

MINUTES OF MEETING
CANOPY
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Canopy Community Development District was held Tuesday, August 21, 2018 at 11:00 a.m. at Dorothy B. Oven Park, 3205 Thomasville Road, Tallahassee, Florida.

Present and constituting a quorum were:

Tom Asbury	Chairman
Gregg Patterson	Vice Chairman
John "Al" Russell	Assistant Secretary
Colleen Castille	Assistant Secretary

Also present were:

Darrin Mossing	District Manager
Jennifer Kilinski	District Counsel
Joe McHugh	District Engineer
Steve Martin	Resident
Sue Noys	Resident

FIRST ORDER OF BUSINESS

Roll Call

Mr. Mossing called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Martin stated this development has been in the news and not for good reasons. I have expressed concerns about this from when I learned of it 10+ years ago. I will say to everybody in this room as well as the City commission, I told you so. I have said from the beginning that this was going to happen and be a problem with the residents around there. This is a large scale development, I was quite familiar with that land before. We have had issues now with flooding, not filing permits, even though two weeks ago after it first started the developer in here said we are doing everything we are supposed to and now a week later, no we haven't. Before the interior off of Fleishman Center when you went up over a hill then it went down then it was well below the road level and now you look at that and it is elevated above the road level. This is massive transformation of landscape and with that is going to come changing flow patterns, paving the

surface, it is going to divert water away and we can see where it is being diverted to as you drive along Centerville Road you can now see water literally that is coming up to the road and if it weren't for the curve and the raised area between it and the curve it would be on Centerville Road. This is something that has never happened before. I was there during Tropical Storm Fay when the water reached waist high where the easement is for the gas pipeline. That was it and that was there for three or four weeks at most. Now that looks like it is permanently saturated. You might consider building a boardwalk across there because I don't think that is ever going to dry out. What you might consider more than anything is reassessing this whole development and asking yourselves is this the right thing to do. At the public hearings in 2010 when Tim Edmund, who had been on this Board until recently, in front of the County or City commission said, I will protect God's gift that I immediately questioned and I asked and spoke with Mr. Edmund after that I would think if you want to protect God's gift you would leave it in his hands. Leave it in God's hands. Mr. Patterson and your writings have often invoked religion about getting in touch with God and nature.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the July 10, 2018 Meeting

On MOTION by Mr. Russell seconded by Ms. Castille with all in favor the minutes of the July 10, 2018 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2018-13 Amending Resolution 2018-09 Resetting the Date and Time of the Public Hearing to Adopt the Budget

Mr. Mossing stated as the Board knows at your last meeting the decision was made to combine the public hearing to levy the master assessments and the public hearing to adopt your annual budget. It made sense to have those both on the same day with one mailed notice going out to the community and property owners.

On MOTION by Ms. Castille seconded by Mr. Patterson with all in favor Resolution 2018-13 was approved.

FIFTH ORDER OF BUSINESS

Consideration Resolution 2018-14 Amending Resolution 2018-10 Resetting the Date and Time of the Public Hearing Declaring Special Assessments

This item listed in error.

SIXTH ORDER OF BUSINESS

Public Hearings

A. Fiscal Year 2019 Budget

i. Consideration of Resolution 2018-15 Adopting the Fiscal Year 2019 Budget and Relating to Annual Appropriations

On MOTION by Mr. Patterson seconded by Ms. Castille with all in favor the public hearing was opened.

Mr. Mossing stated some 90 days ago this Board approved the proposed budget in accordance with Florida Statutes for purposes of providing that budget to the local governing authorities and setting the public hearing, which was originally set for September 4th and that was just amended. Staff has reviewed that budget over this period of time, we have made some adjustments to that budget and there are basically four parts. The first part is the general operating budget, the development is new there is only 93 platted lots. There are basically two budgets included in the General Fund budget, one for comparative purposes we did a buildout budget, which is our educated guess for what the operating budget will look like when all 1,001 assessable units are developed and then we scaled it back for Fiscal Year 2019, which goes from October 1, 2018 through September 30, 2019. Based on the anticipated development of the project for the next 12 months we set that budget at total revenues of \$323,725 of which approximately \$135,000 will be in the form of assessments, \$29,000 will be on the 93 platted lots and the balance of that assessment will be billed to the developer for his undeveloped property, primarily to cover the administrative costs. Any costs above those revenues are anticipated to be funded by a developer funding agreement, which will be part of your approval process. The budget has significant detail, it is scaled back, we are hoping to have the amenity maybe online by June/July of next year so there are some anticipated costs associated with those.

Mr. Patterson asked the assessments on the tax roll for the 93 lots of \$29,000 is that about \$306 per lot?

Mr. Mossing stated they will see \$344 on their tax bill, if they pay in November and take the early payment discount it will be \$320 per unit. The assessments for the maintenance budget are set up that a unit pays the same amount throughout the community.

Mr. Patterson stated that was part of the disclosure in the closing statements.

Mr. Mossing stated yes, the disclosure was \$800 but for this year it is only going to be \$344. Beginning on page 11 is the Debt Service Fund budget. Your Debt Service Fund budgets are broken into three assessable areas, Assessment Area 1 is the 93 platted lots and although we haven't closed on those bonds yet it is anticipated that depending on the three lot sizes that make up that assessment area those debt assessments will be either \$650, \$750 or \$850. The \$344 plus the debt assessment will be placed on those 93 platted lots on the property tax bill on November 1st.

Mr. Asbury stated it has been disclosed to the people who buy there that eventually it could be \$1,400, \$1,500 and \$1,600, when we get the clubhouse.

Ms. Kilinski stated we also did a mailed and published notice that included both the debt assessment not to exceed as well as the O&M assessment.

Ms. Castille asked did you get any feedback from residents?

Mr. Asbury stated the only feedback I got was thank you for explaining it to us.

Mr. Mossing stated it is a public hearing we have opened it to the public and if there are any members of the public who would like to ask questions related to the budgets now is the opportunity. Not hearing any comments, we will ask for a motion to close the public hearing.

On MOTION by Russell seconded by Ms. Castille with all in favor the public hearing was closed.

Mr. Mossing stated Resolution 2018-15 adopts the budget for Fiscal Year 2019.

On MOTION by Mr. Patterson seconded by Ms. Castille with all in favor Resolution 2018-15 was approved.

ii. Consideration of Resolution 2018-16 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Mossing stated Resolution 2018-16 imposes special assessments and certifies an assessment roll. You adopted the budget and the purpose of this resolution is to actually levy the assessments required to fund various budgets.

On MOTION by Ms. Castille seconded by Mr. Patterson with all in favor Resolution 2018-16 was approved.

B. Assessments

Mr. Mossing stated your next public hearing is to levy master assessments. This meeting has also been noticed as a public hearing to adopt an amended Master Assessment Methodology. You have already levied them, there was a change in the methodology that became a material change that required us to go back and redo the original process. This is part of the notice that went out to the community.

On MOTION by Ms. Castille seconded by Mr. Patterson with all in favor the public hearing was opened.

Ms. Kilinski stated you previously went through this exact same process. Under chapter 170 we are going to issue tax exempt bonds, there is a process to levy a master assessment lien, which tells the public what the maximum assessment amount would ever be assuming you were going to make all the improvements contained in the Engineer's Report. The importance of the Engineer's Report is that it demonstrates to the public what improvements may ever be anticipated for construction within the District or that are part of the development agreement. The master assessment lien is based on that \$90,900,000, which we have said a number of times we don't ever anticipate issuing that many bonds, we do not anticipate having that many improvements. It is sort of worst case scenario maybe best case scenario depending on how you look at it as to what would be possibly constructed by the District.

You may recall we had a reduced Engineer's Report, you have seen the Supplemental Engineer's Report, which we will talk about later, we will be deferring the Supplemental Assessment Resolution for the actual bond issuance. They are still working out pricing details, we will probably have to have a special meeting sometime in September to do that but that is actually the bonds that will be issued for a discreet portion of this master improvement project. As Darrin

explained you had approved a methodology that had a straight allocation that was based regardless of front footage, everybody would get the same assessment level for debt. We have gone back through the Methodology and made a determination based on the types of improvements that we anticipate financing that a 40-foot, 50-foot, 60-foot, 70-foot be treated differently based on the allocation methodology, which Darrin can explain a little bit in more detail. Typically what we would do is go into great detail in the Engineer's Report, we can still do that but you have probably seen this Engineer's Report ten times, it really is the Master Engineer's Report and the significance is that the kind of improvements, all the types of improvements that GPI has put together that may ever be funded, financed, owned or operated by the District.

The second part is the Assessment Methodology, which Darrin may want to review with you because ultimately, we will adopt an assessment resolution that will levy a master lien. It doesn't mean that the maximum assessment lien is an authorization to spend, an authorization to issue bonds, it won't show up on somebody's tax bill but when you go to issue bonds you can levy the assessment lien under that master lien so long as you have not gone above the threshold that Darrin has set forth in his methodology.

Mr. Asbury stated this is basically the same thing we already passed. The only thing is we stratified the lots so that not everybody is paying the same thing they are paying based on the size of their lot.

Ms. Kilinski stated yes and the maximum assessment amount hasn't changed.

Mr. Mossing stated we have covered this a number of times but that is the change. That is the difference, the original master was based upon 1,001 assessable units, all benefiting equally and then we determined that we needed to come back and stratify based upon an accepted ERU factor, which assigned a different multiple to different lot sizes, which then changed the costs/benefit to each of those product types based on their size. The smaller size lots receive a lower benefit and lower assessment, the larger properties receive a higher cost, higher assessment and that was the big difference. The overall numbers didn't change.

Ms. Castille asked because we are amending the Methodology we have to again include the Engineer's Report?

Mr. Mossing stated yes. The Engineer's Report is the benefit and state law requires for your assessments to be valid, the assessments cannot exceed the benefit. The Engineer's Report sets the cost/benefit to the property owners and then the assessments are the collection of those

costs. The assessments have to be equal to or less than the benefit. You can't over assess a property owner if they are not receiving the equivalent benefit. That is the relationship between the Engineer's Report and the Assessment Methodology.

This is a public hearing if the Board has no further questions we will open it up to the public and if there are no comments we ask for a motion to close the public hearing.

On MOTION by Mr. Russell seconded by Ms. Castille with all in favor the public hearing was closed.

- i. Consideration of Master Engineer's Report**
- ii. Consideration of Amended Master Assessment Methodology Report**
- iii. Consideration of Resolution 2018-17 Levying Assessments**

Ms. Kilinski stated the resolution is relatively long because it is levying the master assessment lien. It makes findings about the previous process we went through and this resolution would replace and supersede the resolution you previously adopted. The resolution provides the authority for the resolution, certain findings related to the capital improvement plan, which you will be re-approving. There has been absolutely no change to the capital improvement plan since you approved it in August 2017. It goes through the debt assessment process. Darrin's office had published and mailed notices that are required pursuant to law and that you now are meeting as an equalization board in order to actually levy that master assessment lien. If you look at the authorization for the project, again you are adopting the Engineer's Report, finding that the estimated costs of improvements are set forth therein. You will be adopting the Master Assessment Methodology as changed and as reviewed by Darrin. Then it talks about adjustments to debt assessments and supplemental assessment resolutions for bonds. We are going to talk about the supplemental assessment resolution shortly and essentially what it says is when you actually issue bonds and price those bonds you will have to come back and adopt the resolution that will actually allocate the lien securing those specific bonds. This does not do that, this sets the maximum assessment lien.

On MOTION by Mr. Patterson seconded by Ms. Castille with all in favor Resolution 2018-17 was approved.

SEVENTH ORDER OF BUSINESS**Consideration of Resolution 2018-18
Appointing District Purchasing Agent**

Ms. Kilinski stated as the District is undertaking a number of construction projects, particularly larger scale construction projects, I had a question from GPI, which was a great one about whether the District as a unit of government is able to purchase construction products tax-exempt. The answer is yes but the District has to adopt a resolution that appoints a purchasing agent because of the Department of Revenue requirements. The resolution articulates what I just said and it then appoints a different purchasing agent as being the District Engineer or the District Manager depending on the kind of product you need purchasing. Typically, it is the District Engineer that is the purchasing agent, he is the most familiar with the construction project and he can identify what products and materials make the most sense for the District to actually purchase. There are specific procurement procedures for those and we would like to incorporate these within our current RFP documents, which we will talk about a little later. As you may recall we put out Units 4 and 5 to bid, we would like to include these purchasing documents within that bid so the construction contractor that is chosen we put on notice that they will be required to use these forms in conjunction with the District to make tax-exempt purchases, which when you are talking about a \$6 million project can be pretty significant savings. You will see the purchase requisition forms that we will use going forward, purchase orders, and the certificate entitlement. The Department of Revenue has said that if the unit of government is going to purchase tax-exempt products they have to be responsible for the products. In other words, you can't put the onus on the construction contractor to be responsible for those until they are actually put into the project so when they are sitting out there we have builder's risk insurance so the risk is on the District. This is the procedure the Department of Revenue required us to go through and we thought it was time to incorporate these in our RFP.

Mr. Asbury stated we are building the clubhouse, we can buy all the material and the contractor would construct it.

Ms. Kilinski stated correct. Essentially, they would give you a purchase order for whatever those products were and incorporate into our purchase order. The District would buy those and then it would be incorporated into the project.

Mr. Mossing stated the only concern is we just need to make sure those products when they are delivered they are insured that we notify our insurance agent because when they get delivered

to the site they are ours and if something happens to those products that is on us so we need to make sure we notice the insurance agent.

Ms. Kilinski stated we will send this package to our insurance company and say here is what we are buying, here is how much they cost.

Mr. Patterson asked is that mainly used for common area projects?

Ms. Kilinski stated and a lot of roadway projects.

On MOTION by Ms. Castille seconded by Mr. Patterson with all in favor Resolution 2018-18 was approved.

EIGHTH ORDER OF BUSINESS

Consideration of RFPs for Units 4/5 Construction

This item deferred.

NINTH ORDER OF BUSINESS

Consideration of Proposal to Make the Canopycdd.com Website Compliant with the Americans with Disabilities Act

On MOTION by Ms. Castille seconded by Mr. Patterson with all in favor the proposal from VGlobalTech in the amount of \$1,200 for the first year only was approved.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2018-12 Supplemental Assessment Resolution

This item deferred.

ELEVENTH ORDER OF BUSINESS

Consideration of Other Financing Related Matters

This item deferred.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There being none, the next item followed.

C. Manager

i. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

ii. Consideration of Funding Requests #10 & #11

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor funding requests #10 & #11 were approved.

THIRTEENTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

FOURTEENTH ORDER OF BUSINESS Supervisors Requests

There being none,

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor the meeting adjourned at 11:30 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman