

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 26, 2010 at 6:00 p.m. at the Swim Club Meeting Room, 219 St. Johns Golf Drive, St. Augustine, Florida.

Present and constituting a quorum were:

Rose Bock	Chairperson
John Thibault	Vice Chairman
Tracy Hayes	Supervisor
Brenda Griffey	Supervisor

Also present were:

James Oliver	District Manager
Wes Haber	District Counsel
Heather Mickelson	Art of Living Director
Mike Yuro	Yuro & Associates
Charles Sheppard	Community Advisors
Residents	

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Oliver called the meeting to order at 6:00 p.m.

**SECOND ORDER OF BUSINESS**

**Approval of Minutes of the March 24, 2010 Meeting**

Mr. Oliver stated included in your agenda package is a copy of the March 24, 2010 meeting. Are there any additions, corrections or deletions?

On MOTION by Ms. Bock seconded by Mr. Thibault with all in favor the Minutes of the March 24, 2010 Meeting were approved.
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**THIRD ORDER OF BUSINESS**

**Discussion of Potential Fitness Room Expansion Options**

Mr. Yuro stated at the last meeting I mentioned to the board that there are some residents interested in looking at some options to expand the facilities based on the size of our community

and the fact that the fitness room gets crowded. David French is the resident who has spear headed this effort

Mr. David French stated I would like to talk about expanding our existing gym. I have two reasons for doing this; one is safety. We have some equipment over there that is so close together that you have people exercising side by side and if one loses control of the weight you literally have a guy right next to him doing crunches. Three years ago this was not an issue because we only had four or five people in there trying to exercise. It is so crowded in there you have guys standing behind the treadmills trying to do free weight exercises. If that person loses balance on that treadmill it will take out two of them and it will smash them into the free weight stand. I'm surprised that no one has gotten hurt. I think we have a serious safety issue, which also relates to the number of people who are using it. I came up last night and there were 15 people in there and two people trying to get in. I took a picture of it with my iphone. On March 26<sup>th</sup> when I came up here there were 16 people in here. On April 15<sup>th</sup> there were 14 people in there. The number of kids that are trying to get into this exercise room is like they are trying to get into the zoo. We are all the time herding kids in this room. Some want to come in there and play, but some are trying to work out. The number of kids that are getting ready to age up to get in there is going up. Kids are everywhere in this neighborhood. If we don't do something we are going to be overrun in here. My concern is the person that is going to get hurt is not the adult. They pretty much know what they are doing with this equipment but the kids don't. When summer comes the number of people that are trying to get in there gets 30% to 40% worse. I'm going to go through the options that I have drawn out here. The first one that has option one on the bottom of it, would be to take the existing gym and we are going to take out the back wall facing the golf cart storage area. We would come over 20 feet and that expansion is 20 by 40. We would go 40 feet deep toward the golf cart facility.

Mr. Hayes asked would that reach the golf cart path on the backside?

Mr. French responded no. We are about three feet short of the concrete sidewalk.

Mr. Thibault asked does this also take the existing gym and push it out to that space?

Mr. French responded no. We would take out that back wall 20 feet from the pool and come over 20 feet and go 40 feet toward the golf cart barn. The existing room would now turn into a L. The wall that is there where the mirrors are out would be pushed out. The full wall would not push out though. We can't blow out the full wall because of the utilities back there, so

we would come from the corner of the pool over 20 feet and go back 40 feet. The wall facing the clubhouse would stay solid. The wall facing the pools we would put windows there to let in nature light. We can't go any further as you can see in the drawings because of the existing utilities. We have been advised not to move those due to cost. I'm not a contractor but the contractor I did speak to was talking in the neighborhood of \$35,000 to \$40,000 to relocate all of those utilities. The problem with option one is we outgrow it the minute we walk into it. With the number of people trying to get into this facility I think we outgrow it the minute we walk in it. The good news to option one is we have the building already there and we almost double the size of our existing gym and we can use the existing gym while construction is ongoing. My concern with giving you the total is we are going to give the contractor who was nice enough to give me these budget prices we will be broadcasting his numbers. The total for option one is \$77,000 and that was in the email that was sent to you a week ago. I don't have a drawing for option three. The description for option three would be to turn this room that you are presently sitting in into the weight room and close the patio area and that would be the cardio room. These doors would get blown out and we would just have natural flow into the cardio room. In closing the patio, it would give us 750 square feet. There are obvious down sides to this option. We lose the patio. We lose the activity center. We outgrow it the minute we walk into it. This room is smaller than that room, so your weight room is now smaller. This option is \$45,000. Obviously, that cost is less because all we have to do is enclose walls from the patio side. You have two drawings for option two. What we would do here is we would blow out this wall where the television is and we would go toward the soccer field. The first room would be the cardio room. We would have pocket doors along this that could be closed in the event that the meeting was in here. That room would be big enough to hold treadmills. I think we need four more treadmills. The televisions would be mounted on the walls. The televisions would be a little different than what we have now, in that you need the individual plug-ins. We have too many people in there right now wanting to watch three televisions, so whoever has the remote wins. It would have the newer technology where you bring your own headsets and you plug into the actual machine and you have four channels to choose from. The windows along the pool side we would keep solid. The next drawing would be the weight room and that room would be 70 feet continuing on towards the soccer field. We would have a separate entrance along the parking lot side. The room would have surround sound. All of these would have 10 foot acoustical tile drop in

ceilings. The beauty of option two is I think it gives us as much as room as I think we are going to need and that would free up our existing gym. I honestly think we can take the existing gym and turn it into a grill. All you would have to do is vent it and get some equipment in there.

Ms. Bock asked where is the activities room going if you take that and turn it into a grill?

Mr. French responded this would remain here. If you have ever seen the number of coolers that have come into this pool area and the amount of food that has come into this pool area I think you can turn that into a money maker. I know food and beverage is not a big money maker but it's not like that has to stay open from sun up to sun down. We would do simple food. On the finance side I'm not asking for the CDD to finance all of this. I think the residents should pony up to some of it.

Ms. Bock stated you understand that when I pay my assessments I pony up.

Mr. French stated I think if you just add \$15 per quarter based on 800 residents then you raise \$100,000 in two years. Option two is about \$220,000.

Ms. Bock stated but that doesn't include the equipment because you are talking about all new treadmills that you are going to have.

Mr. French stated I'm talking about four new treadmills and the possibility of one or two more pieces of equipment.

Ms. Bock asked how many televisions do we have there now?

Mr. French responded we have three. The televisions are included in this.

Mr. Thibault asked in the \$221,000?

Mr. French responded yes. All the finish work, all the construction, all the architectural design, blue line drawings, etc. are included in that number. Keep in mind that is a not to exceed number.

Ms. Bock asked what do we need surround sound for?

Mr. French responded it would be throughout the gym. What are you going to do put a radio on a shelf?

Ms. Bock responded to be honest, the few times I have come down here the radio was one and the televisions were on and if I'm listening to my iPod I don't want the music going on. Most gyms that I have gone to in the past there is no music playing in the background.

Mr. French stated if we ever wanted it the wire for surround sound is nothing.

Mr. Thibault asked option two, we are talking about adding on the building beyond this wall?

Mr. French responded right.

Mr. Thibault asked we are talking about moving this television and a door going thru right here?

Mr. French responded right.

Mr. Thibault asked is there another entrance?

Mr. French responded there will be another entrance on the parking lot side.

Mr. Thibault stated we have to have the entrances inside that gate. It has to. We can't have entrances on the outside of the gate. We need one point of entrance.

Mr. Hayes asked why? Isn't there a key code over there right now?

Mr. Thibault responded there is but if we have two points of entrance, then we need two monitors.

Mr. Hayes stated but they are not monitoring the gym.

Mr. Thibault stated but they can get through the gate to get to the gym.

Mr. French stated just from a fire marshall standpoint we have to have a separate entrance. If there is a meeting in here then you can continue to work out and do anything you need. The pocket doors will be where the television is, so it could be closed off. In the event that this is open we can put balls, mats, free weights, etc. in here. You can still do classes here. We would have that existing gym to do whatever we wanted to with it. I would propose to form a three or four man subcommittee. The committee would design this whole gymnasium. We would take it to an architect, at which time the blue line drawings would be made.

Mr. Hayes asked since technology is changing all the time, are you leaving anything out? Is there anything we can do more knowing that in five to 10 years we don't have to make another change?

Mr. French responded this is the latest and greatest. The problem we have with any of these options is we are proposing to reuse 90% of the equipment. The equipment that is over there now is eight years old. I would be a little leery from opening up this up for a public bid.

Mr. Haber stated under Florida Law if you are going to construct a project you have to put it out for bid if it is over \$288,000. As a unit of government on a project this size, even if it is option one it is prudent and it would be our recommendation that you get competitive bids.

Because you are spending the public's money I think it is your duty to go out and get competitive pricing on the project. I think that is true of any contractual solicitation we need in this process. For instance, if we need an architect to design it you are going to want to get competitive bids on the architect. When you choose a design you are going to want to get competitive bids, even if you are don't reach those thresholds. If you are above those thresholds on a conservative estimate it is mandatory that you have to. If you are not above those thresholds we still recommend you get multiple quotes.

Ms. Bock asked why would you say to not get bids?

Mr. French responded in today's market place my concern is you will get some companies that may not be qualified to do it and you are going to get some low ball numbers.

Mr. Haber stated you don't have to choose the lowest price.

Mr. French stated as long as that is understood, then I am okay with it.

Mr. Haber stated there are certain procedures you can set up and if you are not formally doing it, then you can listen to staff advice.

Mr. Thibault stated there is no way we are going to get this done by summer.

Mr. French stated it would take a committee a minimum of 30 days just to get the design. By the time we hired an architect it would take him 30 days just to get the blue line drawings. This wouldn't start until Thanksgiving.

Mr. Haber stated the key is also how the District pays for it. I think this budget may have a capital outlay item. There is also the possibility to do a capital one time assessment that would get all the money you need for this improvement and pay it back. There are different ways you can go about paying for it.

Mr. Thibault asked in the 2010 budget it looks like we are going to have \$161,000 surplus, is that right?

Mr. Oliver responded yes.

Mr. Thibault stated I think one of the things we might want to consider is expanding up to the second floor. Then we wouldn't have to pour a slab and we wouldn't have to worry about the foundation. We don't know if the foundation is graded for two stories, so we would have to have our engineers evaluate that.

Mr. Haber stated one issue I did want the board to address is relevant based on Mr. French's presentation is the safety issue. I think that is something particularly know that you

have been put on notice that there are potential safety issues there. This board has the authority to adopt policies governing the manner in which that room is used and if you think there are things that need to be changed as far as the number of individuals that can be allowed in there but know that you are put in notice. I think we are put in more of a compromised position as it relates to the potential injury. Frankly, I was not aware of the risk for injury there but now that this board has been notified of that risk I think it is prudent to take an affirmative step.

Mr. Hayes asked so we need to put something in motion to investigate what is the safe amount of people in there right now?

Mr. Haber responded yes. Then adopt policies that would limit where you could do certain things, so if people are lifting weights behind a treadmill and that is dangerous then a policy that says no lifting weights behind a treadmill. Then put a list of rules in there.

Mr. Hayes asked is there any equipment that can be removed out of there that no one uses?

Mr. French responded you may have one machine that is not used as much as the others but all the cardio machines are covered up.

Ms. Bock asked are there companies that are trained to go in and assess something and tell us whether something is safe or not?

Mr. French responded I would think there would just be an occupancy number, like you see at a restaurant.

Ms. Bock stated right but you have already said that there are people doing things behind people and that is not safe. Can you see if you can find us a company that would do that?

Mr. Oliver responded yes.

Mr. French stated I'm more worried about human error and I'm more worried about the quantity of people that are trying to use the facility. The biggest concern for us as residents is we had 15 in there last night and two people trying to get in. My daughter is 17 and trying to rehab and can't. You have people trying to exercise and they can't because there is no where to go in there.

Mr. Oliver stated right now we have to deal with the safety issue. We will get in touch with someone to take a look at the fitness center. Perhaps, some machines in the short term can be moved around.

Mr. Thibault stated you may also have to limit the time a single person can be in there because you can't have someone in there working out for an hour and a half when people are waiting.

Mr. French asked but who is going to monitor the time?

Mr. Thibault responded well, if you are standing out there for half an hour then you are going to have to walk in there and say you have been here for half an hour, so someone has to leave.

Mr. Oliver stated in the short term we will take a look at what we can do to rearrange some things, so it is safe.

Mr. Yuro stated I will take a look at it and I think it probably makes sense to talk to some of the consultants that we currently have under contract, like some of the people that maintain it probably have some good input.

Mr. John Thompson stated there is a cable broken, so you need to check into it. The kids that go in there that are in high school they are not fooling around, but they are still high school kids. The free weights are hard because you have to find a place to stand or you are doing crunches. People are moving from machine to machine. They are usually only in there for half an hour. This past Saturday I tried to work myself in between people at 7 a.m. I think the facility is separate from the machines because over time you end up replacing the machines and upgrading to the current technology. That is a separate issue for what we are going to do about the actual structure of the facility.

Mr. Mike Capezzer stated if we are going to use an architect to design this thing then your architect should have the specifications for this kind of facility and know what kind of space each machine would be needed and design the facility accordingly. Although, I understand what you are saying about a second floor the drawback to that is it is going to have to be stronger than the average upstairs because of the weight and the amount of people that are going to be up there. There are a couple things about maintenance though. There is a floor plug in there that is improperly capped. It needs to be recapped. There is a cable that is busted off that needs to be replaced.

A resident stated on the safety issue with the treadmills just turn them around, so if they fly off they hit the wall. You won't get improper bids if you write the request for quotes

properly. Is there anything in our rules that allows people in the community to have a say in this?

Mr. Thibault responded I think by having a larger facility it would increase everyone's property value, even though not everyone uses the facility.

Mr. Oliver stated this process will take awhile and there will be ample opportunity to voice your opinion.

A resident asked will be flyers be out and emails to notify people? There are people on my street that are hardly capable of walking up and down the road let alone come to the gym.

Mr. Oliver stated this is just an open discussion at this point. No action will be considered tonight.

Mr. Haber stated at the most basic level whatever decision you make with respect to financing if you need to increase assessments then that is going to be shown on a budget. You would have to hold an assessments hearing, then you would have the right to object. If the board wanted to extend that further, I have seen Districts try to get resident input by their website. Ultimately, it is a decision for this board to make based on input they have received throughout the process. Unfortunately, we don't necessarily have the flexibility that a private company would have. There are specific laws as it relates to bidding consultants. It is not just construction contracts that would need to be bid. Certainly, if the architect who designed these buildings wanted to participate in the public bidding process for architectural services then there are criteria that this board would establish for ranking the architects. One of those criteria could be familiarity with the project, so that particular architect may get a higher score and for that reason, may be chosen. Also note that when you are contracting for design services or engineering services one of the things you do not look at is price. There is a specific procedure where you look at just qualifications and then you rank them. You then individually negotiate with them on price later. I don't think we have the flexibility to go out and award a contract without publicly bidding it.

A resident asked do you have any bylaws that lay out the process of what decisions need to be made, the creation of the building committee, etc.? Is that in place or do you make those decisions as you go?

Mr. Haber responded there are rules of procedure that the District adopted and those rules go into a fair amount of specificity on the issues that I have been addressing on public

procurement on what they need to do to actually award contracts but they don't go into detail as to how a specific procedure as to how they would line up a capital project.

A resident asked are the rules of procedure available?

Mr. Haber responded they may be on the website but we can certainly get you a copy.

A resident asked in considering this project would you look at other capital needs both short and long term?

Mr. Thibault responded that is actually something that is on our agenda tonight. We have hired a firm that does capital project analysis long term, which is a capital reserve study.

Mr. Oliver stated I would say that probably leans more toward capital replacement and repairs as opposed to new construction.

Ms. Bock asked wouldn't the first step be to allocate a certain amount of money for an architect for someone to come up with a plan? I appreciate all the work that you have done but I don't think that is what you do for a living.

Mr. French responded I had a contractor meet me here and we drew all this out.

Ms. Bock stated right but I think there are people who do fitness centers day in and day out and I think we need to get someone who specializes in it and then they bring back to us what things we can do. There may be a fourth method that none of us have thought about doing.

Mr. French stated sure. If you were to form a committee I was talking about and let that committee go to that person you are talking to, to investigate more options. What we have come up with is nothing more than trying to brainstorm to get it presented.

Ms. Bock stated and it was a great way for the concept to have started, so no complaints here.

Ms. Griffey stated I would like to know before you go off and hire all these people to do stuff exactly how we are going to budget for this and what it is going to mean for homeowners.

Mr. Kirk Wendland stated this development is a first class community and I think if you look at this amenity it is somewhat lacking compared to some of the other amenities that we offer in the community. I would certainly be in support of you moving forward with this.

Mr. Bob Sevestre stated I'm thinking of the short term liability. Maybe we should put signs in there that say what the capacity is. In the short term what can we do because we have been through the processes before?

Mr. Haber responded I don't think signs are a bad idea. I think many of you had said I don't know how it would get enforced but I think you would have to rely on the community enforcing it for the benefit of everybody.

Mr. Oliver stated we will take action on that.

Mr. Thibault stated as far as the trainers go I don't want anyone to start thinking about booting them out because they are in there almost all day. It is not their job but they do oversee people doing exercises and if they are doing something unsafe they would tell them.

Mr. Hayes stated I think Mr. French is recommending is a search committee to do some ground work and get some feedback from the community.

Ms. Griffey stated and we need to decide on how we are coming up with the money. That is a big issue for a lot of people in today's economy.

Mr. Haber stated if the board appoints a committee they are governed by the Sunshine Law and public records laws. You can appoint the committee and they will have to have noticed meetings and be governed by those laws or alternatively, if you say you are interested in it but you need more information on it, so without formally creating a committee.

Mr. Hayes asked what is going to keep the least amount of leashes on this committee?

Mr. Haber responded I think it is if you don't create the committee.

Mr. Hayes asked do we send Mr. French back out and say this is the type of things we want information on? The information we want at this point is broad. If we want to put a survey on the website or send a postcard out then we could do that subjectively.

Ms. Griffey stated or we could put it on the agenda and post it for the next meeting for homeowners to come and voice their opinion.

Ms. Bock stated I would like to see a survey of other comparable communities and what their fitness centers look like. I don't think we should make a move or spend a dollar before we know what we are being compared to.

Mr. French stated I don't know why we want to compete with Cimarrone or why we would want to compete with South Hampton. That is one of the problems we have with the golf course right now. We are trying to compete with a Cimmarone and South Hampton and this golf course is a lot better than those. I think our amenities are a lot better than those. I think we need to take the high road and stay above these guys and not reduce ourselves to what Cimmarone is. I know they don't have what we have.

Ms. Bock stated I don't think they do either but as buyers come in this neighborhood and they have been to other places I want to know what they saw.

Mr. Oliver stated right now the best option I would give this afternoon is to tap your capital reserves with the intent to replenish them.

Ms. Thibault asked what is in our capital reserves at this point?

Mr. Oliver responded at the end of this fiscal year you will have approximately \$656,000.

Mr. Hayes stated I think we could go home tonight and create some questions that we could email to Jim and he could then pass on to Mr. French and say this is what we want you to go out and find out.

Mr. Oliver stated although, our next meeting is not scheduled until July we could actually continue this meeting to June 29<sup>th</sup> or June 30<sup>th</sup>. Then we could have a meeting devoted to this subject. I can work with board members individually, as well as staff and we can come up with what the task list is.

Ms. Thibault stated I don't think the 29<sup>th</sup> or 30<sup>th</sup> are good dates because they are close to the holiday.

Mr. Hayes stated let's move it up a week.

Mr. Oliver stated so at the end of this meeting we will continue this meeting until the 23<sup>rd</sup>.

A resident stated in getting ready for this meeting we put up some notices in the gym and on the walls here and we were told that it looked like we were trying to gather a posse instead of informing people. I would like permission to put up information in that room.

Mr. Hayes responded absolutely.

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2010-03,  
Approving Proposed Budget for Fiscal Year  
2011 and Setting a Public Hearing to Adopt  
the FY11 Budget**

Mr. Oliver stated as you recall from previous years this is the start of the budget process. Once you approve a proposed budget we have 60 plus days before we can have a public hearing

to adopt the budget. The proposed budget is a work in progress. The bottom line is the assessments are going to stay at the same level for fiscal year 2011 if we move along this path. On individual line items there are no big jumps. If you go to page three, you will see that our projected reserve for capital projects is \$656,000. At the end of fiscal year 2009 they were \$479,000. We do have a reserve growing and part of that is because some of the cuts we have made along the way, for instance on security two years ago we budgeted \$100,000 and by changing the mix we reduced that cost to \$85,000.

Mr. Thibault asked on page one in the field maintenance area the landscape maintenance it looks like there is a \$34,000 under run? According to the total projected is \$194,000 and we had budgeted \$228,000. I know we always project a surplus but why is it so much less?

Mr. Oliver responded this is the toughest part of budgeting for CDDs because you are on this fiscal year that ends the end of September. Your most expensive quarter of the year is the fourth quarter because not only are you dealing with the recreation center but you are open to more landscaping issues.

Mr. Yuro stated if you look at the description of the Down to Earth contract was \$186,500 and we have a \$22,000 agreement with the golf course for the maintenance out here, so that already puts us over what the projected number is.

Mr. Oliver stated when you see this next budget there will be changes in the projections because we will have another month of more data and there will be finer tuning by staff.

Mr. Thibault stated again, we are below budget by \$4,000 on lifeguarding. Are these proposals accurate for the remaining projected portion of the summer or is there a formula?

Mr. Oliver responded we went into contract with Elite after we adopted the budget and they came in a little cheaper.

Mr. Thibault asked I assume the proposed budget for 2011 is just the standard 3% over last year because if it is based on what the actuals were it is a 21% increase?

Mr. Oliver responded yes, that is what we are projecting right now. We will actually get a firm commitment from them should the board decide to retain them for next year. We have to give them a little bit of time to come up with a firm number.

Mr. Thibault stated it identifies that there will be no more special events for the remainder of the year but we are approaching summer.

Mr. Oliver stated I spoke with Heather and the accountant today and actually there was a Christmas decoration misposting in there, so she is actually a little bit under budget. She said the ice cream bash that is coming up for Memorial Day is adequately funded.

Mr. Hayes stated I have asked her to start tracking the events, so hopefully for the upcoming events we can actually say this many people attended and we spent this much money, etc.

Mr. Oliver stated I told Heather if there are additional events that residents are requesting then we need to bring it to the board's attention and not just assume that the board says this line item needs to stay at this level.

Mr. Thibault asked I understand that in the debt service fund because that is where this \$15,000 came from, so when the debt service fund has excess it says that the excess will be moved to the general fund, so would I would be correct to assume that this \$15,589 was excess in the debt service fund and that is why it got moved into the general fund?

Mr. Oliver responded I don't know that this is from the capital fund but let me check.

Mr. Thibault stated it must be from the debt service fund.

Mr. Oliver stated it must be overflow from the revenues account as of November 2<sup>nd</sup> after the November 1<sup>st</sup> bond payment was made.

Mr. Thibault stated I just wanted to confirm. In the debt service fund on page 10 of the budget at the very bottom there is an assessment plus collection fee and it says 6% for the collection fee but it is actually 6.8%. What is that? Whose is that and where does it go?

Mr. Oliver responded it is not just a collection fee. There is a 4% discount if you pay your taxes by November 30<sup>th</sup> and then there is a sliding scale per month of 1% until the tax bill is due. The other 2% is paid to the St. Johns County Tax Collector.

Mr. Thibault stated since we have 6% in here and it should be 6% I want to make sure someone is not scooping off the top on us.

Mr. Oliver stated I'll find out.

<p>On MOTION by Ms. Bock seconded by Mr. Thibault with all in favor Resolution 2010-03 Approving the Proposed Budget for Fiscal Year 2011 and Setting a Public Hearing for July 28, 2010 at 6:00 p.m. at the Swim Club Meeting Room, 219 St. Johns Golf Drive, St. Augustine, Florida was approved.</p>
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Mr. Haber stated just to make sure if our budget meeting is the 28<sup>th</sup> of July then we will need to move fairly quickly on getting the proposed budget to the county.

Mr. Oliver stated we will send it out tomorrow.

A resident asked is there some place to understand the definitions of some of some of the captions in the budget are?

Mr. Oliver responded we will go through the budget in a little more detail at the public hearing. Behind the income statement are line item descriptions.

A resident stated the two that I would like to understand better is the difference between capital outlay and capital reserve.

Mr. Oliver stated capital outlay is money available to be spent this fiscal year for capital items and the capital reserve is to put money aside for future capital projects, repairs and replacement.

**FOURTH ORDER OF BUSINESS                      Presentation of Capital Reserve Study**

Mr. Oliver stated this is the draft reserve study.

Mr. Charles Sheppard stated thank you for the opportunity to work with you and produce this reserve study. I think it is comprehensive and will help you in your budgeting process and with your expansion plans. The name of my company is Community Advisors. We are reserve study professionals. I did the report and I am doing the presentation. I'm going to give you general information about what reserve studies are and the process that we go through. I will give you some information about your study. You will have it in printed form and then I'll answer your questions. A reserve study is a 30 year long term projection of capital expenses and the funds that are needed for replacement. It is not an operational budget. It is not regular maintenance. It is not upgrades or new capital items. It is to replace what you have and to keep the quality of the neighborhood intact to maintain the home values. There are two pieces of how we do a reserve study. There is a physical and there is a financial analysis that we complete. Physical analysis is inventory of components and by components I mean pool, roof, pavers, shade structures, tennis courts, etc. I have done an inspection of each one of them and estimate their current condition and their remaining useful life and how much it costs to replace them in today's dollars. We use industry standards and some other local construction costs to determine those. We take all that information and we take your budgets that you currently have and we

look at your current condition of your reserve funds. We take all the component data and we put it into computer software and we run models. We test three different models and then we develop a funding plan for you. The three models are threshold funding model, which is really the one that we used for yours. The current assessment is really what you are doing now. What I mean by assessments I don't mean special assessments. In the industry we call dues assessments. So your dues to the CDD are really comprised of two pieces. A small piece goes into the reserve fund and the bigger piece goes into the operational budget. We use a component funding model, which is a traditional straight line model. If you really want to understand a simple way to determine where you are in a component funding you want to be fully funded at all times if you use the straight line method, so you take the age and divide it by the useful life times the current replacement costs. If a roof is 10 years old and it has a useful life of 20 years and it costs \$50,000 then today you would have to save \$25,000 in the roof account. Your assessments are higher if you use this method because it is not a pull of cash method. It gives you an idea of how you progress in a 30 day time line. We are not using that method. The process for your study started three to four months ago. At that time it was determined in 2011 you would start off with \$500,000 in your account. You would contribute \$50,000, so when I ran the models I made the assumptions that you have a 3% increase each year for your assessments. Inflation would remain at 3% and your interest on your investments would be a 3% return. A lot of people see those numbers and think why don't they just cancel the inflation and interest down but the interest is only on the funds. The inflation is on all of the components, so they don't really cancel. These are pretty standard perimeters that we use in the industry. I recommend using the threshold funding model. You will find all that in your book. This is just a draft for you, so I will come back again after you have had a chance to look at it and I will adjust the models. Currently, your contribution per house is \$65 per house in reserve funds. I am suggesting or recommending for next year going up to \$95 with a 3% increase each year and that would keep you in a fairly funded level, which reduces your risk of special assessments, which you want to avoid. If you go to page 2.5 on the right hand column you will see a percent funded and you want to keep that above 30% more or less. Most associations, condos and HOA if they are in a 30% to 60% they are considered to be fairly well funded. Anything above 70% is a strong position. You remain pretty much in that situation well into the future. For the mid term you would be good with this annual contribution to reserves based on those perimeters and

assumptions. I think you are in a very good position. There is some graphic information in the report that shows you where you are. You can see how your cash lays out in the spreadsheet. You can see your beginning balance, your interest earned, your expenditures and when I'm projecting these all to happen. If you want a quick road map you would go to page 2.13. All the components are in the back and all the financial information is in the front. You need to understand the components before you can understand the financials. If you look at this page it tells you each component that was put in the study, date of service, current replacement costs, useful life and the adjustments that I made, like if a pool would last 10 years and I looked at it and think you could get a couple more years out of it then I would adjust that. Then you have your remaining life. Your future costs are calculated with that 3% inflation. Then there is quantity information and then the actual cost. If you flip over to the component data and you look at the first one, which is aluminum fencing you will see there is a picture of it and its useful life is 29 years. You can end up replacing it in 2031, which gives you a remaining life of 20 years. We don't do a separate page for each of the components because it uses up a lot of paper. The way I built this component list is I did an initial survey inspection and I met with Mike Yuro and Jim Oliver. We talked about what components would be a candidate for the study and what we should exclude. You can put in just about anything. We said let's use more or less a \$10,000 threshold, so anything below \$10,000 we excluded because that is giving each person in the neighborhood an assessment of \$20. You have enormous buying power with 799 houses, plus you have a nice reserve fund balance. You will as you go through here that the major items are the roads. They come into play way in the future but they are big numbers.

Ms. Griffey asked the reserve study is to repair and replace what exists and not for adding on?

Mr. Sheppard responded that is right. Correct me if I'm wrong but with CDDs the statutes are not that specific and HOAs may be more specific in how they treat the reserve funds.

Mr. Haber stated yes. It doesn't specify a specific way the CDD is obligated to use the reserve funds.

Mr. Sheppard stated I utilized the services of Yuro & Associates. I don't think there is anyone who knows more about the roads and the ponds and the site work than Mike Yuro. He did all the site analysis on the roads for me. Typically our clients are Community Development Districts, homeowners associations, condo associations, churches, private schools, etc. If you

want more information about our company you can go to our website, which is [communityadvise.com](http://communityadvise.com).

Mr. Thibault asked what was the total replacement cost? I was expecting to see a list that shows the total cost.

Mr. Sheppard responded what you are doing essentially is you are taking a little bit of money for each component. If you did a straight line analysis you would take money for each component and keep it in a separate account but you are not doing that. You are keeping a full cash account.

Mr. Thibault asked what do we currently get on our reserve interest rate?

Mr. Oliver responded less than 1% right now. I think when Charlie and I talked about interest rates we are talking about over the long haul, so hopefully we will yield more than 3%.

Mr. Thibault asked we had our reserve fund invested in that Florida Fund, right?

Mr. Oliver responded yes. It is back up now but right now we are with US Bank and Treasuries, so that is probably yielding .5%. You just can't be too aggressive with public funds.

Mr. Thibault asked are we just in a CD?

Mr. Oliver responded no. They are in an overnight fund. We will be as aggressive as we can within the guidelines established by the State of Florida.

Mr. Thibault asked is there a reason that we are in overnights and not in a CD?

Mr. Oliver responded we can do that. We will bring that back. Usually it has just been in the same fund as the bonds but obviously, this money can be more liquid.

A resident stated \$80,000 we are going to put into capital reserve. 799 homes, so we are putting \$100 per unit into the reserve, so I must be missing something there. Then just as a side note we actually have \$656,000 in the reserve.

Mr. Sheppard responded your current assessment level now is \$62.58 per house and that goes to reserves.

A resident stated I guess I don't understand because we put \$80,000 into the current fiscal year and we have 800 homes.

Mr. Oliver stated this is just a draft, so we will adjust those numbers. In addition to the capital reserve line item, reasonable budget surpluses can be used to grow reserves. "Charlie, I would like to thank you very much for the time you put into this." This is going to be a great tool

for this board and for future boards. It is one tool in the tool kit that doesn't force the board to levy assessments on any particular level but it is certainly something to consider.

Mr. Sheppard stated as you progress into future years we can go back and look at this. This is not a schedule for replacement. This is an estimated time. Most people would estimate these every couple years.

**SIXTH ORDER OF BUSINESS**

**Update of Conveyance of Lands to District**

Mr. Haber stated we are still working with the Developer on this issue. The one issue being that there are parcels that weren't platted, so they need to have those parcels surveyed. The last communication I've had is that those surveys are going to be done in a week and a half from today. I had that communication today, so once those surveys are done then we will get the title work on that property and assuming the title work is clean the District will accept the real property. The Developer did not want to convey the property piece meal, so that is why we don't have the platted parcels and then wait for the survey parcels. There is not action I'm looking for from the board today. I believe Ed was given the authority to sign off on the title process, so we will continue to work with the Developer and get it finalized.

Mr. Yuro stated I have had a couple conversations with St. Johns County and they are anxious to get this done and one reason is because register agencies are proposing new rules that if you don't get certain submittals in ahead of time you would be subject to the new rules. The initial thought process was these new rules could drastically change. I explained to him that the board has already voted to accept the parcels when they are prepared, so it is not the board that is holding these up it is the Developer. They were going to try and have the County reach out to the Developer, as well.

Mr. Haber stated I actually spoke with the County Engineer this morning and he indicated that really their deadline is this summer, so assuming the Developer is making accurate representations to us regarding timing it looks like we will be okay. One alternative he suggested is that the County has a relationship with some of the St. Joe folks, so if they need to potentially St. Joe can give the County what the County needs on the transfer of the permit and even after that we would still just be able to transfer the permit to the CDD. The County may work with St. Joe in cooperation with the District or assuming these estimates are accurate we

will be able to get the land conveyances done in time for the County's needs. I spoke with Doug with Prosser Hallock this morning.

Mr. Yuro stated at the last meeting the board at the last meeting voted to approve the acceptance, as long as the title was clear and as long as there were no conditions that were still held to and that everything was still satisfied. If St. Joe comes back in two weeks and says here are the platted documents and they think they are done and they provide documentation that shows the permits are taken care of, is Ed okay to sign off on the permit application or whatever documentation is needed for the CDD to accept it?

Mr. Haber responded my intent was the board gave Ed the authority to sign off on any documents necessary to effectuate the conveyances of both the real property and the permits. I will review the motion.

Mr. Yuro stated that just helps from the County standpoint and their schedule then we don't have to wait two months to come back to the board. I just want to make sure we are on the same page that Ed has the authority to sign off to accept the conveyance and therefore to sign the permit application. When the County submits a permit application the owner has to sign and after we accept the parcel we would then be the owner.

Mr. Haber stated it looks like the motion box doesn't specifically reference the permits. It says, "Authorize acceptance of the property identified on the map and authorize Ed Randolph to work with District Staff to effectuate the transaction." I think it can clearly be interpreted that Ed has that authority. Do you think the County has concerns?

Mr. Yuro responded no. I don't think the County does.

Mr. Haber stated I think this motion box and with the discussion leading up to it, I'm comfortable that Ed has that authority.

Mr. Thibault asked they are giving us all the land, except for that one little revenue generating parcel that has the billboard on it but I believe the rest of the land along 95 north and south of that billboard they conveyed to us?

Mr. Haber asked do you mean previously conveyed or will convey to us?

Mr. Thibault responded will convey to us. With that in mind if that is the case where they have conveyed all that land to us are we as a government entity allowed to generate revenue off of easements?

Mr. Haber responded I know in another District I represent we were approached by a gas company to put a gas pipe in property that the District owned and they paid us for the easement to put their gas pipe in our property.

**SEVENTH ORDER OF BUSINESS**

**Consideration of Transportation Leasing Agreement with St. Johns County School Board for Field Trips**

Mr. Haber stated this is an agreement that essentially let's the County's buses transport residents and paid users for District run field trips. I reviewed their agreement and prepared it to make sure the District is protected to the furthest extent possible knowing that we are also dealing with another governmental unit. I intentionally put in here mutual indemnification. It is my understanding that the County has this agreement and you are waiting to hear back from them. I am comfortable that this goes pretty far protecting the District as it relates to the service being offered.

On MOTION by Mr. Hayes seconded by Ms. Bock with all in favor the Transportation Leasing Agreement with St. Johns County School Board for Field Trips was approved.

**EIGHTH ORDER OF BUSINESS**

**Consideration of Public Records Retention Resolution 2010-04**

Mr. Haber stated included in your agenda package is a memo from my firm in regards to public records retention. A lot of the Districts we represent presently are going through litigation because there are property owners where assessments are not being paid. When you have litigation going on you get a lot of public record requests. Based on the large number of public record requests we were getting we had a lot of the District Management Companies we work with asking us what are the Districts policies as it relates to public records on what do we need to keep and what don't we need to keep. We took the time to research and formally come up with a policy and procedure that we think is appropriate for the District. What we have realized is that the state already has adopted retention policies for public records. Those retention policies are modified somewhat as it relates to this District and frankly, any other District that has issued bonds because documents related to those bonds need to be kept for extended periods of time. There are two resolutions attached to this memo. They both do the same thing with respect to adoption of record retention policies. Those resolutions essentially say we adopt the record

retention policies adopted by the State of Florida as modified by the Federal Government for tax exempt bonds. To comply with those record retention policies is really where your decision comes in. The resolution attached as exhibit A says we adopt those policies and we direct District staff to review records and destroy records that we no longer need to keep. Alternatively, the resolution attached as exhibit B says we are just going to keep everything. If you adopt B you can always go back and adopt A at a future date. You are not set in stone one way or the other. Jim's office will be the records custodian.

Mr. Oliver stated our office recommends that you go with exhibit B. Most of the records will need to be retained that are related to the 30 year bond issue.

Mr. Haber stated yes. Those records need to be retained for the life of the bonds. Districts that are heavily involved in litigation have been proactive about adopting A because there may be some benefit to getting rid of documents. A number of Districts have gone with B because they have already been doing it.

Mr. Thibault asked how are we currently keeping the records? I assume they are paper copies?

Mr. Oliver responded they are paper copies but the Record of Proceedings and other key documents are actually scanned electronically, so we keep those on our website for internal use. Older paper records are then transported to Iron Mountain for storage.

Mr. Thibault asked is that a cost the District picks up or is that part of the management fee?

Mr. Oliver responded there is actually a very small cost that is in the budget. It is \$100.

Ms. Griffey asked so at this point most of the records have to be kept anyway?

Mr. Oliver responded exactly.

Mr. Thibault asked going forward could we start keeping things electronically rather than paper?

Mr. Oliver responded we keep everything electronically.

Mr. Thibault asked so why do we keep the paper too?

Mr. Oliver responded a lot of these are signed documents and we must meet the statutory requirements.

On MOTION by Mr. Hayes seconded by Ms. Bock with all in favor Public Records Retention Resolution 2010-04 Exhibit B was approved.

**NINTH ORDER OF BUSINESS**

**Ratification of Agreement with Surfside Pools for Replacement of Pool Tile**

Mr. Yuro stated we had to push the swim team back a few days. The pool company was great. They got it done in four days. The reason we have to ratify this is because we went with the frost proof tile and it was \$210 over the \$10,000 limit. I spoke with Rose and Jim and based on the previous meeting we felt that number was nominal.

On MOTION by Mr. Hayes seconded by Mr. Thibault with all in favor the Agreement with Surfside Pools for Replacement of Pool Tile for an additional \$210 was ratified.

**TENTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Haber stated currently the District’s engineer is Hill, Boring & Dunn and recently my office recently found out that they let their insurance lapse, which would be a breach of the agreement that they have with the District.

Mr. Thibault asked how did you find that out?

Mr. Haber responded they are the District Engineer on other Districts and one of the Districts had to make a claim on its insurance. I would like to recommend you do is authorize my office to send a letter to them allowing them 10 days to prove that that is not the case and if they can’t provide the certificate of insurance and also that it hasn’t lapsed during the time period that the agreement be terminated and that we put out for a new District Engineer, which would be going through the Consultants Competitive Negotiation Act. You put out an ad that says Sampson Creek CDD is looking for a new engineer on a continuing basis and you would get proposals. At your July meeting you could review the proposals and make a decision. Unlike an RFP for construction work, they don’t provide you a price. They provide their qualifications. You rank the engineers and then you begin the negotiation process with top three. If the most

qualified one doesn't work out then you move to the next one and so forth. What we would do in the interim is if their insurance lapsed we would put out a notice and then get the proposals in and then bring the proposals to the board at the next meeting.

Ms. Bock asked what kind of insurance is this?

Mr. Haber responded general liability.

On MOTION by Mr. Thibault seconded by Mr. Hayes with all in favor Authorization for Hopping Green & Sams to Send Letter to Hill, Boring & Dunn asking them to Confirm there was No Lapse in their Insurance & if there was then agreement will be terminated was approved.
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**B. Engineer**

There being none, the next item followed.

**C. Manager – Report on Number of Registered Voters – 1,648**

Mr. Oliver stated included in your agenda package is a letter from the St. Johns County Supervisor of Elections informing the board there are 1,648 registered voters in the District.

**D. Art of Living Director**

Ms. Mickelson stated someone came out Friday to look at our current security camera system to try to give us some options.

**E. Property Manager**

Mr. Yuro stated the landscapers have replaced most of the damaged sod. You probably noticed out at the tennis courts that they installed a couple of trees. With traffic going thru there the grass was just dirt and we didn't want to replace it and have it get wore out again, so we put some trees there and grass is around the outer edges and mulch in between. I received two proposals from our landscapers as a result of some of our discussions. There is a troubled area between the basketball courts and the soccer field. Every year it gets burnt out. Because it is on top of the berm it always looks like it is in trouble. Our landscape company provided me a proposal for \$460 to strip out some of the grass and plant some decorative grass, so it looks like

it is supposed to be instead of looking like an eye sore. I wanted to see what the board thought about fixing that berm area.

Ms. Bock stated I would agree.

Ms. Griffey stated I would agree.

Mr. Yuro stated I had a couple residents and the golf course maintenance guy ask me about the soccer field area there has been some requests to plant some trees to provide some shade there. I have a proposal to plant three sycamore trees between the soccer field and the pool fence. I got a proposal for \$1,500. It is \$525 a tree. The sycamore trees are the ones that we have over at our playground. They are big and are fast growing trees and they provide a lot of shade.

Mr. Hayes asked if they are out there the trees wouldn't be close to the field though?

Mr. Yuro responded it would give them a place to retreat to. Right now, they can go over by the berm by the basketball courts.

Mr. Hayes stated we will think about it. We need to do something and that might be the answer.

Mr. Thibault stated if we put shade trees there it makes that other space unusable because I have seen kids out there flying kites and if you put shade trees in there then there is no more flying kites on that side.

Ms. Bock stated and when they go to a baseball game they normally sit on the stands at other places and there is no shade on those. It just goes with your kid playing ball.

Mr. Yuro stated with the thought of the budget coming up I put together a potential capital expense list of items that either I noticed or people have asked about. I thought this would be a good tool for you as you are reviewing the budget. A lot of these numbers are actual numbers that I have received. One of the reasons I wanted to bring this up today is because I wanted to talk about the top two items with the playground. I have a lot of people asking me about the playground and the reason I haven't done anything yet or brought it to the board is because depending upon the way that you go I don't want to spend money that is going to be a waste. There are some things on the playground that need to be addressed. We need new mulch. I have a quote for mulch and it is \$1,700 if we spread the mulch ourselves. If you have them spread the mulch it is going to be \$3,500. The mulch needs to be replaced because there are roots coming thru. The tall slide needs to be replaced. The one flexible bridge is down. It has

been down for awhile. I have also had some residents say that we need a different structure that is conducive to younger kids. With that in mind, I have also looked at other options of what it might cost to replace the whole structure itself. At the last HOA meeting one of the HOA board members brought up the playground and the HOA has some reserve funds that were there from when the Developer originally started the neighborhood and there was some discussion about potentially using some of that reserve fund to kick in as a cost sharing with the CDD. The prices you see here for the replacing are actual prices that I got from Southern Recreation. If you get some of the newer playground structures it can cost anywhere from \$30,000 to \$50,000. I was actually fairly surprised with this structure. It is smaller than what we have but it looks better for little kids and it is wooden and it is \$13,000. I also looked at something for a little bit of the older kids. It is more of a fitness type thing for \$3,500. The numbers you see down on the bottom for the second option that is where those numbers are coming from. There is such a variety out there. The other thing that we don't have are the little spring riders that the kids can sit on and ride back and forth on. They are not cheap though, so the numbers that you see there are for two spring riders and the retro rocker. Then the last thing I threw in was one of these companies would build you a beach volleyball court for \$4,000. Something needs to be done by either repairing what we have or buying new.

Ms. Griffey asked is there anything else coming up this year before September because we still have almost \$24,000 in capital outlay?

Mr. Yuro responded there are a couple of items that I recommended now on the tennis courts. I got a quote for the shade structures. They are screwed down but they are bolted down in the asphalt and a third of those bolts are striped, so I have been out there several times to tighten them up. When it gets windy it is like a big kite. I went ahead and got a quote for removing it, coring out a six inch hole and pouring concrete with bolts that stick up.

Mr. Hayes stated I was out on the tennis courts recently and the basketball court and tennis courts need resurfaced.

Mr. Yuro stated the basketball court is definitely ready now. The only other thing I put for now was in the fitness room replacing the televisions. You can get a 26 inch flat screen television for about \$400 and then mount it, so it gets them up against the wall, so you would have more visibility.

Mr. Hayes stated maybe we should do the shade structures when we resurface it.

Mr. Yuro stated for the tennis court resurfacing you probably want to look at Charles' number because I kind of used a parallel to the basketball courts. I did get a quote of \$7,780 for the basketball court.

Mr. Hayes asked it is really the same surface, right?

Mr. Yuro responded but the tennis courts are bigger.

Mr. Thibault asked didn't we resurface those on my first year on the board?

Ms. Griffey responded yes.

Mr. Thibault asked I thought the whole idea behind those is it was supposed to be 10 years?

Mr. Yuro responded I am not an expert but I don't know if they are ready to be resurfaced yet. To me, they look okay. A tennis pro might say that they need resurfaced.

Mr. Hayes stated he is putting on here for replacement in 2012 for the tennis courts and for the basketball court he has zero, so now is the time to do it. I don't know if we would save any money by having them all resurfaced at the same time.

Mr. Yuro stated I would like some direction from the board on the playground, either move forward with mulching it and repairing it now or move forward with looking at replacing it with new equipment. On more than one occasion our security guard has had to run teenagers and other kids out of that playground at night because it is a great hiding spot.

Mr. Thibault asked have we considered alternative materials for the ground covering instead of mulch?

Mr. Yuro responded I have quoted what is the cheapest way to go. It is certified playground mulch. They mulch it twice, so it is smaller, so it provides more of a cushion. It is the wood type mulch.

Mr. Thibault stated because that stuff out there right now is hard.

Mr. Yuro stated I couldn't tell you or not if that is the certified playground mulch or not.

Mr. Thibault stated I won't let my one year old walk out there by him without me holding him because if he falls he is going to get hurt.

Mr. Yuro stated the proposal I have shown you here for the mulch is about a six inch layer of mulch.

Mr. Thibault asked can we get a quote on the rubber mulch?

Mr. Yuro responded sure.

Mr. Thibault stated about the playground equipment, I have heard some good things about a local company called BYO Playground.

Mr. Yuro stated these pictures are from there but the problem with that is BYO Playground provides a lot of equipment but they don't install it. We could get the mulch brought in because right now that is a safety issue because there are roots coming thru. I tried to stick with the wood equipment because when I saw the metal structures they were more expensive, plus it didn't fit into the architectural standards of the neighborhood. I can get a quote for the rubber mulch but I know it is more expensive.

Mr. Haber stated I don't know if the District is obligated to comply with HOA covenants. I can look into it.

Mr. Yuro stated I will get a little more information and have a recommendation at the next meeting.

Ms. Bock stated I would suggest that all of us take a walk over there and take a look at it.

Mr. Yuro stated another complaint that I had was with the wood and it's at the age where it will start to splinter. The thing about the one that I passed around to you the rails are not wood. The posts are wood but the rails look like they are metal. I have quotes now for a DVR system that can record up to a year, so Heather is trying to look into whether we should buy the new DVR and use the cameras we have or buy the new cameras.

Mr. Hayes asked should we make a decision on getting the tower painted out there?

Mr. Yuro responded I got one price in. There is clearly a mark that needs to be fixed on the side where the structure is. If you look at the overall building you can see that it was repainted but everything wasn't necessarily trimmed in really good. The first quote that I got was \$1,800 to paint the tower and \$8,800 to paint the building and the bulk of that price is the paint that you have to use. It has to go on thick, so it has a chance to move with the building. I am trying to get two more prices. My initial take on it was that would be a good project to do after the swim season but if there is a desire to do it now we can certainly do it.

Mr. Thibault stated as far as painting goes there has been a company that I have seen a lot in the community called Cert Pros. I have talked to the guy and he seems like a nice guy. He has had the company for two or three years. He is a local guy.

Mr. Yuro stated if you have his information email it to me.

Mr. Thibault stated I will do that.

**TWELFTH ORDER OF BUSINESS**                      **Supervisor's Requests**

Mr. Thibault asked I know it's in your report about the sidewalk but are we making progress on it? Are they going to picket on their own lawn and have a sit in when the guys come to pick the yard?

Mr. Yuro responded yes. They dug up the sod today.

Mr. Bock stated the way you did looks great the way you did it not on the curb, but closer and it doesn't take from their huge section.

Mr. Yuro stated I went and met with them and said they weren't going to contest it anymore. Their request was to push it as close to the curb as we could, so we left them a two foot strip. We are going to have to relocate the stop sign but I think we were going to have to do that anyways.

Mr. Oliver stated the Stingrays have been practicing for their swim meets. It came to our attention that there may be some non residents on the swim team. I have traded emails, as Heather has, with Hank Langenfelder and he has not given me a direct answer on that. We are waiting for him to get back to us and if he doesn't we will have to take the next step, which may be a letter reminding the swim team leadership that you have to be a resident or fee-paying non resident to use these facilities.

Mr. Haber stated if they pay the non resident user fee then their child can be on the team.

Mr. Thibault asked could we prorate the user fee?

Mr. Haber responded District's have done that.

Mr. Oliver stated Julington Creek has a special rate for people on the swim teams but you have to a rate hearing to do that.

Ms. Griffey stated our swim team is huge and they take up a lot of pool time practice. I just don't feel that we need outside residents who are not members participating on the team.

Mr. Oliver stated we will send them a letter from the District and make it as clear as we can.

Ms. Bock asked do we have a list of kids on the team?

Mr. Oliver responded I asked for a list but never received that.

Ms. Griffey stated he is avoiding it.

Mr. Thibault asked who appoints the swim team?

Mr. Oliver responded the CDD doesn't.

Mr. Haber stated it is a separate 501C3 charitable entity that we contract with to use our pools.

**THIRTEENTH ORDER OF BUSINESS      Audience Comments**

There being none, the next item followed.

**FOURTEENTH ORDER OF BUSINESS      Financial Reports**

**A.    Balance Sheet as of April 30, 2010 and Statement of Revenues & Expenditures for the Period Ending April 30, 2010**

Mr. Oliver stated included in your agenda package is a balance sheet and income statement as of April 30, 2010.

**B.    Check Run Summary**

Mr. Oliver stated included in your agenda package is a check run summary.

Mr. Thibault asked I see the entries upon expansion reimbursement and I have looked through all 10,000 gigs of data that was emailed to us and I can't find any kind of invoice for that, so what is it?

Mr. Oliver responded I'll find the invoice but nonetheless just be assured that it has to do with the expansion of 210 and we have an interlocal with St. Johns County.

Mr. Thibault stated I understand that it is going to be reimbursed.

Mr. Hayes stated I think it was in the third email. I saw it.

Mr. Thibault stated I just want to make sure because I know our engineer's invoices would be picked up with what was sent to the county to get reimbursed for but I just want to make sure that Yuro & Associates invoices are going to be collected as well.

Mr. Oliver stated yes.

Mr. Thibault stated secondly, I want to make sure that we haven't been double dipped for Mike's time with Sheppard's analysis.

Mr. Oliver stated that was outside work that he did.

Mr. Yuro stated I had a separate contract with Charlie to do an inventory of everything. The meetings that I attended with Jim and Charlie that was just part of my lump sum contract with the District.

On MOTION by Mr. Thibault seconded by Ms. Hayes with all in favor the Check Run Summary was approved.

**C. Special Assessment Receipts**

Mr. Oliver stated included in your agenda package are the assessment receipt schedules. We are 97% collected. You are also going to have some tax certificate sales for anyone who did not pay their taxes.

Mr. Hayes asked what are the rules for the golf carts?

Mr. Haber responded the CDD doesn't have authority over the use of golf carts on the roads. Under State Law in order for a golf cart to legally be used on a road it needs to be designated by the county. These roads haven't been designated as legal for use by golf carts. With that said I think there has been some leniency on the part of the St. Johns County Sheriff's Officers who have been monitoring the neighborhood and not enforcing the fact that presently it is still illegal to drive a golf cart on the roads. Under State Law you have to be 14 but in St. Johns County you have to be 16. It is my understanding that they are enforcing it as it relates to age but they are being lenient if adults are driving golf carts on the street. They are not pulling them over or giving them a ticket. There is nothing the District can do at this point. If we ask them to do it then I think we need to ask them to enforce the laws as it relates to golf carts.

Mr. Hayes stated they would have to be street legal registered.

Ms. Griffey stated there is no such thing in St. Johns County. You can't register a golf cart.

Mr. Yuro stated Florida Statutes 316.212 and then there is also the county ordinance 2009-1 as it relates to golf carts and the Sheriff's Office, not only in our neighborhood but in many neighborhoods golf carts are getting very popular, so they have come up with a cheat sheet with five bullet points that they are sending out with their deputies. The road has to have a posted sign that says golf carts accessible for it to be legal. Ours are not. It doesn't matter who is driving it if there is no sign then it's illegal. If it is posted then the golf cart driver has to have a valid drivers license, the golf cart has to have three or more wheels and weight less than 1,800 pounds. The golf cart can not go faster than 20 miles an hour and it has to be equipped with efficient brakes, steering, tires and rear view mirrors. Then if it is driven at night it has to have lights. I have talked to two supervisors that work out here and I explained to them our concerns

and the complaints I'm hearing is not necessarily about golf cart usage, it's about kids on golf carts. The deputy that schedules all the officers out here put out another email to them this week and told them as the summer season kicks up to educate the parents on the law and how it applies to the neighborhood. They are using their discretion. If they see kids that look nine, 10, 11 or 12 years old driving a golf cart they will stop them. They will follow them home and talk to their parents and explain to the parents the laws. They will do the same thing if they see someone driving erratically. He is going to tell his deputies to use their discretion but it is not intent to do away with golf carts but rather protect the children; however, if the problem continues they have to enforce the law and ensure the safety of the entire community. I have had residents call me and complain about it and ask me to send out an email and tell them you can't have kids drive them and I haven't done that because I didn't want someone to think that the CDD was approving it.

Ms. Griffey stated maybe you should send out an email blast with what the law is.

Mr. Yuro stated I can certainly draft an email.

Ms. Griffey stated the adults are just as bad about driving them. I bet one in 25 stop at stop signs.

Mr. Haber stated my problem with what you suggested is you still are going to have an issue if you are putting an email out that describes one aspect to the law.

Mr. Yuro stated if we don't do something to be proactive to let people know to pay a little more attention to what your kids are doing then there is potential for everyone who has golf carts to be jeopardized. As the property manager here I can send an email out saying we have received a lot of complaints about children riding golf carts and I would recommend anyone that owns a golf cart to familiarize yourself with these two statutes for the safety of the neighborhood.

Mr. Haber stated I think the issue is that golf cart use in the community is illegal and that for us to try and send an email saying one thing and ignoring the fact that we all know that it is illegal could be a problem.

Mr. Hayes asked if we created the community to allow golf carts what would the downside be?

Mr. Yuro responded potential liability. This came up a couple years when I was still on the board and you have to do a traffic study and designate the roads to be golf cart accessible but

at the time the board decided that we felt like we were taking a liability if there were an accident that now the board is potentially liable.

Mr. Thibault stated the biggest problem is that golf cart drivers don't have insurance for golf carts.

Mr. Haber stated if we make the roads legal for golf carts and we got sued because of an injury one defense that we lose is that the driver should have known better because golf carts are illegal on those roads. I think if there is an accident on our roads by a golf cart there is a good chance we are going to get sued one way or the other. I think if someone gets injured on a golf cart on our roads right now I think an excellent defense on our part is you were violating the law by using the golf cart.

Ms. Griffey stated but I think a lot of people are buying them because they see so many people on them they think it is legal.

Mr. Thibault asked what if we just simply send out the law?

Ms. Griffey responded that is what I'm saying.

Mr. Haber stated I think part of the problem would be that the statute isn't entirely clear. It is a rather long statute that gives different things, like the roads need to be designated by the county and people aren't going to know whether these roads have been designated by the county or not, so then we are going to get questions.

Mr. Yuro stated the deputies are on notice and maybe their heightened awareness will curve some of the problems.

**FIFTEENTH ORDER OF BUSINESS**

**Next Meeting Scheduled – June 23, 2010 at 6:00 p.m.**

Mr. Oliver stated our next meeting is going to be continued to June 23, 2010 at 6:00 p.m. at the Swim Club Meeting Room. The two items we will discuss are the fitness room expansion and the playground improvements.

<p>On MOTION by Mr. Thibault seconded by Ms. Bock with all in favor the Meeting was Continued to June 23, 2010 at 6:00 p.m. at the Swim Club Meeting Room, 219 St. Johns Golf Drive, St. Augustine, Florida 32092.</p>
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**SIXTEENTH ORDER OF BUSINESS**

**Continued**

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Secretary/Assistant Secretary

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Chairman/Vice Chairman