

**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 June 14, 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
Matt Romero	Assistant Secretary
Brian McCaffrey	Assistant Secretary
Robert Nelson (via telephone)	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Lauren Gentry (via telephone)	District Counsel
Joe Calamari	District Engineer
Andrew Story	Golf Course Course Superintendent

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 10:00 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

Update: CDD II and III Repayments

Mr. Adams gave the following update:

➤ The Southern Hills Plantation II CDD (SHP II) and the Southern Hills Plantation III CDD (SHP III) Repayments Agreements were executed and would be notarized today and recorded thereafter; the delay was because an item was omitted from the original documents.

➤ The SHIP III Repayment Agreement included acknowledgement of it and acknowledgement of the Developer who funds CDD III.

Ms. Gentry was asked to advise Ms. Kilinski to provide the Board with an evaluation about proceeding with a case against CDD II and what the next step would be to proceed, if there is a case. It must be determined if the Interlocal Agreement was enforceable without being recorded, as it was not recorded for 16 years and it was just recorded November 2020.

Mr. Adams and Ms. Gentry noted that SHP II should have met recently to approve its proposed Fiscal Year 2022 budget, as required by law, and SHP II would be required to hold another meeting around August to adopt its budget.

Discussion ensued regarding possibly differentiating the concerns about obtaining delinquent funds from SHP II separately from the amounts due going forward, having SHP I Board Members attend the July 6, 2021 City Council meeting to advise that SHP II is delinquent in its responsibility to help fund maintenance of Southern Hills Boulevard and surrounding area, which is deteriorating. Staff would coordinate a conference call with individual Board Members before the City Council meeting.

FOURTH ORDER OF BUSINESS

Update: Status of Sale and Receipt of Payments from Previously Escheated Properties

Mr. McCoskrie reported the following:

- The HOA's one lot was scheduled to close tomorrow.
- The City's 10 lots were scheduled to close at the end of June.
- The County contract was approved three weeks ago and executed last week. The closing was expected to occur in August.
- Evergreen was having trouble with the estoppel letters, which may delay the closing scheduled for tomorrow.
- The proposed closing statement was received from the Builder's title company. Ms. Kilinski was consulted about how they would disperse those funds between SHP I and the Trustee, on behalf of the bondholders. Further discussions were necessary.

Ms. Bloomquist stated she was informed that the County would need to sign a release. Ms. Gentry stated Ms. Kilinski mentioned they were waiting on the County to execute

documentation that was needed to transmit the funds to the CDD. She wanted direction from the Board as to where to allocate the funds that the CDD may receive. She discussed the option of dispersing funds via a pro-rata breakdown of the outstanding debt and operation and maintenance (O&M) assessments during individual calls with Board Members.

Discussion ensued regarding Commissioner Champion and the County Attorney's discussions at the Council meeting about why the County was releasing funds to SHP I, federal liens being the only liens remaining on the property and case law not being clear, which may result in litigation.

Mr. McCoskrie asked District Counsel what documents were awaiting the County's signature, as he was not aware of any. He gave Ms. Gentry the proposed closing figures and suggested tabling discussions about dispersing the funds to another time. He discussed the following four scenarios presented during preliminary discussions:

- 1) Trustees keep all the money, on behalf of the bondholders.
- 2) SHP I keeps all the money.
- 3) Trustees keep all the money and give SHP I \$5,000, \$10,000 or \$15,000 for legal fees.
- 4) Split the money pro-rata.

Mr. McCoskrie stated that the following would be another scenario:

- 5) SHP I keeps all of the funds for leverage with the Trustees to persuade the Developer to pay past due expenses, as they put the District's entire bond issue at jeopardy because the District's May 1, 2021 payment was not made.

Ms. Gentry noted discussions with Ms. Kilinski suggesting that, besides dividing the funds pro-rata, having SHP I take additional funds out of the Trustees' share to pay its administrative expenses. Ms. Gentry would notify Ms. Kilinski to explore, upon receipt of executed documents from the County, options to push the Trustees and bondholder to take action against the Developer for unpaid payments and hold the funds until a resolution is reached and, if not valid, divide the funds pro-rata and give SHP I additional funds for the administrative and legal fees incurred in negotiating this deal. District Counsel would contact the Board Members individually to confirm their agreement with the proposed course of action.

On MOTION by Mr. Romero and seconded by Ms. Bloomquist, holding funds as leverage over the Trustees and Bondholders or, alternatively, proceeding with a pro-rata split, with additional funds allocated to SHP I for administrative and legal fees, and authorizing the Vice Chair to make the final decision, after consulting with District Counsel, was approved.

Mr. McCoskrie distributed a schedule from the June 6, 2019 meeting regarding golf course ponds conveyed to the District; he was concerned that the District was treating certain ponds that it is not responsible for, along with some that are the District's responsibility but are not identified on the map. Mr. Adams and Mr. McCaffrey stated that a subsequent map was updated to include missing areas that are part of the irrigation circle and others that are identified as dry retention areas (DRA), which do not need to be treated, as they are used to hold water. The DRA banks are mowed regularly.

Ms. Bloomquist stated she heard Hampton took over irrigation maintenance services from Southern Hill Irrigation Services. Mr. McCoskrie stated he would confirm if that was true.

FIFTH ORDER OF BUSINESS

Consideration of Aventura Nursery & Landscapes, Inc. Estimates

A. Estimate #8984 – Sod Installation

Mr. McCaffrey presented the proposal to re-sod an area exiting the property. Mr. Adams asked for the proposal to include labor and materials.

On MOTION by Ms. Bloomquist and seconded by Mr. Romero, Aventura Nursery & Landscapes, Inc., Estimate #8984, for labor and materials for installation of bitter blue sod, in a not-to-exceed amount of \$5,000, was approved.

B. Estimate #9006 – Shrub Removal, Area Preparation, Sod Installation and Installation of Pine Straw Around Base of Big Trees

Mr. McCaffrey presented Estimate #9006. This item was deferred to August, due to irrigation issues, having to remove the magnolia trees and install sod and potential litigation expenditures. Discussion ensued regarding water causing roadway deterioration near the gatehouse, before Cotillion. Mr. McCaffrey would inspect the area.

Mr. McCoskrie introduced Mr. Andrew Story, the Golf Course Superintendent. Mr. Story discussed the recent scope of work at the pond, which was performed by an MRI diver. MRI would provide a proposal to treat and eliminate snails. He discussed future plans to stock grass carp, as the permit was received.

SIXTH ORDER OF BUSINESS

Consideration of Vortex Property Services Estimate #1050 for Paver Work and Sealing at Southern Hills Entry

Ms. McCaffrey presented Estimate #1050 and discussed the scope of work. This item was deferred to July to allow time to verify square footage and drainage, obtain additional bids and for Board Members to inspect the area. Ms. Bloomquist discussed the City being responsible for repairing the roadway.

SEVENTH ORDER OF BUSINESS

Consideration of Estimates for Lighting at the Front Portion of Southern Hills Boulevard

Ms. Bloomquist presented the following proposals:

- A. B. Covell Automation & Design Service Proposal**
- B. Kennedy Electric Estimate #1065**

Discussion ensued regarding the scope of work and requesting proposals for additional services. Ms. Bloomquist stated she would negotiate the services to remove hanging wires and, if unable, she would present additional quotes at the next meeting.

On MOTION by Mr. McCaffrey and seconded by Mr. McCoskrie, Kennedy Electric Estimate #1065, for lighting at the front entrance of Southern Hills Boulevard, in a not-to-exceed amount of \$14,580, was approved.

Mr. McCaffrey was asked to inform the landscapers to be careful when trimming around lighting structures.

EIGHTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of April 30, 2021

Mr. Adams presented the Unaudited Financial Statements as of April 30, 2021. The following items were discussed and require follow up action:

- Trustee: Mr. Adams would research the general ledger and backup documentation to determine the reasons for exceeding budget.
- The irrigation repair vendor was instructed to include photographs in their invoice of the repairs made and submit photos for the last five repairs, in order to receive payment.
- Ongoing action for District Manager: Provide actual year-to-date expenditure costs versus budget, during this agenda item.
- Sidewalk repairs, staining and sealing pergola were discussed.

On MOTION by Mr. McCoskrie and seconded by Mr. Romero, authorizing Staff to engage a vendor to stain the pergola with as many coats as necessary, in a not-to-exceed amount of \$2,200, was approved.

The financials were accepted.

NINTH ORDER OF BUSINESS

Approval of May 10, 2021 Regular Meeting Minutes

Mr. Adams presented the May 10, 2021 Regular Meeting Minutes.

The following changes were made:

Lines 79 through 82: Replace “A partial payment that was outstanding through December 31, 2020 was received, in the amount of \$73,000; \$20,000 remained outstanding. Staff was trying to collect the balance, as well as the first quarterly payment, which was due on April 1, 2021.” with “The \$93,000 owed to the District was restructured to be payable over five years so the Controller removed four years of payments owed because the payments are further out than the 12 months covered in the unaudited financial statements; \$73,000 of the \$93,000 owed to the District was reclassified to long-term.

Mr. McCoskrie referred to Lines 90 through 93 and the statement regarding the A1 and A2 bond payments and asked for clarification of what the District actually paid on May 1, 2021 by the next meeting.

Line 114: Change “District” to “Bondholders”

Lines 120, 135, 177, 190, 198 and 206: Change "Townsend" to "McCaffrey"

Line 22: Delete attendee "Robert Townsend"

On MOTION by Mr. McCaffrey and seconded by Mr. Romero, with all in favor, the May 10, 2021 Regular Meeting Minutes, as amended, were approved.

TENTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

ELEVENTH 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 no report, the next item followed.

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

- **NEXT MEETING DATE: July 12, 2021, *immediately following the adjournment of the Southern Hills Plantation III CDD meeting scheduled to commence at 10:00 a.m.***

- **QUORUM CHECK**

The next meeting will be held on July 12, 2021 at 10:00 a.m. Mr. McCaffrey may attend via telephone. Whether to cancel the meeting would be decided closer to the meeting date.

TWELFTH ORDER OF BUSINESS

Supervisors' Requests

There being no Supervisor's requests, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Adjournment

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

On MOTION by Mr. McCoskrie and seconded by Mr. McCaffrey, with all in favor, the meeting adjourned at 11:17 a.m.


Secretary/~~Assistant Secretary~~


Chair/Vice Chair