
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, May 8, 2014 at 2:46 p.m. (CST)** at the Walton County Coastal Branch Library, located at 437 Greenway Trail, Santa Rosa Beach, Florida 32459.

Present and constituting a quorum:

Tom Hidell	Board Supervisor, Chairman
Maunsel White	Board Supervisor, Vice Chairman
Billy McConnell	Board Supervisor, Assistant Secretary
Dan Mueller	Board Supervisor, Assistant Secretary

Also present were:

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

FIRST ORDER OF BUSINESS

Call to Order

Ms. Anderson called the meeting to order and read roll call.

SECOND ORDER OF BUSINESS

Audience Comments

No audience comments were put forward.

THIRD ORDER OF BUSINESS

**Consideration of Minutes of the Board
of Supervisors' Meeting Held on April
10, 2014**

<p>On a Motion by Mr. Mueller, seconded by Mr. White, with all in favor, the Board approved the Minutes of the Board of Supervisors' meeting held on April 10, 2014, for the Magnolia Creek Community Development District.</p>

FOURTH ORDER OF BUSINESS

**Ratification of Operation and
Maintenance Expenditures for April 2014**

Ms. Anderson reviewed the expenses included in the April report.

On a Motion by Mr. Hidell, seconded by Mr. McConnell, with all in favor, the Board ratified the Operation and Maintenance Expenditures for April 2014 (\$49,627.88) for the Magnolia Creek Community Development District.

FIFTH ORDER OF BUSINESS

**Acceptance of Minutes of the Audit
Committee Meeting Held on February 13,
2014**

On a Motion by Mr. White, seconded by Mr. Hidell, with all in favor, the Board accepted the Audit Committee Minutes from the meeting held on February 13, 2014 for the Magnolia Creek Community Development District.

SIXTH ORDER OF BUSINESS

Status Update on Foreclosure Matters

Mr. Eldred stated that he reported last month that District Counsel and Trustee Counsel had prepared a Settlement Agreement and forwarded it to Counsel for Owls Head. He stated that they have not provided any comments to date and there has been no resolution to the matter. Mr. Eldred explained that it is important that some type of resolution be obtained either in the form of a Settlement Agreement or a foreclosure sale. With this in mind, he prepared a Motion to Reset the Foreclosure Sale to facilitate additional time to continue those negotiations on the Settlement Agreement. He recommended that the Board approve the filing of the Motion.

On a Motion by Mr. Hidell, seconded by Mr. White, with all in favor, the Board of Supervisors authorized District Counsel to file the Motion to Reset the Foreclosure Sale on or before June 1, 2014 or at the direction of the Chairman for the Magnolia Creek Community Development District.

SEVENTH ORDER OF BUSINESS

**Consideration of Audit Committee's
Recommendation Regarding Auditing
Services**

Ms. Anderson stated that the Audit Committee selected McDirmit Davis as the highest ranked firm and recommended that they be hired to complete the annual audits for fiscal years 2014, 2015, and 2016.

On a Motion by Mr. Hidell, seconded by Mr. Mueller, with all in favor, the Board of Supervisors accepted the ranking and recommendation of the Audit Committee and authorized Staff to enter into an agreement with McDirmit Davis for auditing services for fiscal years 2014, 2015, & 2016 for the Magnolia Creek Community Development District.

EIGHTH ORDER OF BUSINESS

**Presentation of Fiscal Year 2014/2015
Proposed Budget**

Ms. Anderson reviewed the general fund budget totaling \$273,500 with an administrative subtotal of \$192,000 and a field operations total of \$81,500, explaining that the total budget is the same as the current years with some minor reallocation of legal fees. Mr. Eldred stated that it is possible the budget could be reduced depending on the outcome of the Settlement Agreement.

Ms. Anderson reviewed the debt service budget totaling \$76,208.85 noting that the budget does not include any of the property involved in the foreclosure case. She read the assessment levels for the various product types in to the record. A brief discussion ensued regarding the carry forward funds that are anticipated to be available at the end of the current fiscal year in the amount of \$188,652, as the result of back assessments paid by Owls Head Investments.

With no further discussion on the proposed budget, Ms. Anderson asked for a motion to approve Resolution 2014-01 approving the proposed budget and setting the public hearing during the August 14, 2014 meeting.

On a Motion by Mr. White, seconded by Mr. Mueller, with all in favor, the Board of Supervisors adopted Resolution 2014-01, approving the Fiscal Year 2014/2015 proposed budget totaling \$349,708.85 (\$273,500 general fund and \$76,208.85 debt service) and setting the public hearing on August 14, 2014 at 2:30 p.m. (CST) at the Walton County Coastal Branch Library, located at 437 Greenway Trail, Santa Rosa Beach, FL 32459 for Magnolia Creek Community Development District.

NINTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel
No report.
- B. District Engineer
Mr. Moore stated that he had nothing to report and a brief discussion ensued regarding whether anyone has been by to determine if there was any road damage as a result of the recent storms. It was stated that an inspection would be completed prior to the next meeting.
- C. District Manager
Ms. Anderson stated the next Board meeting is scheduled for June 12, 2014 at 2:30 p.m. She stated that she has not received the 2012/2013 Financial Audit yet and would like authorization for the Chair or Vice Chair to accept it on the Board's behalf in order to meet the required June 30, 2014 filing date. Ms. Anderson explained that she does anticipate that the audit would be available for the June meeting, but would like to leave the Board the option to cancel that meeting in the event that is the only reason to meet. It was stated that the Board would ratify the acceptance at the following meeting.

On a Motion by Mr. White, seconded by Mr. Hidell, with all in favor, the Board of Supervisors authorized the Chair or Vice chair to accept the 2012/2013 Financial Audit on behalf of the Board pending thorough review by Staff and the Chair or Vice Chair for the Magnolia Creek Community Development District.

TENTH ORDER OF BUSINESS

Supervisor Requests

A brief discussion ensued regarding whether the contractors are still using the District's sand. It was stated that that does not appear to be occurring at this time.

ELEVENTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. Mueller, seconded by Mr. McConnell, with all in favor, the Board adjourned the meeting at 3:07 p.m. (CST), for the Magnolia Creek Community Development District.



Secretary/Assistant Secretary



Chairman/Vice Chairman