

**MINUTES OF THE JOINT MEETING
OF THE POINCIANA & POINCIANA WEST
COMMUNITY DEVELOPMENT DISTRICTS**

The joint meeting of the Board of Supervisors of the Poinciana and Poinciana West Community Development Districts was held on Wednesday, June 8, 2016 at 1:00 p.m. at the Starlite Ballroom, 384 Village Drive, Poinciana, Florida.

Present and constituting a quorum of the Poinciana CDD Board were:

Robert Zimbardi	Chairman
David Lane	Vice Chairman
LeRue "Skip" Stellfox	Assistant Secretary
Richard W. Kellogg	Assistant Secretary

Present and constituting a quorum of the Poinciana West CDD Board were:

Charles W. Case III	Chairman
Leonard Vento	Vice Chairman
Bill T. Brown	Assistant Secretary
Sidney Rosenberg	Assistant Secretary

Also present were:

Gary Moyer	District Manager
Lindsay Whelan	District Counsel
Kathy Leo	District Engineer
Scott Harder	EFG
Rhonda Mossing	MBS Capital Markets

The following is a summary of the discussions and actions taken at the June 8, 2016 joint meeting of the Poinciana CDD and the Poinciana West CDD Board of Supervisors.

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

A. Call to Order and Roll Call

Mr. Zimbardi called the Poinciana CDD roll and all Supervisors were present.

B. Call to Order and Roll Call

Mr. Case called the Poinciana West CDD roll and all Supervisors were present.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The pledge of allegiance was recited.

THIRD ORDER OF BUSINESS

Audience Comments

There not being any, the next item followed.

FOURTH ORDER OF BUSINESS

Consideration of Meeting Minutes

A. Approval of the Minutes of the April 20, 2016 Meeting (Poinciana CDD)

A correction on page 2 of the minutes was noted and will be made part of the final minutes.

On MOTION by Mr. Kellogg seconded by Mr. Lane with all in favor the minutes of April 20, 2016 were approved as amended.

B. Approval of the Minutes of the April 20, 2016 Meeting (Poinciana West CDD)

On MOTION by Mr. Vento seconded by Mr. Brown with all in favor the minutes of April 20, 2016 were approved.

FIFTH ORDER OF BUSINESS

Consideration of Matters Regarding Purchase of Amenities

A. Review Form of Facility Inspection Services Contract and Scope of Work

Ms. Kathy Leo, the District's Engineer, reviewed the form of agreement for building inspection services relative to the Solivita amenities proposed to be conveyed to the Poinciana CDD and discussed its Exhibit "B": Scope and Conditions of Services for inspection services and a table summarizing the assets of the District.

It was noted three contractors were contacted Delta Engineering, Inc., CBC, Inc. and Atkins Engineering, Inc. which later dropped out of consideration. Mr. Scott Harder of Environmental Financial Group (EFG) was introduced and discussed his recommendation for inspection services vendor, which is Delta Engineering, Inc. Mr. Harder referred to the Comparison Summary included in his letter to the Board dated June 7, 2016.

The scope of services relative to the inspection services was discussed.

B. Consideration of Facility Inspection Proposals (Poinciana CDD)

The Board concurred with the recommendation from EFG to award the contract for inspection services to Delta Engineering, Inc.

On MOTION by Mr. Kellogg seconded by Mr. Lane with all in favor awarding the inspection contract to Delta Engineering, Inc. was approved.

C. Consideration of Proposals for Resident Survey Services (Poinciana CDD)

Mr. Stellfox expressed his opinion that a resident survey should be conducted by AV Homes and the email addresses should not be subject to public scrutiny. He expressed his hope that AV Homes would take into consideration the things the residents have talked about and are considering.

Mr. Kellogg suggested having a resident group/committee get together to create a survey. The Board might wish to consider funding a one year license for unlimited users and responses on a website such as Survey Monkey.

Mr. Stellfox asked to hear from Mr. Carmickle or Ms. Wollschlager of Evergreen Lifestyle Management regarding a survey dealing with the facilities purchase.

Mr. Carmickle noted we are willing to set up a survey with Survey Monkey with guidance and feedback on what is needed, send it out through the HOA and have it available for public view for all who want to see the survey results.

Board members discussed whether the timing was right for presenting a survey to residents regarding the facilities.

D. Update from Environmental Financial Group on Preparation of Valuation Study

Mr. Scott Harder of EFG reported the inspection work is critical and that is why we set the July 8th date which gives us a few days to absorb their material that hasn't already been provided to us; with a turnaround report brought to you by July 12th for consideration at the July 20th meeting. He noted he toured all the facilities today with Mr. Carmickle.

E. Other Matters Relating to the Purchase of the Amenities

i. Discussion Regarding Preparation of Americans with Disabilities Act (ADA) Compliance Study

Ms. Whelan reported the Board has decided to allow AV Homes to engage a contractor for the purpose of soliciting proposals for an ADA compliance study of the facilities. She also indicated that the Board can have the report peer reviewed if it would like and can have AV Homes indemnity it in the event that report is insufficient.

ii. Discussion Regarding Proposed Acquisition and Construction Agreement

Ms. Whelan noted that AV Homes has expressed an interest in entering into an acquisition and construction agreement with the District and outlined several terms that could be addressed in that agreement. She indicated the concept is premature as the District

has not decided whether or not they want to purchase the amenities and has not executed a purchase and sale agreement.

F. Recreation Facilities Acquisition Timetable

Mr. Moyer referred to an Updated Time Schedule that he handed out to the Board before the meeting. He pointed out that a key has been added to the timetable which identifies the responsible party and also noted the process of adopting non-resident user fees will start on August 17th. Also noted, the Board will actually make the decision to move forward with the acquisition in the August timeframe.

Ms. Whelan noted this timetable will be changed and modified depending on the Board's preference.

Mr. Moyer added we will update the timetable for every meeting and Ms. Rhonda Mossing of MBS is the person tracking the timeline for us.

Mr. Zimbardi asked the Boards if they believe they will have any conflicts with attending the next few meetings in July and August. He indicated he will not be able to attend the August meeting, only available by telephone but there would be a quorum with the attendance of Mr. Stellfox, Mr. Kellogg and Mr. Lane.

A Board member referred to a resident's email, the email asked "why are we buying any amenities"? His response to the email were clarified as follows: "the amenities other than the operating expense, which we will have to find out, is basically almost a gift, it will not cost us anything more as residents. We will have to make sure every resident knows that. The proceeds from the sale if the sale goes through will cost us X, whatever X is. AV Homes will take \$11 something million and put it back in and build new amenities".

SIXTH ORDER OF BUSINESS

Discussion Regarding Stormwater Management Division of Responsibilities

Ms. Whelan referred to the documents included in the agenda package regarding this item. She noted there is a clean copy as well as a redlined copy included. The redline copy shows changes the HOA would like made to the document and Counsel is comfortable with the changes. Ms. Whelan then discussed additional charges requested by the HOA in advance of the Board meeting.

On MOTION by Mr. Stellfox seconded by Mr. Kellogg with all in favor authorization was given for District Counsel to work with the HOA to finalize and bring back to the Board for approval a Memorandum of Understanding relative to the Rationale for Division of Responsibilities Related to Maintenance, Repair and Replacement/Reconstruction of components of Solivita Storm Water Management System document.

On MOTION by Mr. Vento seconded by Mr. Brown with all in favor authorization was given for District Counsel to work with the HOA to finalize and bring back to the Board for approval a Memorandum of Understanding relative to the Rationale for Division of Responsibilities Related to Maintenance, Repair and Replacement/Reconstruction of components of Solivita Storm Water Management System document.

SEVENTH ORDER OF BUSINESS

Public Hearing on the Adoption of Rule Relating to Use of District Tunnels

Mr. Moyer noted we have been working on this policy for a number of months. The way CDD’s adopt regulations is by rule making, which is provided for in Chapter 120 of the Florida Statutes. This meeting has been properly noticed as a public hearing to take input and the purpose of which is determining what vehicles the District will be permitting to use the two tunnels under our jurisdiction.

Mr. Zimbardi requested a change to Section 5 of the Poinciana CDD Rule Relating to Use of District Tunnels as follows: change “No Golf Cart shall operate within the Tunnels at a speed exceeding ten (10) miles per hour” to *No Permitted Vehicles*.

On MOTION by Mr. Kellogg seconded by Mr. Stellfox with all in favor the public hearing on the adoption of the rule relating to use of the tunnels in the Poinciana CDD was opened.

The audience was invited to comment on the tunnel item and there were no audience comments.

On MOTION by Mr. Kellogg seconded by Mr. Stellfox with all in favor the public hearing on the adoption of the rule relating to use of the tunnels in the Poinciana CDD was closed.

On MOTION by Mr. Kellogg seconded by Mr. Stellfox with all in favor the rule relating to use of the tunnels in the Poinciana CDD was adopted as amended.

EIGHTH ORDER OF BUSINESS

**Consideration of Arbitrage Rebate Report
(Poinciana CDD)**

Mr. Moyer explained when a government issues tax exempt municipal-type bonds we are obligated to monitor whether we are earning more interest on funds than we are paying in interest to the bond holders. If we make more money than what we are paying on the bonds, we need to rebate that to the Federal Government every five years.

The report from AMTEC included in the agenda package has concluded we do not have any arbitrage rebate liability.

NINTH ORDER OF BUSINESS

**Discussion Regarding Refinancing
of Series 2007 Bonds (Poinciana
West CDD)**

Mr. Moyer noted Ms. Rhonda Mossing of MBS is in attendance today and she has looked at the timing of whether we do an advance refunding before the call protection period runs out, which would be May of 2017. Ms. Mossing has looked at that to determine under what scenario we would be damaged by waiting until May 2017 given the interest rate risk.

Ms. Mossing distributed and explained the MBS presentation dated June 8, 2016.

Mr. Case commented that he is in favor of making the refunding happen as soon as possible.

Mr. Vento referred to the chart on page 4 which indicates each unit will save approximately \$600 more than if we waited until May 17th and expressed his opinion that it is a no brainer.

Ms. Mossing noted we need to submit a package to Standard and Poor's and give them all the information and explain the structure to them and give a credit rating before we are in a position to go to market. At the same time, the District will need to conduct assessment hearings once we give you the information and send out letters to residents letting them know that even though the par amount is going up a little bit, it is being offset by the savings they will have every year on the interest at the lower rates.

Ms. Mossing continued, per page 7 of the presentation, if you do the refunding now we are projecting your annual savings is approximately \$97 per year from what you are paying now. If you waited and interest rates went up approximately 50 basis points, half of a percent, then your savings would only be approximately \$59 per year.

The Board directed Ms. Mossing to go forward with the process.

TENTH ORDER OF BUSINESS

District Manager's Report

Mr. Moyer had nothing additional to report.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Whelan reported the special powers hearing in front of the Board of County Commissioners of Polk County regarding special recreation powers is set for June 21st.

B. Engineer

Ms. Leo had nothing additional to report.

C. Field Manager

Mr. Brian Smith reported the stormwater system looks good after the rain we had. The ponds had a little bit of algae. He also reported the bidding meeting with the HOA went well, there were 7 bidders.

Mr. Rosenberg asked about keeping the pond levels after a rain event and Mr. Smith discussed how the stormwater management ponds flow.

It was noted two ponds will be conveyed to Poinciana.

TWELFTH ORDER OF BUSINESS

Supervisor Comments

A Poinciana CDD Board member asked Ms. Whelan for an update of a list she previously provided to the Board that was dated September 15th. He also asked Mr. Iorio about the non-resident agreement that will be developed for a membership regarding members being able to come back for one year.

Mr. Zimbardi inquired about any issues with reclaimed water entering the ponds and Ms. Leo responded it is something we should be very careful about as it could create algae blooms.

Mr. Zimbardi asked the Board to consider, at a future meeting, whether they want to have the CDD meetings videotaped as the Celebration CDD does theirs.

It was also suggested that the HOA should consider obtaining a mosquito contract. Mr. Iorio noted Polk County does spraying in Solivita.

THIRTEENTH ORDER OF BUSINESS

Audience Comments

Mr. Ed Gross of Solivita requested that the full agenda package be posted to the District's website before the meetings. He also commented on discrepancies in the operations budget.

Mr. Edward Goldberg of Poinciana West ask for clarification of the statement made by Ms. Mossing that the assessment per unit will be going up \$425. Ms. Mossing responded it is

the principal on the bond, it is projected to go up by that amount to cover the closing costs, all the costs related to the issuance of the bonds for the refinancing.

Mr. Goldberg also inquired about the ponds overflowing after a heavy rain and Mr. Smith explained the outflow process.

FOURTEENTH ORDER OF BUSINESS


Adjournment

On MOTION by Mr. Kellogg seconded by Mr. Lane with all in favor the meeting was adjourned.

On MOTION by Mr. Brown seconded by Mr. Rosenberg with all in favor the meeting was adjourned.



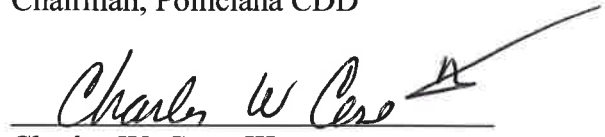
Gary L. Moyer
Secretary



Robert Zimbardi
Chairman, Poinciana CDD



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