

**MINUTES OF MEETING
OSPREY OAKS
COMMUNITY DEVELOPMENT DISTRICT**

A Public Hearing and Regular Meeting of the Osprey Oaks Community Development District's Board of Supervisors was held on **Tuesday, September 13, 2016 at 10:00 a.m.**, at **2300 Glades Road, Suite 202E, Boca Raton, Florida 33431.**

Present and constituting a quorum were:

Jim Giolda	Chair
Adam Freedman	Vice Chair
Michael Smith (<i>via telephone</i>)	Assistant Secretary
Gary Einfalt	Assistant Secretary
Kristi Freedman (<i>via telephone</i>)	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Cindy Cerbone	Wrathell, Hunt and Associates, LLC
Dennis Lyles	District Counsel
Jeff Schnars	District Engineer
Meredith Naim	Resident
Ken Naim	Resident
John Markey	BR Osprey Acquisition, LLC

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 10:06 a.m., and noted, for the record, that Supervisors Giolda, Freedman and Einfalt were present, in person. Supervisors Smith and Kristi Freedman were attending via telephone.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

**Public Hearing to Hear Comments and
Objections on Adoption of Fiscal Year
2016/2017 Budget**

A. Affidavit of Publication

Ms. Cerbone presented the affidavit of publication for today's Public Hearing and Regular Meeting.

*****Mr. Schnars joined the meeting.*****

Ms. Cerbone advised that no changes were made to the proposed budget since it was last considered.

On MOTION by Mr. Freedman and seconded by Mr. Einfalt, with all in favor, the Public Hearing was opened.

Mr. Naim asked if more recent "Actuals" were available. Ms. Cerbone stated that it was typical to provide "Actual" amounts through February or March. Each month, Unaudited Financial Statements are provided for comparison with the current budget, to determine whether anything would drive a budget change up or down. Based on the Unaudited Financial Statements since February, none were noted.

On MOTION by Mr. Freedman and seconded by Mr. Einfalt, with all in favor, the Public Hearing was closed.

B. Consideration of Resolution 2016-3, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2016 and Ending September 30, 2017

Ms. Cerbone presented Resolution 2016-3 for the Board's consideration.

On MOTION by Mr. Giolda and seconded by Mr. Freedman, with all in favor, Resolution 2016-3, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2016 and Ending September 30, 2017, was adopted.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2016-4, Imposing Special Assessments and Certifying an Assessment Roll

Ms. Cerbone presented Resolution 2016-4 for the Board’s consideration.

On MOTION by Mr. Freedman and seconded by Mr. Einfalt, with all in favor, Resolution 2016-4, Imposing Special Assessments and Certifying an Assessment Roll, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2016-5, Adopting the Annual Meeting Schedule for Fiscal Year 2016/2017

Ms. Cerbone presented Resolution 2016-5 for the Board’s consideration. Mr. Giolda suggested adopting the meeting schedule through the end of November, 2016. Mr. Freedman stated that the meeting location would likely change. Mr. Lyles recommended adopting the entire year’s schedule, for flexibility, and adopting a new schedule, when necessary.

Mr. Freedman pointed out that the Landowners’ Meeting date should be November 22, 2016. Mr. Lyles stated that a Landowners’ Meeting requires a separate publication and notice; therefore, for purposes of the meeting schedule, the date was for informational purposes only because it was not a meeting of the Board.

On MOTION by Mr. Freedman and seconded by Mr. Giolda, with all in favor, Resolution 2016-5, Adopting the Annual Meeting Schedule for Fiscal Year 2016/2017, as amended, was adopted.

SIXTH ORDER OF BUSINESS

Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2015, Prepared by Grau & Associates

Ms. Cerbone presented the Audited Financial Report for Fiscal Year 2015 and noted that there were no findings. The “Independent Auditor’s Report”, on Pages 1 and 2, indicated that the evidence the auditor was given was sufficient and complete and the financial statements were presented fairly. On Page 22, the “Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters” reflected that no deficiencies in internal control were identified. The “Independent Auditor’s Report on Compliance with the Requirements of Section 218.415, Florida Statutes”, on Page 24, indicated that the District

complied in all material respects with the requirements for the fiscal year ending 2015. The “Report to Management”, on Page 26, reflected no current or prior year findings.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2016-6, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2015

Ms. Cerbone presented Resolution 2016-6 for the Board’s consideration.

On MOTION by Mr. Giolda and seconded by Mr. Einfalt, with all in favor, Resolution 2016-6, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2015, was adopted.

EIGHTH ORDER OF BUSINESS

Consideration of Partial Release of BR Osprey Acquisition, LLC True-Up Agreement and Collateral Assignment & Assumption of Development Rights

Mr. Lyles stated that a property that was part of the original boundary of the project was being developed as workforce housing. The County required that it not be assessed, for debt purposes. Since the homes would not be part of the debt program or the capital project program and would not pay debt assessments, they were being released from some of the restrictions imposed on other properties with an annual debt assessment, one of which was the True-Up Agreement, which applied to the original developer, not the homeowners. The agreement stated that, if the size of the project was reduced by building fewer homes, the developer must pay the CDD the amount by which the number of available units was being reduced, to pay annual debt assessments. The Collateral Assignment and Assumption of Development Rights stated if, for some reason, there was a change in ownership, or a default, and the District took ownership of some of the property, the associated development rights would flow through to the District. The agreement would not apply to the parcel not being assessed for debt purposes.

Ms. Naim asked if the property was originally part of the debt. Mr. Lyles stated that, when the project was planned, it was considered but, by the time it reached the County Commission, the property was not part of the debt assessment for the project. As long as the CDD was in existence, the property was never considered part of the capital program. When the

documents were prepared, the entire boundary was included, to provide maximum security and in case something changed. Mr. Wrathell stated that one advantage of having the units in the District was that they helped to absorb part of the administrative operating costs. Mr. Lyles noted that the District also maintains a certain element of control. The property is in the boundary of the District but not part of the capital debt obligation of the District. The owners do not have to pay bonds back but they do come under the CDD's rules and regulations and must pay into Operation and Maintenance (O&M) and have rights to vote in the CDD.

On MOTION by Mr. Freedman and seconded by Mr. Einfalt, with all in favor, the Partial Release of BR Osprey Acquisition, LLC True-Up Agreement, Collateral Assignment & Assumption of Development Rights and authorization for the proper officials to execute the agreement on behalf of the CDD, were approved.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2016-7, Confirming that the District Does Not Levy Annual Special Assessments on Property Located with the District More Often Than Once Per Year; Providing for Severability and Providing an Effective Date

Ms. Cerbone presented Resolution 2016-7 for the Board's consideration. Mr. Lyles stated that the Resolution was part of the real estate work being performed for the parcel being sold. The attorneys representing the buyers mixed up CDDs and HOAs. HOAs can levy special assessments during the year, if the need arises but CDDs follow a statutory process. There is a proposed budget and, at least 60 days later, a final budget is adopted and assessments are levied. CDDs do not have the power to hold a special hearing, during the year, to levy additional assessments. This resolution confirms that this is what state law requires and the CDD has upheld the law.

On MOTION by Mr. Giolda and seconded by Mr. Einfalt, with all in favor, Resolution 2016-7, Confirming that the District Does Not Levy Annual Special Assessments on Property Located with the District More Often Than Once Per Year; Providing for Severability and Providing an Effective Date, was adopted.

TENTH ORDER OF BUSINESS

Consideration of District Engineer’s Certification of Final Completion of Public Improvements

Mr. Wrathell stated that, when bonds are issued, a book is issued, with many documents associated with bonds, one of which is a Trust Indenture, the guiding document about how bond proceeds can be utilized. The Trust Indenture also specifies a bond trustee. The CDD collects revenues and debt service payments are made to the bond holders. As specified in the trust indenture, when tax exempt bonds are issued, at some point, the construction accounts must be closed. With the completion of the infrastructure, the CDD is required to obtain a certification from the District Engineer. The bond trustee will then close the bond construction accounts.

Mr. Schnars stated that the certification contains a statement indicating that the price paid for the improvements was reasonable. Reference was made to the Acquisition Agreement and Mr. Schnars asked if other trust documents must be referenced. Mr. Lyles stated that the Certification met the indenture requirements.

On MOTION by Mr. Freedman and seconded by Mr. Einfalt, with all in favor, the District Engineer’s Certification of Final Completion of Public Improvements, was approved.

ELEVENTH ORDER OF BUSINESS

Consideration of Resolution 2016-8, Accepting the Completed Public Infrastructure Improvements Located Within District Boundaries

Ms. Cerbone presented the Resolution 2016-8 for the Board’s consideration.

On MOTION by Mr. Giolda and seconded by Mr. Freedman, with all in favor, Resolution 2016-8, Accepting the Completed Public Infrastructure Improvements Located Within District Boundaries, was adopted.

TWELFTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of July 31, 2016

Ms. Cerbone presented the Unaudited Financial Statements as of July 31, 2016.

On MOTION by Mr. Giolda and seconded by Mr. Einfalt, with all in favor, Unaudited Financial Statements as of July 31, 2016, were approved.

THIRTEENTH ORDER OF BUSINESS

Approval of Minutes

- A. **July 12, 2016 Regular Meeting**
- B. **July 26, 2016 Regular Meeting**

Ms. Cerbone presented the July 12, 2016 and July 26, 2016 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Giolda and seconded by Mr. Freedman, with all in favor, the July 12, 2016 and July 26, 2016 Regular Meeting Minutes, as presented, were approved.

FOURTEENTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

FIFTEENTH ORDER OF BUSINESS

Staff Reports

- A. **District Counsel**

There being no report, the next item followed.

- B. **District Engineer**
 - i. **Update: Littoral Areas**

Mr. Schnars indicated that no further discussion was required with regard to the littoral areas. The item will be removed from future agendas.

ii. Update: SFWMD Water Use Permitting

Mr. Schnars stated that the District Engineer was working for the HOA to modify the South Florida Water Management District (SFWMD) water use permit to increase the allocation of the permit to match what was actually occurring in the area. The application would be submitted in the next two weeks. Mr. Giolda asked if the HOA pursued replanting the littoral areas, as they indicated previously. Mr. Schnars did not know. Mr. Giolda stated that, several months ago, the HOA indicated that it would clean up the area and, so far, there was no activity. Mr. Schnars stated that the contractor and the HOA representative advised him that supplemental plantings would be provided for the areas that were devoid; he would follow up.

C. District Manager

i. NEXT MEETING DATE: September 27, 2016 at 10:00 A.M.

Ms. Carbone stated that the next meeting will be held on September 27, 2016 at 10:00 a.m., at this location.

SIXTEENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors'

With regard to the District levying assessments once per year, Mr. Naim asked what would occur if an issue arose mid-year and something had to be done. Mr. Lyles stated that several options were available. In the middle of the year, the District would have received all of its revenues from the Property Appraiser's office and the District could reduce expenditures and other items. The District also has the ability to obtain short-term financing. It would depend on the emergency.

SEVENTEETH ORDER OF BUSINESS


Adjournment

There being nothing further to discuss, the meeting adjourned.

**On MOTION by Mr. Giolda and seconded by Mr. Freeman,
with all in favor, the meeting adjourned at 10:35 a.m.**



Secretary/Assistant Secretary



Chair/Vice Chair