyer to confirm that proper notice for the hearing was done.

Mr. Moyer stated yes, it was.

Ms. Sandy stated this Resolution allows you to collect assessments using the uniform method but does not require it. I believe the indenture for the Series 2016 bonds has language requiring the District to collect its assessments under the uniform method, which is generally when lots are platted. Otherwise, the District is also able to collect assessments directly.

Mr. Beeman asked what does Osceola County charge?

Mr. Moyer stated 2%. Mr. Beeman is probably more familiar with Orange County. The property appraiser in Orange County charges based on the number of parcels instead of 2%, which is a real deal for districts since it is a fairly diminimus fee. For 2,000 parcels, it might end up being \$2,000.

On MOTION by Mr. Stearns, seconded by Mr. Beeman, with all in favor, unanimous approval was given to close the public hearing for the uniform method.

On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to Resolution 2016-40 expressing the District's intent to utilize the uniform method of collection for non-ad valorem assessments.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being nothing to report, the next item followed.

B. Engineer

Mr. Malavé stated Mr. Sealy asked about the total quantity of the stormwater earthwork number that we have in Table F. The question was, we are over the original estimate from our first engineer's report, so are we looking at additional costs if we were to include all the earthwork for all the ponds. We went back and looked at how we derived the original number, and it was strictly for stormwater for two roadways: Nolte and Hickory Tree. We took portions of stormwater requirements just for those two roads, not the other stormwater ponds. There are 12 or 15 ponds that will be added. When you take out the dirt, we will be excavating those, grassing the pond banks, and gating them if needed or whatever else needs to happen for some minor aesthetics. This equates to about \$2.5 million worth of earthwork in moving dirt and about \$300,000 to \$400,000 for control structures to be added. That number is for the additional ponds, so that is the number we are talking about that will have additional dirt and the dollars we will have in that same line item. We do not think we will ever spend that, based on the \$35 million total master project. We left it open to include the stormwater ponds, but in our cost estimate, we did not add that into it.

Mr. Stearns stated the master project numbers did not include stormwater ponds. Originally, the stormwater dollar amounts were based on stormwater facilities that will service public infrastructure roadways, which are the two roads that Mr. Malavé

mentioned. We are going to change the dollar amounts to include the stormwater ponds, and that excavation cost was not part of the program.

Ms. Sandy stated for clarification, these stormwater improvements were part of the description in the master project but the dollars were not included.

Mr. Malavé stated that is correct.

Mr. Stearns stated it was inside the CDD boundary but was not intended to be redeemed at that point. That was the change in the report that Mr. Malavé provided.

Mr. Malavé stated we always said that we may include stormwater ponds as part of our original description. It did not flow into the dollar amounts.

Mr. Moyer asked did you say it would not affect the overall cost estimate?

Mr. Malavé stated it would if you added it in. The question, though, is that if we are capped at \$35 million total under the original estimate, which is also the number that we used in the petition, we will need to alter that, too. I do not think the intention is to alter the master dollars that we petitioned. I think the matter is to work with the \$35 million and just know that we will have additional costs to fund or reimburse to the developer, but he will not get all of his money back.

Mr. Stearns stated there are a lot more eligible CDD reimbursable improvements, but to do that, we would exceed our dollar amounts, and the assessments would be different. We do not have time to do that. We will have more eligible costs than we will redeem.

Mr. Malavé asked do we need to note anything about that, or what does Mr. Sealy feel is needed for the people who are going to buy the bonds?

Mr. Sealy stated the offering document provided an overall development cost. We disclosed an overall development cost for development of all the infrastructure within the District. While the developer component and the capital improvement program (CIP) component will now have a \$3 million swap, our disclosure was proper, in that we disclosed the total amount of the development expenditures. We can just address with bondholders on our conference calls that a portion of the stormwater that was under a different column, although disclosed within the total, may fall under District work. I am comfortable that we have done proper disclosure in the offering document regarding the total development expenditures. We will have discussions regarding on which side of the ledger they will fall. I appreciate the follow-up. It allows us to give an order of magnitude of what additional work may be undertaken by the District.

C. Manager

i. Financial Statements, June 30, 2016

Mr. Moyer reviewed the financial statements contained in the agenda package and available for public review at the District office during normal business hours.

Mr. Moyer stated Mr. Beeman asked me before the meeting about the staff at Severn Trent. I am a contract manager for Severn Trent, and I do that under Moyer Management Group. I will continue to be the person who does the management part. Even though at one point in time, Severn Trent struggled with their accounting part of the business, they have straightened that out well. It is getting to a point now where when we sell bonds, we need someone other than Ms. Burgess or me doing the accounting. So Severn Trent brings that expertise to the table. They also will be sending the agenda packages for meetings. I wanted to make that disclosure to you. As you can see in the financial statements, they are much more detailed than you have seen in the past.

ii. Check Register and Invoices

Mr. Moyer reviewed the check register and invoices contained in the agenda package and available for public review at the District office during normal business hours.

iii. Ratification of Funding Request #6

Mr. Moyer reviewed the funding request contained in the agenda package and available for public review at the District office during normal business hours.

On MOTION by Mr. Stearns, seconded by Ms. Locher, with all in favor, unanimous approval was given to the check register and invoices, and to ratify funding request #6 in the amount of \$32,858.57.
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iv. Proposed Budget for Fiscal Year 2017

Mr. Moyer stated the public hearing for the budget is August 26, 2016.

NINTH ORDER OF BUSINESS

Other Business

Mr. Sealy stated as you will recall, this Board previously approved the delegation resolution that authorized my firm to mail the preliminary limited offering memorandum and to price the bonds pursuant to certain parameters. We successfully completed the mailing of the offering document earlier this week. We had originally been talking about suggesting that we continue this Board meeting until August 12, but we are going to ask if the Board will consider a continuation for some time around August 16, which will give a little more time to accommodate the pricing that we expect. While it may take place late next week, it may more likely get pushed into the following week, perhaps

August 9. In order to provide ample time for staff to prepare all the necessary certificates, opinions, and documents necessary to close, we generally need about a week. We would respectfully request that the Board consider a continuation of this meeting, or to the extent legal counsel recommends, adjourning this meeting and advertising a special meeting. At the very least, we wanted to see about the Board's availability for August 16 or 17 at whatever time is convenient for the Board and for Ms. Sandy.

After a brief discussion with Board members and staff available both days in the early afternoon, the special meeting was tentatively scheduled for Tuesday, August 16, 2016, at 2:00 p.m.

Ms. Sandy stated to Mr. Sealy's point, we have enough time to advertise a special meeting.

TENTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

ELEVENTH ORDER OF BUSINESS

Adjournment

A special meeting is tentatively scheduled for Tuesday, August 16, 2016, at 2:00 p.m.

The next regular meeting is scheduled for Friday, August 26, 2016, at 10:30 a.m.

On MOTION by Ms. Locher, seconded by Mr. Beeman, with all in favor, the meeting adjourned at 10:50 a.m.
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Gary L. Moyer, Secretary

M. Scott Stearns, Chairman