

**MINUTES OF MEETING
CHAPEL CREEK
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Chapel Creek Community Development District was held on Wednesday, **October 4, 2023** at 11:30 a.m. at the Quality Inn Zephyrhills-Dade City, 6815 Gall Blvd, Zephyrhills, Florida.

Present and constituting a quorum were:

Brian Walsh	Chairman
Milton Andrade <i>joined late</i>	Vice Chairman
Garret Parkinson	Assistant Secretary
Timothy Fore	Assistant Secretary

Also, present were:

Jill Burns	District Manager, GMS
Tracy Robin <i>via Zoom</i>	District Counsel, Straley Robin Vericker
Bob Gang <i>via Zoom</i>	Bond Counsel, Greenberg Traurig
Allen Bailey	Field Manager, GMS

The following is a summary of the discussions and actions taken at the October 4, 2023 Chapel Creek Community Development District's Regular Board of Supervisor's Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Burns called the meeting to order. There were three Supervisors present at the meeting constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Ms. Burns opened the floor to the public comment period. There being no public comments at this time. There were no members of the public on the Zoom line.

THIRD ORDER OF BUSINESS

Approval of Minutes of the August 2, 2023 Board of Supervisors Meeting

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Ms. Burns presented the minutes from the August 2, 2023 Board of Supervisor's meeting and she asked for any questions, comments, or corrections. The Board had no changes to the minutes.

On MOTION by Mr. Walsh, seconded by Mr. Parkinson, with all in favor, the Minutes of the August 2, 2023 Board of Supervisors Meeting, were approved.

FOURTH ORDER OF BUSINESS

Presentation and Approval of Supplemental Assessment Methodology for Series 2023 Assessment Area

Ms. Burns stated this item is related to a future bond issuance that we are planning to do for the expansion area, the 148 units to the North of the community. She noted she would review the methodology briefly. This Assessment Methodology allocates debt that is going to be incurred by the District to the properties that benefit from the improvements that are outlined in the Engineer's Report. She noted this report has no impact on debt assessments for other areas so the debt assessment on your home will not be impacted by this in any way. The amount you were disclosed stays the same.

Ms. Burns stated that table one outlines the development program and there are 148 single family units that are all the same size. They have been assigned an ERU of one. She noted table two shows the cost estimates for the infrastructure that is going to be built that is outlined in the Engineer's Report. The total is \$7,379,033. Table three shows the estimated bond sizing of \$6,600,060. Table four shows an improvement cost per unit of \$49,858 and table five shows the par debt per unit for each of those 148 units which would be \$45,000. Table six shows the net and gross annual debt assessment per unit. She noted the gross annual debt assessment per unit when issued on the tax bill would be \$3,478. Table seven shows the preliminary assessment roll. There is 81.48 acres all owned by a single property owner, Clayton Properties Group. Ms. Burns stated she would be happy to answer any questions.

On MOTION by Mr. Walsh, seconded by Mr. Parkinson, with all in favor, the Supplemental Assessment Methodology for Series 2023 Assessment Area, was approved.

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FIFTH ORDER OF BUSINESS**Consideration of Resolution 2024-01
Delegation Resolution (Series 2023
Project Bonds)**

Mr. Gang stated the District was created in 2005 and in early 2006 validated \$50,000,000 of bonds. The District had issued two series in 2006 and then another one in 2008. He noted a couple of years a Series 2021 so what was left in terms of your validation capacity is \$13,760,000. For this Chapel Creek North, 148 unit property, we have documents submitted as exhibits to the resolution a Fourth Supplemental Trust Indenture, Bond Purchase Contract, and Preliminary Offering Limited Offering document, SEC 15C-12 certificate. He noted he doubted you would designate the plum as final before it is circulated, and a Continuing Disclosure Agreement also required by the SEC. He stated certain statutory findings have to be made in order to do a private negotiated sale the way that FMS Bonds do it. He stated looking at section four there are findings that you make the complexity of the assessment bond financing structure, the volatile changing market conditions that we are experiencing right now, and FMS has participated from day one in assisting. He noted these are unrated bonds so all of the findings and the fact that the District won't be adversely affected, it is not the kind of bonds that you would be a competitive public sale for. He noted from the remaining validation capacity, the bond parameters for delegation of the sale would be in section five, maximum principal not to exceed \$7,500,000. The optional redemption provisions will be determined at the time of sale in accordance with investors discussions with FMS but usually about 10.5 to 11 years later. The first rate cannot exceed the maximum statutory rate in Florida which as of the beginning of October for bonds that would be sold in October, maximum legal rate is 7.09% going up. That is 300 basis points over the 20-bond index published last Friday which was 4.09.

**Milton Andrade joined the meeting.*

On MOTION by Mr. Walsh, seconded by Mr. Andrade, with all in favor, Resolution 2024-01 Delegation Resolution (Series 2023 Project Bonds), was approved.

SIXTH ORDER OF BUSINESS**Consideration of Ancillary Financing
Documents (Series 2023 Project Bonds)**

Mr. Robin stated there are a series of agreements between the developer and the District that the District requires as a part of the financing as well.

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A. True-Up Agreement

Mr. Robin stated this is an agreement by the developer that there will be at least 148 lots or residential units platted. That is the basis for the bond issue and for security for the special debt assessments that will repay the bonds. If for any reason the developer is unable to plat 148 lots then there would be a true-up payment necessary. With the assessment let's say there are only 145, the assessments on the 145 would be sufficient to pay the debt so there would have to be a principal down payment by the developer in the event that there were less than 148 lots.

A. Development Acquisition Agreement

Mr. Robin stated this is an agreement that commits the District to acquire the property and the improvements that are being made with the agreement of the developer.

B. Funding and Completion Agreement

Mr. Robin stated this requires the developer to pay for any shortfall between the amount of the bond process and the actual cost of the 2023 project so that there won't be any additional cost to the District and from the standpoint of the bond holders, any shortfall between the proceeds of the bonds will be paid by the developer to ensure that the project is actually completed.

C. Collateral Assignment and Assumption of Development Rights Relating to the Series 2023 Project

Mr. Robin stated this is an assignment by the developer to the District of those rights so that in the event of default there would be the opportunity for the bond holders to be protected through obligations of the District under the bond indenture to complete the project.

D. Agreement to Convey or Dedicate

Mr. Robin stated the agreement to convey or dedicate which is an agreement by the developer to either deed over property to the District or dedicate the improvements in the 2023 project to the District or to other entities such as the county which depending on the nature of the improvements some of which are going to be roads. These will all be conveyed to the ultimate owner.

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E. Declaration of Consent

Mr. Robin stated this is a confirmation by the landowner that they consent to and acknowledge that the debt assessments will be levied and that there will be debt assessments attached to the property in Chapel Creek North which we are calling the 2023 assessment area as well in the documents.

F. Notice of Lien and Disclosure of Public Financing

Mr. Robin stated this is both a statutory document and requires some notices to be put in the public record about the nature of the public financing so that any future homeowner or mortgage holder dealing with private property in the District that is subject to these assessments will be on public notice that they exist. Unless there are questions from the Board, we will be looking for the Board to approve these documents in substantial form. They are not complete for some dates and some amounts that have not been finalized. He noted there may be some other slight modifications or corrections if there need to be but in substantial form, we are asking for your approval today.

On MOTION by Mr. Walsh, seconded by Mr. Andrade, with all in favor, the Ancillary Financing Documents (Series 2023 Project Bonds), were approved in substantial form.

SEVENTH ORDER OF BUSINESS**Consideration of Letter from FMS Bonds for Underwriter Services Related to Series 2023 Project Bonds**

Ms. Burns noted this is the standard engagement letter to service the underwriter. She noted she would be happy to answer any questions.

On MOTION by Mr. Walsh, seconded by Mr. Fore with all in favor, the Letter from FMS Bonds for underwriter Services Related to Series 2023 Project Bonds, was approved.

EIGHTH ORDER OF BUSINESS**Consideration of Proposal for Security Services from Securitas**

Ms. Burns stated at the last meeting when the Board discussed the budget there was some conversation on setting aside some funds for a few projects that residents have requested or that

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have come up throughout the last couple of years, shade structure at the pool, shade structure at the amenity, adding the keypads to the outdoor bathrooms by the playground, and for security services. She noted since that meeting, we have had a couple more reports of issues with kids jumping the fence at night, incidence of someone coming in and spray painting the wall but we painted over that right away, but because these instances continue to come up, we wanted to go ahead and provide a proposal just for the Boards consideration to see if that is something the Board wanted to pursue. She noted this agreement and proposal is from Securitas which is a vendor that we have worked with through Polk and Pasco County. She stated the reason they chose this proposal is because they are the only company that we have found that is willing to do a limited security patrol that is less than 40 hours a week. She noted staff is only there 40 hours a week. If staff was there for all hours that the pool is open, it would be very costly to residents. She stated this is a hybrid option. She noted on page 86 of their report is the price.

Ms. Burns stated this is a combined package for the lower amount. The first portion is 16 hours a week of staffed security person, scheduled for peak hours. There is some information redacted on here because of certain security procedures, dates, camera locations are exempt from public records. She noted rather than doing a closed session where residents could not participate, we just redacted the days of the week that they would be scheduled and figured that would allow everybody to participate in the conversation for consideration. She noted essentially that would be two eight-hour shifts, the idea is to schedule them for the days that the pools are used the most kind of the peak hours. She stated those can be changed if needed. The other portion is a security camera package that has remote guarding pool parameter protection. She stated the idea with this is that they have cameras that view the pool deck that are motion sensed so they have an offsite remote monitoring where they do many communities so they can do this at a rate that is pretty good. She stated it would \$645 a month or \$7,700 per year which would get us basically overnight from the time it is closed to the morning that it opens remote guarding. If the facility closes at 8:00, and if their post orders are 8:15, they come on and say the facility is closed you need to leave. She stated if people do not leave, they come on and say the facility is closed, we have alerted the police department who is on their way. She stated they do get a warning before the police are called. Ms. Burns stated this is the only thing they can do for over areas without staffing it. She noted the monthly cost includes about \$245 a month which is the actual purchase of the cameras over a five-year term. She stated if we wanted to

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terminate before then, there would be a buyout of the cost of the remainder of the cameras. After five years, that remote monitoring price per month would actually drop off \$245 so would only be \$400 per month. She noted for the new fiscal year we plugged \$50,000 in the budget that is listed under shade structures right now. We discussed at the last meeting taking resident input at that meeting and saying do we want security, do we want shade structures, or do we want card access for the bathroom. The actual security line item there is a little bit in there, but it was not contemplated to actually staff it and more just for gate repairs. The new budget is up \$7,500 for the current year for what we have in security. She noted a portion of that would be in there but the rest of this would draw from that \$50,000. She noted that would leave us \$25,000 if we wanted to do a shade structure. She stated when considering putting shade structures at the pool or things like that, do we need to get the security under control and do we risk adding these things that then get damaged. She noted that is one thing that we should look at. Mr. Walsh stated maybe they do the security and one shade structure for now. Ms. Burns stated they could approve this with the company and see if they will hold their price to line up to start at Spring Break time, which would save us on staffing the facility right now during the winter when it is not getting more use. She stated that would save the cost for this year. If they are willing to hold their price for us to start March 1st leading into the summer, there may be more room to maybe pick up some contingency and maybe do two shade structures. If it is something that we want for summer, we probably need to consider it before March.

Mr. Andrade stated he thinks the Securitas proposal is good from a resident standpoint and if we can get it close to starting later on and possibly save a little bit in the beginning, I think that is a good idea. Ms. Burns stated they could terminate this contract with a 30-day notice. We can put together a contract that has those termination provisions so that we can do it but there would be a buyout for the cost of the cameras. Mr. Walsh stated he would like to see if they could do the annual cost for \$30,000 instead of \$34,000. Ms. Burns stated she would request that. She stated Polks price is about \$32,000. She asked if they wanted her to go back to them then bring this back to the Board or do we want to authorize somebody to approve it. If we are not starting until March, I don't think there is any issue negotiating and bringing it back.

On MOTION by Mr. Andrade, seconded by Mr. Fore, with all in favor, the Proposal for Security Services from Securitas starting March 1 st if they will do the Guard for \$30,000, was approved.

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NINTH ORDER OF BUSINESS**Staff Reports****A. Attorney**

Mr. Robin stated nothing else to report today.

B. Engineer

Ms. Burns stated Tonya is not on the line today.

C. Field Manager's Report

Mr. Bailey stated at the amenity center some mulch and plant barriers were placed around the different palm trees and around the backings in front of the playground. There has been a lot of washout from the rain. When these barriers were placed, the tropical storm hit right after, and we kept the mulch so it worked. We had the ponds cleaned up as there was some debris. He noted the amenity fence has been pulled apart to get access. This goes back to the security thing. He stated staff keeps bringing the bars back, but it is an ongoing thing with folks trying to pull the bars apart to get in. Street light bulbs were replaced. The playground was mulched so looking much better. Some of the damaged sign posts were replaced. The amenity gate has been replaced with the push button access and exit. The dummy handle is there so we have had that adjusted a few times and it is working well now. There haven't been any more residents complaining of any issues. He noted one item to bring to the Boards attention on Abby Wood Lane. Behind the homes, there was a natural pond, and it was built out from the natural pond to become a stormwater pond. The area behind these homes was left in a more natural state. He noted it has been mowed and kept up but wanted to make the Board aware that there is growth on a general normal pond. One resident was a little upset about the growth near the edge of the pond but that was taken care of. We have not heard anything else about it but thought it would be good to make you aware of this area. Ms. Burns stated one side is manicured where they have cleared it, and this side was left natural, so I think they were asking if this side was going to remain natural.

D. District Manager's Report

- i. Approval of Check Registers**
 - a) July 2023**
 - b) August 2023**

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Ms. Burns presented the check registers to the Board from July 2023 and August 2023 and noted that they were included in the agenda package for Board review. She offered to answer any questions. Hearing no comments, she asked for a motion of approval.

On MOTION by Mr. Andrade, seconded by Mr. Parkinson, with all in favor, the Check Register, was approved.

ii. Balance Sheet & Income Statement

Ms. Burns noted that the financial statements through August were included in the agenda package for review. There is no action necessary from the Board.

TENTH ORDER OF BUSINESS

Other Business

There being no comments, the next item followed.

ELEVENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

A resident stated not the main street entrance but the other entrance into the community, as you approach the roundabout, that road is really unstable. He asked about provisions for top coating or if that is still a construction truck issue. Ms. Burns stated all of the roadways are owned by the county. The CDD does not own the roadways in the community. He asked if any damage done by construction trucks and things like that is all up to the county and not the builders' responsibility? Ms. Burns stated yes, the county owns and maintains all of the roadways.

TWELFTH ORDER OF BUSINESS

Adjournment

Ms. Burns asked for a motion of adjournment.

On MOTION by Mr. Andrade, seconded by Mr. Parkinson, with all in favor, the meeting was adjourned.

Jill Burns

Secretary/Assistant Secretary

DocuSigned by:

Brian Walsh

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Chairman/Vice Chairman