

MINUTES OF MEETING
NORTH SPRINGS IMPROVEMENT DISTRICT

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, January 6, 2016 at 5:00 p.m. in the district office, 9700 N.W. 52nd Street, Coral Springs, Florida.

Present and constituting a quorum were:

David Gray	President
Vincent Morretti	Secretary
Mark Capwell	Assistant Secretary by telephone

Also present were:

Doug Hyche	District Manager
Dennis Lyles	District Counsel
Rod Colon	Director of Operations
Jane Early	District Engineer
David Green	CH2M Hill
Jillian Schertzer	NSID
Donna Holiday	GMS-South Florida, LLC
Kevin Mulshine	MBS Capital Markets, LLC
Janet Entsminger	U.S. Bank
Denise Ganz	Greenspoon Marder

The following is a summary of the minutes and actions taken at the January 6, 2016 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hyche called the meeting to order at 5:00 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the December 2, 2015 Meeting

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the minutes of the December 2, 2015 meeting were approved as presented.
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THIRD ORDER OF BUSINESS

Audience Comments and Supervisors Requests

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Adoption of Resolution 2016-05 Authorizing the Issuance of Special Assessment Refunding Bonds, Series 2016 (Parkland Golf and Country Club Assessment Area)

Ms. Ganz stated what you are going to consider today is a follow-up to the presentation that was made at the last meeting that was the term sheet from Stonegate Bank that was intended to accomplish the current refunding of the existing special assessment bonds that were issued for Parkland Golf and Country Club. This resolution authorizes the issuance of those bonds in the principal amount of \$15,460,000 and it makes the appropriate findings to be able to have a negotiated private placement of the loan with Stonegate Bank and in addition it recognizes that MBS served as the placing agent and it authorizes the issuance of the 2016 bonds to accomplish that refunding, it approves the redemption of the outstanding 2005 bonds and the form of supplemental indenture that supplements that original master indenture to provide for the terms and details of the 2016 bond, it authorizes the sale to the bank, it authorizes the escrow deposit agreement, it approves U.S. Bank as the trustee for the new bond and escrow agent under the escrow agreement. It also attaches a form of completion certificate that the consulting engineer has prepared.

The indenture provides for the establishment in addition to the normal funds and accounts a new renewal and replacement fund. There is approximately \$2.2 million in the old 2005-1 project account and under the tax code you are able to take 5% of the original principal amount of the 2005-1 Bonds and that is a little over \$1.2 million that we can set aside as working capital to be able to be used in this fund to pay costs of operating, maintaining, repairing and replacing the overall assessment project. That will give you a source of funds that can be used for operation and maintenance purposes in addition to other moneys that will become available through the flow of funds under the indenture and potentially other actions the district takes to create a source of payment for that operation and maintenance repair and replacement. Now you have that \$1.2 million available to do that. The balance of the amount of the project fund was put aside in a new project account to be used to complete that overall assessment project, which

consists of a street lighting component on University Drive. That is a project that is going to be done in conjunction with the City of Parkland.

Mr. Colon stated we built two roads with this bond money, one was Trails End and one was University Drive. The documents called for them to be turned over to the proper government entity but when we approached the City of Parkland to take over the roads they decided they didn't want the roads. Parkland has now pretty much agreed to take over University if we complete the project and put the streetlights in and that is what the \$1 million will be used for. The other \$1.2 million for the renewal and replacement is to upkeep Trails End. We still have landscaping and we still own the buffer and other things there and we have spent money out of the general fund because we didn't have a renewal and replacement fund.

Ms. Early stated University is currently a two-lane road and it is not a Broward County requirement but it is very dark and it is a safety issue and the bond did call for street lighting. We think it is a good idea to spend the \$1 million to put in the streetlights and then turn it over to the City of Parkland.

Mr. Mulshine stated we have accomplished slightly greater savings than we talked about last month. We talked about the \$1 million for the lighting and the \$1.2 million for the renewal and replacement account and we are still saving well over \$300,000 a year so the average homeowner will save about \$400 a year, it ranges from \$200 to over \$1,000 a year depending on the size of the lot and the street lighting, etc. is on top of the savings you achieved. You have also done something I have not seen done in these indentures before. Normally you end up assessing a little more than you actually need for debt service because not everybody pays in November and that amount usually gets trapped in the account and what we did for this bond issue and will do in future bond issues is put a test in every November 2nd to basically allow you to use those funds for any lawful purpose within that assessment area so we should be able to generate additional funds in the future and it is much more efficient that way.

Ms. Ganz stated in order to have the assessments continue to work based on the original allocation that was done in 2005 the consulting engineer in conjunction with your assessment consultant have prepared a supplement to the master engineer's report so that instead of having the -1 bonds and -2 bonds we combined it into one bond and we are going to take all the assessments from the assessment area and sub-set area into the pot to pay debt service but we are continuing to allocate them the way they were allocated originally. The supplemental engineer's

report shows how the assessments using the old allocations will continue to flow through so each assessment area is allocated its share of the debt service that relates to the portions of the projects that are being refinanced. Basically the same concept has been carried through to this new financing.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor Resolution 2016-05 authorizing the issuance of Special Assessment Refunding Bonds Series 2016 was approved.

FIFTH ORDER OF BUSINESS

Consideration of Supplement to Master Engineer’s Report Assessment Areas Dated August 4, 2005

Ms. Ganz stated it is a short supplement to the original master engineer’s report that was done in 2005 pursuant to your special act that deals with the project components as well as the assessment methodology.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the supplement to the master engineer’s report assessment areas dated August 4, 2015 was accepted.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Manager

I. Consideration of Addendum to Interlocal Agreement with City of Parkland for The Ranches

Mr. Colon stated ten years ago both the City of Parkland and North Springs Improvement District approved an interlocal agreement for NSID to service The Ranches and this is an amendment for us to do a cost share for the engineering costs and the city would finance the infrastructure project. This will ultimately provide water service to The Ranches.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the addendum to the Interlocal Agreement with the City of Parkland for the Ranches was approved.

II. Change Order No. 2 Project RFQ 2013-04 Planning, Design and Construction of Chemical Building with Lanzo Construction Company for a Net Increase of \$24,184.50

Mr. Colon stated this is to put a lift hoist inside the building similar to what we have in the chlorine dock.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor change order no. 2 for project RFQ 2013-04 for the planning, design and construction of chemical building for a net increase of \$24,184.50 was approved.

B. Attorney

Mr. Lyles stated a settlement agreement with the county has been reduced to writing between the parties. Our counsel submitted a couple changes, the county is reviewing it and claims it will be through with the review by the end of this week. Because it looks like it is moving toward settlement the parties stipulated to delay the trial and the calendar call is now scheduled for April.

C. Engineer – Project Status Report

A copy of the project status report was included as part of the agenda package.

SEVENTH ORDER OF BUSINESS

Approval of Financials and Check Registers

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the financials and check registers were approved.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the meeting was recessed at 5:21 p.m.

Mr. Lyles stated at this point having finished the pre-closing it would be in order for the board to call the meeting back into session.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the meeting reconvened at 5:44 p.m.

There being no further business to come before the board,

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the meeting adjourned at 5:45 p.m.



Vincent Morretti
Secretary



David Gray
President