

**MINUTES OF MEETING
SHADOWLAWN COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Shadowlawn Community Development District held a Public Hearing, Regular Meeting and Audit Committee Meeting on March 26, 2024 at 2:00 p.m., at Reinhold Corporation, 1845 Town Center Blvd, Suite 105, Fleming Island, Florida 32003.

Present were:

Liam O'Reilly	Chair
George Egan	Vice Chair
Cooper Murphy	Assistant Secretary
Jacob (Jeff) Bryan	Assistant Secretary
Peter Williams (via telephone)	Assistant Secretary

Also present:

Craig Wrathell	District Manager
Katie Buchanan	District Counsel
Daniel Welch (via telephone)	District Engineer
Misty Taylor	Bond Counsel
Sete Zare	Underwriter
Kelly Fitzpatrick	Reinhold Corporation

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 2:00 p.m.

Supervisors O'Reilly, Egan, Murphy and Bryan were present. Supervisor Williams attended via telephone.

SECOND ORDER OF BUSINESS

Public Comments

No members of the public spoke.

THIRD ORDER OF BUSINESS

Public Hearing to Consider the Adoption of an Assessment Roll and the Imposition of Special Assessments Relating to the Financing and Securing of Certain Public Improvements

A. Affidavit/Proof of Publication

B. Mailed Notice to Property Owner(s)**C. Capital Improvement Plan (for informational purposes)**

These items were presented for informational purposes.

D. Amended and Restated Master Special Assessment Methodology Report (for informational purposes)

On MOTION by Mr. O'Reilly and seconded by Mr. Williams, with all in favor, the Public Hearing was opened.

Mr. Wrathell reviewed the Amended and Restated Master Special Assessment Methodology Report and the Tables describing the Development Program, Master Off-Site Infrastructure Costs, Master On-Site Infrastructure Costs, Neighborhood Infrastructure Costs, Preliminary Sources and Uses of Funds for validation purposes, Benefit Allocation, Equivalent Residential Unit (ERU) weightings and the Bond Assessment Apportionment showing the maximum par amount of bonds per unit.

- **Hear testimony from the affected property owners as to the propriety and advisability of making the improvements and funding them with special assessments on the property.**

No affected property owners or members of the public spoke.

- **Thereafter, the governing authority shall meet as an equalizing board to hear any and all complaints as to the special assessments on a basis of justice and right.**

Mr. Wrathell asked if the Board, sitting as the Equalizing Board, wanted to recommend any adjustments to the assessments being proposed. The response was no.

The following question was asked and answered:

Ms. Buchanan: Since you are the author of the Report, can you confirm that you think it is prepared appropriately and the assessments are allocated proportionately and in accordance with Florida Law.

Mr. Wrathell: Yes.

Mr. Wrathell asked if the Board had any questions or comments. The response was no.

On MOTION by Mr. O'Reilly and seconded by Mr. Williams, with all in favor, the Public Hearing was closed.

- E. Consideration of Resolution 2024-10, Authorizing District Projects for Construction and/or Acquisition of Infrastructure Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on Property Specially Benefitted by Such Projects to Pay the Cost Thereof; Providing for the Payment and the Collection of Such Special Assessments by the Methods Provided for by Chapters 170, 190 and 197, Florida Statutes; Confirming the District's Intention to Issue Special Assessment Bonds; Making Provisions for Transfers of Real Property to Homeowners Associations, Property Owners Association and/or Governmental Entities; Providing for the Recording of an Assessment Notice; Providing for Severability, Conflicts and an Effective Date**

Mr. Wrathell presented Resolution 2024-10 and read the title. Ms. Buchanan stated that Resolution 2024-10, known as the Master Assessment Resolution, accomplishes the following:

- Sets forth the total Capital Improvement Plan (CIP) and costs for the CDD improvements for the overall project and the assessments to construct project. The Board is essentially creating the cap going forward.
- Identifies the cap amount; adopts the Report, which identifies the projects; finalizes the assessment schedule of how it will be paid and incorporates provisions regarding how the true-up mechanism works.

On MOTION by Mr. O'Reilly and seconded by Mr. Murphy, with all in favor, Resolution 2024-10, Authorizing District Projects for Construction and/or Acquisition of Infrastructure Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on Property Specially Benefitted by Such Projects to Pay the Cost Thereof; Providing for the Payment and the Collection of Such Special Assessments by the Methods Provided for by Chapters 170, 190 and 197, Florida Statutes; Confirming the District's Intention to Issue Special Assessment Bonds; Making Provisions for Transfers of Real Property to Homeowners Associations, Property Owners Association and/or Governmental Entities; Providing for the Recording of an Assessment Notice; Providing for Severability, Conflicts and an Effective Date, was adopted.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2024-11, Setting Forth the Specific Terms of the District's Capital Improvement Revenue Bonds, Series 2024; Confirming the

District's Provision of the Phase 1 Project; Making Certain Findings and Confirming Engineer's Report and Supplemental Assessment Methodology Report; Confirming, Allocating and Authorizing the Collection of Special Assessments Securing the Series 2024 Bonds; Providing for the Application of True-Up Payments; Providing for a Supplement of the Improvement Lien Book; Providing for the Recording of a Notice of Series 2024 Special Assessments; Providing for Conflicts, Severability and an Effective Date

Ms. Buchanan stated that Resolution 2024-11 identifies the terms of the bonds and the specific assessments specific to the Phase 1 Project. She reviewed the following Exhibits and noted the following:

- Exhibits A and B, the Engineer's Report and the Methodology Report allocate financing a project specific to approximately \$19 million, plus financing costs and interest, to the lots within the CDD assessment area; instead of the total over \$91 million project costs.
- Sets forth the Series 2024 Bond Final Pricing, describes the three terms of the bond and interest rates. The total par amount of bonds is \$19,635,000.
- The Sources and Uses of Funds for the Series 2024 Bonds shows approximately \$16.9 million allocated to construct the improvements of the Phase 1 Project. The remaining expenses are necessary for the issuance of bonds.
- The Amortization Schedule lists the Annual Debt Service Payment due dates.

Mr. Wrathell stated that information on the final sources and uses of funds is also described in Table 3, on Page 15 of the Final Supplemental Methodology Report, Exhibit B to the Resolution, which was distributed in the meeting. Table 7 describes the par amount of bonds allocable to each unit type, the annual debt service and footnote describing the fact that the intent is for there to be partial paydowns of these bonds at closing.

On MOTION by Mr. O'Reilly and seconded by Mr. Bryan, with all in favor, Resolution 2024-11, Setting Forth the Specific Terms of the District's Capital Improvement Revenue Bonds, Series 2024; Confirming the District's Provision of the Phase 1 Project; Making Certain Findings and Confirming Engineer's Report and Supplemental Assessment Methodology Report; Confirming,

Allocating and Authorizing the Collection of Special Assessments Securing the Series 2024 Bonds; Providing for the Application of True-Up Payments; Providing for a Supplement of the Improvement Lien Book; Providing for the Recording of a Notice of Series 2024 Special Assessments; Providing for Conflicts, Severability and an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS**Consideration of Issuer's Counsel Documents**

Ms. Buchanan presented the following:

- A. Acquisition Agreement**
- B. Collateral Assignment Agreement**
- C. Completion Agreement**
- D. Declaration of Consent**
- E. True-Up Agreement**

On MOTION by Mr. O'Reilly and seconded by Mr. Murphy, with all in favor, the Acquisition Agreement, Collateral Assignment Agreement, Completion Agreement, Declaration of Consent and True-Up Agreement, were approved.

Mr. Wrathell complimented Ms. Zare in a great job marketing and selling the bonds. Ms. Zare thanked everyone involved and stated that it was a team effort.

SIXTH ORDER OF BUSINESS**Consideration of England-Thims & Miller, Inc, Work Authorization No. 05 [General Consulting Engineering Services]**

Mr. Wrathell presented ETM Work Authorization No. 05 to provide General Consulting Engineering Services for Fiscal Year 2024/2025. Mr. Welch stated that this is ETM's standard General Services Agreement.

On MOTION by Mr. O'Reilly and seconded by Mr. Bryan, with all in favor, the England-Thims & Miller, Inc Work Authorization No. 05 for General Consulting Engineering Services, in a not-to-exceed amount of \$13,000 without owner's authorization, was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2024-12, Granting the Chairman and/or Vice Chairman the Authority to Approve Certain Change Orders in Construction Contracts; Providing A Severability Clause; and Providing an Effective Date

Mr. Wrathell presented Resolution 2024-12. Ms. Buchanan stated that this Resolution authorizes the Chair and/or Vice Chair, upon a recommendation from the District Engineer, to approve certain change orders necessary to proceed with development.

On MOTION by Mr. O'Reilly and seconded by Mr. Murphy, with all in favor, Resolution 2024-12, Granting the Chairman and/or Vice Chairman the Authority to Approve Certain Change Orders in Construction Contracts; Providing A Severability Clause; and Providing an Effective Date, was adopted.

EIGHTH ORDER OF BUSINESS

**Recess Public Hearing Regular
Meeting/Commencement of Audit
Selection Committee Meeting**

The Regular Meeting recessed and the Audit Selection Committee Meeting convened at 2:27 p.m.

NINTH ORDER OF BUSINESS

**Review of Response to Request for
Proposals (RFP) for Annual Audit Services**

- A. Affidavit of Publication**
- B. RFP Package**
- C. Respondents**
 - I. Berger, Toombs, Elam, Gaines & Frank**
 - II. Grau & Associates**

Having worked with both respondents, Mr. Wrathell voiced his opinion that both are highly qualified to perform the CDD's audit. Due to staffing issues, Berger, Toombs, Elam, Gaines & Frank (BTEGF) was late filing the audits for about ten of Management's clients over the last two years. BTEGF bid \$4,600, with bonds. Grau & Associates (Grau) bid \$4,800, with bonds.

Mr. Wrathell recommended awarding the contract to Grau; as he is more confident that Grau will complete the audit timely. Mr. Williams stated that, of the 16 CDDs on which he is a Board Member, the firms are about even in not delivering audits timely. He asked if the contract can include a May 1 deadline for submitting the draft audit to the Board. Ms. Buchanan stated that she can add language to address it.

Mr. Williams shared his scores and ranking. He scored each respondent the full 20 points in each category except scoring BTEGF 19 points in the price category. He recommended the following scores and ranking:

#1	Grau	100 points
#2	BTEGF	99 points

Discussion ensued regarding other audit firms, such as Carr, Riggs & Ingram, LLC and their bids typically being more expensive than others and the Cathedral Oak Parkway project exceeding the threshold prompting the requirement for an audit.

D. Auditor Evaluation Matrix/Ranking

Mr. Wrathell presented Mr. Williams' overall scores and ranking, as follows:

#1	Grau	100 points
#2	BTEGF	99 points

TENTH ORDER OF BUSINESS

Termination of Audit Selection Committee Meeting/Reconvene Regular Meeting

The Audit Selection Committee terminated and the Regular Meeting reconvened at 2:37 p.m.

ELEVENTH ORDER OF BUSINESS

Consider Recommendation of Audit Selection Committee

- Award of Contract**

<p>On MOTION by Mr. O'Reilly and seconded by Mr. Williams, with all in favor, accepting the Audit Selection Committee's scores, ranking and recommendation as the CDD Boards scores and ranking, ranking Grau & Associates, as the #1 ranked respondent to the Request for Proposals for Annual Audit Services, and awarding the Annual Audit Services contract to Grau & Associates, the #1 ranked respondent, was approved.</p>

TWELFTH ORDER OF BUSINESS**Ratification Items**

There was nothing to ratify.

THIRTEENTH ORDER OF BUSINESS**Acceptance of Unaudited Financial Statements as of February 29, 2024**

Mr. O'Reilly asked Ms. Fitzpatrick if the February financial statements were okay. Ms. Fitzpatrick stated that she did not have a chance to review the statements, as she did not receive it until today. Mr. O'Reilly asked for the statements to be sent to Ms. Fitzpatrick to approve prior to placing them in the agenda. Mr. Wrathell stated that he will have Ms. Fitzpatrick added to the agenda package distribution list.

On MOTION by Mr. O'Reilly and seconded by Mr. Bryan, with all in favor, the Unaudited Financial Statements as of February 29, 2024, subject to Ms. Fitzpatrick's review, were accepted.

FOURTEENTH ORDER OF BUSINESS**Approval of February 20, 2024 Special Meeting Minutes**

On MOTION by Mr. O'Reilly and seconded by Mr. Murphy, with all in favor, the February 20, 2024 Special Meeting Minutes, as presented, were approved.

FIFTEENTH ORDER OF BUSINESS**Staff Reports****A. District Counsel: Kutak Rock LLP**

- **Ethics Training Requirements**

Ms. Buchanan highlighted key information in the Memorandum regarding fulfilling the ethics training requirement, which includes a link to online courses. The training must be completed by December 31, 2024 and reported when filing Form 1 in 2025.

Ms. Taylor stated that a certain amount of the funds held under the Bond Trust Indenture are yield restricted. She discussed types of arbitrage and the CDD having to select one of three following options when signing the tax certificate today:

- 1) Acknowledging that the CDD must engage a rebate analysis for the bonds;
- 2) Enter a firm name now, or;

- 3) Select Integrity, which is a subsidiary of her firm.

Ms. Taylor stated that the benefits with Integrity are that they have access to their Tax Attorney at no additional cost to the CDD, a relationship with US Bank to pull the financials without having to ask the CDD directly and typically price their computation to the computation credits. She will send information and proposal to Mr. Wrathell.

Mr. Wrathell stated that the standard procedure is typically to invest funds in a U.S. Treasury Government Agency money market and engage a separate CPA firm. He noted that an “Arbitrage rebate calculation” line item is included in the budget and that the calculation does not have to be done every year.

B. District Engineer: England-Thims & Miller, Inc.

There was no report.

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

- **NEXT MEETING DATE: May 21, 2024 at 2:00 p.m.**
 - **QUORUM CHECK**

The next meeting will be held on May 21, 2024. Agenda items will include the proposed Fiscal Year 2025 budget to set the public hearing and the Master Site Contractor Agreement. Mr. Wrathell will coordinate with Mr. Kern to prepare a Field Operations budget.

SIXTEENTH ORDER OF BUSINESS

Board Members’ Comments/Requests

Regarding filing Form 1, Mr. Wrathell stated that Board Members should receive an email from the Commission on Ethics to register before electronically filing Form 1 by the July 1, 2024 deadline.

SEVENTEENTH ORDER OF BUSINESS


Public Comments

No members of the public spoke.

EIGHTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. O’Reilly and seconded by Mr. Murphy, with all in favor, the meeting adjourned at 2:52 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair