

**MINUTES OF MEETING
EVERGREEN
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Evergreen Community Development District held a Regular Meeting on April 5, 2019, at 10:00 a.m., at the office of ZNS Engineering, 201 5th Ave., Dr. E, Bradenton, Florida 34208.

Present at the meeting were:

Les Basnight	Chair
Rhett Johnson	Vice Chair
Clifton Fischer (via telephone and in person)	Assistant Secretary
Paul Cheeks	Assistant Secretary

Also present were:

Cindy Cerbone	District Manager
Tucker Mackie	District Counsel
Amanda Kumar	U.S. Bank
Mike Williams	Bond Counsel
Jared Prater	Akerman LLP
Indra Rivas	Akerman LLP

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 10:23 a.m. Supervisors Basnight, Johnson, and Cheeks were present, in person. Supervisor Fischer was attending via telephone. Supervisor Conoley was not present.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Presentation of Engineer's Report

Ms. Mackie stated that the Engineer's Report was the same as the one included in a prior agenda package and there were no changes. The total project cost, estimated at \$14.73 million and as set forth in the Engineer's Report, was the basis of the Assessment Report to be presented. The Board is not being asked to approve these documents today but, rather to consider approving them, in form, for the purposes of including them in the Preliminary Offering Document (POD) that would be the subject of the upcoming resolution. The Engineer's Report was being provided for informational purposes.

Mr. Fischer arrived at the meeting, in person, at approximately 10:25 a.m.

FOURTH ORDER OF BUSINESS

Presentation of Supplemental Special Assessment Methodology Report

Ms. Cerbone reviewed the Supplemental Special Assessment Methodology Report, dated March 27, 2019, and noted the following:

- Page 1: This Report is to supplement the Master Special Assessment Report, dated February 1, 2019, and to provide a supplemental financing plan.
- Page 3: Sets forth the current plan for 417 residential units developed in two phases.
- Page 3, 3.2: Discusses the Capital Improvement Program (CIP), sets forth the improvements and the estimated \$14.73 million total costs of the CIP.
- Page 4, 4.1: Sets forth the intention to issue Series 2019 bonds in a principal amount of approximately \$8.39 million to fund a portion of the CIP costs in the amount of approximately \$7,013,472.78, with the estimated balance of \$7,716,527.22 contributed by the Developer.
- Pages 5 and 6, 5.2: Identify the Benefit Allocation, including improvements within the CDD that the Developer plans to fund privately. Also set forth, is that the Amenity Center would be exempted from assessments levied in connection with the issuance of bonds, provided the requirements of the Florida Statutes are satisfied. The rationale being that the Amenity Center is for the benefit of residents and property owners are already assessed.
- Page 7: Discusses marketing of the bonds and assigning the bond assessments over the property.

- Page 9, 5.6: Discusses the True-Up Mechanism; whereby, if the number of units changes and impacts the ability to levy the debt necessary to meet the bond requirements, the Developer would be required to make a true-up payment to cover the difference.
- The District can issue up to \$19,030,000 in bonds, which would initially be levied across all 140.47 acres in the District, which equates to \$135,473.77 per gross acre.
- Pages 12, 13 and 14, Tables 1 through 5: Reflect the Development Plan by product and totaling 417 total units, Supplemental CDD Project Area for the CIP totaling \$14.73 million, Sources and Uses of Funds presuming 100% of the improvements are financed, the Benefit Allocation with the Equivalent Residential Unit (ERU) weighting for each product type, the CIP Cost Allocation and the Assessment Apportionment for each product type.

Ms. Mackie stated that this document would also be included in the POD. When the bonds go to market, additional information would be obtained to finalize the report and, prior to closing, an Assessment Resolution, supplemental to the Master Assessment Resolution that was previously adopted, would be adopted, which ties it to the actual terms of the bonds. This document was in preliminary form for the purposes of including it in the Disclosure documents.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2019-30, Supplementing its Resolution 2019-26 by Authorizing the Issuance of its Evergreen Community Development District Special Assessment Revenue Bonds, Series 2019 in a Principal Amount of Not Exceeding \$12 Million for the Principal Purpose of Acquiring and Constructing Assessable Improvements; Delegating to the Chairman or Vice Chairman of the Board of Supervisors of the District, Subject to Compliance With the Applicable Provisions Hereof, the Authority to Award the Sale of Such Bonds to FMSbonds, Inc., by Executing and Delivering to Such Underwriter a Bond Purchase Agreement and Approving the Form Thereof; Approving the Form of and Authorizing the Execution of the Master Trust Indenture and First Supplemental Trust Indenture;

Appointing U.S. Bank National Association as the Trustee, Bond Registrar and Paying Agent for Such 2019 Bonds; Making Certain Findings; Approving Form of Said 2019 Bonds; Approving the Form of the Preliminary Limited Offering Memorandum and Authorizing the Use By the Underwriter of the Limited Offering Memorandum and the Preliminary Limited Offering Memorandum and the Execution of the Limited Offering Memorandum; Approving the Form of the Continuing Disclosure Agreement and Authorizing Execution Thereof; Authorizing Certain Officials of Evergreen Community Development District and Others to Take All Actions Required in Connection With the Issuance, Sale and Delivery of Said 2019 Bonds; Providing Certain Other Details With Respect to Said 2019 Bonds; and Providing an Effective Date

Mr. Williams stated that the bonds were successfully validated yesterday and the final judgment was entered in the court records; therefore, funding the bonds was about 31 days away. This Resolution is the Delegation Resolution, which authorizes the Underwriter, FMSbonds, Inc. (FMS), to take the appropriate steps to market the bonds so that the bonds can close 31 to 35 days from now. This Resolution accomplishes the following:

- Approves the First Supplemental Trust Indenture; the numbers would be inserted, once the bonds are priced.
- Approves the form of the Bond Purchase Contract between the District and FMS. The Chair and/or Vice Chair would be asked to execute the Contract, once the bonds are priced.
- Approves the Preliminary Offering Memorandum (POM), which is the document FMS sends to potential investors.
- Approves the Continuing Disclosure Agreement, which is required by the Securities and Exchange Commission (SEC), requiring the CDD to provide its annual audit to the marketplace, along with other financial information.

- Authorizes the Officers of the CDD and Staff to take all actions necessary to close the bond issue.

Ms. Cerbone presented Resolution 2019-30 and read the title.

On MOTION by Mr. Fischer and seconded by Mr. Basnight, with all in favor, Resolution 2019-30, Supplementing its Resolution 2019-26 by Authorizing the Issuance of its Evergreen Community Development District Special Assessment Revenue Bonds, Series 2019 in a Principal Amount of Not Exceeding \$12 Million for the Principal Purpose of Acquiring and Constructing Assessable Improvements; Delegating to the Chairman or Vice Chairman of the Board of Supervisors of the District, Subject to Compliance With the Applicable Provisions Hereof, the Authority to Award the Sale of Such Bonds to FMSbonds, Inc., by Executing and Delivering to Such Underwriter a Bond Purchase Agreement and Approving the Form Thereof; Approving the Form of and Authorizing the Execution of the Master Trust Indenture and First Supplemental Trust Indenture; Appointing U.S. Bank National Association as the Trustee, Bond Registrar and Paying Agent for Such 2019 Bonds; Making Certain Findings; Approving Form of Said 2019 Bonds; Approving the Form of the Preliminary Limited Offering Memorandum and Authorizing the Use By the Underwriter of the Limited Offering Memorandum and the Preliminary Limited Offering Memorandum and the Execution of the Limited Offering Memorandum; Approving the Form of the Continuing Disclosure Agreement and Authorizing Execution Thereof; Authorizing Certain Officials of Evergreen Community Development District and Others to Take All Actions Required in Connection With the Issuance, Sale and Delivery of Said 2019 Bonds; Providing Certain Other Details With Respect to Said 2019 Bonds; and Providing an Effective Date, was adopted.

SIXTH ORDER OF BUSINESS

Consideration of Developer’s Affidavit and Agreement Regarding Potential Assignment of Contract

Ms. Mackie stated that, prior to the District financing, the Developer needed to proceed with improvements identified in the Engineer’s Report and engaged a contractor to begin construction. This Agreement would enable the Oak City South, LLC (OCS) contract to be assigned to the District, once the District closes on the bonds. As part of this Agreement, the District would receive the following:

- From the Developer: An Affidavit with respect to certain items relating to the cost of the total project included in the contract and what had been spent to date, and an Acknowledgment and Release of certain warranties and restrictions on the work product.
- From the Contractor: Acknowledgment and Release with respect to the Assignment of the contract, such that the contractor would extend all warranties and assignments to the District, when the contract is assigned to the District.

Ms. Mackie stated that the Assignment also included a Bill of Sale for all improvements constructed to date. The last page includes a description of the project and a total amount of \$7,702,237.67, which was from the original contract between the Developer and (OCS); the District Engineer reviewed the amount and identified what portion of the contract is subject to the District's CIP and what portion was for the private benefit of the lands within the District, such that the amount is partial assignment amount that is being assigned to the District. The District Engineer would provide a Certificate attesting to that fact.

Ms. Mackie stated that the Board was being asked to approve this document, in form, so that they can be finalized, executed outside of a Board meeting and subsequently ratified. Mr. Basnight noted that the Developer did not require the (OCS) to post performance and payment bonds. Ms. Mackie stated that the District would require OCS to give a performance and payment bond and the District would pay the cost for it; because the contract exceeded \$250,000 in value, the District would have been required to receive a public payment and performance bond, had it been publicly bid, so it must be required now, once the assignment becomes effective.

On MOTION by Mr. Fischer and seconded by Mr. Johnson, with all in favor, the Developer's Affidavit and Agreement Regarding Potential Assignment of Contract, in substantial form, to be ratified at a later date, was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2019-31, Approving Proposed Budget(s) for Fiscal Year 2019/2020; Declaring Special Assessments to Fund the Proposed Budget(s) Pursuant to Chapters 170, 190

and 197, Florida Statutes; Setting Public Hearings; Addressing Publication; Addressing Severability; and Providing an Effective Date

Ms. Cerbone presented Resolution 2019-31 and read the title. She reviewed the proposed Fiscal Year 2020 budget line items, noting increases, decreases or adjustments compared to the Fiscal Year 2019 budget.

The following changes were made:

Page 1: Change "Landowner contribution" to "Assessments – off roll"

Add a Page: Insert an "Assessments" page reflecting the number of units, the assessment amounts and total.

Page 2, Supervisors: Delete "The District anticipates six meetings during this fiscal year."

Ms. Cerbone presented Resolution 2019-31.

On MOTION by Mr. Fischer and seconded by Mr. Basnight, with all in favor, Resolution 2019-31, Approving Proposed Budget(s) for Fiscal Year 2019/2020, as amended; Declaring Special Assessments to Fund the Proposed Budget(s) Pursuant to Chapters 170, 190 and 197, Florida Statutes; Setting Public Hearings for August 2, 2019 at 10:00 a.m., at ZNS Engineering, 201 5th Ave., Dr. E, Bradenton, Florida 34208; Addressing Publication; Addressing Severability; and Providing an Effective Date, was adopted.

EIGHTH ORDER OF BUSINESS

Consideration of Responses to RFP for Annual Audit Services

A. Affidavit/Proof of Publication

The affidavit of publication was provided for informational purposes.

B. RFQ Package

The Request for Qualifications (RFQ) was provided for informational purposes.

C. Respondents

- i. **Berger, Toombs, Elam, Gaines & Frank**
- ii. **Carr, Riggs & Ingram, LLC**
- iii. **McDermitt Davis & Company, LLC**

Ms. Cerbone stated that, of the three respondents to the RFQ, all were quality firms.

D. Ranking

Ms. Cerbone reviewed the responses, fees charged by the respondents, etc. With all qualifications being equivalent for all categories, the recommendation was to allocate the full value of points to each firm for all categories, with the exception of the price category.

Regarding timeliness of the firms, Ms. Mackie stated that all firms had some issues with timeliness but the contract contained deadlines and provisions and penalties for delays.

Ms. Cerbone stated that Staff’s recommendation was to allocate a total of 100 points to Berger, Toombs, Elam, Gaines & Frank (BTEGF), 99 points to McDirmit Davis and Company, LLC (MDC) and 98 points to Carr, Riggs & Ingram, LLC (CRI). Management’s recommendation was Berger, Toombs, Elam, Gaines & Frank (BTEGF).

E. Award of Contract/Authorization to Negotiate with Number-One Ranked Firm

On MOTION by Mr. Fischer and seconded by Mr. Basnight, with all in favor, acceptance of Staff’s recommendation to rank Berger, Toombs, Elam, Gaines & Frank, as the Number-One ranked respondent, awarding the contract for Annual Audit Services to Berger, Toombs, Elam, Gaines & Frank and authorization for Staff to negotiate with Berger, Toombs, Elam, Gaines & Frank and prepare a Continuing Services Agreement for District Engineering Services, including penalties, was approved.

NINTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of February 28, 2019

Ms. Cerbone presented the Unaudited Financial Statements as of February 28, 2019.

On MOTION by Mr. Fischer and seconded by Mr. Johnson, with all in favor, the Unaudited Financial Statements as of February 28, 2019, were accepted.

TENTH ORDER OF BUSINESS

Approval of Minutes

- A. March 8, 2019 Landowners’ Meeting**
- B. March 8, 2019 Public Hearing and Regular Meeting**

Ms. Cerbone presented the March 8, 2019 Landowners’ and the March 8, 2019 Public Hearing and Regular Meeting Minutes.

On MOTION by Mr. Fischer and seconded by Mr. Johnson, with all in favor, the March 8, 2019 Landowners’ and the March 8, 2019 Public Hearing and Regular Meeting Minutes, as presented, were approved.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Hopping Green & Sams, P.A.*

Ms. Mackie noted the importance of meeting May 3rd, to approve the Supplemental Assessment Methodology, in anticipation of pre-closing on the bonds thereafter.

B. District Engineer: *ZNS Engineering, L.C.*

There being no report, the next item followed.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

- **NEXT MEETING DATE: May 3, 2019 at 10:00 a.m.**

The next meeting will be held on May 3, 2019 at 10:00 a.m.

TWELFTH ORDER OF BUSINESS

Board Members’ Comments/Requests

There being no Board Members’ comments or requests, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

FOURTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Basnight and seconded by Mr. Fischer, with all in favor, the meeting adjourned at 11:00 a.m.



Secretary/Assistant Secretary



Chair/Vice Chair