

MINUTES OF MEETING
STONEBROOK SOUTH
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Stoneybrook South Community Development District was held Monday, December 5, 2022 at 10:00 a.m. at Oasis Club at ChampionsGate, 1520 Oasis Club Blvd., ChampionsGate, Florida.

Present and constituting a quorum were:

Bason Nembirkow <i>by phone</i>	Chairman
Robert DiCocco	Vice Chairman
Chris Manjourides	Assistant Secretary
Terry Siron	Assistant Secretary
Ronald Phillips	Assistant Secretary

Also present were:

George Flint	District Manager
Vivek Babbar <i>by phone</i>	District Counsel
Amanda Udstad	District Engineer
Alan Scheerer	Field Manager
Jon Kessler <i>by phone</i>	FMSBonds

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order. Four Board members were present in person and one via phone, constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: Next is public comment period. We've dialed into the call-in number, and we don't have anyone participating and there is no one here other than Board members and staff, so we will move on to Organizational Matters.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Administration of Oath(s) of Office to Newly Elected Board Member(s)

Mr. Flint: We need to administer the Oath. Seats #4 and #5 - Chris and Bob, you didn't qualify for the seats, so the Board would be considering reappointing you to those seats. Does that sound right?

Mr. DiCocco: Yes sir.

Mr. Manjourides: Yes sir.

Mr. Flint: Buzz, since you are not here, I can't administer the Oath to you, but you can participate in the meeting, and we will have to administer the Oath prior to the next meeting. Your votes won't count, but you can participate in the discussion.

Mr. Nembirkow: Okay.

Mr. Flint: As citizens of the State of Florida and of the United States of America, and as officers of the Stoneybrook South Community Development District, and as recipient of public funds as such officers, do you hear by soundly swear or affirm you will support the Constitution of the United States and of the State of Florida?

Mr. DiCocco: I do.

Mr. Manjourides: I do.

Mr. Flint: If you can print your name at the top and sign where it says Board Supervisor. Thank you, sirs.

B. Appointment of Individuals to Seats #4 and #5

Mr. Flint: Next is appointments of individual seats four and five. As we discussed, those two seats were up for election. No one qualified and they are currently occupied by Chris and Bob. Is there a motion to reappoint them to those seats?

On MOTION by Mr. Siron, seconded by Mr. Phillips, with all in favor, the Appointment of Chris Manjourides and Robert DiCocco to Seats #4 and #5, was approved.

C. Election of Officers

Mr. Flint: Each time there is an election the Board is required to consider election of officers. Currently, Buzz is the Chair, Bob is Vice Chair, and the other three Board members are assistant secretaries. I am Secretary and Jill Burns in my office is Treasurer. You could choose to keep the same officers, or you can change officers if you want to handle each office individually, we can do it that way. If a Board member wants to make a motion to elect a slate of officers, we can do it in one motion.

D. Consideration of Resolution 2023-03 Electing Officers

Mr. Siron: I make a motion to accept the same slate of officers.

On MOTION by Mr. Siron, seconded by Mr. Phillips, with all in favor, Resolution 2023-03 Electing Officers as Bason Nembirkow as Chair, Robert DiCocco Vice Chair, Chris Manjourides, Terry Siron, and Ronald Phillips as Assistant Secretaries, George Flint as Secretary, and Jill Burns as Treasurer, was approved.

FOURTH ORDER OF BUSINESS

Presentation of Proposed Refinancing of Series 2013 Bonds

Mr. Flint: I apologize for the lateness of adding this item to the agenda. We received a presentation on Friday from FMS Bonds which is the District's underwriter and Stacie sent out a revised agenda with the presentation over the weekend. John Kessler with FMS Bonds is on the phone. This would be a proposal to refinance the Series 2013 bonds. You have two current bond issues. You have the 2013 bonds and the 2014 bonds. They both had 10-year no-call provisions in there and they couldn't be refinanced for the first ten years. The Series 2013 bonds, that no-call provision is up in the Spring of 2023, and they are callable up to 90-days in advance of May 1. They can be refinanced as early as February. The 2014 Bonds a year later, we would look at that and any opportunity that might be there for that. These bonds cover different areas. They both cover about 1,900 units, and they don't overlap, so either someone pays the 13 debts, or they pay the 14 debts. But the 14 debt is not able to be refinanced right now. We still have another year before it can be refinanced. I'll go ahead and turn it over to John. John, do you want to go ahead and walk through your presentation?

Mr. Kessler: Yes, thanks George. Sorry for the late notice. The reason why we just sent it is because we just obtained a term sheet from a bank, and we wanted the term sheet to be fresh and be able to be real. If we would have gotten it 30-days or so ago, it would have been to be updated anyway because banks aren't going to hold proposals that long. You have a presentation. They also have a term sheet, don't they George?

Mr. Flint: Yes, they have everything that you sent.

Mr. Kessler: So, we were able to get a term sheet from a bank that would allow you to refinance your bonds which you are currently paying 6.5% and with the new bank loan it would be 4.95%. Over 150 basis points of savings. It's obviously sort of a record year this year, in terms of taking interest rates from literally zero to where they stand today which is about 4%. What they are signaling is that they will probably increase from another 50 basis points in December and then likely, from what they are saying, probably another 50 from there at least, and then kind of wait and see what happens. Assuming everyone has this presentation in front of them, and I don't know

to what extent you've looked at it, I'm essentially jumping around a little bit, but the current rate on the bonds, if you look on page five, it's essentially a side by side of your current bonds and the proposed bonds. A couple key things is when we refinance bonds, so if you see the current bond in red and the refunding bonds in blue, the current bonds are 6.5% and the refunding bonds would be 4.95%. And then very importantly, the savings that we are showing you, the 16.5%, that's annual debt services reduction. We're not extending the maturity date. The maturity date stays the exact same. As you can also see, the par amount of bonds is going down. One big generator of additional savings is the fact that the District has a reserve fund on hand that is just sitting there. It would otherwise be used to pay debt service in the last year, and it's \$737,000. Basically, that reserve fund is being used to pay down the bonds and then also pay for the issuance cost associated with the transaction. As you will see in yellow, you save \$119,000 across the District annually and then over time from now through 39 it's close to 2 million dollars in savings, it's 1.9 million. That savings is proportional, so everyone gets the same savings. If you pay \$100 or \$1,000 or \$2,000 your assessments go down by the 16%. The term sheet that was sent around, we also sent it to your counsel in advance so they could look at it. We've worked with this bank several times recently. I would say no real surprises, pretty standard structure. We sort of, on page six, go through those terms at a highlighted level. You're not issuing new bonds here, so the new bonds outstanding would be less than the old bonds outstanding, which means we don't have to go reassess units. The term is the same. The debt service schedule, it's a level self-amortizing bond, so once it's set 60% lower, you'll pay that same amount until the bond gets paid off unless you want to refinance again. And then the cost, we would need to work with the District manager to get the cost from the professionals, but a transaction like this should probably cost, all in about \$125,000 I would guess, and then we charge 1.25 % to arrange the financing. The bank has a small upfront fee for its counsel. Timing, if this is something you want to go ahead with, you would sign the term sheet today or tomorrow, however you wanted to do it, and then we could be pre-closing signing documents at your January meeting and then they would become effective on, the closing would happen on 2/1, February 1st. 2/1 is when everything would be signed. The old bonds can't be paid off until 5/1 so there would be this three-month period where you would have two bonds outstanding. But the savings we show you reflect that. You would see the savings not on this tax roll, it would be on the 2023/24 tax roll is where you would see those lowered assessments. I guess the only other thing I would add is if for whatever reason the District, there's \$119,000 of annual

reduction, if for some reason the District wanted to assess everyone the same for debt, there may be a way, George, there would be possibly a way of taking that savings and using it for something else. A maintenance project or building reserves, or for some other use if that's what they want to do.

Mr. Flint: They have a pretty substantial capital reserve, but it's up to the Board. One of your options is to reduce the annual per-unit assessment on each of the properties by the amount of the savings. The other is, you could keep the assessments the same and use the savings for a capital expense, but you have a pretty healthy reserve already established.

Mr. DiCocco: So, there is \$119,000 reduction, correct?

Mr. Flint: That's the projected.

Mr. DiCocco: Annually. So, how many homes are there that we're talking about?

Mr. Flint: I've got it here. There are two bond issues. So, the Series 2013 bonds cover 314 apartments, 162 condos, 207 50' lots, 197 60' lots, so there are about 870 units and they all pay a different, based on an equivalent residential unit, they pay a different amount. But the savings, for example, on a 50' lot would be about \$251 a year.

Mr. DiCocco: That's substantial.

Mr. Flint: That's net. The gross is \$267.49. The difference between net and gross is if you pay in November, you're paying the net amount. The gross amount would be if you paid in March.

Mr. DiCocco: That's about 10%. Well, it's not 10.

Mr. Flint: The savings on his analysis is about 16.5% savings. But actually, when you look at the max annual debt under the refinance versus what we are currently collecting, it's closer to a 19% savings. And that's on an annual basis, so that annual assessment would go down about 19%. All the costs that John was talking about as far as the cost of issuance and his fee, they are netted out of this analysis, so this 16.5% takes into account those fees. Those costs get paid out of the refinancing; they are not an out-of-pocket expense for us from the net saving. The 16.5% is net savings after the underwriter's fee and the cost of issuance fees. This is through the maturity of the bonds which is through 2042.

Mr. Kessler: 39.

Mr. Flint: Yes, it's 2039. The maturity of the bonds, as John indicated, is not being extended. The current issue goes through 2039. The refunded or refinance would go through 2039. There is another 10-year call provision, so if in 2033 if interest rates are favorable, this could be

refinanced again for the last six years. It would be a little difficult at that point with the amount of bonds remaining to refinance it again because it would be a small amount. Probably another bank refinancing that might be feasible.

Mr. Siron: What's the current rate on the 2014 bonds? Don't worry about it if it takes too long.

Mr. Flint: Jon, do you know what the current rate on the 2014 bonds is?

Mr. Kessler: If you give me a second, I can tell you.

Mr. Fling: And we don't know where interest rates will be in a year. They could be higher, or they could be lower. One of the questions I asked on the timing of this, in the near term we think interest rates are going to continue to go up for a period of time. We don't know when they'll go back down. We don't have a crystal ball at this point to know. Based on the current climate, it would seem to make sense to move forward and take advantage of 19% reduction on the annual assessment. That would be the November 23 tax bill that you would see that. It would be the 2013 homes. The 2014 it would be another year if there was an opportunity to refinance, and that would be in November 2024 that that would change.

Mr. Kessler: Those are 5.5% coupons; they probably wouldn't work. There is probably no savings.

Mr. Flint: Unless interest rates are down. In today's environment, the difference between the interest rate here and the 5.5% isn't great enough to offset the cost of refinancing. Any other questions or comments or dissections? Vivek, did you have a chance to look at the term sheet? Are there any issues you are concerned about?

Mr. Babbar: Yes, I have no questions or comments and I don't recommend any edits. I am happy to answer any questions from my side if there are any with respect to that term sheet. If not, I recommend a motion to approve it.

Mr. Flint: Any other questions or discussion from the Board. If not, if the Board wants to move forward a motion to authorize the Chair or Vice Chair to execute the term sheet.

On MOTION by Mr. DiCocco, seconded by Mr. Siron, with all in favor, the Proposed Refinancing of 2013 Bonds and Authorizing the Chair or Vice Chair to execute the Term Sheet, was approved.

Mr. Flint: Thanks, John.

Mr. Kessler: Okay, so you'll send those term sheets signed so we can send that to the bank, and you'll be locked in, and we'll move from there.

Mr. Flint: I don't have the term sheet in the agenda, so I need to make sure I've got it. I may have to get it signed this afternoon or tomorrow.

Mr. Kessler: Okay, that's fine. Do you want me to send it to you.

Mr. Flint: Yes, send it to me again, just in case, because I've got the power point, but the term sheet is not in the agenda.

Mr. Kessler: Okay, thank you.

FIFTH ORDER OF BUSINESS

Business Administration

A. Approval of Minutes of the October 3, 2022 Meeting

Mr. Flint: You have approval of the minutes from October 3, 2022. Did the Board have any comments or correction to the minutes?

Mr. Manjourides: No, I don't see anything.

Mr. Flint: Is there a motion to approve them?

On MOTION by Mr. Manjourides, seconded by Mr. DiCocco, with all in favor, the Minutes of the October 3, 2022 Meeting, were approved.

B. Consideration of Check Register

Mr. Flint: You also have the check register from September 26th – November 28th for \$40,346.48. The detailed register is behind the summary. If the Board has any questions, we can discuss those, if not, I would ask for a motion to approve it.

On MOTION by Mr. Manjourides, seconded by Mr. Phillips, with all in favor, the Check Register from September 26, 2022 to November 28, 2022, was approved.

C. Balance Sheet and Income Statement

Mr. Flint: You have the unaudited financials through October 31, 2022. This is the first month of Fiscal Year 2023 and you will see the combined balance sheet as well as the statement of revenue and expenditures for each of the funds, a month-to-moth of the General Fund, and special assessment receipt schedule. You can see we have collected about \$342,000 in assessments so far. Any questions on the financials?

SIXTH ORDER OF BUSINESS

Business Items

A. Consideration of Proposal from Down to Earth Landscape to Provide Landscape Maintenance Services

Mr. Flint: Business items, the first is a consideration of a proposal from Down to Earth to provide landscape maintenance services. Alan, do you want to handle this?

Mr. Scheerer: Unfortunately, after the budget was adopted well into the end of this calendar year, Down to Earth approached us with a request for an increase in their cost sighting chemical costs and employee salaries and stuff like that. While we are at the end of the three-year contract with them, and we currently are just going to a month to month right now. Their proposed increase is \$306,576, whereas before we were paying \$255,480. It includes all of the same items, tree trimming, mulching, annuals. So, that's projected at about a \$4,200 a month increase in your cost.

Mr. Manjourides: What percentage is that?

Mr. Flint: It's 20%.

Mr. Scheerer: It's about 20%.

Mr. Flint: They came forward on all the Districts that we manage that they are providing landscaping. I think all of them just about, maybe one exception, they came forward with a 20% increase on all their contracts and they did it at the last minute. We did meet with them, and they are not inclined to adjust their request. So, what we're doing with Stoneybrook South at ChampionsGate, and we would recommend the same thing with Stoneybrook South, is that we are bidding out landscape services. The contract has a 30-day termination provision without cause. What we would recommend is that the Board go ahead and approve the contract, but understand that you've got a 30-day termination provision, so that we don't have a gap in service, go ahead and approve it with the increase, but then by separate motion authorize us to bid out landscape maintenance services and what we would propose to do is do a joint RFP with Stoneybrook South and Stoneybrook South at Champions Gate and bid them out at the same time. There would be separate contract ultimately that would result from the bid. We would have separate cost sheets and maps for each of the Districts in hopes that there would be some economies of scale and some benefits and also ideally you would have the same vendor providing service to both. The last time we bid it out three years ago we did a joint bid between the associations Lennar who owns the Oasis Club and both CDDs, we bid it out all together and we had a joint evaluation committee when the proposals came in, we did presentations and a committee that had representation from all those entities reviewed and ranked the responses. The transition of some of the associations to

resident control and the change in property managers and other things that are going on, some different entities are moving in different directions. We've made an attempt to try to do a joint bid with everybody again, but it doesn't appear that's going to happen.

Mr. Scheerer: I think Country Club has done their RFP already and I think they are making an announcement. I don't know if the announcement has been made, but I know an announcement is coming. I've met with Nina as well. She was amenable in doing a joint with us, but I think they are going in their own direction as well. I think they have already started.

Mr. Flint: It's probably not feasible for everyone to do a joint bid again. But at least both CDDs can do a joint bid.

Mr. Scheerer: I know we have some minor map revisions which the engineer has sent us. I have talked to Dave, and obviously we will let Amanda know that we need to push that other map. That's going to be critical. I know Dave, our engineer has been working on it, but right now Stoneybrook South at Champions Gate map is critical. I've been going through the process myself of concurring my own maps between engineer's report and property appraiser and stuff like that. When Dave is ready, he and I can have a discussion with the maps to make sure that the ownership is correct.

Mr. DiCocco: George, are you proposing a joint agreement between Lennar for Oasis and the two CDDs, or just the two CDDs?

Mr. Flint: No, I don't know what Lennar is going to do with the Oasis Club.

Mr. Scheerer: It will probably be handled by Nina and her Icon team as part of their RFP process.

Mr. DiCocco: So, the Country Club basically will be first serviced, that's one. Oasis being two, and then our two, right?

Mr. Flint: Yes, and then there's another association.

Mr. Scheerer: For all the condos, single family, and retreat. So, right now, I think what George is saying is that we are just looking to get this approved for now, so we don't have a lack of service. Enter into that, and then the two CDDs will go out jointly.

Mr. DiCocco: That was my question. The two CDDs will go together and everybody else is on their own.

Mr. Flint: Yes, they are in various stages of doing their own thing right now. We expressed a desire to do it with first service. We suggested early on that a joint bid would probably be

beneficial because we've got a lot of areas where our property is right up against theirs. And to have two different vendors, it's going to be painful for a while because you're going to have a strip of grass that's two-feet tall and one's going to say, well that's yours and the other one is going to say, no that's yours. They are going to be mowing on different days. Right now, those areas get all mowed similar days. There's going to be some issues we'll have to work through. The problem we have right now is our current vendor is not performing well.

Mr. Scheerer: We've had three account managers in a year. Andrew left and John came on board, now John left. It's part of my field manager report, but a week ago Friday, I was called and told he was let go. I just met with two guys and one just started about two weeks ago as a production manager and one just started this week as the account manager.

Mr. Flint: And they wanted 20% more. What I would recommend, the first thing would be if the Board is amenable, let's approve the new agreement, understanding that it has a 30-day termination provision, that way we don't have a gap in service. Then the second motion would be to authorize us to issue an RFP in conjunction with Stoneybrook South at Champions Gate. Is there a motion to approve the motion from Down to Earth?

On MOTION by Mr. Siron, seconded by Mr. Manjourides, with all in favor, the Proposal from Down to Earth Landscape to Provide Landscape Maintenance Services, was approved.

Mr. Flint: And then, is there a motion to authorize a request for proposals for landscaping services jointly with Stoneybrook South at Champions Gate CDD?

On MOTION by Mr. Manjourides, seconded by Mr. Siron, with all in favor, Authorizing Staff to Issue an RFP for Landscaping Services with Stoneybrook South at Champions Gate CDD, was approved.

Mr. Flint: We will work on that, the map we have for Stoneybrook South is in pretty good shape. We still need some additional work on the Stoneybrook South at Champions Gate, but once we get those documents in order, then we'll issue the RFP. Those will be coming back to both Boards to review and rank.

B. Consideration of Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for the Fiscal Year 2022

Mr. Flint: Next is the agreement with Berger, Toombs, Elam, Gaines and Frank to provide and prepare the FY2022 annual audit that this CDD is required to have as a government entity. You all selected Berger Toombs through a bidding process that was prescribed by the Statues as far as the process goes. The fee for the audit is a not to exceed of \$3,650. Any questions on the engagement letter? Is there a motion to approve it?

On MOTION by Mr. DiCocco, seconded by Mr. Siron, with all in favor, Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for Fiscal Year 2022, was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Flint: Staff reports; Vivek anything else for the Board?

Mr. Babbar: Nothing on my end, happy to answer any questions if there are any for me.

B. District Engineer

Mr. Flint: Amanda, anything from the District Engineer?

Ms. Udstad: No.

C. District Manager

Mr. Flint: I don't have anything other than what we've discussed. We don't have a January meeting, because I think it fell on January second, I believe, so the Board decided not to schedule a meeting in January. We may have to call a special meeting at some point in January if we need to have a meeting before your February meeting. I will get with the Board and find out what date work with you all if we need it, but we'll have to play that by ear.

D. Field Manager

Mr. Flint: Field manager; Alan.

Mr. Scheerer: Thank you. A lot of redundancy in this report. We survived the latest Hurricane. We didn't have a whole lot of damage out here, we did fairly well. Architectural fountain is working, irrigation repairs are ongoing. I know at the last meeting we were told that the westside Oasis monument was out and the Bella Citta was out. We needed an LED driver for the Bella Citta entrance. That was installed Friday, so I came out this morning and all the letters are working. I was told before the meeting that they would be out Friday to do the westside Oasis Club, but I got an email from the electrician that they had a cancelation and that they are going to

send someone out here in about an hour. So, hopefully by the end of business today, and Wednesday I'll make sure I'll get out here early enough in the morning to check those and make sure all those lights are working. Then we will also before the holidays go through all the interior neighborhood lights and make sure those work. All the fountains on the Stoneybrook South CDD are working and in good shape. Dry ponds are scheduled to be disked. We continue to meet with, as I said, the new account manager and production manager as of last week. We will see how these guys manage up until the RFP is complete. Detail crews are out here working. F&P crews are working on turf and plants. We've got some selective weed control and some of the St. Augustine as needed. We did turn off all the fountains, just so you know during the hurricane. I noticed that over the last couple of weeks, it looks like I may need to start locking these boxes because it looks like we've got some hands in there adjusting times. I was out here at 6:00 this morning and the fountain on 18 was on. They're never on that early. We'll take a look at that. That's really all I have. I really appreciate the Board approving that agreement so we can continue to move forward so we can get this RFP process done. And I know the engineer is working hard on that. I can try to answer any questions you all might have.

Mr. Siron: I have one thing. A grate right across the street. A big iron grate that keeps falling in. You probably know which one I'm talking about.

Mr. Scheerer: I've pulled that thing out of there about three times.

Mr. Manjourides: Every time they mow it.

Mr. Scheerer: Well, they're not running over it.

Mr. Manjourides: No, they're backing up right on top of it.

Mr. Scheerer: It's an elevated concrete box.

Mr. Siron: I tried pulling it out and that thing is too heavy for me.

Mr. Scheerer: We pulled it out with a gator.

Mr. Manjourides: If we can somehow lock it in there. Weld it on there or something.

Mr. Scheerer: We'll weld a corner, because if anything happens, we have to be able to get in it. Let me check. We will take care of it.

Mr. Flint: Anything else?

Mr. Scheerer: No, sir.

EIGHTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Flint: Anything else from the Board?

NINTH ORDER OF BUSINESS

Adjournment

Mr. Flint: If there is nothing else, is there a motion to adjourn?

On MOTION by Mr. DiCocco, seconded by Mr. Siron, with all in favor, the meeting was adjourned.



Secretary/Assistant Secretary



Chairman/Vice Chairman