

**MINUTES OF MEETING
BOYNTON VILLAGE
COMMUNITY DEVELOPMENT DISTRICT**

A Special Meeting of the Boynton Village Community Development District's Board of Supervisors was held on **Wednesday, August 31, 2016 at 10:00 a.m.**, at **2300 Glades Road, Suite 202E, Boca Raton, Florida 33431**. The agenda is as follows:

Present and constituting a quorum were:

Adam Freedman	Chair
Jim Giolda	Vice Chair
Gary Einfalt	Assistant Secretary
Mike Oliveri	Assistant Secretary
Michael Smith (<i>via telephone</i>)	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Cindy Cerbone	Wrathell, Hunt and Associates, LLC
Dennis Lyles	District Counsel
John Markey (<i>via telephone</i>)	Developer
Ed Bulleit (<i>via telephone</i>)	MBS Capital Markets
Sete Zare (<i>via telephone</i>)	MBS Capital Markets
Bill Horowitz (<i>via telephone</i>)	Morguard

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 10:09 a.m., and noted, for the record, that Supervisors Freedman, Giolda, Oliveri and Einfalt were present, in person. Supervisor Smith was attending via telephone.

SECOND ORDER OF BUSINESS

Continued Discussion: Bond Refinancing

A. Sources and Uses of Funds

Mr. Ed Bulleit, of MBS Capital Markets (MBS), recalled that, at the prior meeting, the Board hired his firm. Ms. Sete Zare, of MBS, discussed closing the bonds by October 13, 2016. The Term Sheet and Delegated Award Resolution would be presented at the September 27 meeting. The bonds would be priced on October 3, 2016, pre-close on October 11 and close October 13. Mr. Bulleit stated that MBS would do all of the work, on a contingency basis.

Ms. Sete stated that the bonds were structured so that, in the first year, 2017, the maintenance increase could be offset and, in 2018, through term, residents would have level debt service savings. Page 1 reflected the commercial and condominium areas. After the post refunding, the next tax bill would show a 48% Annual Debt Service, which would equate to 11% relief or an 18.5% annual debt service reduction. On Page 2, single-family homes currently pay assessments of about \$1,608 but, after the refunding, they would pay \$1,404, reflecting a \$205 savings or a 12.72% annual debt service reduction.

Mr. Wrathell surmised that the District had sufficient cash-on-hand to cover all Costs of Issuance. The par amount of bonds would not increase so notice would not be required and, if an individual property owner wanted to pay off their bond debt, there would be no negative implications and it would not increase the property owner's principal. Ms. Zare concurred; landowners would realize relief in all aspects.

Mr. Wrathell stated two Capital Projects were budgeted in the General Fund. Audace Road was approximately \$150,000, in addition to stormwater modifications. 197 letters were sent to all of the affected property owners, describing how the General Fund Assessment would increase but it was originally proposed that the Debt Service Fund would decrease and cash on-hand, of \$200,000, would be used to reduce the Debt Service Fund Assessment for this one year. For commercial properties, the overall assessment would not increase; in fact, there may be a slight reduction. If the bond refinancing were completed successfully, instead of applying the cash, as previously discussed, to lower the debt assessment, it would be dealt with as part of the refinancing. All cash on-hand would be applied to the refinancing and the first year of Debt Service would be lower, as a result of the refinancing, and match what was in the 197 letters. In the second year and onward, it would settle in to the average Debt Service, which would reflect the overall savings. The refinancing helps lower the debt assessment and eliminate the need to apply the cash. When the Fiscal Year 2017 budget is adopted, Mr. Wrathell would seek authority to amend the budget to reflect the closing and refinancing of the bonds. With the amount of savings and not increasing the par amount of bonds outstanding, this would be a good opportunity; however, there is always interest rate exposure, as the interest rate cannot be guaranteed.

Mr. Bulleit stated that the figures reflected the current market, with a slight cushion. In the event the rates increase or decrease, it would reflect the rates on the date the amounts were

presented to the Board, which is the Municipal Market Data (MMD) and indicates the reason for the change. The current figures were conservative and, if the bonds sold today, these numbers should be accurate. Previously, Mr. Kessler mentioned an interest in paying down some of the residential assessment but was uncertain if, with the refinancing, it was the amount targeted and whether there was interest in a lesser principal amount. Mr. Markey stated that no decision was made and asked if FMS or MBS intended to invest in the refinance bonds. Mr. Bulleit stated the one component is going to be a bank placement and the second component is that FMS or MBS only invests in the bonds if they cannot be sold at the yields in the desired market. A transaction is 80% sold to the institution and, if necessary, to handle their firm commitment, FMS or MBS would buy the bonds. Over the last 2 years, 90% of the deals underwritten had a strong demand. Regarding assessments, Mr. Bulleit stated that every property owner has the right to prepay any amount or partial amount of the principal assessments, at any time.

Mr. Wrathell stated that individual property owners always have the right to pay off their debt assessments. The call dates are May 1 and November 1 and prepayments must be received 45 days in advance of the call date. Property owners could pay off their debt service, prior to the refinancing; however, because the par amount of bonds outstanding would not be increased, there would be no real incentive to pay it off before the refinancing was completed.

B. Annual Debt Service Savings

Mr. Freedman was satisfied with the savings opportunity and it was important to not increase the par amount.

THIRD ORDER OF BUSINESS

Other Business

Mr. Wrathell stated that Mr. Horowitz had questions about the budget. There are two Capital Projects in the General fund, which were discussed at several meetings, including the \$150,000 Audace Avenue and the \$50,000 project for the stormwater pond modifications. Mr. Horowitz wanted to know the benefit to the District and if it would benefit all of the property owners. Mr. Wrathell stated that it would make sense to do a Supplement to the Engineer's Report, describing those two projects and, if the District Engineer believed that those were a benefit to the entire project, it would be in the Supplemental Engineer's Report. Mr. Markey stated that, when validating bond and assessments, on a new project, expert testimony from the District Engineer is required, confirming that the project being financed by the bond funds

provides a direct and special benefit to the properties within the District. The benefit is not necessarily equal debt on each property but that they do benefit from the improvement. This representation evidenced when the project was originally put together but it would be appropriate to supplement that original report and those original expert opinions with an update and supplement for the 2016 bonds.

Mr. Wrathell stated there was an original completion agreement but the project was never certified as complete because a lot of the infrastructure that was supposed to be built, in the residential portion, never happened because the economy collapsed, the real estate market crashed and the residential developer was no longer here. The bond funds were depleted, going into the front end of the development of the first phases, which happened to be more of a commercial, and there were no bond proceeds left to fund the residential so the developer was required to complete the improvements, via a Completion Agreement but did not. The developer of the residential area asked the District to include the costs for what would eventually be a CDD-owned road in the budget and partially reimburse the developer for their expenses for infrastructure that benefitted the District.

Mr. Horowitz speculated that the commercial property owners would argue the benefit to the retail. It was contemplated in the re-plat, which was specifically included, as being part of BR Cortina; therefore, it seemed odd that it was now being acquired by or turned over to the CDD. Mr. Wrathell stated the City would coordinate with Mr. Schnars so the Supplement to the Engineer's Report would be ready by the Public Hearing on September 13 and would be considered before the Public Hearing.

FOURTH ORDER OF BUSINESS

NEXT MEETING DATE: September 13, 2016 at 10:15 A.M.

The next meeting will be held on September 13, 2016 at 10:15 a.m., at this location.

FIFTH ORDER OF BUSINESS

Supervisor's Requests

There being no Supervisors' requests, the next item followed.

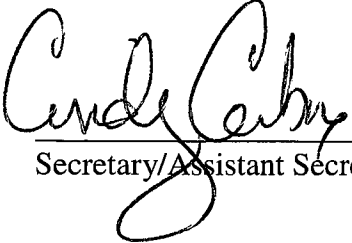
SIXTH ORDER OF BUSINESS

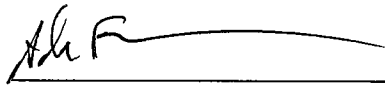
Adjournment

There being nothing further to discuss, the meeting recessed.

**On MOTION by Mr. Einfalt and seconded by Mr. Oliveri,
with all in favor, the meeting recessed at approximately 10:32
a.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair