



Rizzetta & Company

Somerset Community Development District

**Board of Supervisors'
Special Meeting**

February 13, 2023

**District Office:
120 Richard Jackson Blvd, Suite 220
Panama City Beach, Florida 32407**

850-334-9055

**SOMERSET
COMMUNITY DEVELOPMENT DISTRICT AGENDA**

Alys Beach Conference Room, Building 1, 84 Elbow Road, Alys Beach, FL 32461
www.SomersetCDD.org

District Board of Supervisors	Robert Stenhammer Chairman John Rosenberg Vice Chairman George Hartley Assistant Secretary Belinda Ballew Assistant Secretary Tom Dodson Assistant Secretary
District Manager	Kimberly O'Mera Rizzetta & Company, Inc
District Counsel	Tucker Mackie Kutak Rock LLP
District Engineer	Jim Martelli Innerlight Engineering

**All Cellular phones and pagers must be turned off while in the meeting room.
The District Agenda is comprised of five different sections:**

The **special** meeting will begin promptly at **2:00 p.m.** with the first section which is called **Audience Comments on Agenda Items**. The Audience Comment portion of the agenda is where individuals may comment on matters that concern the District. Each individual is limited to three (3) minutes for such comment. The Board of Supervisors or Staff is not obligated to provide a response until sufficient time for research or action is warranted. **IF THE COMMENT CONCERNS A MAINTENANCE RELATED ITEM, THE ITEM WILL NEED TO BE ADDRESSED BY THE DISTRICT MANAGER OUTSIDE THE CONTEXT OF THIS MEETING.** The second section is called **Business Administration**. The Business Administration section contains items that require the review and approval of the District Board of Supervisors as a normal course of business. The third section is called **Business Items**. The business items section contains items for approval by the District Board of Supervisors that may require discussion, motion and votes on an item-by-item basis. If any member of the audience would like to speak on one of the business items, they will need to register with the District Manager prior to the presentation of that agenda item. Occasionally, certain items for decision within this section are required by Florida Statute to be held as a Public Hearing. During the Public Hearing portion of the agenda item, each member of the public will be permitted to provide one comment on the issue, prior to the Board of Supervisors' discussion, motion and vote. Agendas can be reviewed by contacting the Manager's office at (850) 334-9055 at least seven days in advance of the scheduled meeting. Requests to place items on the agenda must be submitted in writing with an explanation to the District Manager at least fourteen (14) days prior to the date of the meeting. The fourth section is called **Staff Reports**. This section allows the District Manager, Engineer, and Attorney to update the Board of Supervisors on any pending issues that are being researched for Board action. The final section is called **Supervisor Requests and Audience Comments**. This is the section in which the Supervisors may request Staff to prepare certain items in an effort to meet residential needs and provides members of the audience the opportunity to comment on matters of concern to them that were not addressed during the meeting.

Public workshops sessions may be advertised and held in an effort to provide informational services. These sessions allow staff or consultants to discuss a policy or business matter in a more informal manner and allow for lengthy presentations prior to scheduling the item for approval. Typically no motions or votes are made during these sessions.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the District Office at (850) 334-9055, at least 48 hours before the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 7-1-1, who can aid you in contacting the District Office.

Any person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that this same person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which the appeal is to be based.

SOMERSET COMMUNITY DEVELOPMENT DISTRICT

District Office • 120 Richard Jackson Blvd, Suite 220, Panama City Beach, FL 32407

Mailing Address • 3434 Colwell Avenue, Suite 200, Tampa, FL 33614

WWW.SomersetCDD.org

February 6, 2023

**Board of Supervisors
Somerset Community
Development District**

AGENDA

Dear Board Members:

The Special Meeting of the Board of Supervisors of the Somerset Community Development District will be held on **Monday, February 13, 2023, at 2:00 p.m. (Central Time)** at the Alys Beach Conference Room, Building 1 located at 84 Elbow Beach Road, Alys Beach, FL 32461. The following is the Agenda for this meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. AUDIENCE COMMENTS**
- 3. BUSINESS ADMINISTRATION**
 - A. Consideration of Resolution 2023-05, Appointing and Removing Officers Of the District Tab 1
 - B. Consideration of the Minutes of the Landowners Meeting Held November 15, 2022 Tab 2
 - C. Consideration of Minutes of the Board of Supervisors' Meeting Held November 15, 2022 Tab 3
- 4. BUSINESS ITEMS**
 - A. Consideration of Arbitrage Engagement Letter-LLS Tax Solutions Inc. Tab 4
 - B. Consideration of Addendum to Facilities Management Agreement- Alys Beach Resorts LLC Tab 5
- 5. STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
 - 1. Presentation of District Manager Report (*Under separate Cover*)
- 6. SUPERVISOR REQUESTS**
- 7. ADJOURNMENT**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call me at 850-334-9055.

Sincerely,
Kim O'Mera
Kim O'Mera
District Manager

Tab 1

RESOLUTION 2023-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SOMERSET COMMUNITY DEVELOPMENT DISTRICT RE-DESIGNATING CERTAIN OFFICERS OF THE DISTRICT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Somerset Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, and situated entirely within Walton County, Florida; and

WHEREAS, the Board of Supervisors (hereinafter the “Board”) previously designated the Officers of the District; and

WHEREAS, the Board now desires to re-designate certain Officers.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SOMERSET COMMUNITY DEVELOPMENT DISTRICT:

The following persons are appointed to the offices shown, to wit:

<u>Robert Stenhammer</u>	Chairman
<u>John Rosenberg</u>	Vice Chairman
<u>Bob Schleifer</u>	Secretary
<u>Scott Brizendine</u>	Treasurer
<u>Tom Dodson</u>	Assistant Secretary
<u>George Hartley</u>	Assistant Secretary
<u>Belinda Ballew</u>	Assistant Secretary
<u>Kimberly O'Mera</u>	Assistant Secretary
<u>Melissa Dobbins</u>	Assistant Treasurer
<u>Shawn Wildermuth</u>	Assistant Secretary

PASSED AND ADOPTED THIS 13TH DAY OF FEBRUARY 2023.

ATTEST:

**SOMERSET COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson / Vice Chairperson
Board of Supervisors

Tab 2

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**SOMERSET
COMMUNITY DEVELOPMENT DISTRICT**

The landowners' meeting of the Somerset Community Development District was held on **Tuesday, November 15, 2022, at 1:00 p.m. (CDT)** at The Alys Beach Conference Room Building 1 located at 84 Elbow Beach Road, Alys Beach, Florida 32461.

Present were:

Kimberly O'Mera	District Manager, Rizzetta & Company, Inc.
John Rosenberg	
George Hartley	
Tom Dodson	
Belinda Ballew	
Robert Stenhammer	
Audience	Tonya Pippin

FIRST ORDER OF BUSINESS **Call to Order**

Ms. O'Mera called the meeting to order at 1:09 pm.

Ms. O'Mera stated that the purpose of the landowners' meeting was to hold Landowner Meeting for Somerset Community Development District and to hold Landowner Elections for three (3) Supervisor positions on the Board of Supervisors as prescribed in Chapter 190 of Florida Statutes and that this meeting was duly advertised in a newspaper as prescribed by Florida statutes and provided an affidavit.

SECOND ORDER OF BUSINESS **Election of Chairman for the Purpose of Conducting the Landowner Election**

Ms. O'Mera was designated as the Chairman for the election.

THIRD ORDER OF BUSINESS **Determination of Number of Voting Units Represented**

46
47 Ms. O'Mera stated that there were two (2) proxies representing a total of one hundred
48 seventy-eight (178) votes. One proxy designated Tom Dodson on behalf of the
49 landowners EBSCO Gulf Coast Development, Inc with ninety-six (96) votes and the
50 second proxy designated Tom Dodson on behalf of the landowner EBSCO Gulf Coast
51 Development Conservation, Inc. with eighty two (82) votes.

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53 **FOURTH ORDER OF BUSINESS**

**Announcement of Candidates/Call
for Nominations**

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56 Ms. O'Mera asked for a call of nominations. Robert Stenhammer, Belinda Ballew and
57 Tom Dodson and Tonya Pippen were nominated.

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61 **FIFTH ORDER OF BUSINESS**

Election of Supervisors

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63 Ms. O'Mera read allowed the tabulation of votes; Tom Dodson received one hundred
64 seventy-eight (178) votes, Robert Stenhammer received one hundred seventy-eight (178)
65 votes, Belinda Ballew received one hundred seventy-six (176) votes, and John Tato
66 received fifty-six (56) votes.

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68 As a result of the votes, Robert Stenhammer and Tom Dodson received a four (4) year
69 term and Belinda Ballew received a two (2) year term.

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72 **SIXTH ORDER OF BUSINESS**

Adjournment

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74 Ms. O'Mera stated there was no other business to come before the Landowners and
75 adjourned the meeting at 1:14 pm.

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77

Tab 3

Tab 4



LLS Tax Solutions Inc.
2172 W. Nine Mile Rd.
#352
Pensacola, FL 32534
Telephone: 850-754-0311
Email: liscott@llstax.com

December 8, 2022

Somerset Community Development District
c/o Rizzetta & Company, Inc.
3434 Colwell Avenue, Suite 200
Tampa, Florida 33614

Thank you for choosing LLS Tax Solutions Inc. (“LLS Tax”) to provide arbitrage services to Somerset Community Development District (“Client”) for the following bond issue. This Engagement Letter describes the scope of the LLS Tax services, the respective responsibilities of LLS Tax and Client relating to this engagement and the fees LLS Tax expects to charge.

- \$10,745,000 Somerset Community Development District Capital Improvement Revenue Refunding Bonds, Series 2022

SCOPE OF SERVICES

The procedures that we will perform are as follows:

- Assist in calculation of the bond yield, unless previously computed and provided to us.
- Assist in determination of the amount, if any, of required rebate to the federal government.
- Issuance of a report presenting the cumulative results since the issue date of the issue of bonds.
- Preparation of necessary reports and Internal Revenue Service (“IRS”) forms to accompany any required payment to the federal government.

As a part of our engagement, we will read certain documents associated with each issue of bonds for which services are being rendered. We will determine gross proceeds of each issue of bonds based on the information provided in such bond documents. You will have sole responsibility for determining any other amounts not discussed in those documents that may constitute gross proceeds of each series of bonds for the purposes of the arbitrage requirements.

TAX POSITIONS AND REPORTABLE TRANSACTIONS

Because the tax law is not always clear, we will use our professional judgment in resolving questions affecting the arbitrage calculations. Unless you instruct us otherwise, we will take the reporting position most favorable to you whenever reasonable. Any of your bond issues may be selected for review by the IRS, which may not agree with our positions. Any proposed adjustments are subject to certain rights of appeal. Because of the lack of clarity in the law, we cannot provide assurances that the positions asserted by the IRS may not ultimately be sustained, which could result in the assessment

of potential penalties. You have the ultimate responsibility for your compliance with the arbitrage laws; therefore, you should review the calculations carefully.

The IRS and some states have promulgated “tax shelter” rules that require taxpayers to disclose their participation in “reportable transactions” by attaching a disclosure form to their federal and/or state income tax returns and, when necessary, by filing a copy with the Internal Revenue Service and/or the applicable state agency. These rules impose significant requirements to disclose transactions and such disclosures may encompass many transactions entered into in the normal course of business. Failure to make such disclosures will result in substantial penalties. In addition, an excise tax is imposed on exempt organizations (including state and local governments) that are a party to prohibited tax shelter transactions (which are defined using the reportable transaction rules). Client is responsible for ensuring that it has properly disclosed all “reportable transactions” and, where applicable, complied with the excise tax provision. The LLS Tax services that are the subject of this Engagement Letter do not include any undertaking by LLS Tax to identify any reportable transactions that have not been the subject of a prior consultation between LLS Tax and Client. Such services, if desired by Client, will be the subject of a separate engagement letter. LLS Tax may also be required to report to the IRS or certain state tax authorities certain tax services or transactions as well as Client’s participation therein. The determination of whether, when and to what extent LLS Tax complies with its federal or state “tax shelter” reporting requirements will be made exclusively by LLS Tax. LLS Tax will not be liable for any penalties resulting from Client’s failure to accurately and timely file any required disclosure or pay any related excise tax nor will LLS Tax be held responsible for any consequences of its own compliance with its reporting obligations. Please note that any disclosure required by or made pursuant to the tax shelter rules is separate and distinct from any other disclosure that Client might be required to or choose to make with its tax returns (e.g., disclosure on federal Form 8275 or similar state disclosure).

PROFESSIONAL FEES AND EXPENSES

Our professional fees for the services listed above for the three annual bond years ending April 19, 2023, April 19, 2024, and April 19, 2025, is \$1,500, which is \$500 each year. We will bill you upon completion of our services. Our invoices are payable upon receipt. Additionally, you may request additional consulting services from us upon occasion; we will bill you for these consulting services at a beforehand agreed upon rate.

Unanticipated factors that could increase our fees beyond the estimate given above include the following (without limitation). Should any of these factors arise we will alert you before additional fees are incurred.

- Investment data provided by you is not in good order or is unusually voluminous.
- Proceeds of bonds have been commingled with amounts not considered gross proceeds of the bonds (if that circumstance has not previously been communicated to us).
- A review or other inquiry by the IRS with respect to an issue of bonds.

The Client (District) has the option to terminate this Agreement within ninety days of providing notice to LLS Tax Solutions Inc. of its intent.

ACCEPTANCE

You understand that the arbitrage services, report and IRS forms described above are solely to assist you in meeting your requirements for federal income tax compliance purposes. This Engagement Letter constitutes the entire agreement between Client and LLS Tax with respect to this engagement, supersedes all other oral and written representations, understandings or agreements relating to this engagement, and may not be amended except by the mutual written agreement of the Client and LLS Tax.

Please indicate your acceptance of this agreement by signing in the space provided below and returning a copy of this Engagement Letter to us. Thank you again for this opportunity to work with you.

Very truly yours,
LLS Tax Solutions Inc.

AGREED AND ACCEPTED:
Somerset Community Development District

By: Linda L. Scott
Linda L. Scott, CPA

By: _____
Print Name _____
Title _____
Date: _____

Tab 5

EXHIBIT A

Scope of Service – Somerset CDD

Please Note: Unless indicated otherwise, all costs outlined in this Scope of Service include labor, transportation, supervision, preparation of paperwork, and scheduling.

Management Fee----- \$ 1,100.00/month.

- First point of contact and after hours' liaison.
- Attend District meetings in person or via phone to review maintenance inspections and provide updates as needed.
- Provide input for preparation of the District's annual budget related to maintenance and forecasted expenditures.
- Attend site visits with District staff and vendors as needed, including District's insurance carrier.
- Provide vendor access for routine services with approval (if applicable)
- Ensure oversight of the District's vendors. Notify District's vendors about deficiencies in routine service or need for additional service or repairs.
- Following all inspections, contact District Manager with list of items needing repair and assist with obtaining proposals from the District's vendors for the same. If a third-party contractor, other than Rip's, Culligan, McHenry, PLC, Dune Doctors, Griffin, Lake Doctors, Gulf Power and Regional Utilities is required to complete maintenance or repair work, additional charges will apply to generate proposals and supervise work, as described at the end of this exhibit.

30A Weekly Inspection-----\$644.00/month

- Weekly Visual inspection of lights, landscaping, grounds, irrigation, signage, and crosswalks.
- Incidental removal of roadside debris and trash (also responsibility of landscape contractor).
- Complete formal inspection checklist. Retain records and provide to the District.
- Following all inspections, contact District Manager with list of items needing repair and assist with obtaining proposal from the District's vendor for the same. If a third-party contractor, other than Rip's, Culligan, McHenry, PLC, Dune Doctors, Griffin, Lake Doctors, Gulf Power and Regional Utilities maintenance or repair work, additional charges will apply to generate proposals and supervise work, as described at the end of this exhibit.

Daily Irrigation Well Inspection-----\$1,506.00/month

- Visual inspection of 4 irrigation wells and lake Marilyn daily.
- Ensure compliance with Northwest Florida Water Management District guidelines for water use permit.
 - Record daily well readings in accordance with Northwest Florida Water Management Guidelines.
 - Prepare timely annual report and submit to the Northwest Florida Water Management District.
 - Prepare corrective action plan based on annual report.
 - Follow proper records retention guidelines required by The Northwest Florida Water Management District.
- Incidental removal of debris and trash from lake and areas around wells (also responsibility of landscaping contractor)
- Provide oversight of Culligan re: irrigation treatment program.
- Complete formal inspection checklist. Retain records and provide to the District

- Following all inspections, contact District Manager with list of items needing repair and assist with obtaining proposal from the District’s vendor for the same. If a third-party contractor, other than Rip’s, Culligan, McHenry, PLC, Dune Doctors, Griffin, Lake Doctors, Gulf Power and Regional Utilities or Lake Doctors, is required to complete maintenance or repair work, additional charges will apply to generate proposals and supervise work, as described at the end of this exhibit.

Lighting Inspections-----\$1,716.00/month

- Visual inspection of all District streetlights
- Visual inspection of all District Up Light and Scout Light – Ped Paths and Parking Courts
- Complete formal inspection checklist. Retain records and provide to the District
- Following all inspections, contact District Manager with list of items needing repair and assist with obtaining proposal from the District’s vendor for the same. If a third-party contractor, other than Culligan, McHenry, PLC, Dune Doctors, Griffin, Lake Doctors, Gulf Power and Regional Utilities is required to complete maintenance or repair work, additional charges will apply to generate proposals and supervise work, as described at the end of this exhibit.

Total monthly cost for services listed above -----\$4,966.00/month

Total yearly cost for services listed above ----- \$59,592/year

Maintenance & Repairs for Lighting Improvements: Labor & Materials

- Perform necessary repairs, as applicable pursuant to the terms of this Agreement.
 - Labor is charged @ (½ hr. min.) - \$45.00/hr.
 - After hours Labor is charged @ (3hr min.) - \$45.00/hr.
- Materials, when repairs are made by Alys Beach, are charged at cost +20% OH markup.

Other Charges

- Prepare and provide incident reports as necessary for damage identified to District property. Report incidents to the District Manager, in writing, immediately. (\$45/hr labor rate would apply)
- Procuring proposals and providing oversight of third-party vendors, other than Rip’s, Culligan, McHenry, PLC, Dune Doctors, Griffin, Lake Doctors, Gulf Power and Regional Utilities is charged at a 20% markup based on third-party vendor’s final invoice. When invoices exceed \$3,333.33, a flat \$500 will be charged. When repair projects exceed \$20K, a proposal for the project will be prepared and a separate project management fee may apply. If services are not approved by the District, a \$500 fee will be charged to cover the time required to procure and evaluate proposals.