

**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 July 10, 2023 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:**

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

**Also present were:**

Chuck Adams	District Manager
Michal Szymonowicz (via telephone)	Wrathell, Hunt and Associates LLC (WHA)
Laurin Gentry	District Counsel
Jay Gaines (via telephone)	Auditor
Joe Hamilton	Steadfast Environmental, LLC (Steadfast)

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Adams called the meeting to order at 10:24 a.m.

Supervisors McCoskrie, McCaffrey, Pakan and Bloomquist were present. Supervisor Romero attended via telephone.

**SECOND ORDER OF BUSINESS**

**Public Comments (Agenda Items)**

There were no public comments.

**THIRD ORDER OF BUSINESS**

**Presentation of Audited Financial Report for the Fiscal Year Ended September 30, 2022, Prepared by Berger, Toombs, Elam, Gaines and Frank**

Mr. Gaines presented the Audited Financial Report for the Fiscal Year Ended September 30, 2022 and noted the Unmodified Opinion on Page 1.

Mr. McCoskrie called attention to conflicting statements on Pages 9 and 29 regarding the May 2023 required Series 2011 A-2 bond principal payment and stated he confirmed with Mr. Szymonowicz that the CDD made a \$255,000 payment rather than the reported \$240,000.

Mr. Gaines stated the difference is that the \$240,000 was past due; the CDD paid the past due principal but not the current due principal, which is evident by the fact that, on Page 10, there is a "Matured bond payable" line item of \$590,000, which would be the past due principal that was not paid as of September 30, 2022. He stated that would support the fact that the CDD does not owe and that that probably should have been the May 1, 2022 payment not May 1, 2023. He would double check the amounts. Asked about the "Matured bond payable" amount of \$590,000 and bonds payable amount of \$445,000, Mr. Gaines stated the "Matured bond payable" reflects bond payments that were not made and the bonds payable amount of \$445,000 is the bond payment that is due during Fiscal Year 2022/2023. At the fund level, on Page 12, the CDD is on a modified accrual basis and, on Page 10, it is on a full accrual basis.

Mr. Gaines continued reviewing the audit.

Mr. Gaines and Mr. Adams responded to questions regarding the culvert cleaning costs and the debt service reserve balances on Page 28 of the audit.

Mr. McCoskrie noted an error on Page 25. The following change should be made:

Page 25; Change "SH2 will pay SH1 an initial sum of \$40,000 due May 1, 2023" to "SH2 will pay SH1 an initial sum of \$20,000."

Mr. McCoskrie stated that CDD II also owes CDD I a past due amount of \$40,000 on January 31, 2024 and two additional annual payments of \$20,000 on April 1, 2024 and April 1, 2025.

Mr. Gaines reviewed the Management Letter and stated the reserve balance has not been restored to the required balance.

Discussion ensued regarding the findings on Page 33, an assessments receivable off-roll amount of \$918,000, the Developer’s failure to make debt service payments, the CDD being three principal payments behind on the A-2 bond, the reserves, special purpose entities and forgiven debt by the bondholder.

Mr. McCoskrie requested following change:

Page 35: Change “in connection with our audit, we did note the following findings” to “in connection with our audit, we did not note the following findings”

Mr. Gaines stated Staff issued the same letter about certain disclosures it must make in relation to the audit. He urged the Board to read the Management Letter.

**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2023-05, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2022**

Mr. Adams presentation Resolution 2023-05.

**On MOTION by Mr. McCaffrey and seconded by Mr. McCoskrie, with all in favor, Resolution 2023-05, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2022, as amended, was adopted.**

▪ **Other Business**

**This item, previously the Ninth Order of Business, was presented out of order.**

Mr. McCoskrie stated he emailed Mr. Szymonowicz in the past several weeks regarding several matters, particularly, the spreadsheets to confirm the principal balances. He wants Mr. Szymonowicz to confirm that the 2021, 2022 and 2023 principal payments are past due on the A-2 bonds.

Mr. Szymonowicz stated the last payment on the A-2 bonds was on May 1, 2020 and, since then, no principal payments have been made, as previously discussed with Mr. Gaines, because the CDD is five years in arrears from receiving off-roll payments from the Developer. Regarding the Series 2011 A-1 bonds, all the principal payments from May 2021, 2022, and 2023

were made with the caveat that the May 2021 payment was made in May 2022 and the May 2022 payment was made on November 1, 2022, so there was a 12-month delay and another six-month delay in the payments. All principal and interest payments on the Series 2011 A-1 bonds were made, regardless of the amounts, the amounts on which the Trustee and the CDD disagree.

Discussion ensued regarding the Amortization Schedules, the debt service tables for the A-1 and A-2 bonds and the escheatment issue.

Asked about the 10 lots that were re-assessed on the tax roll that were previously escheated in 2017, Mr. Szymonowicz stated he researched the 10 lots by accessing the County Property Appraiser website and reviewing the deeds, dates and payment history. A few lots were sold from the initial owner to the building division and a few more were sold from the building division to individual property owners with assessments continuing and all payments were made. Asked about the exact number of prepayments occurring over the years, Mr. Szymonowicz stated, between November 2017 and now, the total deposit of true prepayments from property owners making payments totals under \$148,000. Some of the equivalent principal of the escheated lots is over \$448,000 and that is based on the lot sizes. Each lot has been assigned a remaining principal balance, which is how he has been able to make them equivalent to prepayment in terms of principal reduction impact. Asked if he computed the \$516,000 Series A-1 bond amount in the debt service reserve fund in the Fiscal Year 2024 budget, Mr. Szymonowicz stated he computed it and it is based on the maximum annual debt service on the Series 2011 A-1 bonds.

Mr. Pakan pointed out that the maximum annual debt service is \$483,000, yet \$516,000 is budgeted. Mr. Szymonowicz stated it is probably based on an earlier amortization schedule; he will make an adjustment. Mr. Pakan stated, going forward, he wants a reconciliation every time there is a change in prepayments and the Amortization Schedule changes so the Board can see the changes are and how they flow. Mr. McCoskrie wants Staff to date the document when there are changes and, behind it, show how it was changed from the previous year.

Mr. Szymonowicz will prepare a reconciliation and circulate it to the Board for review and approval.

**FIFTH ORDER OF BUSINESS**

**Consideration of Steadfast Alliance Maintenance Division, Proposal #SM-E-2030 to Clean Front Wall**

Mr. Adams presented Steadfast Alliance Maintenance Division Proposal #SM-E-2030 in the amount of \$3,937.

Discussion ensued regarding the scope of services, pillars, iron buildup on the wall and longevity of the improvement.

**On MOTION by Ms. Bloomquist and seconded by Mr. McCoskrie, with all in favor, Steadfast Alliance Maintenance Division, Proposal #SM-E-2030 to clean the front wall, in the amount of \$3,937, was approved.**

▪ **Consideration of Steadfast Alliance Maintenance Division Proposals #879, #SM-E-2057 and SM-E-2030**

**This item was an addition to the agenda.**

Discussion ensued regarding algae treatments, restocking the ponds with carp, project timing, application frequency, turf safety, flower bed renovation, plant material, pine straw costs, irrigation modifications, the budget, funding source for the sod project and Proposal SM-E-2060 to install 3-gallon Stromanthe under the pergola.

Ms. Bloomquist suggested that Mr. Hamilton contact Andrew regarding the work being done in the ponds.

Proposal #SM-E-2060 was tabled.

**On MOTION by Mr. McCoskrie and seconded by Mr. McCaffrey, with all in favor, Steadfast Alliance Maintenance Division Proposal #879 to maintain and provide split treatments for three ponds, including the sales center, Pond #17 and the Tee-box on #10, in the amount of \$8,090, was approved.**

**On MOTION by Mr. McCoskrie and seconded by Mr. McCaffrey, with all in favor, Steadfast Alliance Maintenance Division Proposal #SM-E-2057 to install St. Augustine sod and adjust irrigation to provide coverage to the new sod, in the amount of \$36,797.50, was approved.**

**SIXTH ORDER OF BUSINESS**

**Discussion: Fiscal Year 2024 Budget**

Discussion ensued regarding the Fiscal Year 2024 operating budget, bond payments, number of units paying debt service assessments, reserves, the audit, Amortization Schedule, Trustee and cancelled debt.

The following changes will be made:

Page 1, "CDDII shared costs payment": Decrease to \$20,000

Page 2, "Entry & walls maintenance": Increase to \$6,400

Mr. Adams will make the revisions and email Mr. Brian Lamb.

Ms. Gentry suggested including "Cancelled bond debt" as a discussion item on the next agenda.

**SEVENTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial Statements as of May 31, 2023**

Mr. Adams presented the Unaudited Financial Statements as of May 31, 2023.

The financials were accepted.

**EIGHTH ORDER OF BUSINESS**

**Approval of June 12, 2023 Meeting Minutes**

Mr. Adams presented the June 12, 2023 Meeting Minutes.

The following change was made:

Lines 147 and 154: Change "CDD III" to "CDD I"

**On MOTION by Mr. McCoskrie and seconded by Mr. Pakan, with all in favor, the June 12, 2023 Meeting Minutes, as amended, were approved.**

**NINTH ORDER OF BUSINESS**

**Other Business**

This item was addressed following the Fourth Order of Business.

**TENTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel: Kilinski|Van Wyk PLLC**

Ms. Gentry stated newly passed legislation requires CDD Supervisors to attend a four-hour ethics training session beginning in calendar year 2024. The Board Members can access and work on materials on the Commission on Ethics website, at their own pace. Staff will provide updates on the requirements.

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

There was no report.

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

- **NEXT MEETING DATE: August 14, 2023 at 10:00 AM [FY2024 Budget Adoption Hearing]**
  - **QUORUM CHECK**

**ELEVENTH ORDER OF BUSINESS**

**Supervisors' Requests**

There were no Supervisors' requests.

**TWELFTH ORDER OF BUSINESS**

**Adjournment**

**On MOTION by Mr. McCoskrie and seconded by Ms. Bloomquist, with all in favor, the meeting adjourned at 12:00 p.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

  
Secretary/Assistant Secretary

  
Chair/Vice Chair