A. CALL TO ORDER

District Manager Michael Rosen called the Regular Board Meeting of May 9, 2012, of the Venetian Community Development District to order at 1:30 p.m. in the Venetian River Club located at 502 Veneto Boulevard, 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 April 14, 2012, as legally required.

C. ESTABLISH QUORUM

Mr. Rosen determined that the attendance of Chairman Tom Jones, Vice Chairman Jerry Jasper and Supervisor Marshall Turner 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.; and General Counsel Andy Cohen of Hankin, Persson, Davis, McClenathan & Darnell; Richard Barber of WCI; Bill Reagan of Raymond James; and Casey Grigsby of Castle Management.

D. ADDITIONS OR DELETIONS TO THE AGENDA

Mr. Jasper requested the following add-ons:

Budget & Deficit Spending; Reserve for Paving; Insurance; Reserve Study and Updated River Club Methodology.

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. OLD BUSINESS

There were no Old Business items to come before the Board.

G. NEW BUSINESS

1. Discussion on Venetian River Club Letter from Hankin, Persson, Davis, McClenathan & Darnell

Andy Cohen reviewed the April 26, 2012, letter from Larry Hankin of Hankin, Persson, Davis, McClenathan & Darnell. Items discussed were an inventory that needs to be completed with all items
listed and a dollar amount assigned. This includes the food & beverage area(s) and the tennis shop. The pre-closing inventory by WCI should take place next week per John Ferry. A true-up of the inventory will take place after the closing on May 31, 2012. A question from the public was asked, “Are there any stored materials off-site?” There was no knowledge of any. Regarding paragraph 3, the amount of receivables to be transferred to the CDD will be managed by Special District Services, Inc. per Andy Cohen.

2. Consider Revised 2002 Methodology

Bill Reagan presented the revised Bond methodology for the New River Club bond issue. He reviewed the associated costs and new bond % rates as well. Mr. Reagan further stated that the Underwriter, FMS, has done a good job marketing the Bonds and there is good buyer interest. Mr. Reagan then reviewed the Refunded Bond issue (re-finance); they will have an interest rate of approximately 5.4%, which produces an approximate savings of 11.5%. Bill Reagan and Andy Cohen then reviewed the upcoming schedule of events regarding both Bond issues:

May 17th - Pre-Closing  
May 29th - Bond Closing  
May 31st - Real Estate Closing

As a note of interest, May 21st will be the presentation of the Proposed Budget for the 2012/2013 Fiscal Year, which will include all the new rates due to the Bond(s) Closings.

Andy Cohen will present a “Bring Down” Resolution to the next meeting for both the new Bonds and the refunded Bonds.

A motion was made by Mr. Jasper, seconded by Mr. Turner to approve the 2002 Revised Methodology, as presented. Upon being put to a vote, the motion passed unanimously.

A motion was made by Mr. Turner, seconded by Mr. Jasper to approve the New Bond Methodology. Upon being put to a vote, the motion carried unanimously.

H. ENGINEERING
1. Engineering Updates

There were no Engineering Updates.

I. ADMINISTRATIVE MATTERS

There were no Administrative Matters to come before the Board.

J. BOARD MEMBER COMMENTS
1. Banking and checking accounts - discussions ongoing relating to “check signers” and other banking matters; should be completed in the next two weeks; Tom Jones asked if Special District Services would be monitoring all banking matters.

2. Budget & deficit spending - Jerry Jasper has been negotiating with WCI regarding the budget format; WCI does not want to use the new format presented to them due to the difficulty in changing reporting formats and blending in with their procedures. John Ferry agreed to pay $8,333.33 per month for the Deficit Spending Commitment for the transition period between June 1st through September 30th. WCI agreed to pay without Income Statement support. There was a brief discussion regarding the past discrepancies, i.e., bad debt, restaurant income and restaurant costs. Per Andy Cohen, Jason Pierman will be helping with the license(s) transfers from WCI to the District. WCI still has not sent the budget information to Grau & Associates that Grau has requested. Per Jerry Jasper, Grau and WCI are trying to schedule a telephone conference. Once Grau receives the information requested, it will take two (2) weeks to complete the review.

3. Reserve Study by Delta Engineering – Mr. Jasper discussed general issues he has found with the costs shown by Delta; they appear to be too high in cost; Jerry will meet with Delta and continue working with them on the finalization of the report. This report will not affect the closing per Jerry.

4. POA amendments – Andy Cohen’s partner, Mr. McClanathan, is working with WCI’s attorney, Robert Freedman, on the necessary amendments to the POA documents, i.e., Declarants, name changes, transition issues.

5. New homes - Certificates of Occupancy – Mr. Jones expressed his concern that new homes that are built by WCI are monitored via either their “building permit” activity or Certificates of Occupancy to insure that they are added to the tax rolls. If a CO is not issued for 12 months, then that home is to be added to the rolls.

6. Insurance – Mr. Jasper is still working on all insurance matters; one issue that has surfaced is the Flood Insurance premiums due to the new FEMA elevations and regulations; Mr. Jasper is working with the agents to resolve this issue.

7. Reserve - Mr. Jasper suggested that the infrastructure under the O & M needs a reserve fund. There was a general discussion regarding the theory of a small, medium or large reserve fund and how the homeowners would react to it. With the association maturing and items aging, it was a general consensus that some kind of reserve will be needed. Last year
$75 per unit was assessed for the general reserve fund. This year the debt service savings is approximately $100 per unit.

8. Landscape maintenance proposal - Casey Grigsby received a quote from Tri-County in the amount of $2,500 per month for the River Club; however Casey will compare the Scope of Work from Tri-County with the existing contractor’s scope and price.

9. Fire Department – the fire department needs more information regarding access to the development, especially in the event of brush fires on the perimeters. The guard house now has keys to various gates on the perimeter.

K. ADJOURN

There being no further business to come before the Board, a motion was made by Mr. Jones, seconded by Mr. Jasper and unanimously passed to adjourn the Regular Board Meeting at 4:00 p.m.

Secretary/Assistant Secretary

Chair/Vice-Chair