

**MINUTES OF MEETING
VILLAGE COMMUNITY
DEVELOPMENT DISTRICT NO. 12**

A Meeting of the Board of Supervisors of Village Community Development District No. 12 was held on Thursday, February 7, 2019 in the District Office Large Conference Room, 984 Old Mill Run, The Villages Florida, 32162.

Board members present and constituting a quorum:

Dean Barberree	Chairman
Don Levens	Vice Chairman
Kimberly Locher	Supervisor
Jon Roudabush	Supervisor
Andrew Bilardello	Supervisor

Staff Present:

Kenny Blocker	Assistant District Manager
Valerie Fuchs	District Counsel
Sam Wartinbee	District Property Management Director
Anne Hochsprung	Finance Director
Brittany Wilson	Director of Technology and Board Services
Candice Harris	Deputy District Clerk
Julie Kulas	Administrative Assistant

FIRST ORDER OF BUSINESS: **Call to Order**

A. Roll Call

Chairman Barberree called the meeting to order at 9:30 a.m. and stated for the record that all Supervisors were present representing a quorum.

B. Pledge of Allegiance

Chairman Barberree led the Pledge of Allegiance.

C. Observation of a Moment of Silence

The Board and residents observed a moment of silence for those who have served our Country and community.

D. Welcome Meeting Attendees

The Board welcomed all those residents in attendance.

E. Audience Comments

Donna Cole, Tenney Lane, submitted a picture to the Board and requested that a review of the lack of plant material in the cul-de-sac located on Tenney Lane and along the fence line that backs up to CR 505 be completed to determine if the existing plant material meets the design plan. Ms. Cole advised that residents are also concerned that the irrigation is not functioning properly. Sam Wartinbee, District Property Management (DPM) Director, advised that the cul-de-sacs are planted utilizing three (3) different design plans, which is determined prior to the unit being developed. Staff will review the cul-de-sac and confirm that the correct plantings have been utilized, per the design plan, and a review of the health of the plants will also be completed. Staff will also review the landscaping along the CR 505 fence line.

A resident advised that his home backs up to Sugar Cane Park and raised concerns about residents accessing the park from the east side of Caruthers and along his property. The resident requested that consideration be given to extending the fence line along the remainder of the property line to clearly separate the private property from the park area. Kenny Blocker, Assistant District Manager, stated that the resident would have to contact local law enforcement to address individuals utilizing his property as a cut-through, but Staff would complete a review of the location of the fence.

Kevin Mitchell, Delphina Loop, stated that residents are utilizing the green space behind their home as a park and dog park, which is chasing the wildlife away, and requested that signage or fencing be installed to keep people out of the green space area. Valerie Fuchs, District Counsel, stated that a review of the plat and the deed restrictions will have to be completed to determine the ownership and what action, if any, can be taken by the District.

Ron Patrizio, Village of DeSoto, inquired if Community Watch has the authority to address the residents who are walking across private property or around the green space. Ms. Fuchs clarified that Florida Statute 190 does not provide Community Development Districts (CDDs) with law enforcement policing powers, and the issues pertaining to private property would have to be addressed by local law

enforcement. Ms. Fuchs advised that Community Watch is prohibited from conducting any type of law enforcement actions. Pertaining to the green space behind the homes, Staff is going to complete the necessary research to determine if the area falls under the purview of District 12. Mr. Patrizio voiced concern that he does not believe Community Watch is reporting concerns that should be identified as part of their patrols. Mr. Blocker advised that Staff will review the concern with Community Watch.

CONSENT AGENDA:

Chairman Barberree advised the Board that a motion to approve the Consent Agenda is a motion to approve all recommended actions. All matters on the Consent Agenda are considered routine and no discussion is required unless desired by a Board Supervisor or a member of the public.

On MOTION by Don Levens, seconded by Andrew Bilardello, with all in favor, the Board took formal action on the following items included on the Consent Agenda:

SECOND ORDER OF BUSINESS: Approval of the Minutes for the Board Meeting held on January 10, 2019.

THIRD ORDER OF BUSINESS: Accept and Convey the Common Tracts and Roadways and Join in the Dedication of those Common Tracts and Roadways on the following plat: Villages of Southern Oaks Unit No. 26 and authorized the Chairman or Vice Chairman to execute the Mylar of the following plat: Villages of Southern Oaks Unit No. 26 and adopted Resolution 19-25 finding certain services, maintenance and repair activities to be in the public interest and accepted the obligation to perform those services within Villages of Southern Oaks Unit No. 26.

FOURTH ORDER OF BUSINESS: Approval of the Grant of Easement in favor of The Villages Land Company, LLC.

FIFTH ORDER OF BUSINESS: Acceptance of a Quit Claim Deed from R.P. Fenney, LLC and authorized the Chairman/Vice Chairman to execute the Permit Transfer Request for the Department of Army and the Statement of Completion and Request for Transfer to Operation Entity for the Southwest Florida Water Management District.

SIXTH ORDER OF BUSINESS: Acceptance of Quit Claim Deed from The Villages of Lake-Sumter, Inc. for property identified in Exhibit "A".

SEVENTH ORDER OF BUSINESS: Adoption of Resolution 19-28 authorizing Richard J. Baier, District Manager and Kenny Blocker, Assistant District Manager as authorized agents or representatives for the District.

EIGHTH ORDER OF BUSINESS: Acceptance of the Audit Report

Ann Hochsprung, Finance Director, reviewed the Statement of Activities as well as the Balance Sheet of Governmental Funds with the Board. The following items were highlighted from the Fiscal Year 2017/2018 audit:

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows as of September 30, 2018, by \$156,189,936 (net position). The net position is primarily restricted for debt service in the amount of \$160,881,787, with a net deficit in the net investment in capital assets of \$5,203,203 and an unassigned net position of \$511,352.
- The District's total net position increased by \$94,224,334. The increase in net position results primarily from the origination of additional bond special assessment revenue which is recognized in the year the bonds are issued. This was the second year of full operations of the District with construction and home sales underway.
- During the Fiscal Year, the District issued Special Assessment Revenue Bonds, Series 2018, in the amount of \$94,735,000, with interest rates ranging from 3.25% to 4.375%. These bonds have annual principal payments through May of 2050. Principal payments will begin in Fiscal Year 2021.
- At the close of Fiscal Year 2018, the District's General Fund reported a fund balance of \$511,352. Total governmental fund balances were \$75,512,492, with \$15,762,044 in the Debt Service Fund and \$59,239,096 in the Capital Projects Fund.
- Special assessments are shown as assessments receivable. At the fund level, there is an offsetting line item for unavailable revenue, a deferred inflow, pertaining to assessments due in future years. The balance as of September 30, 2018 was \$151,961,295.

Mark White of Purvis & Gray, the District's Auditors, advised that an unmodified opinion has been issued and stated that the financial statements are fairly presented in accordance with generally accepted accounting principles and are free from material mistakes. Mr. White reviewed the Independent Auditors Report and thanked Staff for their cooperation in providing all necessary documents to them for the completion of their audit. Mr. White responded to the Board inquiries.

The Board thanked Staff for their continued diligent efforts on behalf of the residents.

On MOTION by Kimberly Locher, seconded by Jon Roudabush, with all in favor, the Board accepted the Village Community Development District No. 12 Audit Report for Fiscal Year 2017 – 2018.

NINTH ORDER OF BUSINESS: Approval of FY 19/20 Budget Calendar

Barbara Kays, Budget Director, advised that a budget review of the Fiscal Year 2019/2020 proposed budget is scheduled to occur during the May 9, 2019 regular meeting and approval of the Proposed Budget will take place during the Board's June 13, 2019 regular meeting. The Public Hearing to adopt the District's Fiscal Year 2019/2020 Final Budget is scheduled to occur during the Board's regularly scheduled September 12, 2019 meeting in the District's Large Conference Room. Staff is requesting that the Board approve the Fiscal Year 2018/2019 Budget Calendar.

On MOTION by Don Levens, seconded by Andrew Bilardello, with all in favor, the Board approved the Fiscal Year 2019/2020 Budget Calendar as presented.

TENTH ORDER OF BUSINESS: Operating Policies and Procedures

Brittany Wilson, Director of Technology and Board Support Services, advised that a draft of the Operating Policies and Procedures was provided to the Board via email and as an attachment to the agenda package. Staff has conducted a review of the District's existing Policies and Procedures, Statutory requirements, Operating Policies and Procedures from other governmental entities and existing policies that the Board has adopted throughout the years, which have been incorporated into the document presented. Ms. Wilson advised that Staff has highlighted those areas where options have been provided to the Board for consideration and are requesting that the Board review the document and provide comments to Staff to be incorporated prior to the March Board Meeting. Once the Operating Policies and Procedures have been finalized, Staff will move forward with the advertisement process for the Board to hold a Public Hearing to adopt the Rule.

ELEVENTH ORDER OF BUSINESS: Notice of Establishment

Valerie Fuchs, District Counsel stated that on January 28, 2019 the City of Wildwood Commission held a Public hearing and adopted Ordinance O2019-7 approving the District's request to

amend the boundaries of the District. As provided for in Florida Statute 190.048 and 190.0486, within 30 days after the effective date of the Ordinance, the District must approve and record in the property records of Sumter County a “Notice of Establishment of the Community Development District”. This notice includes the legal description and provides the necessary disclosure within the documents pertaining to the District’s ability to impose and levy taxes and/or assessments. Ms. Fuchs advised that Staff is requesting that the Board approve the Notice of Establishment.

On MOTION by Jon Roudabush, seconded by Don Levens, with all in favor, the Board approved the Notice of Establishment for Village Community Development District No. 12.

Ms. Fuchs requested that the Thirteenth Order of Business be addressed at this time.

THIRTEENTH ORDER OF BUSINESS: Approval of the Preliminary Engineering Report

Lee Clymer, Farner, Barley & Associates, presented the Board with the Preliminary Engineer’s Report dated January 25, 2019 and advised that the Preliminary Engineer’s Report addresses the infrastructure necessary to support the development of the District and provides the engineering estimates and construction costs for the Phase III improvements provided in Tables 1, 2 and 3. Mr. Clymer stated that the proposed land use for the development contains approximately 15.6 gross assessable acres and 59 various size building lots. The 2019 bond issue will be used to fund the public infrastructure which includes arterial and collector roads and traffic signalization, arterial and collector road and drainage, multi-use paths, bridges and tunnels, landscaping and irrigation, subdivision roads, subdivision drainage, stormwater-earthwork, grading and collection system, wetland and wildlife mitigation, landscaping and irrigation, boundary security buffers/walls and fencing in common areas and project entry features. Mr. Clymer stated that the Engineer’s estimate of total construction costs is \$2,304,191.12, of which \$1,477,430 will be District funded and \$826,761.12 will be Developer funded. All permits to develop the infrastructure have been or are reasonably expected to be obtained. It is anticipated that all District funded improvements will be complete in June 2020 and all Developer and Utility construction will be constructed concurrently. It is the Engineer’s opinion that the project improvements and estimated costs are fair and reasonable and the District funded improvements consist

only of assessable improvements as provided for in Florida Statute Chapter 190 and benefit all of the assessable acres within the District.

Mr. Patrizio, Village of DeSoto, requested clarification of the location of Phase III. Mr. Clymer advised that one section of Phase III is located north of Warm Springs Avenue and the other section is adjacent to the Florida Turnpike, east of CR 501.

On MOTION by Don Levens, seconded by Jon Roudabush, with all in favor, the Board approved the Preliminary Engineering Report for Village Community Development District No. 12.

Ms. Fuchs requested that the Twelfth Order of Business be addressed at this time.

TWELFTH ORDER OF BUSINESS: Approval of Amended and Restated Interim Developer Funding and Acquisition Agreement

Ms. Fuchs stated that on September 13, 2018 the Board entered into an Interim Development Funding and Acquisition Agreement; however, as a result of the expansion of Phase III, Staff is requesting that the Board approve the Amended and Restated Interim Developer Funding and Acquisition Agreement with The Villages Land Company, LLC to include the newly amended boundaries, as provided for in Exhibit “A”. The Developer has agreed to construct the infrastructure for Phase III and this agreement provides assurance that the District will issue the necessary bonds to pay its portion of the infrastructure described in the Preliminary Engineering Report.

On MOTION by Jon Roudabush, seconded by Kimberly Locher, with all in favor, the Board approved the Amended and Restated Interim Development Funding and Acquisition Agreement with The Villages Land Company, LLC.

Ms. Fuchs requested that the Fifteenth Order of Business be addressed at this time.

FIFTEENTH ORDER OF BUSINESS: Approval of Preliminary Assessment Report

Kevin Plenzer of Fishkind & Associates advised that the Board has been provided with the Preliminary Assessment Report dated January 28, 2019 which outlines the estimated maximum

assessments securing the repayment of the bonds. The District's bonds are estimated to have a maximum par value of \$1,785,000 and an average coupon rate of 5.00%. The principal assessment allocation identifies the maximum assessments to be levied on the 59 properties, 27 designer homes in Unit 30a and 32 designer homes in Unit 36A. Mr. Plenzer stated that the review completed of the assessment methodology confirms that the methodology for allocating non-ad valorem special assessments has been done in a fair and equitable manner and that the benefits to the assessed properties exceed the cost associated with providing the benefits to the assessments levied in connection with the bonds.

<p>On MOTION by Don Levens, seconded by Kimberly Locher, with all in favor, the Board approved the Preliminary Assessment Report for Village Community Development District No. 12.</p>
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THIRTEENTH ORDER OF BUSINESS: Acceptance of Bank Loan for Phase III Infrastructure

Brent Wilder of PFM, the District's Financial Advisor, advised that typically with a new phase of development the District would access the public offered bond market to obtain 30 year financing for the issuance of the District's bonds; however, given the smaller size and scope of this phase of improvements it was recommended that the District fund the improvements through a bank loan, which is a more cost effective alternative. Mr. Wilder stated that on behalf of the District, PFM issued a solicitation to 70+ banks to provide financing for the construction of infrastructure; however, at the time of the solicitation deadline, February 1, 2019, no conforming proposals were received. Subsequent to that, the District received an unsolicited proposal from Citizens First Bank (CFB) and a copy of the commitment letter has been provided to the Board. In reviewing the terms of the proposal the terms have been determined to be favorable and would provide a loan amount not to exceed \$1,785,000 at an interest rate of 5.00%. CFB is not requiring a debt service fund, and PFM is anticipating that once the final numbers have been determined, that the final amount borrowed will be approximately \$150,000 less than requested, which will reduce the assessments provided in the Preliminary Assessment Report. Mr. Wilder stated that it is recommended that the Board accept the Loan Commitment Letter provided by CFB. Mr. Wilder responded to an audience comment received.

On MOTION by Don Levens, seconded by Andrew Bilardello, with all in favor, the Board approved the Loan from Citizen First Bank in the amount of \$1,785,000 for funding of Phase III Infrastructure and authorized the Chairman to execute the Commitment Letter.

SIXTEENTH ORDER OF BUSINESS: Adoption of Resolution 19-26

Ms. Fuchs stated that as required in Florida Statute 170, Resolution 19-26 begins the assessment process. Resolution 19-26 indicates the location, nature and estimated costs of the improvements to Phase III, which will be funded by the special assessments, provides the manner in which the special will be made, adopts the preliminary assessment roll and provides the required publication of the public hearing which will be held during the Board's Wednesday, March 13, 2019 meeting. Attached to Resolution 19-26 as exhibits are the Preliminary Engineer's Report and the Preliminary Assessment Report. Ms. Fuchs advised that once the Board adopts Resolution 19-26 notice of the Public Hearing will be forwarded to the affected property owners and will be advertised in the newspaper on two (2) separate occasions.

On MOTION by Kimberly Locher, seconded by Don Levens, with all in favor, the Board adopted Resolution 19-26 declaring Special Assessments for Phase III Development of Village Community Development District No. 12.

SEVENTEENTH ORDER OF BUSINESS: Adoption of Resolution 19-27

Ms. Fuchs advised that the adoption of Resolution 19-27 will set the Public Hearing for Wednesday, March 13, 2019 at 2:00 p.m. in the District Office Board Room and will provide the public an opportunity to speak about the special assessments to be levied.

On MOTION by Jon Roudabush, seconded by Don Levens, with all in favor, the Board adopted Resolution 19-27 setting a public hearing for Wednesday, March 13, 2019 at 2:00 p.m. at the District Office Board Room, 984 Old Mill Run, The Villages, Florida 32162

Ms. Fuchs advised that following the March 13, 2019 meeting, pre-closing for the Phase III issuance will be held which will require that Chairman Barberree attend.

EIGHTEENTH ORDER OF BUSINESS: Old Business Status Update

There were no Old Business items to be addressed.

NINETEENTH ORDER OF BUSINESS: Financial Statements

The Budget to Actual Statement as of December 31, 2018 was provided to the Board as information.

TWENTIETH ORDER OF BUSINESS: District Manager Reports

A. Recognition of Service

Chairman Barberree and the Board recognized former Supervisor Joan Steep for her service on the District 12 Board and thanked her for her service to the community.

B. Appoint an IAC Representative

Mr. Blocker stated that Staff is requesting that the Board appoint a representative to the Investment Advisory Committee (IAC).

On MOTION by Jon Roudabush, seconded by Andrew Bilardello, with all in favor, the Board appointed Don Levens as the Village Community Development District No. 12 Investment Advisory Committee Representative.
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Mr. Blocker advised that Sumter County will be holding an informational meeting at the Fenney Recreation Center on Thursday, February 28, 2019 from 12 p.m. to 3:00 p.m. In attendance will be County Commissioner Gilpin, representatives from the Coleman Correctional Facility and a representative from the Sumter County Mining Commission to provide the residents the ability to meet their local county representatives.

Mr. Blocker advised the residents in attendance that they can receive notice of future meetings agendas and other items by signing up for e-notifications on the www.districtgov.org website.

TWENTY-FIRST ORDER OF BUSINESS: District Counsel Reports

Ms. Fuchs advised that she held her monthly Public Records/Sunshine Law seminar on Tuesday, February 5, 2019 and if any of the Supervisors would like to attend a schedule can be provided.

TWENTY-SECOND ORDER OF BUSINESS: Supervisor Comments

Supervisor Bilardello advised that he attended the Public Records/Sunshine Law seminar recently held and found it very informative and recommended that all Supervisors attend.

TWENTH-THIRD ORDER OF BUSINESS: Adjourn

The meeting was adjourned at 10:38 a.m.

On MOTION by Kimberly Locher, seconded by Jon Roudabush, with all in favor, the Board adjourned the meeting.

Richard J. Baier
Secretary

Dean Barberree
Chairman