
MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**MAGNOLIA CREEK
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Magnolia Creek Community Development District was held on **Thursday, November 13, 2014 at 2:40 p.m. (CDT)** at the Walton County Coastal Branch Library, located at 437 Greenway Trail, Santa Rosa Beach, Florida 32459.

Present and constituting a quorum:

Chip Jones	Board Supervisor, Vice Chairman
David Jae	Board Supervisor, Assistant Secretary
William McConnell	Board Supervisor, Assistant Secretary
Jesse Wallace	Board Supervisor, Assistant Secretary <i>(joined the meeting in progress)</i>

Also present were:

Debra Anderson	District Manager, Rizzetta & Company, Inc.
Tucker Mackie	District Counsel, Hopping Green & Sams, P.A.
Rick Moore	District Engineer, Moore Bass Consulting <i>(via speakerphone)</i>
Tom Hidell	

FIRST ORDER OF BUSINESS

Call to Order

Ms. Anderson called the meeting to order and administered the oath of office to Mr. Jones and Mr. Jae. Mr. Jones and Mr. Jae both swore and affirmed to the office as read into the record. Ms. Mackie briefly reviewed the form 1 and Sunshine Law requirements, noting that both of the new supervisors currently serve on other boards and are familiar with the requirements. She emphasized the need to restrict communication relative to the District via Facebook, texts, emails, etc. and how they relate to records compliance guidelines.

Ms. Anderson read roll call confirming a quorum for the meeting.

SECOND ORDER OF BUSINESS

Audience Comments

There were no members of the general audience in attendance.

THIRD ORDER OF BUSINESS

**Consideration of Resolution 2015-01,
Canvassing and Certifying Election
Results**

Ms. Anderson reviewed the results of the Landowner's Election held just prior to the regular Board meeting and stated that Resolution 2015-01 formally certifies that Chip Jones and David Jae each received 480 votes and four-year terms and Adam Lerner received 379 votes and a two-year term. Mr. Lerner will be filling Seat 1, Mr. Jones Seat 4, and Mr. Jae seat 5.

On a Motion by Mr. Jae, seconded by Mr. Jones, with all in favor, the Board of Supervisors adopted Resolution 2015-01, certifying the 2014 Landowner's Election results of Chip Jones and David Jae each receiving 480 votes and four-year terms and Adam Lerner receiving 379 votes and a two-year term for the Magnolia Creek Community Development District.

Ms. Anderson sought and received authorization to skip Resolution 2015-02 relating to District officers at this time.

FOURTH ORDER OF BUSINESS

**Consideration of Minutes of the Board
of Supervisors' Meeting Held on
September 11, 2014**

On a Motion by Mr. McConnell, seconded by Mr. Jones, with all in favor, the Board of Supervisors approved the Minutes of the Board of Supervisors' meeting held on September 11, 2014, for the Magnolia Creek Community Development District.

FIFTH ORDER OF BUSINESS

**Consideration of Operation and
Maintenance Expenditures for August
and September 2014**

A brief discussion ensued regarding foreclosure costs and whether the Board should expect additional costs to be received. Ms. Mackie indicated that she did not believe there would be any additional expenses related to the two prior foreclosure cases.

On a Motion by Mr. McConnell, seconded by Mr. Jae, with all in favor, the Board of Supervisors ratified the Operation and Maintenance Expenditures for August (\$10,213.08) and September (\$18,079.51) for the Magnolia Creek Community Development District.

SIXTH ORDER OF BUSINESS

**Ratification of Management and
Brokerage Agreement**

Ms. Mackie reviewed the terms of the agreement, noting that it outlines the terms between Magnolia Creek Holdings, LLC, Lerner Real Estate Advisors, and LREA Realty to manage and market the property owned by Magnolia Creek Holdings, LLC. She confirmed that the management fee is being paid by the Trustee and recommended that Mr. Jones and Mr. Jae declare a conflict of interest in voting on this matter as employees of Lerner Real Estate Advisors. Both did so, but advised that neither has ownership interest in the entity.

On a Motion by Mr. McConnell, seconded by Mr. Jae, with all in favor, the Board of Supervisors ratified the Management and Brokerage Agreement for the Magnolia Creek Community Development District.

SEVENTH ORDER OF BUSINESS

Ratification of Insurance Proposal Selection

Ms. Anderson stated that the District received proposals from Stahl and Associates and Egis Insurance and Risk Advisors for Public Officials and Liability Insurance. She stated that given the timing of the renewal of the policies she met with Mr. Hidell to review the proposals and ultimately determined that Egis Insurance and Risk Advisors provided the best value for insurance coverage at a cost of \$4,500.

On a Motion by Mr. Jae, seconded by Mr. McConnell, with all in favor, the Board of Supervisors ratified the selection of Egis Insurance and Risk Advisors to provide the insurance needs of the District for the current fiscal year for the Magnolia Creek Community Development District.

EIGHTH ORDER OF BUSINESS

Acceptance of Series 2007 A & B Arbitrage Report for the Period Ending June 30, 2014

Ms. Anderson stated that the report was completed to meet IRS and Trust Indenture requirements and states that there was no arbitrage liability.

On a Motion by Mr. Jones, seconded by Mr. Jae, with all in favor, the Board of Supervisors accepted the Series 2007 A & B Arbitrage Report for Period Ending June 30, 2014 for the Magnolia Creek Community Development District.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2015-03, Amending Fiscal Year 2013-2014 Operating Budget

Ms. Anderson discussed the proposed amended budget, explaining that District Counsel fees were higher than anticipated last year due to the foreclosure proceedings, as well as ongoing roadway repairs that were needed. A brief discussion ensued regarding the manner in which excess revenues were depicted and the fact that no additional assessments were needed to offset the increase in expenses as funds were collected from other sources. District Staff indicated that it would have the requested revisions to the portrayal of excess revenues made as per District Counsel's request.

On a Motion by Mr. Jones, seconded by Mr. McConnell, with all in favor, the Board of Supervisors adopted Resolution 2015-03, amending the Fiscal Year 2013-2014 Operating Budget to \$326.143 as discussed, for the Magnolia Creek Community Development District, subject to further review by District Counsel.

TENTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel
Ms. Mackie stated that she had nothing further to report.
- B. District Engineer
Mr. Moore reported on the pothole inspection that he completed on September 12th, noting that he was impressed with the fact that the damage was limited and the area appears to be stable and does not represent a hazard. He recommended that the repairs wait until there are additional repairs needed as the mobilization costs will exceed the required repairs. Mr. Moore discussed the underlying causes for many of the roadway issues that have occurred in the District.

There was a general discussion regarding the widening of U.S. Highway 331 and whether construction easements would be required. The general consensus was that they would not be needed.

- C. District Manager
Ms. Anderson reminded the Board that the next regular meeting will be on December 11, 2014 and inquired as to whether the new Board might like to make any adjustments to the regular schedule. None were made at this time.

Ms. Anderson stated that the balance in the general fund was \$129,439 and a brief discussion ensued regarding the timing for payment of the Special Purpose Entity's (SPE) assessments.

A general discussion was held regarding the best way for communication between the SPE and the former landowner to occur as both parties sit on the Board. It was stated that questions could be funneled through Staff, so the other party could be prepared to speak on the matter at the next meeting and/or communication would need to be between non-board member representatives from both parties.

(Mr. Wallace joined the meeting at 3:07 p.m.)

ELEVENTH ORDER OF BUSINESS

Supervisor Requests

Mr. Wallace presented his resignation from Seat 2 of the Board with a term that expires in 2016. The following Board actions were taken:

On a Motion by Mr. Jones, seconded by Mr. McConnell, with all in favor, the Board accepted the resignation of Jesse Wallace as Board Supervisor for the Magnolia Creek Community Development District.

On a Motion by Mr. Jones, seconded by Mr. Jae, with all in favor, the Board appointed Tom Hidell to fill seat 2 on the Board for the Magnolia Creek Community Development District.

Ms. Anderson administered the oath of office to Mr. Hidell, who swore and affirmed to the oath as read into the record. It was noted that Mr. Hidell was well aware of the form 1, sunshine law and other requirements of serving on the board.

Ms. Anderson asked that the Board consider Resolution 2015-02 at this time and re-designate officers based on the current changes in the makeup of the Board. Mr. Hidell agreed to remain as Chair and Mr. Jones agreed to serve as Vice Chair. It was noted that the remaining Supervisors along with Ms. Anderson would serve as Assistant Secretaries.

On a Motion by Mr. Jones, seconded by Mr. Jae, with all in favor, the Board of Supervisors, adopted Resolution 2015-02, designating Tom Hidell as Chairman, Chip Jones as Vice Chairman, and David Jae, William McConnell, Adam Lerner, and Debra Anderson as Assistant Secretaries for the Magnolia Creek Community Development District.

TWELFTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. McConnell, seconded by Mr. Wallace, with all in favor, the Board adjourned the meeting at 3:12 p.m. (CDT), for the Magnolia Creek Community Development District.



Secretary / Assistant Secretary



Chairman / Vice Chairman