

**University Park
Recreation District**

**Consideration of Minutes of the
January 4, 2019
Board of Supervisors' Meeting**

MINUTES OF MEETING

**UNIVERSITY PARK RECREATION DISTRICT
BOARD OF SUPERVISORS' MEETING
Friday, January 4, 2019 at 1:00 p.m.
University Park Country Club, Lakeside Room,
7671 The Park Blvd.,
University Park, Florida 34201**

Board Members present at roll call:

Lisabeth Bertsch	Board Member
Bob Wood	Board Member
Steve Ludmerer	Board Member
Mike Smith	Board Member

Also, Present:

Hank Fishkind	Fishkind & Associates, Inc.
Carol Harris	Fishkind & Associates, Inc.
Mark Barnebey	Blalock Walters Law Firm
Bob Gang	Greenberg Traurig (via phone)
Various Members of the General Public	– See Attached

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

The meeting was called to order at 1:00 p.m. Those in attendance are outlined above.

SECOND ORDER OF BUSINESS

Opening Comments- Chairman Wood

Mr. Wood welcomed the audience to the meeting. He reminded everyone that though the District is making steady progress toward having all the information that the Board needs to provide the audience to make an informed decision on the Bond Referendum, the Board still has work to do and some issues that are not yet complete. He stated that the five Board Members were elected to represent the interests of the owners and residents of this community. He noted that he greatly underestimated the complexities, the time, the onerousness of the Public Sunshine Laws when he agreed to serve in this capacity. He stated that the public comment period is designed to allow the audience to offer their

thoughts and comments as well as ask questions for clarity. He stated that the audience should expect the Board to listen respectfully to their comments but if the audience expects the Board to answer every question to their full expectations today, they will likely be disappointed. Not because the Board is trying to hide anything because before the owners vote to support the issuance of Bonds, they should expect all of their relevant questions to be answered in a way that allows them to support the Referendum or not.

He stated that there are a number of residents today, clearly in the minority, who oppose the formation of the RD and the use of bonds as the financing mechanism. Through the course of this process they have chosen to make false statements and use selective data to support multiple false narratives. He noted that the Board will address those later in this meeting and in the meantime, he asked the audience to note the following;

1. We as the Owners/Residents representatives fully believe in and support both the District Counsel and District Manager based on the understanding that they know more about the formation and running of Recreation Districts than any of the others in this room.
2. The Board welcomes the audience's comments and questions but reminded them that unless they are called on and talk from the podium they will be deemed to be out of order. He stated that the Board will not accept any personal attacks today and they will not accept disrespecting the process.

He went on to speak about the Better Than Bonds proposal. He asked who are they and what are their qualifications. He noted that the Board received an alternate proposal that is very short on details in outlining critical issues to be dealt with. He stated that the Board has not varied from what they told the residents it would cost them to complete this transaction. He stated that roughly on average it would cost \$1,200.00 per household including all of the extra costs, and expenses that have been identified in their most recent letter. They have chosen to employ scare tactics, ignoring the fact that the Board has not deviated from that commitment. The basis of their analysis is grounded in a \$10,000,000.00 interest free loan that would deplete the HOA reserves that took years to establish and they have given no details on how the UPCC would be managed, how much it would cost, and who would do it or what possible assessments that might result from the depletion of the HOA reserves. Mr. Wood stated that the financial risk, the source of funds to repay investors are both undefined in their proposal. He spoke about the concept of a 30-year home mortgage. He stated that the Better Than Bonds Proposal depends solely on an undefined interest free loan of the resident's money that might not even be legal.

Mr. Wood asked the Board for a motion to modify the rules of engagement on how much time is allowed for comment in the public period. He requested a motion to grant Ms. Lordi, Mr. Lordi, or Mr. Chase the opportunity to stand and outline their program, to answer questions and to make clear what they are actually proposing.

On MOTION by Ms. Bertsch, seconded by Mr. Smith, with all in favor, the Board approved the modification of the rules of engagement to allow Ms. Lordi, Mr. Lordi, Mr. Chase and the Better Thank Bonds proposal group the time to present and answer questions regarding their proposal.

Mr. Wood invited Ms. Lordi, Mr. Lordi, Mr. Chase or any other representative of the Better Than Bonds proposal to approach the podium and address the organization as they have requested to describe the Better Than Bonds Proposal.

Mr. Lordi stated that there are better ways than to establish as Recreation District to accomplish the acquisition. The Better Than Bonds proposal suggests using the HOA reserves to get an interest free loan, renegotiate the additional \$4,000,000.00 that is needed for the common areas and have the reserves refunded by the residents at the rate of \$1,000.00- \$1,200.00 per year. He stated that the reserves would be fully replenished in a period of 5-6 years.

He stated that the Bond proposal lacks transparency. The residents were given a professional marketing campaign and he was harassed for raising objections. He stated that a petition went around and the Board claimed there was an 80% approval of the initial petition to form the RD. He stated that renters signed who have no vested interest in the property. He stated that the Manatee County Supervisor of Elections did not run the petition. Mr. Lordi stated that he does not trust the Board's intentions in this process and he is firmly against the amount of money that the residents are spending in getting where they are now. He stated that the Board wants to float a \$24,000,000.00 line of credit that will cost the residents \$400,000.00 in closing costs that the residents will be liable for whether the Bond referendum passes or not. He wants everyone to be aware of what is going on before voting for the bond and hopes the residents turn it down.

Mr. Wood asked Mr. Lordi to explain how he envisions running the club if they are allowed to use the \$10,000,000.00 in reserve funds. Mr. Lordi stated that every resident would have to commit to replenishing the reserve funds over a time of 6 years. He stated that the community would hire a professional

management company to run the Club. He stated that the Club is run as an independent entity with no recourse to the residents.

Mr. Wood asked how well Caster Golf is doing. Mr. Lordi responded that the latest report is that they are breaking even this year. Mr. Lordi stated that the proposers consulted with other Recreation Districts who are overwhelmed with Sunshine Law requirements and the Treasurer of that Board told him that any time there are long term expenses they either have to wait and float another Bond or Assess and they are allowed a two-year loan without approval any time they need an assessment and they pack it on with the HOA fees.

Mr. Wood asked about the cost per resident for the Better Than Bonds Plan including the payback of the \$10,000,000.00 reserves over 6 years. Mr. Lordi stated that it would be \$1,000.00 per year per household which would be \$1,200,000.00 per year and \$7,600,000.00 and with interest it would be over \$10,500,000.00 in 6 years.

Ms. Bertsch asked four questions to Mr. Lordi and the Better Than Bonds proposal group. Mr. Garrett began to speak about the proposals and requested more time to work with the Board. He stated that he does not want the community to acquire a Park District and he wants the community to gain an asset and not give away their money. He requested time for residents to work with the Board and turned to address the audience who applauded when he concluded his statement.

Ms. Bertsch stated, "I asked a couple of simple questions. I do not believe I got an answer. Unfortunately, you had months to come up with a proposal. The fact that you do not have details at this point in time troubles me. You have had the same amount of time to figure out how you would acquire the Club, offer a purchase price, I still want to know, what would you offer? Have you had conversations with the people who own the Club today and have some feeling that they might accept your offer?" She was interrupted by Mr. Garrett. And then she responded, "let me finish please. I have my more than three minutes if I choose to."

Mr. Garrett replied "Lets tone down the bitchiness, come on."

Ms. Bertsh responded, "excuse me sir."

Mr. Garrett replied, "You heard me. Tone it down."

Mr. Wood stated, "Like I said at the beginning...."

Ms. Bertsch replied to Mr. Garrett by saying. "I do not appreciate that". Mr. Garrett claimed that he was talking to everyone.

Ms. Bertsch reiterated, "I do not appreciate that sir." District Counsel stated that the audience needs to be civil and Ms. Bertsch continued, "Thank you. I asked a question, I did not get an answer. I was told to stand up so I am not standing up for any other reason ... so, if you would answer my original questions, I would appreciate it and then we can continue with this civil conversation thank you."

Bob Ziegler stated that he has been opposing the Recreation District and Bond Referendum for a long time. He stated that the Board does the residents a disservice by asking residents on the spur of the moment to talk to the Board about something without advance notice. He stated that residents have had no professional assistance in putting this together and the Board has professional staff to help. He claimed that the Board took the HOA money to hire professionals. He stated that the Board is disrespectful to residents. He asked the board not to insult the proposers.

Mr. Wood explained that Mr. Ziegler stated five things that are factually incorrect and despite the fact that the proposal lacks details the proposers have chosen to send a lot of letters with a lot of information to a lot of people in this room and in this community. He stated that is what the Board finds objectionable and the Board would be happy to work with residents if there was a way in which there were legal parameters under which they can operate to deplete the HOA reserve funds. He stated that paying back the \$10,000,000.00 reserve in 6 ½ years is a long stretch and if there is an event for which the reserves were intended how would the community pay for those other than to put an additional assessment on the homeowners in the community. Mr. Wood stated that the Board presented a proposal that has well defined parameters and the fact that Mr. Lordi stated that everyone in the room will be obligated for the \$24,000,000.00 is factually incorrect. Mr. Wood noted that the Board authorized the ability to have a line of credit not to access that line of credit and it is not a replacement for the Bonds, it is an option that the Board has developed in case they want to close this process earlier than it would take to go through validation, which can take up to seven months. Mr. Wood stated that if individuals are going to represent facts, it is the board's desire that those facts be facts and not information that has been misinterpreted in the course of residents developing their position.

One resident stated that he has asked for information to allow the residents to evaluate an alternative. He asked to see the Golf Courses financial statements and for additional information at these meetings. He claimed that the reason why residents have not come up with a better plan is because the information that the Planning Group has, has not been provided to the residents. Mr. Smith noted that

the residents have been given all of the information that the Board has available at this particular point in time and any question that has been asked the information has been provided or stated that the information is not available at this time but it will be available before the referendum and the vote has been taken. A discussion took place about one of the proposals from residents regarding equity membership. Mr. Smith asked if he has any legal authority that would indicate that the HOA is able to loan the \$10,000,000.00 he is referring to because the District's legal counsel said that it cannot happen. The resident stated that it is possible with a referendum. Mr. Smith asked if he has a legal opinion that says it can be done. The resident stated that the Meadows HOA had the opportunity to take their reserve funds and loan them to the Golf Club to prevent default. Mr. Smith stated that the Board's legal representation has clearly indicated that they cannot do that with the current covenants of the HOA and they cannot loan money to the community to purchase the Club. Mr. Smith asked how many equity members he has signed up to participate in the funding of the proposal. The audience became upset. The resident stated that it is asking for a corroborative process and claimed the board has proceeded with no transparency and residents are fed up. He stated he is against the RD and claimed that residents are being cheated.

Mr. Ludmerer stated that as a homeowner he does not want to see the reserves put at risk and they are there to protect their homes and avoid an assessment in case of an unexpected event and to use them for this purpose would not be appropriate. He stated that the current reserves earn interest and a no interest loan would adversely affect those reserves. He noted that a private ownership of the Club and Amenities here would be a taxable entity and using the RD structure there is no tax situation and the community is able to issue tax free Bonds below commercial market rates and have a tax deductible to the extent that the law permits payment over the years. He stated that the RD would not obligate each homeowner for the 30 years, the RD obligates the owner of the property so that if someone moves, or passes, that obligation stays with the property and not on individuals personally. He stated those are reasons he believes the RD best serves the community's needs. Audience Members applauded.

Mr. Wood stated that the reason why the Board chose to do this today is because Mr. Lordi, Mr. Chase and others have asked for the opportunity in a broad form to present their case. He stated that the community must decide if they want to approve the referendum and move forward with Bonds or not. If the community agrees it will move forward with funding and acquisition and if not, the community is back to ground zero. If it is voted down it creates the opportunity or need for a new group of people to put together a plan, negotiate with the owners

and move the process forward again. He stated that this Board will not be part of that process if it takes place again.

Mr. Chase commended Mr. Lordi for his defense of the proposal. Mr. Chase stated that it is untrue that the resident's questions are being answered. He stated that at the December 14, 2018 meeting he raised a series of specific questions regarding the short-term line of credit which were ignored during that public comment period, during the Board's discussion of the resolution approving the short-term line of credit, and were ignored until this moment. He stated that the minutes of that meeting reflect that he raised concerns regarding the short-term line of credit and he requested the District Manager to edit the minutes to reflect that he asked a series of specific questions. He asked the Board if they feel that they have any obligation to answer residents' questions at some point and do they have a responsibility to answer those questions and do they have a responsibility to keep accurate and complete minutes of these meetings.

Mr. Wood stated that the public comment period is designed to allow residents to offer thoughts, comments, and ask questions for clarity. The residents should expect the Board to listen respectfully but if the residents expect the Board to answer every question to their full satisfaction and expectations, they will likely be disappointed. The Board does not have answers to every single question but before residents are asked to vote of the referendum, they can expect to have all the answers to all the relevant questions that they have answered.

Mr. Barnebey stated that the minutes do not have to be verbatim and it is rare that they are. To the extent that the information is available, District staff is trying to get that information to residents as soon as they get it. Some of the information might not be available yet but it will be available in time for residents to view it. This District was created by petition of well over a majority of the residents. It was created at the request to the County Commission and this Board is trying do the job it was assigned to do.

Mr. Chase stated that if this Board had been interested in a productive dialog on the alternative proposal it would have notified residents in advance that it would give them the opportunity today instead of ambushing here with the four Board Members asking Mr. Lordi these questions and the residents came in here without a preparation of a logically laid out presentation. He stated next time he hopes the residents have an opportunity to prepare if there is another opportunity with this client.

Mr. Smith stated that the feedback that he has gotten from the community is that the community needs to move forward on this and make it happen and that they want to get it done sooner than later. He stated that the public comment period

has generally been consumed by individuals who disagree with the approach being taken. He noted that people have the right to disagree and it will be voted on in the referendum and if people do not get all the information they need they vote on whether it makes sense or not and there needs to be a process by which the community can make a determination to try to get this completed, get the deal done for those who want to sell the Club and those who want to buy the Club and preserve what the community thinks is the right approach to do it. He stated that he was accidentally included on an email that was sent to 35 people requesting that they come to the meeting to express their displeasure with the RD. He asked that the process be allowed to move forward and if the referendum does not work, residents can step up to the table and do something different.

Mr. Whyte is the fiduciary guardian of the HOA reserves. He stated that he consulted legal attorneys for the UDCAI on RD issues. He asked about the loan and was informed that such a loan would exceed the HOA's purposes and powers. There is no power in the HOA to lend money to another organization. He went back and asked under the Better Than Bonds plan if the HOA would be able to make a non-reimbursable contribution to a group of residents and raise a special assessment across all residents for \$1,000.00 and the \$10,500,000.00 non-reimbursable contribution. He stated that legal opinion was against it and even less likely to be legally sustainable. Such an act if taken would be considered a ~~miss~~ use of funds that are set aside for other purposes. He asked if the Board would take that risk. He noted Mr. Lordi referred to Statute 723.03 6H which allows associations to vote to reallocate reserve funds. In the community's association changing the CCRs requires a 2/3 vote of the voting members and the written consent of the declarant. He stated that it seems unlikely that changing the CCRs for that purpose would pass that relatively high obstacle and if it did it would change the CRRs and the HOA must change the articles of association and bylaws to prevent that. The current rules are under the governance of the Board and the Board would have the right to take the decision to give itself the powers to lend or give all that money and raise a special assessment. Legal opinion was that it would not be valid exercise of the Board's power and individual Board Members would consider that personal situation in relation to their fiduciary duty of care, sound business judgement, and good faith. He noted that the community cannot use the reserves as proposed by the Better Than Bonds plan.

THIRD ORDER OF BUSINESS

Public Comment Period

Mr. Wood closed the comment period for the alternate proposal and opened the public comment period for the audience and requested that they limit their comments to three minutes. He requested that residents who wish to comment, go to the microphone, state their name, neighborhood, and position.

Mr. Charlton asked questions regarding the upcoming vote. He asked if a non-vote will be counted as a yes vote. Mr. Wood stated that is not true. He stated that a non-vote will not be counted and the determination will come from the majority of the votes that are cast.

Mr. Miranda asked if it is true that there is an agreement that Neal Communities will be running the Golf Course if this deal goes through. Mr. Wood replied no and stated that it has nothing to do with Neal. Mr. Miranda asked if there is any agreement with anyone to run the Golf Course as it stands now. Mr. Wood stated that the current management will run the Golf Course. He asked if it is correct that once this deal goes through Neal will have nothing to do with running the Golf Course. Mr. Wood replied that is correct. Mr. Miranda commented on the appraisal that was done by Mr. Atomy that appraised the Golf Course at \$13,500,000.00. He stated that the appraisal was found to be an illegally done appraisal by the Department of Business and Professional Licensing in Florida because Mr. Atomy was not licensed or authorized to do appraisals in the State of Florida. Mr. Miranda asked why Mr. Whyte of the Planning Group chose to hire someone that was not legally allowed to do these appraisals rather than hiring someone who was. Mr. Wood stated that Mr. Miranda failed to mention that the charge levied by his group is currently under appeal. Mr. Miranda stated that probable cause has been found and the phone number for the Department of Licensing is 866-532-1440. He asked why The Planning Ground choose to hire an unlicensed person to do the appraisal. Mr. Wood stated that The Planning Group hired HVS which is a global company who has done more than 20 appraisals of Golf Courses in Florida and they have a very strong reputation around the nation for those appraisals and Mr. Atomy was the lead person on their Golf Course operations.

Mr. Miranda asked who paid for the appraisal. Mr. Wood stated that the funds will come from the Bond issue which the Board outlined. Mr. Miranda asked if Mr. Atomy was paid and who cut the check. Mr. Wood stated that the Country Club paid it which is owned by Neal. Mr. Wood stated that they paid for it and will be reimbursed. Mr. Miranda stated that the ones who hired this illegal appraiser is the people who are selling the Golf Course to the community. Members of the audience applauded.

Mr. ? clarified that the Planning Group hired HVS and there was an agreement between the Planning Group and the potential seller. That they would advance the Planning Group the funds to pay those bills and they would be reimbursed upon closing. HVS was hired by the Planning Group as one of the premier assessors of Golf Clubs, not only in Florida but elsewhere. He also

stated that State Licenses are there to protect professionals in the state but it is not to be the be all and end all of the best available resource to do the job.

Mr. Dowdell stated that the Board is not yet legally in office due to lack of evidence that they have executed the oaths required by law and the Statutes, they has not proven that they have surety bonds in place as required by law and Statutes, and they have not yet proven they have unencumbered property within the County required by law and Statutes, the creation of the UPRD was not done legally and lawfully by Manatee County Board of County Commissions. He stated that because they are not yet legally in office the Board is acting not in their official capacity but in their private capacity, they have no delegated authority to prepare any of the communities existing contracts with UPCA and they have full commercial liability for any and all damages. He stated that the Board has no delegated authority to force anyone into a contract. He stated that the Board Members have serious fiduciary responsibilities of all property owners of University Park. He stated that they are acting in serious breach of their fiduciary duties to all property owners because no independent establishment of fair market value of the properties, no full disclosure of important terms of the deal, like who is the entity that is going to own the property, no unbiased independent financial analysis of alternative plans. Mr. Wood told Mr. Dowdell that he has one-minute left. Mr. Dowdell stated that because the Board is allowing Dr. Fishkind and the lawyer run the meetings they are abdicating their fiduciary duty to all the property owners and by recommending illegal and unlawful actions without appropriate delegated authority they are acting in breach of the one oath that the attorney claims the Board has taken. He stated that the Board has committed a crime called Contempt of Constitution which is one level below treason. Mr. Wood stated that his time is up. Mr. Dowdell continued to warn the Board that they are operating in their private capacity to be personally liable for anything that they authorize and if they Board is a lawful partner in government why are they not displaying a lawful American flag and noted that at the last meeting the Board displayed an unlawful flag indicating that they are not part of a lawful government.

Mr. Garrett stated that the Planning Group was dominated by golfers when only 20% of the residents of the community are golfers and does not represent a majority of residents. He stated that there was \$100,000.00 that may or may not have been spent by the HOA regarding the financing of the work done by the Recreation District. He stated that either the HOA is going to pay it or residents will. Mr. Wood explained that this is a Recreation District meeting and the RD has no control of the HOA. Mr. Garrett stated that the HOA Board is controlled by the Developer and authorizing payment by the HOA for a single dubious appraisal by an out of State permit. H noted that the HOA is siding with the Planning Group to form a special tax District that will see homeowners paying 2 ½ times the fair

market value of the land and the residents do not get any equity. He stated that the residents should own the Golf Course and control it. He stated that the packet of information that was released might have a contract in there for the company to manage the Golf Club and for Neal to stay involved. He stated that Laurel Oaks is facing the same challenges and they dismissed the RD. He stated that under the RD the owners will continue to pay the Bond expenses to subsidize the University Park Country Club., the Neal Owned Club and Fishkind's Management of the RD for the next 30 years. Mr. Wood told Mr. Garrett that he had 30 seconds left. Mr. Garrett stated that there are much better alternatives. He wishes that there was a way to work out a better arrangement where the residents could own the Golf Course and not create a public park. He stated that if the residents own the park it adds to the property values but if they make it a park it takes away from the value of the properties and creates a lien. Mr. Wood reminded Mr. Garrett that his time was up. Mr. Garrett continued to urge a pause so the Board has the opportunity to make the right decision and give residents the information to make the correct decision. He stated that he wants to own and control the Golf Course and it needs to be done the right way and most efficient way possible.

Mr. Chase stated that the draft of the Club Management agreement is with UPCC LLC. which is owned by John Neal and Charles Varah. He asked the Board to explain how neither of those people will have any management responsibilities. Mr. Wood responded that it is part of the transaction and at the close of the sale that company is acquired from the Neal/Pasold organization and they no longer have anything to do with it. Mr. Chase and Mr. Wood had a disagreement over what the Management Agreement says.

Mr. Chase stated that the purchase and sale agreement contains a provision requiring the buyer to maintain 8 Honorary Memberships in the Club. He explained the benefits of the Honorary memberships. He stated that he hopes the Board considers the law of Against Perpetuity.

Mr. Ziegler asked why a Member of the board is not responding to the questions regarding Honorary membership. Mr. Wood responded that the problem with negotiating in public under the Sunshine Laws is that the public gets to see the whole process and there may be 8 Memberships when negotiations are done but it has not been agreed to at this moment and it is a part of the negotiation that is taking place. He noted that negotiations that take place in public when there is not an opportunity to have a final document, creates lots of questions and opportunity for mischief and for individuals picking out individual issues and wanting to litigate them. He stated that negotiations have not concluded yet and the Purchase and Sale Agreement is on the agenda today and the Board hopes to get it finished in the next short period of time because it is necessary for the

Board to then move to the referendum. Mr. Ziegler asked if the Board is negotiating that agreement. Mr. Wood replied yes. Mr. Ziegler asked if they are doing it under the guise of the Sunshine Laws in the State of Florida because so far as the public has seen, there has been no public discussion of that negotiation. Mr. Smith stated that the discussions have been first with the Planning Group which is not subject to the Sunshine Laws and now with the organization and it has been done through his office and with the attorney for the other side. He stated that there was a public workshop on the matter but there have been discussions on what they are willing and not willing to do and some of the questions that have been raised are issues that the Board has not had discussion with them about.

Mr. Ziegler asked questions regarding Resolution 2019-16. He stated that he understands the need to have outside resources consult for the Board but is concerned with having all of those resources in one person and objects to Dr. Fishkind being identified as the District Manager, Assessment Consultant, and the Financial Advisor. He suggested that the responsibilities be split into two people so as to have a contrary opinion.

Mr. Ziegler asked if the referendum fails, who pays the expenses that were promised to be paid by the referendum. Mr. Whyte responded that if the Bond issue does not go through the referendum all the expenses that were accumulated by John Neal and not by the HOA. His accounts will be written off as a business expense by him and not be charged to the residents. Mr. -Whyte noted that he has that agreement in writing.

Mr. Ziegler stated that the minutes have a lot of content in them and were posted yesterday for consideration at today's meeting. He stated that is not advanced notice. He asked that the District staff consider breaking up the lengthy minutes and giving residents advance notice of them being posted. Ms. Harris responded that the preliminary agenda packet was posted on Friday December 28, 2018, emails were sent out to the Board as well as to the Transitions Committee telling them where it was on the UPRD website and providing links. She stated that what was posted yesterday was the final agenda as documents were revised and returned to District Management.

Ms. _____, a resident, read the Purchase and Sale Agreement which said that if the deal was not done by February 19, 2019 then the Declarant could back out. She asked if that is correct. Mr. Wood replied that it is in the document that she read but it has not been agreed to. She asked about negotiations regarding the short-term loan. She stated that if the agreement and the - PNF goes through then it has to be consummated by February 19, 2019 and there is a sense that the bond Referendum could not be agreed to in a short period of time. Mr. Wood

replied that is correct. The resident asked who takes the risk if it is closed February 19, 2019 and go with a short-term two-year loan and what happens if the Bond Market crashes. Mr. Wood stated that the Sale and Purchase agreement has not been agreed to therefore the February 19, 2019 date is a desire and therefore the referendum and validation cannot be done in that short period of time, therefore it cannot close as is described in her question. Mr. Wood stated that the Purchase and Sale Agreement is still being negotiated and it has not been agreed to. The resident asked if the Purchase and Sale Agreement is to be voted on and agreed to in this meeting. Mr. Wood replied that there are no votes to take place today on any of the items on the agenda, they are all for discussion and the Purchase and Sale Agreement is not finalized and once it is finalized it will be posted.

Mr. Wood asked Dr. Fishkind to comment on the short-term financing purpose and use. Dr. Fishkind stated that the purpose of the short-term facility was to provide the Board with the opportunity to have the financing at hand without having to commit to actually take the financing down. It puts the Board in the position of having financing available. There is a risk that if the short-term financing is taken down and either cannot get through validation or something happens in the Bond Market it would put the facility at risk. The bank understands the risk and it is up to the Board to decide if to ever use that facility. Mr. Wood noted that the approval of that line does not necessitate or dictate that it be taken down at any time. Dr. Fishkind clarifies that there are two pieces on the line, one is the operating line, and the second piece is the acquisition which is the longer-term piece that would need to be redeemed through bonds that would have to be validated. He explained that when or if the District gets to that point then the Board would decide if it wished to avail itself of the acquisition portion of the line or wait, validate Bonds and close the transaction later.

A resident commented the numerous ways he felt that any opposition to the PGRD plan was stifled. He stated that he plays bridge twice per month and was told that they could not have a bridge game in the card room or the bar on February 7, 2019 because the Bond vote has been changed to that date and they are using the entire Club area to do that. He asked the Board if this was true and if the Bond vote was being postponed to February. Mr. Wood replied that it will happen as soon as the Board has the last of the agreements closed and ready to send out to residents which is four weeks prior to the referendum taking place. Dr. Fishkind stated that it depends upon the outcome of today's meeting as the Chair explained, until the agreements are prepared so that residents can have a full information package to be able to make an appropriate decision on the referendum the District must delay until all those agreements are ready. Dr. Fishkind stated that today the Board will decide if they want to be able to come to

a preliminary decision on the Purchase and Sale Agreement and also in the package is a resolution to set the date of the referendum.

The resident asked how much time residents will have after the packets are sent out before the actual vote. Dr. Fishkind stated that the plan that staff has suggested to the Board is to have at least three weeks and also to have a workshop so that there will be a full public discussion about the pros and cons of the proposed referendum. The resident stated that it was good to hear that there will be a workshop again.

Mr. Lordi stated that the Board made a comment about this being a binary choice and it is not the choice. He stated that the choice was to buy the Golf Course or let it go foul and noted that is not the choice. He stated that the choice is to work in a cooperative fashion in a way that is more efficient and less expensive and less debt than the Recreation District would be. He stated that the price is greatly over inflated. He stated that in the Better Than Bonds Proposal it agrees to pay the inflated price. He asked why District staff is rushing into this and why the District needs a line of credit to make this transaction occur next month. He asked if the District could wait and come up with a better plan. He asked why the community would be adding the common areas to the debt when it will be turned over to the community at no cost in 2029. He asked if Neal would walk away from the deal. He questioned whether the community could get commercial funding and not have to invade the reserves to such an extent. He stated that there are many different ways the acquisition could take place without having the community responsible for the debt of the Club and a long-term mortgage.

Mr. Thompson stated that the community needs operating funds and a bridge loan for permanent financing. He asked what the security would be for that loan. Dr. Fishkind responded that the security is the operating income expected for the Club, should that not happen the Board has the authority to impose operations and maintenance assessments, which is not the plan and would not occur because if the referendum does not pass there will not be any Bond issue.

Mr. Thompson asked what would be the case with the bridge loan. He asked if District staff could proceed with that without having a permanent commitment for the 30-year Bond. Dr. Fishkind stated that the District has a cover letter from three Underwriters who he has extensively worked with and used exactly this mechanism on more than 6 transactions more than \$200,000,000.00 so normally the District will not get a firm commitment two years ahead of time but do have experienced Underwriters who have underwritten bonds even in the worst of the economic conditions and that would be how it would proceed.

Mr. Thompson stated that a bridge loan needs a pillar at the end of the bridge and unless the District has a firm commitment for that financing and the District could put itself at a risk having the two-year loan and nothing at the end of the bridge.

Mr. Wood stated that the comment period will be closed and the Board will move to discussing the items on the agenda.

FOURTH ORDER OF BUSINESS

Consideration of the Minutes

- a) Consideration of the Minutes from the Board of Supervisors' Workshop, November 28, 2018**
- b) Consideration of the Minutes from the Audit Selection Committee Meeting, December 14, 2018**
- c) Consideration of the Minutes from the Board of Supervisors' Meeting, December 14, 2018**

The Board reviewed the minutes for the various meetings. Mr. Ludmerer provided edits to the minutes regarding grammatical errors and misspellings. He stated on page four that the District will not directly be using Transitions but will provide information to the HOA and the Club to produce transitions.

On MOTION by Ms. Bertsch, seconded by Mr. Ludmerer, with all in favor, the Board approved minutes for the Board of Supervisors' Workshop dated November 28, 2018, as amended.

The Board considered the minutes from the Auditor Selection Committee Meeting dated December 14, 2018.

On MOTION by Mr. Smith, seconded by Mr. Wood, with all in favor, the Board approved minutes for the Audit Selection Committee Meeting dated December 14, 2018.

The Board considered the minutes from the Board of Supervisors' Meeting dated December 14, 2018. Mr. Ludmerer provided edits to be found on page 10 of the minutes regarding the value of the property in 2017.

On MOTION by Ms. Bertsch, seconded by Mr. Ludmerer, with all in favor, the Board approved minutes for Board of Supervisors' Meeting dated December 14, 2018, as amended.

FIFTH ORDER OF BUSINESS

Consideration of District Management Agreements

- a) Consideration of District Management and Financial Assessment Consultant Agreement**
- b) Consideration of Financial Advisory Agreement**
- c) Consideration of Resolution 2019-16, Designating Fishkind & Associates, Inc. as District Manager of and Assessment Consultant for and Financial Advisor to the District**

Dr. Fishkind announced publicly that Public Financial Management, PFM, the world's largest financial advisory company has acquired Fishkind & Associates. The transaction is scheduled to close at the end of February. Which is the reason for the updates to the contract documents. He noted that there is no change in scope, price, or personnel. He noted that the contracts reflect that pending transaction. Dr. Fishkind commented that he manages and is the financial advisor to more than 125 special Districts in Florida and in every case, he serves as District Manager and Advisor on the assessments and Financial Advisor to the Districts.

Mr. Barnebey stated that there were a couple changes to the agreements that were handed out. He stated that on page 3 there were a couple of typos that have been corrected. Page 5 also had a couple of corrections by adding the

statutory language relating to questions related to public records requirements. He noted that there were no material changes.

Mr. Ludmerer stated that the original District Manager's Agreement discussed that the travel reimbursement would be reimbursed on a per mile basis and he asked if that is reflected in this agreement. Dr. Fishkind stated that it is. Mr. Ludmerer asked if the Financial Advisory Agreement specifies a rate for advisory services which is superseded by the Financial Advisory Agreement. Dr. Fishkind replied yes and that all fees are negotiable and the documents so indicate.

Mr. Wood requested a motion to approve the District management and Financial Assessment Consultant Agreement.

On MOTION by Mr. Smith, seconded by Ms. Bertsch, with all in favor, the Board approved the District Management and Financial Assessment Consultant Agreement.

The Board discussed the Financial Advisory Agreement. Mr. Wood stated that this agreement has also been updated. Dr. Fishkind stated that there is nothing new except for the assumption provision and it has the same scope and fees are as negotiated by this Board, and there is no material substantive change from what was before.

Mr. Barnebey stated that on page 2 his preference is to have a one-year agreement with a full renewal period. He stated that this agreement can be terminated with 30 days written notice.

On MOTION by Ms. Bertsch, seconded by Mr. Smith, with all in favor, the Board approved the Financial Advisory Agreement, as amended.

Mr. Barnebey stated that Resolution 2019-16 needs to be approved as well. Mr. Wood requested a motion to approve Resolution 2019-16.

On MOTION by Mr. Smith, seconded by Ms. Bertsch, with all in favor, the Board approved Resolution 2019-16, Designating Fishkind & Associates, Inc. as District manager of and Assessment Consultant firm and Financial Advisor to the District.

SIXTH ORDER OF BUSINESS

Consideration if the Purchase and Sale Agreement

Mr. Wood explained that there are a number of issues in the Purchase and Sale Agreement that needs to be ironed out. Mr. Ludmerer, the Treasurer has gone through the Purchase and Sale Agreement. Mr. Smith has some comments. Mr. Wood noted that the Board has not finished the Purchase and Sale Agreement but are getting to the point where they need to get approval and the Board will discuss the current state.

Mr. Ludmerer stated that this started as a high-level verbal agreement between the Planning Group and the seller. The agreement was a handshake and was never reduced to a written term sheet. It was said that since there was no actual buyer as the Recreation District did not yet exist, that a term sheet could not be made because there was no one to sign off against it. He explained that the agreement had a price tag of \$16,750,000.00 for the land, the Club, the business of the Club and in an all-in deal. He stated that there were allocations made but it was an all-inclusive deal. He stated that it was confirmed in a meeting in November of last year with John Whyte and John Neal that this is an all-in deal. He noted that as he read the most recent Purchase and Sale Agreement, he had a dozen items that he thinks are relevant for this Board to discuss and to negotiate with the seller. He stated that the Board needs to achieve some capture of the January, February, and March profitable period because from the months of May to October the Club is not profitable and timing of a close is important for the profitability of the first-year performance of the Club. He stated that there is a cost to an early close and the District would have to justify that cost if the transaction closes early but it can be accomplished if the District can capture working Capital of the profitability of the most profitable months of the year. He stated that the District must maintain a smooth transition of the liquor license. He noted that the RD has not yet secured a liquor license which is different than the license a private entity has to secure. He stated that the District must also look at the inventories of food, liquor, shirts, and gold clubs in the system. He noted that they were purchased by the seller and asked where the profitability goes and if the RD has to buy those goods.

Mr. Ludmerer explained that many Board members have questioned the Honorary membership situation that has been proposed by the seller. He stated that there is also a continuity of employees. He stated that the Club management Agreement is intended to allow the Club to have all the employees in that LLC and turn that LLC over to the RD or the buyer in a seamless manner and the RD needs to be sure that occurs.

Mr. Ludmerer explained that there is a closing contingency on timing and that needs to be addressed and extended to a practical timing level. He mentioned that the start up expenses have been agreed to be reimbursed which is another issue needing to be resolved and when it is reimbursed either at the time of closing or after.

He stated that the Recreation District's ponds, lakes, and water resources are subject to Southwest Florida Water Management District. He noted that obligation and the licenses need to be explicitly included in the agreement. He stated that there is also the issue of Parcel 7 which was discussed at the workshop and there is a proposal in the proposed settlement in the Purchase and Sale Agreement from the seller which may be insufficient in its time availability. He explained that there is a provision in the Purchase and Sale Agreement that was in the agenda packet for today that provides the Recreation District with a prior first refusal on purchasing parcel 7 but he thinks that this is a point that still needs refinement. The Recreation District has had some conversations with the seller regarding timing and the close and availability of working capital and inventories. He noted that the District had a counter proposal that came to the District 30 minutes before today's meeting which addresses some of those concerns. He asked if he should address some of those concerns because it helps to address it to mitigate the working capital concerns and it is a positive step on the part of the seller to move the District closer toward a closing.

Mr. Smith stated that he also has a number of comments. He stated that this is one of the most meaningful conversations that the Board will have and there are a number of very important considerations. He explained that the Planning Committee embarked upon a process to gain some agreement and understanding with the owners of the County Club and try to put a deal together. The sellers stated that from their perspective this is a land transaction and the value they have placed on the transaction is based upon what is the amount of available land that could be developed if there was a change in zoning. They placed the value of the 366 acres plus other assets associated with the ponds and the water and it is at least a \$27,000,000.00 deal from their perspective. Mr. Smith stated that negotiations went back and forth between the owners and the Planning Committee. He noted that the price of \$16,750,000.00 was developed

as an understanding between the Planning Committee and the sellers. He mentioned that it was clear in order to get this transaction completed they had to have the funding availability to do it and it was determined that the Recreation District was the right mechanism for pursuing that. He noted that there were other mechanisms and those provided obstacles and liability to homeowners in terms of being financially liable so the RD seemed to be the best option. He stated that there was a critical transfer that took place which was that the Planning Committee took it to a certain point and agreed to some numbers and the best information that was available at that time but since that time the RD was formed, the Board was elected, and were looking at the deal from the beginning. Mr. Smith did not feel the Board had the responsibility or commitment to follow through on every detail of the original arrangement between the owners/sellers and the Planning Committee. He took it as his responsibility to gather information and understand the deal to the best of his ability.

In his opinion, it is a land deal and a Country Club deal and it could be structured with someone else and be totally a land deal but the RD is buying County Club with another 100 acres of property with some additional assets including the ponds and other assets. He stated that the number that was applied towards the County Club was \$12,500,000.00 and the number that was applied towards the 100 acres and the ponds was \$4,250,000.00 which totals \$16,750,000.00. He stated that many things have changed since the initial discussions took place. He stated that he thinks the RD is the right thing to do and the Community should come to an agreement with the sellers that everyone feels is fair and equitable. He stated that the owners of the property have options and have chosen to try to sell the Club to the residents of the community and if the community does not buy it, they will pursue other options. He stated that it could be rezoned and it would take some time that would be costly, litigious, would have public relations issues for the sellers, and at the end of the day he has little doubt that the property would be developed. The homeowners do not have a lot of options, they can either buy it or the options will start to dissipate.

He started discussing the short-term financing. He questioned why the community would want to spend \$300,000.00 in fees associated with short term financing to allow for this deal to get closed more quickly when in fact if the \$16,750,000.00 go to the sellers early they have some value and there is a lot of interest in accrued value to that transaction if it is closed earlier rather than later. He stated that the longer it takes to close the deal the more problematic it can become. He stated that the risk is minimal. He spoke about the leverage on both sides of the deal. He spoke about the issue with the inventory of the Club. In the deal the RD would pay the \$175,000.00 for the inventory. Mr. Smith discussed the professional fees stating that the Planning Committee did not have the recourse and the HOA could not use the resources on the HOA side and the

seller said that they would advance the funds and pay the bills and if the deal closes the RD would pay them back. He stated that there was confusion whether Neal was going to pay but the money was paid out of the Country Club and the advanced \$250,000.00 that was advanced to the Planning Committee to pay the professional fees was agreed would be reimbursed if this deal got closed. He thought that some of the monies would have gone into Capital and maintenance improvements. He stated that there are some maintenance issues that need to be addressed. The Board is capped at the amount it will borrow. He mentioned that the Working Capital is included in the deal but suggested that the average of what the monthly profit would be and when the transaction takes place the funds would be allocated back to the sellers based upon the number of months that they own the Club in 2019.

He stated that the District needs to come to closure and have an agreement. The contract that the board has been working with is a seller's agreement. He stated that the Board has a responsibility to craft an agreement they feel needs to be adjusted, submit it back to the sellers and give them the opportunity to accept it or not. If it is accepted the referendum should be set, set a workshop, and move forward. He suggested looking at the cost less than the \$16,750,000.00 in consideration of the getting the money quicker, the inventory, and the working capital. He stated that the Board's responsibility is to bring back the best deal possible recognizing the sale price and working capital allocation is to get to the best possible position.

Mr. Smith noted that the unstated risk is that the longer the Board takes to come to closure on this patience start to wear. The District has a willing seller if they can get a deal they can live with and this is a business transaction. He stated if the District is not going to buy it, they will look for other interested buyers.

Ms. Bertsch stated that most of the Board Members have had the opportunity to speak to John Neal and Charles Varah and others in the community to ask questions. She stated that it is advantageous to move the transaction forward.

Mr. Wood stated that the actual purchase price will be determined by what the parties come to an agreement on regarding the working capital. He agrees with Mr. Ludmerer and Mr. Smith's positions. He stated that both parties have to decide what their walk away position is.

On MOTION by Ms. Bertsch, seconded by Mr. Wood, the Board discussed the motion to authorize Mr. Smith to do the negotiations with the seller for the purchase agreement with the following parameters; a price not to exceed \$16,750,000.00, the Working Capital Fund of the monthly average for the last three years, and the provisions discussed by Mr. Smith and Mr. Ludmerer.

She asked Mr. Smith for his comments.

Mr. Smith asked if the District would be better served in today's meeting to craft the agreement that clearly states exactly what the Board would expect. Then the seller can accept or revise the agreement.

Mr. Ludmerer stated the parties need an active interaction with the parties to reach an agreement before the Board leaves the room.

Mr. Barnebey expressed that the quickest way to accomplish this is along the lines of a motion. He noted that the Board must make sure that the District can get the short-term financing or some sort of financing and the February 19, 2019 date of the contract is not feasible as of the information he currently has. He stated that the Board can authorize one Board member to negotiate the contract and the Board will apply to the law as required. He agreed that the quicker the transaction is done the better but the sellers must understand that as a governmental agency there are certain things that the District has to do in certain timeframes.

Mr. Smith asked if District staff has gotten clarification on the Bank and or Bond requirements for the short-term financing if it needs to be certified in advanced. Mr. Barnebey stated that are still requiring Bond validation prior to doing short term financing and if that remains the case then it will put it off at least three months before the transaction can close.

Dr Fishkind explained that the Bank signed a term sheet to loan the money to this Board without validation for short-term bonds. He spoke to the Bank about the deal the Board has and that the Board expects the Bank to close. He has every reason to believe that they will close on the short-term financing. He noted that there is risk to the Board for the short-term financing and he thinks the benefits outweigh the risks.

Mr. Smith asked about the risks. Dr. Fishkind explained the risks to the Board. He stated that the statutory limit is 5 years. The District ordinance is two years on short-term financing. If the District were to get out 18 months and did not have validation, the District could amend the District ordinance to give the District up to five years which would be consistent with the statute. He thinks that even in the worst Bond markets and financial collapse, it did not last five years. He stated that if the Board wanted to have less risk it could push off the date of the closing

until the time it could issue Bonds. He stated the only reason why he pursued the short-term financing was the operating line and to give the Board the option. Dr. Fishkind stated that if the Board wants to take a conservative route perhaps the seller would extend the deadline and the Board could approve the contract pending validation and the issuance of the Bonds.

Mr. Ludmerer stated that if the transaction can close in February or March the District would be better served to take the working capital at the time of the closing rather than an average working capital for the year.

Mr. Barnebey noted for the record that he received a note from Ms. Kopnisky earlier today and she stated that she thought that the Board members needed time to digest and understand the issues and how to respond to them. She suggested that this might be appropriate for a separate workshop. Mr. Barnebey stated that there is an opportunity before taking final action on this because it will have to come back to the Board. He commented about the risk.

Mr. Ludmerer asked Mr. Barnebey to comment if Mr. Smith's conversation with him and the seller become subject to Sunshine law. Mr. Barnebey stated that the conversations Mr. Smith has with him do not fall under Sunshine law however conversations between Mr. Smith and the seller would have to be done in public.

Mr. Smith asked what that would look like. Mr. Barnebey stated it would be an intimate gathering of District Staff and the public. Mr. Wood stated that the sellers made it clear that they would not participate in a public forum. Mr. Barnebey stated that the problem becomes when the Board has an official person to be the designee to go back and forth there is some law that suggests that it must be done in the Sunshine and it becomes a sunshine meeting.

Mr. Wood suggested not voting on Ms. Bertsch's proposed motion and to proceed with a process to have the negotiations move forward with the representatives. Mr. Barnebey stated that if District staff received direction from the Board they could proceed with that option.

Mr. Ludmerer suggested that the Board designate Dr. Fishkind to negotiate and to have Mr. Smith in the room or a similar building and to recuse themselves and consult at an appropriate time and continue with negotiation with the seller. Mr. Wood stated that the clearer input from counsel is that the Board withdraw Ms. Bertsch's motion and indicate through discussions with Mr. Smith and Dr. Fishkind to get the right document together to submit to the sellers. Mr. Barnebey stated that District staff will need direction from the Board.

Mr. Ludmerer asked if any Board Member had any other issues that they would like to address. Ms. Bertsch stated her concern is that the Board can put things in writing and she hoped the Board could have a dialog between buyers and sellers to sit down and present the points the Board wishes to present. She is concerned that the agreements will be sent back and forth and the only way to expedite any common ground is face to face. As soon as a Member of the Board takes official action it becomes subject to the Sunshine Law. Ms. Bertsch withdrew her motion.

Dr. Fishkind stated that he will take direction from the Board to Mr. Barnebey's lead with some support from District Management and to be able to consult with Mr. Smith to be able to bring back to this Board as soon as practical, a modified Purchase and Sale Contract. Mr. Wood stated that he would like them to bring back a contract that has been agreed to by both sides.

On MOTION by Mr. Smith, seconded by Mr. Ludmerer, with all in favor, the Board approved directing Mr. Barnebey, on behalf of the Board to bring back an agreed upon Purchase Contract with the Support from Mr. Smith and Dr. Fishkind.

Mr. Barnebey stated that it is his understanding that the Board wants him to talk to the sellers about the points raised here, the concerns expressed by this Board as to what can be done with those issues. He may talk to one of the Board' Members for some input and that is his suggestion. Mr. Barnebey stated that the RD has a referendum tentatively scheduled for February 7, 2019. If there is a 3-week timeframe to get all the documents to people the District might make that scheduled referendum but it will be tight. He stated that means that the District will need a meeting next week to forward the contract and allow the public to make comments. He stated that would mean recessing today's meeting to next Friday. If the Board recesses this meeting to next Friday it does not require a new public notice. Mr. Smith asked if the sequencing would be to attempt to have a completed contract that is agreed upon by the parties, voted on and ratified by the Board, and then the referendum date would be set, and then determine whether or not to execute a short-term funding and have the issue of validation clarified with respect to the bank. Mr. Barnebey stated that answer would need to be clarified before the contract can be signed because the closing date is affected by that. Mr. Barnebey stated that he thinks that District staff has adequate direction from the Board.

SEVENTH ORDER OF BUSINESS

**Consideration of Club
Management Agreement**

Mr. Wood explained that the Management Agreement is a document designed to outline how the Club will operate in conjunction with UPCA. The Club operates separately from CMA which is a Neal organization. The District is trying to put in place a mechanism that allows them to work together with an LLC owned by UPCA that would have responsibility for the operations.

Mr. Ludmerer stated that the LLC is conformed on the first of the year to manage the operations of the Club, employ the people who are doing so and are owned by Neal and upon closing that LLC will be transferred to a yet to be finalized ownership by the District and or UPCA and all the expenses attributable to the Club will be District related expenses and any expenses attributable to UPCA might be UPCA expenses. Employees of both organizations have been placed in this LLC and the accounting system allocates those to the HOA and the Club operations.

Mr. Whyte, who is speaking is the President of the UPCA. He stated that he has not received the turnover agreement which parallels the sale agreement for the Club. He expects the transfer of the LLC, UPCC LLC to be covered in the turnover document and that the HOA will own the entity. He does not expect for them to be any costs in owning that entity for the HOA.

Mr. Wood explained that Neal/Pasold are not part of the process, Management, or anything to do with the Club. Mr. Whyte stated that the General Manager will have two contracts, one with the RD and one with the HOA. There is a fee structure for the two companies that LLC will serve.

Mr. Barnebey commented that he has not had a chance to review it and he is in the process of doing so. He recommended that the Board not take action on this today.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2019-18, Authorizing Approval of Short-Term Financing and Authorizing Chair to Sign

Dr. Fishkind explained that there were a number of amendments to the Short-Term Financing resolution and so Bond Counsel and District Counsel thought it best to bring a brand-new resolution that would include all of the comments and have a clean record for when the District moves forward but there is no change to the substance. Mr. Ludmerer asked Dr. Fishkind to confirm that the cost of issuance would include his financial advisory fee, bank fee, and other appropriate

fees. Dr. Fishkind stated that all the costs of issuance are explicitly stated as indicated as \$300,000.00.

Mr. Smith asked if the Board changes Bond Counsel and goes with Greenberg Traurig would the fees associated with Greenberg Traurig be paid as part of the Short-Term Financing or later and how does it impact that \$300,000.00 ceiling. Dr. Fishkind stated that the proposal from Greenberg is that they would be paid \$5,000.00 at the closing of the operating line, \$45,000.00 if and when they close on the Acquisition line and future fees for Bond **Serve** would depend two years down the road on the **Bond.??** He thinks that the estimates provided are sufficiently conservative to be able to fit into Mr. Ludmerer's limit and the limit would be contained in this resolution. Mr. Smith was concerned the fees would be greater than \$300,000.00. Dr. Fishkind assured him that they would be less and much of the professional fees for the acquisition line would cover most of what would be done on the Bond side.

On MOTION by Mr. Smith, seconded by Mr. Ludmerer, with all in favor, the Board approved Resolution 2019-18, Authorizing Approval of Short-Term Financing and Authorizing Chair to Sign.

NINTH ORDER OF BUSINESS

Bond Counsel

- a) **Consideration of Resignation Letter from BMO**
- b) **Consideration of Bond Counsel Agreement**

Dr. Fishkind explained that the District had a disagreement with BMO over the requirement for validating short-term debt. Mr. Barnebey and Dr. Fishkind did not believe that the ordinance requires validation for short term debt and BMO had a different opinion. Dr. Fishkind consulted with Greenberg Traurig. Dr. Fishkind asked Mr. Gang his opinion and he reviewed it and concluded that the District does not need the validation for short term debt and therefor Dr. Fishkind asked if he would provide a retention letter to replace BMO so the District could move forward with the transaction.

On MOTION by Ms. Bertsch, seconded by Mr. Wood, with all in favor, the Board accepted the Retention Letter from Greenberg Traurig.

TENTH ORDER OF BUSINESS

**Consideration of Resolution
2019-17, Bond Referendum**

The Board discussed setting the date, time and location of the Bond Referendum. Dr. Fishkind explained Ms. Harris has prepared the advertisement and the District would incur the cost of advertising and have to advertise again if the District needed to change the date.

Mr. Barnebey stated that to meet the February 7, 2019 date the District would have to advertise by Monday. He recommended the District wait until next week to have a better idea of where the District is at for next Friday before the District advertises. He recommended that the Board make a motion to recess the meeting until a time and date certain for this Board to come back. It would cost \$350 to advertise.

Dr. Fishkind stated that this Board will continue this meeting to a time and place certain and Ms. Evans informed him the Varsity Room is available at 10:00 a.m. at that meeting the Board would vote to allow the referendum to go forward or not and not do the advertisement wait and table the referendum and resolution to take it up next week or at a future time. Mr. Barnebey noted that Ms. Harris had until 3:00 p.m. today to pull the add so it will run. He stated that the Board should approve the date.

On MOTION by Ms. Bertsch, seconded by Mr. Ludmerer, with all in favor, the Board approved 2019-17, Bond Referendum.

ELEVENTH ORDER OF BUSINESS

Other Business

Staff Reports

- 1. District Counsel- No Report**
- 2. District Manager- No Report**

TWELFTH ORDER OF BUSINESS

**Audience Comments,
Supervisor Requests**

There were no other comments from the Board.

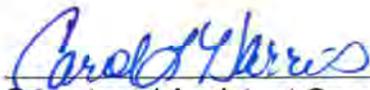
Dr. Fishkind thanked the board and community, noted that this is hard work but, said that they are getting there.

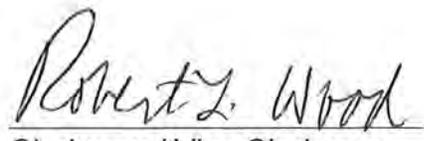
THIRTEENTH ORDER OF BUSINESS

Adjournment

There were no other questions or comments. Dr. Fishkind stated that the Board needs to continue the meeting no earlier than next Friday. A discussion took place.

ON MOTION by Mr. Ludmerer, seconded by Ms. Bertsch, with all in favor, the Friday, January 4, 2019 Board of Supervisors' Meeting for University Park was recessed and continued until January 11, 2019 at 8:00 a.m. in the Varsity Club at the University Park County Club.


Secretary / Assistant Secretary


Chairman / Vice Chairman