

MINUTES OF MEETING  
GRANDE PINES  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Grande Pines Community Development District was held Monday, January 18, 2021 at 10:00 a.m. at the Offices of GMS-CF, LLC at 219 East Livingston Street, Orlando, Florida.

Present and constituting a quorum were:

Charles Cavaretta <i>by phone</i>	Chairman
Linda Kepfer	Vice Chairperson
Jennifer McLendon	Assistant Secretary
Michael McQuarrie	Assistant Secretary

Also present were:

George Flint	District Manager
Kristen Trucco	District Counsel
Christy Baxter	District Engineer
Brett Sealy <i>by phone</i>	MBS Capital Markets
Peter Dame <i>by phone</i>	Akerman

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order and called the roll. Three Board members were present at the meeting constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Flint: I believe we just have staff and Board members here, so we will move on to organizational matters.

**THIRD ORDER OF BUSINESS**

**Organizational Matters**

**A. Acceptance of Resignation of Katie Peck**

Mr. Flint: We did receive a resignation from Ms. Katie Peck. Is there a motion to accept her resignation?

On MOTION by Ms. Kepfer, seconded by Mr. McQuarrie, with all in favor, Acceptance of Resignation of Katie Peck, was approved.

**B. Appointment of Individual to Fulfill the Board Vacancy with a Term Ending November 2024**

Mr. Flint: Are there any nominations at this time to fill the unexpired term of Ms. Peck's seat expiring in November of 2024?

Ms. Kepfer: I would like to nominate Chuck Cavaretta.

On MOTION by Ms. Kepfer, seconded by Mr. McQuarrie, with all in favor, the Appointment of Chuck Cavaretta to Fulfill the Board Vacancy with a Term Ending November 2024, was approved.

**C. Administration of Oath of Office to Newly Appointed Supervisor**

Mr. Flint: Chuck, because you're not here I can't swear you in, so you can't officially vote in today's meeting. We will forward you the oath of office and the other forms you need. You can either have a notary administer that oath between now and the next meeting or at the next meeting I can do it at the beginning of the meeting.

Mr. Cavaretta: I'll have it notarized and sent back. Thank you.

**D. Consideration of Resolution 2021-01 Electing Officers**

Mr. Flint: You have Resolution 2021-01 in your agenda electing officers. Currently Ms. Kepfer is the Chair, there is no Vice Chair, and Ms. McLendon, Mr. McQuarrie, and Mr. Finocchio are Assistant Secretaries. Since you don't have a Vice Chair, you probably want to consider officers and do that. We can do each office individually, or if a Board member wants to make a motion to elect a slate of officers, we can do it in one motion. Any thoughts on that?

Ms. Kepfer: Chuck, did you want to be Chair when you are sworn in?

Mr. Cavaretta: That's fine.

Ms. Kepfer: We can make him Chair and I'll be Vice Chair.

Mr. Flint: Okay, and the other three Board members will remain Assistant Secretaries. I was Secretary, Ariel Lovera is Treasurer, and we didn't have an Assistant Treasurer. If that's acceptable to the Board is there a motion to that effect?

Ms. Trucco: I'll just add really quickly, Chuck, Supervisors are considered locally elected government officials for purposes of the Sunshine Law and financial disclosure. My office will

send you a welcome packet that goes through some specifics about your role as a Supervisor, just in case you haven't served before on a CDD board.

Mr. Cavaretta: I have been on a CDD board previously, but I will definitely review that, thank you.

Ms. Trucco: Okay, great. Thanks.

On MOTION by Mr. McQuarrie, seconded by Ms. McLendon, with all in favor, Resolution 2021-01 Electing Officers as stated above, was approved. .

#### **FOURTH ORDER OF BUSINESS**

#### **Approval of Minutes of the October 19, 2020 Meeting**

Mr. Flint: Did the Board have any comments or questions on those? If not, is there a motion to approve them as presented? Hearing no changes,

On MOTION by Ms. Kepfer, seconded by Mr. McQuarrie, with all in favor, the Minutes of the October 19, 2020 Meeting, were approved as presented.

#### **FIFTH ORDER OF BUSINESS**

#### **Financing Matters**

##### **A. Consideration of Revised Engineer's Report**

Mr. Flint: I did hand out the revised report this morning and I explained that it's subject to incorporation of the sketch and description of the specific assessment area. We will change it again. Did you want to hit on any changes that are in this version versus the previous version that was in the book?

Ms. Baxter: I'd be happy to. In this version of the Engineer's Report the changes were addressing the language terminology to identify Assessment Area 1 and Assessment Area 1 capital improvement program. In exhibit 15 those were addressed. Exhibit 17 was updated with the most current dates and summaries of the projects including adding space for information. We updated the Developer to be specific to Park Square Grand Pines, LLC. As George mentioned, the one additional change will be adding Exhibit 4A which will be a sketch and description specific to Assessment Area 1.

Mr. Flint: Are there any questions for Christy on the Engineer's Report? Is there a motion to approve the latest version of the Engineer's Report dated January 18, 2021, subject to incorporation of the sketch and legal? Hearing none,

On MOTION by Ms. Kepfer, seconded by Ms. McLendon, with all in favor, the Revised Engineer's Report, was approved.

#### **B. Consideration of Revised Supplemental Assessment Methodology**

Mr. Flint: Next we have the Revised Supplemental Assessment Methodology preliminary for the Series 2021 Assessment Area 1. We went through and made sure that our terminology was consistent with what we are using throughout the bond documents as far as referring to the project in the assessment area. This includes revisions to the narrative as far as the terminology goes. The previous version of the preliminary supplemental assumed we were going to finance 100% of the eligible costs so the per unit assessments were pretty high. As a result of discussions between MBS, the underwriter, and Park Square this report has been revised to bring those assessments down to a target level which are included in these tables. This is a preliminary supplemental, and it would be used for purposes of what's call the Preliminary Limited Offering Memorandum when the underwriter goes out and markets the bonds there is a document called the Limited Offering Memorandum. It's preliminary and they use that to market. There is an initial draft of the supplemental that is included in that document. Once the bonds are actually priced and we know the specific interest rates and terms we will finalize the supplemental report. After the bonds are priced you all will approve the final. After this, we have the delegation resolution and Peter can go into detail on that. If you look at the tables, Table 1 on page 9; this has not changed. This is the development program. We are anticipating a mix of 50' and 70' single family and townhomes for a total of 179.45 ERUs. The capital improvement program is on Table 2, which is taken from Christy's Engineer's Report. Table 3 is the preliminary bond sizing. It assumes the target assessment amounts an average interest rate of 4.5%, capitalized interest of 8 months, which would bring us our estimate through November 1<sup>st</sup>, one year's max annual debt, and 2% underwriter's discount. That results in a par amount of \$6.79 million. Again, this is subject to the actual pricing of the bonds and the interest rates at the time that the underwriter markets it. Table 4 is the improvement cost per unit. Table 5 is the par debt per unit at the \$6.8 million. Table 6 is the net and gross annual debt assessment. Based on these numbers, a single family 70' lot would pay on

their tax bill a debt service assessment of \$3,462. A 50' lot would be \$2,473. A townhome would be \$1,855. Table 7 is the preliminary assessment roll. I don't believe it has been platted at this point, so it is still reflected as one owner, Park Square Grand Pines, LLC. When Christy updates her Engineer's Report we'll take the legal description of the assessment area and attach it to the methodology. Any questions on the preliminary? If not is there a motion to approve it?

On MOTION by Ms. Kepfer, seconded by Mr. McQuarrie, with all in favor, the Revised Supplemental Assessment Methodology, was approved.

### **C. Consideration of Resolution 2021-02 Delegation Resolution**

Mr. Flint: Next we have the Delegation Resolution, Resolution 2021-02. Peter Dame who is the District's Bond Counsel is on the phone. Peter, do you want to present the Delegation Resolution to the Board?

Mr. Dame: Thank you, George. My name is Peter Dame. I am with the law firm Akerman. Mike Williams who has served as counsel to the District for us has retired and I am taking over his position with respect to the Bond Counsel for the District. I wanted to talk briefly about the resolution in front of you. The resolution authorizes the next series of bonds and as you may recall, back in early 2020, the Board adopted a resolution authorizing bonds. That was taken to the local District Court and the bonds were validated. Now we are authorizing the first series of those bonds to be issued. The resolution authorizes up to \$8 million worth of bonds to be issued. The resolution approves the forms of the various documents that are required to issue the bonds including the Supplemental Trust Indenture, the Bond Purchase Contract, the Continuing Disclosure Agreement, and the ancillary documents such as the True Up Agreement and other documents that are necessary for the bonds. Importantly, the resolution is a delegation resolution. What that means is that it delegates to the Chairman or the Vice Chairman the authority to finalize and sign a purchase contract with the underwriter, which is MBS Bonds, and it specifies in section 5 certain parameters with which the Chairman or the Vice Chairman may authorize and finalize the contracts. I want to go through those, just briefly. As I said, the purchase amount of the bonds does not exceed \$8 million. The interest rates do not exceed the maximum rate of interest. That will reset monthly and at this point it is a little under 5.5%. The underwriter's discount does not exceed 2%. The bonds will be subject to optional redemption no later than May 1, 2033. The final maturity of the bond

should be no later than May 1, 2051. The resolution also approves the document George mentioned, the Limited Offering Memorandum which will be used to market the bonds. Broadly, in section 11, the resolution goes on to broadly delegate to staff, lawyers, and consultants for the District the authority to go forth and take all actions necessary to deliver and issue the Series 2021 bond and the consummation of the transactions that are consecrated by the resolution. I know that was a little longer perhaps than everybody needed, but I like to get that down on the record and I'll be happy to answer any questions anybody might have about the delegation resolution.

Mr. Flint: Any questions for Bond Counsel?

Mr. Sealy: He George, it's Brett with MBS, I apologize for the interruption. We would respectfully request that the not to exceed maturity date be adjusted to 2052. We're not 100% certain at this point and time whether interest will be capitalized through November 1, 2021 or November 1, 2022. Out of an abundance of caution if that final determination is being made, we would respectfully that the not to exceed maturity date be 2052 to accommodate flexibility in that decision.

Mr. Flint: Okay, that is in section 5. Peter, is that okay with you?

Mr. Dame: Yes, that's fine.

Mr. Flint: Alright, any questions from the Board? Hearing none,

On MOTION by Ms. Kepfer, seconded by Mr. McQuarrie, with all in favor, the Resolution 2021-02 Delegation Resolution, was approved as amended.

## **SIXTH ORDER OF BUSINESS**

### **Discussion of Assignment of Contracts and Construction Funding Agreement**

Ms. Trucco: Christy has been working on reviewing the contracts to decipher what is public work versus what is private work that can be reimbursed by the District. She sent us some figures on Friday. Jan and I are reviewing them and I think she is also continuing with a few more costs that you are looking at right now with respect to the assignment of the contracts to the District so that the contractors could be paid back at the bond closing or by the developer. We're still in the process of reviewing all the contracts right now. There is another Board meeting prior to the bond closing, so we we'll come back with an update for you at that time. I believe that the review is still undergoing right now. Christy, do you have anything to add about the assignment of contracts or the contracts that you are reviewing for public versus private work?

Ms. Baxter: I will say I highlighted the cost for Phase 1 and 2 and allocated them as either public or private costs. I will go through the work effort to do the calculations to divide out the costs for the ones that have to be split public versus private. Either the CDD or Park Square gives me the go ahead to do that. We can start doing it now or if you want me to wait to make sure the contracts can be assigned. Just let me know what direction I need to go, and we can do that.

Ms. Trucco: I will speak with Jan and discuss it with her, and then we will be back in touch with you whether to proceed or not.

Mr. Flint: We might want to have another conference call this week, a follow up to the last call we had. It wouldn't be a bad idea to make sure everyone is on the same page. There are really two ways once the District issues bonds to deal with the construction of the improvements and paying for those. One is that the District acquires the improvements from the Developer. In that case Grand Pines would enter into the construction contracts, construct the improvements, and then the CDD would buy those completed improvements from the developer. The other way to do it, and the way we are looking at doing it here, is actually assigning the contracts from the developer to the CDD and then as pay applications come in during the course of construction the CDD can pay as those pay applications are approved by the Engineer. Those are the two main ways to do it. We're looking at trying to assign contracts to the District and the only issue is the way the contracts were originally set up. There is a mix of public and private improvements in there, some the District can pay some they can't. So, we need to make sure in the assignment we are only obligating the District to pay for the public improvements. I don't believe there is any action on that so we will work on having a follow up conference call before the next meeting. Then at the next meeting if everything goes well we'll actually have the assignment of the contracts. There will be a funding agreement and a completion agreement in there too. The contract will be assigned to the CDD there will also be an agreement back with the developer that to the extent the contract doesn't complete the improvements, the developer would still have the obligation to do that. We'll have all of those on the next agenda.

## **SEVENTH ORDER OF BUSINESS**

### **Consideration of Resolution 2021-03 Adopting and Ratifying the E-Verify System**

Ms. Trucco: The Florida Legislature recently enacted a law that requires all public employers to enroll in this new E-Verify system to verify the work authorization of all its new



employees. The District is considered a public employer under this law, so we are required to comply. How this new law will affect us moving forward is any contractor or subcontractor that the District enters into an agreement with, we have to verify before we enter into that agreement that they have also enrolled in the E-Verify system. As it stands right now, the special District Statute which is different from the E-Verify Statute specifies that the Board of Supervisors, for example, are not employees. They are permitted to elect up to \$200 compensation for each meeting as they are positioned as a Board Supervisor, not employee. The District doesn't have any employees, we just enter into agreements with contractors who are required to comply with the E-Verify system. One other difference that this will make in all of our agreements moving forward, we have a compliance section now regarding E-Verify. That's another difference that this will make for the District moving forward. What we are looking for is approval that approves and ratifies all the actions taken by the Board to comply with the new E-Verify system including execution of the memorandum of understanding and also delegates authority to the District staff, the Chairman, and the Vice Chair to execute any documents, and take any actions necessary for the compliance with the E-Verify system. George, do you have anything to add?

Mr. Flint: No. The main reason we are doing this is because of that memorandum of understanding that has to be executed. We want to make sure the record is clear that the authority to enter into that has been delegated.

On MOTION by Ms. Kepfer, seconded by Ms. McLendon, with all in favor, Resolution 2021-03 Adopting and Ratifying the E-Verify System, was approved.

## **EIGHTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. Attorney**

Ms. Trucco: Nothing else. We are just reviewing the bond work for the preclosing and closing. Otherwise, there is nothing new to report to the Board today.

#### **B. Engineer**

Mr. Flint: Christy, anything else from you?

Ms. Baxter: Nothing else for me, thank you.



**C. District Manager's Report****i. Balance Sheet and Income Statement**

Mr. Flint: You have the balance sheet and income statement. These are unaudited through December 31<sup>st</sup>. This is the first three months of Fiscal Year 2021. No action required, if you have questions, we can discuss those.

**ii. Ratification of FY21 Funding Request #13 - #14**

Mr. Flint: We have entered into a funding agreement with the Developer and we submit funding requests to them as expenses are incurred. For funding request 13, there are a couple expenses from 2020 on there and you have some from FY2021. The total is \$4,813.97. Funding request 14, totals \$3,718.98. The individual invoices are behind the funding request itself.

On MOTION by Mr. McQuarrie, seconded by Ms. McLendon, with all in favor, the Fiscal Year 2021 Funding Request #13 and #14, was ratified.

**NINTH ORDER OF BUSINESS****Other Business**

Mr. Flint: Was there anything else that the Board wanted to discuss that was not on the agenda?

Mr. McQuarrie: I have a quick question. The community will be platted under a different name and will be marketed under a different name. Is there any requirement for the CDD to change names?

Mr. Flint: No, it's not unusual to have the CDD a different name than the development. We would have to actually go back to Orange County to actually have the name changed and it's not really worth that effort unless there is a specific reason you would want to do that. We have a lot of Districts where the District name and the development are two different names. If there is nothing else, is there a motion to adjourn?

**TENTH ORDER OF BUSINESS****Supervisors Requests**

There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS****Adjournment**

Mr. Flint adjourned the meeting.

On MOTION by Ms. Kepfer, seconded by Mr. McQuarrie, with all in favor, the meeting was adjourned.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman