

**MINUTES OF MEETING  
POINCIANA  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Poinciana Community Development District was held on Wednesday, **December 15, 2021** at 11:00 a.m. via Zoom Communication Media Technology and in the Starlite Ballroom, 384 Village Drive, Poinciana, Florida.

Present and constituting a quorum were:

Lita Epstein	Chair
Michael Luddy	Vice Chairman
Robert Zimbardi	Assistant Secretary
Tony Reed	Assistant Secretary
Elizabeth Lambrides	Assistant Secretary

Also present were:

Tricia Adams	District Manager
Jan Carpenter	District Counsel
Bob Gang ( <i>via Zoom</i> )	Greenberg, Traurig
Kathy Leo	District Engineer
Clayton Smith	Field Manager
Sheri Wollschlager	Club Manager
Rhonda Mossing ( <i>via Zoom</i> )	MBS Capital Markets
Residents	

*The following is a summary of the discussions and actions taken at the December 15, 2021 Poinciana Community Development District's Board of Supervisors Meeting.*

**FIRST ORDER OF BUSINESS**

**Roll Call**

Ms. Adams called the meeting to order and call the roll at 11:01 a.m. All Supervisors were present.

**SECOND ORDER OF BUSINESS**

**Pledge of Allegiance**

The Pledge of Allegiance was recited.

**THIRD ORDER OF BUSINESS**

**Public Comment Period on Agenda Items**

Ms. Epstein stated the public comment period was for agenda items only. Ms. Adams noted no audience comments and closed the public comment period.

**FOURTH ORDER OF BUSINESS**

**Approval of Minutes of the November 17, 2021 Meeting**

Ms. Adams presented the minutes of the November 17, 2021 meeting. Mr. Reed stated at the bottom of Page 9, "*Mr. Reed asked if resident boating was allowed.*" That was Mr. Zimbardi.

On MOTION by Mr. Luddy seconded by Ms. Lambrides with all in favor the Minutes of the November 17 2021 Meeting were approved as amended.

**FIFTH ORDER OF BUSINESS**

**Consideration of Engagement Letter with Greenberg Traurig**

Mr. Bob Gang of Greenberg, Traurig presented an engagement letter with his firm to serve as Bond Counsel for the Series 2012A Bonds in the amount of \$45,000. Ms. Lambrides questioned the call date. Mr. Gang stated that they could not do advance refundings on a tax-exempt bonds, per the 2017 Tax Reform Act, but could refund the bonds within 90 days of the May 1, 2022 call date. Ms. Epstein asked if this fee was competitive. Ms. Adams stated that it was on par with Bond Counsel fees for public refinancings. Ms. Lambrides wondered why Hancock Whitney Bank was chosen. Ms. Adams stated it was marketed to several institutions, but the only response was from Hancock Whitney Bank. Mr. Luddy asked how the fee was paid. Ms. Carpenter explained that it was paid as part of the Cost of Issuance (COI) that was rolled into the closing and the fee was usual and customary for a refinancing. The fees were higher when it was a bond issue and requested the motion be approved subject to closing on the bonds. Ms. Epstein questioned the savings. Ms. Adams noted the savings were net of costs.

On MOTION by Mr. Luddy seconded by Ms. Lambrides with all in favor the Engagement Letter with Greenberg Traurig in the amount of \$45,000 was approved, subject to closing on the bonds.

Ms. Mossing of MBS Capital Markets (MBS) provided the following PowerPoint presentation on the refunding:

- Discussed the difference between a private placement versus a public offering.
- Provided an overview on the status of the current bonds. Currently, there was \$8,095,000 outstanding of senior bonds (rated bonds) with varying interest rates between 3.87% and 4.5% and \$4,090,000 of subordinate bonds with an interest rate of 6%.
- The bonds had a call provision of May 1, 2022, but under the tax law, they could be refunded 90 days prior on February 1, 2022. The maturity date of May 1, 2031 would remain the same, lowering the principal amount of bonds currently outstanding, lowering the annual debt service payment, saving the District a significant amount of money annually over the life of the bonds.
- The current amount of the outstanding bonds to be refunded was \$12,185,000. The average coupon was 4.98%. The current maximum annual debt services was \$1,547,950, which current assessments were based upon. They anticipated refunding with a par amount of \$10,255,000, for a reduction of almost \$2,000,000 in debt service, based upon the assumption that the developer was making a true-up payment of 123 lots. They would have firm numbers, once the true-up payment timing was confirmed with the developer. The preliminary numbers based upon the assumptions were:
  - Maximum Annual Debt Service: \$1,267,000 versus the current \$1,547,950, providing an annual reduction in debt service of \$280,000 per year.
  - Net Present Value Savings: \$983,494, but the actual cash savings over the life of the bonds was \$3,897,000 per year, which was significant.
  - Final Maturity: May 1, 2031.
  - Debt Service Reserve Fund Requirement: Lowered to 10% of maximum annual debt service as a portion of the property was undeveloped. Buildout was expected in 2025.
  - Annual Expected Reduction in Debt Service: On a per unit basis, the current debt service on residential property was between \$438 and

\$457.66 per year and they were equalizing the assessments at \$363.90, for a savings of \$74.17 on approximately 2,769 units and \$93.76 on 903 units. Non-residential property was \$74.17, based on the assessable units assigned to the non-residential property.

- It was sent out to 11 banks that were involved in District refinancings. One response was from Hancock Whitney Bank at the expected price, which was considered responsive with a good interest rate.

When asked about raising funds, Ms. Adams noted if the Board was looking at raising additional project funds, all properties in the District would likely be equally assessed the new portion of the debt, even if the owner paid off their CDD debt. It requires compliance with the Florida Statutes regarding public hearings, mailed notices, that the project funds be designated to certain uses related to the original eligible improvements including the stormwater system or tunnels. Project funds should be spent within a certain number of years. Ms. Carpenter advised it was possible to do, but the funds must be spent on public improvements and required an Engineer's Report. Ms. Adams stated with refundings the improvements usually need to be related back to the original Engineer's Report for the qualifying improvements, which in this case was the stormwater system and tunnels. Ms. Mossing stated in addition to the public hearing, mailed notices and the Chapter 197 process to issue the new debt, they must verify the amount validated in bonds. If there was not enough validated, they must go through a process to validate additional bonds. The process to refund the bonds was:

1. MBS would check on the status of the development to determine whether or not it was ripe for a public offering with a rated bond issue or be considered by a bank on a non-rated basis.
2. MBS would prepare a credit package and send to the banks.
3. MBS would bring back to the Board the average interest rate the bank provided in their response, 2.3563%, which provided a great deal of savings to the District.
4. The Board would approve the Term Sheet and authorize staff to prepare closing documents.
5. At the January Board Meeting, the Board would review all bond documents, effectuating the pre-closing to sign all documents in anticipation of closing the

bonds on February 1<sup>st</sup>, the earliest day the bonds can close under the Federal Tax Law.

6. MBS would estimate the COI and collect the final numbers over the next 30 days, confirm the true-up payment from the developer for 123 undeveloped lots. Final numbers would be provided and the documents would be prepared.

Discussion ensued and the Board addressed the following:

- Ms. Lambrides questioned what comprised of the non-residential property. *Ms. Mossing stated the non-residential property was all of the amenities owned by the developer that were being assessed for their share of the debt service.*
- Mr. Zimbardi asked if the developer was benefitting. *Ms. Mossing stated that everybody benefitted and shared in the costs.*
- Mr. Luddy questioned how this affected the bondholders. *Ms. Mossing explained it takes out the current bondholders with a payoff. They expect to be paid when the call option matures, if interest rates were lower than the outstanding amount of the bonds.*

## **SIXTH ORDER OF BUSINESS**

### **Consideration of Term Sheet with Hancock Whitney**

Ms. Adams presented the Term Sheet with Hancock Whitney, which was included in the agenda packet. Ms. Mossing stated the Trustee would be changed from US Bank to Hancock Whitney Bank and the average coupon was 2.3563%, which has a tax equivalent yield of 2.8925%. The bonds would be non-callable. Ms. Lambrides asked if there was a period after refunding the bonds where people could pay off their debt. Ms. Mossing stated that they could always be prepaid by the property owner. Ms. Lambrides asked if the rate Polk County charged to collect resident assessments was based on the amount they were collecting. Ms. Adams stated a percentage was retained by Polk County as an administrative fee. There was also a discount that residents received if they paid their taxes at the earliest possible date. Ms. Epstein asked if residents would see \$360 or \$390 on their tax bill. Ms. Adams noted these were preliminary numbers.

On MOTION by Mr. Reed seconded by Ms. Lambrides with all in favor the Term Sheet with Hancock Whitney to refund the Series 2012A-1 and A-2 bonds was approved.

**SEVENTH ORDER OF BUSINESS**

**Consideration of Data Sharing and Usage Agreement with Polk County Property Appraiser**

Ms. Adams presented a Data Sharing and Usage Agreement with the Polk County Property Appraiser to establish terms and conditions under which the District could acquire and use Polk County Property Appraiser data as it related to exemptions from public records.

On MOTION by Mr. Reed seconded by Mr. Luddy with all in favor the Data Sharing and Usage Agreement with the Polk County Property Appraiser was approved.

**EIGHTH ORDER OF BUSINESS**

**Consideration of Non-Ad Valorem Contract Agreement with Polk County Property Appraiser**

Ms. Adams presented a Non-Ad Valorem Contract Agreement with the Polk County Property Appraiser charging an administrative fee to place the CDD debt service and operation and maintenance (O&M) assessments on the Tax Bill. According to the terms, 1% of the amount levied on the Trim Notice or Tax Bill was collected by the Polk County Property Appraiser’s office.

On MOTION by Mr. Luddy seconded by Mr. Zimbardi with all in favor the Non-Ad Valorem Contract Agreement with the Polk County Property Appraiser was approved.

**NINTH ORDER OF BUSINESS**

**Consideration of Proposal for Stormwater Needs Analysis**

Ms. Adams presented a proposal from GAI Consultants (GAI) for a Stormwater Needs Analysis, which is now required by State Law for all Special Districts. Ms. Carpenter stated this was a new Statute that was discussed at the last meeting. The District Engineer reviewed the information. The first year was the most expensive because the District Engineer must create a new report. Ms. Leo explained the requirements and template established by the State was a 17-page document, with seven sections of information that was required. Every District was

challenged with preparing this analysis for the first time. According to Ms. Adams, their cost estimate of \$15,000 was consistent with what other engineers were charging their Districts for this report, which was due by June 30, 2022. Discussion ensued and the Board addressed the following:

- Ms. Lambrides noted the Board was required to do this and there was no way to ignore it.
- Mr. Luddy asked if there was anything in the template that the District did not comply with. *Ms. Carpenter confirmed that they were doing everything by code and rule. The purpose was for the State to get control of total water management within the State.*
- Mr. Reed noted Taylor Morrison owned some ponds and asked if the Poinciana West CDD was going to consider the same proposal for their ponds. *Ms. Adams stated the Poinciana West CDD would consider it at their January meeting.*
- Mr. Reed voiced concern about the cost of \$15,000, as it must be funded every five years with a public education program and monitoring, it was preliminary and no one was aware of it. *Ms. Carpenter explained it was approved in the last Legislative Session and not many people were aware of it, but once the law was implemented, various agencies must respond within a short timeframe. Ms. Leo noted there were educational programs with the materials that were sent out. Ms. Epstein recalled educational discussions at prior Board Meetings on various issues. Ms. Carpenter will follow up with any proposed changes when the Legislative Session started. Ms. Epstein suspected there would be changes.*
- Mr. Reed asked if the Poinciana West CDD was paying the same amount. *Ms. Leo believed their proposal was \$1,500 less. Mr. Reed proposed having one report from Solivita or requesting an exemption. Ms. Carpenter stated the Poinciana and Poinciana West CDDs were separate entities and each CDD must prepare their own report. No exemptions were provided for in the law. Ms. Epstein believed it benefited the District in the future for long-range planning.*
- Ms. Lambrides asked if the cost involved from both CDDs motivated the conversation of cost savings to join the two Boards. Ms. Epstein recalled this Board already voted and it was up to the Poinciana West CDD to decide and

anticipated the merger taking more than a year. Mr. Reed pointed out that a third of the ponds were owned by the developer or the HOA and they were not required to provide this report. In his opinion, the analysis was more of an administrative function and needed to be completed.

On MOTION by Mr. Zimbardi seconded by Mr. Reed with all in favor the Proposal GAI Consultants for the preparation of a Stormwater Needs Analysis in the amount of \$15,000 was approved.

## **TENTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. Attorney**

There being none, the next item followed.

#### **B. Engineer**

Ms. Leo looked at a pond with Ms. Lambrides to consider what the boat ramp would look like. As requested at the last meeting, she provided a proposed cost estimate for the boat ramp. Off of Shorehaven, there was a pull off for parking for the pool. The cost was \$76,000 for a sidewalk extension from the parking to the lake edge, erosion control, turbidity barrier, grading, concrete ramp, floating dock system, stabilization, extra sodding and permitting. This included \$30,000 for a floating dock from The Dock Doctors, which would be ADA compliant. Ms. Leo would do additional research. Ms. Lambrides proposed setting a Public Hearing in February to discuss this matter further with notice to resident, additional information on liability costs to go from a utility to recreational facility, insurance costs and water quality issues from chemicals. In addition, Shorehaven residents should receive an additional notice about a possible boat ramp behind their properties. Mr. Zimbardi asked if the water level under the bridge would change. Ms. Leo did not look at the clearance, but it would change as much as any other pond. Ms. Lambrides was more concerned with water level under the bridge on Divinci Pass due to prior fish kills. Ms. Leo would look at it.



**C. District Manager****i. Action Items List**

Ms. Adams presented the Action Items List, which was included in the agenda packet and reported on the following:

1. Pond turnover from Taylor Morrison to the CDD: Ms. Adams was contacted by Taylor Morrison requesting an application to have the District consider some property conveyances. She had not yet received the application, but Board Members requested a list of parcels that Taylor Morrison was working on. Once the application was received, staff would review it.
2. Tunnel Rules: This item will remain on the Action Items List until the rule hearing. The rules will be updated to include the definition for low-speed vehicles.
3. Targeted Harvest Area (THA) Permit: Submitted to the FWC SNAP Program. The permit was received on December 1<sup>st</sup>. Three different trappers were associated with the permit. They would have direct communication with trappers versus calling the FWC hotline to report a nuisance alligator. The permit was for five years.
4. Bond refinancing: The goal was to have a pre-closing at the January meeting and close by February 1<sup>st</sup>.
5. Pond access point to launch boats: As discussed earlier, Board Members were considering whether it was appropriate to provide at least one recreational access point. Information will be presented at the February meeting and all residents will be informed of the meeting electronically.

**ii. Approval of Check Register**

Ms. Adams presented the Check Register from November 10, 2021 through December 7, 2021 in the amount of \$41,588.19. Ms. Lambrides questioned the period of time for the Floralawn invoice in the amount of \$12,329.53. Ms. Adams stated it was for the November landscape maintenance and was a monthly charge.

On MOTION by Mr. Zimbardi seconded by Mr. Reed with all in favor the November 10, 2021 through November 9, 2021 Check Register in the amount of \$41,588.19 was approved.

**iii. Balance Sheet and Income Statement**

Ms. Adams presented the Unaudited Financial Statements through November 30, 2021. The Board was doing a good job controlling expenses. Two months into the current fiscal year, the pro-rated expenditures were approximately \$130,500 and actual spending was approximately \$110,000, which was under budget. No Board action was required.

On MOTION by Mr. Reed seconded by Mr. Luddy with all in favor the Unaudited Financial Statements through October 31, 2021 were accepted.

Ms. Adams stated at next month's meeting, the Board will be discussing changing the District's bank to Truist, as the current administrative process was cumbersome and accounting staff had to go to various branches in order to accomplish business. She was coordinating with accounting staff and District Counsel. Ms. Lambrides preferred Wells Fargo, which was a local bank. Ms. Adams stated staff suggested Truist because it was currently in a pilot program for electronic payments and offered the best customer service options for Districts.

**D. Field Manager**

**i. Field Manager's Report**

Mr. Smith presented the Field Manager Report, which was included in the agenda package. The tunnels are still in process. They received several complaints about striping of the tunnels. The project was started as the paint was in stock and it was a safety issue. The paint was yellow with a reflective glass powder, so the lines could be seen at night. The level of Pond B-15 was low for a while, but as of today, even without rain, it was back to the normal level, as well as all of the surrounding ponds. At this time, staff will continue to monitor it, since there were no issues. Once they have the alligator awareness signs, field staff will install the signs. They were in discussions with a company for the aerator upgrade. There were viable options. With the solar aerators there was monthly maintenance with the future need to replace them at some point. Mr.

Smith would provide some costs. The ponds were in good shape this time of year. A couple of ponds had hydrilla, which will be sprayed next week. There were not many midge complaints.

## ii. Customer Complaint Log

Mr. Smith received one complaint on ponds owned by the developer, which was forwarded.

- **Fish Stocking**

Mr. Smith stated the CDD maintained 65 ponds comprising of 205.71 acres. Fish stocking was based on a per acre basis. Pond B-1 was stocked with fish as it was 5 acres, leaving 201 acres that were not stocked with Gambusia. To stock the remaining ponds would cost \$28,000. Twenty ponds were originally targeted in the old midge contract, resulting in a total of 90 acres at a total cost of \$12,600. It could be paid out of Contingency Funds as there was \$18,876. He recommended spending half of the \$12,600. Ms. Epstein suggested taking \$10,000 out of the *Pond Maintenance* line item and \$10,000 was the *Contingency* to handle all ponds that complaints were received on. Stocking the ponds with fish would reduce the amount of chemicals. Ms. Adams clarified that Mr. Smith was recommending an incremental approach focusing on ponds that had midge control issues. Ms. Epstein recommended spending \$20,000 this year and \$8,000 next year. Mr. Luddy did not want to stock fish in any pond that did not have a midge issue and requested a plan with a list of ponds, acreage and costs for the January meeting. Mr. Reed requested eliminating the aerators. Mr. Smith stated the pond with the aerators was stocked with Bluegills and other fish, did not recommend stocking B-1 again, but restocking B-3. Ms. Epstein proposed removing one aerator to see what the impact was.

## ELEVENTH ORDER OF BUSINESS

### Supervisor's Requests

Mr. Zimbardi received a mockup of the second sign and preferred it say, "*Punishable by a Fine under Florida Statute*". Ms. Adams had sent a copy of the sign to FWC to verify the information.

## TWELFTH ORDER OF BUSINESS

### Other Business

There being none, the next item followed.

**THIRTEENTH ORDER OF BUSINESS****General Audience Comments**

Resident (Bruce Allen, Venice Lane) asked whether a trapper would only be called when there was a resident complaint? Ms. Adams stated the THA permit required her authorization for a trapper to come into the CDD. Complaints would not be restricted to residents. If any stakeholder in the environment had a complaint about a nuisance alligator, it would be called in. Mr. Allen asked if the definition of a nuisance alligator changed to reflect a 6-foot versus the State's 4-foot requirement. Ms. Adams stated the permit was for the removal of a 6-foot alligator; however, if there was an aggressive alligator of a different size, it would also be removed. Mr. Allen stated residents were led to believe at one time that the CDD was just going to send a trapper. Ms. Epstein stated that was not the case.

Resident (Joanne Brooks, Bel Air Way) believed that the developer should have a Stormwater Needs Analysis Report as well as the Polk County engineer. Solivita should be looked at by the South Florida Water Management District (SFWMD) as one entity and submit one report.

Resident (Bob Monica, Vista Drive) asked if Ms. Adams was the only person that could authorize a trapper to come into the CDD under the THA Permit. Ms. Adams replied affirmatively. Mr. Monica questioned how that was different than what was always in place and if Ms. Adams was going to publish her phone number versus FWC. Ms. Adams explained if a resident called to report a nuisance alligator, there was a timeline on how long the trapper had to address it under the THA Permit, the ability to bypass the SNAP hotline and contact a trapper directly. Ms. Epstein believed that it would be a much faster process to get a trapper into the community for a nuisance alligator versus two or three days under the prior process. Ms. Adams noted there was Nuisance Alligator contact information on the CDD website. Mr. Luddy recalled discussion at the last meeting regarding oversight. Ms. Adams stated that FWC had the responsibility for oversight over the program for nuisance alligators in Florida. Ms. Wollschlager reported the alligator warning signs were in.

Mr. Reed stated with the Stormwater Needs Analysis, they were providing input to the county, which in turns provides it to the State. The county did not need their input and requested staff contact the county to verify that they need this information. Ms. Epstein stated it was a legislative requirement, not a county requirement. Ms. Carpenter confirmed they provide the information on municipalities and Special Districts to the county. Ms. Epstein proposed Mr.

Reed take the lead on this matter to investigate and report back to the Board at the next meeting. Ms. Carpenter preferred that the District Engineer contact the county.

Resident (Dennis Glass, Glendora Road) did not see the need for a ramp. Ms. Lambrides would speak to Mr. Glass after the meeting. Resident (George Horton, Shorehaven Drive) stated the Board did not have the right to ban boating because under the Master Declaration for Solivita, boating was permitted in all of Solivita and residents assumed all risks under Regulation 10.8.5. Ms. Carpenter stated the Master Declaration was an HOA declaration and staff would address at the February meeting. Mr. Glass stated when he was at the pool yesterday, insecticide was sprayed into his face.

**FOURTEENTH ORDER OF BUSINESS**

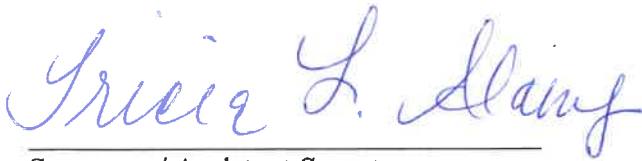
**Next Meeting Date – January 19, 2022**

Ms. Adams stated the next meeting was scheduled for January 19, 2022 at 11:00 a.m.

**FIFTEENTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Reed seconded by Ms. Lambrides with all in favor the meeting was adjourned.



Secretary / Assistant Secretary



Chair/Vice Chairman