

**MINUTES OF MEETING  
TERN BAY  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Tern Bay Community Development District was held on Tuesday, April 14, 2020 at 10:00 a.m., via Telecommunication.

**Present and constituting a quorum:**

Russell Smith	Chairperson
Anthony Burdett	Assistant Secretary
Barry Ernst	Assistant Secretary

**Absent:**

Chris Hasty	Vice Chairperson
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**Also present were:**

James P. Ward	District Manager
Greg Urbancic	District Counsel
Stephen Sanford	Bond Counsel
David Underhill	District Engineer

**Audience:**

Bill Karlen  
Jackie Karlen  
Ashley Kingston

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS  
WERE TRANSCRIBED IN *ITALICS*.**

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

District Manager James P. Ward called the meeting to order at approximately 10:09 a.m. He stated with the State of Emergency in Florida, and pursuant to Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020 and March 20, 2020 respectively, and pursuant to Section 120.54(5)9b)2., Florida, Statutes, this meeting was held utilizing communication media technology due to the current COVID-19 public health emergency. He indicated no one was physically present in the room where the meeting was advertised; all participants were present telephonically. He called the roll; all members of the Board were present with the exception of Supervisor Chris Hasty, constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Consideration of Minutes.**

**February 11, 2020 Regular Meeting Minutes**

**This item was not discussed or voted upon.**

**THIRD ORDER OF BUSINESS****Consideration of Resolution 2020-1****Consideration of Resolution 2020-1 Re-Designating the Officers of the District.**

- a) Appointment of Board Member Replacement of Seat 4 (formerly David Caldwell) to the Board of Supervisors.**

Mr. Ward indicated at the previous Meeting Mr. David Caldwell's resignation was accepted; as a result the Board had an opportunity to appoint a new Board Member today; however, as this Meeting was being conducted via video conference any elected individual would need to be sworn in outside of today's meeting. He asked if the Board wished to appoint a new Board Member. He asked all speakers to state their name for the record to ensure accuracy of the Minutes.

Supervisor Russell Smith nominated Ms. Ashley Kingston to fill the vacant Board Seat.

**On MOTION made by Mr. Russell Smith, seconded by Mr. Barry Ernst, and with all in favor, Ms. Ashley Kingston was appointed to fill Seat 4 of the Board of Supervisors.**

Mr. Ward indicated Ms. Kingston was welcome to participate in today's meeting; however, could not vote on any matters. He stated he would send her the Oath of Office outside of the meeting today and the necessary forms. He indicated Ms. Kingston should have the Oath of Office notarized and sent to himself prior to the next Meeting. Ms. Kingston indicated she would fill out the necessary forms and send the Oath of Office back to Mr. Ward notarized.

- b) Administration of Oath of Office**  
**c) Guide to the Sunshine Amendment and Code of Ethics**  
**d) Form 1 – Statement of Financial Interests**

**FOURTH ORDER OF BUSINESS****Consideration of Resolution 2020-2**

**Consideration of Resolution 2020-2 approving the Proposed Budget for Fiscal Year 2021 and Setting a Public Hearing for Tuesday June 9, 2020 at 10:00 a.m. at the Country Inn and Suites 24244 Corporate Court, Port Charlotte, Florida 33954 or as otherwise permitted by law at said date and time in the event Executive Order 20-69 is still in effect due to Public Health Emergency.**

Mr. Ward reported Resolution 2020-2 approved the Proposed Budget for Fiscal Year 2021 and set the Public Hearing date, time and location for Tuesday, June 9, 2020 at 10:00 a.m. at the Country Inn and Suites 24244 Corporate Court, Port Charlotte, Florida 33954 or as otherwise permitted by law at said date and time in the event Executive Order 20-69 was still in effect due to the Public

Health Emergency. He noted if the Public Health Emergency were still in effect the Meeting would be held via an audio/video conference method as was being used today.

*Mr. Ward: I have enclosed in your Agenda Package a copy of the Proposed Budget for Fiscal Year 2021. It is substantively different than what you have had in the past in that it now does include essentially the kind of budget that we had prior to the District being taken out of foreclosure where all of the operations are included in the District for Fiscal Year 2021. I'll be glad to go through those with you if you would like to. Otherwise, we can do that prior to the Public Hearing date at which time we will be in a position to finalize the assessment rates as a result of that. I will answer any questions that you have. If you do have a question, we will take the Board first. Remember, just please indicate your name of record, and then ask your question, and then we'll go from there.*

*Mr. Russell Smith: How are the per unit O&M charges being affected.*

*Mr. Ward: In the current year they are under \$100 a unit per year. They will go up to roughly \$300 to \$500 dollars per unit per year based upon the product size you have. Not overly inconsistent with what we had when the District had full operations in it. Those are the rates that we will have going forward. Any other questions from the Board?*

*Ms. Ashley Kingston: Is there an Agenda that I could look at?*

*Mr. Ward: I can't send it to you while I'm on the video call. If you would like, you can go to the District's website. It is posted there.*

*Ms. Kingston: Okay. Thank you.*

Mr. Ward asked if there were any questions from the audience.

*Ms. Jackie Karlen: Is my tax going to go up?*

*Mr. Ward: The assessment rates for the operations for Fiscal Year 2021 will increase over what they are currently. Yes, ma'am.*

**On MOTION made by Mr. Barry Ernst, seconded by Mr. Russell Smith, and with all in favor, Resolution 2020-2 was adopted, and the Chair was authorized to sign.**

## **FIFTH ORDER OF BUSINESS**

### **Consideration of Resolution 2020-3**

**Consideration of Resolution 2020-3 of the Board of Supervisors of Tern Bay Community Development District declaring Special Assessments; indicating the location, nature and estimated cost of those improvements which cost is to be defrayed in whole or in part by the Special Assessments; providing the portion of the estimated cost of the Improvements to be defrayed in whole or in part by the Special Assessments; providing the manner in which such Special Assessments shall be made; providing when such Special Assessments shall be made; designating lands upon which the Special Assessments shall be levied; providing for an Assessment Plat; adopting a Preliminary Assessment Roll; providing for a**

**Public Hearing to consider the advisability and propriety of said Assessments and the related Improvements; providing for Notice of said Public Hearing; providing for publication of this Resolution.**

*Mr. Ward: Items 5, 6, and 7 are all companion Items. This is the start of the process with respect to levying the assessments for the District for all of the properties within the District that are undeveloped at this point, or at least as we call it, and not subject to the existing 2005 Bonds. It's a three part process, so we will do these two resolutions to discuss the improvements, the methodology, adopt the resolution related to that, adopt the resolution that sets the public hearing, and then another resolution prepared by your Bond Counsel with respect to starting the process for the issuance of the bonds including the requirement to have these validated in court. He asked the Board if it would prefer a brief presentation on the Engineer's Report and methodology or highlights of each.*

*Mr. Smith: I would be fine with highlights, but I think for the audience members present we can just clarify that the intention is not to impose any additional debt on homes that already have CDD debt attached to them. Is that correct?*

*Mr. Ward: That is a correct statement. He asked Mr. Underhill to provide highlights of the Engineer's report.*

*Mr. Underhill: The Engineer's Report provides a description of the Heritage Landing, the development, as well as the Tern Bay Community Development District. There's 1,499 residential units, as well as 17 commercial units that are part of the District, of which 1,447 of those units will be subject to this assessment. The Report provides a description of the different product types. There are three different size single family units, coach homes, and then six-plex condos, veranda units which are 12-unit condos, and terrace units which are 30-unit condos. Table 2 of the Report provides a tabulation of those unit types. The Report goes through the existing infrastructure that's in the District. The water and sewer will be served by Charlotte County. The project discharges, the stormwater system discharges to Charlotte Harbor and Burnt Store Road provides the access to the District. That's the main roadway that provides access. Section 3 of the Report provides a summary of the different aspects of the infrastructure that will be part of the District project. The District project includes irrigation, stormwater management, public roadways, water and sewer, water and wastewater, mitigation, professional services and also includes an approximate 10% contingency. The Report provides some specifics on those, but it's pretty standard. The stormwater management and water and sewer and irrigation are all public portions of the project that will be financed by the District. Section 4 of the Report provides a cost opinion for the District improvements. There's approximately \$29 million, the approximate cost, and that includes the land costs for the roadways and then of the \$29 million dollars, approximately 96% of the cost will be apportioned to the 1,447 units. The permits necessary to begin construction, many of which are in place, and then it's an ongoing permitting effort as new portions of the property come online, and then before any construction occurs, all the permits will be in place. That's really the Report.*

Mr. Ward asked if there were any questions from the Board for Mr. Underhill; there were none. He asked if there were any questions from the audience.

*Ms. Karlen: Did you say that this only applies to new places?*

*Mr. Ward: Yes, ma'am. This does not apply to the 69 equivalent residential units which include the commercial and certain single-family units that still have Series 2005 debt allocated to it, which would include your home for example.*

*Ms. Karlen: Thank you.*

*Mr. Ward: My report is also attached to your Resolution. The job of the methodology is really to allocate that \$28,039,000 dollars' worth of construction cost to all of the various units within the District that will be subject to this assessment. The methodology basically assigns an equivalent residential unit factor. It's generally based on size of the lot. The larger the lot the higher the assessment that's assigned to it since they use more of the infrastructure assigned to their particular lots. From that, we take that \$28 million dollars, we increase it to include the cost of the financing which include reserve, capitalized interest, and cost of issuance related to the Bond Issue. As such, the total estimated cost of the financing of this is roughly \$33,170,000 dollars which is the amount of the assessment that the District will levy on the property subject to these future bonds. If you look at the very last table in my report, which is on page 14, that spreads the \$33,170,000 dollars amongst the various unit types. The assessments range from roughly \$17,600 dollars to \$27,700 dollars per unit and it would have estimated assessment levels anywhere between \$1,210 dollars per unit up to \$2,250 dollars per unit per year. The assessment methodology that I used is consistent with what I have used in other CDDs around the State and is relatively consistent with what you have on your 2005 Bond Issue, slightly changed due to the fact that the product mix has changed from what was in the original 2005 project including the number and types of units that were contemplated at that point in time. He asked if there were any questions from the Board; there were none. He asked if there were any questions from the audience.*

*Mr. Greg Urbancic: I just want to make sure that our numbers match with Dave's in terms of the costs of the project. I was looking at the Report in the Agenda and it looks like he was using \$29,142,550 dollars as the cost of the project.*

*Mr. Ward: The \$29 million dollars is the total cost. You have to back out the proportional cost that's allocable to the existing units which is 4%, or 4 point some odd percent, so the cost of the project that is subject to these assessments is going to be \$28,039,980.88.*

Mr. Urbancic asked Mr. Ward to repeat the number so he could update the Resolution accordingly. Mr. Ward repeated the number: \$28,039,980.88. He asked if there were any more questions; hearing none, he called for a motion.

*Mr. Urbancic: I just want to make sure that in the final version of this Resolution, Section 4, the estimate cost of the project will be \$28,039,980.88 and then the assessments will defray approximately – I think that number in Section 5 should be \$33,170,000. I just want to double check that, and we will update the Resolution in the final run for execution.*

**On MOTION made by Mr. Russell Smith, seconded by Mr. Barry Ernst, and with all in favor, Resolution 2020-3 was adopted as amended, and the Chair was authorized to sign.**

## **SIXTH ORDER OF BUSINESS**

### **Consideration of Resolution 2020-4**

**Consideration of Resolution 2020-4 of the Board of Supervisors of Tern Bay Community Development District setting a Public Hearing to be held on June 9, 2020 at 10:00 a.m. at the Country Inn and Suites**

**24244 Corporate Court, Port Charlotte, Florida 33954 or as otherwise permitted by law at said date and time in the event Executive Order 20-69 is still in effect due to Public Health Emergency, for the purpose of hearing public comment on imposing Special Assessments on certain property within the District generally described as the Tern Bay Community Development District in accordance with Chapters 170, 190 and 197, Florida Statutes.**

Mr. Ward indicated Resolution 2020-4 set the Public Hearing for June 9, 2020 at 10:00 a.m. at the Country Inn and Suites, 24244 Corporate Court, Port Charlotte, Florida 33954 or as otherwise permitted by law at said date and time in the event Executive Order 20-69 was still in effect due to Public Health Emergency. He explained this meant the Meeting might be held via telephone/video conference if a Public Health Emergency was still in effect. He asked if there were any questions; hearing none, he called for a motion.

**On MOTION made by Mr. Barry Ernst, seconded by Mr. Anthony Burdett, and with all in favor, Resolution 2020-4 was adopted, and the Chair was authorized to sign.**

#### SEVENTH ORDER OF BUSINESS

#### Consideration of Resolution 2020-5

**Consideration of Resolution 2020-5 of the Board of Supervisors of Tern Bay Community Development District Authorizing the Issuance of not to exceed \$35,000,000 aggregate Principal amount of Tern Bay Community Development District Special Assessment Bonds, in one or more series, to pay all or a portion of the Design, Acquisition, Construction costs of certain Public Infrastructure Improvements, including, but not limited to, Stormwater Management and Control Facilities, including, but not limited to, related earthwork and acquisition of lands relating thereto; offsite and onsite roadway improvements and impact fees; offsite and onsite water and Wastewater Systems, including connection charges; landscaping and irrigation in public rights-of-way, entrance features; undergrounding differential cost of utilities, wetland and wildlife mitigation and all related soft and incidental costs (collectively, the “project”), pursuant to Chapter 190, Florida Statutes, as amended; appointing U.S. Bank National Association to serve as Trustee; approving the Execution and Delivery of a Master Trust Indenture and a Supplemental Trust Indenture in substantially the forms attached hereto; providing that such Bonds shall not constitute a Debt, Liability or Obligation of Tern Bay Community Development District (except as otherwise provided herein), Charlotte County, Florida, or of the State of Florida or of any other political subdivision thereof, but shall be payable solely from special assessments assessed and levied on the property within the District benefited by the project and subject to assessment; providing for the Judicial validation of such Bonds.**

Mr. Ward asked Mr. Stephen Sanford, Bond Counsel, to speak regarding Resolution 2020-5.

Mr. Stephen Sanford experienced technical difficulties; these technical difficulties were addressed, and the Meeting continued.

*Mr. Stephen Sanford: For bonds to be issued by a CDD to have a maturity of more than five years, you have to validate the bonds and the purpose of the bonds in the circuit court. This Resolution is what I call the authorizing validation resolution and it authorizes special assessment bonds to be issued in one or more series and the principle amount of bonds that we are validating is \$35 million dollars that is more than what was described in both Jim’s report and Dave’s report, but that’s just a – It doesn’t bind the*

*District to issue that many bonds, but it's always safe to have a cushion, so we are using a principle amount of \$35 million. These bonds can be issued at one time or in multiple series depending on the phases of development. This Resolution also asks the Board to approve certain documents that are going to be necessary for every bond issue that the District issues. The first is a Master Trust Indenture and that's a document between the District and the Trustee and that will govern rights and revenues of the bonds. It also enumerates the events of default; it enumerates the security for the bonds and that's sort of a master document that's used for every series of bonds. The other exhibit to this Resolution is the supplemental resolution, and that's just a form, and that's going to have the specifics. Obviously not now, but it will have the specifics of each particular bond issue: the terms of redemption, the interest rates and reserve requirements. So, for every series of bonds there will be a separate supplemental indenture. This Resolution also appoints U.S. Bank as your Trustee under those two documents. And lastly, this Resolution authorizes the validation of the bonds. You need this Resolution to be adopted to show the Court that the District has already authorized the issuance of the bonds for the purposes enumerated in the Engineer's Report. He asked if there were any questions. He recommended adoption of Resolution 2020-5.*

Mr. Ward asked if there were questions from the Board; there were none. He asked if there were any questions from the audience; hearing none, he called for a motion.

**On MOTION made by Mr. Russell Smith, seconded by Mr. Barry Ernst, and with all in favor, Resolution 2020-5 was adopted, and the Chair was authorized to sign.**

## **EIGHTH ORDER OF BUSINESS**

### **Staff Reports**

#### **a) Attorney**

Mr. Ward stated Mr. Smith wished to discuss "property swaps."

*Mr. Smith: Greg, there are some areas that – I think they are primarily related to the Pawpaw Preserve. Part of it is of what the CDD should own is owned by the developer and part of what the developer should own is owned by the CDD. The Pawpaw Preserve is an oddly shaped element and when they gave the ownership to the CDD it was a perfect square. There's little strips and gores that need to be exchanged between the two. This has been outstanding for a long time. This was around before Lennar got involved and the attorney who was the Board's attorney prior to you brought this to our attention as something that we needed to do. I spoke to Jim Ward about it and he said that we also needed the Engineer involved to help with drawing sketches and things like that to demonstrate what needed to be exchanged and what was going to go to whom. Long story short, between you and Mr. Underhill and Mr. Ward, we need to see about getting all of that property into the hands of those with whom it should be.*

*Mr. Urbancic: We can do that. Dave hasn't created the legal descriptions yet? That's still to be created?*

*Mr. Smith: I don't think so. He's been instructed to.*

*Mr. Urbancic: Okay.*

*Mr. Sanford: This land that we are discussing, was this land financed with the 2005 Bonds that the District owns?*

*Mr. Ward: I don't think anybody would know the answer to that question. I don't remember any land acquisitions within the 2005 Bonds at all.*

*Mr. Sanford: Well, that's a good answer Jim.*

*Mr. Ward: Okay.*

*Mr. Urbancic: Is this basically the same acreage? Is it sort of a 1 for 1 type of thing? Is that approximately?*

*Mr. Smith: I don't know, but if the developer is giving the District more acreage it's not going to charge you for it.*

*Mr. Ward: Steve, I'll try to go back and look at what was done in 2005 and see if I can figure that out, but I'm not hopeful that will be a fruitful exercise, but I will look for you anyway.*

*Mr. Sanford: Okay. Thank you.*

*Mr. Smith: The District has to have control over the entire Pawpaw preserve because they are the entity responsible for doing that and presently they don't because as I said it was sort of arbitrarily divided to where some of it's inside and some of it's outside, so it was just a cleanup item that has been existing for a long time that we are just trying to get cleaned up.*

*Mr. Sanford: Did you say that the swap will be in favor of the District or in favor of the developer?*

*Mr. Smith: I was speaking hypothetically. I don't know one way or the other.*

*Mr. Sanford: Okay.*

*Mr. Ward: Mr. Underhill, are you in a position to prepare the legal descriptions that are necessary to do this?*

*Mr. Underhill: Yes. Again, I will have to get into it a little bit to see exactly where the preserves are. I haven't specifically looked at it other than noting that the Preserve boundaries do not align with the current land plan. I will have to research it and once we get into it a little farther, we certainly can prepare the necessary descriptions.*

*Mr. Ward: Greg did you have anything else?*

*Mr. Urbancic: Nothing further from me Jim.*

*Mr. Smith: Please keep this on the Agenda moving forward. It is something we need to resolve.*



*Mr. Ward: I will do that. I will put it under both the Attorney's and the Engineer's report going forward.*

**b) Engineer**

No report.

**c) Manager**

- I. Financial Statement for the period ended January 31, 2020 (Unaudited)
- II. Financial Statement for the period ended February 29, 2020 (Unaudited)
- III. Financial Statement for the period ended March 31, 2020 (Unaudited)

Mr. Ward asked if the Board wished to reorganize its positions or simply add Ms. Kingston as an Assistant Secretary moving forward. Mr. Smith indicating adding Ms. Kingston as an Assistant Secretary was appropriate; there were no objections from the Board.

*Mr. Ward: What I'll do is just ask for a motion. I left an open spot anyway, so this will be numbered Resolution 2020-1. I'll ask for a motion to adopt the Resolution. It will be Mr. Smith as your Chairperson, Mr. Hasty as your Vice Chair, Mr. Burdett as an Assistant Secretary, Ms. Kingston as an Assistant Secretary, Mr. Ernst as an Assistant Secretary and I will continue to act as your Secretary and Treasurer. With that, that Resolution is recommended for your consideration. Is there a motion?*

**On MOTION made by Mr. Russell Smith, seconded by Mr. Barry Ernst, and with all in favor, Resolution 2020-1 was adopted as above, and the Chair was authorized to sign.**

**NINTH ORDER OF BUSINESS**

**Supervisor's Requests and Audience Comments**

There were no Supervisor's Requests or Audience Comments.

**TENTH ORDER OF BUSINESS**

**Adjournment**

Mr. Ward adjourned the meeting at approximately 10:44 a.m.

**On MOTION made by Mr. Barry Ernst, seconded by Mr. Russell Smith, and with all in favor, the meeting was adjourned.**

  
James P. Ward, Secretary

Tern Bay Community Development District  
  
Russell Smith, Chairperson