

**MINUTES OF MEETING
HAMAL
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Hamal Community Development District's Board of Supervisors was held on **Wednesday, December 21, 2016 at 8:30 a.m.**, at the **Briar Bay Clubhouse, 3400 Celebration Blvd., West Palm Beach, Florida 33411.**

Present and constituting a quorum were:

Brian Dowling	Chair
Steven Pincus	Vice Chair
Ione Senior	Assistant Secretary
Joseph Petrick	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Craig Wrathell	Wrathell, Hunt and Associates, LLC
Roy Van Wyk <i>(via telephone)</i>	District Counsel
Leo Giangrande	District Engineer
Steve Sanford <i>(via telephone)</i>	Greenberg Traurig, P.A.
Sete Zare <i>(via telephone)</i>	MBS Capital Markets
Benjamin Cunningham	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called the meeting to order at 8:33 a.m.

- **Administration of Oath of Office to Newly Elected Supervisors, Joseph Petrick [Seat 3] and Ione Senior [Seat 4] and Newly Appointed Supervisors [Seats 2 & 5] *(the following to be provided in separate package)***

******This item, previously part of the Fifth Order of Business, was presented out of order.******

Mr. McGaffney, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Petrick and Ms. Senior. As incumbents, the Supervisors were familiar with the following items:

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. Financial Disclosure Forms**

- **Form 1: Statement of Financial Interests**
- **Form 1X: Amendment to Form 1, Statement of Financial Interests**
- **Form 1F: Final Statement of Financial Interests**

D. Form 8B, Memorandum of Voting Conflict

- **Roll Call**

*****This item, previously the First Order of Business, was presented out of order.*****

Mr. McGaffney noted, for the record, that Supervisors Dowling, Senior and Petrick were present, in person. Supervisor Pincus was not present at roll call. One seat remained vacant.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

**Consideration of Resolution 2017-1,
Declaring a Vacancy in Seat 5 (currently
held by Supervisor Steven M. Pincus)**

Mr. McGaffney presented Resolution 2017-1 for the Board's consideration.

<p>On MOTION by Mr. Dowling and seconded by Mr. Petrick, with all in favor, Resolution 2017-1, Declaring a Vacancy in Seat 5, was adopted.</p>

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2017-2,
Appointing a Qualified Elector to Fill the
Vacancy in Seat 2, Pursuant to Section
190.006(4) Florida Statutes; *Term Expires
November, 2018* and Appointing a
Qualified Elector to Fill the Vacancy in
Seat 5, Pursuant to Section 190.006(3)(b)
Florida Statutes; *Term Expires November,
2020***

This item was deferred to later in the meeting.

FIFTH ORDER OF BUSINESS

Administration of Oath of Office to Newly Elected Supervisors, Joseph Petrick [Seat 3] and Ione Senior [Seat 4] and Newly Appointed Supervisors [Seats 2 & 5] (*the following to be provided in separate package*)

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. Financial Disclosure Forms**
 - **Form 1: Statement of Financial Interests**
 - **Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - **Form 1F: Final Statement of Financial Interests**
- D. Form 8B, Memorandum of Voting Conflict**

This item was presented following the First and Seventh Orders of Business.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2017-3, Electing the Officers of the District

This item was discussed following the Seventh Order of Business.

SEVENTH ORDER OF BUSINESS

Approval of October 26, 2016 Regular Meeting Minutes

Mr. McGaffney presented the October 26, 2016 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Ms. Senior and seconded by Mr. Petrick, with all in favor, the October 26, 2016 Regular Meeting Minutes, as presented, were approved.

- **Approval of Unaudited Financial Statements as of October 31, 2016**
****This item, previously the Twelfth Order of Business, was presented out of order.****

Mr. McGaffney presented the Unaudited Financial Statements as of October 31, 2016. There was limited activity.

On MOTION by Ms. Senior and seconded by Mr. Petrick, with all in favor, the Unaudited Financial Statements as of October 31, 2016, were approved.

▪ **Staff Reports – District Manager**

****This item, previously Item 14C., was presented out of order.****

- **NEXT MEETING DATE: February 22, 2017 at 8:30 A.M.**

Mr. McGaffney stated that the next meeting will be held on February 22, 2017 at 8:30 a.m.

****Mr. Pincus joined the meeting, in person, at 8:44 a.m.****

- **Consideration of Resolution 2017-2, Appointing a Qualified Elector to Fill the Vacancy in Seat 2, Pursuant to Section 190.006(4) Florida Statutes; *Term Expires November, 2018* and Appointing a Qualified Elector to Fill the Vacancy in Seat 5, Pursuant to Section 190.006(3)(b) Florida Statutes; *Term Expires November, 2020***

****This item, previously the Fourth Order of Business, was presented out of order.****

Mr. McGaffney stated that Seat 2 was a two-year term and Seat 5 was a four-year term and asked for nominations.

Mr. Dowling nominated Mr. Steven Pincus for Seat 5.

No other nominations were made.

On MOTION by Mr. Petrick and seconded by Ms. Senior, with all in favor, the appointment of Mr. Steven Pincus to Seat 5, term expires November, 2020, was approved.

Mr. Dowling nominated Mr. Benjamin Cunningham for Seat 2.

No other nominations were made.

On MOTION by Mr. Petrick and seconded by Ms. Senior, with all in favor, the appointment of Mr. Benjamin Cunningham to Seat 2, term expires November, 2018, was approved.

- **Administration of Oath of Office to Newly Elected Supervisors, Joseph Petrick [Seat 3] and Ione Senior [Seat 4] and Newly Appointed Supervisors [Seats 2 & 5] (*the following to be provided in separate package*)**

****This item, previously the Fifth Order of Business, was presented out of order.****

Mr. McGaffney, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Pincus and Mr. Cunningham. He provided and briefly explained the following items:

- A. **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. **Membership, Obligations and Responsibilities**
- C. **Financial Disclosure Forms**
 - **Form 1: Statement of Financial Interests**
 - **Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - **Form 1F: Final Statement of Financial Interests**
- D. **Form 8B, Memorandum of Voting Conflict**

Mr. McGaffney asked if Mr. Pincus needed to complete Form 1: Statement of Financial Interests 1, since he did not qualify with the Supervisor of Elections. Mr. Van Wyk would send a letter to the Supervisor of Elections stating that Mr. Pincus was re-appointed.

Mr. McGaffney presented Resolution 2017-2 for the Board’s consideration.

On MOTION by Ms. Senior and seconded by Mr. Petrick, with all in favor, Resolution 2017-2, Appointing a Qualified Elector to Fill the Vacancy in Seat 2, Pursuant to Section 190.006(4) Florida Statutes; Term Expires November, 2018 and Appointing a Qualified Elector to Fill the Vacancy in Seat 5, Pursuant to Section 190.006(3)(b) Florida Statutes; Term Expires November, 2020, was adopted.

- **Consideration of Resolution 2017-3, Electing the Officers of the District**
****This item, previously the Sixth Order of Business, was presented out of order.****

Mr. McGaffney presented Resolution 2017-3 for the Board’s consideration. Following an election or appointment, the Board is required to reconsider its slate of officers.

Mr. Pincus nominated the following slate of officers:

Chair	Brian Dowling
Vice Chair	Steven Pincus
Secretary	Craig Wrathell
Treasurer	Craig Wrathell

Assistant Secretary	Joseph Petrick
Assistant Secretary	Ione Senior
Assistant Secretary	Benjamin Cunningham
Assistant Secretary	Howard McGaffney

No other nominations were made.

On MOTION by Ms. Senior and seconded by Mr. Petrick, with all in favor, Resolution 2017-3, Electing Officers of the District, as nominated, was adopted.

EIGHTH ORDER OF BUSINESS

Bond Refinancing Items

A. Consideration of BankUnited, N.A., Commitment Letter

****This item, previously Item 8.B., was presented out of order.****

Ms. Sate Zare, of MBS Capital Markets, presented a Commitment Letter from BankUnited, N.A., (BankUnited), which contained the following terms:

- Interest rate: 3.35%, upon execution of the Commitment Letter
- Debt Service Reserve requirement of 30%
- Call date in 2021
- A depository relationship with BankUnited for operation and maintenance (O&M) fees
- If there was a determination of taxability, the coupon would increase to 5.15% but the 30% Debt Service Reserve could bring assessments level; there were two years when Debt Service Reserve would not suffice.

Mr. Steve Sanford, of Greenberg Traurig, P.A., was not aware of any situation where the interest rate on the note became taxable. A bond becomes taxable if proceeds from the loan were used improperly or the CDD was new and controlled by the developer. The risk to the District of the bonds becoming taxable was low because the bond and tax lawyers review requisitions for accuracy and the District was resident controlled.

In response to Ms. Senior’s question, Ms. Zare stated that the current interest rate on the bonds was 4.8%. On Page 5 of the MBS report, regarding the average coupon was 3.35% and the total savings would be a 6% reduction in assessments, or \$52,803. In the event of a default, the bank could increase the coupon by 300 basis points, or 6.35%. A default was defined by

non-payment to the bank. According to the collection history and tax certificate sales, on Page 4, in 2008, when most Districts had difficulty paying their debt service, the District collected more than what was owed. There were many provisions and protections in place to protect bondholders from non-payment, such as tax certificate sales, or using the other was the Debt Service Reserve Fund. There was no possibility of default because there were no developers and each resident paid their assessment on an annual basis.

Mr. Wrathell noted two types of defaults; tapping into reserves or not making a reporting requirement, which was a technical default by not collecting enough money to make debt service payments. The property of residents who do not pay their tax bill, which is due by March 31, goes to tax certificate sale, in June, and revenues would be received in July or August. If a resident declared bankruptcy, it could result in a delay of the District receiving tax revenues. According to the collection history, collections were at 100%, or above. The default rate was not a concern under this scenario but it was an issue, because it could increase debt service. Mr. Wrathell requested clear delineation on what constituted a default and the security for the debt, such as borrowing money from the General Fund to the Debt Service Fund to cover a shortfall. Mr. Wrathell asked if the annual debt service amount would be \$20,000 more if the default rate kicked in. Ms. Zare would verify.

Mr. Pincus asked if the Debt Service Reserve funds were earning interest. Mr. Wrathell replied affirmatively but the amount was miniscule. Mr. Dowling asked whether the O&M portion of the budget could be amended to finance the Debt Service Reserve, if it was depleted. Mr. Van Wyk replied that it would be difficult because of the purpose of the assessments. Mr. Dowling stated that there could be a gradual depletion of reserves.

Discussion ensued regarding utilizing reserves in a worst-case scenario.

In response to Ms. Senior's question, Ms. Zete replied that the District received an A-rating. Mr. Wrathell stated the District could receive an A rating by making a general obligation pledge that any revenue of the District would be utilized. If Debt Service Reserve funds were utilized, the funds must be replenished, over time but, if 100% of collections were received, the District would generate interest earnings and the excess would replenish reserves, over time. Mr. Zare would confirm with the bank the level that would trigger the default rate when Debt Service Reserves were depleted. Mr. Dowling requested that the Commitment Letter include this language. Mr. Sanford stated that, even if the Debt Service Reserve was depleted, the District would have six months, or the next interest payment date, to replenish reserves before the default

rate was triggered. Mr. Wrathell recommended revising the Commitment Letter and authorizing the Chair or Vice Chair to execute the revised Commitment Letter. Mr. Sanford would revise the Authorizing Resolution and Indenture. In response to Ms. Senior’s question, Mr. Wrathell stated that the closing was scheduled for February 1 and could be held no later than February 15. Mr. Dowling tasked Mr. Pincus to work with the District Manager and Bond Counsel to review and approve the revised Commitment Letter.

Mr. Wrathell referred to Page 2 of the Commitment Letter, under “Security”. Even though General Funds would be used, the assessments were debt assessments. On Page 3, under “Debt Service Reserve Requirement”, the required levels would be specified. Mr. Wrathell stated that the required levels were the 30% maximum debt service requirement of \$232,627. Utilizing the reserve would not immediately trigger the default rate but, when the reserve was fully depleted, the default rate would trigger at the next call date. Mr. Wrathell would ensure that the verbiage was included under “Default Rate”.

Mr. Sanford recalled that the reserve requirement did not state that it was a default and there was a default rate; it stated that, if revenues fell below 30%, the District had an obligation to build up reserves, which was a standard provision. Mr. Wrathell spoke with Ms. Zare about including specific language whereby, if the reserve is utilized, it would not trigger the default rate. It would only be utilized when reserves were fully depleted. Ms. Zare would amend the Commitment Letter. Mr. Dowling requested options.

On MOTION by Mr. Pincus and seconded by Ms. Senior, with all in favor, the BankUnited, N.A., Commitment Letter for the Series 2006A bond refinancing, subject to the terms and conditions discussed, and authorization for the Chair or Vice Chair to execute, were approved.

B. Consideration of Greenberg Traurig Proposal to Serve as Bond Counsel

******This item, previously Item 8.C., was presented out of order.******

Mr. McGaffney presented the Greenberg Traurig, P.A., (Greenberg Traurig) proposal, dated December 12, 2016, to serve as Bond Counsel, for \$50,000. Mr. Wrathell felt that it was a fair price, based on Mr. Tyler’s expertise. If the bond deal did not close because of a Board decision or market conditions, Bond Counsel would provide a 20% discount. Mr. Wrathell

stated if the refunding proceeded as planned, Mr. Tyler’s fee would be paid out of the Cost of Issuance (COI).

On MOTION by Mr. Petrick and seconded by Ms. Senior, with all in favor, the Greenberg Traurig Proposal to Serve as Bond Counsel, was approved.

C. Ratification of Greenberg Traurig, P.A. Conflict Waiver Request

This item, previously Item 8.A., was presented out of order.

Mr. Wrathell stated that Greenberg Traurig requested a conflict waiver.

On MOTION by Mr. Petrick and seconded by Ms. Senior, with all in favor, the Greenberg Traurig, P.A. conflict waiver request, and authorization for the Chair or Vice Chair to execute, were ratified.

D. Consideration of Resolution 2017-4, Authorizing the Issuance of not Exceeding \$8,775,000 Hamal Community Development District, Special Assessment Refunding Bonds, Series 2017 (the “Bonds”); Determining the Need for a Negotiated Private Placement of the Bonds to BankUnited, N.A. (the “Bank”) and Providing for a Delegated Award of the Bonds; Approving the Form and Authorizing the Execution and Delivery of a Trust Indenture; Approving the Form of and Authorizing the Execution and Delivery of a Bond Placement Agreement With Respect to the Bonds, Subject to the Parameters Set Forth Herein; Approving the Form of and Authorizing the Execution and Delivery of an Escrow Deposit Agreement; Appointing an Escrow Agent; Appointing MBS Capital Markets, LLC as Placement Agent for the Bonds; Providing for the Application of Bond Proceeds and Other Available Moneys to Pay and Defeas the District’s Outstanding Special Assessment Refunding and Improvement Bonds, Series 2006A (the “Prior Bonds”); Appointing the Trustee, Paying Agent and Registrar; Authorizing the Proper Officials to Do All Things Deemed Necessary in Connection with the Issuance and Private Placement of the Bonds; Making Certain Declarations; Designating the Bonds as “Qualified Tax-Exempt Obligations” Within the Meaning of Section 265(B)(3) of the Internal Revenue Code of 1986, as Amended, and; Providing an Effective Date

Mr. McGaffney presented Resolution 2017-4 for the Board’s consideration.

Mr. Sanford stated that the Resolution authorized \$8,775,000 for the purpose of refunding the bonds and approved the form of the following documents to close on the bonds:

- 1. Trust Indenture between the District and US Bank as the Trustee included all of the terms and provisions between the bondholder and the District, in terms of the default rate.

2. Bond Placement Agreement between the District, MBS Capital Markets and BankUnited for placement of the bonds.
3. Escrow Deposit Agreement between the District and US Bank serving as Escrow Agent. At the bond closing, the old bonds are not eliminated immediately, as the bondholders are entitled to a 30 day notice of redemption.

Mr. Sanford stated that the third whereas clause, on Page 2, was changed to reflect December. The interest rate also changed.

Mr. Van Wyk confirmed that this is a standard form of Delegation Resolution to adopt the form of the documents, allow the Chair or Vice Chair to execute the documents and deem the documents final and bank qualified; however, it limited the amount of bonds issued.

On MOTION by Mr. Dowling and seconded by Mr. Pincus, with all in favor, Resolution 2017-4, Authorizing the Issuance of not Exceeding \$8,775,000 Hamal Community Development District, Special Assessment Refunding Bonds, Series 2017 (the "Bonds"); Determining the Need for a Negotiated Private Placement of the Bonds to BankUnited, N.A. (the "Bank") and Providing for a Delegated Award of the Bonds; Approving the Form and Authorizing the Execution and Delivery of a Trust Indenture; Approving the Form of and Authorizing the Execution and Delivery of a Bond Placement Agreement With Respect to the Bonds, Subject to the Parameters Set Forth Herein; Approving the Form of and Authorizing the Execution and Delivery of an Escrow Deposit Agreement; Appointing an Escrow Agent; Appointing MBS Capital Markets, LLC as Placement Agent for the Bonds; Providing for the Application of Bond Proceeds and Other Available Moneys to Pay and Defeat the District's Outstanding Special Assessment Refunding and Improvement Bonds, Series 2006A (the "Prior Bonds"); Appointing the Trustee, Paying Agent and Registrar; Authorizing the Proper Officials to Do All Things Deemed Necessary in Connection with the Issuance and Private Placement of the Bonds; Making Certain Declarations; Designating the Bonds as "Qualified Tax-Exempt Obligations" Within the Meaning of Section 265(B)(3) of the Internal Revenue Code of 1986, as Amended, and; Providing an Effective Date, in substantial form, authorizing the Chair or Vice Chair to execute, was adopted.

*****Mr. Wrathell left the meeting.*****

NINTH ORDER OF BUSINESS

Consideration of Kings Management Services, Inc., Proposal Number 5890 for Coconut Tree Trimming

Mr. McGaffney presented Kings Management Services, Inc., Proposal Number 5890 for coconut tree trimming. In between meetings, there was a request from Hamilton Bay residents to trim around the coconut trees. Mr. Dowling stated that coconut palms were not part of the annual tree trimming. The proposal for the tree trimming was \$1,245. Mr. Dowling asked if the landscaper had permission to trim the small trees. Mr. McGaffney stated that it was outside of the contractual agreement.

On MOTION by Mr. Dowling and seconded by Mr. Petrick, with all in favor, the Kings Management Services, Inc., Proposal Number 5890 for Coconut Tree Trimming, in the amount of \$1,245, was approved.

TENTH ORDER OF BUSINESS

Discussion: Alligators and Wildlife

Mr. McGaffney was notified by The Coves Property Manager of resident complaints about an alligator in the stormwater ponds. Regarding legal ramifications, Mr. Van Wyk stated that, for an operational activity, like running a surface water management system, the District assumed liabilities to operate and maintain those facilities. An alligator would fall under the following scenarios:

1. The District has a natural lake, which the District does not have operational activity over and no duty to warn someone of a danger.
2. An alligator was a naturally occurring animal.

Mr. Van Wyk recommended posting warning signs or removing the alligator, if anyone felt threatened, whether it was in a place owned by the CDD or in the surface water management system. Mr. Dowling stated that the Florida Fish and Wildlife Conservation Commission (FWC) would not remove an alligator unless it was considered a nuisance. Mr. Van Wyk would treat the signs the same way as warning signs for wetlands, without creating sign clutter. Mr. McGaffney recommended removal of the alligator and obtaining prices for signs and would coordinate with District Counsel and the District Engineer about the number of signs per lake. Mr. Petrick proposed hiring a trapper. Mr. Dowling felt that one sign per lake was sufficient.

Mr. McGaffney would tour the lakes with Mr. Dowling and the District Engineer and provide pictures, options and proposals at the February meeting.

On MOTION by Mr. Petrick and seconded by Ms. Senior, with all in favor, authorization for the Chair to take actions necessary for alligator removal, in coordination with District Counsel and the District Manager, was approved.

ELEVENTH ORDER OF BUSINESS

Discussion and Consideration of Annual Membership with FASD

At Mr. Petrick’s request, Mr. McGaffney obtained information from the Florida Association of Special Districts (FASD) website. Mr. Petrick felt that it was advantageous for the District to join FASD. Mr. Van Wyk represented several Districts that were members of FASD and he planned to join. Mr. Petrick distributed the Legislative forum agenda for mid-March, which was a FASD training course. Mr. Petrick suggested that different Board Members attend each meeting. Discussion ensued regarding whether Supervisors would attend FASD meetings.

Mr. McGaffney stated that the membership fee to join FASD was \$500 for the first year, for new members. Mr. Pincus stated that, after the first year, the renewal fee was \$750, assuming that the fee schedule did not change. Mr. Cunningham asked if the renewal was October 1, 2017. Mr. McGaffney replied affirmatively.

On MOTION by Mr. Dowling and seconded by Ms. Senior, with all in favor, joining the Florida Association of Special Districts, for a first year fee of \$500, and authorization for Staff to complete and submit the application, were approved.

TWELFTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of October 31, 2016

This item was presented following the Seventh Order of Business.

THIRTEENTH ORDER OF BUSINESS

Service Reports

- **Allstate Resource Management, Inc.**

There being no report, the next item followed.

FOURTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being no report, the next item followed.

B. District Engineer

Mr. Giangrande stated that a walk-through was being coordinated. Mr. Dowling would contract Mr. Giangrande.

C. District Manager

Mr. Pincus asked why there were no lights on the Hamilton Bay side. Mr. Dowling replied that there was an electrical problem. According to the maps, the monument appeared to be on the CDD's property but the electrical power was being billed to Hamilton Bay. Mr. Van Wyk would research this matter.

FIFTEENTH ORDER OF BUSINESS

Supervisors' Requests and Public Comments

Mr. Cunningham stated that one dead tree on Bollard Road must be replaced. Mr. Dowling stated that Liberty Bay planted eight palm trees between the sidewalk and roadway; however, the roots damaged the road. At some point, the District permitted Liberty Bay to transfer the trees onto CDD property. Technically, Liberty Bay purchased and installed the trees and, rather than wasting them, allowed Liberty Bay to transfer the trees to the District. Mr. Dowling questioned who currently provided maintenance. As Liberty Bay HOA President, Mr. Cunningham stated that they would pay for maintenance and to replace dead trees. Mr. Dowling felt that, if the District was taking over maintenance responsibilities, the District should maintain the trees. Mr. Van Wyk had no issue with the District retaining ownership of the trees. Mr. Dowling asked if an agreement between Liberty Bay and the District was necessary. Mr. McGaffney suggested a Memorandum of Understanding. Mr. Van Wyk stated that, if Liberty Tree presented the trees for donation and the Board formally accepted the trees, the trees would belong to the District.

On MOTION by Mr. Dowling and seconded by Mr. Pincus, with all in favor, accepting the donation of seven palm trees on Bollard Road, from the Liberty Bay Homeowners Association, was approved.

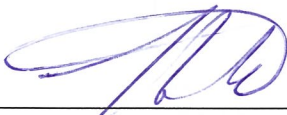
SIXTEENTH ORDER OF BUSINESS

Adjournment

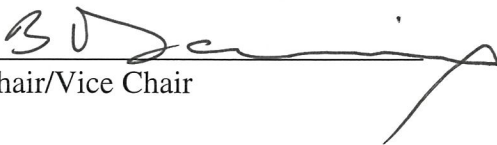
There being no further business to discuss, the meeting adjourned

On MOTION by Mr. Pincus and seconded by Ms. Senior, with all in favor, the meeting adjourned at 10:57 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair