

MINUTES OF MEETING

OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Osceola Chain of Lakes Community Development District was held Wednesday, May 6, 2020, at 1:30 p.m. via teleconference and communications media technology, Zoom Video Communications, due to the need for the District to continue its operations. In light of the public health emergency declared by Executive Order 20-52 and subsequent orders issued by Governor Ron DeSantis, the agenda and discussion were limited to necessary or time-sensitive matters.

Present and constituting a quorum were:

Anthony Iorio	Chairman
Jason Lonas	Vice Chairman
Douglas Beasley	Assistant Secretary
Garison Clemens	Assistant Secretary
Kimberly Locher	Assistant Secretary

Also present were:

Gary Moyer	Manager: Moyer Management Group
Sarah Sandy	Attorney: Hopping Green & Sams
Nicole Stalder	Engineer: Dewberry
Brenda Burgess	Moyer Management Group
Emma Gregory	Hopping Green & Sams
Scott Hoopes	Hanover Capital Partners
Andrew Orosz	Hanover Capital Partners
Steve Orosz	Hanover Capital Partners

Mr. Moyer participated in the meeting at the District office. No other persons – Board, staff, or public – were present at the District office but participated via Zoom Video Communications. The public was encouraged to submit written comments in advance of the meeting, which comments are indicated below under Public Comment Period.

FIRST ORDER OF BUSINESS

Call to Order

Mr. Iorio called the meeting to order at 1:30 p.m.

This meeting is being held through Zoom Video Communications pursuant to Executive Orders 20-52, 20-69, and 20-91 issued by Governor Ron DeSantis on March 9, 2020, March 20, 2020, and April 1, 2020, respectively, due to the need for the District to continue its operations. In light of the public health emergency, today's meeting is being held for the necessary public purpose of approving the minutes, considering Resolution 2020-08 to approve the preliminary fiscal year 2021 budgets and set a public hearing

thereon, approving the invoices and check register, considering Resolution 2020-09 ratifying the Series 2020 bonds, approving the amended and restated disclosure of public financing, resetting the public hearing for adoption of the administrative rules of procedure, and approving Resolution 2020-04 regarding an internal control policy, as well as any other business that may properly come before the Board. This meeting was advertised as a videoconference in accordance with Executive Orders 20-52 and 20-69.

SECOND ORDER OF BUSINESS

Roll Call

Mr. Iorio called the roll and stated a quorum was present for the meeting.

THIRD ORDER OF BUSINESS

Public Comment Period

There were no members of the public present over the phone, and no comments were submitted to the District Manager prior to the start of the meeting.

There being no comments, the next order of business followed.

FOURTH ORDER OF BUSINESS

Approval of the January 30, 2020, Continued Meeting Minutes

Mr. Iorio reviewed the minutes, which are included in the agenda package and are available for public review in the District Office during normal business hours or on the website, and requested additions, corrections, or deletions.

On MOTION by Mr. Beasley, seconded by Ms. Locher, with all in favor, unanimous approval was given to accept the minutes of the January 30, 2020, continued meeting, as presented.

FIFTH ORDER OF BUSINESS

Presentation of Preliminary Fiscal Year 2021 Budgets

A. Fiscal Year 2021 Budgets

Mr. Moyer stated the proposed general fund budget does not increase the assessments from what they are this current fiscal year. If anyone has changes to the budget, we can make them now.

Mr. Iorio stated I forwarded to Ms. Burgess discussion of the management of littoral zones, which were planted previously in Phases 1 and 2 on the lake portion, and we have now completed the lake for the balance of the property and have turned them over to the District. We would like to have that cost included in the next fiscal year budget. The preliminary number we are discussing for that work program is \$2,500 per month, which is in the information I forwarded to be included in the budget.

Ms. Burgess asked will any of those costs be incurred in fiscal year 2020?

Mr. Iorio stated the developer is currently incurring those costs, which is approximately \$1,800 per month for littoral plantings. The new plantings were just done in the newer section of the lake that was completed, so those will all need to be maintained starting now. This is an item that is not included in the current budget, but the developer is paying those costs now. The lake is owned by the District, and our preference is for the District to pay those costs sooner rather than beginning in fiscal year 2021. I don't have any other changes. Knowing the environment we are dealing with, these meetings held via Zoom are great, and perhaps we can consider it for future meetings to help with travel costs and so forth. It may be the way of the future.

Ms. Sandy stated normally Florida Statutes require us to have a quorum of Board members in person, but staff can continue to participate in this manner.

Mr. Iorio stated signing documents and public access are always issues that need to be worked out. I am just trying to keep fees reasonable. There was a substantial increase in the management fee, so I want to understand that and keep things the same, as least for next year.

Ms. Burgess stated for the manager's fees, I included the fees according to the agreement we have with the District, which is \$4,000 per month, \$3,500 annually for debt accounting, plus 1% of the annual assessment levy. Mr. Moyer has negotiated these rates with other districts in the past, and if you want to keep it at a lower amount, he can certainly address that. We can reduce it however he feels is appropriate.

Mr. Moyer stated I do not disagree with what you are trying to accomplish. In my mind, given where we have been and where we may end up in the future, this is not a good time to increase assessments. I have no problem leaving the fee where it is. If we need to make adjustments, we can address it next year.

Mr. Iorio stated it has been a rough road, and rougher roads could be ahead. I want to make sure our constituents and residents see that we are working hard for their dollars.

Ms. Burgess stated our standard fee is \$48,000 for the year. Do we want to include debt accounting for a total of \$51,500, or reduce it to \$48,000 and we will do everything within that fee?

Mr. Moyer stated we will do it at \$48,000 for the year.

Ms. Burgess stated that helps the bottom line, and eliminates the need to use fund balance.

Mr. Moyer stated for some of our new Supervisors, this is the initial presentation of the budget. I am glad Mr. Iorio picked up on some things and made his comments. This is not adopting the budget. We will ask the Board to approve a resolution that lets me send this budget, as amended, to Osceola County. They have 60 days to review it before we can approve it. We are not asking the Board to adopt anything at this meeting. We are just starting the process.

Ms. Sandy stated I was working through the numbers and am interested in seeing how the changes Mr. Iorio suggested will affect the unit amounts. I doubt it will require an increase. We do need to look closer at how the assessments on undeveloped acreage were advertised last year, because it was done on a per-acre amount but it is calculated on a per-ERU (equivalent residential unit) basis. We need to make sure we are still within those limits with the platting that has just happened. I would like to see if the Board could approve the preliminary budget at the next meeting, or we can continue this meeting for a couple weeks from now. I think we will need to notice the undeveloped land for operation and maintenance assessments because how it was done last year and how it is calculated.

Ms. Burgess stated last year, we were requested to show the ERUs, which was 401.6 ERUs, but the calculation was based on acres.

Ms. Sandy stated yes, the calculation for undeveloped acres was based on ERUs, but it was then converted to an acreage calculation. The methodology behind it was still based on ERUs. With the platting of additional land, it is not 1:1 ERUs to acres. It was noticed on acres but calculated on ERUs. We might need to notice just for undeveloped acres, not platted lots. The preliminary budget package will include debt service, as well.

Mr. Moyer asked when would a meeting in June take place?

Ms. Burgess stated if we do it the first Wednesday, it would be June 3, or four weeks from today.

Mr. Moyer asked does June 3 work for the Board?

Mr. Iorio stated yes, that works for me.

Ms. Burgess stated I received notice from the property appraiser with the dates we need to provide them our information for the trim notice.

Mr. Iorio stated I want to be sure pond bank mowing is included, and it will be important to get competitive pricing for that work, as well, to make sure the budget is in line for next year.

Ms. Burgess asked are they currently maintaining the whole area, or do we have new areas that will come online?

Mr. Iorio stated they are maintaining the whole area now.

Ms. Burgess stated the proposed budget includes the monthly invoice amounts of \$3,196, which is what we are currently paying.

Mr. Iorio asked are those contracts done annually or every two years?

Ms. Sandy stated we are currently under the bidding threshold, so it has not been formally bid out. The developer originally had the contract, and then it came to the District. I do not know if we have received multiple proposals for this work.

Mr. Iorio stated I think it is wise to keep them honest but especially in today's environment to explore additional bids. When their contract comes up, my suggestion is to solicit prices and get them to update their pricing.

Ms. Burgess stated their agreement is a three-year agreement.

Mr. Iorio asked when does it expire?

Ms. Burgess stated we entered the agreement in 2018, so we are still within the three-year timeframe.

Ms. Sandy stated we usually include a 30-day termination provision.

Ms. Burgess stated I am looking at the agreement now, and it includes that provision.

Mr. Iorio stated my main objective is to make sure the operation and maintenance assessments do not increase, even with the changes we made. I also want to continually let the contractors know that we will be soliciting for prices in the future to make sure they stay within their budget. This is a preliminary budget, but we want to make sure what is provided for public access shows the direction we are focused on.

B. Consideration of Resolution 2020-08, Approving the Proposed Budgets for Fiscal Year 2021 and Setting a Public Hearing Thereon

<p>On MOTION by Ms. Locher, seconded by Mr. Clemens, with all in favor, unanimous approval was given to table consideration of Resolution 2020-08 until the June 3, 2020, meeting.</p>
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SIXTH ORDER OF BUSINESS

Business Matters

A. Consideration of Resolution 2020-09, Ratifying Series 2020 Bonds

Mr. Iorio read Resolution 2020-09 into the record by title.

Ms. Sandy stated this is a short Resolution that quantifies the documents that were entered into in connection with the bond issuance, and ratifies the Board's actions as well as individual Supervisors and staff, as many things are done between Board meetings when we are issuing bonds. Exhibit A had a change. There was a decrease to the actual costs, about \$5,000 since Dewberry's costs came in at about \$7,500. The total costs of issuance were \$158,275. We included as Exhibit B a number of the documents that the Board entered into in connection with the bond issuance. Those documents came to the Board for formal approval, and these are the final executed copies. This is a formality we usually do after the issuance of bonds.

On MOTION by Mr. Clemens, seconded by Mr. Beasley, with all in favor, unanimous approval was given to Resolution 2020-09, ratifying the Series 2020 bonds.

B. Consideration of Amended and Restated Disclosure of Public Financing

Ms. Sandy stated our office provided this updated disclosure of public financing that the District is required to record against the property within the District. We provided this after the initial issuance, and this is the amended and restated disclosure of public financing. It was updated to include the Series 2020 bond issuance, as well as updates to the various infrastructure components that have either been finalized or are intended to be incorporated into the Series 2020 Project. Once this is approved, we will record it against the property within the District and then provide the developer with a copy, which we are required to do pursuant to Florida Statutes. From there, the developer can provide it to those looking to purchase property within the District.

On MOTION by Mr. Clemens, seconded by Mr. Beasley, with all in favor, unanimous approval was given to the amended and restated disclosure of public financing.

C. Consideration of Resolution 2020-10, Setting the Landowner's Election

Mr. Iorio read Resolution 2020-10 into the record by title.

Mr. Moyer stated Supervisors are still elected by landowners. We have not converted to the registered voter format at this point. One of the things we need to do is to set a date in November when the landowners can gather to nominate and elect Supervisors. In our

case, Mr. Iorio would probably represent the property that the developer owns. He would meet with me at a location that we will advertise in the newspaper to notify landowners when and where the meeting will be. The election will follow the rules in Chapter 190, Florida Statutes, on how to hold a landowner's meeting.

Ms. Sandy stated since this is our second landowner's election, we will need to hold it on November 3, 2020, which is the first Tuesday following the first Monday in November. Future landowner elections can be any date in November.

Mr. Moyer stated we usually hold our meetings at the District office at 313 Campus Street, but there is no requirement we do that. We can hold it any place within the County, including your offices onsite, if that is more convenient.

Ms. Burgess stated you could make the meeting time at 1:30 p.m., which is the normal meeting time.

Mr. Iorio stated let us set it for 1:30 p.m., and I have no problem with it being at the District office.

Ms. Sandy stated the seats expiring in November are Seats 2, 4, and 5, which is noted in the Resolution.

On MOTION by Mr. Lonas, seconded by Ms. Locher, with all in favor, unanimous approval was given to Resolution 2020-10, setting the landowner's election for Tuesday, November 3, 2020, at 1:30 p.m. at the District office at 313 Campus Street, Celebration, Florida 34747.

D. Deed of Easement with South Florida Water Management District

Mr. Iorio stated South Florida Water Management District (SFWMD) required a conservation easement, and we requested the deed of easement be approved.

Ms. Sandy stated I did not see this until the agenda package came out, and I will request the Board's approval be subject to my review. They have fairly standard forms of their documents, but I would like the option to review it.

Mr. Iorio stated yes, SFWMD is very picky about their standard language.

Ms. Sandy stated most governmental entities are.

On MOTION by Mr. Clemens, seconded by Mr. Beasley, with all in favor, unanimous approval was given to the deed of easement with South Florida Water Management District, subject to final review by legal counsel.

SEVENTH ORDER OF BUSINESS

District Manager Report

A. Financial Statements (*March 2020*)

Mr. Moyer reviewed the financial statements, which are contained in the agenda package and available for public review on the website or at the District office during normal business hours.

Mr. Moyer stated we have collected \$128,932 in non-ad valorem assessments, which is almost on budget. One property remains uncollected. Expenditures are \$16,240 under budget at this time through the first six months of our fiscal year.

Mr. Iorio asked has our website been remediated and tested to meet ADA requirements?

Ms. Burgess stated no, not yet. I have an agreement with them, and I will contact them to get started.

Mr. Iorio stated I see some dollars applied to that line item, and I was not sure what they were for.

Ms. Burgess stated the dollars shown on the financial statements are just for the domain name and website hosting, which are annual fees.

Mr. Iorio asked is there a mandate when the website conversion has to be completed?

Ms. Sandy stated no, there is not a specific timeline. Our insurance requires that we are making diligent efforts to remediate the website in order to have coverage if we were the subject of a lawsuit due to ADA non-compliance. Additionally in terms of liability, it is the same situation where a court will be looking for us to be taking affirmative steps toward remediating the website.

B. Invoices and Check Register

Mr. Moyer reviewed the check register contained in the agenda package and available for public review on the website or at the District office during normal business hours.

C. Reset the Public Hearing Date for Adoption of the Rules of Procedure

Mr. Moyer stated we need to reset the hearing date for adoption of the rules of procedure. With the notice requirements, we are looking at July.

Ms. Sandy stated we can try to line it up with the budget hearing date.

Mr. Moyer stated that is a good idea, which puts it in early August. Since we are already having a public hearing for the budget, we will advertise the hearing to adopt the rules of procedure for the same date.

On MOTION by Mr. Clemens, seconded by Ms. Locher, with all in favor, unanimous approval was given to the check register, as presented, and to reset the public hearing date for adoption of the rules of procedure to August 5, 2020, at 1:30 p.m.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i. Resolution 2020-04, Internal Control Policy

Ms. Sandy read Resolution 2020-04 into the record by title.

Ms. Sandy stated this lays out some internal control policies. Florida Statutes were updated last spring to require that special districts, as well as other governmental entities, have, establish, and maintain certain internal control policies that are designed to prevent and detect fraud, waste, and abuse. We worked with various district management companies to come up with these internal control policies and procedures. They are things that district managers are doing already in handling the finances of the District, but they are an actual formal policy now. We are presenting them to the Board and asking they be adopted. The policy will be something that is looked at by the accounting firm that audits the District's records to make sure we have policies in place to protect against fraud, waste, and abuse.

On MOTION by Mr. Clemens, seconded by Mr. Beasley, with all in favor, unanimous approval was given to Resolution 2020-04, internal controls policy.

B. Engineer

Ms. Stalder stated I have an item that might have gotten lost in my accounting department and not forwarded to Ms. Burgess having to do with approval of the bond costs. Our number was shown as less than the actual number, but it was actually higher due to a couple amendments and revisions that happened. I wanted to ask if we can consider this and at least leave it at the number it was, and I will contact Ms. Burgess after the meeting. When the dollar amount was mentioned, I realized a couple items went to my accounting department but did not come from accounting to Ms. Burgess. We are still under our budgeted amount, but not as low as identified.

Ms. Sandy stated I will ask Ms. Stalder to work with Ms. Burgess because the trustee needs to close that trust account fairly quickly.

Ms. Stalder stated yes, I will call her right after the meeting.

Ms. Burgess stated there was an invoice for \$4,920 that was posted to the general fund, and engineering invoices are never that high. I talked with Ms. Tina Kegel, and she said that was for bond work. The total that came in for engineering in the capital projects fund for Series 2020 is \$12,520, instead of \$12,600.

Ms. Sandy stated so we do have the final amount for engineering.

Ms. Burgess stated yes.

Ms. Stalder stated that sounds right.

Ms. Sandy stated the last I heard, it was the number I mentioned earlier.

Ms. Burgess stated yes, that was before the \$4,920 invoice that I had to reclassify.

Ms. Stadler stated I had not been copied on those emails, so I am glad Ms. Burgess got it. That total is correct.

Ms. Sandy stated I will ask the Board to modify Resolution 2020-09, updating Exhibit A to reflect the final costs of \$12,520 for the District engineer and amending the total cost to \$163,195.

On MOTION by Mr. Clemens, seconded by Mr. Beasley, with all in favor, unanimous approval was given to modify Resolution 2020-09 Exhibit A to reflect final engineering costs of \$12,520, as discussed.

NINTH ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

TENTH ORDER OF BUSINESS

Other Business

Ms. Burgess stated the Board has already discussed having its next meeting on June 3. We will do it via Zoom Video Communications again, unless conditions permit us to meet in person. All that will be included in the advertisement.

ELEVENTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

TWELFTH ORDER OF BUSINESS

Adjournment

- The next meeting is scheduled for June 3, 2020, at 10:00 a.m.

On MOTION by Ms. Locher, seconded by Mr. Beasley, with all in favor, the meeting adjourned at 2:05 p.m.