VENETIAN COMMUNITY DEVELOPMENT DISTRICT
CONTINUED REGULAR BOARD MEETING
APRIL 4, 2012

A. CALL TO ORDER

District Manager Michael Rosen called the reconvened March 19, 2012, Regular Board Meeting of the Venetian Community Development District to order at 9:40 a.m. in the Sales Information Center located at 102 Pesaro Drive, North Venice, Florida 34275.

B. PROOF OF PUBLICATION

Mr. Rosen presented proof of publication that notice of the Regular Board Meeting was published in the Sarasota Herald Tribune on October 11, 2011, as legally required.

C. ESTABLISH QUORUM

Mr. Rosen determined that the attendance of Chairman Tom Jones, Vice Chairman Jerry Jasper and Supervisors Charles “Mike” Craychee, Marshall Turner and Barry Snyder constituted a quorum and it was in order to proceed with the meeting.

Also in attendance were: District Managers Jason Pierman (via conference call) and Michael Rosen of Special District Services, Inc.; General Counsel Andy Cohen of Hankin, Persson, Davis, McClenathan & Darnell; and District Engineer Rick Schappacher of Schappacher Engineering & Surveying

Also present were: Casey Grigsby of Castle Management; and Jon Kessler of FMS Bonds.

D. ADDITIONS OR DELETIONS TO THE AGENDA

There were no additions or deletions to the agenda.

E. COMMENTS FROM THE PUBLIC FOR ITEMS NOT ON THE AGENDA

There were no comments from the public for items not on the agenda.

F. BOND REFINANCING

A continuation of the discussion from the last meeting regarding the Bond Refunding and New Bond issue took place. Jon Kessler of FMS Bonds Inc. introduced himself as Bill Reagan and Tom Greene of Raymond James’ collaboration partner on the bond refinancing and new issue. He discussed Raymond James’ desire to withdraw from the underwriting of the bonds that are under discussion for the infrastructure refinancing and the new bonds for the clubhouse purchase. He stated that Raymond James was using his firm to sell the bonds due to the bonds being unrated, which his firm has an expertise in doing. Mr. Kessler handed out information regarding FMS’s experience and its principal employees. Chairman Jones asked Mr. Kessler to describe a similar refunding and new bond blending issue that the Lennar Corp. has just completed using FMS. Mr. Kessler proceeded to do so.
Supervisor Snyder asked what the new underwriter fee would be now that Raymond James is not participating; Mr. Kessler stated it is 2%. Mr. Kessler stated that Bill Reagan should still get a percentage of the underwriter fee and that his firm, FMS, would send to the District a “delegation resolution” for review and approval. Andy Cohen stated that Mr. Reagan would submit a letter to the District outlining the new underwriter fee structure.

Mr. Kessler reviewed a potential schedule of events regarding the Bond sales as follows:

- April 5th: Bond Validation Hearing
- May 5th: 30 day Appeal Period Ends
- May 17th: Pre-Closing
- May 22nd: Bond Funding
- May 31st: Sales Contract Closing with WCI

There was a general discussion of how the bonds are to be sold in a blended manner using 3 phases; basically refinancing the infrastructure would be 10 and 20 year Bonds and the new issue would be a 30 year bond. There is still a “call premium,” but there is also still a savings in the refinancing. If the refinancing rates and percentages don’t meet the District’s criteria, the new issue Bonds can still move forward.

Per Andy Cohen, the District will need a resignation letter from Bill Reagan and Raymond James and an engagement letter from FMS, as well as direction from the Board to proceed with FMS Inc. with the refinancing and new Bond issue along with 5 months of Capitalized Interest. A motion to do so was made by Jerry Jasper, seconded by Mike Craychee and passed unanimously.

There was another motion to continue the present engagement commitment with Bill Reagan, as long as there was no financial impact to the District. A motion was made by Mike Craychee, seconded by Marshall Turner and passed unanimously.

A motion was made by Jerry Jasper, seconded by Marshall Turner to take the Capitalized Interest out of the Bond proceeds. Upon being put to a vote, the motion passed unanimously.

A discussion ensued regarding the desire of residents to purchase the Bonds. It was related by Jon Kessler that anyone desiring to buy bonds needs to qualify first with FMS; information regarding this should appear on the CDD website; FMS cannot advertise, but can give the District information for the website.

G.audit Review

Supervisor Barry Snyder reviewed the review letter from Grau & Associates in detail. The offer letter from Grau & Associates is for $4,000 for 3 years of review. Mr. Snyder wanted to be clear that this review isn’t an audit, it is merely a review of the facts and documents submitted by WCI, looking for
anything that "stands out or looks out of place". Mr. Snyder also pointed out that the review letter must be changed to reflect who is supplying the information, i.e., WCI and not the District. It doesn't appear that Grau & Associates will be complete by April 18th. It is the consensus of the Board that the review must take place and a motion was made by Jerry Jasper to continue with the Grau review for $4,000, seconded by Barry Snyder and passed unanimously. Another motion was made by Mr. Turner to authorize Barry Snyder to sign the Grau & Associates engagement letter, seconded by Jerry Jasper and passed unanimously.

G. MANAGEMENT AGREEMENT

Discussion regarding the management agreements terminology took place with reference to some WCI terms such as "first class manner", "as good as last year" and the General Manager's Performance criteria is still a question. Andy Cohen is to research industry standards regarding management performance. A comment from the audience was that the club has never had a designated manager and that needs to be addressed with WCI.

H. INSURANCE

More input is needed from the insurance carrier regarding the GAP or Business Interruption coverage.

G. RECESS

A motion was made by Mr. Jones, seconded by Mr. Craychee and unanimously passed recess the Regular Board Meeting at 11:45 a.m. and to reconvene on April 10, 2012, at 1:30 p.m. in the Venetian River Club located at 502 Veneto Boulevard, North Venice, Florida 34275.

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Secretary/Assistant Secretary                Chair/Vice-Chair