

VENETIAN ISLES COMMUNITY DEVELOPMENT DISTRICT
REGULAR BOARD MEETING
APRIL 23, 2013

A. CALL TO ORDER

District Manager Neil Kalin called the April 23, 2013, Regular Board Meeting of the Venetian Isles Community Development District to order at 7:11 p.m. in the Venetian Isles Community Clubhouse located at 15355 Egret Lake Circle, Miami, Florida 33185.

B. PROOF OF PUBLICATION

Mr. Kalin presented proof of publication that notice of the Regular Board Meeting was published in the *Miami Daily Business Review* on October 8, 2012, as part of the District's Fiscal Year 2012/2013 Regular Meeting Schedule, as legally required.

C. ESTABLISH A QUORUM

Mr. Kalin determined that the attendance of Vice Chairman Luis Baluja and Supervisors Richard Borrazas and José Medina constituted a quorum and it was in order to proceed with the meeting.

Staff members in attendance were: District Manager Neil Kalin of Special District Services, Inc.; District Counsel Michael Pawelczyk of Billing, Cochran, Lyles, Mauro & Ramsey, P.A.; Underwriter Jon Kessler of FMSBonds, Inc.; and Bond Counsel Michael Williams of Akerman Senterfitt.

D. ADDITIONS OR DELETIONS TO THE AGENDA

Mr. Kalin requested to add under Administrative Matters the Supplemental Assessment Methodology Report; his request was acknowledged.

Note: At this juncture of the meeting, Mr. Kalin moved directly to New Business Item 1.

H. NEW BUSINESS

1. Consider Resolution No. 2013-02 – Authorizing Special Assessment Refunding Series 2013 Bonds (Includes the Approval of Associated Bond Documents/Exhibits, as Follows) a.) First Supplemental Trust Indenture; b.) Bond Purchase Agreement; c.) Preliminary Offering Statement; d.) Continuing Disclosure Agreement; e.) Escrow Deposit Agreement (Hard Copies of Exhibits a – e Will Be Provided at the Meeting & Under Separate Cover)

Mr. Kalin introduced Mr. Michael Williams, Bond Counsel from Akerman Senterfitt in Orlando, Florida and Mr. Jon Kessler from FMSBonds, Inc. in North Miami Beach, Florida and informed the Board that Mr. Williams and Mr. Kessler were in attendance to answer questions regarding the authorizing resolution and accompanying Exhibits.

Mr. Kalin presented Resolution No. 2013-02, entitled:

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RESOLUTION NO. 2013-02

A RESOLUTION OF VENETIAN ISLES COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF AND AWARDING THE SALE OF ITS VENETIAN ISLES COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2013 FOR THE PRINCIPAL PURPOSE OF REFUNDING ALL OF THE OUTSTANDING VENETIAN ISLES COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2002A; DELEGATING TO THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF SUPERVISORS OF THE DISTRICT, SUBJECT TO COMPLIANCE WITH THE APPLICABLE PROVISIONS HEREOF, THE AUTHORITY TO AWARD THE SALE OF SUCH BONDS TO FMSBONDS, INC. AND MBS CAPITAL MARKETS, LLC BY EXECUTING AND DELIVERING TO SUCH UNDERWRITERS A BOND PURCHASE CONTRACT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH BOND PURCHASE CONTRACT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE SECOND SUPPLEMENTAL TRUST INDENTURE; MAKING CERTAIN FINDINGS; APPROVING THE FORM OF SAID BONDS; APPROVING THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE USE OF THE OFFICIAL STATEMENT AND THE PRELIMINARY OFFICIAL STATEMENT; APPROVING THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT AND ESCROW DEPOSIT AGREEMENT; AUTHORIZING CERTAIN OFFICIALS OF VENETIAN ISLES COMMUNITY DEVELOPMENT DISTRICT AND OTHERS TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS; CALLING THE BONDS TO BE REFUNDED FOR EARLY REDEMPTION; DESIGNATING THE 2013 BONDS AS "BANK QUALIFIED;" PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID BONDS; AND PROVIDING AN EFFECTIVE DATE.

Mr. Kalin informed the attendees that the resolution provided for the issuance of and awarding the sale of its Venetian Isles Community Development District (the "District") Special Assessment Revenue Refunding Bonds, Series 2013 (the "Series 2013 Refunding Bonds") for the principal purpose of refunding all of the outstanding District Special Assessment Bonds, Series 2002A. Mr. Williams explained that the Bond Resolution being presented included a series of Exhibits, which facilitate the procedures of paying off the Series 2002A Bonds and establishes applicable guidelines for the Series 2013 Refunding Bonds. Mr. Williams and Mr. Kalin went on to list and explain the exhibits, including Exhibit A, the form of Second Supplemental Trust Indenture between the District and U.S.

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Bank National Association, as Trustee; Exhibit B the Bond Purchase Contract with FMSbonds, Inc. and MBS Capital Markets, LLC (collectively, the “Underwriters”), including disclosure, as required, by the MSRB Rule G-17 and the District; Exhibit C the form of Preliminary Official Statement; Exhibit D the form of Continuing Disclosure Agreement between the District and Special District Services, Inc. as Disclosure Representative, and lastly, Exhibit E the form of Escrow Deposit Agreement by and between the District and U.S. Bank National Association, as escrow agent. The above listed Exhibits were provided in hard copy form at the meeting.

Mr. Pawelczyk stated that he had reviewed the resolution and associated documents and informed the Board that the approval of Resolution No. 2013-02 will provide for all necessary actions of the District’s Officials to execute all related closing documents for the purpose of the pre-closing and closing on the Series 2013 Refunding Bonds. Discussion ensued regarding the debt service savings associated with the issuance of the 2013 Refunding Bonds and the final maturity date of the 2013 Refunding Bonds. Mr. Kessler explained that the bond market is quite favorable at this time and he expects that the District will realize approximately \$2,000,000 in savings over the term of the 2013 Refunding Bonds. Mr. Kessler confirmed that the District would be shortening the term of the 2013 Refunding Bonds by four (4) years and the final maturity date would be May 1, 2029.

Mr. Williams confirmed that the District plans on using a portion of the annual savings to create a reserve fund for infrastructure improvement maintenance. Mr. Baluja opined that the savings on the 2013 Refunding Bonds should be revised to reflect the expected and actual savings, as outlined by Mr. Kessler. A discussion ensued after which the Vice Chairman Baluja passed the gavel to Mr. Medina to act as Vice Chairperson for the upcoming motion;

A **motion** was made by Mr. Baluja, seconded by Mr. Medina and unanimously passed to approve and adopt Resolution No. 2013-02, *as amended*; Section 5. shall read “(i) the total debt service savings associated with the issuance of the 2013 Bonds shall be at least **\$1.9 million** (ii) final maturity of the 2013 Bonds shall be no later than **May 1, 2029**”; and providing for approval of Exhibits A through E, in substantially the form as presented, and providing for District Counsel to review and approve all documents in final form, as required.

Mr. Medina returned the gavel and the Vice Chairperson designation to Mr. Baluja.

Mr. Kessler stated that he expected to have the final pricing of the Series 2013 Refunding Bonds by early next week and hopes to have the Bond closing by the middle of May. Mr. Kessler and Mr. Williams thanked the Board for their time and at approximately 7:37 p.m., both individuals left the meeting.

E. COMMENTS FROM THE PUBLIC FOR ITEMS NOT ON THE AGENDA

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There were no comments from the public for items not on the agenda.

F. APPROVAL OF MINUTES

1. March 19, 2013, Regular Board Meeting

Mr. Kalin presented the minutes of the March 19, 2013, Regular Board Meeting and asked if there were any changes. There being no changes, a **motion** was made by Mr. Medina, seconded by Mr. Borrazas and unanimously passed to approve the minutes of the March 19, 2013, Regular Board Meeting, as presented.

G. OLD BUSINESS

1. Update on Pedestrian Crossing Signs

Mr. Kalin informed the Board Members that the pedestrian crossing signs had been successfully installed.

2. Update on Traffic Marking Project

Mr. Kalin informed the Board that the Traffic Marking Project is expected to commence in the next 7 to 10 days. Field Operations Staff will communicate with onsite security and Ms. Jackie Perez to keep them informed of the start date and time of the Project. Mr. Medina pointed out that garbage days in the community are on Tuesdays and Fridays and therefore, it might be wise to avoid those days. Mr. Kalin will communicate this information to the Contractor. As soon as the District has issued a notice to proceed to the Contractor, the project information will be posted on the District's web site.

H. NEW BUSINESS – DISCUSSED AND ACTED UPON EARLIER IN AGENDA – SEE ABOVE

1. Consider Resolution No. 2013-02 – Authorizing Special Assessment Refunding Series 2013 Bonds (Includes the Approval of Associated Bond Documents/Exhibits, as Follows) a.) First Supplemental Trust Indenture; b.) Bond Purchase Agreement; c.) Preliminary Offering Statement; d.) Continuing Disclosure Agreement; e.) Escrow Deposit Agreement (Hard Copies of Exhibits a – e Will Be Provided at the Meeting & Under Separate Cover)

2. Consider Resolution No. 2013-03 – Adopting a Fiscal Year 2013/2014 Proposed Budget and Setting a Public Hearing Date to Adopt a Final Budget and Public Notice Thereof

Mr. Kalin presented Resolution No. 2013-03, entitled:

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RESOLUTION NO. 2013-03

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
VENETIAN ISLES COMMUNITY DEVELOPMENT DISTRICT
APPROVING AND ADOPTING A PROPOSED BUDGET FOR
FISCAL YEAR 2013/2014; AND PROVIDING AN EFFECTIVE
DATE.**

Mr. Kalin read the title of the resolution into the record. An explanation of operating fund income and expenses was outlined. Mr. Kalin also explained that in order to balance the Fiscal Year 2013/2014 Proposed Budget, approximately \$10,000 of current year end projected fund balance would be used. Mr. Kalin stated that due to the Series 2013 Refunding Bonds that the overall assessments were decreasing in the fiscal year 2013/2014; therefore, an assessment letter to the residents would not be required. (One exception-letter to owner who paid off debt assessment) In addition, a portion of the debt service savings from the Series 2013 Refunding Bonds would be used for approximately seven (7) years to create an infrastructure improvement maintenance reserve fund. Mr. Kalin also stated that it would be in order for the Board to set the Public Hearing date to adopt the fiscal year 2013/2014 final budget and assessments. A discussion ensued after which;

A **motion** was made by Mr. Borrazas, seconded by Mr. Medina and unanimously passed to approve and adopt Resolution No. 2013-03, *as amended*; (combine the following Maintenance Expenditure lines into one line description: Street Repairs & Signage Repair Replacement - Traffic Control Devices/Upkeep & Restriping to “Roadway/Street Improvements - Repairs”; and change the following line item: Maintenance Reserve Fund to “Infrastructure Reserve Fund”); and setting the Public Hearing to adopt the Fiscal Year 2013/2014 Final Budget, including the assessments, for June 25, 2013, at 7:00 p.m. in the Venetian Isles Community Clubhouse located at 15355 Egret Lake Circle, Miami, Florida 33185.

I. ADMINISTRATIVE MATTERS

1. Discussion Regarding Management Agreement – Special District Services, Inc. (SDS, Inc.)

Mr. Kalin stated that Special District Services, Inc. is working on a draft Amendment to the Management Services Agreement and that the Amendment draft will be circulated as soon as it has been completed.

2. Discussion Regarding District Manager Replacement

This item was *deferred*.

3. ADD-ON ITEM – Supplemental Special Assessment Methodology Report

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Mr. Kalin provided those in attendance with a copy of the Supplemental Special Assessment Methodology Report Series 2013, Refunding Bonds (the “Methodology Report”) and explained that the Methodology Report was created to identify the maximum annual debt service assessment to be collected as a result of the upcoming issuance of the Series 2013 Refunding Bonds. Mr. Kalin stated that the figures used came from the savings Scenario #3 provided at the meeting held on March 19, 2013. A discussion ensued after which;

A **motion** was made by Mr. Medina, seconded by Mr. Borrazas and unanimously passed to approve and accept the Supplemental Special Assessment Methodology Report dated April 23, 2013, as presented.

J. BOARD MEMBER COMMENTS

Mr. Baluja and Mr. Medina suggested that Staff look at all Professional Agreements/Contracts and review to make sure that applicable language is included, which outlines the term of the agreement and associated fee rates.

Mr. Baluja asked the District Manager to review the shoreline for rock removal, especially in the subdivision Palermo. Mr. Kalin will look into this matter and take action, as necessary.

K. ADJOURNMENT

There being no further business to come before the Board, a **motion** was made by Mr. Baluja, seconded by Mr. Medina and unanimously passed to adjourn the Regular Board Meeting at 8:22 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman