

MINUTES OF MEETING  
SAMPSON CREEK COMMUNITY DEVELOPMENT DISTRICT

A continued meeting held on May 26, 2010 of the Board of Supervisors of the Sampson Creek Community Development District was reconvened on Wednesday, June 23, 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
Tracey Hayes	Supervisor
Brenda Griffey	Supervisor
Ed Randolph	Supervisor

Also present were:

James Oliver	District Manager
Wes Haber	District Counsel
Heather Mickelson	Art of Living Director
Mike Yuro	Yuro & Associates
David French	Resident

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Discussion of Expansion of Fitness Center**

Mr. Oliver stated at our last meeting we discussed the expansion of the fitness center. It was suggested by some of the residents that we hold a follow up meeting, so everyone would have the opportunity to be heard.

Mr. French stated the last time I was here we had three options. Options one and three were to expand the existing fitness center. We have eliminated those options, so we will only discuss option two today. Option two is to blow out this wall here where the television is and go out. This wall will be pocket doors and they will separate both directions and then you will enter the weight room. There will be nothing in the weight room but exercise equipment for strength training, no cardio. The weight room will be 75 feet by 23 feet. Those are inside wall divisions. The cardio room will be 25 feet by 23 feet. The significance of the 23 feet from an architectural

point of view everything matches. The significance of the 25 feet from this wall to the end of the cardio room is that is our existing column of our patio. As you look at this from an aerial view architecturally everything matches. The roof line matches. At the entrance we would use our existing security card to come into the gate. If there is nothing going on in this room then you could enter here and come through the pocket doors. If there is a meeting in here then you would come beyond the column and this would be considered our main entrance. We would not have to have an extra card. This is not an entrance that would be an emergency exit only off the cardio room. It would be equipped with emergency hardware.

Mr. Oliver stated at the last meeting there was a proposal to move forward with the construction or expansion of the fitness center and David presented three options to the board. Right now the board is in the information gathering stage. No decision to build has been made, so tonight we will talk about potential financing and hear comments from the audience, as well as board discussion. Then at the end of this segment of the meeting the board would make a decision whether to move forward or not to move forward. If they do decide to move forward there are several steps along the way where the process could be stopped or cancelled. I don't want anyone to think the decision has already been made. It could be that throughout the process other options are developed. If the board decides to go forward what would happen is the board would issue an RFQ for architectural services and an architectural firm would be selected. A committee would be appointed to look at the options. A plan would then be presented to the board for approval. Then you go through the RFP process to select a contractor and then proposals would be reviewed by the committee and brought back to the board and eventually a contract would be entered into.

A resident asked does the weight room include floor space for floor exercises?

Mr. French responded yes. If you look at the second drawing that is the proposed equipment layout.

A resident asked what is the difference in square footage between that plan and the existing facility?

Mr. French responded the existing room is 23 feet by 36 feet, so if you did 20 by 40 that is 800 square feet. We would be bordering double the size.

A resident asked what is going to happen to the existing room?

Mr. French responded my plan was to turn it into a grill.

A resident asked is that part of this proposal?

Mr. French responded no.

A resident asked so if they were to decide to do this we would have a whole new proposal?

Mr. French responded I think that is a fair question.

Ms. Griffey asked I know you are putting pocket doors in here, so when you are having a meeting you are going to have people over here in the weight room, so what is going to be the insulation because you don't want to have a public meeting and hear weights dropping and televisions going?

Mr. French responded if we don't do pocket doors then we can do full swing doors that lock.

Ms. Griffey stated you are going to end up having people want to come through there and they are going to come interrupting things going on here before they realize there is a meeting. I do have an issue with having that connecting door.

Mr. Thibault asked how often do you have a meeting or parties in here?

Ms. Mickelson responded aside from the board meetings we have the girl scouts and the boy scouts and a lot of people have private parties.

Mr. French stated we can put one doorway here and one glass panel that will serve the purpose. We can insulate it.

Mr. Thibault stated I believe the card access keeps the children out of the weight room, so to minimize the difficulty to get into it is not the right direction to go.

A resident stated I am a property owner in Palencia and their cardio facility and weight room are the same size.

Mr. French stated the reason there is more equipment in this drawing then what we have in there right now is if we don't get more equipment we will have the exact same problem we have in there right now.

Mr. Oliver stated what we need more than anything else tonight as we get into discussion is community support to expand or not because as I explained if you decide to go forward with this there are quite a few steps along the way to make that happen and one of those would be design plan options. I know last time we talked about some pretty good reasons why there needs to be expansion.

A resident asked when will the minutes be available for us to read from that last meeting?

Mr. Oliver responded as soon as the board approves them at their next meeting.

Ms. Bock asked I have one dimension on the trainer's office but what is the other one?

Mr. French responded 8 feet.

A resident stated this doesn't seem to be big enough. It's like we are going to build it and it is going to be too small by the time it gets built.

A resident asked why don't move this room into the weight room and then instead of making it a grill use it for a meeting place?

Mr. French responded this room is a little smaller than that room, so it would be even a bigger meeting room.

Mr. Rich asked where is the funding coming from to build the facility?

Mr. Oliver responded we are going to talk about the financing right after this. There are about four different options and I will get into it.

Mr. Thompson stated at the last meeting it was a very productive meeting. We talked about why we were even talking about it and what the issues are. We also talked about the three options if you did want to expand the room. It would make sense if someone could quickly go through the reasons why we need to do this.

Mr. French stated the number one reason why we want to do this is safety. We have way too many people in this room as it is right now. We have people standing behind treadmills trying to do an exercise with an individual on a treadmill and that is extremely dangerous. We have people trying to walk in there and they turn around and leave. We have residents trying to exercise and they can't even get into the exercise room. We are trying to create a facility that would enhance our neighborhood. We counted 60 families that got gym memberships outside of here and that is ridiculous.

Ms. Watt stated this gentleman had a point about this room over here. I work over at the country club and I see everyday these kids coming in because they want to get out of the heat. They don't have a room for them to go hang out. It would be nice to take that room and turn it into a kid's room. The club could put an area in that room and be able to sell snacks and things to them.

Mr. Watt stated Pam and I met at the Cabana Club year's ago with Rose and when we tried to expand the Cabana Club and put a new grill in you had to put hoods, grills, etc. and that is not cost efficient and that should really be off the board.

A resident asked I want to know if that room is part of this proposal?

Mr. Oliver responded it is not.

A resident stated it is huge for me that there is something for the families and children.

Mr. Oliver stated it is certainly something to be considered by the board.

Mr. French stated the other drawing that you see is our equipment layout. I have basically added six machines to what we have now and I have added six cardio machines to what we have now. What we do in the cardio room as far as televisions go we will go into that at a later time. We can purchase cardio equipment that has televisions on them or we can put them on the wall. If you count the pieces of equipment you will see there is more equipment than what we have now and there is more cardio than what we have now.

Mr. Oliver asked what is the price tag on equipment?

Mr. French responded new strength equipment is going to be somewhere in the neighborhood of \$70,000. What I did was I went to Life Fitness, who is a middle of the line supplier. She came here and we laid out the drawing and I showed her what we had and she helped me with Stacie in designing what we have on this drawing. The cardio equipment is also in the neighborhood of \$70,000. The \$70,000 for cardio equipment has the televisions on every single one of them. Individual television screens are about \$1,000 per machine. We can whittle this thing down and we will whittle this thing down. My concern is a brand new gym when we have old equipment. Right now we have two more machines down. Life Fitness just did Nocatee and they just did Ponte Vedra Inn and Country Club. The good news is they will buy our equipment back, so I am waiting on that number now.

Mr. Thibault asked so this is a total revamp of the equipment for \$140,000?

Mr. French responded I wouldn't call it a revamp as much as ditching that and getting all new.

A resident stated I just finished rehab up at Baptist and the doctor who runs the place is very upset because you can't get good quality equipment anymore without what they call personal viewing screens.

A resident asked what did the Life Fitness person feel about the size of the room?

Mr. French responded if you remember from the last meeting we were at 70 feet and she extended us out five feet. At five feet we have plenty of room for the floor stuff, the mats, the balls, stretching, etc.

A resident asked so based on the professional layout and the equipment in the layout this is the property sizing that we need?

Mr. French responded that is what she said. She is in Ormond Beach with Jacksonville service, so if we have issues with our equipment then the service comes out of the Jacksonville area.

Ms. Griffey asked is the \$250,000 the price including the new equipment?

Mr. Oliver responded no. It is not. The equipment prices will not be wrapped in with construction. You have to look at buy versus lease options also. Julington Creek Plantation just built an \$11M amenity center and they lease their equipment. The financing options are the assumptions that I made if the board of supervisors approves going forward with the project. The estimates I have made are assuming there are no other large projects folded in with this project, whether it is work done in the existing fitness room or playground equipment, etc. Right now the estimated capital reserves are \$656,000. The estimated cost of the expansion is about \$250,000 before equipment, so remaining funds in your reserve fund would be \$406,000. Your capital reserve study that was presented to you at your last meeting showed that we have upcoming capital repairs and replacements of about \$280,000 and that includes fiscal year 2011 through fiscal year 2016, so you have enough funds on hand to handle the upcoming capital improvements and still replenish that fund in time.

A resident asked and without an assessment, right?

Mr. Oliver responded that is correct, one option is without an additional assessment.

Ms. Griffey stated as Charlie said capital reserve funds are not usually intended to add onto the facilities. They are there for road repair, etc.

Mr. Oliver stated HOAs are mandated to have a capital reserve fund by Florida Statute. CDDs are not. We do not have the same restrictions. Charlie spoke from his background with the homeowners association but it does not apply to CDDs; however, that is why I mentioned for fiscal years 2011 through 2016 we have \$280,000 worth of anticipated costs. Those costs can shift forward or backward. We now have a good estimate for equipment costs of \$140,000. You could use capital reserve to fund it. You could accumulate assessments over time. You could

lease versus buy. There can be even public and private partnerships. There may be donations from other entities. The O&M costs are to be determined particularly with the utilities and a slight increase in property insurance. Those are the two biggest impacts on the O&M budget that I see. The financing options you have available is using the existing capital reserve funds. There is a favorable difference between the current earnings yield and interest costs of the bonds and loans. Right now, since you own this money and the yields are so low right now that right now you are probably earning less than a percent. A bank loan would still be very expensive. If you did use the capital reserve funds you could replenish the fund over a period of 10 years or longer and you probably want to match the funding of this equipment to the life of this equipment. By funding it over time and replenishing the capital reserves in the same manner that you have been doing over the years there would not be an increase in assessments; however, if you felt that you needed to replenish it more quickly you could certainly increase assessments and accelerate it. Another thing you could if you wanted to pay it all at once would be to levy special assessments and then pay those over time. Another thing you could do would be to issue a capital bond. The problem with bonds right now is the rates are not very attractive and also this project being at \$400,000 that is probably not worth it for an underwriter to go after that. Factoring in your transactional costs, especially with underwriting fees, it would be cost prohibitive. Then finally bank loans the credit department is pretty tight right now. Banks right now are more apt to loan for new construction rather than expansion of an existing facility.

Ms. Griffey asked can we use the capital reserve fund to add \$100 for the next four years to our capital reserve and increase everyone's assessments just \$100 a year?

Mr. Oliver responded you could and that is what I had under option 1C. If you were to consider doing that you would do that as you went through the fiscal year 2012 budget process. It would not impact this year's budget.

Mr. Thibault asked with option 1C what would be the assessment on an annual basis?

Mr. Oliver responded it is based on front footage, so it is different but it is around \$1,200 right now. As Bruce mentioned earlier you don't necessarily have to increase assessments. What I am telling you is there a way to do it if you wanted to move forward.

Mr. Hayes asked, "Jim, in your opinion how soon would we need to do anything to roads?"

Mr. Oliver responded 2021 and that is just an estimate though. It could even be further down the road. Mike and I could confer on that though.

Mr. Hayes asked so if I understand this correctly you are telling me we don't expect major road construction for 10 years?

Mr. Yuro responded that is correct.

Mr. Hayes asked and how much do we fund a year in these reserves?

Mr. Oliver responded this year you will be putting \$80,000 in reserves without increasing assessments.

A resident asked do you have any numbers to lease the fitness equipment and how does it affect maintenance because that seems to be an ongoing issue?

Mr. French responded what I have found are the majority of people buying strength equipment because the longevity of that is in the eight year range. Leasing of the equipment comes in on the cardio side and they set you up on a three year lease. Warranty on cardio equipment is three years. The warranty on strength equipment varies anywhere from one to two to three years depending on the piece of equipment. The three year warranty on cardio equipment then basically you are under warranty the entire time. When that lease runs out you bring in new equipment and take the old back and you continue the lease. From a financing side you can easily buy strength equipment at \$70,000 and lease the cardio equipment and then that number comes to about \$2,000 a month.

Mr. Haber stated because we are a unit of government and because we adopt the budget and then appropriate funds for that budget on an annual basis there are specific requirements with respect to governmental lease. A District needs to appropriate the funds to pay for that lease on a yearly basis, which means the lease needs to provide for the District to terminate it on an annual basis because if this board doesn't appropriate the funds to pay for that lease then we are not going to be able to pay for the lease. Some of the companies that lease the equipment want to increase those rates because they don't get the guarantee term of the lease.

Mr. Thibault stated I am a CPA and these leasing companies tend to make about an 80% margin on their leased equipment. If you do the math for these 11 pieces of equipment at \$24,000 a year it is \$2,000 a year per piece of equipment, so we are going to be paying in one year approximately what one piece of equipment costs in total. We will do the cost analysis. We currently contract with a company to come in and do preventative maintenance. They check



them and they replace things when they need to be replaced. We pay for the service already and it is not very expensive. From what I'm looking at we can replace five year life equipment every three years at the same price. It will cost us \$2,000 less to replace the equipment.

Mr. French stated people less because they can't afford to buy.

A resident stated I was a supply officer in the Navy. I was responsible for replacing the equipment on an aircraft carrier. I understand we had a bigger budget than most homeowners here. We had an equipment replacement program that replaced equipment every five years and you budgeted for that. Some of the equipment was good and you really didn't have to replace it and some of it was problematic and we had to repair it. You have the capital program where you would plan so much a year to replace this stuff.

Mr. Thibault stated I think we just need to drill down the numbers and look at what our options are.

Mr. Oliver stated I would like to talk a little bit about process. Over the next five years we are talking about \$280,000 for repairs and replacements and some of those are the basketball courts, the tennis courts, etc. In fiscal year 2011 we have money in reserves for basketball, fitness equipment, pool furniture replacement and that is \$33,000. In 2012 we have money in reserves for fitness room machines, pool pumps and filters, retention pond repair and tennis court resurfacing for \$44,000. In 2013 we have money in reserves for fitness room machines, parking lot seal coating for \$28,000. In 2014 we have fitness room machines, main pool resurfacing, pool deck repairs, wave pool repair, waive pool structure for \$110,000. In 2015 we have fitness room covering, fitness room machines for \$10,500 and then in 2016 we have basketball court resurfacing, basketball goals, exterior painting, fitness room machines and pool furniture replacement. Nothing is going to happen in terms of lease versus buy or selling equipment without John looking at everything real closely. We depend on him for a lot of the financial issues.

Ms. Bock asked can you give people an estimate on what it costs to resurface sections of roads, so they can see what a big cost some of these things can be?

Mr. Oliver responded for road resurfacing of phase one would be \$220,000. In 2021 for phase two it would cost \$165,000. In 2022 in phase three it would be \$100,000. In 2023 in phase four it would be \$131,000. In 2024 in phase five it would be \$76,000. In 2025 in phase

five it would be \$21,000. These costs are in the future. We don't know who will own the roads by then.

A resident asked is that just capping or is that hammering it off and then they pave?

Mr. Yuro responded I think that was based on a resurface.

Mr. Oliver stated based on the preliminary capital study we have increased the capital reserves without increasing assessments.

A resident asked is there anything built into the system that says the County is going to take those roads over eventually?

Mr. Oliver responded there is not.

A resident asked so we could be paying for them for as long as this subdivision exists?

Mr. Oliver responded that is a possibility.

A resident asked so some of the money that is laid out every year for the equipment couldn't that is applied?

Mr. Oliver responded absolutely. Should you want to move forward with this we would issue a request for qualifications from architects.

Mr. Haber stated it is the Competitive Consultants Negotiation Act that requires for a project that is going to be in excess of approximately \$300,000 that you have to go out for bid. Right now, I guess you don't really know what that amount is going to be. It is designed to get a unit of government the best price, as well as the best services. The way it works is an ad goes in the newspaper. You can add things to the notice like, must have worked with a unit of government or must have designed fitness facilities, so that way you know who you are dealing with. Then there are set guidelines on what you need to evaluate each of the proposals on. Once the proposals are evaluated they will not include price. They will only include the qualifications of each submitter and then you will rank those based on the qualifications and authorize a negotiation process whereby you go to the highest ranked and most qualified. If you are unable to negotiate a contract then you go to the second ranked and then the third ranked, etc. You are not obligated to do that process for a project that is only going to cost \$250,000. If you wanted to say to Jim I know three architects that are good, so can you call them and have them submit prices. To the extent that an architect puts a design together if you exceed that threshold that is going to be problematic.

Mr. Hayes asked if we did fall under the CCUA would we be authorized to request proposals from specific architects?

Mr. Haber responded it is an ad in the newspaper but you could tell Jim to definitely let these three companies know that we are doing this.

Mr. Hayes asked who did these facilities in the past?

A resident responded it was Will Pitts.

A resident asked can we just do a request for proposals instead of qualifications?

Mr. Haber responded no.

Mr. Thibault asked so are we going to do an RFQ and then an RFP?

Mr. Haber responded you are going to do an RFQ for an architect.

Mr. Oliver stated once you decide to go with RFQ process you will receive the qualifications back. The board will rank their qualifications and then negotiate with the top ranked architect. Once you do enter into a contract with some architect you would appoint a committee and the committee would work with the architect to come up with designs and bring back recommendations to the board. The board would select a design and the architect would fine tune the design. The committee would then review the proposals and rank them and bring the recommendations back to the board and then the board would award the contract.

Mr. Haber stated unlike the architectural review, the proposals that you would get back for the construction will have prices. You don't rank and negotiate. Typically, they will provide a copy of the contract and all the specifications that your architect draws up and you send that all out. Then you choose who you are going to award that contract to. Once you award that contract a contract is formed. There is no negotiating and going to the second one, etc. The amount for construction is about \$280,000. The notice on that needs to be on the street for 30 days.

Mr. French stated the budget number on this is \$221,000 and that is a not to exceed.

Mr. Oliver stated we are going to work in some costs for construction administration, architect, etc.

Mr. French asked can you give me an idea of how long this process would take?

Mr. Oliver responded I think with frequent meetings you could probably award a contract in five months.

Mr. Bob Smith stated I have come to many meetings and there are a large number of residents here that you do not normally see. I'm almost positive that everyone in here is for this expansion; however, it only represents a small percentage of the overall neighborhood. How are we going to get this information out to the rest of the homeowners?

Mr. Hayes asked how did you all find out about it?

A resident responded listening to people at the pool talk about it.

Mr. Oliver stated we will certainly continue to talk about it but based on another resident that attended he said to please hold another meeting before we make any decisions, so that everyone could have the opportunity. Anywhere along the way up to the point that you award a contract the board could pull the plug if for some reason they had to.

A resident stated I would strongly encourage the board to use other alternative methods of getting the information out, so parents that are home with their kids will know. Even on the website you had to go to the CDD link to find out about it. It wasn't obvious on the website.

Mr. Hayes stated the newsletter goes to everyone's home.

A resident stated I know some families will say what about the piece for the kids. I have a gym membership, so my 11 year old can go run on the treadmill there. He can go to spin classes. There are a lot of people who are going to want to know how this is going to affect their children.

Ms. Bock asked can there only be one of us board members on the committee?

Mr. Oliver responded when you have committee meetings they will be a publicly noticed. Any number of supervisors can be on it.

Mr. Hayes stated so we could have one committee meeting where public input is given. We could do a mailing if you wanted to do a mailing.

Mr. Rich stated I'm all about improvements to the community but how would the board determine what is the top priority for the neighborhood?

Ms. Bock responded we just had a reserve study done and every component that the CDD owns was analyzed, so we know with normal wear and tear what needs to be replaced and when. It was kind of a good time for this to come up because we don't have some pressing thing. We don't have pot holes on the tennis courts, etc. I think all of us feel very comfortable doing this now.

Mr. Rich asked how do we know that this particular project should be the project upon which we spend \$300,000 to \$400,000?

Mr. Hayes asked do you mean the expansion of this facility or just another capital project?

A resident responded like if someone says I think we should expand the playground or expand the pool.

Mr. Hayes asked do you have another suggestion?

A resident responded I would be all for heating the pool. How does the board arrive at how we are going to spend the money? I'm not saying you are doing things wrong by any stretch. For example, if we did a survey in the neighborhood and said here are 10 areas in which we could improve the neighborhood. I'm not here for or against any of these things. I just know that this kind of expenditure is probably only going to happen once, so let's do it in a way that everyone in the neighborhood says yes, that is where I want to spend the money.

Mr. Rich responded I think it has been overwhelming response from the folks that attend these meetings and other venues that this facility is not adequate for this size neighborhood.

A resident stated I think Dave made the valid point that it is a safety issue. If you are asking how do we categorize the importance of things then safety is our number one priority. The only way to prevent that from happening is for monitors to stand in there.

Mr. Rich stated I don't use the workout facility but to someone that wants to gate the community then you could make an equally compelling argument that it is about safety.

Mr. Hayes stated I have been on the board since last August and we have had plenty of meetings. Those people have ample opportunity, not only to contact us in the community one on one but to come to meetings. To answer your question, no one has raised recently that these are great concerns nor has our crime rate went up. Over the next six months if everything went smoothly they have plenty of time to bring it up and change our minds. They need to read the website, read the newsletter and come to the meetings.

Ms. Bock stated our budget is public and you get a copy of it. We don't meet under the table. We meet right here in public. We love it when you come to the meetings.

Mr. Thompson stated in defense of the board, they send out emails. This is a publicly elected board. You either want to participate or you don't. I may come to some of these meetings a little more often than other people but it is not crowded. It's not like a lot of people

are coming in here and saying I really want to talk about doing this. The meetings are held here and the meeting dates are published.

Mr. Rich stated I applaud people like David who take that kind of initiative. I just didn't know if this was the result of a survey where the majority of the neighbor said of all the things we could do this would be the top of the list.

Mr. Thibault stated we have already addressed the guard gate issue. We really looked at a cost effective approach to making the neighborhood safer and less crime ridden and that was to hire a fulltime security guard and having some more JSO officers, which I guess is much more effective according to studies. It would have to be a soft gate. Technically, you wouldn't be able to stop everyone.

Mr. Rich stated I would suggest putting a splash park in and updating that wade pool to something that all the children could use.

Mr. Hayes stated we could put something on the website as a suggestion box to see what the feedback is.

Mr. Rich stated I was shocked when I heard the pool wasn't heated.

A resident asked what is your process to continue the movement towards the goal instead of waiting until the next month to get more feedback?

Mr. Thibault responded I think it is like any other municipality. You hold a meeting and its publicly noticed and these are the issues and this is the agenda. There are a few meetings prior to the final vote where the issue is addressed and discussed and if no one comes out and there is no feedback then the board is going to act on behalf of the municipality or neighborhood.

Mr. Hayes stated if we start tonight and move forward with it then it would be November before we could break ground.

Mr. Oliver stated if the board is inclined to move forward then you could authorize staff to issue a request for qualifications. At the same time you could certainly take some type of poll using the website or email blast. You can gather additional information as you work through the process. The final approval wouldn't be until there is a contract in front of you.

Mr. Randolph stated we have ample time for the community to come together as a whole and stand up and say they don't want this.

Mr. Oliver stated tonight you could issue an RFQ for architects in accordance with the CCUA and at the same time you could gather some information.

On MOTION by Mr. Hayes seconded by Ms. Bock with all in favor Issue an RFQ for Architect Services was approved.

A resident asked is this money the CDD money?

Mr. Oliver responded right.

A resident asked isn't there an HOA fund also?

Mr. Oliver responded there may be.

A resident asked that is for different things?

Mr. Oliver responded right.

A resident stated so maybe some of the things that are brought up here would maybe go more to the HOA fund than the CDD.

Mr. Hayes stated the problem with that is the CDD actually owns the property and the HOA don't have any ownership to it.

Mr. Haber stated in connection with the RFQ when you get the proposals back you will need to evaluate them. This is a sheet that is a recommended way to evaluate them. Essentially what it does is if you look in the actual advertisement I sent you the bullet points and they are the absolute requirements under Florida Law. Those are the evaluation points and those are listed under the criteria. Then you would just rank them one through five. The top two are the requirements. They have to be licensed. They have to be a valid corporation. You will note that there are blanks in the second paragraph in the RFQ advertisement that has to go with respect to experience with a governmental body, experience with a CDD and also experience with designing and expansion for a fitness center in an amount not to exceed or square footage. If you want to include those types of things as requirements for being entitled to submit an RFQ now is the appropriate time to fill in those blanks. The items in the second paragraph on the ad are not required. They are only suggestions to try and narrow and get the most qualified submittals.

Mr. Yuro stated the board needs to realize that with an RFQ there is no pricing involved, so you need to make sure that the category you are going to grade them on can give you enough information to make a decision as best suited. It is easier with a construction bid because you look at the lowest price.

Mr. Haber stated following the CCNA specifically it is a competitive negotiation process that is required by Florida Law, so prices are not a part of it.

Mr. Thibault asked so we cannot add that?

Mr. Haber responded you cannot but because you are below the threshold you can create your own process. What I have recommended here is what you would be obligated to do if the estimated amount of the project was going to be in excess of the \$320,000.

Mr. Hayes asked so we could take what we figure to be the top three firms professionally and say give us the dollars?

Mr. Haber responded no. You would rank them strictly on their qualifications. Price would not come into their ranking whatsoever. You don't communicate with all three and say give me your price. You go to the first ranked firm and you get into negotiating.

Mr. French asked if they wanted to have an idea about price could they include an hourly rate and have that be one of the criteria?

Mr. Haber responded I don't think so. I will look into. Because you are below the threshold you can do whatever you want.

Mr. Oliver stated the process is not all the cumbersome. You rank the firms and you talk to the first firm and if they are not in the ballpark then you talk to the second firm. This is not strung out for months. You reduce the event of being challenged by using this process.

Mr. Haber stated I think you could get a feel for the market by speaking to people. You just can't speak to the folks that you ranked to have them compete with each other on price because that is not what the law allows you to do.

Ms. Bock asked when you have this negotiating meeting is it done at a public forum?

Mr. Haber responded no. You guys rank them and then authorize staff to contact the highest ranked firm. Then you start discussing prices and if you can't reach a price you then go to the next ranked firm.

Mr. French asked can we just pick the architect that did this originally?

Mr. Oliver responded I think what you will find is that with the evaluation criteria that particular architect would have some scoring advantages.

Mr. Hayes stated I would feel more comfortable from hearing from two or three companies and ranking them.

Mr. Oliver stated I'm sure when that request for qualifications came in from that particular architect they would have this original project listed, so they would get the maximum points.



Mr. Haber stated the criteria that are listed there you are obligated to look at assuming you are going to follow the CCNA. What I was looking at was the ad itself in paragraph two, specifically with respect to additional obligations and the two that come to mind are previous experience with a governmental unit and previous experience designing expansions of amenity facilities, so that way if you have an architect that has never designed that type of thing they are automatically excluded from submitting an RFP. There is some benefit, so you know you are getting people with experience but there is also a downside because you are narrowing the scope of who you may get. It is up to you. You don't have to put any of those requirements. You are not obligated to do that by law.

Mr. Hayes stated personally I think the scoring is a pretty generic build out but in this environment you maybe able to whittle it down and see if they need to have experience in constructing fitness centers.

Mr. Thibault stated I think the key behind them having experience with fitness facilities is because of all the power that goes to these units.

On MOTION by Mr. Randolph seconded by Ms. Bock with all in favor Evaluation Criteria to Include Previous Experience with a Governmental Unit & Previous Experience Designing Expansions of Amenity Facilities was approved.
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Mr. Hayes stated I like the geographic location.

Mr. Haber stated the bulleted ones are required by law.

Mr. Thibault asked what does it mean when it says whether a consultant is a certified minority business enterprise?

Mr. Haber responded that is defined term but it is essentially a certain number of employees of the business are minorities.

Mr. Hayes stated it also relates to the owner of the business.

Mr. Randolph stated that is the thing because I think most governments have to have 20% of the work on a project has to be minority owned businesses.

Mr. Haber stated no. That is a factor to take into consideration in evaluating them but you are not subject to those percentage guidelines.

Mr. Haber stated this only has to be in the newspaper for 14 days then. I don't know when the next scheduled meeting is but we should definitely be able to have proposals back in time for that meeting. At the last meeting I indicated that we heard that the District's Engineer, Hill Boring let their insurance lapse and since that meeting we have been able to confirm that to be the case. My recommendation is that the board move to terminate the agreement for being in breach of the agreement. Their agreement obligates them to provide insurance and then likewise authorize the publication of this CCNA ad, which would be to get proposals for an engineer. The reason why you need to go through that is if you are going have a continuing contract that doesn't have a set timeframe then you need to go through the CCNA process. Architects, as well as engineers are covered by that process. This ad would be published and then at the next meeting we would bring proposals for engineering services. I would look for a motion to terminate the agreement with your current engineer.

Mr. Thibault asked was it a lapse in procedure?

Mr. Haber responded I don't think so. I think it was the economy.

Mr. Thibault asked did we reach out to them to see if they had intent to go out and get that insurance?

Mr. Haber responded I spoke with Jack and I asked what happened and is there intent to re-update. I wanted to give him the opportunity. He expressed to me that he had nothing to do with it and he is very embarrassed about the whole thing. It was his understanding that there is no intent to get new insurance.

On MOTION by Mr. Thibault seconded by Mr. Randolph with all in favor to Terminate the Current Agreement with Hill Boring & Dunn for Engineering Services was approved.

On MOTION by Mr. Hayes seconded by Mr. Randolph with all in favor Authorize to Issue an RFQ for Engineering Services was approved.

**THIRD ORDER OF BUSINESS**

**Discussion of Playground Improvements**

Mr. Yuro stated the playground is in need of some repairs and some upgrades. In pursuing costs to get those done I have also had a number of residents come to me expressing the desire to change the playground. It is not real good for kids playing in it. There are also some potential

security issues with the existing playground structure. Our security guards have to run kids out of there in the evenings. I brought it up at the last meeting to the board that in my opinion something needs to be done. At a minimum we need to fix and upgrade what we currently have or as an alternative look at other options to maybe make a more useful space for the community. I am presenting to the board one option and what I tried to do is I gave the board a cost based on a proposal we got from Southern Recreation to come out and fix what needs to be fixed, which is what you see on the top. It totals about \$9,500. One possible upgrade option on the next page and this would be us removing the current structure and replacing it. I tried to think about getting something for each age group we have from toddlers to elementary school kids to the middle school kids and even to the teenagers or adults. We can add some smaller elements, which are spring rockers for the toddlers. We could add a structure like the one of the top for the elementary school kids, which is in some of the other neighborhoods. The middle one is more for the middle school kids and it is more of a fitness type thing with monkey bars and chip up bars. Then even possibly doing something like a beach volleyball court for the older kids. Behind that are just more options of different types of structures. As a quick summary we could spend about \$9,500 just to fix what we have out there now, which would be to fix the slide that is broken and bring in new mulch and add a few of the smaller elements for the toddlers. The total cost of what I just showed you are about \$35,000 to bring in these new structures. There would be an additional \$2,500 to demo and remove what was there, although I will tell you I have had several residents offer to do it as a community event. The costs that I shown you in the table include installation. Typically installation is about 25% to 30% of the cost of the structure. A couple of other things I was asked to look into was for the ground surface. The certified mulch is what I am showing in the total and that is about \$2,000 to get about six inches of new mulch. The rubber mulch is about \$14,500 for four inches thick. It is in the neighborhood of five to 10 times more expensive for the rubber mulch based on the quote I got. I even looked at sand. There is a company that can bring in a bulk load of sand. The sand is still more expensive than the mulch. Two other things that I would mention is that the HOA brought up that there were some reserve funds. Our next HOA meeting is in a couple of weeks and my understanding is one of the supervisors is going to bring back a recommendation as to if it is a possibility to help contribute towards the playground. The only other thing I was going to mention was if the board is agreeable to move forward with the new option my suggestion would be to set a threshold

dollar amount and allow myself of Jim or whoever to work with a representative to fine tune it. I picked what I saw would fit and satisfy the needs but maybe there is something that would work better.

Ms. Griffey asked did you do an initial layout to decide whether it is going to fit in the space?

Mr. Yuro responded I looked at it and I think it will fit. My recommendation would be to keep the swings. It may be that the swings have to be moved and reconfigured.

Ms. Griffey stated we don't want to purchase something and then find out that we have to chop the trees down.

Mr. Yuro stated that is the reason I would like to have the ability to work with a vendor to come in and make sure the layout works.

Ms. Griffey asked where would the volleyball court go?

Mr. Yuro responded there is plenty of room. My thought would be in this area next to the structure. These elements would generally go inside what we currently have. The only thing that would be outside of it would be the volleyball structure if you chose to go that route. There is plenty of distance from the soccer facility. It kind of slopes down and then there is a no man's land. I have never seen anything as far as athletics used in that space.

Mr. Hayes asked do you have a ballpark of what the HOA could contribute?

Mr. Yuro responded my recollection is there is plus or minus \$40,000. I can follow up. We have another meeting here in a month. If we wait until the next meeting it will be after the HOA meeting and we can get information for sure on what the HOA may be able to contribute. If you want to wait and review what you have and make a final decision at the next meeting that is okay to or you can vote to move forward and see if the HOA can kick in some money.

Ms. Bock asked is that an okay thing for the HOA to give the CDD money to do this?

Mr. Hayes responded I don't think they would need to have that much on reserve.

Mr. Yuro stated the discussion at the last HOA meeting was some of the reserves were for people that in foreclosure and are not paying their fees. There is need for some reserves but likely not needed for all of that.

Ms. Bock asked how many people think this needs to be done because we have not had people come here and complain about it?

Mr. Yuro responded I brought it up because there are repairs and the mulch that need to be done. I don't know if this is something that the whole neighborhood would think this is a great idea. Something has to be done. I didn't want to get into the position where we are spending \$5,000 to \$10,000 repairing a slide. Since the last meeting I did try to talk to as many of the neighbors as I could and it was unanimous with the people I spoke to that it was a great idea. They would like to see a change in what the structure is.

Ms. Bock stated this might be something we need to include in the survey.

A resident stated we can put it on the agenda for the next meeting and get the word out that individuals need to come and give us their input.

A resident stated I walked over there and looked at the mulch situation and there is a pile of dirt.

Mr. Yuro stated there are some things that need to be done.

Mr. Hayes stated why don't we find out what the HOA can pony up because the financial aspect is always important and then at the next meeting we will have that information.

Mr. Yuro asked how would you like us to do a survey?

Ms. Griffey asked is this an opinion on what you are going to put there?

Mr. Yuro responded this could be emailed or put on the website and shows an example of the types of structures we are considering.

Mr. Hayes stated let's get her to update the website.

Mr. Oliver asked in regards to your survey are you talking about a menu of possible improvements, such as pool hearing or a volleyball court, etc.?

Mr. Hayes responded I think we are talking about doing multiple surveys at this point. This is kind of yes or no thing at this point. Do we fix it or do we replace it?

Mr. Thibault stated I think initially we just need comments on the playground, like does it need to be replaced, fixed, etc.

Ms. Bock asked did anyone come to talk about the playground tonight?

Mr. John Brown responded there is a safety issue of splinters there and I agree that the slide is an accident waiting to happen. It is an embarrassment to the community. We are all trying to increase our property values. I think we should completely gut it. If we are going to spend \$9,000 to repair it then why not spend another \$10,000 to \$15,000 replacing it all. My

family goes across the street and uses all the playgrounds around St. Johns Golf & Country Club. They rarely go to this one because it is in such poor condition.

Ms. Bock asked how do we avoid splinters if everything I see on here is wood also?

Mr. Yuro responded if you look at a lot of the pieces the rails are either of plastic or metal. The posts and the platform are wood.

Ms. Griffey asked do we have to abide by the homeowners covenants and restrictions?

Mr. Haber responded I don't think we do.

Mr. Yuro stated the posts and the structure and platform are not what concern me. What concern me are the rails. I will work with Heather and get this scanned in and either do an email blast or get it on the website to see what the community thinks and I will bring it back at the next meeting.

#### **FOURTH ORDER OF BUSINESS**

#### **Discussion of Proposed FY11 Budget**

Mr. Oliver stated you approved the budget at the May 26, 2010 meeting. You scheduled a public hearing for the budget on July 28, 2010 at 6:00 p.m. It will be publicly noticed. There is no increase in assessments this year and there was not an increase in assessments last year.

Mr. Thibault asked can we change the budget at this point?

Mr. Oliver responded yes. You can also change it at the public hearing. You just can't increase it.

Mr. Haber stated if you wanted to increase the budget, you would need to do it 30 days in advance. In large part because if you are going to increase the budget it is going to result in an increased O&M assessment and if you are going to increase O&M assessments you have to give a 30 day advanced notice of that public hearing. The deadline to get the assessment roll to the County is what?

Mr. Oliver responded September 1<sup>st</sup>.

Mr. Haber stated if July came and something came up and you said we absolutely need to increase the budget you would probably need to continue the July 28<sup>th</sup> meeting and immediately send notice out of a public hearing to levy an O&M assessment and then continue the meeting 30 days down the road. You wouldn't adopt the budget on the 28<sup>th</sup>. You would continue both the hearing of the budget adoption and set a hearing to levy O&M assessments and then do that at a later time, so you are absolutely aren't barred from doing it but it certainly complicates things.

Mr. Thibault stated I think if we are going to do anything we should do it now. We are outside of 30 days. The only reason I bring it up because Brenda had a valid point about increasing the assessments by \$100 and I don't disagree with it. If we seem really interested in moving forward with a project, whether it is expanding the fitness center or not I think we need to start budgeting for that now. It comes out to be \$10 a month and I think most people in this community can afford \$10 a month. I would like to start planning for that now because if we wait until next year at this time you never what is going to happen.

Mr. Oliver stated I see this as probably more of a fiscal year 2012 issue because if you move forward in contract then you are not talking about completion of this thing until probably the Spring. Also, you would be assessing for something that may not happen. I will tell you that \$5 or \$10 a month may not seem like much but I get a lot of phone calls when assessments go up.

Mr. Haber asked your proposed increase would just be increasing the amount that is going to the reserves, such that it would result in a \$100 increase for every resident?

Mr. Thibault responded right.

Mr. Oliver stated the majority of the board is going to have to give me direction to do that.

On MOTION by Mr. Thibault seconded by Ms. Griffey with Mr. Randolph voting aye & Ms. Bock & Mr. Hayes voting nay to Amend Proposed Budget Increasing Assessments \$100 per lot a year motion passed 3-2.
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Mr. Hayes asked we have the funds available, so why are you causing the storm now?

Mr. Thibault responded my opinion is we are spending the money, so we need to account for it. We need to be responsible for the money we are going to spend. We can't leave it on some other board. Every government should take that stand.

Ms. Griffey stated I feel like the capital reserve fund is there for what the capital reserve fund is meant to be there for and not to add additions.

Mr. Oliver stated we will put that in the proposed budget. There will be a public hearing, so people can come and provide their input.

Ms. Griffey stated you cannot use all your capital reserve money for everybody's wants, so if everyone wants then the money has to come from somewhere and then you don't use all your savings.

A resident stated all I am hearing is the whole plan is a plan now. It could change at anytime. It could stop at anytime. If you guys agree to do the expansion and that is what everyone wants then that process is added into the budget.

Mr. Thibault stated we can only change the assessments once a year.

Mr. Oliver stated let's talk about the financing option, which is levying special assessments, specifically for this project. If you do go to construction regardless of the budget cycle you have a public hearing to consider levying special assessments, which right now you are talking about levying assessments, so this would be something you did at the time that you approved construction, correct?

Mr. Haber responded yes. It would just be an additional special assessment outside your budget process. Are you suggesting that they would do a special assessment that would bring in all the funds at one time?

Mr. Oliver responded over a set amount of time.

Mr. Haber stated you can do that but it is quite simpler efficiency wise to just include a line item in the budget that says capital improvement. You would just be paying yourself back instead of increasing your capital reserve. You could have a capital improvement line item and use that money to pay yourself back for the money that you are taking out of the reserves. One thing on your motion and it is really just a formality but I think your motion was to increase assessments. What your motion should be is to amend the budget to increase the capital reserve line item by \$80,000. You can't increase assessments unless you have a public hearing, so your motion is not to increase assessments. Then when you get to your hearing and you have a hearing on assessments then it would be to increase assessments. It would just be a motion to increase the budget.

Ms. Griffey asked so you are saying that once we approve it then we can levy, so what do we have to do for that then?

Mr. Haber responded you would have to go through a public hearing and you have to notice it. It would be a separate assessment from your O&M assessment.



Mr. Gary stated I think we should go with what we have and then let the whole process play out around the fitness center and the playground and then decide how you feel about how much money we need.

A resident stated I think he makes a valid point. I agree with the intent behind of paying it but because the numbers are not complete yet we don't know if that assessment is too much or not enough. Are you saying that the assessment is to pay for the improvements? You would need to know that because you are making a proposal to justify it. You make a proposal for this gym that you could pay it off in one year, three years, five year, so that would effect the amount of the assessment. I think you are jumping the gun making the assessment. You might want to say to amend it to include an assessment based on the cost of the gym equipment.

Mr. Thibault stated we can't change it after three days from now. We can't increase it.

A resident stated I think we need to establish some kind of plan as far as why we want the money and how much it are going to be and how we are going to pay for it.

Mr. Hayes stated I respect your position that government that wants to pay for it before they spend it but unfortunately if you put an assessment then you are basically saying we are approving the gym and we are going to hit you for \$100 because that is what is going to be perceived. We have the funds in there to do our due diligence. You will hear people scream about the \$100 increase and we haven't even actually gotten an architectural firm to tell us how much it might cost.

Mr. Thibault stated if this goes through at the estimated cost of \$390,000 then next year's amendment will be \$122 per household.

A resident asked why is that?

Mr. Thibault responded because that would be the four year payoff. In my opinion we only have four years to pay back what we spent. Everybody on this board will have the opportunity to be off the board by then and by that point it is someone else's decision to raise assessments.

A resident stated I would like to second that. I think we should put money away ahead of time, so that we can have that change in the future.

Mr. Thibault stated look at how many people are looking to sell their house in the next five years.

Mr. Hayes stated unfortunately we are a governmental entity and we have to make the decision in 30 days. I have already committed myself to work out more after the 4<sup>th</sup> of July. I could do it today but we don't have that type of timeline. We are going to have everyone show up and say you are putting a \$100 assessment on because you are saying we are going to do the fitness center but we haven't gotten that far.

Ms. Griffey stated the reserve fund is all our monies that we put in to save for things that need major repairs. I am willing to do a special assessment.

Mr. Thibault asked where does the cash come from on April of next year when we have to pay the construction company \$200,000 for the building they just put in the ground?

Mr. Oliver responded I would take the cash out of capital reserves and replenish it.

A resident stated I feel like I'm listening to a knee jerk reaction and having spent the money on a capital reserve study.

Mr. Thibault stated but you have to remember that capital reserve study already tells us to put \$80,000 to \$95,000 a year away just to keep up with the current capital needs.

Mr. Oliver stated this budget incorporates the suggestions from the capital reserve study. You are accumulating capital reserves at the rate of \$70,000 to \$80,000 a year. I just want the board to understand that if we do assess for a project that may or may not happen, there will be difficult questions to answer. I will do my best to explain when phone calls come in, but I don't want them to have the impression that this construction project is automatically going forward.

Mr. Hayes asked so what you are saying is you could receive a phone call and they ask you why are we getting this \$100 assessment and you would have to say because we are thinking about expanding the fitness center?

Mr. Thibault responded the answer is we are increasing our capital reserve.

Mr. Oliver stated I am telling you that the budget you have in front of you meets the requirements of the capital reserve study. I can say you are going to keep increasing the capital reserve but it's not to meet the capital reserve study.

Mr. Thibault stated that is true and I agree with that but what we are ultimately doing is increasing our capital reserve. If you think we are not going to incur costs before the next budget you are insane.

Mr. Hayes asked can you recite to me tonight what decision we made tonight that costs us money?

Mr. Thibault responded the point is we have one opportunity each year to increase the budget. We are not going to increase the budget and we are not even going to do a special assessment until the project is underway, correct?

Mr. Oliver responded what you were talking about earlier when the board made a motion to amend the proposed budget, so that you would send out mailed notice to let them know we are going to increase your assessments by \$100 a year because we want to increase capital reserves.

Mr. Randolph stated I just want to know that the board is getting more than anecdotal information presented to them when they make such a decision. What I like about John's proposal as opposed to attaching an assessment to any proposal is Tracy is right as soon as you attach a cost to this proposal for the playground, the pool or anything you are going to kill it. We all know no one wants to pay \$2 more a year even if it is going to drive the value of their home \$10,000. By saying we are going to raise the assessment ahead of time says we are going to consider all kinds of possible improvements to the neighborhood and we want to do what is financially prudent and have that money ahead of time.

A resident asked what happens if the proposal is knocked down? Then you drop your amendment to the budget then?

Ms. Griffey responded it would be too late then.

A resident stated I agree with what you want to do but I just think we are putting the cart before the horse. I agree that we should collect the money and pay for what we get.

Ms. Bock stated I think it should go to the next meeting, so people understand that there is a good intention that their assessments will go up.

A resident stated I think you are making a good point.

<p>On MOTION by Ms. Griffey seconded by Ms. Bock with Mr. Hayes voting aye &amp; Mr. Thibault &amp; Mr. Randolph voting nay to Approve the Proposed Budget back in its original form motion passed 3-2.</p>
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Ms. Griffey stated when the homeowners come and they say this is wonderful and everyone is for it that it should be made a point that there is a good possibility that your assessments are going to increase.

Mr. Thibault stated but it does not eliminate the safety factor that we have inside the fitness center. This was brought to us and we extended our meeting three weeks, so we could bring people in here to talk about this issue, so obviously it is a very important issue. In my mind, it looks like it is going to be done, so why not pay for it in advance.

A resident stated three weeks ago one of the problems was people falling back off the treadmills and I asked to reverse them and then it wouldn't happen and they have not been reversed.

Mr. Oliver stated Mike inspected that issue the next day or so.

A resident stated when I first came here six years ago there was two treadmills in here and one stationary bike and we had enough room in here. Now we have three more machines and they are taking up a lot of space in there. They did cram more equipment in there than what the room is probably designed for. I have been up here 15 times and every time I do I look inside. I admit I haven't come at 6 in the morning or at 5 at night but I have yet to find a lot of people in that room. If that is the case do we really have enough people to warrant adding this extra room on and an increase in taxes? I'm sure there are some foreclosed homes in this neighborhood and there are probably quite a few of them that are close to being foreclosed on. I hate to lose neighbors just because some people want a bigger gym.

**FIFTH ORDER OF BUSINESS**

**Next Scheduled Meeting – July 28, 2010 @ 6:00 p.m.**

Mr. Oliver stated the next scheduled meeting is on July 28, 2010 at 6:00 p.m.

**SIXTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Ms. Bock seconded by Mr. Thibault with all in favor the Meeting was adjourned.

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Secretary/Assistant Secretary

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Chairman/Vice Chairman