

MINUTES OF MEETING
CAPITAL REGION COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Capital Region Community Development District was held Thursday, August 12, 2010 at 6:30 p.m. at the Good Samaritan United Methodist Church, 3720 Capital Circle SE, Tallahassee, Florida.

Present and constituting a quorum were:

Barry Brooks	Vice Chairman
Alan Hanstein	Supervisor
Wayne Toothman	Supervisor

Also present were:

James A. Perry	District Manager
Joe Brown	District Counsel
Brian Crumbaker	District Counsel
Abe Prado	St. Joe Company
Norman Robertson	PBS&J

FIRST ORDER OF BUSINESS

Roll Call

Mr. Brooks called the meeting to order at 6:30 p.m.

SECOND ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the July 15, 2010 Meeting**
- B. Balance Sheet as of June 30, 2010 and Statement of Revenues & Expenditures for the Period Ending June 30, 2010**
- C. Treasury Report – June 30, 2010**
- D. Allocation of Assessments**
- E. Check Register**

Mr. Brooks stated item two is approval of the consent agenda. I know that Mr. Perry has a couple of items out of the minutes of the July 15, 2010 meeting.

Mr. Perry stated there were a number of blanks and staff has gone through and inserted what needs to be included in those blanks. On page 6 there was a blank and I believe that is “debt service” should be inserted there. On page 13 under attorney there is a blank that starts off

with Brooks and that is a firm called, Brooks LeBoeuf Bennett Foster & Gwartney, P.A. and that will also be inserted on the third blank and the other blank was Jim Perry followed up with a letter. On page 16 the first blank under Mr. Crumbaker was right before “completion” inserted would be “ensures contract” and the blank right after that would be “likely concern” on the payment and “this” would be struck. On page 17 the spelling for Mr. Gasmini would be changed and that will be made throughout the document. On page 18 there is a blank there and it should be stricken there is nothing to be inserted. The last two changes are on page 22 right above the motion box there is a blank and I believe what should be inserted there is “the city” and the second blank toward the end of that page “will happen” will be inserted. The last change is on page 23 and that should be “protection” referring to the performance bond.

On MOTION by Mr. Hanstein seconded by Mr. Toothman with all in favor the consent agenda items were approved subject to the amendments to the minutes.

THIRD ORDER OF BUSINESS

Discussion of Refinancing

Mr. Brooks stated I would like to insert a new item three and that is to follow-up on some of the bond refinancing discussions that we have had. We will not be voting on anything tonight because it has not been noticed properly but there were some questions from our last meeting and during the month.

Mr. Hanstein asked as a point of clarification, counsel can advise on this, for public meetings can we change the agenda or does that have to go under new business at the end if it is not on the agenda?

Mr. Crumbaker stated it can be added to new business and moved up and inserted in that item.

Mr. Hanstein stated I'm fine I just wanted to make sure we are all on board public meeting-wise.

Mr. Crumbaker stated I think we are fine. It was a discussion item last month.

Mr. Brooks stated let's move that item and I believe Mr. Crumbaker wanted to address the board.

Mr. Crumbaker stated I appreciate you moving up the item. One of the requests I received at the last board meeting was to provide an estimate of what the cost of issuance would

be for a refunding or advance refunding of the 2001A bonds. You should have before you a spreadsheet that identifies what those costs are and I will walk through those costs and explain what is fixed, what comes out of the cost of issuance at the time of issue, what is billed hourly in advance and whether it is not to exceed numbers. Starting with bond counsel and Mr. Toothman I know you attended some of the meetings but I don't think you were on the board at the time we issued the 2008 bonds so I will walk through what the role is of each of these individuals are and if you have any questions please stop me. Bond counsel which for this district has been Nabors Giblin & Nickerson since the beginning the individual is Danny Tyler out of Tampa, Florida. The amount he has quoted is \$30,000 that is a fixed fee but comes out of the cost of issuance so it is contingent upon closing occurring. The purpose of bond counsel is to draft the amendments to the indenture, bond resolution and whatnot but the most important item is they issue a tax opinion which the bondholders rely upon for purposes of determining or concluding that it is a tax exempt financing. They have the biggest liability of the group and oftentimes will have part of the fee as a result of that liability.

Mr. Toothman asked they work for the bond itself? I know we are paying for them.

Mr. Crumbaker stated they work for the district. They are your counsel for purposes of rendering legal advice as it relates to the tax issues, the indenture, etc. they work for you. There are other parties involved here that are not identified or in the financing they are identified for instance you will have underwriter's counsel they represent the underwriters themselves which is Prager Sealy and that is where the attorney/client relationship is involved. That is paid out of the underwriting fee. You also have trustee's counsel so they represent the trustee for purposes of reviewing the documents and issuing a trustee's opinion. Underwriter's counsel also renders an underwriter's counsel opinion and that deals with the SEC or the disclosure elements of the LOM and whatnot. What I have identified here are those parties that have a relationship with the district have some sort of relationship and that you ultimately pay for directly or would identify as part of the cost of issuance.

District counsel I put in \$25,000 we typically do it on an hourly basis and we have done it on a flat fee basis but what we find is if you do it on a flat fee basis depending on how involved we have to be with staff and development of the documents, sometimes you price on the risk and so we typically do it on an hourly basis. This is a fairly simple deal and I would consider this a not to exceed number. I actually think that based on the fact that this is a simple refunding I look

at the process that would be involved we don't have to go back through validation we don't have to update an engineer's report because the project is final my guess is we would probably end up in the \$17,500 to \$22,500 range but I have included this as a not to exceed and I should have put NTC next to it. For the record we could ensure it states it is a not to exceed number. We do charge hourly as opposed to contingent.

Trustee's fee and cost and the trustee's counsel we have it broken into two pieces. The relationship between trustee's counsel and expenses is with the trustee. I mentioned that underwriter's counsel their client is the underwriter in this case trustee's counsel's client is the trustee. I have broken it out separately. These fees are contingent as well so to the extent that the bond issue doesn't occur no expenses are experienced.

District manager there are two pieces here and both with Governmental Management Services. Jim you provided this number.

Mr. Perry stated they are reversed unfortunately.

Mr. Crumbaker stated the total is \$20,000 but it is \$7,500 for the district manager and \$12,500 for the assessment consultant. The district management side has to deal with a ton of copies, a ton of documentation that will go back and forth that they are handling and coordinating meetings and that kind of thing. The assessment consultant because we will be increasing at the point in time at which we do reissue or refund we will be increasing the par as Mr. Bulleit mentioned similar to a mortgage where you add principal but you are reducing the annual payment as a result in reduction in your debt service reserve requirement and the interest rate. You are increasing that principal and as a result of Chapters 170 and 197 you have to go back through the assessment roll so we would have to notice the individual landowners in two ways, (1) publication and (2) by mail and we would have to go through that process so GMS will prepare the report that has to be considered and adopted by the board.

Verification agent that is on the bond side and that is something that I often don't see physically, there is not an individual, it is the trading desk for Prager Sealy and their expenses associated with verifying or transferring the bonds, pulling the existing bonds and posting the new bonds with DTC. That is a fixed fee as well.

Printing and binding is a not to exceed but generally it runs around \$500. It is not so much printing and binding these days usually it is disks instead. If you have ever seen the big

bond transcripts that are big black books usually, today they put them all on disks but you have to pay the company that scans in everything and then produce those disks.

Contingency within that category is your notice expenses associated with the newspaper because we do have to go back through the initial process, the individual mail notice that has to be done as part of that process and so Prager builds in \$2,500 contingency associated with that.

In total among staff you are looking at \$91,200. The items you would incur upfront or just as part of the process is the district counsel and contingency to the extent there are expenses. The underwriter's discount of 1.2% according to Ed Bulleit this is the rate that has been charged in the past to the district. Personally, this is as low as I have seen. Most of the districts that were issuing bonds especially from 2001 to 2008 it was in the 1.5% to 2% range and I was speaking with someone at FMS Bonds a couple days ago that had a bond issue and they were actually charging 2 ½% to 3%. You can do what you like to identify others but it is very low. That is based upon the outstanding par, which is what you see there, the projected par that they expect to issue which is \$8,180,000. Then there is a breakout of trustee fees and how we arrive at \$5,950 above.

I think one of the reasons we were asked to bring this back was Ed mentioned getting some of the documents ready there is only so far you can go at this point. You can't go through the assessment process for pricing until the point where you know what the interest rate is going to be, pricing whether you are going to be reissuing in September of this year versus May of next year so until we get to that point we can't go through the assessment process so you won't have any expenses associated with notices and whatnot in relation with that or our fees that are timed in relation to that. It boils down to getting the bond resolution ready, the amended indenture ready, the elemental working document which is your disclosure document under SEC rule getting that ready and once that is ready you can just fill in the numbers for purposes of once you pull the trigger and say pricing is right, time is right, let's go ahead and proceed. I guess the question to the board is and you don't have to answer that today but do you want us to go ahead and proceed with putting that documentation together or wait until a later day. I think Ed's comment last time was getting those ready and watching the market trying to figure where that sweet spot is, is preferable but it is up to the board.

Mr. Hanstein stated another entity that I am involved with Florida State University Schools Board is in a similar process, it must be the timing for good entities with good bond

rating and we are in fact moving forward with a refunding for \$20 million in bonds at that entity. I'm kind of in this process and we are a little bit ahead of this there. I am just going to put out some of the things that we have already talked about there. Some may be relevant to us and some may not. We are talking about two different entities, two different types of bonds. Thank you for the breakdown and the fees seem in line with what we have seen over there based on the par amount. I think that is what counsel over there said most of the time the fees are kind of tied for bond counsel and counsel and amount of the deal. The one thing I think that we are doing over there that we might want to look at as a board here is coming up with a threshold of the kind of, go no go, of whether or not we would do this and putting that in a resolution and figuring out what our out of pocket expenses would be at that point of decision. I share this, it is public record anyway, this is the resolution from that bond that is going to the city now I think to be looked at and that has actually got who holds that bond. That has some verbiage that says if we don't meet this threshold in here we did it as a savings percent calculated as a dollar value so it works out to something like if we don't save \$55,000 a year after that net then we are not going to close it at the time we feel that we have that rate and it gives us a little flexibility. I would be interested to hear counsel's opinion on that whether we feel like no matter what rate we get right now we are going to be better whether there is a, go no go, rate of what we have to this deal and kind of go from there. Other than that I think the fees are fine and I just note for the record other than that would like to move forward based on counsel's opinion on that.

Mr. Crumbaker stated there are really two ways you can do that and I'm not familiar with what you are doing at Florida High but you can set a not to exceed limit of what to incur today so to the extent that we can get everything done, ready, at least prepackaged for \$10,000 or \$12,000 or \$12,500 out of pocket or something of that nature you can set a not to exceed limit and then the second part of that is direction to Prager saying that if rates fall to such a point and the annualized savings is going to be X or greater then at that point in time we are ready to go. How often does Florida High meet?

Mr. Hanstein stated monthly and we have special meetings not frequently but called when there is a need for a quorum to vote on something like this.

Mr. Crumbaker stated if you were aware that things were fluctuating a great deal you might want to have that threshold where if it hits this then pull the trigger. It is almost like if you have an investment account setting limits of shorts and that kind of thing and setting it up so that

as soon as it hits your trigger. Given the fact that any rise, any increases or decreases are likely to be somewhat slow you probably have time for them to get a package together. One of the things that they want to go ahead and proceed with is talk to the rating agencies and I think he mentioned this last time talk to the rating agencies about the 2001 bonds, talk to them about potentially splitting the residential and commercial because of the concentration of ownership and the commercial and seeing if that has a positive impact to see if we can have the credit package in the rating agency's hands so they can start reviewing it and those kinds of things. If we have those out of the way because we are not in a highly volatile market with respect to the bonds I'm not sure that having those thresholds, those limits, in place is necessary. Meeting monthly Ed or Kevin can come in and say this is where we are at if you want to go.

Mr. Hanstein stated for clarity on the Florida High bonds it is not on the better end of the threshold that is written in here it is more on the other end so that when they were coming towards that because we were trying to do it quickly and it was a savings of only \$10,000 a year that we would have the ability to pull that and not go into it and maybe wait, not so much on the other side to pull the trigger at the best available it is more to make sure that we don't pull the trigger at the worst available when possibly something that even costs us more money if it goes up. I think maybe what we can discuss would be what our not to exceed would be on out of pocket expenses at this point to get to that point.

Mr. Brooks stated I don't have a problem with that, what Alan was talking about, I think it is a good idea so at least we know when we don't want to do anything. Brian, if that is something you can bring back to us for the next meeting. As far as having bond discussions as you have been talking about is there a cost to us right now for that to start happening or are you just looking for direction?

Mr. Crumbaker stated direction on that part. With respect to Prager keep in mind that the underwriter's discount is 100% contingent and they incur the expense associated with getting upfront. They incur the expense of going to the rating agencies, paying the rating agencies to have those discussions and to review the credit package. There is no risk to the district in that vein. At the very least if we could get authorization for them to go and have that conversation just because they are representing the district as underwriter, they just want for their comfort to have that authorization that allows them to do so.

Mr. Brooks asked do we need a motion or can we just give direction?

Mr. Perry stated I think a motion would be appropriate for that.

Mr. Crumbaker stated it would be a motion authorizing the district manager and the district's underwriter to put together a credit package and engage with the rating services for purposes of obtaining a rating.

Mr. Hanstein asked Jim from that standpoint is that under normal everyday business or are we now incurring your fee?

Mr. Perry stated our fee in regards to the bonds the methodology and all the other work that goes with it is contingent.

Mr. Hanstein moved to authorize the district manager and the district's underwriter to put together a credit package and to engage the rating services for purposes of obtaining a rating for the bonds and Mr. Toothman seconded the motion.

Mr. Brooks asked as far as the ability to go ahead and move through this motion since this wasn't an agenda item is this something we can go ahead and consider?

Mr. Crumbaker responded yes.

On voice vote with all in favor the motion passed.

Mr. Crumbaker stated just to I understand my direction over the course of the next month try to prepare a resolution that sets out those parameters.

Mr. Brooks stated yes.

FOURTH ORDER OF BUSINESS

Acceptance of the Minutes of the July 15, 2010 Budget Workshop

Mr. Brooks stated item three is acceptance to the July 15, 2010 budget workshop.

Mr. Perry stated there are a couple of changes to those also. At the top of page 4 the second sentence should read, Mr. Toothman stated this is where my confusion is at, instead of "isn't". Also on page 13 the second to the last paragraph you will see the blank, the word "like" should be stricken and insert "where the ponds". Those are all the changes I have to those minutes.

On MOTION by Mr. Hanstein seconded by Mr. Toothman with all in favor the minutes of the budge workshop held July 15, 2010 were accepted as amended.

FIFTH ORDER OF BUSINESS

Ratification of Vendor Service Agreement with Charles Higman for Security Services

Mr. Brooks stated the next item is ratification of vendor service agreement with Charles Higman for security services.

Mr. Brown stated this is the same form of agreement that you saw in the agenda package at the last meeting except in that agreement it was Rocky Clement.

Mr. Toothman asked when somebody observes somebody fishing on a lake do we have a phone number where they can call and say at 6:00 a.m. every morning I see this guy fishing? Do they relay everything through Robert?

Mr. Brown responded I guess there are two ways to do it you can either relay everything through Robert. I talked to Rocky about this and Rocky said he is okay giving out his cell phone number which I thought was a little bit of generous offer. I think it might depend to some extent on how much the board thinks they are going to continue to have them come out because Robert's initial direction was for 40 hours and when I talked to Rocky they met that at this point so they aren't do anything more in another week and see how it has worked out for the district and whether we want them to come back out or not. If we do in my mind if I were Rocky I would say if you could direct everything through somebody at the district because all he has are his personal numbers. So they are either going to be calling him directly on the cell phone or calling him directly at his office. Those are sort of the options when it comes to telephone numbers for people to call.

Mr. Brooks asked Mr. Perry do you have a preference?

Mr. Perry responded you can contact myself or Rich Whetsel and I will give you the number in regards to that.

Mr. Toothman stated it was a SouthWood Business Association it was one of the guys who lives on a lake and he said every morning or every weekend he notices there is a guy out there fishing and he said what do we do about it and I said let me find out.

Mr. Perry stated of course we are not going to give the officer's numbers out but put a section in there.

On MOTION by Mr. Toothman seconded by Mr. Hanstein with all in favor the agreement with Charles Higman for security services was ratified.

SIXTH ORDER OF BUSINESS

Questions and Comments on Proposed Budget for Fiscal Year 2011

Mr. Brooks stated item six is questions and comments on the proposed budget for fiscal year 2011. Understand the September 9th meeting is when we will actually have the resolution before us on the budget. We do have a written statement from our chair concerning some of the work we have done on the budget at this time. Mr. Perry do you want to read it into the record?

Mr. Perry stated okay. Unfortunately Ms. Kiracofe couldn't be here she is out on family business and has been out of town. She had wanted me to read this into the record.

Regarding the proposed O&M budget expenditures I would like to register concern about the decrease in the preserve maintenance category and contingency category and would be more comfortable with preserve maintenance category at \$40,000 and the contingency at \$20,000. Keep in mind that this year's hurricane season is just getting started. While the current projected preserve maintenance total may be just over \$34,000, that story is not yet over and some critical weeks lie ahead. Secondly having knowledge of the high cost suffered by similar communities from a category 2 and category 3 storms such a small contingency in that gives me heartburn. On a similar note I do appreciate the measures to keep assessments at a constant for the coming year. However, in light of future dollars dedicated to the three year agreement we have with St. Joe to make up the difference in deficit funding if our bare bones budget expenditures remain constant it is highly unlikely that to achieve a balanced budget in 2011/12 Capital Region Community Development District constituents will experience a significant increase in future assessments. To ease the pain I would like the board to consider a small adjustment in assessment amounts for the 2010/11 budget and we could live with an increase of 2% to 3%.

Mr. Brooks asked do any of the supervisors have any comments concerning this?

Mr. Hanstein stated I do echo Mary Lee's concern. I think more so about the latter point that we are artificially keeping it low this year but that will really be tough over the next two years. I'm more comfortable I think based on that email based on our compromise at the last meeting that we didn't pull those all the way down. If we could between now and the September meeting find any additional offset on that obviously that is where I would like to put it back but I think we are pretty close to where we can get. I think at the end of the day I am comfortable

with the budget as it is now but certainly if there is even a dollar everywhere we can save that is where I would like to see it go back.

Mr. Toothman stated I understand her concerns they are valid concerns but this method of low taxes is better than collecting the money and not spending that or not needing that. I think we got our numbers right and I would like to go forward with what we have.

Mr. Hanstein stated I don't know that I have ever asked this in my time on the board but what is the board's authority to borrow money if we needed to on a short term basis? If there were a catastrophic event we have already discussed insurance would cover only a small part of that and the cost of issuance on anything beyond that would be prohibitive but let's say we did need to borrow \$40,000, \$50,000 \$100,000 what are our options as a special purpose government to do that on a short term basis?

Mr. Perry responded if it is a catastrophic event then there probably would be funds available through the state or federal and that would alleviate that. In just general so that you are aware it is very difficult for community development districts to have any type of lines of credit established with banks and/or a short term loan. Part of the reason is you can't pledge your assessments. We have worked on that issue for several years with a lot of different lending institutions and never been able to establish it because they want some security and you can't pledge your assessments. You want to make sure that you have adequate working capital going forward to cover those smaller type items.

Mr. Hanstein stated that is not to say that the developer could not borrow funds on the district's behalf, using their property as collateral.

Mr. Perry stated if they would like to I'm sure that could be done. I do have one thing for the board, the proposed budget you have in your agenda package does reflect all the changes we discussed but subsequent to preparing this and I have gotten with All Pro there is a new pond that is quite large, the pond over on Tram Road coming on line this next year and we had adjusted downward the maintenance for ponds, new units to \$2,000 and it is going to be approximately \$11,000 for that pond. I will have to increase the expenditures by about \$9,000. With that I don't have enough in contingency to offset it. Just to let you know that if there was nothing to offset that the increase would be fairly minimal but it would be probably ½% increase or something like that. We have in the TRIM notices that you should receive Monday, when we approved the budget we had a 9 ½% increase just so you are aware of that.

Mr. Hanstein asked the alleyway maintenance which we now have budgeted at \$15,500 adopted?

Mr. Perry responded adopted and adjusted to \$10,500.

Mr. Hanstein stated I know we did a lot of paving this past year, Robert did a good job they found a vendor to take care of a lot of the potholes. There doesn't seem to be a lot of that, we went nine years without any maintenance essentially in a lot of those alleyways, if we find out the comfort level is of dropping that down a significant amount understanding that there might be some critical ones out there we can address those. We are talking about potholes, right? Everything I know about and where I have talked to homeowners or identified myself has been taken care of in this fiscal year so I'm curious. That is what we spent but it doesn't seem like an annual expense. If you can talk to Robert about that and maybe we can drop that down to \$2,000 just in case of an emergency. He found a guy that was ridiculously cheap to do it. That would save us a significant amount. I will keep looking but that was one that caught my eye. Last time we got where we needed I really wasn't going to push those items too hard but if we are looking we have to look hard. That would make up your difference for Tram Road pond if we can bring that considerably down.

Mr. Brooks asked in the event there was a catastrophic event similar to the borrowing question what is the option to get whatever funds we need to match FEMA and all that type of stuff of having a special assessment done against people after an event? They see what has happened they know what the damage is so it is not like it would be a surprise. Is that something this district could do if there was a need to get some funds on an emergency basis?

Mr. Perry responded you could do that, that is an option. Keep in mind too that the district does have working capital funds of several hundred thousand dollars that we utilize to pay our ongoing bills but on a short term basis you can access that also.

Mr. Brooks asked then make it up in whatever you do?

Mr. Perry responded yes when you do your special assessments. You probably try to do it to coincide with your budget year just to save costs if you could weather that working capital length of time.

Mr. Brooks stated I think my feeling is as Wayne said if we can keep the assessments level and I know we have the buyout with St. Joe going on, that three year cycle, if we can show fiscal responsibility to try to keep it level there are ways like you were trying to find to make up

in case there was some sort of crises. I think we would be better off in that position. That is just my feeling and I am sensitive to what Mary Lee is saying.

Ms. Smith stated I'm not sure I understand what kind of potential damage we are talking about. Can you give me some examples of catastrophic damage that we might suffer and pay for? Is it just the Preserve area or is it the whole?

Mr. Perry stated all the oak trees around here if you can imagine that if you have some kind of tropical depression or hurricane you would probably have enumerable oaks that are all over the green space areas that will have to be removed. They are very expensive. We could have issues with irrigation.

Mr. Brooks stated it could be a variety of things such as if all the trees along Four Oaks are blown over. Somebody is going to have to put them back and make sure they are healthy. Any kind on infrastructure that hasn't been transferred to the city if something caved in that would be our responsibility.

Mr. Robertson stated I would think that the infrastructure that hasn't been transferred over to the city as far as roadways is pretty minimal. I think the big concern as Jim mentioned is that the city of Tallahassee gave us a lot of assistance with hurricane cleanup and it is mostly debris cleanup and with your green spaces with all the oak trees especially those lower bases they have you get a tropical depression and saturate your soil a good gust of wind will blow it over so there is an incredible cost that could be should it be large enough. As far as your roadway infrastructure I think it would be pretty minimal and you need a good amount of water to go across there and really tear those up.

Ms. Smith stated I recommend that we have a realistic budget for a catastrophe. What could we expect, worse case scenario versus something in the middle rather than float an idea of special assessment later?

Mr. Brooks stated I do think we have a realistic budget it is already on the table. I think we are just trying to respond to our chairman's concern that she wanted a larger contingency but I think the rest of the supervisors here right now are comfortable with what we have in there and we were trying to basically respond back to our chairman that in the event a crises like that occurred that could not be managed within current funds that we supported in the budget there are options available. I think the homeowners would be covered. I think we are comfortable with what we have in our budget.

We don't need any kind of formal motion on the budget this time because it is coming up next meeting?

Mr. Perry responded correct.

Mr. Brooks asked do you have sufficient direction that you need?

Mr. Perry responded I do.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney - Memorandum

Mr. Brown stated I don't have anything else but I think I will probably be addressing the next item on the agenda.

B. Engineer

1. CW Roberts Contract

Mr. Robertson stated both items are related to the contract that was approved at the last meeting for CW Roberts to do the overlay on Four Oaks Boulevard. There was a concern about where that funding was going to come from and I am going to let Joe explain that.

Mr. Brown stated the short answer right now is that the Four Oaks overlay is not part of the 2008 project under the 2008 bonds. As part of the overview with DMS moneys flowed into the district we have been reviewing what pots that money should go into so a portion of it is going into the 2008 construction account, a portion of it is going into the 2005 account and a portion is going into the 2002 account. Based on actual expenditures for those cost share improvements and also an addition on 2002 and 2005 construction funds that were used to pay for 2008 improvements before St. Joe started deficit funding. We do have funding in place to pay for the CW Roberts contract and next meeting I'm getting with Abe and Norm and sit down with them to have something more detailed for you to actually look at on paper and see the numbers, what is proposed to go to which accounts the support information for that and also a summary of where we stand as far as construction work under contract currently.

Mr. Hanstein asked does that include some of the money that was refunded into that account, is that where some of that money came from?

Mr. Brown responded what happened initially when that check came in it all went into the 2008 account. Some of the money that is in the 2008 account will go to the 2002 and 2005 accounts.

Mr. Toothman asked we are still going to contract with CW Roberts to do the overlay?

Mr. Brown responded yes. They should be very soon it was just a question of being sure that we had looked at the backup to support where the money from DMS should be going and making sure we had money in accounts that could be used for this work.

Mr. Brooks asked Mr. Perry did you have anything you wanted to discuss about this contract?

Mr. Perry responded in regards to each of the bond issues we are basically out of construction funds and we will be bringing before the board what is called a completion report for each of those bond funds and that report will entail what the engineer's construction improvement plan was related to those bond funds, how much we expended and we will certify final assessments with all the landowners for each of those bond issues. There will be a formal document that will come before the board for your approval. With that going forward any source of funding is going to have to be additional bond issue or funding through St. Joe or other developers that may come through to the district that have lands within the district boundaries. Just so everybody realizes that is where we are at this point.

2. Sandco Request for 36" Pipe Reimbursement

Mr. Robertson stated item no. 2 is shortly after our last board meeting Sandco provided a request for compensation for the damage that was done to the 36" pipe that runs between TR209 and TR105. I will pass along some documentation about that. There are a couple of letters in here that have been sent back and forth between the engineer and the contractor and probably the most important piece of this is the front page which is the construction sequence which is provided on the contract documents, the actual construction documents, the plans themselves. As you can see item 14 clearly states that TR105 is to be constructed before item 17 which stated that to install pipes between TR209 and TR105. That being said it would be the board's discretion on how they would like to move forward with the invoice that was submitted by Sandco.

Mr. Brooks asked do we need any formal response?

Mr. Perry stated I think the board probably ought to have a staff recommendation on the response and consider it.

Mr. Robertson stated the recommendation is due to the fact that this was not the district's responsibility, we do not believe it is the district's responsibility to pay for this. While everything is under construction the contractor is responsible for maintaining the integrity of their construction and if they chose to do something out of sequence it clearly is not a design issue therefore, we do not recommend that you pay for that.

Mr. Hanstein stated we did have discussion on this when it first came up and I would have to pull the minutes to look at it exactly but Joe might have a recollection of what the recommendation at the time was about pursuing it if we said no, what would happen.

Mr. Brown stated I think if we say no their options are to try to proceed under the contract if they want to file a claim or something I would have to go back and refresh my memory on the contract but we did all look at this but there are provisions and I think the next step is actually arbitration or something. If they want to pursue this there are ways obviously legal routes for them to continue to pursue this. I think my recommendation all along has been that under the terms of the contract the district has no obligation to pay for these repairs.

Mr. Hanstein stated I agree with that. Norm, does the district engineer not have any oversight on this to make sure that things are happening in the correct order?

Mr. Robertson responded our contract with the district is a very limited construction inspection. It is really more contract administration. We get out there and take a look we do a final inspection, we do some periodic drive throughs and inspect things to make sure they are keeping up with the schedule and to make sure they are keeping up with their invoicing. As far as this level of detail we are not. We also don't typically direct means and methods. These are on the plans and if the contractor chooses to go outside of this construction sequence it is at their own risk.

Mr. Hanstein asked have they admitted going outside the sequence somewhere in writing?

Mr. Robertson responded briefly what that is, they asked at the very beginning they said if we put this pipe in before TR105 is constructed what sort of end treatment should we do and we asked them to stake out where the end of the pipe would come so we could take a look at it. We never heard a response that they did stake it out. We asked them several times to stake it out

because we noticed they hadn't done it. They feel that they had given us notice that they were doing it but we never got the notice, we were never informed.

Mr. Brown stated I think what it makes clear is that they identified there is a problem they asked the engineer how to proceed without ever receiving direction from the engineer.

Mr. Toothman stated last month we released Sandco's 1%. So is there any way we can retain it?

Mr. Brooks stated that is water under the bridge.

Mr. Brown stated I don't think there is a need. We still have a payment and performance bond in place. There is some additional work in their contract. If they want to pursue this they have a way of pursuing it. My recommendation would be if they want to pursue it, nothing sure but I feel confident in our position. We should give some sort of response. A letter has been submitted directed to the engineer so if you want to direct your engineer to respond to say I presented it to the board the board considered it and said no.

Mr. Brooks stated okay.

Mr. Toothman asked Norm can you give us a page number?

Mr. Robertson responded 2, I do have it in my truck.

Mr. Toothman stated this is from the plan set for the construction of Unit 35. Their contract reflects the plan set?

Mr. Robertson responded their contract reflects the plan set. There are items in the plan set that are not in their contract and that is the construction of TR105, which is under a separate contract but that does not change the award of construction.

Mr. Brooks asked is there any other debate concerning this issue or can we just direct staff, our engineer, to respond back that the board of supervisors respectfully declines? Is that sufficient direction?

Mr. Brown stated I think so.

Mr. Robertson stated we have direction.

C. Property Management Report – All Pro Reports

Mr. Perry stated included in your agenda package are the All Pro reports. Those are pretty consistent with what you see each month. I think also by separate cover you received the operations report and a variance report.

Mr. Toothman stated some of the bills for All Pro reflected irrigation damage by the contractors. There were other contractors that were noted at a cost of \$140, one was a wire. Do we send them a bill?

Mr. Perry responded if we can identify them. A lot of times out in the field you know that probably someone has done damage but you can't identify who it was.

Mr. Barber stated a lot of times the damage is done and the truck has driven over a median and it is hard to identify point blank. If went down Mossy Creek we could identify the custom home builders on Mossy Creek that are doing all the damage and send them a bill. That is easy enough on those situations but Grove Park, Four Oaks you have trucks coming and going. I have seen furniture delivery trucks I have seen homeowners with Ryder Trucks and furniture trucks parked all over the place. It happened on Saturday and Sunday if we had policing authority on that if we are available we can catch them if I had authority to do that I would be more than happy to do that. It is tough sometimes to catch them all.

Mr. Toothman stated I'm just saying you have construction and everything else is stable and people are living there and you have problems at that one spot.

Mr. Barber stated my guys hate digging holes in that mud out there.

Mr. Toothman stated I wish they would respect our utilities.

Mr. Barber stated I wish they would respect a lot of our beautiful surroundings out here.

Mr. Brooks asked Mr. Perry is that something that you think this district could look at if we know it we see it that we could send a bill to some of these contractors?

Mr. Perry stated I have no problem with that.

Mr. Hanstein stated I believe we have in the past recovered payment from construction projects. I think it is totally appropriate to continue.

Mr. Barber stated I believe with the home builders they have a deposit they have to put up with St. Joe. Is that correct?

Mr. Prado responded yes.

Mr. Barber stated there is money there. I believe it is \$2,500 deposit.

Mr. Prado responded that is correct.

Mr. Brooks stated Mr. Perry what I would recommend then is that working with Robin and Robert that we definitely make a habit of following up on those that we know are more than likely responsible for the damage.

Ms. Bishop stated for the damage last month I can get you the two contractor's names.

Mr. Brooks stated I would like to say that is a good thing to bring up again. We have done it in the past. I think if you do it a couple of times word will start getting out and they will be a little more careful.

Mr. Toothman asked do you know who the contact is at St. Joe?

Mr. Prado responded yes, I will provide the contact information to GMS.

Mr. Toothman stated I guess we are putting two people on notice the contractor that did the damage and we are also going to invoice them.

Mr. Hanstein stated tell me about the beaver dam. Where was it?

Ms. Bishop responded it was off Blair Stone Road and we did knock it down and underneath the culvert that runs under the road there they had blocked off a portion of it and we went in with a tractor and knocked it down and they have not come back.

Mr. Hanstein stated I was just wondering if it was golf course property or our property but if it is in the culvert it is ours.

D. Manager – Discussion of Meeting Schedule for Fiscal Year 2011

Mr. Perry stated included in your agenda package is the proposed meeting schedule for this next year. We are required by statute to set those meeting dates. I know there has been some discussion in the past as to location. I believe the board at the last meeting decided they would continue to use this location and let the new board decide if they want to change locations. We ask that the board consider approving the schedule as presented unless you have any changes or recommendations.

Mr. Toothman stated Veterans Day.

Mr. Perry stated I know, we could probably move it to the week before or the week after if you want to continue to have it on a Thursday.

Mr. Hanstein stated I think given that week you could probably just move it. It is not a holiday that you generally take the whole week off maybe moving it to the Wednesday before, the 10th.

Mr. Brooks asked Mr. Toothman is that satisfactory?

Mr. Perry stated this location might be an issue on a Wednesday.

Mr. Brooks stated in the past we have moved to the following week.

Mr. Hanstein stated the 18th is close to Thanksgiving. My preference would be to move it to the week before or the week after or try to move the location. At this point there is plenty of time for notice. I'm fine with the 10th or the 18th.

Mr. Toothman stated whatever is easiest. I prefer not Veterans Day.

Mr. Hanstein asked how does Thanksgiving lay out on the next week, the 18th is a full week before?

Mr. Perry responded yes.

Mr. Hanstein stated I think the 18th is fine.

Mr. Brooks asked Mr. Perry how does that fit in with your schedule?

Mr. Perry responded I think we will be able to cover it.

On MOTION by Mr. Hanstein seconded by Mr. Toothman with all in favor the fiscal year 2011 meeting schedule was approved as amended.

EIGHTH ORDER OF BUSINESS

Other Business

Mr. Perry stated as you know we have had discussions in the past in regards to the landscape RFP and the timing of that process. I would like to bring that back up before the board because if you will recall the contract expires October 1 and we discussed going on a month to month basis. I know Joe wants to take a look at that because there are some statutory constraints in regards to that but we could continue along on a month to month basis through the end of December maybe January. We also talked about trying to get the RFP started and proposals in, in the October timeframe. Just to clarify where we are going with that I wanted to bring that back up to the board for discussion.

Mr. Brown stated so that we are clear on timing too the fastest we can probably get this done is bring it one meeting which means we have to know we are going to bring it back to you so bring it to you one meeting then it would more than likely be tight but if everything is prepped we can bring it back and try to have the board take action on it at the next meeting. It is a one month period to try to get it on the street as long as there aren't any major issues if the board is okay with how the RFP looks and getting it back to you. We need to know that prior meeting that the board wants to go ahead and get that started. It is really a two month process from the

time you tell us bring it to the next meeting, we bring it we can get the notice out and then bring back proposals a month later.

Mr. Hanstein stated it sounds like if we go two months.

Mr. Brown stated I think three months is for sure okay so we go October, November through December I don't feel like I need to check on that. After that I would want to look and Jim and I were talking about this and to some extent it depends on what the expenditures are on a month to month basis. Jim is saying in the winter costs go down. I would have to look at it. My recommendation to you would be let's not get too close to that point where we are getting close to that threshold. I do think at least until October, November through December we are going to have time.

Mr. Hanstein stated if it is okay I would like to table this at least until next month. That still works fine in the timing and I would like to see Robert return to address some of the questions still outstanding.

Mr. Toothman stated I concur.

Mr. Brooks stated basically I concur as well. My feeling is I would like to get Robert back with us and if there is any preliminary work or anything like that that you think needs to be done but I think you said you basically have it already.

Mr. Perry stated the documents are in very good shape and we are pretty much there on the documents. Of course, we will have to have on site meetings and required meetings with potential contractors, etc.

Mr. Brooks stated I think when we discussed it before that was one of the issues that we wanted to make sure that we had that pre-bid opportunity with Robert to go around the district. We will table that until our next meeting.

NINTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Toothman stated I had lunch with the SouthWood Business Association today and they were real concerned about the signage on Capital Circle. Is this a big problem or how difficult of a problem is it, signage for the businesses within SouthWood?

Mr. Prado stated the short answer is yes. The long answer is yes because most of the land bordering Capital Circle is open space. The city does not allow billboards in open space, which by definition any sign that advertises a specific business is considered a billboard. You are

allowed to have directional signs. If you want to have signs that say, business this way or business that way, you could but anything with a specific name is a billboard and not allowed in the open space which is the only land the district owns adjoining Capital Circle.

Mr. Toothman stated so it is the open space requirement.

Mr. Prado stated it is not the open space requirement it is the open space limitations. The land use does not allow for billboards to be put in open space.

Mr. Toothman stated so we could change or make an allowable use for that open space.

Mr. Prado responded in theory, yes. That is the reason why your entry statements in Capital Circle only say shopping and dining because if you were to put in a specific name then it is a billboard.

Mr. Hanstein stated I believe the vote on that was 3-2 for just those signs. That is not the city commission or planning board that is a separate advisory board.

Mr. Prado stated correct, the variance board will allow the two signs that are there now. Zoning is not something that would go under the variance board that is only subject to a PUD amendment.

Mr. Toothman stated that is what I was thinking, the next process is submit that.

Mr. Prado stated theoretically it is possible. I think you would find that it would not be a very favorable interpretation of no, that is an offsite sign for any business that were to be advertised there. It is not a simple process.

Mr. Toothman stated their main concern was they are trying to draw people off of Capital Circle into their area. I think it is doable.

Mr. Prado stated it is a challenge to get business drawn off of Capital Circle.

Mr. Toothman stated they had a couple more questions. One was to be on the board could you be a landowner versus a homeowner?

Mr. Brown stated you have to be a resident qualified elector. You have to reside within the district, be 18 and registered as a voter.

Mr. Toothman stated other than that I'm just glad to see they have an association they are working hard.

Mr. Hanstein asked the right turn lane going in at Blair Stone turning right onto Apalachee Parkway, is that one us? We have the St. Augustine one, is that correct, I haven't heard anything about that in a long time.

Mr. Prado stated the off site improvements required by the development order are to make dual lefts onto Capital Circle from Blair Stone Road so where you have a single left turn lane onto Apalachee Parkway and Blair Stone would be to turn that into a dual left and then it is to the exclusive right hand eastbound.

Mr. Hanstein stated there is no action on that.

Mr. Prado stated that is right.

Mr. Hanstein stated I noticed in the advertisement for the next meeting the budget meeting that is in today, we are advertising twice so this one today will be in the 19th.

Mr. Perry stated correct.

Mr. Hanstein asked getting back to the budget and any type of cost savings do we have a comfort level if we just advertised it once?

Mr. Brown responded we are required to advertise it by statute.

Mr. Hanstein stated you are required by statute to advertise it twice, okay. We are not necessarily required to advertise it in the Democrat specifically.

Mr. Brown stated I believe the Democrat may actually be the only paper that qualifies. There are different types of qualifications. For instance it might be there is a paper you could run your regular meeting notice in but a lot of times for public hearing notices like the budget hearing and assessment hearing you are required to run it in a paper that meets other qualifications.

TENTH ORDER OF BUSINESS

Audience Comments


Mr. Nortelus stated I just wanted to let you know that there is a meet and greet for our new community association manager. William is no longer with us so we invite you to that meeting at the clubhouse at 5:30 p.m.

ELEVENTH ORDER OF BUSINESS

**Next Scheduled Meeting – September 9, 2010
at 6:30 p.m. at the Good Samaritan United
Methodist Church, 3720 Capital Circle SE,
Tallahassee, Florida**

Mr. Brooks stated our next scheduled meeting is September 9, 2010 at 6:30 p.m. at Good Samaritan Church.

On MOTION by Mr. Hanstein seconded by Mr. Toothman with all in favor the meeting adjourned at 7:40 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman