MINUTES OF MEETING
COPE'S LANDING COMMUNITY DEVELOPMENT DISTRICT

The Board of Supervisors of the Cope's Landing Community Development District held Public Hearings and a Regular Meeting on July 9, 2024 at 3:00 p.m., at the Cope's Landing Amenity Center, 12123 Great Eagle Road, Jacksonville, Florida 32219.

Present were:

John Gislason	Chair
James Teagle	Assistant Secretary
Anthony Sharp	Assistant Secretary
Mark Dearing	Assistant Secretary

Also present:

Ernesto Torres	District Manager
Katie Buchanan (via telephone)	District Counsel
Vince Dunn (via telephone)	District Engineer
Tony Shiver	First Coast Contract Maintenance Service
Members of the public	

FIRST ORDER OF BUSINESS **Call to Order/Roll Call**

Mr. Gislason called the meeting to order at 3:07 p.m. Supervisors Gislason, Teagle, Sharp and Dearing were present. Supervisor Porter was not present.

Mr. Gislason stated the meeting room has a heavy echo and asked attendees to keep chatter to a minimum so everyone can hear and comments and questions can be addressed. He noted that this is the first meeting with residents in attendance and the Board welcomes input.

Mr. Gislason stated the first public comments section is to discuss agenda items only; other issues, comments and concerns can be voiced near the end of the meeting. The proposed Fiscal Year 2025 budget will be discussed during the Third Order of Business.

The Board Members and Staff introduced themselves.

DUE TO AUDIO INTERFERENCE, MANY PUBLIC COMMENTS WERE INAUDIBLE.

SECOND ORDER OF BUSINESS **Public Comments**

A member of the public asked if the Board Members are employed by DR Horton. Mr. Gislason replied affirmatively. Asked if this is an HOA meeting, Mr. Gislason replied no and stated that a Community Development District (CDD) is different from a homeowner's association (HOA). The CDD is a local government entity that manages facilities and infrastructure; initially, representatives from the Developer serve on the CDD Board and, as more residents move into the community and certain thresholds are met, Developer representatives on the CDD Board will be replaced by residents. CDD assessments are assessed through the tax roll. When residents vote in Federal, State and local elections, they will be able to vote for individuals running for the CDD Board. Items related to the HOA, such as covenants and restrictions, are addressed separately. CDD Board Members will do their best to address only questions related specifically to the CDD and defer questions related to the HOA to the individuals that run the HOA.

The Board and Staff responded to questions, as follows:

➢ HOA dues are billed through the HOA; residents should receive information in the mail.

➢ CDD assessments include the bond debt that runs with the land; these are assessed every year and continue until bonds are paid off, typically 30 years depending on when the house was purchased.

➢ The Operation & Maintenance (O&M) assessments to fund facility operations are also billed via the tax roll. The O&M assessment changes from year to year. The Board tries to avoid drastic increases to O&M assessments, as shown in the budget to be discussed today.

➢ The CDD assessment appears on the tax bill as a Non-Ad Valorem assessment for Cope's Landing CDD.

➢ The bond is held by bondholders; the Developer did not take a loan from the City.

➢ The CDD is a local form of government that runs with the land; it is used to help with infrastructure for facilities and to build amenities. Bonds are sold and the proceeds are used to build and maintain infrastructure, such as roads and stormwater ponds.

➢ The City of Jacksonville issues rules regarding development. After a specific number of houses are built, the Developer will apply a final lift of asphalt to finish the roads.

➢ One lift of asphalt is applied during construction. The City will not allow the final lift of asphalt to be applied until later, due to potential damage to the roadway from construction trucks, etc.

➢ The entire development includes seven phases with approximately 834 homes. There will be several bonds; all homeowners pay the same debt service assessment for the duration of the time they own the home.

Mr. Gislason stated that CDD meetings will primarily focus on CDD matters, not development, to keep CDD meetings shorter so residents participate. Efficient meetings are the goal. He noted that, in the future, homeowners/residents will eventually sit on the CDD Board.

Mr. Torres stated that public comments will be taken during each public hearing today.

Ms. Buchanan recommended that the Third and Fourth Orders of Business be conducted in a single public hearing, because they are both related to the budget.

The Board and Staff responded to questions, as follows:

- The Non-Ad Valorem tax is paid every year, via the tax bill, for as long as the homeowner owns the home and continues with the property if sold. The O&M portion of the assessment funds CDD operations. The debt service bond portion of the assessment is a fixed amount, generally amortized over a 30-year period, similar to a mortgage. Homeowners can pay off the debt service bond portion of their assessments early, if they like. The O&M portion is subject to the annual CDD budget, which will be discussed today, and can vary based on contracts, utility rates, expenditures, projects, repairs, etc.
- The O&M budget funds all maintenance and facilities operated by the CDD.
- Additional information about the CDD can be found at www.copeslandingcdd.net. Attendees can also remain after the meeting to ask additional questions.
- Mr. Shiver, the Facilities Manager, can also respond to questions about facilities.

On MOTION by Mr. Teagle and seconded by Mr. Dearing, with all in favor, the Public Hearings for the Third and Fourth Orders of Business, were opened.

THIRD ORDER OF BUSINESS **Public Hearing on Adoption of Fiscal Year 2024/2025 Budget**

A. Affidavit of Publication

The affidavit of publication was included for informational purposes.

B. Consideration of Resolution 2024-05, Relating to the Annual Appropriations and Adopting the Budget(s) for the Fiscal Year Beginning October 1, 2024, and Ending September 30, 2025; Authorizing Budget Amendments; and Providing an Effective Date

Mr. Torres stated he distributed copies of the proposed Fiscal Year 2025 budget. He presented the proposed Fiscal Year 2025 budget, highlighting any line item increases, decreases and adjustments, compared to the Fiscal Year 2024 budget, and explained the reasons for any changes. This budget includes on-roll assessments paid by homeowners, off-roll assessments and a Landowner contribution paid by the Landowner. At this time, the portion of the budget assessed to homeowners, $171,036, accounts for only a fraction of the total expenses of $644,951. Professional & administrative expenses increased slightly, mainly due to Tax collector fees. Field operations increased slightly, mainly because of landscaping coming online since last year's budget was approved. The major new expense of the budget is related to the Amenity Center that has come online; expenses including permits, utilities, staff and contractors.

Mr. Gislason stated the goal is for the CDD to collect as little revenue as possible from homeowners and utilize what is collected to maintain a first-class facility, rather than to collect overages.

Regarding a resident request for dog waste stations, Mr. Teagle stated it is included in the budget. Mr. Shiver anticipates installation of six dog waste stations. Mr. Teagle stated that proposals will be requested and approved in advance of installation.

It was noted that Fiscal Year 2025 runs from October 1, 2024 through September 30, 2025. Items are included in the budget in anticipation of installation.

In response to a resident questioning the amounts budgeted, a Board Member stated that CDD expenditures are discussed at public Board meetings so that homeowners can know where their money is going. It was noted that contracts are a matter of public record. Typically, line items such as landscaping are budgeted based on experience and expenses are based on the contract.

Mr. Gislason stated the budget to be approved today is a proposed budget that, for Fiscal Year 2025, cannot increase any more than what is approved today. Some expenditures might be overestimated but amounts approved are fixed; the Board does not want to ever have a budget that does not cover expenses.

Ms. Buchanan noted that excess, unused funds are retained for CDD use for the next fiscal year.

Mr. Gislason stated that, during the next budget cycle, the budget will be adjusted based on actual expenditures, which might change from year to year. The proposed Fiscal Year 2025 budget is for Board discussion and consideration today. Mr. Torres can provide copies of contracts and respond to individual questions on an ongoing basis.

A Board Member stated the first-year budget for the amenities coming online is a forecast based on experience with similar facilities in the area and fine-tuned based on contracts. Next year, the budget will be adjusted based on actual expenditures and contracts, once the facilities are open.

Discussion ensued regarding individual line items, including holiday decorations, landscaping and facility maintenance.

It was noted that Mr. Shiver works for FMS, which is the company responsible for facility maintenance. FMS is extremely responsive to resident questions and complaints.

Mr. Gislason stated that general concerns will be addressed at the end of the meeting; during the budget public hearings, public comments are limited to the budget.

Asked if expenditures can be viewed, it was noted that the unaudited financials are discussed at each meeting. Mr. Torres stated that monthly financials are posted on the CDD website. Mr. Torres will assist those who need assistance as to how to access information on the website.

Asked how contracts are awarded, Mr. Gislason stated that CDDs operate differently than HOAs. The Request for Proposals (RFP) process is very transparent; bidders are ranked based on cost and experience and discussions occur at public meetings.

Discussion ensued regarding use of contingency, which may or may not be used in the current fiscal year and might be reallocated next year.

Mr. Torres noted that the Unaudited Financials show that the Fiscal Year 2024 budget is underfunded by $18,000 so the Developer must fund the CDD through the rest of the Fiscal Year, which ends September 30, 2024. Any unused funds are kept in Unassigned Fund Balance; this line item is also used to help fund CDD operations in October, November and December, until the CDD receives the funds collected by the Tax Collector.

Asked if assessments will decrease when all the projected homes are built, it was noted that DR Horton pays assessments on land it owns. There will not be a windfall of additional revenue as homes are built as DR Horton already pays assessments based on every lot that is not platted. It was also noted that, when the number of residents increases, the number of residents utilizing facilities also increases, which might cause maintenance costs to rise.

It was noted that Page 3 of the budget contains descriptions of the expenditures on Page 1.

FOURTH ORDER OF BUSINESS **Public Hearing to Hear Comments and Objections on the Imposition of Maintenance and Operation Assessments to Fund the Budget for Fiscal Year 2024/2025, Pursuant to Florida Law**

A. Proof/Affidavit of Publication

B. Mailed Notice(s) to Property Owners

These items were included for informational purposes.

C. Consideration of Resolution 2024-06, Providing for Funding for the FY 2025 Adopted Budget(s); Providing for the Collection and Enforcement of Special Assessments, Including But Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date

Comments on this item from affected property owners and/or members of the public were taken during the Third Order of Business during the combined Public Hearing.

On MOTION by Mr. Dearing and seconded by Mr. Teagle, with all in favor, the Public Hearings for the Third and Fourth Orders of Business, were closed.

On MOTION by Mr. Dearing and seconded by Mr. Teagle, with all in favor, Resolution 2024-05, Relating to the Annual Appropriations and Adopting the Budget(s) for the Fiscal Year Beginning October 1, 2024, and Ending September 30, 2025; Authorizing Budget Amendments; and Providing an Effective Date and Resolution 2024-06, Providing for Funding for the FY 2025 Adopted Budget(s); Providing for the Collection and Enforcement of Special Assessments, Including But Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, were both adopted.

Discussion ensued regarding the public hearing and budget processes.

Mr. Gislason stated, in the future, several public meetings will be held at which questions and concerns can be addressed before adoption of the budget. Today's meeting was noticed at least 60 days ago and posted on the CDD website.

FIFTH ORDER OF BUSINESS **Public Hearing to Hear Public Comments and Objections to the Adoption of the**

Amenity Facilities Rules, Policies and Fees Pursuant to Sections 120.54 and 190.035, Florida Statutes

A. Affidavits of Publication

The affidavits of publication were included for informational purposes.

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

Ms. Buchanan stated that these Rules were previously approved; the rates might be the area of greatest interest to attendees. Mr. Gislason stated that the Rules are posted on the CDD website. The rates to be discussed and approved today are as follows:

Non-Resident Annual User Fee:	$4,000
Access Card Replacement Fee:	$25
Amenity Room Rental Fee (Up to 50 Guests):	$250
Security Deposit for Amenity Room Rental:	$250

Mr. Gislason stated the Non-Resident Annual User Fee applies to individuals that do not reside within the CDD but want to use the pool and amenities. It was noted that the CDD cannot prohibit members of the public access but it can impose a non-resident user fee, which might serve as a deterrent to the general public, preserving the amenity for resident use.

A Board Member stated the Amenity Room Rental Fee goes into the General Fund revenues but, after receiving a lot of feedback from the community, he thinks lowering the fee to $100 seems more in line with similar communities.

Asked why residents should pay anything to rent the facility, Mr. Shiver stated that a rental fee deters individuals from hosting free events, at the CDD's expense, or monopolizing use of the room. It was noted that approved clubs are generally treated differently than the public.

Ms. Buchanan noted that the Rules include a suspension and termination policy to address what happens if the Rules are violated. The Rules are likely to be changed, as Mr. Shiver spends time with the CDD and better understands how residents want it to operate. The Rules can be updated regularly; the rates will stay the same until they are officially revised. The suspension policy provides for the Board and Mr. Shiver to suspend or even terminate the privileges of users who violate the Rules in a way severe enough to merit that kind of reaction. She encouraged participants to review and become familiar with the Rules on the CDD website.

Mr. Gislason stated the consensus is to reduce the rental fee, as previously discussed.

The following change was made to Exhibit A, AMENITY FEES:

Amenity Room Rental Fee (Up to 50 Guests): Change "$250.00" to "$100.00"

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

B. Resolution 2024-07, Adopting Amenity Facilities Policies, Rates, and Fees, Providing for Severability and an Effective Date

Mr. Gislason presented Resolution 2024-07.

On MOTION by Mr. Dearing and seconded by Mr. Teagle, with all in favor, 2024-07, Adopting Amenity Facilities Policies, Rates, and Fees, as amended, Providing for Severability and an Effective Date, was adopted.

SIXTH ORDER OF BUSINESS **Presentation of Audited Financial Report for the Fiscal Year Ended September 30, 2023, Prepared by Grau & Associates**

Mr. Torres presented the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2023 and accompanying disclosures. There were no findings, recommendations, irregularities or instances of noncompliance; it was an unmodified opinion, otherwise known as a clean audit.

SEVENTH ORDER OF BUSINESS **Consideration of Resolution 2024-08, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2023**

On MOTION by Mr. Dearing and seconded by Mr. Teagle, with all in favor, Resolution 2024-08, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2023, was adopted.

EIGHTH ORDER OF BUSINESS **Ratification of GreenPoint Landscaping Addendum to an Existing Contract**

Mr. Torres presented the Addendum to the GreenPoint Landscaping Contract.

On MOTION by Mr. Dearing and seconded by Mr. Teagle, with all in favor, the Addendum to the GreenPoint Landscaping Contract, was ratified.

NINTH ORDER OF BUSINESS **Acceptance of Unaudited Financial Statements as of May 31, 2024**

On MOTION by Mr. Dearing and seconded by Mr. Teagle, with all in favor, the Unaudited Financial Statements as of May 31, 2024, were accepted.

TENTH ORDER OF BUSINESS **Approval of May 7, 2024 Regular Meeting Minutes**

On MOTION by Mr. Dearing and seconded by Mr. Teagle, with all in favor, the May 7, 2024 Regular Meeting Minutes, as presented, were approved.

ELEVENTH ORDER OF BUSINESS **Staff Reports**

A. District Counsel: Kutak Rock LLP

B. District Engineer: Dunn & Associates, Inc.

There were no District Counsel or District Engineer reports.

C. Field and Amenity Manager: First Coast Management Services

Mr. Shiver stated, in the first few months of operation, some wear and tear issues were addressed. Several warranty matters were addressed at no cost to the CDD, including air conditioning and exercise equipment. The pool contractor is working to get equipment fully functional; as of a few weeks ago everything is completed.

Mr. Gislason thanked Mr. Shiver for addressing the signage and the dog waste stations.

Mr. Shiver stated the bulletin board will be posted at the entrance and future meeting dates and community events will be posted on it.

As requested, bulletin boards will also be posted at resident mailboxes.

D. District Manager: Wrathell, Hunt and Associates, LLC

- **47 Registered Voters in District as of April 15, 2024**

- **NEXT MEETING DATE: August 6, 2024 at 3:00 PM [Adoption of Delegation Resolution]**
  - **QUORUM CHECK**

TWELFTH ORDER OF BUSINESS **Board Members' Comments/Requests**

There were no Board Members' comments or requests.

THIRTEENTH ORDER OF BUSINESS **Public Comments**

A resident asked if emails or any other form of communication other than the website is utilized regarding meetings. Mr. Gislason stated the CDD does not have an email list for homeowners and residents. Mr. Shiver stated that he collects email addresses as residents register for amenities; while not typical, he can send emails if the Board directs.

A resident stated he was unable to find the Rules on the CDD website. Mr. Torres will look into it.

It was noted that the agenda is posted seven days prior to the meeting. Minutes are not posted on the CDD website until after they are approved by the Board at a public meeting.

It was noted that Mr. Torres' contact information is on the CDD website.

Asked what would happen if homeowners are against a budget line item, Mr. Gislason stated the Board is obligated to fund maintenance of all CDD facilities and avoid a shortfall. As the next fiscal year approaches, public meetings will be held where the Board will discuss all the items and expenditures in the current year and projections for the next fiscal year. Resident participation in budget discussions will increase as the number of residents increases.

It was noted that, next year, a meeting will be held about 60 days before the anticipated date of adoption of the budget. That meeting is to approve the proposed budget to be considered at the public hearing, like what occurred at the hearing held today. Once the proposed budget is approved, it can be changed but the total budget amount cannot be increased.

Asked why the Board did not accept homeowner/resident input and change or remove line items, Mr. Dearing stated that public comments are welcome but the Fiscal Year 2025 budget involves a lot of best guesses and initial numbers. There will always be comments and debate but, today, the Board adopted what it thinks is the best to start with based on the new amenities coming online. Next year, there will be more public input and actual numbers so there will be a better idea of the actual costs of the CDD operations.

Mr. Torres noted that initial budget discussions for the Fiscal Year 2026 budget will begin in March or April 2025 because the Board must approve the proposed budget no later than June 15th every year and the proposed budget must be approved at least 60 days before it is adopted. There is a limited window for budget discussions and adoption but, next year, the process will include actual financial information rather than historical figures and projections from other CDDs.

It was noted that homeowners/residents will feel more a part of the process next year. Questions and suggestions can be emailed to Mr. Torres, as needed.

It was noted that registered voters are individuals that live within the CDD. Residents are able to be elected to the CDD Board after the CDD has been in existence for six years and when the CDD has 250 registered voters. Initially, two of the existing Board Members will be replaced by residents. The gradual process of Board Member replacement allows residents to gradually become familiar with CDD operations and processes.

In response to a resident's question about assessments, it was noted that the on-roll assessment is shown on Page 8 of the Fiscal Year 2025 budget. The O&M assessment, indicated by "GF" which stands for General Fund, is $864.86. The "DSF" assessment of $1,729.30 represents the Debt Service Fund, meaning the bond debt, which will not change from year to year and will eventually go away when the bond is paid off. The General Fund assessment can fluctuate from year to year based on actual administrative and O&M expenses and the budget.

The CDD website includes contact information for Mr. Torres and Mr. Shiver.

It was noted that homeowners can pay off their Debt Service balance early; however, if it is paid off early, no monies are refunded if the debt is refinanced at a lower rate or if the homeowner sells the property.

FOURTEENTH ORDER OF BUSINESS **Adjournment**

On MOTION by Mr. Dearing and seconded by Mr. Teagle, with all in favor, the meeting adjourned at 4:21 p.m.

Secretary/Assistant Secretary

Chair/Vice Chair