

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, January 10, 2008 at 8:30 a.m. at the Brokaw-McDougall House, 329 North Meridian Street, Tallahassee, Florida.

Present and constituting a quorum were:

Sean Fennelly	Vice Chairman
Alan Hanstein	Supervisor
Mary Lee Kiracofe	Supervisor
Mike Brandon	Supervisor

Also present were:

James A. Perry	District Manager
Brian Crumbaker	District Counsel
Fred Greene	District Engineer
Abe Prado	St. Joe Company
Toni Trimarco	GVA Advantis
Norman Robertson	PBS&J
Mercedes Pineiro	St. Joe Company

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order.

SECOND ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the December 13, 2007 Meeting**
- B. Balance Sheet as of November 30, 2007 and Statement of Revenues & Expenditures for the Period Ending November 30, 2007**
- C. Treasury Report – November 30, 2007**
- D. Allocation of Assessments**
- E. Check Register – 12/1/07 – 12/31/07**

Mr. Perry stated item two is approval of the consent agenda. Before we start with that there are under A approval of the minutes a couple of corrections. The first one being to page 13 in the middle of the first paragraph it states we met with Mr. Ross Ahrens and it should be “Aiom” and the last one is on page 25 there is a blank in the first paragraph and that is “Roane”.

Are there any other additions or corrections to the minutes? Also included in the consent agenda are the financial statements as of November 30, the treasury report, assessments and check register. One thing to note on the check register is the total amount is a little higher than you are normally used to seeing at \$572,000 and approximately \$412,000 of that is transfers of tax receipts that come into the general fund and are then transferred out to the debt service account.

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

THIRD ORDER OF BUSINESS

Consideration of Resolution 2008-04 Amending the Debt Service Fund Budget for Fiscal Year 2008

Mr. Perry stated item three is a resolution to be considered and we want to defer that to the next meeting.

Mr. Brandon asked can you explain what we are doing here so that I will be prepared at the next meeting to understand what we are being asked to do?

Mr. Perry responded this is a budget amendment and with the 2004 Bond Anticipation Note St. Joe had paid off that BAN and when I say paid off they took SunTrust out of it. We have to double check and that is why we are deferring this, basically St. Joe stepped into SunTrust's shoes and was assigned that debt. Even though they paid it to SunTrust it basically comes back as a debt to the district. We want to confirm that and we do have some documents to review to make sure that is the case. This might be modified a little bit but that is what the resolution is related to.

FOURTH ORDER OF BUSINESS

Consideration of Change Orders

A. Change Order No. 2 for Unit 31

Mr. Greene stated item A is change order no. 2 for Unit 31. This change order and the next one too is due to the fact that the City of Tallahassee has increased their fees for water inspection and sewer inspection. The sewer inspection has gone up the most. We are deleting the items for water inspection for 26¢, the city is now charging 28¢ a linear foot and on the sewer they were charging \$1.31 and have gone up to \$1.52. This provides for that change. There is no

markup by the contractor this is what the city charges and the contractor pays the city. We recommend approval of change order no. 2 to Unit 31 with M of Tallahassee, Inc.

Mr. Crumbaker stated with respect to these two change orders if you would approve it subject to entering into a cost share agreement with the St. Joe Company because they are St. Joe items.

Mr. Greene stated this is a St. Joe cost. It is an increase of \$1,448.30.

On MOTION by Mr. Fennelly seconded by Ms. Kiracofe with all in favor change order no. 2 for Unit 31 with M of Tallahassee, Inc. in the amount of \$1,448.30 was approved subject to a cost share agreement with St. Joe Company.

B. Change Order No. 4 for Unit 26

Mr. Greene stated the next item is change order no. 4 for Unit 26. The contractor is M of Tallahassee, Inc. This is for an increase of \$384.47 for the same thing, water inspection and sewer inspection fees. We recommend your approval.

On MOTION by Mr. Fennelly seconded by Ms. Kiracofe with all in favor change order no. 4 for Unit 26 with M of Tallahassee, Inc. in the amount of \$384.47 was approved subject to a cost share agreement with St. Joe Company.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any, the next item followed.

B. Engineer – Consideration of Annual Rate Increase for CH2M Hill

Mr. Greene stated you have a letter we sent to the board on consideration of an annual rate increase. There is one line that was wrong in the letter and I am passing out a new letter. When you review this some of you may think these are big increases which they are but what is happening is a lot of this work is subbed from our firm and the bottom line is these are the competitive going rates now to get work done. You may have seen a lot of our change orders when they come in lump sum because we could not fit their hourly rates into the schedules we

have. The last sentence in the first paragraph is the one that changed and the one in the agenda package we had referred to 2005 and it was really done February 2, 2006. The hourly rates that are shown you will see a few of them don't have anything for 2006 those are new labor classification categories that were not in the agreement previously. This has come up as a result of working with the other sub-consultants because all of us don't have the same labor classifications. The senior project manager is new the senior technical specialist is new and senior administrative support. We added a CADD manager and CADD technician. We have reviewed these with Abe Prado and he has indicated that they are experiencing the same thing and these are very competitive rates from what they are experiencing.

Mr. Hanstein stated it looks like other than that one line change the rates don't change from what we were given. I notice it is not consistent in the increase there are some that have gone up 5% some have gone up close to 20%. Was there a formula? Does it depend on the type of position and were we under on some things so far in our previous scale that we are now coming back in line with what is acceptable?

Mr. Greene responded it is a combination of all of those. We have a bunch of data that the sub-consultants have submitted to us on their hourly rates so we took those into consideration. There are others that we left way too low that we should have adjusted every year. It has been two years now since we have done it. There are certain categories that the demand for certain people is so high we even have trouble hiring people. It is a combination of all of it. We are trying to get it up to where the market is now that is basically what is driving it.

Mr. Hanstein asked do you have an estimate on what this will cost the district overall as far as these rate changes in the coming year since we haven't budgeted for these increases?

Mr. Greene responded most of what you are going to see is going to come out of the construction accounts and I think we will still be within that range because we usually work on a percentage and construction costs have gone up so the engineering fees will still fall within that formula. There will be a little increase from the monthly meetings here but it is well within the budget that we have set up.

Mr. Prado stated I think from my general engineering proposal, the design and permitting proposals, you shouldn't see a change because as Fred indicated in the beginning most of the proposals that you get have been lump sum. It has been strictly because of the way hourly fee schedules has gone up. You are essentially paying the 2008 hourly rate but it is all just lump

sum rather than you getting an hourly detailed invoice and part of that is because there has been some hesitation by the consultants to go with an hourly rate for projects because there haven't been enough classifications or there hasn't been enough money in that specific class to justify them saying professional should be charged at \$87 when it should be \$95. That is consistent with what we have seen. From an engineering cost perspective you won't really see that much of a difference.

Mr. Greene stated where we have a fixed scope we will still try to stay with a lump sum. If you get into this permitting issue you don't know how many hours you have. Now we are going to lump sum and personally I think the consultants are probably padding it because they want to cover themselves whereas if you get it on an hourly rate it could save us money if we are able to do it in a shorter period of time. Sometimes they do and sometimes it goes the other way. It has been awful trying to mesh it all together and I think this is a much better way to do it.

On MOTION by Ms. Kiracofe seconded by Mr. Fennelly with all in favor the annual rate increase for CH2M Hill with the schedule of rates attached to the letter dated January 8, 2008 was approved.

Mr. Greene stated we are soliciting bids for Merchants Row west of Capital Circle and we will get the bids on January 31 and we anticipate having those for you at the next board meeting. You have authorized us to bid out Paul Russell but we still have some issues with permitting so that one has not gone out for bid yet. In fact we may end up recommending going a different direction on that.

Mr. Hanstein asked what is the estimated completion date for our side of Orange?

Mr. Robertson responded there are several sections of Orange Avenue.

Mr. Hanstein stated Capital Circle to Four Oaks.

Mr. Robertson stated right now everything is being held up a little bit because there is a transmission line that the city has to raise before M Inc. is allowed to do the work underneath that. My understanding is that the structures to do that came in yesterday and that is going to determine when M Inc. can continue working in that area. I know they are beginning to pour curb very soon. It is probably two months from substantial completion maybe a little longer.

Ms. Kiracofe stated so there is anticipation it will be ready when school opens.

Mr. Robertson responded yes I would think that is a reasonable date.

Mr. Greene stated we rode the site yesterday and they have laterals to put under the road and stuff like that and they are trying to put them in before they get too far along with the curbing. It is coordination of items to try to get them resolved.

Mr. Hanstein asked beyond Four Oaks?

Mr. Robertson responded beyond Four Oaks Unit 31 they are moving right along. It is almost in the same place as the other section of Orange Avenue is it is just a little further behind but that one is probably closer to three months.

Mr. Greene stated I think the whole thing may be through by the school opening for all of it.

Mr. Brandon asked will that be a signalized intersection where Orange meets Four Oaks or will it be a stop sign.

Mr. Prado responded currently it is permitted as just a stop. The city and the school board are looking at the possibility of signalizing it. I don't think there has been anything decided on it yet.

Ms. Kiracofe asked when it is complete all the way through it will be complete through to Biltmore?

Mr. Greene responded yes.

Ms. Kiracofe stated so the through traffic that is coming in from Old St. Augustine can get into the school that way.

Mr. Robertson stated Unit 31 is actually building that section of Biltmore and Four Oaks.

C. Property Management Report

Ms. Trimarco stated I received a call from a resident in Unit 10 inquiring about the street tree installation. I informed him that the contract is near execution and should be no later than this Friday, January 11, and the installation date depends on how quickly All Pro can acquire the trees.

Installation of the decorative light poles along Grove Park has been completed. After speaking to Ray Mitchell with the City of Tallahassee it seems that the manufacturer of the poles has stalled the process for Mulberry Boulevard pole. Mr. Mitchell is asking me to help him tag team the manufacturer to get this process rolling and I have agreed to do so which means the two missing heads have not been replaced as promised.

Ms. Kiracofe stated if your efforts are futile can we involve Mr. Crumbaker? This has been sitting there since July.

Ms. Trimarco stated of course.

Ms. Kiracofe stated no reflection on your efforts but this is a poor reflection on the CDD and all of us when you have this stuff sitting out there for months and months.

Ms. Trimarco stated we were told by Mr. Mitchell it would be done and I am happy to have any help I can get.

Mr. Crumbaker asked what is the manufacturer saying?

Ms. Trimarco responded there is no response. He said he can't get them to respond to any of his inquiries.

Mr. Greene asked this is not the manufacturer they are using now I assume?

Ms. Trimarco responded I hope not. I don't know that but I can certainly find out the answer to that question.

Mr. Crumbaker asked technically who does the order come from?

Mr. Greene responded it comes from the city.

Mr. Prado stated but the district has paid for those lights.

Mr. Greene stated the manufacturer is supposed to pay for it himself.

Ms. Trimarco stated it was supposed to be no cost to the city or the CDD and they were supposed to be replaced because of the liability issue of not being able to handle the weight of the fixture.

Mr. Crumbaker stated they may have a liability issue for the lack of lighting out there in that area.

Ms. Trimarco stated due to the holiday and vacation schedules I have been unable to complete the confirmation of the actual cost of the items on the property schedule. I continue to inquire and hopefully I will have that for you at the time of our next meeting. I have attached a copy of the schedule. These are the costs that Mr. Dale Green had attached and when you look at these you can see some of these are poorly under priced.

The only variance I need to explain is the irrigation maintenance on the current units. We have replaced three modules which was in that line item.

Mr. Hanstein stated I think at the last meeting you mentioned that you were going to check competitive pricing on things like the benches, the receptacles and the doggie stations. Is that something you have had an opportunity to do yet?

Ms. Trimarco responded I'm sorry I have not. Do we want to be consistent with the look and the materials used in these benches throughout the district? That is kind of a big issue.

Mr. Fennelly stated I would think yes.

Mr. Hanstein stated you would have to be close.

Ms. Kiracofe stated with slight variations but within reason I would think.

D. Manager

Mr. Perry stated the website we are still finalizing it but you should get a final version maybe tomorrow or early next week. Please take a look at it. There are certain things in there that are structured so people who go on the website if they want to communicate with you we do have each of the supervisors email addresses on there right now. That is not required and some districts don't like to have that on there. Give me your feedback in regards to that. The overall structure is the same as what was originally in place. There is a link to the Town Talk and there will be some other links on there. We are trying to put a map of the district on there also. It will have the budgets for the district, minutes as they are approved and general information. Give me your feedback. If you don't want your email address that is fine. The emails that we currently have are the district manager and Toni's because those will probably be the issues that people want to ask questions about.

Ms. Kiracofe stated you will probably want to eliminate the link to Town Talk, it will be going away in probably mid February and replaced by mysouthwood.org so we can discuss that. That is going to be primarily an HOA functioning website.

SIXTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

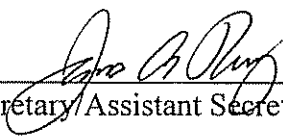
There not being any, the next item followed.


EIGHTH ORDER OF BUSINESS

**Next Scheduled Meeting – February 14, 2008
at 8:30 a.m. @ Brokaw-McDougall House**

Mr. Perry stated our next scheduled meeting is February 14, 2008 at 8:30 a.m. at this location.

On MOTION by Mr. Hanstein seconded by Ms. Kiracofe with all in favor the meeting adjourned at 8:55 a.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman
AS AUTHORIZED BY ROS 2/14/08