

MINUTES OF MEETING

RIVINGTON COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rivington Community Development District was held Wednesday, February 23, 2022, at 11:30 a.m. at the City of DeBary City Hall, 16 Colomba Road, DeBary, FL 32713.

Present and constituting a quorum were:

Jeffrey Reader	Chairman
Debra Ushkowitz	Vice Chairman
Marlene DeMarco	Assistant Secretary
Kimberly Locher	Assistant Secretary

Also participating, either in person or via communications media technology, were:

Angel Montagna	Manager: Inframark, Management Division
Mark Watts	Attorney: Cobb Cole
Nika Hosseini	Attorney: Cobb Cole
Brent Lenzen	Engineer: Kimley-Horn and Associates
Dean Barberree	Developer: Reader Communities
Denise Ganz	Bond Counsel: Greenspoon Marder
Elizabeth Moore	Inframark, Management Division

FIRST ORDER OF BUSINESS

Call to Order

Ms. Montagna called the meeting to order at 11:30 a.m.

SECOND ORDER OF BUSINESS

Roll Call

Ms. Montagna called the roll and indicated a quorum was present for the meeting.

THIRD ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

FOURTH ORDER OF BUSINESS

Acceptance of the Minutes of the November 17, 2021, Regular Meeting

The minutes are included in the agenda package and available for public review in the local records office or the District Office during normal business hours.

On MOTION by Ms. Locher, seconded by Ms. DeMarco, with all in favor, unanimous approval was given to accept the minutes of the November 17, 2021, meeting, as presented.

FIFTH ORDER OF BUSINESS

Items for Ratification

A. Addendum from Cebra Landscaping for Additional Areas

On MOTION by Ms. Locher, seconded by Ms. DeMarco, with all in favor, unanimous approval was given to ratify the addendum from Cepra Landscaping for additional areas.

SIXTH ORDER OF BUSINESS

Series 2022 Bond-Related Matters

A. Bond Counsel Agreement

Mr. Watts stated we are working with the bond financing team on the Series 2022 bond issue for Phases 2, 3, and 4, and the infrastructure associated with those phases. We are preparing a number of documents and agreements. This agreement is with Greenspoon Marder for Ms. Denise Ganz to get the bond issue ready. This agreement is standard, and I recommend approval of this agreement to retain bond counsel services.

On MOTION by Mr. Reader, seconded by Ms. Locher, with all in favor, unanimous approval was given to the bond counsel agreement with Greenspoon Marder for services related to the Series 2022 bond issuance.

B. Bond Underwriter Agreement

Mr. Watts stated this is the agreement with FMSbonds for Mr. Jon Kessler and his team to provide underwriting services for the bonds. The agreement is very similar to what the Board approved for the Series 2020 bonds. We have reviewed it and recommend the Board approve the agreement.

On MOTION by Ms. Locher, seconded by Ms. DeMarco, with all in favor, unanimous approval was given to the bond underwriter agreement with FMSbonds for services related to the Series 2022 bond issuance.

C. Second Supplemental Engineering Report

Mr. Lenzen stated this report addresses the additions of Phases 2, 3, and 4, with Phase 4 being the additional 30 acres that were annexed into the District. The report defines the capital improvement program (“CIP”) for the additional 595 units to be included within those three separate phases. The report summarizes where we were on Phase 1 and shows what is being added in Phases 2, 3, and 4, in terms of public improvement capital costs, which also includes additional developer-funded costs.

Mr. Reader stated great work.

Mr. Watts stated I agree. It has been a lot of work with the team to get this report in its final form. Thanks to Mr. Lenzen for his hard work.

On MOTION by Mr. Reader, seconded by Ms. Locher, with all in favor, unanimous approval was given to the second supplemental engineering report for Series 2022, as presented.

D. Master and Second Supplemental Assessment Methodology Reports

Ms. Moore stated the purpose of master report is to establish the master assessment lien based on the maximum benefit that is provided to each parcel by the Series 2022 Master Project. The report walks you through the master development plan, shown in Table 1. Table 2 reflects the capital improvement plan costs that were funded by the Series 2020 bonds and the remaining balance that we are referring to as the Series 2022 Master Project. Table 3 illustrates the equivalent residential unit (“ERU”) values that are consistent with the ERUs per product associated with the Series 2020 supplemental report. Table 4 talks through allocating the master project costs utilizing the ERU method. Table 5 represents the District’s maximum issuance of the Series 2022 Project. Tables 6 and 7 show the maximum master assessment lien based on the benefit provided to each unit by the Series 2022 Master Project. The supplemental report is being presented for the proposed issuance of the Series 2022 bonds. Be advised we will prepare a final supplemental report once the final pricing details become available. Tables 1 and 2 are identical to those prepared within the master report. Section 5 and Table 3 reflect the financing terms provided by FMSbonds. Section 6 pertains to the assessment allocation of the CIP and the annual assessment based on the ERU allocation method. Table 5 breaks down the amount of the master costs to be funded by both the developer and the Series 2022 assessments. I will point out that because the developer would like to achieve a specific level of assessment for each product type, the developer will be required, based on the preliminary numbers that have been provided, to provide funds to the District to construct the Series 2022 Master Project infrastructure in the amount of \$20,760,768, which also includes a \$1,165,000 contribution shown in Table 6, to reach all those target levels reflected in Table 7. The supplemental report also indicates that all assessments will be allocated on equal-assessment-per-acre basis, which will be billed directly to the developer until the lands are platted. As lands are platted, the assessments will be assigned on the various product types on a first-platted, first-assessed basis. We also show how the true-ups will be calculated in Section 7.

Ms. Locher asked we will do a similar true-up for Series 2022 as we did for Series 2020?

Mr. Barberree stated yes, for lot adjustments.

Mr. Watts stated if we have any unexpected changes in the lot counts, we will make adjustments based on that. The master report sets the ceiling if we assessed the full CIP of \$38 million that Mr. Lenzen included in his estimates. The supplemental report reflects what we expect the bond issued to be sized at.

On MOTION by Mr. Reader, seconded by Ms. Locher, with all in favor, unanimous approval was given to the master and second supplemental assessment methodology reports for Series 2022, as presented.

E. Resolution 2022-01, Delegation of Special Assessment Revenue Bonds

Mr. Watts read Resolution 2022-01 into the record by title.

Mr. Watts stated this Resolution approves a list of documents in substantial form. They will have some tweaks and minor revisions. We are asking the Board to approve them in substantial form, subject to any final revisions, and to authorize the Chairman to sign the Resolution you will be adopting.

i. Second Supplemental Trust Indenture

Mr. Watts stated this indenture creates the structure under which US Bank Trust Company will (1) hold the funds that are a result of the Series 2022 bond issue and (2) distribute the funds. The indenture sets forth the funds, such as debt service reserve, and other accounts.

ii. Bond Purchase Agreement

Mr. Watts stated this is the agreement between the District and the underwriter. It details the terms under which they are marketing the bonds. We have reviewed this with underwriter's counsel.

iii. Preliminary Limited Offering Memorandum

Mr. Watts stated Ms. Ganz prepared the preliminary limited offering memorandum ("PLOM") as what will be published in the bond market to describe not only what the project is but also the elements of the Series 2022 infrastructure project and what is included in the project. It educates potential bond purchasers on what we are offering and what they are investing in as they make a decision whether or not to purchase bonds from the District.

iv. Continuing Disclosure Agreement

Mr. Watts stated if we experience substantial changes to the conditions outlined in the PLOM, the District has a continuing obligation to provide disclosures and updates based on changes in circumstances and conditions.

Mr. Watts stated I have a couple revisions to Section 2 in the Resolution. The bottom of Section 2 talks about repaying to the developer advances “heretofore made.” We had some conversations as recently as this morning about also being able to use some of the reserve accounts, to the degree surplus funds are available, to satisfy subsequent advances made by the developer. We would like to adjust that to read “heretofore or hereafter made by the developer.” Going through the rest of that paragraph, we will have more than one acquisition agreement, so we will make that plural to agreements. The sentence that ends “relating to the Series 2020 bonds” we will add “and the Series 2022 bonds.” That way, if we have some advances that are made, both series of bonds can be applied to those advances.

On MOTION by Ms. Locher, seconded by Ms. Ushkowitz, with all in favor, unanimous approval was given to Resolution 2022-01, delegation of special assessment revenue bonds, amended as discussed, with attachments approved in substantial form, subject to final review by legal counsel.

F. Resolution 2022-02, Declaring Special Assessments

Mr. Watts read Resolution 2022-02 into the record by title.

Mr. Watts stated we have approved everything that sets the ball rolling. Now we need to put the assessments in place, so this Resolution declares an intent to set those special assessments. We will set a public hearing to finalize that process. This Resolution essentially takes the assessment methodology reports that the Board approved and moves forward in putting those assessments in place on the property. We will complete the Resolution with the numbers provided in the engineer’s report.

Ms. Hosseini stated few numbers have been updated, and we made a few additional minor tweaks, so we will ask the Board to approve this Resolution in substantial form.

On MOTION by Mr. Reader, seconded by Ms. DeMarco, with all in favor, unanimous approval was given to Resolution 2022-02, declaring special assessments, in substantial form, subject to final review by legal counsel.

G. Resolution 2022-03, Setting a Public Hearing to Impose Special Assessments

Mr. Watts read Resolution 2022-03 into the record by title.

Mr. Watts stated this Resolution sets the public hearing to impose the special assessments. We are required by Statute to set a hearing at least 30 days in advance to provide certain notifications and advertisements to anyone who has an interest in coming to the hearing to speak about the assessments. I believe we are looking for the hearing to be March 28, 2022.

Mr. Reader asked are we doing that in addition to the next meeting?

Mr. Watts stated no, March 28 will be the next meeting. The hearing is indicated to be at 11:30 a.m. in the City of DeBary council chambers.

On MOTION by Mr. Reader, seconded by Ms. DeMarco, with all in favor, unanimous approval was given to Resolution 2022-03, setting a public hearing to impose special assessments for Monday, March 28, 2022, at 11:30 a.m. in the City of DeBary council chambers.

Mr. Watts stated we received approval to impose assessments on the additional 30 acres that have been annexed into the District. That was approved by the City of DeBary last week. It goes into effect on February 26, but nothing in the Statute says we cannot notice and move forward with the assessment process. At the time we adopt the assessments March 28, that ordinance is in effect, and those properties will be included in the District. We did not want to move everyone's schedules to account for the delay in the effective date of the ordinance. We looked at it and are comfortable with it, and it does not change the opinions we will need to give regarding the assessment proceedings.

SEVENTH ORDER OF BUSINESS

District Manager Report

A. Financial Statements

The financial statements are contained in the agenda package and available for public review in the local records office or the District Office during normal business hours.

Mr. Reader stated it looks like street lighting is well over budget.

Ms. Montagna stated we will look into that.

On MOTION by Ms. Locher, seconded by Mr. Reader, with all in favor, unanimous approval was given to accept the financial statements, as presented.

B. Check Register and Invoice Summary

The check register and invoice summary are contained in the agenda package and available for public review in the local records office or the District Office during normal business hours.

On MOTION by Mr. Reader, seconded by Ms. Ushkowitz, with all in favor, unanimous approval was given to the check register and invoice summary, as presented.

C. Ratification of Funding Requests #32CP, #33CP, #34CP, #35CP, and #36CP

The funding requests are contained in the agenda package and available for public review in the local records office or the District Office during normal business hours.

On MOTION by Mr. Reader, seconded by Ms. Ushkowitz, with all in favor, unanimous approval was given to ratify funding requests #32CP, #33CP, #34CP, #35CP, and #36CP, as presented.

D. Purchase Orders, Change Orders, and Requisitions

The list of purchase orders, change orders, and requisitions is contained in the agenda package and available for public review in the local records office or the District Office during normal business hours.

E. Ratification of Fiscal Year 2020 Audit and Its Filing

Ms. Montagna reviewed the audited financial statements for fiscal year 2020. It was a clean audit opinion. Staff filed it with the various State agencies as required, and we are asking to ratify its acceptance and filings.

On MOTION by Ms. Locher, seconded by Ms. Ushkowitz, with all in favor, unanimous approval was given to ratify acceptance of the fiscal year 2020 audited financial statements and its filing with State agencies.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being nothing to report, the next item followed.

B. Engineer

Mr. Lenzen stated we are moving forward with Phase 4 permitting and Phase 3 development. We received a strange comment from the City of DeBary that we had to respond to, but it is nothing alarming.

C. Developer

Mr. Barberree stated we continue to push development phase by phase.

Ms. Ushkowitz asked what is the status of the amenity center?

Ms. Locher stated it is coming along. We are still targeting completion to be the end of April, and we are on track. We are looking ahead to the operational side. We are lighting up the entrance signs next week. Mr. Reader and Mr. Barberree were onsite recently and noticed a lot of street lights are out, which are being looked into. Once homes are complete, that will help with the lighting.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next order of business followed.

TENTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Locher, seconded by Mr. Reader, with all in favor, the meeting adjourned at 11:50 a.m.
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Angel Montagna, Secretary

Jeffrey Reader, Chairman