

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

THE VERANDAHS COMMUNITY DEVELOPMENT DISTRICT

The special meeting of the Board of Supervisors of The Verandahs Community Development District was held on **Tuesday, June 21, 2016 at 6:30 p.m.** at the Trinity Lutheran Church, located at 3100 Starkey Boulevard, New Port Richey, FL 34655.

Present and constituting a quorum:

Stanley Haupt	Board Supervisor, Chairman
Thomas May	Board Supervisor, Assistant Secretary
Brady Lefere	Board Supervisor, Assistant Secretary
Sara Guthrie	Board Supervisor, Assistant Secretary

Also present were:

Clifton Fischer	District Manager, Rizzetta & Company, Inc.
Scott Brizendine	Director of Financial Consulting, Rizzetta & Co., Inc.
Bre Beirl	Financial Consultant, Rizzetta & Co., Inc.
Stewart Rogers	District Engineer, Dewberry Engineering
Vivek Babbar	District Counsel, Straley, Robin, & Vericker <i>(via speakerphone)</i>
Robbie Cox	MBS Capital Markets
Tyree Brown	Field Services Manager, Rizzetta & Company, Inc.

FIRST ORDER OF BUSINESS

Call to Order

Mr. Fischer called the meeting to order and performed roll call confirming a quorum for the meeting.

SECOND ORDER OF BUSINESS

Audience Comments on Agenda Items

There were no members of the general audience in attendance.

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THIRD ORDER OF BUSINESS

Consideration of the Minutes of the Board of Supervisors' Meeting held on May 3, 2016

On a Motion by Mr. Haupt, seconded by Mr. May, with all in favor, the Board of Supervisors approved the minutes of the Board of Supervisors' meeting held on May 3, 2016 for The Verandahs Community Development District.

FOURTH ORDER OF BUSINESS

Consideration of Operation and Maintenance Expenditures for April 2016

Mr. May questioned why a particular lift station was not pressured washed and whether it was included in the scope of service. Mr. Fischer stated that he would research the question.

On a Motion by Mr. May, seconded by Ms. Guthrie, with all in favor, the Board of Supervisors approved the Operations and Maintenance Expenditures for April totaling \$18,556.15 for The Verandahs Community Development District.

FIFTH ORDER OF BUSINESS

Ratification of Series 2006 Requisition DC 1 & 2

Mr. Babbar and Mr. Brizendine spoke regarding the Trust Indenture that requires the payment of deferred costs to the developer once a certain percentage of occupancy certificates have been issued.

On a Motion by Mr. May seconded by Mr. Haupt with all in favor, the Board of Supervisors ratified the Series 2006 requisitions DC 1 & 2 for The Verandahs Community Development District.

SIXTH ORDER OF BUSINESS

Ratification of Resolution 2016-01, Approving the Fiscal Year 2016/2017 Proposed Budget and Setting the Public Hearing for the Final Budget

Mr. Fischer stated that this is a house keeping matter as the Board approved the proposed budget by motion last month and authorized Staff to prepare the appropriate resolution.

On a Motion by Ms. Guthrie, seconded by Mr. May with all in favor, the Board of Supervisors approved Resolution 2016-01, approving the fiscal year 2016/2016 proposed budget totaling \$333,439 and setting the public hearing of August 2, 2016 at 6:30 p.m. at the Trinity Lutheran Church, located at 3100 Starkey Boulevard, New Port Richey, FL 34655 for The Verandahs Community Development District.

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SEVENTH ORDER OF BUSINESS

Consideration of Proposal for Professional Field Services

Mr. Fischer introduced Mr. Brown to the Board, stating that he would be handling the field operations services for the District going forward. He noted Mr. Brown's credentials and a brief discussion was held regarding the condition of the District's landscaping.

Mr. Fischer asked if there were any questions regarding the new contract for professional field services from Rizzetta & Company, Inc. There were none.

On a Motion by Mr. May seconded by Mr. Haupt with all in favor, the Board of Supervisors approved the Professional Field Services Agreement with Rizzetta & Company, Inc. the for The Verandahs Community Development District.

EIGHTH ORDER OF BUSINESS

Consideration of Proposal for Professional District Services

Mr. Fischer spoke regarding the contract for Professional District Services, noting that Mr. Rizzetta agreed to hold the increase to 3% as requested by the Board during the workshop and the increase was actually applied to the field services agreement.

On a Motion by Mr. Haupt seconded by Mr. May with all in favor, the Board of Supervisors approved the Professional District Services Agreement with Rizzetta & Company, Inc. the for The Verandahs Community Development District.

NINTH ORDER OF BUSINESS

Discussion Regarding Fiscal Year 2014/2015 Financial Audit

A brief discussion was held regarding the timing for submitting the audit under Florida Statutes and the fact that to date the audit has not been finalized. A request was made to authorize the Chairman to accept the audit so it can be filed by the June 30th deadline, with it being noted that the audit would be brought before the Board at the next meeting. It was stated that the Board would have the ability to make changes if necessary.

On a Motion by Mr. May, seconded by Mr. Haupt with all in favor, the Board of Supervisors authorized Staff to submit the fiscal year 2014/2015 audit to the appropriate governmental entities pending acceptance by the Chairman for The Verandahs Community Development District.

TENTH ORDER OF BUSINESS

Consideration of License Agreement for Tree Installation

Discussion was held regarding a resident request to move a tree from her property to CDD property. It was stated that the resident and any persons buying the property in the future are responsible for maintenance of the tree, which is why the document will be recorded with the County.

On a Motion by Mr. May, seconded by Mr. Haupt with all in favor, the Board of Supervisors authorized Staff executed the License Agreement for Tree Installation once finalized for The Verandahs Community Development District.

ELEVENTH ORDER OF BUSINESS

Matters Related to Potential Bond Refinancing

Mr. Cox provided a brief overview of discussions to date relative to the potential bond refinancing and new money for the construction of an amenity center. He reviewed the terms of the commitment letter from Servis 1st Bank that include an interest rate of 3.5% over twenty years, with a tax equivalent rate of 5.08%, a fee based on 25 basis points, and a 25% debt service reserve fund. He explained that the tax equivalent rate is included to protect the bank in the unlikely event that the IRS deems that the District is no longer eligible for its tax exempt status at some future date. A brief discussion ensued with both Mr. Cox and Mr. Brizendine stating that the terms are better than most deals they've seen recently. It was stated that Mr. Babbar has submitted comments to the bank and they are open to making the revisions. The bank will not be requiring that the District establish a deposit relationship as they have no physical banks near by.

On a Motion by Mr. May, seconded by Mr. Haupt with all in favor, the Board of Supervisors approved commitment letter for Servis 1st Bank in substantial form and authorized the Chairman to execute once finalized for The Verandahs Community Development District.

Mr. Rogers reviewed the updated engineer's report estimating the construction costs for the new amenity center totaling \$410,736 and a brief discussion ensued. Mr. Rogers explained that the increased costs correlate to the addition of more square footage to include a fitness center and the fitness equipment and the level of construction in the area that is driving costs up. The Board expressed concern with the high construction costs, what is included in the \$92,000 for professional and permitting fees, and the desire not to raise debt service assessments to pay for the clubhouse. Mr. Rogers reviewed the various fees included in the \$92,000 line item and noted that the costs are high estimates for the purpose of presenting a worse case scenario for the Board and residents.

Mr. Brizendine presented the Preliminary Supplemental Assessment Methodology Report, highlighting key points in the written portion and noting that while the 2006 series bonds were based on an equivalent assessment unit contemplating that the various product types receive varying benefits from the bonds issued; whereas, with this issuance all property owners will benefit equally from the improvements. He reviewed the various tables in detail and responded to Board questions on the report. He emphasized that the report represents maximum numbers and Staff will be working to reduce them as much as possible before the Board is asked to close on the bonds. More will be known once Lennar and Cal-Atlantic settle on an agreement in terms of the funds currently sitting in the reserve account which could be used to offset the amount of bonds issued if available. Further discussion ensued regarding concerns with increasing the debt assessments.

Mr. Babbar reviewed Resolution 2016-02, which officially starts the bond process, by accepting the engineer's and methodology reports and outlining the Chapter 170 notice requirements. He confirmed that by approving the resolution the Board is merely starting the process and is not obligated to finalize the bond deal. A brief discussion was held regarding the noticing requirements.

On a Motion by Mr. May, seconded by Mr. Haupt with all in favor, the Board of Supervisors approved Resolution 2016-02, Declaring Assessments for The Verandahs Community Development District.

A recommendation was made to hold the public hearing on August 2, 2016. Staff confirmed that they would be able to meet the notice requirements.

On a Motion by Mr. May, seconded by Ms. Guthrie with all in favor, the Board of Supervisors approved Resolution 2016-03, setting the public hearing on assessments for August 2, 2016 at 6:30 p.m. at the Trinity Lutheran Church, located at 3100 Starkey Boulevard, New Port Richey, FL 34655 for The Verandahs Community Development District.

Discussion was held regarding the need to obtain a deed to the property, currently owned by the HOA, where the amenity center will be constructed. The Board directed District Counsel to work with the HOA on this matter.

TWELFTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel
No report.

- B. District Engineer
Mr. Rogers informed the Board that he is still waiting for the vendor regarding the erosion problem behind 11942 Greengate. Mr. Lefere confirmed that is not an irrigation issue.

- C. Operations Manager
 Mr. Brown touched on various items that he has discussed with Yellowstone and will be monitoring.

- D. District Manager
 Mr. Fischer reminded the Board that the next meeting will be held on July 5, 2016 at 8:00 a.m.

THIRTEENTH ORDER OF BUSINESS

Audience Comments

There were no members of the general audience in attendance.

FOURTEENTH ORDER OF BUSINESS

Supervisor Requests

There were no Supervisor requests put forward.

FIFTEENTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. Haupt, seconded by Ms. Guthrie with all in favor, the Board of Supervisors adjourned the meeting at 9:31 a.m. for The Verandahs Community Development District.
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Secretary/Assistant Secretary

Chairman/Vice Chairman