

**THE MINUTES OF MEETING
TERN BAY COMMUNITY DEVELOPMENT DISTRICT**

The Regular Board Meeting of the Tern Bay Community Development District's Board of Supervisors was held on **Tuesday, September 20, 2016, at 9:30 a.m.**, at the **Offices of Berntsson, Ittersagen, Gunderson & Wideikis, LLP, 18401 Murdock Circle, Suite C, Port Charlotte, Florida 33948.**

Present and constituting a quorum were:

Neale Montgomery	Chairperson
Mark Gillis	Assistant Secretary
Rick Brylanski	Assistant Secretary
Mike Dady	Assistant Secretary

Also Present were:

James Ward	District Manager
Scott Clark	District Counsel
Bill Riley (via telephone)	
Mat Morris	District Engineer
Rob Berntsson	Special Counsel

Absent were:

Mark Card	Assistant Secretary
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Audience:

Ceil Fillenworth
Tom Fillenworth
Kathy Karlen

1. Call to Order & Roll Call

Mr. Ward called the meeting to order at 9:37 a.m., and roll call determined that all members of the Board were present with the exception of Mr. Card.

2. Consideration of Minutes: May 10, 2016

On Page 3 of the minutes under District Attorney, second sentence, a Board Member requested that SPE be spelled out and under District Engineer, OPC should be NOPC. Mr. Ward stated that these corrections would be made.

Motion was made by Mr. Gillis and seconded by Ms. Montgomery to accept the Meeting Minutes of May 10, 2016, with the above amendments, and with all in favor the motion was approved.

3 Consideration of Resolution 2016-2 amending the date of the Public Hearing for consideration of the Fiscal Year 2017 Proposed Budget.

Mr. Ward stated that the Resolution changes the date of the Public Hearing to September 20, 2016, at 9:30 a.m. at the offices of Berntsson, Ittersagen, Gunderson & Wideikis, LLP, 18401 Murdock Circle, Suite C, Port Charlotte, Florida 33948. He explained the reason for the date change was that a quorum was not established for the original date.

Motion was made by Ms. Montgomery and seconded by Mr. Dady, to approve Resolution 2016-2, and with all in favor the motion was approved.

4 Public Hearings

a) Fiscal Year 2017 Budget

Mr. Ward said that there haven't been any changes to the budget since it was approved at the April meeting and the rates for the homeowners were \$168.19 per unit, which was down a couple cents from last year. He reported that everything else has remained the same and all of the costs as related to the Special Purpose Entity (SPE) are not included in the budget any longer as it is paid for directly by the Trustees; thus, a foreclosure unit assessment is not included in the Fiscal Year 2017 Budget.

Ms. Montgomery asked where the district office was located. Mr. Ward stated he was not sure, but that that information needed to be updated and the minutes must be kept in an accessible location. Mr. Ward said that this will be discussed further at a future meeting.

Question arose as to what services the Sheriff was providing, and Mr. Ward explained that there is Sheriff presence twice a week, and the cost is \$24,000 a year for this service. Mr. Ward explained that this was initiated a number of years ago due to vandalism in the community and the vandalism has dropped 95% from what it was. The residents who were in the audience commented that there are officers who live in the community and park their cars where they can be seen. Residents stated that they feel this is good, but wonder how much the sheriff can do if he doesn't know who is coming and going. They expressed that they felt the money could better be spent on refurbishing the 10-year-old landscaping.

Motion was made by Mr. Dady and seconded by Mr. Brylanski to open the Public Hearing, and with all in favor the motion was approved.

Tom Fillenworth commented that there are many officers living in the community, and when there were problems a few years ago, he felt it was because it looked like a run-down community. He felt that now the community is well taken care of and the situation has improved. He feels that refurbishing the landscape will keep the community looking nice and deter crime.

Mr. Ward said he would try to make this change to the budget, but he was not sure he could do so. A board member suggested that the money just be shifted so that the budget could remain the same. After some discussion, Mr. Ward suggested that this item could be cut in half, and he would authorize the Sheriff presence to one day a week instead of two days a week, and the line item will be left as is.

A compliment was expressed concerning the refurbishing of the bridges. Mr. Ward mentioned that Mr. Riley did an excellent job.

A Board member asked about insurance, and Mr. Ward said there was a small change in the amount from last year to this, but nothing significant.

Mr. Ward stated that the bonds are issued by Prager Sealy. Comment was made that Prager is getting out of the dissemination business and that notices were sent. Mr. Ward said that the old Prager Sealy Company is now offering all districts the opportunity to change over to their new company, MBS Capital Markets. He stated that the rates are the same, and the District will be transferring over to the new company.

A member of the Board suggested that consideration be given to other services. Ms. Montgomery said that she works with Brett Sealy, so she is comfortable with them, and asked if there was another company that he would be comfortable with. He said that Lerner Dissemination Services, Inc. does an excellent job and they have a separate entity that he has used in other districts. Mr. Ward said that it would be okay with him. Another member suggested that it would be appropriate for both Lerner and Sealy to provide proposals to be looked over at the next meeting.

Motion was made by Ms. Montgomery and seconded by Mr. Brylanski to close the Public Hearing, and with all in favor the motion was approved.

Mr. Ward ask for any other Board comment and no comment was made.

Motion was made by Ms. Montgomery and seconded by Mr. Dady to adopt Resolution 2016-3, the annual appropriation and Budget for Fiscal Year 2017, and with all in favor the motion was approved.

- b) Fiscal year 2017 Imposing Special Assessments; Adopting an Assessment Roll and approving the General Fund Special Assessment Methodology

Mr. Ward asked for a motion to open the Public Hearing.

Motion was made by Mr. Dady and seconded by Mr. Gillis to open the Public Hearing, and with all in favor the motion was approved.

Mr. Ward explained that this public hearing is for the purposes of the public related to how the district levies the assessments for the operations and maintenance, and it is the same as has been done for a number of years, a per unit assessment, equal across all units, irrespective of the size of the property.

Mr. Ward was asked to explain the methodology if an across-the-board reduction of future units in the project is being contemplated. Mr. Ward stated that it is based on the original site plan of the community.

An audience member asked if basically the taxing was the same as it has always been. Mr. Ward answered that at the moment this was true. She said that it sounded as though there was a change coming and wondered if that change would be happening before a year. Mr. Ward responded that this budget would adopt it through September 30, 2017.

Motion was made by Ms. Montgomery and seconded by Mr. Gillis to close the Public Hearing, and with all in favor the motion was approved.

Mr. Ward called for a motion to adopt Resolution 2016-4.

Motion was made by Mr. Brylanski and seconded by Mr. Gillis to approve Resolution 2016-4 as described above, and with all in favor the motion was approved.

- 5. **Consideration of Resolution 2016-5 designating the dates, time and location for regular meetings of the Board of Supervisors of the District**

Mr. Ward informed the Board that the statute requires the District to adopt such a resolution and to have regular dates, times and locations for their meetings. Mr. Ward stated that the schedule will continue to be the same, the second Tuesday of each month at the offices of Berntsson, Ittersagen, Gunderson & Wideikis, at 9:30 in the morning.

Motion was made by Mr. Dady and seconded by Ms. Montgomery to approve Resolution 2016-5 as described above, and with all in favor the motion was approved.

6. Staff Reports

a) District Attorney

Mr. Clark stated that the litigation involving the Special Purpose Entity has been resolved. He summarized the litigation for the Board, reporting that the taxes for 2006, 2007, and 2008 were canceled, which saved about \$1,800,000. He added that, in return, the taxes had to be paid current, and the bond holders agreed to pay them. Mr. Clark stated he was very pleased with this result. He said that the cost was approximately \$735,000 and this was paid in the form of a loan and that when this large piece (800 acres) of property is sold, the first proceeds must be used to pay back this loan. He reported that it has no impact on the CDD but has an impact on the bondholders.

He requested that the Board approve of the Chairman signing the first amendment to the Tri-Party Agreement between US Bank National Association of the Trustee, Tern Bay CDD and Tern Bay CDD Acquisitions, LLC, the SPE.

Mr. Ward asked for comments from the Board. A member commented on behalf of the SPE that it was a very favorable result and congratulated Mr. Clark for prevailing in the case.

Ms. Montgomery asked if the net proceeds of the property are not sufficient to pay off the tax, what would be done in such a case. Mr. Clark responded that it would be a safe bet that the property would not be sold for less than \$735,000. He said that what has been done is that a first lien on the property has been created.

A board member asked if interest would be added to the \$735,000, and the answer was that there is not a provision for interest to accrue.

Motion was made by Mr. Dady and seconded by Mr. Brylanski to approve the First Amendment to the Tri-Party Agreement as described above, and with all in favor the motion was approved.

b) District Engineer

Mr. Morris reported that he is working with Mr. Dady and Mr. Berntsson on the NOPC, which has turned into a traffic transportation function. Mr. Morris stated that all necessary support is being provided during the course of that NOPD at this point. Ms. Montgomery asked if it had been filed or if it was in a sufficiency process. Mr. Morris responded that it is in a sufficiency process and he is are awaiting a letter that the sufficiency is complete at this point. He stated an email was received from FDOT stating that all of the issues have been addressed.

c) District Manager

No report given.

8. Supervisor's Requests and Audience Comments

There were no supervisor's requests or comments from the audience.

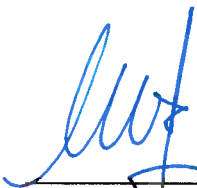
9. Adjournment

Motion was made by Mr. Brylanski and seconded by Mr. Dady to adjourn the meeting, and with all in favor the motion was approved.

The meeting was adjourned at 10:51 a.m.



James P. Ward, Secretary



Michael Dady, Chairman