

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, April 3, 2023 at 10:00 a.m. at Oasis Club at ChampionsGate, 1520 Oasis Club Blvd., ChampionsGate, Florida.

Present and constituting a quorum were:

Bason Nembirkow	Chairman
Robert DiCocco	Vice Chairman
Chris Manjourides	Assistant Secretary
Terry Siron	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

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order. Four Board members were present constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: Next is public comment period. We just have the Board and staff here so we will move on to the next item.

THIRD ORDER OF BUSINESS

Business Administration

A. Approval of Minutes of the February 6, 2023 Meeting

Mr. Flint: We have approval of the minutes from the February 6th meeting. Did the Board have any comments or corrections to the minutes. Is there a motion to approve them?

On MOTION by Mr. Siron, seconded by Mr. Nembirkow, with all in favor, the Minutes of the February 6, 2023 Meeting, were approved, as presented.

B. Consideration of Check Register

Mr. Flint: Next we have the check register from January 31st through March 27th. The total is \$589,272.26 and the detailed register is behind it. You will see a lot of those are indicated as Stoneybrook South CDD care of US Bank. That's moving the debt service assessment revenue to the trustee. We get it from the county in one check and then we have to transfer that to the trustee. It is not an operating expense; it's just moving the money. Any questions on the check register? Is there a motion to approve it?

On MOTION by Mr. DiCocco, seconded by Mr. Nembirkow, with all in favor, the Check Register from January 31, 2023 to March 27, 2023, was approved.

C. Balance Sheet and Income Statement

Mr. Flint: Next is the unaudited financials. These are through the end of February. This is the first five months of FY23. There is no action required by the Board, but if you have any questions on the financials, we can discuss those. You can see on the balance sheet for the general fund we have \$200,000 in the operating account, \$584,000 in the State Board of Administration Investment Account, and \$25,000 in the South State operating account. The capital reserve, you can see the money that we move from the general fund to the capital reserve. You've got \$1.25 million in that capital reserve account. On the statement of revenue and expenditures, as of the end of February we have collected \$765,000 of the \$845,000 that we have certified for collection on the tax roll. This doesn't reflect anything that would have been collected in March. Property owners have through the end of March to pay their tax bill and then after that either they can pay it, or it goes to tax certificate sale. Any questions on the financials?

Mr. Nembirkow: I just read that at the end of March Polk was 93% collected on taxes. Which I thought, boy that's a lot outstanding, 7%. Because they have until the end of the month, right?

Mr. Flint: They will be 100% in June, because the tax certificates typically, if someone doesn't pay their tax bill someone will buy that tax certificate. Basically, what you're doing is you're bidding an interest rate. So, if there is a tax certificate that's for sale, the maximum return on that is 18%, but if someone else also bids on the same tax certificate, you are basically bidding an interest rate. Something between 0 and 18. But we have historically always been 100% collected because of the tax certificate sale process. I will note that the State Board of Administration is the

vehicle that we're using for investing funds beyond what we need for our operating reserve. We have them keeping a close eye on the SBA. It's operated by the governor and cabinet. The State Board of Administration is basically the governor and cabinet sitting as the State Board of Administration and they operate a local government investment pool and a lot of cities, counties, school boards, and special districts utilize the State Board. One of our concerns is the composition of their investments that includes a lot of foreign banks. So, with everything that has been going on in the banking industry we have been a little concerned about that and we have been keeping an eye on the State Board and if it looks like there are any issues, we can move that money out within a day.

Mr. Nembirkow: It's been quite a controversy about the State Board and their investment policies, and they keep flipping from one end to the other, I've been kind of reading about it, and I'm a little concerned about the radical moves back and forth. That's all.

Mr. Flint: They had a problem in 2007/2008 and we were able to move just about all the money out for all of our Districts before they froze withdrawals. Then they ended up having to create an A, B, and C fund. Eventually everyone got their money back, but it was several years before we were comfortable moving money back into the State Board and probably in 2012 or so, maybe a little bit later, we started moving money back in. They had hired an investment fund manager that was doing a good job. So, we are a little concerned about the percentage in foreign banks and commercial paper.

Mr. Nembirkow: It's about as bad as State Board pension board. Those pension boards are \$30 billion in the hole. I don't like being public pension person, I just kind of like follow what the states tend to have, and which states are more solvent than others. And Florida is in really bad shape.

Mr. Flint: We went from a three-month operating reserve to an eight-month operating reserve. We basically took money back out of the State Board equivalent to eight months of operating reserve, instead of the typical three and we are keeping an eye on it. I wanted to let the Board know. I don't expect there will be any issues, but with what's been going on with the banks, we have to be prudent.

FOURTH ORDER OF BUSINESS

Business Items

A. Consideration of Resolution 2023-05 Approving the Proposed Fiscal Year 2024 Budget and Setting a Public Hearing

Mr. Flint: Each year you have to approve a proposed budget by June 15th. You have the meeting today and then I think the next meeting is on June 5th. You're just approving a proposed budget and you are setting the date place and time of the public hearing. The budget would actually be adopted at the public hearing. We're recommending your August 7th meeting for the public hearing at 10:00 a.m. at this location. Attached to this resolution is the proposed budget. If you look at the adopted FY23 budget, which is the first column of numbers, this is on page 39 of the PDF, you can see in the current year we balanced the budget with a portion of our carry-forward. In lieu of increasing assessments about \$211,000, and I mentioned when you all adopted the budget last year that we were going to need to look at the assessments that we could probably go one more year with balancing it with the excess cash. This year if we include the \$1,025,880, if you look at the far-right column under special assessments, the current year assessments generate \$845,000 to balance the budget with assessments and not use cash it would be \$1,025,880. If you go down to the next page there are three charts there. The first chart is what the new proposed assessments would need to be, the second is the existing, and the third is the amount of the increase. There is about a 21% increase that would be required to be able to balance the budget if you're not going to use your cash to do that. For an 80-foot lot they would go from \$1,097 to \$1,332 a year. Back up to the budget itself, the administrative cost is increasing by about \$4,000. We are proposing an increase in the management fee and assessment administration. On the operating expenses, those are actually going down slightly. That is just adjusting our line items to where our actuals are. Some are going up and some are going down. Overall, they have gone down by about \$30,000. There is no transfer out to capital reserve in this budget. At the last meeting we did talk about the fact that we are going to be bidding out landscaping maintenance. You can see the landscape maintenance went up by about \$50,000. We are in the process of doing a joint RFP with the other CDD and the Master Association and Retreat. The country club is already bid out on their own. The other entities that have not bit out we are going to do a combined RFP. This again is a preliminary proposed budget and is subject to change. The final adoption would be at your August meeting. A couple of things to think about, and this can be amended at the June meeting as well, when the Board meets on June 5th, although you are approving it today, no mailed notice would go out until July. It has to go out 30 days before the hearing in August. The Board would have the ability to amend this at the June meeting. If those landscape bids come back, we are able to adjust the expenses for that. You also have the option because you transferred that 1.2 million out to the

capital reserve. One option might be that you move back some of that and you phase in the increase over a couple of years versus doing it all in one year. That would be another option, you could phase in the increase over a couple of years and not do it all at once. Instead of using \$200,000, maybe use \$100,000, whatever the number would need to be to do that. Another thing to think about would be doing an interlocal agreement with the other CDD. Combining all the operating expenses and then allocating them back out to each CDD based on the number of platted lots in each District. That probably is the most equitable way of doing it because this is really just one community and the types of infrastructure that we are maintaining; the stormwater system and the landscape maintenance, everyone really benefits from. So, the fact that you live on this side of Bella Citta verses that side of Bella Citta doesn't really make sense for you guys to pay different assessments. One way to do that would be an interlocal between the two CDDs and then you allocate your expenses prorated to each district. Bob?

Mr. DiCocco: Just to comment, that would behoove us to follow that path based on our units because they have a higher number. So, they incur a higher portion of the debt.

Mr. Flint: Well, it wouldn't include the debt.

Mr. DiCocco: No, the expenditure I mean. To me, that seems logical.

Mr. You guys have fewer units, and you have higher expenses because the CDD is maintaining the landscaping all along Oasis Club Boulevard. North of Bella Citta they don't really have the same situation.

Mr. DiCocco: Plus, the main entrance is on this side.

Mr. Flint: And we'll continue to do Westside Boulevard north of Bella Citta. The other CDD does do Westside Boulevard south of Bella Citta. This CDD does most of it. Really probably combining all of that and then allocating it back out, they've got more units. So, what happens with their budget is their expenses are a little bit lower. They've got more units. Their per-unit amount is ultimately going to be lower. Yours is going to need to go higher. If you combine them both they are probably end up close to where they are at right now. I haven't done the numbers.

Mr. Nembirkow: Combining them makes the most sense. It's equitable in the long term and it also eliminates any competition down the road.

Mr. Flint: It's always subject to cooperation between both Districts and if you get a situation where you don't have that, it could change in the future depending on how the interlocal is written and whether it can be amended or repealed or that sort of thing. That would be something

that I didn't have a chance to get with Vivek to talk to him before the meeting, but it would be something that Vivek and the attorney for the other District would do.

Mr. Nembirkow: But if you start off with cooperating and continue for a few years, it's going to take some reason to break the cooperation. But if you don't start cooperating, we try to cooperate later on when you have the uneven cost and you want to balance them, then it becomes a more difficult hurdle to go over. So, my recommendation would be let's start the cooperation as soon as possible, make an agreement, and then we wait for what happens later on. At least we're starting off right.

Mr. Siron: We want to cooperate, but will they want to.

Mr. Flint: It takes both entities.

Mr. Nembirkow: There are no resident Board members on there, it's Lennar.

Mr. Flint: I can't really speak for Lennar, but I think the Board members, as long as it wouldn't increase. They are looking at potentially having to decrease their assessments. It's possible that both, and again, I haven't run the numbers, it's possible by taking that approach that there may not need to be any change or if there is a change it would not be that significant.

Mr. DiCocco: I'm with Buzz, I think that's the prudent approach to tell you the truth. For two reasons. It benefits us particularly and it creates this wellbeing between the two entities.

Mr. Flint: We're doing joint bidding on landscaping and we're trying to do things that benefit everybody.

Mr. DiCocco: Do we need a motion to follow that?

Mr. Flint: What I would recommend, just so the Board meets its statutory requirements, is that you go ahead and approve the proposed budget and set the date of the hearing and when we come back at the June meeting, we should have the landscape RFP bids and we should also have a proposed interlocal and then at that point you can amend the proposed budget.

On MOTION by Mr. Siron, seconded by Mr. Nembirkow, with all in favor, Resolution 2023-05 Approving the Proposed Fiscal Year 2024 Budget and Setting the Public Hearing for August 7, 2023 at 10:00 a.m., was approved.

Mr. Flint: Why don't we do another motion to direct staff to work with District Counsel and the Stoneybrook South at ChampionsGate CDD to draft an interlocal agreement with the intent of allocating operating expenses on a prorated basis to both Districts.

On MOTION by Mr. Nembirkow, seconded by Mr. Siron, with all in favor, Directing Staff Prepare a Interlocal Agreement for Coast Sharing, was approved.

Mr. Flint: Obviously it's a two-party agreement. They are going to need to consider a similar motion at their meeting and hopefully that's the case.

Mr. Manjourides: Why don't they have any owner participation yet?

Mr. Flint: They will in November of 2024. In November of 2024 the first two seats will transition and then in 2026 the second two seats and then in 2028 the last seat. You have to meet 250 registered voters and six years. The timing of when they meet those, the first two seats will be next year, because it's an even numbered year. Anything, Vivek, on that issue?

Mr. Babbar: I will coordinate with you and District Counsel at Stoneybrook South at ChampionsGate, that's fairly simple.

Mr. Flint: Okay and we've done it in some other communities too, so maybe we can look at our options.

Mr. Babbar: Absolutely.

B. Consideration of Water Management Agreement with The Lake Doctors, Inc.

Mr. Flint: Next is Water Management Agreement with Lake Doctors. Alan?

Ms. Scheerer: As you know, the District currently maintains four wet ponds here. Two on Palmetto Dunes, Double Eagle, and 27 highway. There's two there and then of course the two at the main entrance at Westside Boulevard and Oasis Club. What we've done is the contract is set to renew in April, so we brought it to you today. We can go ahead and get this renewed and this contract will actually run through your budget cycle for the next fiscal year. It should start April 1st and expire on September 30th of 2024. We'll try to get some of these odds and ends contracts on our actual fiscal year, that way when we do budgets everything is already set to renew so if there are any changes, increases, or whatever, it will be added to your budget for the next fiscal year. Lake Doctors are doing a pretty good job.

Mr. Manjourides: Did they go up at all?

Mr. Scheerer: Just a little bit. I think it was \$165 and think it's \$172 in this one. It's just a slight increase. I can answer any questions you might have, if not we would ask for a motion to approve.

On MOTION by Mr. Nembirkow, seconded by Mr. Siron, with all in favor, the Water Management Agreement with the Lake Doctors, Inc., was approved.

FIFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Flint: That brings us to staff reports, anything else Vivek?

Mr. Babbar: Nothing else from my end but I am happy to answer any questions if there are any for me.

B. District Engineer

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

Ms. Udstad: I do not have anything.

C. District Manager

Mr. Flint: I don't have anything other than what we've discussed.

D. Field Manager

Mr. Flint: Alan, the field manager's report.

Mr. Scheerer: The field manager report is included in the agenda. The same things: the irrigation inspection is ongoing as needed. Architectural fountain is good. I've been out here a couple of times before the sun comes up to check all the monuments. Terry's Electric did come out. Bella Citta is working fine. We got the letters in some of the channels on the Westside Oasis Club, those are done now so all of your entry monuments here are working. All the fountains are working as far as this report goes. I know that Ron had mentioned that he had an inlet cover off over by his house, so we got that one reset. Both of these are on Dew Circle. The dead palm tree at the Bella Citta, as you're leaving going out towards Bella Citta was removed. We are working with Down to Earth, or the future landscape company, to see if we want to replace it. That was a mature canary palm so it's going to be tough to try to replace palm trees as you know with the soil condition, so we have to be careful when we put something back. But we can go back with a Japanese blueberry or something like that. We continue to meet with Down to Earth. The detail crew is out here working. We've been pulling out some of the dead juniper. At some of these entrances that have been here a long time, it's looking really bad, so we are working on a replacement plan for that right now. Dry ponds are being disced. The machine did go down last

week. It broke one of the discs, but they finally got it back up and running. We had some freeze damage from our last meeting on the annuals, but those are being changed out. There was a dead Washingtonian palm, I don't know if you have noticed it or not, but if you are going in toward the plaza off of Oasis Club and you're turning in, right behind that wall there was a Washingtonian that failed so we went in and took that out. I believe we got the wall on 13 clean.

Mr. Nembirkow: Good Job Alan.

Mr. Manjourides: The last time they cleaned that fountain, its running really good now. Before the water was just coming out a little bit. I thought maybe we needed a pump.

Mr. Scheerer: That was a filter issue, so they went ahead...

Mr. Manjourides: Whenever they cleaned this time, it's flowing. It's like woah! Back to normal.

Mr. Scheerer: It was a filter issue, so we went ahead and changed out the filter. So, we've got some new filtration going on. They do a good job of keeping up on that fountain. They really do. That's all I have, thank you all.

SIXTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Flint: Supervisor's requests. Anything else that was not on the agenda that the Board wants to discuss.

Mr. Nembirkow: How about the stones that I asked you about. That's not a good option, or what?

Mr. Flint: We need to look at the pond. If there are specific areas that are eroding because of the water level being down, we'll look at that. Rip rap like that is very expensive. The water level is down because we're in a significant drought period. The first three months of this year I forget where we are as far as normal rain fall, we are way below. I wouldn't recommend we do anything like that.

Mr. Scheerer: We can have it looked at.

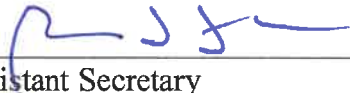
Mr. Nembirkow: Have a look, that's all he wants. I don't care because I can't see it anyway from my house.

Mr. Flint: We'll look at it and we can come back at the June meeting with a recommendation if there is something that we need to do. Hopefully by then, the rain will begin.

SEVENTH ORDER OF BUSINESS

Adjournment

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



Secretary/Assistant Secretary



Chairman/Vice Chairman