

**MINUTES OF MEETING
SOUTHERN HILLS PLANTATION I
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Southern Hills Plantation I Community Development District held a Regular Meeting on January 21, 2021 at 10:00 a.m., at the Southern Hills Plantation Clubhouse, located at 4200 Summit View Drive, Brooksville, Florida 34601.

Present at the meeting were:

Margaret Bloomquist	Chair
John McCoskrie	Vice Chair
Robert Nelson (via telephone)	Assistant Secretary
Matt Romero	Assistant Secretary
Brian McCaffrey	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Michael Szymonowicz (via telephone)	Wrathell Hunt and Associates, LLC
Jennifer Kilinski (via telephone)	District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 10:01 a.m. Supervisors Bloomquist, McCoskrie, Romero and McCaffrey were present in person. Supervisor Nelson was attending via telephone.

SECOND ORDER OF BUSINESS

Public Comments (*Agenda Items*)

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

**Discussion: Interlocal Agreement Payment
Status as of 12/31/20**

- A. CDD II – Amount Outstanding and Options**
- B. CDD III – Amount Outstanding and Options**

Mr. McCoskrie recalled that, at the previous meeting, the Board directed him and Ms. Kilinski to pursue agreements with Southern Hills Plantation CDD II and CDD III to formalize a repayment structure. He gave the following update:

- Draft documents were produced for the Board's consideration. The amounts due would be finalized with Mr. Pinder.
- Regarding payment structures, CDD II was slightly more straightforward than CDD III.
- Neither CDD II nor CDD III would be charged interest on amounts outstanding.
- Since the current Management Company did not start until 2015, there were no records of the outstanding amounts from either District, prior to 2015.

Mr. Adams clarified that there were records of the amounts but no backup to support the amounts, which renders the accuracy doubtful.

- CDD II and CDD III would be given one year to pay the outstanding amounts.
- In good faith and in consideration of settlement between the parties, the District is willing to waive the 2015 prior amounts and commence with the Fiscal Year 2016 amounts, going forward.
- The funds owed were for operations and maintenance (O&M) of CDD II and CDD III.
- CDD III differs because it involves the Developer, District Manager and District Counsel, who also represent CDD I and CDD III.
- In the CDD III Agreement, the Funding Agreement between the Landowner and CDD III entity is referenced.
- In the CDD II Agreement, there is not a direct Developer Funding Agreement for the District to fund various O&M assessments.
- In the CDD III Agreement, there are no other assessment pairs except for the majority Landowner, so the District is currently funded by the Developer Funding Agreement for its budget and the Agreements currently only run to the District-established O&M budget, which is miniscule, as very few meetings are held.
- There has not been a separate Interlocal Funding Agreement for CDD III; CDD III has never received payment from the Landowner to remit, pursuant to the Interlocal Agreement.

- Since CDD III can only make payments if the Landowner agrees to fund them, Staff intends to produce a funding agreement between CDD III and the Landowner that attaches the repayment agreement.
- If repayment is not received, the District can levy an assessment on the property and foreclose.
- CDD III has been making payments to the District and the total owed since 2015 went down from \$217,000 to approximately \$95,000.
- CDD II only made one \$8,000 payment, in 2017, in the form of a cash receipt, which Mr. Pinder could not confirm.

Ms. Kilinski recommended approval of the Interlocal Agreements, in substantial form, and suggested that the Board grant Mr. McCoskrie authority to execute, on behalf of the District, once finalized. The Agreements would then be transmitted to CDD II and CDD III for consideration and Staff would provide either signed Agreements or further feedback at the next meeting. Mr. Romero asked if the language in Section G, for CDD III, and Section H, for CDD II, was clear that, if there were a default, all prior unsupported payments from 2016 would become due as well. Ms. Kilinski would clarify the language to reflect that the prior amounts are also accelerated.

On MOTION by Ms. Bloomquist and seconded by Mr. Romero, with all in favor, the CDD II and CDD III Repayment Agreements, in substantial form, and authorizing Mr. McCoskrie to finalize the Agreements and present them for ratification or further acceptance, was approved.

FOURTH ORDER OF BUSINESS

On-Roll Payment Amounts in Arrears as of 12/31/20 and Payment Options

Mr. Szymonowicz stated the “On-Roll Collections, FY 2016-2020” table represented the last five years of historical assessment collections that were placed on the County tax rolls, broken out into General Fund (GF), Debt Service Fund A-1 (DSF A-1) and Debt Service Fund A-2 (DSF 1-2) collections. He compared the amounts that were actually placed on the County rolls, which did not take into account government-owned lots or lots that were placed on a list of

“lands available for sale” by the County. These parcels could not receive tax bills and, consequently, the District could not levy collections. He reviewed the total percent collected from each Fiscal Year listed and stated, cumulatively, the District was over the full collection of 92% ratio. Almost all of the lots are platted and owned by the Master Developer; only eight platted lots had taxes paid through tax certificate sales. This is the third year that tax certificates have been offered, which places the District in the “danger zone”, because, if there are no purchasers after three years, the County may place 208 of the lots on the list of “lands available for sale.” Mr. McCoskrie summarized that there are no issues with the on-roll collections; however, for the off-roll collections, the Developer owes \$557,000, which has principal and interest (P&I) and O&M components and are straining the District’s reserves. At some point, the District or the Bondholders will have to address the off-roll properties.

Discussion ensued regarding the County, lots with tax certificate sales and tax deed sales. Per the Board’s direction, Mr. Szymonowicz would research the list of lands available for sale by the County and report his findings at the next meeting. Ms. Kilinski would forward a memorandum to the Board regarding the considerations in pursuing ownership of property and the District’s role in holding assessments on property and options.

FIFTH ORDER OF BUSINESS

Off-Roll Payment Amounts in Arrears as of 12/31/20 and Payment Options

This item was addressed during the Fourth Order of Business.

SIXTH ORDER OF BUSINESS

Continued Discussion: Pond and Pond Banks Owned and Operated by the CDD

Mr. Adams presented maps of the ponds and pond banks owned and operated by the District. The maps were reviewed and scrutinized by District Staff following the previous meeting and determined to be 100% accurate.

SEVENTH ORDER OF BUSINESS

Continued Discussion: Landscaping Contract

Mr. Adams stated no contractors were engaged because three Board Members asked to hold off on obtaining proposals, pending further review of the revised landscaping contract that was forwarded following the previous Board Meeting. Discussion ensued regarding shrub maintenance, change orders, pond maintenance, improving the water quality and publicizing a Request for Proposals (RFP).

EIGHTH ORDER OF BUSINESS

Discussion: Sprinkler Impacts Along Entry Boulevard

Ms. Bloomquist stated she would confer with the City regarding maintenance on the roadway, as they are responsible for maintaining the main Southern Hills Boulevard roadway and recently had the potholes filled. She learned that some of the road issues are due to irrigation and the way the irrigation is set up on the roadway. Whatever contractor the District hires must inspect the irrigation so that the City cannot blame the District for damages. She would consult with Mr. Manuel, of Coastal Engineering, prior to contacting the City, to inform them that the CDD has a plan to make sure that the irrigation is not corrupting the roadway. Another concern was the amount of traffic, which would continue to increase on the Boulevard and other alternate routes; new roadways would likely be constructed. The District needs to make sure that the City remains vigilant in maintaining the main roadway.

NINTH ORDER OF BUSINESS

Discussion: Meeting Frequency and Financial Impact

Mr. Adams stated that Board Meetings would be held monthly, for the foreseeable future.

TENTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of November 30, 2020

Mr. Adams presented the Unaudited Financial Statements as of November 30, 2020.

ELEVENTH ORDER OF BUSINESS

Approval of November 19, 2020 Regular Meeting Minutes

Mr. Adams presented the November 19, 2020 Regular Meeting Minutes.

On MOTION by Ms. Bloomquist and seconded by Mr. McCoskrie, with all in favor, the November 19, 2020 Regular Meeting Minutes, as presented, were approved.

TWELFTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Hopping Green & Sams, P.A.*

There being nothing further to report, the next item followed.

B. District Engineer: *Coastal Engineering Associates, Inc.*

There being nothing to report, the next item followed.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

- **NEXT MEETING DATE: February 18, 2021 at 10:00 a.m.**
 - **QUORUM CHECK**

The next meeting would be held February 18, 2021 at 10:00 a.m.

FOURTEENTH ORDER OF BUSINESS

Supervisors' Requests

There being no Supervisors' requests, the next item followed.

FIFTEENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. McCoskrie and seconded by Mr. Romero, with all in favor, the meeting adjourned at 10:52 a.m.

COPE ΔE
Secretary/Assistant Secretary

M.A. Stromquist
Chair/Vice Chair