



OLD PALM COMMUNITY DEVELOPMENT DISTRICT

Robert Pietrangelo – Chairman

Gary Walker – Vice Chairman

Jim Motta – Assistant Secretary

Daniel Robert – Assistant Secretary

Robert Lyons – Assistant Secretary

January 25, 2017



Old Palm

Community Development District

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January 18, 2017

**Board of Supervisors
Old Palm
Community Development District**

Dear Board Members:

A **special** meeting of the Board of Supervisors of the **Old Palm Community Development District** will be held on **January 25, 2017 at 11:00 a.m. at the Old Palm Sales/Information Center at 11089 Old Palm Drive, Palm Beach Gardens, Florida.** Following is the advance agenda:

1. Roll Call
2. Approval of the Minutes of the December 15, 2016 Meeting
3. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Manager
4. Financial Reports
 - A. Approval of Check Register
 - B. Balance Sheet and Income Statement
5. Supervisors Requests and Audience Comments
6. Adjournment

Enclosed for your review is a copy of the minutes from the December 15, 2016 meeting.

The financials are also enclosed for your review and approval. The balance of the agenda is routine in nature and staff will present their reports at the meeting. Any additional documentation we receive will be provided under separate cover as soon as it becomes available or presented at the meeting. If you have any questions, please contact me.

Sincerely,



Luis Hernandez
Manager

cc: William Capko

Oats Reis

Debbie Stocker

**MINUTES OF MEETING
OLD PALM
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Old Palm Community Development District was held on Thursday, December 15, 2016 at 11:00 a.m. at the Old Palm Sales/Information Center, 11089 Old Palm Drive, Palm Beach Gardens, Florida.

Present and constituting a quorum were:

| | |
|--------------------|---------------------|
| Robert Pietrangelo | Chairperson |
| Gary Walker | Vice Chairperson |
| Jim Motta | Assistant Secretary |
| Daniel Robert | Assistant Secretary |
| Bob Lyons | Assistant Secretary |

Also present were:

| | |
|----------------|------------------------------------|
| Bill Capko | District Counsel |
| Luis Hernandez | District Manager |
| Daniel Finz | Governmental Management Services |
| Oats Reis | District Engineer |
| Thomas Carr | Bowman Consulting |
| Eric Oto | Old Palm Foundation Representative |

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hernandez called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Organizational Matters

A. Ratification of Resolution #2017-04 Confirming the General Election Results

Mr. Hernandez: As the second item on the agenda we have organizational matters, and the first action that we have for the board to consider is resolution #2017-04 that is going to confirm the result of the general election. In other words, this is going to be showing that Daniel Robert ran and won successfully seat #4, and by adopting this

resolution you will be recognizing and accepting that as a fact. So with that being said, a motion from the board to adopt resolution #2017-04 would be in order.

On MOTION by Mr. Motta seconded by Mr. Robert with all in favor, Resolution #2017-04 confirming the General Election results was approved.

B. Ratification of Resolution #2017-05 Declaring a Vacancy on the Board of Supervisors and Appointing a Qualified Elector to the Vacant Seat for Seat #5

Mr. Hernandez: Moving on, the next item that we have is ratification of resolution #2017-05 and what that resolution does is it recognizes that there is a vacant seat, and that the board has appointed a supervisor for that seat. So it just formalizes what took place at the last meeting, and it's making it a formal resolution.

On MOTION by Mr. Motta seconded by Mr. Walker with all in favor, Resolution #2017-05 declaring a vacancy on the Board of Supervisors and appointing a qualified elector to the vacant seat for seat #5 was approved.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the November 17, 2016 Meeting

Mr. Hernandez: Moving on, the next item that we have for the board's consideration at this point is approval of the minutes of the November 17, 2016 meeting. This would be the time to make any changes, corrections, additions or deletions. If there are none, a motion to approve would be in order.

Mr. Pietrangelo: I have a question.

Mr. Hernandez: Certainly.

Mr. Pietrangelo: We are listing 5 members of the board here, but there's 7 in here, so how many board members are there?

Mr. Hernandez: I see what your point is, at the time we started the meeting, and part of what is being recognized by resolution #2017-04 and resolution #2017-05, technically in November, the ones that were expiring were still sitting as board members

and they were leaving, and we had others who were coming. Now what I think needs to be done is, and I will ask the staff to correct it, so that Darlene Impellittere will be removed and passed on as people who were present at the meeting. Then the same thing would be for Lee Bladen.

Mr. Pietrangelo: So how many members are there to the board?

Mr. Hernandez: There is only 5.

Mr. Pietrangelo: Alright, ok.

Mr. Hernandez: Those two were included by mistake, in other words. Not only that, Jim was not here at that meeting, they included it just by default, probably the prior meeting he was, and the person that was doing the minutes did not recognize that he had not attended that meeting. Are there any other comments in regard to the minutes? If not, a motion to approve with the indicated change which is going to remove from the board list Darlene and Lee, and since neither one of them are here, they would just be completely erased and excluded from the list. With that being said, a motion to approve with the indicated change would be in order.

On MOTION by Mr. Robert seconded by Mr. Pietrangelo with all in favor, the Minutes of the November 17, 2016 Meeting with the indicated change were approved.

FOURTH ORDER OF BUSINESS Staff Reports

Mr. Hernandez: Moving on, we have Staff Reports, and just taking the lead and based on some items that were presented, before we do the regular reports, let me just take the lead for now. As I'm presenting something that the other professionals can assist, I would appreciate it. First, I didn't receive this and it's normal, every time you have a new Board of Supervisors it is normal to have concerns as to what is going on and more importantly to understand what is taking place with the CDD. At this time, one of the concerns that I've been receiving from the supervisors is to understand what the District owns. The sketch that you are looking at and is being passed out shows the District's property, and it's a colored map and what it tries to recognize and differentiate is what

belongs to the CDD, and what belongs to the Foundation. So with that being said, Oats if you would just give us a brief summary report of what that sketch shows.

Mr. Reis: So basically the CDD owns all the preserve and buffer areas and also the lake tracts, those are the main areas that the CDD owns. As part of the lake areas, we also own the drainage infrastructure that interconnects the lakes, and they aren't shown on there but fall within the easements, and what you see there in red then is basically those two areas. I think there's about 13 or 14 lakes, and then all the preserve area that needs to be maintained as part of the site approval that we received from Palm Beach Gardens, somewhat common areas I guess but differentiated from the commons areas like sidewalks, and roadways, and medians that are enjoyed by the residents, those are maintained and owned by the Foundation. There was some discussion about the wall, who owns that, and it looks like from previous engineering reports that the wall is going to be donated to the Foundation. Bill I don't know if that's been resolved 100%, I know there was some discussion at that meeting that we owned half of the wall, and the Foundation owns the other half.

Mr. Capko: Yes we're going to need to do a title search to add to the other evidence that we have. We went back to the original engineers report when the bonds were issued which set out who was going to be owning and maintaining different portions of the District and in that document it called for the Foundation to be maintaining the perimeter wall.

Mr. Pietrangelo: But who owns it?

Mr. Capko: Well that's what we're not sure of, but we're going to do a title search which will help, and it will indicate whether or not it was ever conveyed to the Foundation or to the District by the developer.

Mr. Pietrangelo: That begs the question, is the CDD responsible for the wall, even though the maintenance of the contract went out.

Mr. Capko: Well the documents that we reviewed showed that the CDD was not responsible for the maintenance of the wall, that the intent was to have the Foundation maintain the wall.

Mr. Walker: But there is a contract between the CDD and the Foundation for the maintenance.

Mr. Capko: Correct.

Mr. Walker: But that contract could be terminated.

Mr. Hernandez: Yes.

Mr. Walker: So in the event that it was terminated the maintenance would fall back, for all the CDD assets would fall back to the responsibility of the CDD.

Mr. Capko: Right, that's correct, that could be terminated.

Mr. Hernandez: And I'm passing out a copy of the first agreement, and the one that I'm passing out is the agreement between the CDD and the Foundation.

Mr. Pietrangelo: The question I'm trying to get to is, it looks like you were last, and if I have somebody to fix it, would the owner of the house in a sense be responsible for being certain that the repairs were done to the owner's satisfaction. What is the right or obligation of the CDD according to the maintenance of these assets?

Mr. Capko: Well some of the assets the CDD has the ultimate responsibility for which would be the ones that are covered by this agreement, and the question as to the wall is a little bit different question because the CDD would not have been able to expend funds from tax exempt financing for a private security wall.

Mr. Walker: But if they did, it appears based on some of the other information they paid for half, so the thought was, there's a portion, the outside half, and the developer paid for the interior, so that was the ownership, it was a 50/50 ownership.

Mr. Lyons: Could we ask the HOA to provide us with the maintenance records on the wall?

Mr. Hernandez: So far what I'm going to be able to provide you is what they have in the budget, but certainly I can go ahead and request from them what has been done as part of that maintenance in the past, that will not be a problem.

Mr. Lyons: That would be great.

Mr. Robert: How do you report that fund? In other words, there's a budget, whether it's landscaping and drainage areas, how do you track your expenses?

Mr. Walker: I think Luis has that, but in essence within the accounting system there is a separate department or cost center associated with the CDD's portion of the budget. So the budget is in there, which is incorporated into assessments and actuals are recorded and you can generate variance reports, etc., for that very specific cost center, being the CDD's portion of the budget.

Mr. Pietrangelo: And that's the budget that's set by whom?

Mr. Walker: Well that budget is established as part of the Foundation's annual budget.

Mr. Pietrangelo: So the Foundation sets the budget?

Mr. Walker: Yes, because it's viewed as they are retained in essence by the CDD to do the maintenance, so as part of this agreement here the Foundation creates the budget to maintain the CDD assets whether it's spraying the lakes on a monthly basis, or dealing with the preserve area, or dealing with drainage cleanouts.

Mr. Pietrangelo: But the CDD is paying for it?

Mr. Walker: Well no, the homeowners are paying for it along with the club through your assessments, so it's part of your Foundation assessments and within your budget there's a section in there that deals with the CDD, and that is incorporated into your budget that you pay through your coupons.

Mr. Pietrangelo: I'm trying to understand the responsibility that the CDD has for this maintenance. If everything is farmed out and all the monies to do it never touch our budget, then it doesn't sound like there's any responsibility.

Mr. Walker: Well ultimately if someone was to rip up this agreement, then that operating budget that's in the Foundation would now come back to the CDD and the responsibility would lie with some other management group to manage the maintenance of those assets.

Mr. Motta: And I'm sure it was put in the Foundation so it would all look uniform.

Mr. Walker: Well the CDD right now has the option to say, we're going to cancel this agreement and we're going to take care of that maintenance.

Mr. Pietrangelo: But historically?

Mr. Walker: Historically, based on this that was assigned in 2003, historically the Foundation has been contracted by the CDD to do the maintenance.

Mr. Pietrangelo: In every aspect of it, deciding what needs to be done, developing a budget, executing it and paying for it.

Mr. Walker: Well I don't have the history going back, but since I've been involved yes.

Mr. Hernandez: Let me try to answer in a different way. The biggest concern is double charging for the same matters, and that's what created the agreement. The CDD does have the power to go ahead and levy and collect from property owners to maintain what belongs to the CDD. What was chosen in this case back in 2003 is to avoid that duplication of costs, have just one entity providing that maintenance, that's why this agreement was entered into and took place. At the time it was being entered into, the Foundation is the one that is responsible and they determine what needs to be done, as part of what is required for the CDD, and what we can see in the budget that I just passed out, they have created a specific line item in their budget that corresponds to everything and anything that is related to the CDD, and that comes out to be \$354,000. They even have a table where they describe and break down what is being provided as part of those services.

Mr. Pietrangelo: Which budget is that?

Mr. Hernandez: That's the one for the Foundation.

Mr. Walker: It's the Foundation budget.

Mr. Hernandez: That's correct, so if you go to the 4th page, in line #7, it says CDD maintenance and it describes to you, how much needs to be collected monthly.

Mr. Walker: But then if you go to the 5th page, it gives you all the detail information. So if you look here, it shows you, this is the CDD's components that's within the Foundation budget. One of the items, for example that's not included in this budget is insurance, like the insurance for the wall is handled by the CDD's budget. So insurance for the wall has always been handled by the CDD, so the CDD pays for that directly.

Mr. Hernandez: And the reason that it was done that way is because as a governmental entity the insurance rate that was obtained is lower compared to a homeowners association, and it gives us the benefit that it's part of a governmental entity.

Mr. Pietrangelo: So this insurance #10, is not paid by the HOA?

Mr. Hernandez: No, that one is paid by the HOA for HOA matters. Now in comparison to the one that you have, let me give you a copy of the budget for the CDD.

Mr. Walker: And just to explain a little bit further, if you look at the CDD budget that's in here, it's showing that it's based on 329 units, that page 5, well there's 316 units, so it shows that there are 329 units, however we recognize there's 316 units within the community. So what it has done is, they're saying there's 13 units associated with the club, so on this total budget the club actually gets billed for 13 units, and the other 316 units goes through the Foundation's assessments. So anything with a CDD expense, that's how they view the benefited parcel, they put 13 units to the club, so the club actually pays a portion of the bonds, etc.

Mr. Robert: Now the lots that aren't sold, so they're under the developer, they pay?

Mr. Walker: Yes, that's just the developer's real estate tax bill, and he writes this check. As far as it relates here, in 2017 the developer will pay on a lot by lot basis. Prior to that the developer's responsibility as it's related to the Foundation was any shortfall between revenue and expenses they had to pay for that.

Mr. Robert: Ok but that's the same, is there a budget item, or the dollar amount that is charged to those units that are owned by the developer?

Mr. Walker: It would be the exact same as any other, if it's a custom lot, it's whatever a custom homeowner pays, if it's a golf lot, it's whatever the golf lot pays.

Mr. Robert: Ok.

Mr. Hernandez: The previous page has that description, and it's by the product type and the amount that's being charged.

Mr. Walker: My understanding is they get a bill similar to the homeowners for their 3 lots.

Mr. Robert: That's all that's left?

Mr. Walker: Yes.

Mr. Pietrangelo: So the implementation of the maintenance again, it sounds like historically that all the responsibility for the assets are outside of the CDD, all of them, deciding what needs to be done, paying for it, making sure it's done correctly, everything is outside of the CDD.

Mr. Hernandez: Other than the insurance that I just passed out to you, that is the CDD budget, and you can see that we're paying for the property insurance which includes the wall, \$23,527.

Mr. Walker: But then historically, and obviously it dates back to 2003, was there ever a time where the CDD was involved in establishing, where did the original budget come from?

Mr. Hernandez: I was part of the District at that time, and so I was part of that history, but since the beginning it has always been controlled through the Foundation, so anything that was related to the maintenance, it has never been passed on to the CDD.

Mr. Pietrangelo: So according to this, \$405,000 is going to maintenance of the assets.

Mr. Walker: Which one are you looking at there?

Mr. Pietrangelo: Page 4.

Mr. Walker: Well you'd have to look at line #7, \$354,900.

Mr. Pietrangelo: Just that one line.

Mr. Walker: Right.

Mr. Hernandez: Yes.

Mr. Walker: And then if you turn to the next page, that's where you're going to see the breakdown for the \$354,900, the actual total budget is \$369,500, but the club is paying \$14,600 and the Foundation in that sense is at \$354,900, so the club actually gets a bill for \$14,600.

Mr. Pietrangelo: Ok. So at the end of the day, this group has very limited responsibility.

Mr. Hernandez: If you give me 2 minutes, I will be able to explain that to you because what I'm showing to you right now is the current condition and situation of the District, and the part that has been shown to you is that, the agreement that's in place could be terminated at any time. Now if that is done, timing needs to be taken into consideration because we will need to know when the District actually would be able to receive collections from the Tax Collector. It would not be wise to terminate an agreement today, if we know that we're not going to see any money until next December, but if this group decides that the way it has been handled up until now needs to change, that can be done.

Mr. Reis: Luis can I just add a couple more things?

Mr. Hernandez: Yes.

Mr. Reis: When the municipal bonds were issued to cover construction through the CDD there were additional items that were built with those municipal bonds through the CDD, such as all the water and sewer infrastructure, but those, as we complete them get dedicated to the utility company, Seacoast, and so we then release from our books as asked us to do now, Seacoast property. We still have some very minor sanitary sewer lines just because the homeowners haven't completely purchased the properties that are serviced by those lines that are still under the CDD. Probably by the second quarter next year we will have donated all that sanitary sewer line to Seacoast and relinquish any responsibility from that, and now with this new reclaimed water project, we now have about a million dollars in assets of pipe in the ground, and that's going to remain as a CDD project, it's not going to be donated to Seacoast, it will remain as a private property, so that will also become a, well it is right now a CDD property.

Mr. Pietrangelo: Does that include the pumps?

Mr. Hernandez: No.

Mr. Reis: Just the main lines, the pumps we actually paid to upgrade the pumps but they were a Foundation pump unit that we improved.

Mr. Hernandez: Correct.

Mr. Pietrangelo: So the reclaimed lines are an asset and will remain that way.

Mr. Reis: Yes, in the ground.

Mr. Robert: So the CDD, they did provide funding for a lot of the sewer and drainage system in the beginning?

Mr. Walker: Yes, all of it, and the lakes, digging all the lakes.

Mr. Hernandez: And just for clarity of the record, the CDD cannot donate, what we do is we convey to another governmental entity. What that means is that the ownership of the actual pipe is now in the hands of another governmental entity, and we are the ones who are responsible for that cost that has been incurred. So when the people are paying their taxes, it's paying the cost that the District already paid for all those lines that are in existence that now are being owned by another governmental entity. At the time you read the audit, that's part of the reason why they show as the deficit because we now have responsibilities for items that we do not own. So in the books, we're in a deficit which is good for a governmental entity in a sense that the improvement has been done, and passed on to that other governmental entity. What you need to look at when you're reading those financials is whether that's being paid off, which is the intent, that after 30 years everything will be paid off and at that time whoever is sitting on the board will define what occurs with this governmental entity.

Mr. Robert: What is the governmental entity that owns this stuff?

Mr. Walker: It's the CDD.

Mr. Hernandez: Right now the CDD owns only the lakes, the drainage system, and that's it, and potentially the wall.

Mr. Robert: But you said it was conveyed to another governmental agency?

Mr. Hernandez: Like the county or Seacoast, and whoever is going to be the governmental entity providing that service, we need to pass them the control so that they can provide the actual service.

Mr. Motta: And the reason these Districts were set up in the beginning is because like Palm Beach Gardens, or Palm Beach County didn't have the infrastructure to go ahead and lay it on, so they allowed developers to go in and float these Districts, so

they're quasi-governmental, and they're municipal bonds and eventually you have to give them to somebody, like the water and sewer and it went to Seacoast.

Mr. Hernandez: So that they can provide services, without them being the owners, they would not be able to provide the service.

Mr. Robert: So are they responsible for the maintenance?

Mr. Hernandez: Yes they are.

Mr. Robert: Once they accept them.

Mr. Hernandez: Yes.

Mr. Pietrangelo: But they charge it back to us if they need to.

Mr. Walker: Through your rates.

Mr. Robert: So if the roads need repairing?

Mr. Hernandez: The roads are private.

Mr. Motta: If the roads were part of the CDD anybody could come into your community.

Mr. Walker: So the CDD did not build the roads within the perimeter.

Mr. Hernandez: Exactly.

Mr. Motta: Luis can tell you, there's a lot of CDDs that have gatehouses and if people really knew they could go right to the gatehouse. So there's a whole bunch of these communities where you could just say, I want to go in from those streets and they would have to let you in.

Mr. Walker: So that would be the sense to the CDD building the entire wall, because if they built the entire wall then you could say someone could have public access I guess.

Mr. Hernandez: In Coral Gables, and I don't know if you have heard of the community in Coral Gables, Coco Palm, but that is CDD, and anyone can come up to the gate and say I just want to go in, and they can do nothing to stop them from going in. Now not too many people are aware of those facts, and this community has chosen to go that route. In Old Palm CDD since establishment, the intent is that roads are private and no one has access to that private area.

Mr. Motta: That's what keeps people out.

Mr. Robert: So anyway, the water that supplies some of these fountains that are lake water or reclaimed water, so would those turn over to Seacoast?

Mr. Walker: The water features are not turned over to Seacoast, no, just the utilities.

Mr. Motta: Right, just water and sewer.

Mr. Robert: But how about the plumbing, or whatever you call it?

Mr. Motta: You mean to the water features?

Mr. Robert: Yes.

Mr. Motta: No, those would be private.

Mr. Reis: Those were paid by the developer. So to give an example, the cost of the water and sewer infrastructure was about \$4 million dollars, and you'll be paying until the bonds are paid off, the homeowners are paying that through their rates for the cost of that, but we no longer own that water and sewer, Seacoast now owns that.

Mr. Walker: And they're responsible for maintaining that.

Mr. Reis: We conveyed it to them and they maintain it, even though it still shows up on our books as part of the rate.

Mr. Walker: So we go through a process with Seacoast where we actually turn over the asset, they go through a punch list and we close it out and they accept it, and it's now theirs.

Mr. Hernandez: Typically you need to give a bond for 1 year in case anything happens, and either that or an agreement with the CDD but all that took place a long time ago.

Mr. Robert: So the fountains, but the water?

Mr. Walker: The water that comes out of the lakes is the reclaimed water, and there's 3 fountains that utilize reclaimed water which comes out of the lake system. So the water that's actually coming out of the lake system there's an agreement where we purchase water in essence from Seacoast. So through the accounting department at

United they allocate the cost between the Foundation, and the club, so everybody pays a portion of the usage of that, the cost of that.

Mr. Robert: Ok, but the responsibility for maintaining that is?

Mr. Walker: The responsibility of maintaining the lake or the water feature itself?

Mr. Robert: Well the water comes from the lake, but there's plumbing in there.

Mr. Walker: I think that would be a common area, so that would be a Foundation responsibility, the pipe from the lake to the water feature, that would be a responsibility of the Foundation.

Mr. Reis: So we have the water main that services most of the features are a Seacoast water main, that's potable water, and they maintain that. The water that's reclaimed water, prior to our project here, was installed by the developer and maintained by the Foundation, it wasn't through the municipal bonds, so that's a private reclaimed water system that services the fountains and the Foundation is therefore responsible for the maintenance of those pipes that service the 3 reclaimed water fountains.

Mr. Walker: Ok just going back to this document that Luis handed out, that says WCI Communities on the top, and turning to page 2, it's this document here, so this is the agreement in that sense between the District and the Foundation requesting them to maintain certain assets. So if you look at paragraph C it outlines what is determined to be District's system and facilities, so if you look at C it says, and you can all read that. So in there it's describing the District assets that they're requesting the Foundation maintain as the external roads, being the stuff outside of the gates. It's saying the perimeter landscape berms, the fencing and walls, drainage, water management system, interior curbs and gutters because that's a part of the drainage system, and the preservation area, and they're collectively calling that the District's systems and facilities. Then if you go to the next page, in paragraph 4, you look at that, and if you look at the last sentence within paragraph 4 and it indicates that the Foundation shall not be required to budget for or fund reserves to pay for the cost of major capital repairs or replacement expenses for the District's systems and facilities. So what that is indicating is the CDD has signed an agreement with the Foundation, saying I'd like you to maintain these assets inclusive of

the perimeter wall, however in the event that there's a capital expenditure it reverts back to the CDD is how I interpret that.

Mr. Pietrangelo: Where do you see in reference to that concept?

Mr. Walker: In the last sentence.

Mr. Pietrangelo: No, about the repairs?

Mr. Walker: Well reading the entire paragraph basically gives you and indicates it's a maintenance contract, it's not associated with, it's saying we're still going to hold ourselves responsible for any capital type of expenditures.

Mr. Pietrangelo: But then who decides that a capital expenditure is required?

Mr. Walker: In the event that the Foundation identify that a capital expenditure was necessary it would come back to the CDD, just similar to what we're doing with the wall, now the District's engineer is evaluating the wall, and the reason the District's engineer is evaluating the wall is because this is indicating that the capital expenditures of that wall is with the District, it's not with the Foundation. So Oats is going to retain a structural engineer or whoever to look at this CDD asset and determine the condition of the asset.

Mr. Pietrangelo: So the answer to my question is that the CDD would decide if a capital investment was needed.

Mr. Walker: Yes, and that's my opinion based on this document, the Foundation couldn't spend CDD dollars without the CDD approving it. That's why I said, this agreement, it can be terminated.

Mr. Lyons: So the HOA transition board hired the engineers with Gary and the HOA, and our engineers have identified problems of the wall. So Gary, at the last CDD meeting we suggested you guys need to take a look at it, so I'd like to take a look at the insurance policy we have, and also any minutes that have to do with, did the CDD ever give the HOA permission to grow things on the wall.

Mr. Hernandez: That was the question that you asked me and so far the quick research, I haven't found anything. That does not mean there is nothing, but I'm still working on that.

Mr. Lyons: Ok, so we have the homeowners that approached the HOA, some homeowners, and I'd like to see the minutes of that and the HOA if we could request that we plant fabian ivy on the walls.

Mr. Walker: I'll speak, and this is obviously outside of this group here, but it wasn't a part of, that request did not go to the Foundation board, it went to the management company.

Mr. Lyons: Ok, but we don't know if the CDD gave the HOA permission to plant anything on the wall.

Mr. Hernandez: Not at this point, not yet.

Mr. Lyons: Ok. So we have an issue with the wall we need to resolve, and either it's going to be the CDD or it's going to be somebody else, so we need to get to the bottom of it. Have you done anything on the engineering side?

Mr. Carr: Yes we have, we received a proposal just yesterday from a company, it's within our budget for the analysis of the walls and the fountain features. We are still reaching out to another company so we can do our due diligence and make sure we get a good price and see if we can even lower it a little bit. With the fountains, or at least part of the design of the wall where they added as-builts, which I brought up to the company that we have a proposal from to look into because so far and I asked Eric to see if we could track down some construction drawings.

Mr. Reis: Gary, I just realized this reading which you just mentioned with that agreement that the actual roads, pavement outside the gate may be CDD property, I wasn't aware of that, so we're responsible I guess for those roads too.

Mr. Walker: Yes.

Mr. Pietrangelo: You mean the entrance roads?

Mr. Reis: Just the driveways.

Mr. Hernandez: Up to the gate, all that portion belongs to the CDD and any maintenance concern is part of the Foundation's responsibility as per what the agreement says.

Mr. Pietrangelo: This doesn't show that.

Mr. Lyons: The other reason I asked for this map was, some of the land the CDD owns up here, right in here, is where there's a proposed I-95 interchange, so the HOA has a consultant that represents the community, not the HOA but the individual community members and do we want to join that effort or what's the thought process of the CDD getting involved in that process to oppose I-95 interchange?

Mr. Walker: Oats can answer that.

Mr. Reis: So the I-95 interchange that's being proposed here, there are now various options they're going to put forth. Again, this is just a planning study at this point which may lead to eventual building of an interchange in the next 20 or 25 years. The various designs that they put together do not affect this preserve up here, but they do in a small amount affect these two preserve areas on the southern part of the interchange because they'll have turn lanes or access lanes coming along here that would carve in a right-of-way, and so we've been attending the public meetings and at every meeting we issue the comments that the DOT should not consider any alternatives that impact those preserve areas because they are part of our requirement, or our site plan approval with the City of Palm Beach Gardens and therefore cannot be impacted since they are preserve areas. So these are preserve areas, and they're supposed to be preserved in their natural state, so the city requirement of the site approval for that.

Mr. Motta: It was part of the master plan approval.

Mr. Pietrangelo: But they can reverse that.

Mr. Motta: Well they can virtually do what they want to do.

Mr. Reis: They don't have to get a release from Palm Beach Gardens for these preserve areas in order to be able impact them.

Mr. Motta: But Palm Beach Gardens is so far for this.

Mr. Reis: Well I think Palm Beach Gardens would love to get PGA Boulevard improved.

Mr. Motta: That's why they like it.

Mr. Pietrangelo: So even though we're objecting they could just say it doesn't matter.

Mr. Motta: Or they might get relief at Palm Beach Gardens.

Mr. Reis: So the next step on this study once they decide an alternative they're moving forward with design, they would start their right-of-way acquisition process. As part of that right-of-way acquisition process they would approach homeowners or property owners like ourselves on that as to obtaining the right-of-way required to do that improvement and the property owners can either come to an agreement for a market value and donate or sell the right-of-way, or decide not to sell the right-of-way, in which case it becomes a decision from DOT whether they would use eminent domain to acquire that property, and the procedures through DOT where they can because of the magnitude of the benefit that's being provided in the region that they could use that to obtain that from us.

Mr. Lyons: There are quite a few council members in Palm Beach Gardens that don't want this, and it is an election year, we formed a pack and this is time that we're acting heavy and so I'm glad that you have continued to propose it, I just wanted to get an opinion from the CDD.

Mr. Reis: Now we haven't expended any funds.

Mr. Carr: But you're not, he's not opposing it.

Mr. Walker: He just attends the meetings.

Mr. Carr: Right he just attends the meetings.

Mr. Reis: But we have written comments we submitted.

Mr. Lyons: Right.

Mr. Carr: He has to come back to you guys, and you guys can take a position.

Mr. Lyons: So can we take a position and take a vote on the position, how does that work?

Mr. Hernandez: Yes, that would be appropriate. At this point so far what I have understood, and correct me if I'm wrong Oats, the only thing they have been having in the county is preliminary discussions, they have not asked anyone to provide any opinion, but if the board feels strongly that you need to oppose it, it would be appropriate to have a motion, and at the time you are making that motion, authorize District staff to

undertake all the required and necessary steps to show that the CDD is against the project.

Mr. Pietrangelo: I would think the least we should do is support what the HOA is doing, and actively support it. If you're attending and you have expert opinion, you should be including that argument in the position of the community, no?

Mr. Walker: Well I think there's minutes that discuss this from a previous meeting where it went, and at that point in time we viewed it as two separate entities, in a sense, the CDD, and the CDD had a purpose that may have been different than the Foundation, and that's why Oats was attending with his perspective and the Foundation had their representatives there.

Mr. Lyons: I'm proposing the CDD adopt opposing it, so how do we go about doing that?

Mr. Hernandez: Adopting a motion that you oppose the project and the District staff is authorized to take all the necessary steps to indicate to all the governmental entities that is the position of the board, and any further steps that are taken towards the project will come back to be presented to the Board of Supervisors. If you agree with that statement, by saying "so moved" you agree with what I have just stated. No particular discussion has taken place other than to allow the District engineer to provide any engineering reasons for being against the project.

Mr. Walker: Engineer reasons as far as from the District's perspective.

Mr. Hernandez: That is correct.

Mr. Walker: Ok.

Mr. Hernandez: Unless you want to add anything else.

Mr. Reis: But just to clarify, the homeowners, they have concerns of noise and traffic, which the CDD doesn't necessarily have. Our issue is more environmental and land usage.

Mr. Lyons: Which is great.

Mr. Walker: But that was the direction, and Oats had that direction, right?

Mr. Reis: Right.

Mr. Walker: So that's nothing new.

Mr. Reis: And again, what I was authorized to do was limited in scope of attending the meetings, and putting forth the written comments that they requested it means we haven't lobbied or hired someone.

Mr. Hernandez: At this point nothing has been done that has changed, it is just an intent, and based on the motion at the time I was explaining it, the only thing they're going to be doing right now is that, if you are worried that they are going to be taking any steps, the District could write a letter saying, we're against and opposed to that project based on all the environmental concerns that you have, and that's basically the motion that I just provided.

Mr. Lyons: Right and we can discuss it further, but I'd just like to get that on the record today, and then the other question is whether we support Don Mathis who's a representative of opposing the project and he's lobbying hard from the county down to the city council to organizing businesses and other communities, and I don't know if we can do that.

Mr. Hernandez: Financially you mean supporting them to be doing that?

Mr. Motta: In other words, hire a lobbyist because that's what he is.

Mr. Capko: We'd have to make sure that we had funds in the budget to be able to do that, we not prohibited from hiring a lobbyist. The one issue that makes it maybe a little bit less helpful is that really the District is going to be looked at as the alter ego of the Foundation and the homeowners. So I don't know how much more impetus or help the fact that the CDD is actively opposing it going to mean to the decision makers frankly.

Mr. Motta: No the most important person will be the Foundation.

Mr. Capko: Right.

Mr. Hernandez: But just trying to give you a positive approach to what you're saying, what I would be requesting at this point is to pass the motion so that staff, if we need to send letters we can send letters and so on, and the second part I would ask is to authorize me to go ahead and get the quotes from those who are actively opposing and lobbying against it, and then I can bring that information to the next meeting with a cost

so that we can see specifically as to how much it will cost and based on those, I would be able to define if the District has funds to cover that cost and then the board would be able to discuss specifics.

Mr. Robert: That's perfect.

Mr. Walker: Can I ask another question Luis?

Mr. Hernandez: Certainly.

Mr. Walker: In the event the funds are not available in the District and they are available in the Foundation's component of the District, and I know it complicates life but, is that possible?

Mr. Hernandez: It's not unusual for communities to have funds transferred from the Foundation to the CDD, or the CDD to receive funds from the HOA. It's a little bit harder if it were to be the opposite, giving public funds to a private entity, it becomes a little bit more difficult.

Mr. Walker: Ok.

Mr. Capko: But what you could do is the Foundation could go ahead and authorize payment for the services that are going to be provided on behalf of the CDD to the lobbying entity.

Mr. Hernandez: That's typically how it's been done, they pay directly with the check, and we are the ones telling them who to pay. So I hope that is a positive way to move, and so instead of repeating the motion if someone says, "so moved" that will give us the power that the District counsel, District engineer and staff the ability to go ahead and provide any written document that needs to be presented right away against the project, so let's take care of that first. So if someone would say "so moved" we can move forward with that motion.

On MOTION by Mr. Robert seconded by Mr. Pietrangelo with all in favor, authorizing staff to write a letter stating the District is opposed to the project, and also authorizing staff to obtain quotes from those who are actively lobbying against the project and bring that back to the board at the next meeting with a cost as stated on the record was approved.

Mr. Hernandez: The second item is not a motion, but Mr. Lyons if you would please just send me the information of the entity that you know that is opposing.

Mr. Lyons: Yes.

Mr. Hernandez: I will contact them, get the costs, and at the next meeting I will bring that to the board and I will explain how the District could pay for that.

Mr. Lyons: You already have an agreement right?

Mr. Oto: Yes we do, it's not a lot of money.

Mr. Lyons: No but I mean one of you, in other words, you don't want to sign another agreement do you?

Mr. Oto: We could just add it to that.

Mr. Hernandez: I would need to approach them to define what would be the proper steps.

Mr. Pietrangelo: Would you be adding that to these with additional funding, is that what you're getting at?

Mr. Hernandez: I think at this point what needs to be done is approach them.

Mr. Motta: You mean he could do more, is that what you're saying?

Mr. Pietrangelo: Right.

Mr. Hernandez: Before we speculate, let me define who the entity is, we go and have a meeting with them, and they can tell us what it is they can do or not, and then I come back and explain it.

Mr. Motta: And since we're going to do this and put this in, you should, when you do your engineers report, you should just say, nothing has happened or this is where it is, every time we meet just so we get an update.

Mr. Robert: I thought they were looking at PGA, didn't we have something like that?

Mr. Motta: Well I think they've been trying to fix PGA when they do this too right?

Mr. Lyons: Right they're trying to push it back to PGA. It's by no means, it's probably 50/50 right now and we have some momentum going and I don't want to get into it right now but this would help.

Mr. Hernandez: So after the meeting we will try to have a meeting with this individual or this entity, and at the next meeting I will be able to provide you a report as to what they can specifically do.

Mr. Lyons: Then the engineer, going back to the engineer and the wall, when do you think that will be done?

Mr. Reis: Well we're still waiting on a second proposal in order to sign off on these people and part of the problem that we've been having, we've contacted about half a dozen companies and a lot of them are small companies that are just blasted with work right now at the end of the year, but I suspect, have you specifically talked to them about a timeline because this is a larger firm?

Mr. Lyons: I did not speak on the timeline, they are busy and the holiday is coming.

Mr. Reis: Right, it took 3 weeks just to get a proposal.

Mr. Lyons: And we still don't know who the true owner of the wall is.

Mr. Capko: Well we'll get a title search done but that may not be determined, and like most things around this table it's not black and white, and there may or may not have been any conveyance documents associated with the wall.

Mr. Walker: I suspect the conveyance were areas which the wall was a part of, so I think what you're probably going to find is some of it is in the Foundation, some of it is in the District.

Mr. Capko: Right, that's probably what it's going to be.

Mr. Walker: So it's when you go back to some of these underlying documents, the question is, this was obviously based on some very specific thought but from a legal

standpoint I'm not quite sure what the step is prior to this, because this seems very specific.

Mr. Lyons: I know my HOA documents go back to 2004 and it has the definition of the CDD that says for example, they own the roads and the curbs and the sidewalks, and at some point they had to be conveyed, right?

Mr. Reis: Right so for example when we build, and I think portions of Tillinghast Circle, we haven't done a second lift of asphalt on that and so at that point it conveyed from the developer to the Foundation, so there are some intermediate steps.

Mr. Walker: I think like the sidewalks over both sides of the gates, because if not you have public access type stuff, so I think it was still from the gate back, like those sidewalks.

Mr. Lyons: Ok.

Mr. Robert: What's the Old Palm Holdings private owner?

Mr. Walker: Old Palm Holdings LP is that what you're talking about?

Mr. Robert: Yes.

Mr. Walker: That would be the entity that would own the 3 lots.

Mr. Motto: In other words they have both been sold off.

Mr. Walker: Right, so those are private homeowners in Old Palm Holdings LP which are the 3 lots, so it's all the lots that are in the white area, along with the sales center.

Mr. Robert: Ok.

Mr. Hernandez: So trying to get this meeting moving forward, I believe that I have provided you with information at least as to what is the apportionment and collection that is being made by the Foundation. I'm glad of the fact that they're describing in detail what the expenses they're incurring, so at the time you are doing it I would encourage you to go and look at this box that describes what items they are expending.

Mr. Robert: How do you track those expenses though?

Mr. Walker: They're tracked very specifically in the general ledger within the Foundation, so I think you can go on the website.

Mr. Robert: Well do you have a contract, a specific contract that someone bills you for the maintenance?

Mr. Walker: Oh yes, like the lake preserve here, we get a specific bill that's associated with that, some of those costs might be allocated, or not, and it's all very specific to an invoice, like the CDD, the preserve areas, when they're maintained. For example, I know like with landscaping, like cutting the grass and areas you get a very specific invoice that lists that area. There may be allocated costs within the budgets between the District and the Foundation, but I think it's all very specific so when the work is done, the scope of services says lake, the accounting department knows that relates to the CDD and it gets coded to the CDD's budget.

Mr. Robert: Ok.

Mr. Walker: And they can run general ledger statements with details showing all of that, so in essence whatever line item we see in here, whether it's landscape, irrigation maintenance, they can run you a detailed general ledger of any one of those line items.

Mr. Robert: Ok.

Mr. Lyons: So you don't outsource any of the work to the golf club do you? Does Lee's group do anything?

Mr. Walker: Yes, Lee's group does all the landscape maintenance.

Mr. Lyons: And who's maintaining the ivy on the caps?

Mr. Oto: That would be Lee's guys.

Mr. Walker: Is that part of your preserve areas, if it's within the preserve, you said there's two companies?

Mr. Oto: Well you have the ivy that grows from the inside up the wall, and you have stuff that comes over the wall. The stuff coming over the wall, is trimmed back, the stuff growing up the wall was the vines by design that we talked about.

Mr. Lyons: But they cut them at the cap.

Mr. Oto: Yes, at the cap correct.

Mr. Lyons: Ok.

Mr. Reis: This is from the 2004 engineers report and it at least states what the intent was back then as to who would own and who would maintain, and where the money came from and all that stuff.

Mr. Walker: This was a part of the bond offering is that right?

Mr. Hernandez: Yes, that's part of the Series 2004.

Mr. Walker: Ok, so it really has no legal bearing on anything.

Mr. Hernandez: It's the intent.

Mr. Reis: So for example the water feature tracts, the funding came from the developer WCI, the irrigation came from the Foundation, and the Foundation has the ownership of the water features and has the primary maintenance responsibility for that.

Mr. Lyons: So the perimeter of the wall, somebody had mentioned earlier, that was split 50/50 with the Foundation and the developer.

Mr. Reis: No with the developer and the CDD.

Mr. Lyons: So it's probably true that somebody owns the outside of the wall and somebody owns the inside of the wall.

Mr. Reis: Correct but again the funding is different, for example, we funded the water and sewer but we don't own it. That's a question for the title, if there at some point was some conveyance of that portion of the wall.

Mr. Robert: So the bottom one refers to potable water fountains, but the ones with the reclaimed water structures where are they?

Mr. Ries: That was not in 2004 so the intent was to provide potable for all of the features and then that changed with the construction. Again, this is back 12 years ago and that was the original intent.

Mr. Walker: Yes I think as part of the bond offering which is this book right here, the engineer has to give a report, and it's actually a pretty good reading, they give an overview of the entire development, the type of product, absorption of homes, and I think this is one schedule within the report. So the purpose of that schedule was when they were putting together, to go ahead and raise the \$28 million dollars.

Mr. Pietrangelo: Are copies of that available?

Mr. Walker: It's publically available.

Mr. Hernandez: I can send you the link where you will be able to go ahead and download it.

Mr. Robert: Yes that would be great.

Mr. Walker: And it's actually a good read, but this is the original.

Mr. Hernandez: That's the 2004.

Mr. Walker: Right.

Mr. Pietrangelo: It's great background.

Mr. Capko: And I think that one is the preliminary statement, this is not the final.

Mr. Hernandez: Right it's not the official one. The one that I'm going to show you is the one that is being sued by the Security Exchange Commission that has the link and it shows you, this is the document that is given to any potential investor, and the one that is shown to you right now is the one for the Series 2004. The refinanced Series 2015 is being held as a note with the bank so we don't have an official statement. I will provide you with copies of what the obligations are that we have as to the bond that we have with the bank so that you can have a better understanding of the process. With that being said, one of the concerns and the way I have understood it is that the new supervisors are trying to gain some understanding of the District's financials. The first part that you need to keep in mind is that as a governmental entity everything that we have, and what I just passed out to you is the trust indenture, that is the document that defines what needs to be done with any funds that are coming from the bond proceeds. Not only for the funds that are available at the time you issue the bonds, but what needs to be done with any levies that are meant to pay those bond proceeds. Now that correlates to the statements that you receive with your financials. So if you go to your financials under tab B, you're going to see the first 3 columns, the one that says Governmental Fund Types, the general fund refers to anything that is considered for the District operation and maintenance, and everything is tied up to the budget that I provided to you for the CDD. So operation and maintenance is what is being called the general fund, and it's the first part that are the funds that the District and the board can use for any maintenance items that you want. So

everything that you see in the general assessments, you will see the cash that is available on hand, and the state board is one of the few accounts where the District would be able to invest. The entity that the District is using right now to hold all those funds is Wells Fargo as our bank. The other 2 columns that you have, the debt service reserve and the capital projects, those are funds that are being held by the District trustee which is US Bank. Everything and anything that can be done through the trustee is being defined in those documents that I just passed out to you, the trust indenture. The trust indenture will tell them what type of accounts they need to have, where the funds need to be allocated and what would be the process with any of those funds. With that being kept in mind, if we were to try to identify what is being presented, the first two items, the cash investment has already been explained, then you come to the Series 2015, the reserves. The reserves correspond to the amount that needs to be set as per the indenture, and the amount that is being collected is the summary of what is being presented by the trustee. So rather than provide you with a bank statement, what my office is doing is it's the cost of issuance and that provides what would be the available funds in the cost of issuance, and then it is put into the financial report as to whatever the number is. In this case the cost of issuance at this point is zero, so that's the part where we're trying to show you that what we're trying to accomplish by putting in the summary, we're trying to minimize the paperwork that is given to you. The entity at the end of the day who is responsible to provide the explanation to the supervisors and what is taking place and is being done with these funds is GMS. We are the ones that are providing the accounting and that's why we're just giving you the balances, rather than put you through the predicaments of going through how much is in this account, and so on. The one that I just passed out is the debt service reserve, and if you go to the financials the debt service reserve is \$100,041 and if you look at the amount it's \$100,041.89 and they are rounding it off because they are not keeping pennies or cents, so they are just rounding it off to the \$41. If we continue on, I am passing out the other bank information that supports all the numbers that are being given and presented in the financials but at the end of the day, the board will have any action with any of those funds because anything that can be done with these funds is

limited exclusively to what is described in the trust indenture. So for instance, in the indenture it says we have construction funds of \$282,993. If you go and look at the financials that is what it shows, and you can confirm that's the amount. The only way that those funds can be moved is by the engineer issuing a requisition where he indicates it's an explained construction item as per the engineers report and define that the service has been given, sign it, and pass it on to the management company, from my office if that is still me, I would be signing it and I will pass that on to the trustee. The trustee will review that all the documents have been executed, and they will cut a check where they will pay the vendor who provided that service.

Mr. Walker: Luis, the capital projects as it stands right now is exclusive to the reclaimed water project.

Mr. Hernandez: At this point, yes sir.

Mr. Walker: So in that sense there is \$282,000 to pay out.

Mr. Hernandez: Yes, \$282,000 at the time of the report which was November 30, 2016.

Mr. Walker: Then the reserve for the capital projects, that is a deferred obligation?

Mr. Hernandez: The reserve, yes.

Mr. Walker: The \$70,000, so that was from the previous bond offering, so that amount would be used for drainage issues, etc.

Mr. Hernandez: Correct, any expenditures that the developer may have incurred that the District has those funds available to be covered. Then the last one, the "unreserved" is funds that the District has for the board to define how to expend it. Typically those reserves are a little bit higher, the part that you need to keep in mind is that right now we have been going through a process from October to December, and the District has not collected anything from the Tax Collector, it's only when we start receiving funds that we start seeing money, so for those 3 months typically the District used those reserves to exist. As you may see, there is \$171,151 that is being described in the debt service, as due from general fund, but at the same time you see it from the general fund due to the debt service reserve, the \$171,151 refers to the money that the

District has received from the Tax Collector that has not been passed on as of November 30th to the trustee, those are the funds that need to be passed on as funds that were collected for the payment of the bonds.

Mr. Walker: So as an explanation you collect your funds, they're prepaid for your District as part of your real estate tax bill.

Mr. Hernandez: That's correct.

Mr. Walker: You make a couple of payments a year, May 1st and November 1st, so there's two payments, it's a May 1st payment and November 1st payment, so all the money hopefully is collected up front as part of your real estate tax bill and then Luis' group actually sends it out twice a year.

Mr. Hernandez: No it's the trustee, it's not even us.

Mr. Walker: Right, the trustee.

Mr. Hernandez: So as soon as we receive the funds we pass it on to them, and what is on the tax bill is intended to make the May 1, 2017 payment, and November 1, 2017 payment, so that the funds will be ready available prior to the District needing to have those funds.

Mr. Robert: When do you get the revenue from the taxes?

Mr. Hernandez: When do we get it? We start to receive it approximately in the beginning of November and if you go specifically to the financials to the last table, the last page on all the financials.

Mr. Walker: It's pretty much when the nice homeowners pay their tax bills.

Mr. Hernandez: Exactly, we receive funds on November 4th, November 7th and November 21st. Now I went to pull a more recent report, and we have at this point received additional funds on December 7th, and December 12th.

Mr. Walker: So if someone pays their tax bill in November, how long until the funds are actually transferred?

Mr. Hernandez: Approximately 2 weeks.

Mr. Walker: So from when that individual pays their tax bill and then 2 weeks, so this could go through March and then in the event someone goes delinquent.

Mr. Hernandez: Yes, the delinquent ones would probably be in June that the tax certificates would be sold, and I'm just passing out the latest collection so that you will have it.

Mr. Walker: So at the end of the day in the event that someone was not to pay their tax bill, then it would just be similar if you didn't pay your real estate tax bill on your home.

Mr. Hernandez: A tax certificate would be issued and sold, and at the moment that they sell the tax certificate the District would receive the funds.

Mr. Pietrangelo: What commissions are we paying?

Mr. Capko: The Tax Collector and the Property Appraiser.

Mr. Hernandez: We have an agreement with the Tax Collector, and we need to pay them a fee for the services that they're providing.

Mr. Pietrangelo: Is it on a commission?

Mr. Walker: The fee is a pretty small amount.

Mr. Hernandez: Yes, the most that I have seen is 3% and typically they break it down when they collect it. We will know the entire percentage at the end of the fiscal year.

Mr. Motta: But you're happy that they're doing it.

Mr. Hernandez: Oh yes.

Mr. Pietrangelo: So 3% is the fee?

Mr. Hernandez: At the most.

Mr. Walker: You budget for that.

Mr. Hernandez: Yes, it's included in the cost, at the time we present to the supervisors the amount, we tell you we need to collect \$96, but we need to pay the Tax Collector 2%, that means it would be \$96, and we need to give discounts of 4% and that's when it becomes \$100, so what the District actually needs is only \$96 but the number that is going to show on the tax bill is \$100 and the reason is because of the 2% that we're paying the Tax Collector is included, and the 4% discount needs to be given. If everybody takes advantage, the District will collect all that we need, and no one will be affected. If

someone actually pays later, the District is going to have excess funds, those excess funds are presented and included as part of your financials and in the next fiscal year you will have the option to define either how to use it, or you use it as a carried forward for the next year.

Mr. Motta: But it's a much better mechanism to collect it.

Mr. Walker: If the Foundation budget was a larger item it would suit you to have it in the District just for collection purposes because it's pretty much guaranteed.

Mr. Hernandez: And the reason that the financials come out to be so simple is because the expenditures are minimum, it's just the administrative costs and as you can see if we go now to the one that shows the summary of the invoices behind tab A, in the entire month we have only cut 4 checks, and one of those checks is the check that is being made to transfer funds to the trustee. So based on the collections since all are going to the general account, we take the apportionment that belongs to the debt part that needs to go to the trustee and it's being cut and passed on to them. So if you were to see the cut checks there is one check that was cut on December 7th for \$423,000 that went to the trustee which is US Bank. With all that being said, hopefully that makes a little bit more sense.

Mr. Pietrangelo: A little bit.

Mr. Hernandez: Alright if you still have more questions just let me know, I'm here just to present them. Financials are meant for the board, so if anything needs to be tailored or corrected because you want to see it, I will be more than happy to help you understand what it is, and I will include that.

Mr. Pietrangelo: Thank you.

Mr. Robert: So we refinanced the bonds?

Mr. Hernandez: Yes.

Mr. Robert: In 2015.

Mr. Hernandez: Yes sir, and by doing that the District accomplished two objectives. One was to reduce the interest rate, and the second objective was to find the funding to be able to do the reclaimed water project.

Mr. Walker: So the interest rate went from I think it was 5.875% to 3.5% and it's fixed I think for 10 years and then it floats.

Mr. Robert: Is it still a callable bond?

Mr. Hernandez: Yes, you can pay them at any time, and at the same time if you want to refinance them again starting next year we will have the option to contemplate it.

Mr. Walker: So the payment really as a homeowner of an individual unit you could decide that you want to remove that from your tax bill and write a check and you would no longer have that as part of your real estate tax bill.

Mr. Hernandez: But even as the CDD, next year we will have the option again to check the market. When we were refinancing the bonds, one of the items that it makes attractive for the refinancing is that the risk has been eliminated. When you bought your house, no one knew exactly what was going to be here other than intents. Right now if you have a community that has been completely transferred to homeowners, the risk is minimum. The fact that all the homeowners are going to be defaulting in their payments is less. At the time we were refinancing in 2015 the developer still owned a significant number of groups which did not allow us to go to the Security Exchange Commission and get rated so that the risk that we show to the investor that it can be quantified. At that time, since the District needed to have the funds, what we chose to do based on the direction of the board was to enter into a bond agreement with the bank that was giving us a competitive interest rate at the time but with the understanding that we may be qualifying to get those bonds to be rated and get a better interest rate potentially, so what we entered into the bond is that it only limits us for 2 years prior to us to be able to go back and refinance. So as the developer goes, we have an underwriter that will be testing the waters and tell us how it's moving and if there are savings for the CDD he will be approaching us and I will come back to the board and let you know what is the condition at that time.

Mr. Lyons: I had a homeowner ask me if that could be taken out and replaced by a private owner.

Mr. Hernandez: The entire bond, yes, they could.

Mr. Walker: This is one bank, and this FMS Bonds, they have like a retail shop, so sometimes on occasion this would go to a point where homeowners could have just purchased it.

Mr. Hernandez: It's tax exempt bonds that are traded publically on the public market, and it goes both ways, sometimes it goes up, and people get the benefit of the tax exemption, so yes for any investor who would be interested in doing so it's a handful.

Mr. Motta: But I would say a lot of this debt is held by wealthy individuals that are just trying to look at their investments.

Mr. Hernandez: Oh no the majority is being held by a school board, the 401K's and those are the kinds of the funds that they like to have. The banks for instance, just for you to know they have a limit as to how much capital they can invest in this kind of entity because of the tax exemption.

Mr. Lyons: Well now that we're built out, or almost built out I would think that the risk is a lot less for them.

Mr. Hernandez: That's what was discussed at the time we did the refinancing for the reclaimed water project, but since we needed the funding we did it that way to be able to move forward with it, with the understanding that in the future we would continue to look at it.

Mr. Walker: Yes they looked at it and said oh the builders are controlling a certain amount of risk, so the risk wasn't divided up amongst 316 people.

Mr. Capko: Then the other factor is in Florida you can't just pick and choose which of the taxes on your bill you want to pay. So these are on the same level as your Ad Valorem taxes, your regular property tax.

Mr. Walker: Right so you're ahead of a bank.

Mr. Capko: Yes.

Mr. Hernandez: But with that being said, just for some information, there used to be a time that you could go and contest your assessments on your property, and at that time originally by just contesting it you don't have to pay anything. Developers took advantage of that in 2008 and 2009 and Miami-Dade County, just Miami-Dade County

alone received over 90,000 tax bills being contested. So what took place because they received so many it took them almost 10 months to process them and at that time you didn't need to pay any of the taxes until that was resolved. That means that the developers were able to get a free ride without paying for almost a year. There were changes in the legislation, if you want to contest your tax bill now you need to pay 100% of the Non Ad Valorem taxes, you need to put down a deposit of at least 80% of the Ad Valorem tax portion. So at this point we are even ahead of the Ad Valorem taxes if we were to compare if anyone doesn't feel that is fair, they can make a statement that they need to pay it up front and then it will be discussed, so I think that's important for you to know.

Mr. Lyons: Who does the allocation to each home?

Mr. Hernandez: At the time the District is issuing the bonds based on the engineers report, my firm was hired to go ahead and do a study which is called a methodology report which is based on the benefit that is being given to the unit an allocation amount is put on it.

Mr. Walker: And that's spelled out in there.

Mr. Lyons: Was it by square footage or value?

Mr. Hernandez: It's the size of the property, yes.

Mr. Robert: But not a study of the home?

Mr. Hernandez: What is the intent to put on the home, yes.

Mr. Walker: No it's not the house, it's just the lot size, you have 10,000 square foot, or 5,000 square foot lot.

Mr. Hernandez: If you were to be able to do a house that is 3 floors, and costs three times more than your neighbor, but the lot is the same, the CDD would be charging you the same. The Ad Valorem would be another issue.

Mr. Walker: Because he's saying the same drainage, both lots are going to be using the same drainage, but there's even like an option within the current loan where you can make a higher payment and pay them the balance faster. It was not done in the last tax roll, but that was contemplated when he did the refinancing, so we're going to keep the

assessments the same and you're just going to pay it on your loan faster. Or the other option is, you'll have the savings every year, but that's a determination that the board can make on an annual basis.

Mr. Hernandez: As you adopt the budget. So with that statement being said, I hope I have answered most of the questions you have sent me. I still have in my notes that I will be sending you a copy of the insurance and I will be contacting the gentleman once you give me that information.

A. Attorney

Mr. Hernandez: With that being said, we can move forward with our agenda, unless anyone has anything to say from staff?

Mr. Capko: No nothing that hasn't been covered.

Mr. Walker: Did you make a motion to approve your financials?

Mr. Hernandez: I'm moving on to that one, yes.

B. Engineer

Mr. Hernandez: Oats?

Mr. Reis: Nothing else.

C. Manager

Mr. Hernandez: I have nothing to report as the manager.

Mr. Reis: I'm sorry Luis, I do have something. I'll make this quick, we've been asked as part of our obligations to the bond to issue an engineers report and I will be issuing that in a couple weeks. It's a fairly basic report, it just covers the status of the various CDD properties and what we're doing to maintain them. For example, the preserves and we got a contract to maintain them, and the wall, we're analyzing the wall and the road has been built.

Mr. Walker: So this is for the benefit of the bondholders, inclusive of the bank with the reclaimed water system?

Mr. Reis: Correct.

Mr. Walker: Ok.

Mr. Reis: And the reclaimed water project is complete, and that leads me to my second point is that the reclaimed water project is complete. We did a final inspection of the site for restoration and Lee Bladen has sent us an email and said he's happy with the restoration and Eric confirmed that today with Lee and Dave Brasher also. So at this point we have received a final invoice from Felix Associates for the main line, I have the requisition here to submit that and I just wanted to bring that up to the board for your approval because we had retained 10% of the project until the end so it's about \$60,000 and we're in a position now to release that but that's our last opportunity to really have any leverage with the contractor. Again, from our perspective the project is complete to our satisfaction and the restoration has been done to the satisfaction of the property manager.

Mr. Walker: And when it was all said and done Oats what was the final savings?

Mr. Pietrangelo: Can we hold out that \$60,000 until we're actually operational? I don't think we have one lawn being irrigated with reclaimed water yet.

Mr. Reis: Well the contractor has completed the specifications that he bid on which was part of the contract, so as far as the CDD portion, the public portion that we planned as to the bond, that part is complete.

Mr. Hernandez: So let me ask a question, is anything being done that has been irrigated with the system right now?

Mr. Reis: No.

Mr. Hernandez: There is no common area that has been getting that benefit?

Mr. Walker: No.

Mr. Hernandez: It's only exclusively for private benefit only, so you will not be able to see the affect until the homeowners are tied into the system. Although, for the board to get some comfort, the system has been tested so that we know at this point that the system works.

Mr. Reis: Right so the new pump that we have in place has not been operational for 3 or 4 months because it does irrigate the common areas so we know the pump is working great, we do have the lines under pressure right now.

Mr. Pietrangelo: How much pressure?

Mr. Reis: 80 PSI, so like I say, if you open up that valve stand back because at all the meter boxes right now you should get water coming out of there.

Mr. Hernandez: So what would be the concern from the board, that we tie it in and it doesn't work?

Mr. Pietrangelo: I don't know, but if we can't, we can't.

Mr. Motta: Well the question is that he's done his work though so we should pay him. You're saying the public portion of this is done, it works, it's been under load.

Mr. Walker: He's met the requirements of his contract.

Mr. Motta: So I would suggest we pay him.

Mr. Walker: I don't think we have a choice.

Mr. Reis: So let me just continue a little bit further because that goes to Gary's question, we had a budget of and we obtained financing for about a million dollars in 2000 actually. Right now our current expenditures on part of this being the final payment request is at \$950,000 so we have about \$52,000 of reserve funds that we have not utilized at this point, which is going to revert to any maintenance that we need in the future for that but if there's anything at this point needs to be addressed when the homeowner connects we do have an opportunity for that. As a matter of fact, our engineering fees which are about \$100,000 of that total project did not include the coordination with the homeowners for that connection point so we're doing that now in the last couple of months and Eric knows how involved in all that was, so we're about \$6,000 over budget on that, and I'd like to request approval to get that from that \$52,000 that we have left on the project. So we'll have about \$46,000 left at the end when the project is all said and done.

Mr. Lyons: Is that \$46,000 earmarked for just this project or can it be used in general funds?

Mr. Hernandez: No it's tied up to the project, anything related to the project.

Mr. Walker: Yes we made a determination at the beginning if there was excess funds I think we were permitted up to 5% that we were going to reserve that for any potential future repairs.

Mr. Motta: So do we need a motion?

Mr. Hernandez: That would be appropriate to have a motion, so the first one that you are presenting is that the District engineer has provided services in excess of what has been authorized and at this point is requesting a motion to authorize the expenditure of \$6,000 out the construction proceeds to pay for services that have been provided for this project.

Mr. Motta: Plus you want to tie in the other which is, we're going to release the \$60,000.

Mr. Hernandez: If you want to tie it into the same motion that would be more than appropriate.

Mr. Reis: The exact final payment is \$77,771.16.

Mr. Hernandez: So the motion would be reading that the final payment is \$77,771.16.

On MOTION by Mr. Motta seconded by Mr. Pietrangelo with all in favor, authorizing staff to release the final payment of \$77,771.16 from the construction proceeds to pay the contractor Felix Associates and any other related costs for the reclaimed water project as stated on the record was approved.

Mr. Hernandez: Now back to you Oats.

Mr. Reis: Regarding the status of the homeowner's connections we have identified a company that could do the work, the letter has gone out to the homeowners and Eric has organized all of that. We have somewhere between 15 and 20 homeowners for that.

Mr. Oto: Actually 30.

Mr. Motta: Are you on the list?

Mr. Pietrangelo: Yes I'm concerned that we didn't get it to everybody, so I asked Eric to send out a second letter.

Mr. Motta: Did we email it to them?

Mr. Oto: Yes we did, I sent it twice.

Mr. Pietrangelo: Some people called in, the Schwartz's called in and they said go ahead and do it, but they had no record of it, so I'm afraid that kind stuff is happening.

Mr. Walker: Well 30 is good for phase 1.

Mr. Motta: How many total are there 69?

Mr. Hernandez: Yes, 69.

Mr. Oto: It's 69 lots, 66 homes, because there are 3 double lots.

Mr. Reis: So the contracts have been approached to Palm Beach Gardens about the permitting and it look likes the city is going to allow a bulk permit of 10 at a time to do that, so that's been expedited for the permitting and the fees and the inspections and all of that.

Mr. Pietrangelo: How long do we expect it to be from the time they cut off the potable to connecting the reclaimed?

Mr. Oto: They're looking to do it immediately afterwards.

Mr. Pietrangelo: Immediately?

Mr. Oto: Yes, that way you're not without irrigation. So they're installing the backflow for the potable right now, but they're still keeping irrigation in. Right now the city is holding up the irrigation permits on a letter from us stating that the homeowners are ok with they're being these valves and filters installed in their front yards, so I got that today from the irrigation company, so I have to send that letter to them so they can get on with the permits.

Mr. Pietrangelo: I thought those filters were underground.

Mr. Oto: No we agreed to install them above ground for maintenance purposes.

Mr. Pietrangelo: I thought you were going to turn them upside down for maintenance purposes.

Mr. Walker: No that was, we were going to avoid that for maintenance purposes I think.

Mr. Oto: Right, they were initially going to be a jungle box which we eliminated the jungle box for install above ground because of maintenance purposes and that was one of the things we decided at one of our meetings, correct?

Mr. Hernandez: Correct.

Mr. Motta: How big is that going to be above ground, give me an idea?

Mr. Oto: This big.

Mr. Reis: And again most homeowners have the backflow preventer for the irrigation which it's going to be in that general area hidden behind a shrub.

Mr. Motta: And that's why the city has asked you to get some kind of a permit because they don't want to get sued.

Mr. Oto: They want to confirm that the homeowners are ok with the install as proposed by the engineer.

Mr. Motta: So every yard is going to have one of those?

Mr. Hernandez: Yes.

Mr. Reis: So the filter is going to be in the back where the backflow preventers are currently for the irrigation.

Mr. Pietrangelo: Which would make sense.

Mr. Reis: So I understand what the confusion is, Seacoast had required us to put a backflow preventer on the potable water, so that is on your existing potable water line, there's going to now be a backflow preventer which comes out of the ground, and that needs to be close to the meter, it still can be hidden a little bit but in general it's going to be close to the meter, so visually you'll see that. Our filter is going to go behind the shrub back somewhere.

Mr. Motta: But you're going to see this thing close to the meter, so you're going to have something in the front of your yards that's going to come out of the ground, and something in the back of your yard.

Mr. Reis: It's all in the front but behind a shrub.

Mr. Motta: Ok.

Mr. Reis: Anyway, most houses already have a backflow preventer in the back and the shrub so that's basically where that's going to be, but there are two fittings that come out of the ground, one on the potable one and the reclaimed water one.

Mr. Pietrangelo: With mine, they're within two feet of one another, and that's where the filter would go.

Mr. Hernandez: Anything else Oats?

Mr. Reis: We had a request from a homeowner to reimburse some of the water usage that they had based on the reclaimed water project. Apparently as the contractor was direction boring he claimed that it broke his water line into the house and that he didn't realize that until later and got a big bill from Seacoast. We met with the contractor out there, it was a small dollar amount, and the contractor had decided to go ahead and reimburse the homeowner, so that's been taken care of.

Mr. Hernandez: It has been resolved.

Mr. Walker: They reimbursed him directly?

Mr. Reis: Yes.

Mr. Walker: Ok.

Mr. Reis: Tom can you update us on where we are with the utility locates?

Mr. Carr: Yes we have the membership application processing with Sunshine 811. I just talked to them this morning, so we expect to have that by next week, and we'll be able to set up the utility system within their system, and so when the contractor calls for a dig ticket if they're going to be digging in the area, it will send out a notification to USIC which is the locate company that we have signed up and has already been processed, they contract for their services, and they'll send somebody out to flag the lines.

Mr. Robert: What is this for?

Mr. Walker: For the reclaimed water.

Mr. Reis: In the past, if someone is working in your front yard they have to call 811 to say that they're digging in your front yard, and then AT&T comes out and they

flag the lines and the electric flags a line, but we didn't have a mechanism in place for our line, and we're relying on Lee Bladen to be there and tell people where the lines were because that's how currently the golf course lines are.

Mr. Pietrangelo: Why are we doing this, it's a part that I missed?

Mr. Reis: So now this is our water main in the ground, our reclaimed water main, and if someone wants to dig around there, they're going to call 811.

Mr. Pietrangelo: Oh for future digging.

Mr. Reis: Yes.

Mr. Hernandez: Exactly.

Mr. Motta: You don't want a contractor in your front yard digging anything up.

Mr. Reis: So that activates a locating company to come out here and paint and put flags where our line is so they don't hit our lines, it's a way to protect our lines, so that's in place and that's the end of my report.

Mr. Lyons: Thank you.

Mr. Hernandez: Thank you very much.

FIFTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

B. Balance Sheet and Income Statement

Mr. Hernandez: Moving on, the next item that we have is Financial Reports in section 5. I believe I have provided an explanation as to what the check register represents, and the balance sheet statement as well. Although I want to remind the supervisors that the only thing you're doing is making a motion to accept those financials. It does not mean that you are attesting the validity of anything that is being presented in those numbers, it's just the fact that you recognize that information has been given to you and time for you to ask any questions that have been. With that indication, a motion to accept the financials would be in order.

| |
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| <p>On MOTION by Mr. Walker seconded by Mr. Pietrangelo with all in favor, the Check Register, Balance Sheet and Income Statement were approved.</p> |
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**SIXTH ORDER OF BUSINESS Supervisors Request and
Audience Comments**

Mr. Hernandez: Moving on, are there any supervisors requests at this time? Not hearing any, I just want to indicate for the record that we have no audience here today.

SEVENTH ORDER OF BUSINESS Adjournment

Mr. Hernandez: And before we adjourn I just want to remind the supervisors that the next meeting is scheduled for January 19th, depending on the District engineer findings or the other items that we're working on, we will have the meeting if necessary. With those statements being said, a motion to adjourn would be in order.

Mr. Robert: Can we schedule them at 10:30?

Mr. Hernandez: We could change the time if you want, we can change the time, if that is going to be beneficial to the board.

Mr. Walker: But it has to be noticed.

Mr. Hernandez: It will have to be advertised, if it's appropriate for you, it's whatever the board wants to do, if 10:30 is better for the group.

Mr. Lyons: It doesn't make a difference.

Mr. Robert: It doesn't matter.

Mr. Lyons: It doesn't matter to me.

Mr. Hernandez: Is it significant enough that you want me to change it or 11:00 will be fine.

Mr. Robert: No it's ok I guess.

Mr. Hernandez: Ok. With that being said, a motion to adjourn would be in order.

On MOTION by Mr. Robert seconded by Mr. Lyons with all in favor, the Meeting was adjourned.

Old Palm Community Development District

Summary of Invoices

January 25, 2017

| Fund | Date | Check No.s | Amount |
|------------------------------------|-------------|-------------------|----------------------|
| <i>General</i> | 01/05/17 | 793-796 | \$ 31,258.02 |
| | 01/12/17 | 797-799 | \$ 332,147.85 |
| Total Invoices for Approval | | | \$ 363,405.87 |

*** CHECK DATES 12/08/2016 - 01/12/2017 ***

OLD PALM CDD - GENERAL FUND
BANK A OPERATING ACCOUNT

| CHECK DATE | VEND# | INVOICE DATE | INVOICE | EXPENSED TO YRMO | DPT | ACCT# | SUB | SUBCLASS | VENDOR NAME | STATUS | AMOUNT | CHECK AMOUNT | CHECK # |
|------------|-------|--------------|----------|------------------|-----|-------|-------|----------|------------------------------------|--------|------------|--------------|---------|
| 1/05/17 | 00006 | 11/30/16 | 224203 | 201611 | 310 | 51300 | 31500 | | ENGINEERING SERVICES | * | 495.00 | | |
| | | | | | | | | | BOWMAN CONSULTING GROUP LTD | | | 495.00 | 000793 |
| 1/05/17 | 00009 | 1/02/17 | 148 | 201701 | 310 | 51300 | 34000 | | MANAGEMENT FEES | * | 2,994.83 | | |
| | | 1/02/17 | 148 | 201701 | 310 | 51300 | 35100 | | COMPUTER TIME | * | 83.33 | | |
| | | 1/02/17 | 148 | 201701 | 310 | 51300 | 49500 | | WEBSITE ADMIN | * | 41.67 | | |
| | | 1/02/17 | 148 | 201701 | 310 | 51300 | 51000 | | OFFICE SUPPLIES | * | 5.98 | | |
| | | 1/02/17 | 148 | 201701 | 310 | 51300 | 42000 | | POSTAGE | * | 3.39 | | |
| | | 1/02/17 | 148 | 201701 | 310 | 51300 | 42500 | | COPIES | * | 188.90 | | |
| | | 1/02/17 | 148 | 201701 | 310 | 51300 | 41000 | | TELEPHONE | * | 1.42 | | |
| | | | | | | | | | GOVERNMENTAL MANAGEMENT SERVICES - | | | 3,319.52 | 000794 |
| 1/05/17 | 00002 | 12/13/16 | WGC-1162 | 201612 | 310 | 51300 | 31500 | | SERVICE THRU-11/30/16 | * | 2,743.50 | | |
| | | | | | | | | | LEWIS, LONGMAN & WALKER, P.A | | | 2,743.50 | 000795 |
| 1/05/17 | 00012 | 1/05/17 | 01052017 | 201701 | 300 | 20700 | 10100 | | TAX COLLECTIONS | * | 224,385.77 | | |
| | | | | | | | | | OLD PALM CDD C/O US BANK | | | 224,385.77 | 000796 |
| 1/12/17 | 00018 | 1/04/17 | 14984 | 201701 | 310 | 51300 | 32200 | | AUDIT FYE 2016 | * | 2,500.00 | | |
| | | | | | | | | | GRAU & ASSOCIATES | | | 2,500.00 | 000797 |
| 1/12/17 | 00002 | 1/05/17 | 116633 | 201612 | 310 | 51300 | 31500 | | DEC 16 - GENERAL COUNSEL | * | 3,084.67 | | |
| | | | | | | | | | LEWIS, LONGMAN & WALKER, P.A | | | 3,084.67 | 000798 |
| 1/12/17 | 00012 | 1/12/17 | TAX REC | 201701 | 300 | 20700 | 10100 | | TRANSFER OF TAX RECEIPTS | * | 126,877.41 | | |
| | | | | | | | | | OLD PALM CDD C/O US BANK | | | 126,877.41 | 000799 |
| | | | | | | | | | TOTAL FOR BANK A | | 363,405.87 | | |
| | | | | | | | | | TOTAL FOR REGISTER | | 363,405.87 | | |

OLDP --OLD PALM-- PPOWERS

OLD PALM
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET

December 31, 2016

| | <u>Governmental Fund Types</u> | | | Totals |
|--------------------------------------------------------------------|--------------------------------|-------------------------|-----------------------------|-----------------------------------|
| | <u>General</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>(Memorandum Only) 2017</u> |
| <u>ASSETS:</u> | | | | |
| Cash | \$399,210 | --- | --- | \$399,210 |
| Investments: | | | | |
| State Board | \$80,662 | --- | --- | \$80,662 |
| <u>Series 2015</u> | | | | |
| Reserve | --- | \$100,062 | --- | \$100,062 |
| Interest | --- | \$0 | --- | \$0 |
| Revenue | --- | \$460,565 | --- | \$460,565 |
| Construction | --- | --- | \$239,033 | \$239,033 |
| Cost of Issuance | --- | --- | \$0 | \$0 |
| Due from General Fund | --- | \$292,777 | --- | \$292,777 |
| Due from Capital | \$0 | --- | --- | \$0 |
| TOTAL ASSETS | <u>\$479,872</u> | <u>\$853,404</u> | <u>\$239,033</u> | <u>\$1,572,309</u> |
| <u>LIABILITIES:</u> | | | | |
| Accounts Payable | \$6,323 | --- | \$0 | \$6,323 |
| Due to General | --- | --- | \$0 | \$0 |
| Due to Debt Service | \$292,777 | --- | --- | \$292,777 |
| <u>FUND BALANCES:</u> | | | | |
| Reserved for Debt Service | --- | \$853,404 | --- | \$853,404 |
| Reserved for Capital Projects | \$80,662 | --- | \$239,033 | \$319,695 |
| Unreserved | \$100,110 | --- | --- | \$100,110 |
| TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS | <u>\$479,872</u> | <u>\$853,404</u> | <u>\$239,033</u> | <u>\$1,572,309</u> |

OLD PALM
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues & Expenditures
For The Period Ending December 31, 2016

| | ADOPTED BUDGET | PRORATED BUDGET THRU 12/31/16 | ACTUAL THRU 12/31/16 | VARIANCE |
|---------------------------------------|-------------------|----------------------------------|-------------------------|------------------|
| REVENUES: | | | | |
| Maintenance Assessments | \$132,756 | \$107,723 | \$107,723 | \$0 |
| Interest Income | \$0 | \$0 | \$188 | \$188 |
| TOTAL REVENUES | \$132,756 | \$107,723 | \$107,911 | \$188 |
| EXPENDITURES: | | | | |
| ADMINISTRATIVE: | | | | |
| Engineering | \$15,000 | \$3,750 | \$5,560 | (\$1,810) |
| Arbitrage | \$1,250 | \$0 | \$0 | \$0 |
| Assessment Roll | \$2,300 | \$2,300 | \$4,330 | (\$2,030) |
| Attorney | \$15,000 | \$3,750 | \$8,123 | (\$4,373) |
| Annual Audit | \$4,000 | \$1,000 | \$1,000 | \$0 |
| Trustee Fees | \$9,000 | \$5,365 | \$5,365 | \$0 |
| Management Fees | \$35,938 | \$8,985 | \$8,984 | \$0 |
| Computer Time | \$1,000 | \$250 | \$250 | \$0 |
| Telephone | \$100 | \$25 | \$0 | \$25 |
| Postage | \$500 | \$125 | \$14 | \$111 |
| Printing & Binding | \$700 | \$175 | \$222 | (\$47) |
| Insurance | \$10,359 | \$10,359 | \$10,359 | \$0 |
| Legal Advertising | \$4,000 | \$1,000 | \$599 | \$401 |
| Other Current Charges | \$500 | \$125 | \$85 | \$40 |
| Website Administration | \$500 | \$125 | \$125 | (\$0) |
| Office Supplies | \$100 | \$25 | \$40 | (\$15) |
| Dues, Licenses, Subscriptions | \$175 | \$175 | \$175 | \$0 |
| Contingency | \$500 | \$125 | \$0 | \$125 |
| FIELD: | | | | |
| Property Insurance | \$23,527 | \$23,527 | \$21,654 | \$1,873 |
| Repairs & Maintenance | \$5,500 | \$1,375 | \$0 | \$1,375 |
| Contingency | \$3,892 | \$973 | \$0 | \$973 |
| TOTAL EXPENDITURES | \$133,842 | \$63,534 | \$66,885 | (\$3,351) |
| EXCESS REVENUES (EXPENDITURES) | (\$1,086) | | \$41,026 | |
| FUND BALANCE - Beginning | \$1,086 | | \$139,746 | |
| FUND BALANCE - Ending | \$0 | | \$180,772 | |

OLD PALM
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND - SERIES 2015
Statement of Revenues & Expenditures
For The Period Ending December 31, 2016

| | ADOPTED BUDGET | PRORATED THRU 12/31/16 | ACTUAL THRU 12/31/16 | VARIANCE |
|--------------------------------|-------------------|---------------------------|-------------------------|----------------|
| REVENUES: | | | | |
| Special Assessments | \$904,251 | \$715,836 | \$715,836 | \$0 |
| Interest Income | \$0 | \$0 | \$171 | \$171 |
| TOTAL REVENUES | <u>\$904,251</u> | <u>\$715,836</u> | <u>\$716,007</u> | <u>\$171</u> |
| EXPENDITURES: | | | | |
| Series 2015 | | | | |
| Interest - 11/1 | \$217,858 | \$217,858 | \$217,980 | (\$123) |
| Interest - 5/1 | \$217,858 | \$0 | \$0 | \$0 |
| Principal - 5/1 | \$471,000 | \$0 | \$0 | \$0 |
| TOTAL EXPENDITURES | <u>\$906,715</u> | <u>\$217,858</u> | <u>\$217,980</u> | <u>(\$123)</u> |
| OTHER SOURCES/(USES): | | | | |
| Interfund Transfer In | \$0 | \$0 | \$0 | \$0 |
| TOTAL OTHER | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>(\$123)</u> |
| EXCESS REVENUES (EXPENDITURES) | <u>(\$2,464)</u> | | <u>\$498,027</u> | |
| FUND BALANCE - Beginning | \$233,804 | | \$355,377 | |
| FUND BALANCE - Ending | <u>\$231,340</u> | | <u>\$853,404</u> | |

OLD PALM
COMMUNITY DEVELOPMENT DISTRICT

CAPITAL PROJECTS FUND - SERIES 2015

Statement of Revenues & Expenditures

For The Period Ending December 31, 2016

| | <u>ADOPTED BUDGET</u> | <u>PRORATED THRU 12/31/16</u> | <u>ACTUAL THRU 12/31/16</u> | <u>VARIANCE</u> |
|--------------------------------|---------------------------|-----------------------------------|---------------------------------|-----------------|
| REVENUES: | | | | |
| Interest Income | \$0 | \$0 | \$190 | \$190 |
| TOTAL REVENUES | <u>\$0</u> | <u>\$0</u> | <u>\$190</u> | <u>\$190</u> |
| EXPENDITURES: | | | | |
| Improvements | \$0 | \$0 | \$0 | \$0 |
| Cost of Issuance | \$0 | \$0 | \$0 | \$0 |
| TOTAL EXPENDITURES | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| EXCESS REVENUES (EXPENDITURES) | <u>\$0</u> | | <u>\$190</u> | |
| FUND BALANCE - Beginning | \$0 | | \$238,843 | |
| FUND BALANCE - Ending | <u>\$0</u> | | <u>\$239,033</u> | |

**OLD PALM
COMMUNITY DEVELOPMENT DISTRICT**

| | |
|---------------------------|-----------------------------------------------------|
| Bond Issue: | <u>Series 2004A Special Assessment Bonds</u> |
| Original Issue Amount: | \$14,815,000 |
| Interest Rate: | 5.90% |
| Maturity Date: | May 1, 2035 |
| Reserve Fund Requirement: | 7.12% of Bonds Outstanding |

| | |
|-----------------------------|--------------------------|
| Bonds outstanding - 9/30/13 | \$12,980,000 |
| Less: 5/1/2014 | (\$295,000) |
| 5/1/2015 | (\$315,000) |
| 8/26/2015 | (\$12,370,000) |
| Current Bonds Outstanding: | <u><u>\$0</u></u> |

| | |
|---------------------------|--------------------------------------------------------------|
| Bond Issue: | <u>Series 2015 Special Assessment Refunding Bonds</u> |
| | \$12,910,000 |
| Interest Rate: | 3.500% |
| Maturity Date: | November 1, 2015 |
| Reserve Fund Requirement: | |

| | |
|-----------------------------|-----------------------------------|
| Bonds outstanding - 9/30/15 | \$12,910,000 |
| Less: 5/1/2016 | (\$454,000) |
| Current Bonds Outstanding: | <u><u>\$12,456,000</u></u> |

Old Palm
Community Development District
Tax Collections
Fiscal Year Ending September 30, 2017

| | | | | | | Net | | | \$ 1,036,991.64 |
|---------------|----------------------|----------------------|--------------------|-------------|----------------------|--------------------------|----------------------|---------------|-------------------|
| | | | | | | \$ 904,251.07 | \$ 132,740.57 | | |
| Date Received | Gross Tax Received | Discounts/ Penalties | Commissions | Interest | Net Amount Received | Debt Service Fund 87.20% | General Fund 12.80% | Total 100.00% | |
| 11/4/2016 | \$ 5,911.68 | \$ - | \$ - | | \$ 5,911.68 | \$ - | \$ 5,911.68 | \$ | 5,911.68 |
| 11/7/2016 | \$ 18,526.81 | \$ 851.15 | \$ 176.76 | | \$ 17,498.90 | \$ 14,837.18 | \$ 2,661.72 | \$ | 17,498.90 |
| 11/21/2016 | \$ 188,936.78 | \$ 7,556.93 | \$ 1,813.80 | | \$ 179,566.05 | \$ 156,313.75 | \$ 23,252.30 | \$ | 179,566.05 |
| 12/7/2016 | \$ 305,400.82 | \$ 12,215.28 | \$ 2,931.85 | | \$ 290,253.69 | \$ 251,907.77 | \$ 38,345.92 | \$ | 290,253.69 |
| 12/12/2016 | \$ 263,565.91 | \$ 10,542.12 | \$ 2,530.24 | | \$ 250,493.55 | \$ 224,385.77 | \$ 26,107.78 | \$ | 250,493.55 |
| 12/28/2016 | \$ 83,863.60 | \$ 3,222.60 | \$ 806.41 | | \$ 79,834.59 | \$ 68,391.11 | \$ 11,443.48 | \$ | 79,834.59 |
| 1/11/2017 | \$ 70,375.31 | \$ 2,153.16 | \$ 682.22 | | \$ 67,539.93 | \$ 58,486.30 | \$ 9,053.63 | \$ | 67,539.93 |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| | | | | | \$ - | | | \$ | - |
| TOTALS | \$ 936,580.91 | \$ 36,541.24 | \$ 8,941.28 | \$ - | \$ 891,098.39 | \$ 774,321.88 | \$ 116,776.51 | \$ | 891,098.39 |

To Debt Service V#12 001.300.20700.10100

| | | |
|-----------|---------------|-----|
| 12/7/2016 | \$ 423,058.70 | 792 |
| 1/5/2017 | \$ 224,385.77 | 796 |
| 1/12/2017 | \$ 126,877.41 | 799 |

\$ 774,321.88
Balance to Transfer \$ -

Old Palm
Community Development District
Series 2015 Special Assessment Refunding Bonds

1. Recap of Capital Project Fund Activity Through December 31, 2016

| | |
|----------------------------------------------------------------------|-----------------------------------|
| Opening Balance in Construction Account - Series 2015 | \$1,282,112.01 |
| Source of Funds: Interest Earned on Series 2015 | \$1,448.34 |
| Use of Funds: | |
| Disbursements: Cost of Issuance | (\$275,727.00) |
| Reclaimed Water Improvements | (\$764,410.87) |
| Transfers Out | (\$4,389.97) |
| Adjusted Balance in Construction Account at December 31, 2016 | <u><u>\$239,032.51</u></u> |

2. Funds Available For Construction at December 31, 2016

| | |
|--------------------------------------------------------|--------------|
| Book Balance of Construction Fund at December 31, 2016 | \$239,032.51 |
| Contracts in place at December 31, 2016 | |

3. Investments - Wells Fargo

| December 31, 2016 | <u>Type</u> | <u>Yield</u> | <u>Due</u> | <u>Maturity</u> | <u>Principal</u> |
|--------------------|-------------|--------------|------------|-------------------------------|-----------------------------------|
| Construction Fund: | Overnight | 0.1% | | | \$239,032.51 |
| | | | | ADJ: Outstanding Requisitions | \$0.00 |
| | | | | Balance at 12/31/16 | <u><u>\$239,032.51</u></u> |