

MINUTES OF MEETING  
SAMPSON CREEK COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Sampson Creek Community Development District was held Wednesday, May 28, 2008 at 4:05 p.m. at the Swim Club Meeting Room, 219 St. Johns Golf Drive, St. Augustine, Florida.

Present and constituting a quorum were:

Bill Petkoski	Chairman
Mike Yuro	Vice Chairman
Brenda Griffey	Supervisor
John Thibault	Supervisor
Charles Sheppard	Supervisor

Also present were:

Jim Oliver	District Manager
Wes Haber	District Counsel
Heather Mickelson	Art of Living Director
Emile Benoit	GMS, LLC
Rich Whetsel	GMS, LLC

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Oliver called the meeting to order at 4:05 p.m.

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the March 26, 2008 Meeting**

Mr. Oliver stated the next order of business is approval of the minutes of the March 26, 2008 meeting. Are there any comments or corrections to those minutes?

Mr. Haber stated I e-mailed some to Jim that were primarily grammatical in nature. I would be happy to note those for the record.

Mr. Oliver stated if you can give them to me offline I will make those corrections.

Mr. Haber stated on Page 7, the third paragraph, the word jokers should be clickers. Throughout the minutes the name of the security firm is spelled incorrectly.

Mr. Oliver asked are there any other comments or corrections from the board? If not, I'll ask for a motion for approval of the minutes as revised.

On MOTION by Mr. Petkoski seconded by Ms. Griffey with all in favor the minutes of the March 26, 2008 meeting were approved as revised.

**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2008-01, Confirming District's Use of St. Johns County Supervisor of Elections to Conduct District's Election of Supervisors in Conjunction with the General Election**

Mr. Oliver stated the next order of business is a resolution of the Board of Supervisors of Sampson Creek Community Development District implementing Section 190.006 Florida Statutes and instructing the St. Johns County Supervisor of Elections to begin conducting the district's general elections. This district will be affected by general elections this year. Two of the seats are up in November 2008 with the other three seats up in 2010. This is a resolution that we provide to the St. Johns County Supervisor of Elections authorizing the elections to be held.

Mr. Haber stated they request it. It's not a statutory required resolution, but we provided it when we had the general election for John and Brenda as well. My firm drafted the resolution and we are comfortable with the form. It's just providing them the information they need to conduct an orderly election.

Mr. Oliver asked do we have a motion for approval?

On MOTION by Ms. Griffey seconded by Mr. Yuro with all in favor authorizing Resolution 2008-01 was adopted.

**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2008-02, Approving Proposed Budget for Fiscal Year 2009 and Setting a Public Hearing Date to Adopt the FY09 Budget**

Mr. Oliver stated the next order of business is consideration of Resolution 2008-02 approving the proposed budget for fiscal year 2009 and setting a public hearing to adopt the FY09 budget. I think this entire board went through the budget process last year. This is the opening salvo of the budget process. A budget has to be approved and provided to the governing authority, in this case St. Johns County, by June 15. Once the budget is approved and provided to St. Johns County then you have 60 plus days before you can have a public hearing. Once the

public hearing is held you can have a final adoption of the budget. The adopted budget is put into the assessment rolls form, certified and provided to the tax collector so assessments can be included on the November 1 tax bills. I e-mailed to you a copy of the proposed budget. I do want to talk about the budget process a bit. For the proposed budget initially it's a very conservative budget. We try to capture all the costs realizing that over the next sixty plus days there will be ample opportunity, both from the Board of Supervisors and through public comment, to reduce that budget as needed. If you look at the front page you can see the adopted budget maintenance assessments was \$772,784. The proposed budget for FY09 is \$916,438. There are two primary reasons for this large increase. Number one, if you'll look five lines down in the revenue section at carry forward surplus, last year the budget was augmented by carry forward surplus of \$133,837. This year for the proposed budget we have that at \$0. The other part of the equation that causes a huge increase in the budget and assessments, if you look on the second page, six lines down you see the security item. For FY08 we had that budgeted at \$9,000. For FY09 we have it budgeted at \$99,515. That takes into account the 12 hours a day, 365 days a year, of Giddens Security, as well as the hours that are patrolled with the off-duty deputies. There is flexibility both in that line item and also in any carry forward. Another document I want to call your attention to is on Page 3. This shows the surplus that is available when going through the budget process, \$442,389. There are two things that we would like to consider. Number one, you have no reserves for this district, and as the district ages it will be more important that you have reserves. We are recommending at this point, at the beginning of the process, that you place \$192,000 in reserves, and certainly you can have some movement with that number. Also, we are recommending that for the first quarter you set aside \$250,000 for operational purposes, because the receipts from the tax bills, won't start rolling in until the end of November. Usually the first flurry of payments comes in at the end of November, so normally operating funds are put aside. That number can be adjusted also. The two biggest impacts on the budget, as you see them right now, is the security line item, and also the fact that we have \$0 for carry forward surplus. This board will have to make a decision on how much they do want to carry forward and how much they want to set aside for reserves and how much you want to set aside for the first quarter.

Mr. Yuro stated last year when we had \$133,000 of carry forward surplus we still had no reserve at that point.

Mr. Oliver stated at the end of this year you had \$20,000 in reserves set aside. That will be in addition to the \$192,000.

Mr. Yuro stated I'm looking at Page 2 where we have an operating reserve in the 08 budget of \$102,292.

Mr. Petkoski stated and the capital of \$20,000.

Mr. Oliver stated the capital of \$20,000 was set aside as reserves. The operating reserve we used for some of the capital projects the board may have had. Some of it was used to fund the security line item, because at the last meeting we decided to beef up the security. We don't have that luxury this year. We have an entire process to go through to refine this. We have a budget hearing that normally would be held in August and that date is August 27, 2008. There is also a July meeting before that. Right now the July meeting is set for the 23. The board may wish to move that meeting up to earlier in July so that we can have more of a workshop situation to fine tune the budget so that once we get the budget in a more workable form we will be in a position to send mailed notices to the residents, which is required by statutes anytime assessment go up.

Ms. Griffey asked does this proposed budget take into account that utilities are going up?

Mr. Oliver responded yes.

Ms. Griffey stated I know that FP&L and JEA are going to raise their rates in either June or July.

Mr. Oliver stated some of these, that line item in particular, we slightly over budgeted last year. There is enough margin to cover those increases you are talking about.

Mr. Haber stated I want to mention one thing as far as the process. In August we would look to hold the public hearing adopting that budget. Another public hearing that would take place simultaneously, or at that same meeting, would actually be a public hearing to levy the assessment for the O&M budget. Because assessments are proposed to go up there is, in addition to a published notice that will advertise the public hearing to adopt the budget, there is a published notice that will advertise the public hearing to levy assessments and there will also be a mailed notice to each lot owner that there's going to be a public hearing to levy those assessments. The amount that we set forth in that notice will kind of set the ceiling as far as where we can go on the levy of assessment. We look at it as if somebody gets that notice and they are comfortable with that level and say I'm not going to go to that public hearing because

that's fine with me, we don't like to then go higher than that to have those people come back and say if I knew you were going to go above that I would have attended and spoken up. When you are looking at the budget one thing that we like to make sure is that your are comfortable that these amounts are the highest and that when you go to your public hearing to adopt the budget and levy those assessments you really look to go downward from there and not up.

Mr. Petkoski under attorney we spent \$11,000 and we are projecting to spend another \$11,000. Why is that costing more?

Mr. Haber responded I think the \$25,000 was proposed based on Jim seeing that it went up. I think this year, off the top of my head, I know I have dealt on a few issues in dealing with the county attorney on the gates and the roads and things like that. I don't know if that caused a jump that eventually it will even out to the \$15,000. I could say that I would be comfortable, I'm an associate at the firm so I would have to get some permission, but if you want to bump that down to \$20,000 and to the extent that when we get to the public hearing I could get more authority one way or the other from the folks above me at the office, but \$25,000 I think is high. Given that we are still looking into gate issues and those types of issues that may come up next year as well, there's a possibility that may be above \$15,000, so to give the extra \$5,000 as leeway I would be comfortable with it and I think the folks above me as well.

Mr. Yuro stated that's a budget number.

Mr. Haber stated that's a budget number, so if you don't spend all of that on my services. We charge hourly.

Mr. Petkoski stated the main reason for my question was what happened this year to take us to this point. You kind of answered that with some of the doings with the county.

Mr. Yuro asked these projected over the next five months, is that just prorating it forward?

Mr. Oliver responded correct.

Mr. Yuro stated I'm looking at, for example, supplies. It looks like we already spend more than we budgeted for and we are expected to basically double what the budget was if we spend that much going forward.

Mr. Oliver stated some of these are just mathematical trends and there can be belt tightening that can keep that from actually happening. Again, this first budget is very conservative so that we don't understate it for noticing purposes.

Mr. Yuro stated the funding reserve for the first quarter, the \$250,000 to pay the bills before the money starts coming in, would that in affect leave us excess money at the end of 09 because we are using money in 08.

Mr. Oliver stated it would, but then you would use it for the first quarter of 2010.

Mr. Haber stated you are always going to have that gap of the receipt of the funds from the county. I think it's intentionally done so you have those extra funds to cover your expenses for the first few months of the fiscal year before the money starts coming in from the county.

Mr. Yuro stated so similar to how we have this carry forward surplus we would anticipate having a carry forward surplus at the end of next year to be used in this same fashion.

Mr. Oliver stated correct. With whatever you designate during this process to be reserves would be set aside as reserves, because you will need them at some point. As we go through this process, certainly any supervisors can contact me individually also.

Mr. Thibault asked does Dufresne & Associates conduct the arbitrage now?

Mr. Oliver responded I don't know if they did it this year. There is a South Florida firm that does it also. I don't know which audit firm conducted it this year, I can't recall.

Mr. Thibault stated I was just wondering if we would receive a beneficial number if the same firm does the arbitrage and the audit. Do we intentionally want to keep that segregated?

Mr. Oliver responded not necessarily. They would probably want to offer a competitive price so that you would offer other districts to them. The arbitrage service does not require an RFP process. I just don't recall which audit firm did that. They don't have to be the same firm, and it's probably recommended that they not be. As far as the next meeting goes we can discuss that later and we don't even have to make a decision today. We would set the public hearing for August 27 if that's what the board wants to do, but the July meeting, if we decide to move it earlier in the month to give more time to work with the budget.

Mr. Petkoski stated you were just saying that July 23 is on the books for the date of our July meeting.

Mr. Oliver stated correct, but we can certainly change that date.

Mr. Petkoski stated to give us some more time.

Mr. Oliver stated right. Any issues that came up during the workshop we would have time to adjust the budget before mailed notices go out. Are there any other questions regarding the budget? I would ask for a motion adopting Resolution 2008-02 approving the proposed

budget for fiscal year 2009 and setting a public hearing to adopt the FY09 budget on August 27, 2008 at 4:00 p.m. at this location. The July meeting, when we set it, that will be a 6:00 p.m. meeting.

On MOTION by Mr. Petkoski seconded by Mr. Yuro with all in favor Resolution 2008-02 was adopted.

**FIFTH ORDER OF BUSINESS**

**Consideration of the FY07 Audit**

Mr. Oliver stated the next order of business is acceptance of the FY07 audit that was prepared for Sampson Creek Community Development District. There is a copy of the audit in your agenda behind Tab 5. I will hit the highlights for you. First of all it's a clean audit, which is the most important part. If you look just behind the table of contents there is a page labeled Financial Section. Just behind that is the opinion letter. If you look to the third paragraph it says "In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of September 30, 2007, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America." We want a letter like that because it says they are in compliance. On Page 20, I think you'll recall we had discussions earlier in the year that the Florida State Board of Administration had some questionable investments with that fund. They talk a little bit about the SBA and that those funds were a credit risk, but this also mentions subsequent events. If you look on Page 21 it mentions as of March 26, 2008 the district had \$0 invested in either pool in the State Board of Administration account. We are in good shape with that. That money is not at risk. On Page 26 where it talks about report on internal controls I would go to the very last sentence on Page 26. "We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above." Finally, on Page 29, the third paragraph mentions that "the rules of the Audit General required a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 2018 Florida Statutes." There were no such findings, and these would have been exceptional circumstances that would have been a negative for the audit. There were no such circumstances to report in the audit. The rest of the audit is financial in nature and all the financial statements. Upon

acceptance of the audit this will be provided to not only the dissemination agent for the bond holders, but also the State of Florida Auditor General’s Office. Are there any questions? If not, I will ask for a motion to accept the FY07 audit and authorize staff to transmit to the Auditor General.

On MOTION by Mr. Thibault seconded by Mr. Sheppard with all in favor the FY07 audit was accepted authorizing staff to transmit to the Auditor General.

**SIXTH ORDER OF BUSINESS**

**Ratification of Agreement between Giddens Security Corporation and Sampson Creek Community Development District for Security Services**

Mr. Oliver stated the next order of business is ratification of agreement between Giddens Security Corporation and the Sampson Creek Community Development District for security services. If you’ll recall, at the last meeting we wanted to go ahead and get security on the grounds as quickly as possible and you authorized the Chairman to execute the agreement on behalf of the board. We brought that agreement back to you for ratification.

Mr. Yuro stated I have certainly noticed them out here the last month and a half or two months they have been here. On Page 2 of their agreement it talks about the contractor will install electric check points throughout the facilities. Is someone following up on that? Maybe it was done, but I haven’t noticed it.

Mr. Whetsel stated I think the system may use what’s called a Guard 1 Pipe System where you can monitor them on line.

Mr. Petkoski stated we need to find out because that did come up during the meeting.

Mr. Oliver stated we will confirm that, but I do recall in the conversations that Rich had with the different security companies, we were sensitive to the points that Mr. Value brought up at the meeting about some additional hardware needed to be installed, and this particular firm, which has a good track record in this area, has this Guard 1 Pipe System that does not require installation of equipment, but rather it’s a monitoring device that’s with the security officer.

Ms. Griffey asked do they send you a report, or do you have to request it?

Mr. Oliver responded we will find out.

Mr. Sheppard stated so there’s no predetermined check points for him.



Mr. Oliver stated correct. That's my understanding of the system.

Mr. Yuro asked has staff received any kind of feedback from residents?

Ms. Griffey responded all kinds.

Mr. Yuro stated I seem them roaming and driving at night nice and slow through the neighborhood, so certainly they are out here and it's noticeable, at least from my perspective, as well as the off-duty Sheriff's officers.

Mr. Oliver stated what I will do on those questions regarding the reporting and the monitoring, the Guard 1 Pipe System versus what other tracking devices may be available, we will get that information and e-mail it to the board so we don't have to wait until the next meeting. As you do enter the budget season, that's one of the thoughts of where you are getting the most bang for your buck, is it Gidden Security or from the Sheriff's department, or do you need to have a combination of both. Those are things that need to be discussed. If there are no other questions, I will ask for a motion to ratify the agreement between Giddens Security Corporation and the CDD.

Mr. Thibault asked is this contract for any specific length of time?

Mr. Oliver responded this particular is for the remainder of this fiscal year, with no obligations for FY09 until you approve the budget.

Mr. Haber stated if you look at Section 21 it specifies the term of the agreement effective until September 20, 2008.

A Resident stated should you ratify something if you don't know how you are going to monitor them or should you wait.

Mr. Haber stated the fact of the matter is we have an enforceable agreement with them, because the board at the last meeting authorized the Chair to approve it. If there's concern regarding ratifying it, and I guess your options would be if you chose not to ratify it, if you look at Section 11, there's a termination provision and you could terminate the agreement.

Mr. Petkoski stated it says on Page 2 contractor will install electric check points throughout the facilities and/or use of the Guard 1 Pipe System. Contractor's officers will regularly punch the electric check points to allow the district to confirm that the contractor is adequately monitoring the facilities. It's in here.

Mr. Haber stated it seems like the contract is sufficient, it's just a matter of their performance and confirming that that's efficient. It's a board decision. If the board wants to

grant one board member the authority to deal with staff and make sure that they are comfortable with the way the district is able to monitor the security guards, and if they are not, then you would have to give further authority.

Mr. Petkoski stated if we find out they are in default of the agreement we can terminate it.

Mr. Oliver stated I think we will have an answer for you by the end of the meeting. Do you want to ratify it or table it?

Mr. Petkoski responded I make a recommendation to ratify it. I don't see the risk in ratifying it.

Ms. Griffey stated there is no risk since you can cancel it at any time.

Mr. Petkoski stated they are out there and everybody is happy and we are doing good stuff.

On MOTION by Mr. Petkoski seconded by Mr. Yuro with all in favor the agreement with Giddens Security Corporation was ratified.
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**SEVENTH ORDER OF BUSINESS**

**Discussion of Security Gate System**

Mr. Oliver stated the next item is discussion of security gate. If you look behind Tab 7, there is a proposal from Maier Development Solutions, LLC. As we were doing the cost estimates for this project, Rich, along with some other service providers came up with an estimate approaching \$400,000, and that was a low estimate with almost makeshift guard shacks, not with architecture that would be in keeping with this community. Those numbers could easily inflate anywhere from \$500,000 to \$800,000 when you take in the costs of the gating system along with any soft costs between architecture, contractor, attorney fees, and also any utility work that needs to be done, as well as perhaps any road widening that would need to be done. This is outside the scope of the expertise that GMS has to provide a good estimate upon which you are going to make such an important decision. Based on some input, Kim Kendall, a resident of this community, actually sent me some estimates from some professionals she spoke with. One of the names of the company escapes me; another one was WG Pitts, who lives in this community, as well as Doug Maier, who used to work at this community and is familiar with the district. I approached Doug and told him I saw the numbers that he put together, but we were

looking for something very thorough at with some good cost estimates, as well as what options could be to gate the community. We discussed those in the last meeting, but a lot of it was opinion. We can have three gate houses, one gate house and two electronic gates, no we can't do that because Stone Hedge will have to have a gate to let people in down there. We wanted to formalize the process and get someone that is in the development business to help with this. I solicited this proposal without board direction. I put in here if the board is open to having a professional put this study together, but if not, we can certainly try to fine tune the numbers we have. Again, we have not put in a gating system as a CDD before here in Northeast Florida, nor have we been the project manager for construction projects either. It's open for discussion.

Mr. Sheppard stated at the last meeting there was a lot of discussion about security and the immediate action was to hire a guard service and get them engaged. I don't know that we went much further than what was being asked for.

Mr. Oliver stated as I went back through the notes the idea was to come back with even firmer numbers. After some subsequent meetings between Rich and me, we realized it is beyond our expertise to come up with these.

Mr. Sheppard asked if we firm up the numbers would be put them out to the community for comment?

Mr. Oliver responded it would be public record. With those numbers, the board with community input, would have to make a decision do we want to go forward with this project. Obviously, it would be at great cost to the district in the form of assessments to the district, not only for the capital project itself, but continuing O&M assessments for the security and other operational costs associated with the system.

Ms. Griffey asked if a guard gate would get approved would the intent then be to drop the security guard and the off-duty Sheriff's officers, or are we going to lump all those costs also on to the homeowner? Once you start building up multiple things you are talking a lot of added money each year.

Mr. Oliver stated some of those security costs, for instance, you may have Giddens Security running those gates if you go forward with gates. Some of that would transfer over, but I would say roughly, if you had a gated system, your operational costs just for security guards could be \$200,000 to \$300,000 a year.

Mr. Yuro stated you said the estimate that Rich did, which is a little bit more refined than the very first numbers we heard, was up towards \$400,000.

Mr. Oliver stated right.

Mr. Yuro stated at the last meeting we were talking \$200,000 to \$250,000 and now it's \$400,000 at a minimum, and probably higher. If we decide to go that route we still have to put it out for bid to get real numbers, because this is just to get estimates.

Mr. Oliver stated construction project would be in excess of \$250,000 we would go the RFP or RFQ process.

Mr. Yuro stated this number is just for an estimate.

Mr. Haber stated if you look at No. 6, the opinions and probable costs, he doesn't guarantee anything. It's just relying on his expertise, because they are much greater than current district staff's, to put together a realistic number. It's strictly an estimate and I don't want the board to get the impression that they can rely on the number they are going to get by virtue of this contract that this company would pay the excess or anything like that. It's just to give us a more realistic idea of what the number is going to be.

Mr. Yuro stated my comment was if we think a low estimate is already approaching \$400,000 and up, which is almost double what was mentioned at the last meeting, I wonder if we need to refine that even more.

Mr. Oliver stated Rich's number was in your agenda package. It was based on the minimums, but it did not take into account the architecture of the buildings, or all the soft costs.

Mr. Sheppard stated if it's even feasible, something I was thinking about when I was driving in, what about the golf course. They would like to have unrestricted access I'm sure.

Ms. Griffey stated at Cimarrone I think you tell them you are going to the golf course.

Mr. Oliver stated that's the way it is where I live also.

Mr. Haber stated remember, these gates are going to be soft gates regardless, so the golf course shouldn't have an issue with it other than it would provide additional security to their guests that may be playing golf. Regardless, if you are coming in to play golf or visit someone that lives in here, or just drive around and look at homes, you are going to have to be allowed in.

Ms. Griffey stated now that we have talked about the entrance up here, whether that would be just a soft gate that would open, because you are going to have fire and rescue. Those

issues with the cemetery we didn't make a determination on exactly what gate that would be, because that would be more money if you wanted an electronic gate.

Mr. Haber stated I would assume the idea of this proposal, I would hope, is to at least provide options along those lines and let you know what the cost benefit would be to provide a man gate at each one, a gate that goes up automatically, so you can make an informed decision. You are right, when you get down to the details there's those things to look at that would make a difference in the cost.

Mr. Thibault stated I would think in the day of technology that we are in, and I think we mentioned this last time, why isn't it possible to have one manned at the front gate and some kind of television or monitoring device at the other two gates, and this guard have access to let them in? The company I work for, the bank we use, the automatic tellers, there's nobody there, and it's remote. Why couldn't we do something like that? I can't imagine it would be that much more expensive. Even if it's a little bit more expensive it would be cheaper to put something in there rather than having an electronic system in there rather than having a manned gate, especially over the long term. It's still soft, if it's manned up here versus manned back there, isn't it still manned?

Mr. Haber responded if you are talking about in order for that gate to go open someone would need to be there to push a button, then you are talking about additional O&M costs to have someone there 24 hours a day to push the button versus a gate that's there and when you drive up it goes up. The soft versus hard, there's always a way for someone to enter the community, my opinion is you are probably fine. As we refine what we do, I would certainly go to the district's bond counsel and make sure he is okay from a federal tax law perspective. I think that's fine. I haven't made that call just because I wanted to be able to present him with some idea of what we want to do. As long as there is always access and people from the public can gain access to the roads, then you are correct, it's soft, and I think you comply with the federal tax issue.

Mr. Yuro stated the point of this proposal that's on the table is to help evaluate some of those options and alternatives and come back with a recommendation and/or options.

Mr. Oliver stated correct. It's something you don't have to act on today.

A Resident asked I was wondering if you have noticed any decrease in criminal activity since we have had the security?

Mr. Yuro responded staff is trying to get records from the Sheriff's Office to see if the number of calls have been reduced. We just weren't able to get that information for this meeting, but certainly, I know from a personal standpoint, I noticed the activity with Giddens Security and three police cars right out front here. I'm not sure what they were doing, but they had a number of people they were talking to. Staff does get bi-weekly logs and it's probably not a bad idea to give the people an idea, for example, the week from April 12 through the 27, there were 42 traffic stops, 4 tickets issued, 38 warnings, 41 juvenile contacts, 15 parents were contacted, and 18 suspicious persons were contacted. For other activity, one open house party broken up, drug paraphernalia found, all parents were contacted and four other parties were broken up due to excessive noise or loud noise after 10:00 p.m. That's in a two week period.

A Resident asked is this from the security company?

Mr. Yuro responded this is a report from the Sheriff's Office. The next log had 37 traffic stops, 5 suspicious persons contacted, 21 juveniles contacted, 7 unsecured vehicles, they issued 35 warnings and 2 citations. I did hear one complaint from a resident about I guess someone received a ticket and was complaining that the neighborhood is now a speed trap. These numbers are indicating that there is an enormous amount of warnings being issued and it's probably only the very flagrant that are getting a ticket. This last activity log had 35 traffic stops, 6 suspicious persons contacted, 53 juveniles contacted, 2 unsecured vehicles, 5 citations, 30 warnings, several parties broken up, and juveniles contacted out late. They were checked out and the parents were contacted and they were sent home.

Mr. Petkoski stated about six months of this and everybody will be driving the speed limit in this neighborhood.

Ms. Griffey stated the kids will not be out and the parents will be very aware when the Sheriff's Office brings them home a number of times.

A Resident stated I'm hoping this will help us so that we don't have to go to the next level.

Mr. Yuro stated I'm not wondering if it's worth putting this on hold for the time being. At least in my opinion, the security seems to be working in combination with the Sheriff's Office, because I haven't heard anything but good reports. I don't see anybody else here with the same sense of urgency they came with to the last meeting about the gates and security, so that also tells me that most people must be fairly satisfied with the immediate results.

Mr. Sheppard stated it was my understanding that the Sheriff's Office wouldn't come out here until that study was completed.

Mr. Haber stated there are two different types of issues. They could come out here for the types of things they are reporting on, and I think if they are here off-duty privately, it looks like they are enforcing the traffic laws as well. The St. Johns County Attorney has taken the position that the St. Johns County Sheriff's officers, when they are on duty, until we get this agreement, won't come in here and patrol and enforce the traffic rules until we get that agreement. In his eyes the CDD roads are, and I don't want to say private, but I think that's the word he uses. There are two different issues. There's one, what they are able to do when they are off duty under the contract with us, two, they are always able to enforce things that are not traffic laws, and then we need the traffic enforcement agreement for traffic enforcement issues for officers that are not off duty and under contract with us.

Mr. Yuro stated an added benefit, once this agreement is finalized when the traffic study is done, then we should expect to see even more police presence from on duty officers.

Mr. Haber stated I think that's a fair assumption.

Mr. Yuro stated that's the whole point of entering into that agreement, right.

Mr. Oliver stated correct. Let's table the agreement. There's no action necessary on it, but we have it in our back pocket if at some point in the future you wish to pursue an agreement like this with this vendor or another. Plus, we don't have the advantage of having the engineer with us today, because she is traveling.

## **EIGHTH ORDER OF BUSINESS**

### **Other Business**

Mr. Oliver stated let's talk about the traffic study. John Davis, of Ayres & Associates, sent us a draft traffic study, and I have been working with the Vice Chairman as well as Rich Whetsel and Susan Rudd on having this fine tuned before submission to the county. However, both John Davis of Ayres and Bill Kennedy of St. Johns County, asked a very important question that the board is going to have to consider soon. What is your standing on golf cart use in the community, not only on Leo Maguire, but the interior roads, because when this report is sent in a request to allow golf cart use on the roads could be part of this report at no additional cost. I don't know if there were subsequent costs down the road, but you do have increased Sheriff's

patrol right now, we'll enter into an agreement, some deputies unofficially say we don't ticket golf cart use.

Mr. Haber stated under Florida Law right now golf carts are not allowed on the roads. In order to have the roads legal for golf carts, St. Johns County needs to designate the roads legal for golf carts. What Jim is suggesting is that that process can be incorporated into the traffic enforcement agreement in this report that we are having drafted. What Jim was also saying is some of these officers that are coming out are saying we are not enforcing that, we realize it's a golf community, we see people driving on the road, we are not doing anything about it, but we can't make any guarantee that they are going to be told by their higher ups that they do need to enforce it or someone new is going to come out and they are going to enforce it, so until you get that designation by the county, the law is that they are not allowed on the roads.

Mr. Petkoski stated you represent another district around here that is a golf community that went through this recently.

Mr. Haber stated my firm was. They decided to not have the roads designated for golf carts.

Mr. Petkoski stated so everyone out there on their golf carts are in the wrong.

Mr. Haber stated that's my understanding. They are doing it at their own risk. I'm not 100% on that, but I don't think they moved forward with having the county designate the roads.

Mr. Petkoski stated I believe that's true, that's why I brought it up. I will tell you that I have never heard of anyone being stopped.

Mr. Yuro stated what would be the risk of just making it a formal request in this traffic study to make all the neighborhood streets designated for golf carts?

Mr. Griffey stated I think you have to designate they have to be a licensed driver. They would have to be a licensed driver to drive it on the street.

Mr. Haber stated I don't know if that's the case, but I could look into it. I guess the risk would be that to the extent that people think they are taking a risk right now, if they know they are not taking a risk if it will increase the use of golf carts and if that's something you want or don't want on your roads. They are district roads, so this board governs how they would be used. If I had to guess, if it's know that they are legal, it would probably increase golf cart traffic on the roads, whether that's a bad thing, I don't know.



Mr. Petkoski stated if it's adult this whole 16 and over to me would be the main issue. If it's adults in golf carts, a few more of them I don't think anyone would care. If there's more 13 year olds in golf carts, that's a problem. I thought you had to be 16.

Mr. Haber stated I assume that's the case. I can have it e-mailed to you guys tomorrow letting you know one way of the other.

Ms. Griffey stated I think if we consider it, to me, we take some kind of risk because we are approving this. They should have to be a licensed driver and should have to follow all the rules of the road.

Mr. Haber stated if you guys are comfortable with it subject to a requirement that it be a licensed driver, you can make that motion subject to that confirmation. I can have it e-mailed to you tomorrow confirming it. It's just that because I haven't looked into the issue, I don't know it off the top of my head, and I don't want to tell you yes and then have you make a motion and me be wrong.

Mr. Yuro stated I think that's how the golf course does it. I know you have to be 16 to drive a golf cart for the golf course, and I think that's where they are coming from. As a board, if we want to put the recommendation in there, then it would, with the extra police presence we are requesting, it would prevent residents who are currently using golf carts from being stopped and ticketed as they could be now.

Mr. Oliver stated as they could be.

Mr. Yuro stated it may not be being enforced by the Sheriff, but it could be. We could do away with that risk to the residents by asking that that be part of the traffic study.

Mr. Oliver stated if you were to request authority to have golf cart use on the streets and the county came back and said here are some additional costs, we would bring back any additional action to the board before we proceeded.

Mr. Thibault asked what kind of costs would be associated with requesting that this be a golf cart community?

Mr. Oliver responded perhaps some signage, but I don't know of any costs involved with the request since it would be incorporated into the traffic study itself.

Ms. Griffey stated I know that on St. Augustine Beach your golf cart actually has to be road legal. Would that be one of the requirements?

Mr. Oliver responded I don't know.

Mr. Haber stated I can look into that as well.

Ms. Griffey stated my father-in-law lived out there and they stopped him and told him unless he took it down and got a license plate.

Mr. Yuro stated at least if we, as a board, get it designated, people could have that option.

Ms. Griffey stated we need to let people know that these are going to be the rules.

Mr. Sheppard stated I think we need to understand what impact it really has if we designate the community as a golf cart community. We discussed this before we took the study and thought we decided to get the study done and try to understand more of the impact. Could we find a golf course community that has done this and look at their program?

Mr. Oliver responded I will talk to some other districts. I know some in Clay County, Eagle Harbor and Eagle Landing, both have that privilege. We can do that research. I will say for the same reason that the gating issue is not as urgent because of the security patrols now, the traffic study is not as urgent in being completed for the same reason. We can do one of two things, we could approve going forward with the request subject to certain conditions, or we could bring this back at the next meeting, or we could send the report in without the golf cart language and request it later. You have three different options.

Mr. Yuro asked what would it take to request it later?

Mr. Oliver responded probably some additional costs.

Mr. Haber asked was there representation from the draft of this report that if we requested it in the report, in connection with getting the traffic enforcement agreement, we could get that designation at no additional costs? The reason I ask is if there is a designation by the county are we paying someone to go to a county commission meeting and sit there and answer any questions or that type of thing.

Mr. Oliver stated at this point we are just asking for inclusion of the request and the report.

Mr. Haber stated so there may be additional costs associated with actually dealing with the county to get the actual designation. I don't know what that is or whether it's something that goes hand in hand with the traffic enforcement agreement that can all be done at once.

Mr. Petkoski stated I think we need some more information.

Mr. Oliver stated if you are comfortable delaying this traffic study, again, now that we have the patrols out, there's not the same level of urgency. We will bring that back to the next meeting.

Mr. Thibault asked did they mention in the traffic study any type of improvements we need to make on the roads?

Mr. Oliver responded no. There were a few minor sign issues they spoke of, for instance there is a sign that talks about a deaf child and the print needs to be a little bit larger on that. There are some very minor things and suggestions. The Vice Chairman was involved in some of these e-mails going back and forth with the engineer. They were actually initially recommendations and they were softened up quite a bit. Overall things are in good shape.

Mr. Thibault asked does the deaf child still live there, because I haven't seen her in months. I used to see her all the time out in her yard and driveway, but I haven't seen her in months.

A Resident stated I think she still lives there.

Mr. Oliver stated on another issue, at the January meeting we presented an auditor's report that talked about excess funds that were available as a result of overbilling for the Series 2002 Bonds and 2000 Bonds, overbillings in fiscal year 2004 and 2005. At the next meeting in March we provided to you a memo trying to explain the situation. Two issues came up, number one, and Wes reminded me of this today, was to ask the developer if they were willing to pay for that audit, and I just contacted them today and don't have an answer yet. The second issue was asking for confirmation from the developer that they agreed with those conclusions reached by the auditor and also the management company, and they do, and here is a letter they provided.

Mr. Thibault stated you would be surprised at how many companies refuse to believe they overpaid anything. It's amazing; they put their hands up and don't want the money back.

Mr. Oliver stated that's a letter from David Childers, the Vice President of Finance, confirming the conclusions reached in the report. Essentially, the overbilling was for \$431,000. The calculation of the auditor would be that with interest earned that would be a refund of \$438,000, with the remainder of \$47,000 being retained by the district.

Mr. Yuro asked is that \$47,000 included anywhere in the proposed budget?

Mr. Oliver responded it is.

Mr. Thibault asked how much is retained by the district?

Mr. Oliver responded \$47,000, but we already took that into account, it's \$47,917. Are there any questions? What I would like to do is a motion authorizing staff to refund the amount indicated in the auditor's report to the developer.

Ms. Griffey stated that \$47,000 is not included in our budget is it.

Mr. Oliver stated yes. When we talked about the surplus funds of \$400,000 and something we included it, because that is already in the district's account. What is not included, what is separated out, is the \$438,000.

Mr. Sheppard asked are we obligated to pay them interest?

Mr. Oliver responded yes, it was not the developer's fault. It's not taking interest away from the district.

Mr. Thibault stated they didn't do due diligence to match their payment to their own calculations, so of course it's their fault. They do have some blame in that. Their finance department is required to do matching before they submit payments of this size.

Mr. Oliver stated I can't speak to that, but I would say that if the previous management company overbilled any landowner out here, I think as a board you would expect them to have their money refunded with interest, because they would be charged interest if their assessments were late.

Mr. Yuro asked why are they different?

Mr. Thibault responded the developer is a publically traded company and they are held to a different set of standards by the public that owns their stock then the individual landowner. The individual landowner does not do their own individual analytics to determine the amount of money they are paying in. They get their bill from the county that says you owe this much and they break out and say okay, whereas in this situation, as you mentioned, the bond company sent the developer a bill and said you owe this much and they said okay and paid it. They didn't do their own analytics to determine or calculate the amount of money they should have paid versus the amount of money they did pay. If this was 2004, I guarantee they had controls in place that said they should have done that. If they didn't they are just as much at fault as the board or whoever it was that charged them.

Mr. Sheppard stated I think we have determined that we owe the money back to the developer, so I make a motion that we refund that money to the St. Joe Company with interest.

Mr. Thibault stated I would also like to include that we paid for the audit to be performed, so they would have to refund us the amount of the audit.

Mr. Oliver stated I have certainly made that request, but I would be cautious about tying that to the return of their money.

Mr. Thibault stated if we had not paid for the audit they wouldn't know they are owed the money.

Mr. Oliver stated actually it was found out during the refinancing of the bonds in December of 2006 and the audit firm was brought in to confirm those calculations independently.

On MOTION by Mr. Sheppard seconded by Mr. Petkoski with Mr. Sheppard, Mr. Petkoski, Mr. Yuro, and Ms. Griffey voting aye and Mr. Thibault voting nay, the payment to St. Joe Company for excess payments was approved.
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Mr. Oliver stated another issue I need to bring up regarding lake banks. This was something that I was going to bring up with the engineer, but just to be aware of an issue, we want to find out if the easements for this particular district allow residents, absent of any lake policies, which is another issue, have the right to be on the easement between a lake bank and someone's back yard and fish or perform other activities. I just want to make sure we have the right answer. I hoped to bring it up to the engineer, but she is traveling today. I got a couple of calls from residents who were on either side of the fence on that issue and I want to make sure we give the right answer.

Mr. Yuro stated what is the question about, people standing on the lake bank to fish?

Mr. Oliver stated if you had a home, the backyard, then an easement, and then the lake. There have been some people, whether residents or non residents I'm not sure, let's call them residents for sake of argument, who would come on to that easement area and fish. It becomes somewhat of a privacy issue for the resident, but at the same time, until I have a chance to look at the easement and also consult the engineer and the attorney, I can't accurately answer either party.

Mr. Yuro stated I'm pretty certain the lot lines go into the middle of the lake, so the homeowner owns the property to the middle of the lake. There is a drainage easement around the lake, but that's a drainage maintenance easement.

Mr. Oliver stated it's restricted to those uses.

Mr. Yuro stated I don't believe anyone can come walk on an easement.

Ms. Griffey stated I believe the covenants prohibit fishing.

Mr. Yuro stated I would say double check with the engineer, but I'm pretty certain that it's not a wide open public area.

A Resident stated the homeowners have to mow down to the water line.

Mr. Yuro stated it's the homeowner's property, but there is a drainage easement around these retention ponds and that drainage easement is for the CDD if we have to get in there to maintain, fix, or repair those facilities. It's also to maintain the facilities in their current condition so that the homeowner doesn't fill it in or do something to alter the design of those facilities. I would be very surprised if that easement just allowed blanket access to anybody.

Mr. Oliver stated I will confirm that because I have told both residents I would find the for sure answer and get back to them. Did someone mention the covenants say there is no fishing?

Ms. Griffey responded I think it's in the covenants.

Mr. Oliver stated the covenants for the HOA.

Ms. Griffey stated yes.

Mr. Oliver stated at a lot of districts we have lake policies and there are a number of polices, and in large part, tied to safety and liability issues, but also you have an investment in those lakes with the carp that you buy to supplement the chemical treatment by Lake Doctors, and fishing is prohibited to protect district assets as well as liability. If you wish, staff can draft lake policies for this district that you can consider.

Mr. Thibault stated if it's already in the covenants every resident has signed those covenants saying they will agree to and abide by those covenants as long as they live here. Why should we pay to have something drafted when there is a contact they have already signed saying they won't break that rule.

Mr. Haber stated the only reason I can think is because I have seen some of the policies that some of these districts do, and they go beyond fishing. They prevent discharge of certain

chemicals. I actually have a district where a guy who has a taco stand was dumping his oil in the lake and we are having issues with getting the algae under control at the lake, so it goes beyond. I haven't read your covenants to see if addresses those types of issues, and if it does I agree, it's probably unnecessary, but to the extent that there would be things above and beyond what your covenants say, it may be worthwhile.

Ms. Griffey asked what would be the enforcement, because you can't enforce covenants?

Mr. Haber responded the district would adopt policies. The district maintains the lakes and has some control of the lakes. It wouldn't be amendments to the covenants; it would be district policies that the district could enforce.

Mr. Thibault asked what could we do to enforce district policies?

Mr. Haber responded the fact of the matter is we have policies for this facility and I haven't looked at them for a while. I know some other districts have expulsion, things for violation here. As far as a violation of the polices as they relate to the lakes, you could certainly write a letter letting them know that they are violating them, and to the extent that you fine something, try and receive those costs to the extent there is damage caused. It gives you something to site to say there is a policy adopted, you violated that policy, and now we have a right to go after you for the damages we received. That's not to say we couldn't go after them for damages, regardless if they are damaging district property, but it gives a little more strength to any action against somebody that may have violated those policies.

Mr. Yuro stated I would like to suggest you look into those covenants and see what they say. I'm having trouble getting behind the district doing something in addition that would have the security people going and harassing eight year old kids fishing in the lake. I understand the thing about behind somebody's house, and certainly I would get back to the homeowners on that, but that's my own personal opinion.

Mr. Oliver stated let's table it.

Mr. Thibault stated I understand what you are saying Mike. If your child wanted to go fish out of your backyard they should be allowed to.

Mr. Yuro stated I see people fishing in this lake over here off the road. I don't see that as a big deal.

**NINTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There not being any, the next item followed.

**B. Engineer**

There not being any, the next item followed.

**C. Manager**

Mr. Oliver stated we received a letter from the Supervisor of Elections and as of April 15, 2008 there were 1,517 registered voters in this district.

Mr. Haber stated just so you know the reason he reports on that is districts, after they are six years old and they have more than 250 qualified electors, that's when you start going to general elections as opposed to landowner's elections. The statute doesn't say when you reach 250 you stop reporting, so we are just meeting the requirements that we have to report that each year.

**D. Operations Manager**

Mr. Benoit stated going back to Giddens Security, the system will be installed tomorrow and we will be provided weekly reports that will be sent to Heather via fax.

Mr. Oliver asked is this the Guard 1 System or the standard system?

Mr. Benoit responded what you're reading there is all one system; it's the Guard 1 System. They will be putting up the check points and we will get a weekly report on the checkpoints.

Mr. Oliver stated I would like the question asked to them why are they just doing it now, based on a phone call from you.

Mr. Benoit stated he is saying there was a cost involved in this and we didn't address that issue, but now that they are in here they are going to go ahead and install the system at no cost to the CDD.

Mr. Petkoski stated however long they have been out here, if there's a pro-urement, their contract states they should have been doing that all along.

Mr. Benoit stated I read that to him and he said they will install it tomorrow.

Mr. Yuro stated these are little pedestal checkpoints they drive by.

Mr. Benoit stated they wave a thing in front of it at the checkpoint. They have to physically get out and run their card through it and then it shows that person at that time was at that checkpoint.



Mr. Yuro stated there will be a couple of them around the neighborhood.

Mr. Benoit stated he is saying there should be around five or six that are located through the system, and because of the amount of time we have, they will show probably five different rounds through the system.

Mr. Yuro stated I would suggest that Rich, maybe one of you guys is out here with them to help locate those and make sure we aren't putting them right in front of somebody's house. They need to be tucked away in a common area so they aren't an eye sore.

Mr. Benoit stated one of them I would like to put out by the playground since it's a hot spot. Are there any other areas that you would like to have them installed at?

Ms. Griffey responded I think we need to have one over in the other section. There definitely has to be one in the far back.

Mr. Benoit stated I just didn't know if we had some hot spots. For the operations manager's report I'll just touch on some things. We waxed the slide and put a new motor starter in the pool pump. The lighting fixtures on the fitness center have been taken down and painted. On the tennis court we had to install some lights that were out. The bridge at the main entrance has been painted. We replaced a stop sign. We replaced all the damaged wood at the playground from the fire. We replaced a water fountain by the restrooms.

Mr. Thibault asked why was a stop sign replaced?

Mr. Benoit responded kids had knocked it down.

Mr. Thibault asked what about the water fountain?

Mr. Benoit responded the water fountain had a compressor that was burned out.

Mr. Thibault stated I just wanted to see if it's all vandalism.

Mr. Benoit stated the stop sign was, but the water fountain wasn't.

Mr. Whetsel stated overall the vandalism here is minimal compared to other districts.

Mr. Haber asked was the stop sign replaced or re-installed?

Mr. Benoit responded re-installed.

Mr. Sheppard stated I see a resident asked if they could install a bulk head.

Mr. Benoit stated they are having erosion issues and it's something we were going to bring up with the engineer around the lakes and on some of the properties. We are going to get with the engineer to find out who is accountable and responsible for these erosion areas.

Mr. Whetsel stated the water level is low this time of year when we are not getting a lot of rain so they are seeing a lot of that.

Mr. Yuro stated they are seeing the exposed dirt below the sod.

Mr. Thibault stated it's not just that. I live on a lake at the 6<sup>th</sup> green and my back yard does this all the way along the lake, so it's not just you can see the dirt, but the grass itself has gone like this over the last three to four years. I have replaced sod in there, I put dirt in there, and it just keeps washing away. We put in the French drains from the gutters and it still washed away.

Mr. Benoit stated we are getting some issues where along these lake banks where it's actually eroding back so we are getting indentations. We have taken some pictures of a couple areas. There is one house where he has a little bit of property and then it goes into wetlands next door, and what's happening is it keeps eroding and his AC unit is starting to tilt a little bit. These are issues I want to bring up with the engineer to see what she thinks.

#### **E. Art of Living Director**

Ms. Mickelson stated the "swim at your own risk" signs for the pool and the two direction signs were purchased and installed on 5-15-08. The six diving block covers were ordered, but we have kept the kids off of them. The ice cream bash was held last Saturday and there were about 200 residents that attended. The elliptical, the two treadmills, and the exercise bike should be here June 16<sup>th</sup>. We need to decide what we are going to do with the old equipment.

Mr. Yuro asked we can't turn it in and get a trade-in?

Mr. Whetsel responded I don't think we would get much.

Mr. Benoit stated St. Johns Forest gave theirs to a fire department.

Mr. Oliver stated that's what Bartram Springs did also.

Mr. Petkoski stated I can't see a fire department wanting them.

Mr. Thibault asked do they currently work?

Mr. Benoit responded yes.

Mr. Yuro stated I would suggest looking into a school, or church, or fire department that we can donate it to.

Mr. Haber stated I had a district that was in a similar situation and I actually drafted a waiver, in that case they actually sold the equipment to a resident. Whether we sell it or donate

it, what I would like is some sort of waiver from whoever receives it waiving any claim against the district, recognizing they are receiving it as is, no representations as to the condition, and any injury they won't make any claim against the district. Regardless of whether we sell it or donate it, I would like to get some sort of waiver.

Mr. Benoit stated I have a list of what pieces we are getting rid of.

Ms. Mickelson stated I had a resident who requested to buy one of them.

Mr. Thibault stated you could put a notice on Town Talk to see if anyone is interested. Just do best offer and see what they offer.

Mr. Benoit asked do you want to leave that up to us?

Mr. Haber responded I would prefer that the board come to some sort of consensus as to whether you want to donate it or sell it. It's the district's equipment.

Mr. Sheppard stated I would donate it to charity or Goodwill instead of trying to sell it somebody in the neighborhood.

Mr. Yuro stated I would vote to donate.

Ms. Griffey stated I would vote to donate.

Ms. Mickelson stated the only other thing is the "resident use only" signs were ordered for the basketball courts and the playground.

Mr. Oliver stated counsel has recommended that we have a motion from the board recommending that we donate the equipment.

On MOTION by Mr. Petkoski seconded by Ms. Griffey with all in favor donating the used exercise equipment was approved.
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**TENTH ORDER OF BUSINESS**

**Supervisor's Requests**

Ms. Griffey asked do we have to recognize the resident question regarding installation of lake fountains?

Mr. Oliver responded there are some requests that come in to staff that staff really doesn't have the authority. It's something you can address now. Lake fountains, there are different opinions on them. They are mainly an esthetic. They may or may not help with the health of the lake. It is a capital cost and there are reoccurring operating costs with it.

Ms. Griffey asked what exactly was the request that was made?

Mr. Whetsel responded they wanted one installed in their lake. That's just one resident, one lake.

Mr. Yuro stated there's more to it than that. You have to get power to it and make sure there is a sufficient power source to get to it.

Mr. Whetsel stated there's about a \$10,000 cost for the fountain.

Mr. Sheppard stated if we put one in one lake, we are probably going to end up putting them in more than on lake.

A Resident stated isn't there already one in one of the lakes.

Mr. Yuro stated there is a fountain by the golf course.

**ELEVENTH ORDER OF BUSINESS                      Audience Comments**

Ms. Bavali stated I would like for you all to speak to this item. It's my understanding that the new residents of St. Johns Glen, the D.R. Horton community behind us, D.R. Horton has bought memberships for these residents to our amenity center for two years because they are building an amenity center and it's not built. If that is true I would like you to speak to that because the residents here were not made aware of that.

Mr. Oliver stated every district must have a policy allowing non residents the opportunity to buy a membership at the district to use the facilities. Like all other districts, this one has it. This issue actually came up about a year ago, and at that time the board actually decided, because of economic conditions, to raise the current non-user fee from I think \$2,200 to \$2,750, and put in a 5% annual increase over the next five years, because there is nothing this district can do to prevent non-residents from purchasing the opportunity to use facilities that were built with public funds. Although this is a company that is doing it, they still have every right to do it just like any other individual does. There's only been one that's done that. From an economic standpoint, I don't know that a membership at a pool down the street from where you live is going to be enough of an incentive to purchase a house.

Mr. Petkoski stated that fee is per year, it's not a onetime fee.

Ms. Bavali stated it's my understanding D.R. Horton has purchased membership for his new residents. That is what they are telling their homebuyers.

Mr. Petkoski stated that comment was made in one of these meetings probably a year ago that they were going to do that, and this is the first I have heard of it since then.

Mr. Oliver stated that is their intent, and that is what they are telling prospective homebuyers, I agree, and they have every right to do that, but the reality is that carrot is not necessarily large enough for someone to buy a house.

Ms. Bavali stated my concern is how many residents in that community will be coming to the pool. The pool is crowded, as it should be, but I'm concerned about as they build out in the next two years, how many families will come here and use our facilities. That was my only concern, and I really wanted to be educated about this because I do know they are offering that to prospective buyers, a two year membership to this amenity center.

Mr. Petkoski stated they have not purchased.

Mr. Oliver stated they purchased one.

Mr. Petkoski stated the company has not purchased any others, because you would know and we would have revenue coming into the district.

Mr. Oliver stated there would be revenue and also, an application has to be filled out.

Ms. Bavali stated that's so interesting to me, because I'm a realtor and I had a prospective buyer and that's what they were told.

Mr. Petkoski stated I'm not surprised that that's what they were told.

Ms. Bavali stated this is very interesting to me because they are telling people that there is a membership here for two years if they buy a home.

Mr. Oliver stated I want to reconcile that what you are hearing is correct. They would submit payment with the application, so they are not misleading anyone. I don't want to, in any way, say that D.R. Horton is misleading anyone. They are offering to pay that fee. Different companies are offering different incentives, but that is something they are offering.

Ms. Bavali stated they have only purchased one.

Mr. Oliver stated correct. If it was that easy to sell a house just because you offer to pay for a membership, every district in this area would have that condition.

Ms. Bavali stated I was concerned that as they built out in the next few years how many families, as a consequence of purchasing a home would be a member of the facility here.

Mr. Oliver stated when I heard about this I read their bond document and it is their intention to build recreation facilities.

Ms. Bavali stated often times it doesn't always happen. Is there's not a limit on our facility on how many memberships we have?

Mr. Oliver responded no. The only district that I have that has any large number, and when I say large number I am talking about a dozen memberships, is Julington Creek Plantation, but you are talking about 6,000 households there also. It's just very uncommon for people to take advantage of a non-resident user fee. Part of it, I would imagine is psychological, is you still don't feel like part of the community when you come to the pool as a on-resident. It's just not the same. Certainly, the board was ahead of the curve on this as they considered rates. Last year, an audience member like you brought this to the board and they took that into consideration, so good point, but I'm saying nothing to fear that I can see. If there is a run on memberships we will let the board know immediately.

Mr. Haber stated if the housing market changes around they won't need to put that carrot there, so perhaps that number will go down. It's a cycle, but as long as you know they are making the representation and I think if someone buys a house based on that representation then you are going to see another application come in and another \$2,700 to the district and another outside user, so there is the possibility there, but as I understand it there wasn't a bulk purchase.

Mr. Thibault stated I recently heard that St. Johns Golf was being rezoned to Nease High School next year. Is there any truth in that?

Mr. Yuro responded no.

Mr. Thibault stated I know people who are looking to buy in here, and that's what the county is telling them.

Ms. Bavali stated you can go on line to St. Johns School District and we are still Bartram Trail High School for next year. I have high schoolers, so I know we are at Bartram.

Mr. Forbut stated I heard you say we are going to put "only resident use" signs up at the basketball courts. Is that true that we can enforce that, and do we, because it doesn't seem like it.

Mr. Haber stated it's residents or paid user use.

Mr. Yuro stated or guests of residents, but not just a group of non-residents. When I came through last night that's what looked like was being broken up. I couldn't speak for certain, but there was a group of kids, basketballs, and it looked like they were talking to them.

Mr. Forbut asked is there something residents can do if they think it needs to be checked out, or do we just leave it up to security?

Mr. Yuro stated it's on the website.

A resident stated I have one more question about security, because someone on the board had mentioned that they think the system they were going to put in it's possible that we can monitor it on line. Is that going to be possible, or are we just going to rely on their report that they fax over is going to say they checked the points, or do we actually have the ability to check it.

Mr. Benoit stated they will have to swipe a card and it will show the readers and they are providing us a copy weekly. We could have done it daily, but I asked them for a weekly report and it will show each person going through and making sure they are hitting those check points and at what time.

Mr. Oliver stated this is a different company than we used last year and initial reports are that they are pretty good.

**TWELFTH ORDER OF BUSINESS                      Financial Reports**

**A.    Balance Sheet as of April 30, 2008 and Statement of Revenues & Expenditures for the Period Ending April 30, 2008**

Mr. Oliver stated behind Tab A is the balance sheet as of April 30, 2008 and a statement of revenues and expenditures for the period ending April 30, 2008. These are unaudited and will be audited at the end of the fiscal year.

**B.    Check Run Summary – May 28, 2008**

Mr. Oliver stated behind Tab B is a check run summary as of May 28, 2008. The total check run summary is for \$200,096.89. I do want to point out on Page 4 there are payments to Hill, Boring, Dunn & Associates for \$6,876.64. The developer is reimbursing the district for that amount.

Mr. Yuro stated the line item above that to GMS, there are four line items that say service thru, what is that?

Mr. Whetsel responded field operations. The other one is for management of the amenity center for \$3,187.50, and the other four are maintenance and janitorial for the projects we have had going on throughout the community. They will come out of maintenance manager.

Mr. Oliver stated those four line items are based on an hourly rate.

Mr. Whetsel stated maintenance manager, and some of it could be out of general cleaning and repair maintenance. There are also supplies purchases in there, such as paint.

Mr. Oliver asked are there any other questions on the check register? If not, I will ask for a motion for approval.

On MOTION by Mr. Yuro seconded by Mr. Petkoski with all in favor the check run summary was approved.

**C. Special Assessment Receipts**

Mr. Oliver stated the next item is the special assessment receipt schedule, which is good news. The district is at 99.36% collected, which is very good, especially in this day and age of foreclosures.

**THIRTEENTH ORDER OF BUSINESS      Next Scheduled Meeting –07/23/08 at 6:00 p.m. @ the Golf Club Meeting Room**

Mr. Oliver stated the next meeting is scheduled for July 23, 2008. I will correspond with each of the supervisors to determine if you want to have the next meeting perhaps a couple of weeks earlier, or at least a week earlier than that. We don't need to nail down that date right now. Is there a motion to adjourn?

On MOTION by Ms. Griffey seconded by Mr. Yuro with all in favor the meeting adjourned at 5:45 p.m.

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Secretary/Assistant Secretary

\_\_\_\_\_  
Chairman/Vice Chairman