

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 Wednesday, August 26, 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 (<i>by phone</i>)	Attorney: Hopping Green & Sams
Rey Malavé	Engineer: Dewberry

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 3

Mr. Moyer stated a vacancy currently exists on the Board, and we will keep this item on the agenda for future meetings until a successor can be appointed.

B. Oath of Office

This item not being addressed, the next item followed.

C. Ratification of Series 2016 Construction Requisition for Portions of Twin Lakes Phase 1 Utilities and Electrical

Mr. Moyer stated this requisition has been signed and submitted to the trustee for payment.

On MOTION by Mr. Beeman, seconded by Mr. Rios, unanimous approval was given to ratify the Series 2016 construction requisition for portions of Twin Lakes phase 1 utilities and electric, in the amount of \$2,018,977.08.

FIFTH ORDER OF BUSINESS

**Approval of the Minutes of the August 17,
2016, Special Meeting**

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

On MOTION by Mr. Beeman, seconded by Ms. Locher, unanimous approval was given to the minutes of the August 17, 2016, special meeting.

SIXTH ORDER OF BUSINESS

**Matters Pertaining to the Issuance of the
Series 2016 Bonds**

A. Resolution 2016-42 Ratifying the Series 2016 Bonds

Mr. Moyer read Resolution 2016-42 into the record by title.

Mr. Moyer stated this resolution memorializes the activities that we took at the August 17 meeting to award the bonds and to close on the bond issue.

Ms. Sandy stated the resolution includes several documents that the District entered into in connection with the bond issuance, and it ratifies the actions of the Board members and District staff in getting the documents executed for closing and entered into by the District. The documents include the continuing disclosure agreement, the completion agreement, the acquisition agreement, the true-up agreement, the collateral assignment, the tri-party agreement, a specimen of the Series 2016 bonds, and the bond purchase agreement. Several of those agreements were approved by the Board at the last meeting. The resolution also ratifies and approves the cost of issuance for the bonds.

On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to Resolution 2016-42 ratifying the Series 2016 bonds.

B. Disclosure of Public Financing

Ms. Sandy stated Chapter 190, Florida Statutes, is the controlling statute for community development districts. It requires that the District provides a recorded disclosure regarding any public financing and maintenance of improvements by the District. With the issuance of the Series 2016 bonds, the disclosure of public financing was prepared and is being presented for the Board's approval. It includes information regarding infrastructure that will be financed with the Series 2016 bonds, including all the infrastructure in the Series 2016 project. All the information is based on the engineering reports and the assessment methodology reports that the Board approved. The Statute

requires that the District record the disclosure with regard to all the land. We will also provide a copy to the developer so it can be given to any prospective purchaser.

Mr. Beeman asked is this for any purchaser of land, not of homes?

Mr. Moyer stated no, it is for anyone who purchases a home within the District.

Mr. Beeman asked is this a requirement or just at the discretion of the developer?

Mr. Moyer stated this is a document that, once recorded, will put future purchasers on notice about the public financing.

Mr. Beeman stated for the title.

Mr. Moyer stated yes.

Mr. Beeman stated but it is not necessarily given out or required to be given out at the time of sale of homes.

Ms. Sandy stated we are required to provide it to the developer for him to provide to purchasers. The District itself is not required to provide it to purchasers. We are only required to record it in the public record.

Mr. Beeman asked is the developer required to give it to home purchasers?

Ms. Sandy stated that is not a requirement within Chapter 190, Florida Statutes.

Mr. Stearns stated this is a little different than what we distribute, but it is essentially the same thing.

Ms. Locher stated people always ask how this all works. This format is simple and spells it out. It is a good overview. The only thing people really care about is the chart.

Mr. Stearns stated I will ask that Ms. Sandy email me this document in a pdf form. Then we can decide how to distribute it to all our purchasers in our closing documents.

Ms. Sandy stated yes, I will send it by email as well as a hard copy.

<p>On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to the disclosure of public financing to be recorded in the Osceola County public records.</p>
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SEVENTH ORDER OF BUSINESS

Matters Pertaining to Acquisition of Master Project Infrastructure

A. Acquisition of Twin Lakes Phases 1C and 1D and Lakeside Groves Phase 1 Roadway, Utilities, Electrical, Stormwater, Hardscape, Landscape, Irrigation Improvements, and Conservation Mitigation

Ms. Sandy stated the developer has notified the District that improvements within Twin Lakes phases 1C and 1D and Lakeside Groves phase 1 as listed in the summary of

proposed acquisition that was distributed are substantially complete and should be at final completion and ready for acquisition in mid-September. They will be acquired pursuant to the District's acquisition agreement. We are bringing them to the Board at this time for approval. The District engineer has confirmed that the improvements are within the Series 2016 project. He has opined that the requested acquisition value of \$9,176,795.73 is fair and reasonable and does not exceed the value of the improvements as installed. The acquisition of the improvements will not be final until all the documentation required pursuant to the acquisition agreement are received. Certain improvements will be subsequently dedicated to other governmental entities, such as the City of Saint Cloud, OUC, and Osceola County. The District will be keeping the stormwater ponds. Since this is a large acquisition, we have broken out the summary into four different parts, primarily for organizational purposes and to help us keep paperwork in line. At this time, the Board is being asked to approve the acquisition of all the improvements that are listed, including the stormwater ponds; water, sewer, and reclaimed water utilities; electrical; certain roadways such as Hickory Tree and Nolte Road; certain hardscape, landscape, and irrigation improvements associated with those roadways; professional fees; and the conservation mitigation payments.

Mr. Beeman asked what is the nature of the professional fees in the amount of \$750,000?

Mr. Malavé stated that is a total for all the design services pertaining to all the infrastructure. It also includes legal fees for the design and so forth.

Mr. Stearns stated this is the first acquisition that included any professional fees for the project so far.

On MOTION by Mr. Beeman, seconded by Mr. Rios, with all in favor, unanimous approval was given to the acquisition of the Series 2016 project infrastructure in Twin Lakes Phases 1C and 1D and Lakeside Groves Phase 1 at an amount not to exceed \$9,200,000 subject to review and receipt of final documentation by legal counsel, as required under the acquisition agreement.

Ms. Sandy stated I would also ask for a motion to authorize execution of all conveyance documents. We will be conveying certain portions of the infrastructure to the

various governmental entities that we have contemplated will be owning and maintaining those.

Mr. Malavé asked after they are transferred to the CDD?

Ms. Sandy stated yes. They will be conveyed once the CDD has acquired them.

On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to authorize the Chairman to execute the conveyance documents related to conveying certain infrastructure to other governmental entities, as reviewed and approved by legal counsel.

EIGHTH ORDER OF BUSINESS

Public Hearing to Adopt the Budget for Fiscal Year 2017

A. Fiscal Year 2017 Budget

On MOTION by Mr. Beeman, seconded by Mr. Rios, with all in favor, unanimous approval was given to open the public hearing for adoption of the budget for fiscal year 2017.

Mr. Moyer stated I distributed the latest version of the fiscal year 2017 budget. At the request of the developer, we are recommending the addition of funds for the monitoring and maintenance of mitigation properties in the amount of \$10,000. This item is shown under field expenses. Otherwise, the budget is what the Board had previously considered and approved.

There being no public comment, the next item followed.

B. Resolution 2016-43 Adopting the Budget for Fiscal Year 2017

Mr. Moyer read Resolution 2016-43 into the record by title.

On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to Resolution 2016-43 adopting the budget for fiscal year 2017.

C. Developer Funding Agreement

Mr. Moyer stated the Board has had discussions on whether we would levy assessments or rely on the developer's contributions. The agreement anticipates the developer contributing funds to operate and maintain the District in accordance with the budget or future amendments that the Board may make to the budget.

Ms. Sandy stated Mr. Larry Pitt received a copy of this agreement and reviewed it. I received one comment from him. He wanted to make sure the lien language was permitted under the developer's mortgage document. I have not been able to connect with him this week on that issue, but I believe we can resolve it without a problem. If the Board is amenable to approving the agreement, I will ask that it is subject to further discussion with the developer's counsel and with authorization for the Chairman to approve and execute the final form.

On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to the developer funding agreement for fiscal year 2017, subject to legal counsel's further discussion with the developer's counsel and authorizing the Chairman to approve and execute the final form.

On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to close the public hearing for adoption of the budget for fiscal year 2017.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Beeman stated on the actual numbers in the budget for attorney fees, we are looking at \$76,000 for this year, but \$40,000 has been budgeted for next year. I realize the District was formed this past year. Is that just related to work that occurred in forming the District and will not be a reoccurring item?

Ms. Sandy stated yes. A lot of time and costs go into a new District that is established and organized. We also spent a lot of time amending the District's boundaries. The fees include a number of costs that will not be reoccurring in future years.

Mr. Malavé stated it is the same thing with engineering fees, which are lower for next fiscal year.

B. Engineer

Mr. Malavé stated we are working on the bills of sale and getting all the documents needed for the acquisition.

C. Manager

i. Financial Statements, July 31, 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.

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.

On MOTION by Mr. Beeman, seconded by Mr. Stearns, with all in favor, unanimous approval was given to the check register and invoices.

iii. Management Services Agreement with Severn Trent Services

Mr. Moyer stated I indicated to the Board at the last meeting that I have an arrangement with Severn Trent where I manage their central Florida districts for them under contract, which is between Moyer Management Group and Severn Trent. When this District was established, you had an original contract with Moyer Management Group, which was fine when we were in the organizational stage and we were not spending a lot of money or having a high level of accounting activities. Now we have a bond issue, and they have more professional staff members than Moyer Management has. This agreement is almost identical to the one that the District has with Moyer Management. Probably the only difference deals with their schedule on out-of-pocket expenses on the last page, which I did not have in my contract. This is pretty normal to recover out-of-pocket costs.

Mr. Stearns asked what will Severn Trent be doing? Obviously, Mr. Moyer will still be managing things.

Mr. Moyer stated I will be doing exactly what I am currently doing.

Mr. Stearns stated when we have residents, they will be contacting Mr. Moyer, but Severn Trent will be providing the accounting support.

Mr. Moyer stated yes, accounting and secretarial functions.

Mr. Beeman stated back office functions.

Mr. Moyer stated yes.

On MOTION by Mr. Beeman, seconded by Mr. Stearns, with all in favor, unanimous approval was given to the management services agreement with Severn Trent Services.

Ms. Sandy stated since the District has a contract with Moyer Management Group, the Board needs to formally terminate that agreement, waiving any termination notice requirements therein.

Mr. Moyer stated yes, that is appropriate. I presumed that would happen.

On MOTION by Ms. Locher, seconded by Mr. Beeman, with all in favor, unanimous approval was given to terminate the management services agreement with Moyer Management Group, waiving any termination notice requirements therein.

iv. Meeting Schedule for Fiscal Year 2017

Mr. Moyer stated the proposed schedule for fiscal year 2017 follows pretty much the last Friday of each month except for November due to Thanksgiving.

Ms. Sandy asked is the Board amenable to moving the start time back a little? Ms. Tucker Mackie and I serve another special district that meets around this same time, starting about 10:00 a.m. This meeting time conflicts slightly if we are trying to cover both. Would the Board have any issue with moving the time to 11:30 a.m.?

After a brief discussion, the Board agreed to change the meeting time to 11:30 a.m., meetings to be held at the District office.

On MOTION by Ms. Locher, seconded by Mr. Stearns, with all in favor, unanimous approval was given to the meeting schedule for fiscal year 2017, meetings to be held at 11:30 a.m. at the District office.

TENTH ORDER OF BUSINESS

Other Business

There being none, the next order of business followed.

ELEVENTH ORDER OF BUSINESS

Supervisor Requests

Mr. Stearns asked do we need to hold the September meeting?

Ms. Sandy stated we do not have anything at this time that would require a meeting.

Mr. Stearns stated I do not believe we need to hold that meeting. We pushed to get the requisition done so that we would not need to time the approval with the same time as completion of the improvements. The bills of sale will be going through in late September, and we did not want to try to have another meeting at that time.

Mr. Moyer stated we will officially cancel the meeting. If something comes up that requires a meeting, we will advertise it as a special meeting.

TWELFTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Beeman, seconded by Mr. Stearns,
with all in favor, the meeting adjourned at 10:50 a.m.

Gary L. Moyer, Secretary

M. Scott Stearns, Chairman