

**MINUTES OF MEETING
JULINGTON CREEK
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Julington Creek Community Development District was held on Tuesday, September 13, 2005 at 6:00 p.m. at the Bartram Trail Branch Library, 60 Davis Pond Boulevard, St. Johns County, Florida.

Present and constituting a quorum were:

Susan Beaugrand	Chairman
Kathy Minnis	Vice Chairman
Al Abbatiello	Assistant Secretary
April Spears	Assistant Secretary
Brian Pincket	Assistant Secretary

Also present were:

Holly Donahue	Manager
Jonathan Johnson	Attorney
Matt Maggiore	Engineer
Tom Jenks	Pappas, Metcalf, Jenks & Miller
William Rizzetta	Rizzetta & Company
James Perry	Governmental Management Services
Craig Wrathell	Wrathell, Hart, Hunt & Associates
Stacie Hernandez	YMCA
Greg Coop	YMCA
Several Residents	

FIRST ORDER OF BUSINESS

Roll Call

Ms. Beaugrand called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the August 9, 2005 Meeting

Ms. Beaugrand stated each Board member received a copy of the August 9, 2005 minutes and requested any additions, corrections or deletions.

Mr. Abbatiello stated on page six, the next to the last sentence of the first paragraph should read proceeding together. On page seven, the first sentence should read in front of PGA.

On page 38, the third paragraph from the bottom, the correct domain name should be JCPCDD.ORG.

Ms. Spears stated on page 17, in the third paragraph from the bottom it was a resident who responded they can be found in the library, not Ms. Spears.

Mr. Johnson stated on page one in the second order of business, the first sentence should read July 12, 2005 minutes. On page 16, the second paragraph should read a resident instead of residence.

On MOTION by Ms. Minnis seconded by Mr. Pincket with all in favor the minutes of the August 9, 2005 meeting were approved as amended.

THIRD ORDER OF BUSINESS

Consideration of Resolutions

- A. Resolution 2005-9, Rescinding Resolution 2005-2 and Designating Holly Donahue as Secretary and Jean M. Rugg as Assistant Secretary**
- B. Resolution 2005-8, Rescinding Resolution 2005-1 and Designating Janice Moen Larned as Treasurer and Edward Goscicki as Assistant Treasurer**

Ms. Donahue stated Resolution 2005-9 designates myself as Secretary and Jean Rugg as Assistant Secretary in order to keep the paperwork flowing because of the turnover within our organization.

Resolution 2005-8 designates Janice Moen Larned, our new Financial Director, as Treasurer and Edward Goscicki as Assistant Treasurer.

Ms. Beaugrand asked are these resolutions to replace officers who left the company?

Ms. Donahue responded yes, except for Ms. Ellis who will work on assessments.

Ms. Minnis asked what is the difference between Secretary and Assistant Secretary?

Mr. Johnson responded certain State filings prefer a Secretary's signature and usually someone in the management company submits these filings. We have a number of Assistant Secretaries because other documents do not require this level of formality, so a Board member or a member of your staff who is an Assistant Secretary can countersign.

Ms. Minnis asked does the Secretary attend the meetings?

Mr. Johnson responded the manager assigned to the District usually serves as Secretary.

On MOTION by Ms. Minnis seconded by Mr. Abbatiello with all in favor Resolution 2005-9, Rescinding Resolution 2005-2 and Designating Holly Donahue as Secretary and Jean M. Rugg as Assistant Secretary was adopted.

Ms. Minnis asked what are the responsibilities of the Treasurer?

Ms. Donahue responded the Treasurer signs the checks and is responsible for the financials.

Mr. Johnson stated the Treasurer also signs the annual financial reports filed with the State and transmits your audits to the auditor for approval.

Ms. Minnis stated the reason I ask is because we never see these people and usually have no contact with them.

On MOTION by Mr. Abbatiello seconded by Mr. Pincket with all in favor Resolution 2005-8, Rescinding Resolution 2005-1 and Designating Janice Moen Larned as Treasurer and Edward Goscicki as Assistant Treasurer was adopted.

Ms. Beaugrand stated before I go any further, I want to comment on the number of residents in attendance. If there is an item on the agenda you wish to comment on, comment cards are provided to fill out and bring up to the front table. A separate time is set during the meeting for general audience comments for which you do not need a comment card. I want to ensure the audience is clear on our procedures in order to keep the meeting orderly and moving along.

FOURTH ORDER OF BUSINESS

Consideration of Contract with YMCA for Management of the Recreation Facility

Mr. Johnson stated the changes reflected within the contract are due to updating the staffing positions anticipated and costs reflected in your current budget. This takes the budget assumptions made in approving the line items relative to the operation of the amenity center and puts them into context. There is nothing new in here that was not in your budget. Substantively in terms of the operational provisions of the agreement, it remains the same agreement as we signed in previous years.

Ms. Beaugrand asked is it imperative we approve this now because our contract expired?

Mr. Johnson responded the contract expires at the end of this month.

Ms. Beaugrand asked do you need more time to review the contract?

Mr. Pincket responded yes.

Ms. Beaugrand stated we will move it down on the agenda and come back to it later.

FIFTH ORDER OF BUSINESS

Consideration of Matters Related to New Recreation Facility

Mr. Johnson stated as we discussed at the last meeting, Mr. Basham is in the process of placing a surveyor on site to perform a wetlands delineation for the Rayland parcel. Ms. Beaugrand has a copy of the final delineation that was accomplished between our last meeting and this meeting, and the upland lines have shifted slightly. The dark green line reflects the new upland boundaries and the yellow highlights the old boundaries. We lost approximately one-tenth of an acre between the original anticipated boundary and where the wetlands have been mapped. In essence, there is a piece on the bottom that shifts over to the right-hand side. Given this information, we need Rayland to revise the legal description in the purchase contract. This is our next step and we will then determine the impact it will have on the approval process. The loss of one-tenth of an acre could have an impact on the loss of a bocce ball court or possibly something else if we cannot go back and reconfigure the legal description.

Ms. Beaugrand stated it appears what we have taken off the southern border is approximately equal to what we are adding to the easterly border. From a land use perspective, it is not materially different. When Mr. Jenks from Pappas, Metcalf, Jenks & Miller, who represents the CDD on this land purchase issue, and I were on the phone with Rayland's in-house counsel, Ms. Terwiliger, I asked her approximately 15 times what would happen if our wetlands survey came back showing the uplands shifted since the GPS survey. I never received an answer of any significance. I only hope they will be reasonable and answer us in a timely manner.

Mr. Jenks stated Rayland's biggest problem was the original drawing created a gap.

Mr. Jenks indicated on the map the land in question.

Mr. Pincket asked will we ask Rayland for more property?

Mr. Johnson responded no. We will ask them to change the legal description so we do not lose the one-tenth of an acre.

Ms. Beaugrand stated we are talking about taking away one polygon and adding another polygon and it looks approximately the same. We still anticipate purchasing approximately 27 acres. We will not know the actual square footage until it is physically surveyed.

Mr. Pincket asked will they be flexible with us once we have laid it out or will we start the process all over?

Ms. Beaugrand responded I asked Ms. Terwiliger numerous times and she avoided the answer. It is a material change for us in functionality and not material from Rayland's perspective. We are dealing with bureaucracy within the company.

Ms. Minnis asked is the land bordering this another proposed DRI?

Ms. Beaugrand asked what DRI are you talking about?

Ms. Minnis responded Durbin.

Ms. Beaugrand stated we are contiguous to Aberdeen. There are approximately 1,000 acres between Durbin and Aberdeen and those DRI's have been approved.

Mr. Pincket asked to what extent will this process slow down our process?

Ms. Beaugrand responded I cannot answer that.

Mr. Pincket stated we have a timeline. Can we continue to do some of those things while we negotiate?

Mr. Johnson responded yes, assuming we do not spend six months on this.

Mr. Abbatiello asked do we have a timeframe when this goes back to Rayland?

Ms. Beaugrand responded as soon as Mr. Jenks has a drawing to send to them.

Mr. Johnson stated Mr. Basham provided a marked-up version based on the wetland survey.

Ms. Beaugrand asked do you want to discuss the major and minor modifications?

Mr. Johnson responded it is too early to tell whether the change in the upland location affects us from a buffer perspective and how much land we have to leave between our developed and adjoining property. Also, whether it causes us to trip the 10-acre threshold for a major or minor modification. This is something we will need to evaluate.

Ms. Beaugrand stated to clarify, it is a major or minor modification to the land use plan in this entire area.

Mr. Johnson stated once we get the final sketch of survey we will make the evaluation and I should know by the next meeting.

Ms. Beaugrand stated today we want a general consensus from the Board on whether we need Rayland to do a modification to the boundary. In my opinion it makes sense because we cannot afford to lose any uplands, even if it is only one-tenth of an acre.

Mr. Johnson stated nothing we learned causes me or your staff to recommend you abandon the purchase of the property. We are still on the normal course of working through the real estate transaction.

Ms. Minnis stated I agree. One-tenth of an acre is something we cannot afford to lose and it is worth the effort.

Ms. Beaugrand asked can you communicate with Mr. Basham to provide the drawing to Mr. Jenks?

Mr. Johnson responded yes. Mr. Jenks will deal directly with Rayland.

SIXTH ORDER OF BUSINESS

Consideration of D.R. Horton's Offer to Sell Parcel 52 to the District

Mr. Johnson stated I received the Letter of Intent to Sell Julington Creek Parcel 52 from D.R. Horton soon after their public workshop. I asked Mr. Jenks, our outside counsel, to attend today to work with you directly on the terms of the offer and whether it is your desire to move forward.

Ms. Beaugrand stated \$900,000 is a lot of money for three acres of uplands. We have not had a chance to speak with Mr. Basham to consider what could be built on this land. Obviously, it will be a nice fallback if we are unable to purchase the Rayland parcel. It appears the Rayland parcel is feasible at this time but I am not sure we are in the position to take action without knowing what purpose it will serve.

Ms. Minnis asked on the acreage we purchased, is this price per acre equivalent to that price per acre?

Ms. Beaugrand responded no. If I remember correctly, we were at the equivalent of \$175,000 per lot for Parcel 50 with the potential for platting three lots on the site so that will be \$450.

Mr. Pincket asked when did we buy that parcel?

Ms. Beaugrand responded last year. They consider a large estate lot on this type of property to be in the \$250,000 range. In today's market it is not an inappropriate price for an estate lot in northwest St. Johns County. I am not an appraiser but from what I see in my business, it is not out of line. It is equivalent to \$300,000 an upland acre from a development perspective.

Mr. Abbatiello stated in addition to the \$900,000, we have to think in terms of developing the land and what the additional costs will be. Overall costs will be well in excess of \$1 million and it is too pricey for us. The 27 acres we are purchasing should fulfill all our needs.

Mr. Pincket stated we do not necessarily need to develop it immediately if we feel there is long-term use for it. I do not think necessarily there will be additional costs. My concern is how we will pay for it, where the money will come from and how it will affect the residents' assessments in Julington Creek.

Ms. Minnis stated the bond refinancing is targeted for a certain project. If we purchase this with no plan in place to use it, will we have to assess residents to pay for it?

Mr. Johnson responded you already validated your authority to issue bonds to build a new recreation center. This validation does not tie your hands to any particular property. We asked the court to validate \$15 million in bonds a couple of years ago. Money has been put aside each year in the capital account in order to have some equity put into the financing so there is less debt to issue. The question is can we slide this in for some intended recreational use as a part of the overall project and still be within our target of redoing the recreation center and keep assessments comparable to where they currently are.

Mr. Pincket stated there are two issues. One, is do we have the ability to do it under the bond structure and secondly, what will it cost?

Mr. Johnson responded you have the ability to do it under your bond validation assuming you intend to use this land for recreation use because we are tied to spending the money for recreational purposes. You will need to determine what these recreation uses are, whether it will be active or passive use for the land and then it will be a permissible expenditure. It is an open question on whether the money for the improvements of the land will fit within the structure.

Mr. Pincket asked do we have to determine at the time we purchase the property whether it will be active or passive?

Mr. Johnson responded no. As long as it is for recreational use, you do not have to make the decision today. You can decide later whether it is a pool, a trail system or a passive park.

Mr. Abbatiello stated no matter what it is used for, we will have residents upset and fighting over it.

Ms. Beaugrand stated from a fiscal responsibility standpoint for all residents and landowners within the CDD, I find it difficult spending \$900,000 for a completely passive piece of land. We still have not enumerated what our project costs will be for our new facility we discussed on August 16th. We have money put away and money to issue bonds and still keep the assessments within the \$100 per year leeway we targeted. We need to take this into consideration because \$900,000 is a large amount of money. I would love to have this piece of land we tried to purchase before, but I do not believe we are currently in a position to make this decision because we do not have enough information. We can ask D.R. Horton for more time so we can do some homework.

Mr. Pincket stated I do not disagree with you. I am not suggesting we make a decision on this contract tonight. I am simply exploring the options, what the costs will be and the issues we need to address before we decide to go forward.

Ms. Minnis stated I agree with Ms. Beaugrand. Our other project is based on the wish list of the community survey and how they ranked the items wanted. This may very well take away some items they wanted.

Mr. Pincket stated that may or may not be the case. It may give us an opportunity to implement additional items on the list because of the limitations on the Rayland parcel for our facility. It is too early to tell.

Ms. Spears stated you indicated they are looking for a reasonable cost on an estate lot, but at this point the land is not even residential. Is that correct?

Ms. Beaugrand responded what transpired from the meeting on August 31st with the community, D.R. Horton and Ms. Stevenson, was if they develop it rather than build multi-family residences they will build four to six estate lots.

Mr. Abbatiello stated if D.R. Horton develops it, it will have to go to the PZA and that will take some time. Hopefully they will give us 60 to 90 days to take a look, evaluate it and determine whether we can use it or reduce the price.

Ms. Spears asked can anything stop us from counter offering?

Ms. Beaugrand responded I had a conversation with a representative from D.R. Horton and they are not inclined to accept a lower offer.

Mr. Pincket asked who can do the analysis on the \$900,000, assuming we have the capacity and the bonds to spread it out over 20 years for the 5,000 homes?

Mr. Johnson responded it can be easily done by your financial advisor. Rizzetta & Company did the initial runs on the assessments and it is just a matter of plugging in different numbers they receive from Prager & Sealy with our input.

Ms. Beaugrand stated there is a certain amount with the equity we have, along with the bonds we can issue without an impact to our assessments. If I am not mistaken, the bonds were

in the \$7 million range. If you add the approximately \$2.7 million we will have in equity when we begin the project, it will take us to an almost \$10 million project.

Mr. Pincket asked will the \$10 million project increase the resident's \$100 per year assessment?

Ms. Beaugrand responded it may not.

Mr. Abbatiello stated the other consideration is O&M.

Ms. Beaugrand stated it includes certain estimations of O&M. You also have to take into consideration the generation of revenue opportunities in the new facility will offset some of the O&M.

We have comment cards so we will take some questions from the audience members.

Mr. Stuart stated the original plan for Julington Creek was for some areas to be set aside for recreation. What is the developer's responsibility for this land? Was this land given to the community for recreation?

Ms. Minnis responded in the original DRI they were required to give land to the county for recreation. The baseball field was given 27 acres, five acres to Mills Field, the additional parks and the soccer field. The CDD donated money to develop the soccer park. The agreement between the county and the developer was only for a certain acreage of land.

Mr. Stuart asked under the master plan did the CDD have to purchase and build the original pool?

Ms. Minnis responded yes. When the CDD was formed in 1994 it was one of the first projects.

Ms. Stuart stated I agree with Ms. Spears that the land is recreational and as a community we need to keep on D.R. Horton. It would be great to have it as an additional park area. Ms. Minnis mentioned the survey but it was done a long time ago and many of the residents never

took part in it. Since this is an important issue, it may not be a bad idea to get resident input. There probably will not be much disagreement if it does not raise our anticipated yearly increase to acquire this land. It may be nice to have a passive recreation area there, especially so close to the ball field. At the meeting residents were divided between people who said it was okay for some homes and those who said to keep it recreational.

Ms. Beaugrand stated we have not indicated we will not pursue this, but we do not have enough information to make a decision. We have a lot of homework to do because it is \$900,000 of our money.

Ms. Behrmann asked how did this all come about?

Ms. Beaugrand responded a community meeting was held on August 31st and after the meeting Mr. Johnson was contacted by D.R. Horton.

Ms. Behrmann stated this was D.R. Horton's attempt to appease the meeting. They have already indicated they are not willing to negotiate. Is that correct?

Ms. Beaugrand responded their verbage was "no inclination to change the price".

Ms. Behrmann stated if you decide to negotiate the price, I suggest you offer them double what they paid for it, which is zero.

Ms. Beaugrand stated in what I hear from Board members, we need more time to respond to their Letter of Intent.

Mr. Jenks asked where did the Letter of Intent originate?

Mr. Johnson responded directly from Mr. Porter. You may want to give Mr. Jenks direction to obtain an extension and deal with the price or whatever you want D.R. Horton to do. The terms of the letter expire on September 15th so we need to take action tonight and respond to them tomorrow.

Mr. Abbatiello stated we need to see if they will extend the time to respond no sooner than our next meeting and no later than our December meeting. If they are unwilling, we have no choice but to decline.

Mr. Jenks stated this is a Letter of Intent not an agreement. If you proceed with an agreement they will have a feasibility period of 30 days, which is not long enough. I do not know if you want more time to negotiate a Letter of Intent or move forward with a contract, provided it has a feasibility period that goes through the end of the year. A feasibility period means you have a free look to determine whether to buy it, and your deposit will be returned. You will be out the money you spent investigating and they are out however long they held the property. They want a contract signed in 15 days with a 30-day feasibility period. You can tell them you are interested in pursuing the contract if the feasibility period is extended until December 31st. The problem is the purchase contract price will still be \$900,000. You can also tell them we do not want to put it under contract and come back later regarding the price, but want to do some investigating and take the high road.

Ms. Minnis asked what is the risk if we take the high road?

Mr. Jenks responded if you decide to go with the Letter of Intent but are not prepared to sign it, the obvious risk is they will find someone else to purchase it.

Ms. Beaugrand stated we need to decide how we want to move forward. I am not comfortable setting a price for this. We need to tell them more time is needed for feasibility studies to figure out what can be put on this land. We also need to run some models from the bond issue to determine how it will impact assessments.

Mr. Pincket stated I agree. D.R. Horton knows we cannot sign this agreement by September 15th. In my opinion, it was not a genuine offer but we need to let them know we need more time.

Ms. Minnis asked based on the fact we are dealing with bonds and have an existing project, will they be more reasonable as to why we need longer than a month?

Ms. Beaugrand responded they may.

Mr. Stuart asked can we get an independent appraisal of what this property is worth?

Ms. Beaugrand responded it will be appraised at what it is currently entitled for, which is recreation.

We have to respond to D.R. Horton and our options are to sign it as is with a due diligence period of 90 days. The other is informing them more time is required to investigate the option of purchasing the property and we need 90 days to do so.

Mr. Pincket stated the second option is not binding on them. We are asking them to hold off so we can gather more information. I think it is the route to go.

Mr. Jenks stated I do not believe they will commit to it. They will inform us to get back to them when we are ready to make a decision and they will let us know if it is still available.

On MOTION by Mr. Abbatiello seconded by Mr. Pincket with all in favor extending the timeframe of the Letter of Intent with D.R. Horton to 90 days was approved.

SEVENTH ORDER OF BUSINESS

Approval of September 30, 2004 Financial Statements

Mr. Johnson stated this is your audit for the year ending September 30, 2004 with Keefe, McCullough and Company.

Ms. Beaugrand stated although this audit is as of September 30, 2004, the auditor's report is dated May 20, 2005. Why did it take so long before we received this final report?

Ms. Donahue responded I do not know but I will find out the answer.

Ms. Beaugrand stated if the report was done in May, I do not understand why it was not available for our June meeting.

Mr. Johnson stated for the record it is a clean independent auditor's report that is shown on pages 24 and 25. I received the report a few days ago to review and there is an error on page 25. The second full paragraph states the District was established on September 19, 2000 by St. Johns County ordinance. The correct date of August 1994 is shown on page 14. In your approval, you will want to make it subject to the correction of this information. The general accounting guidelines set by the State of Florida are to approve this by September 30, 2005 or within 12 months. It is transmitted to the auditor general of the State of Florida for review and to your bondholders under the Continuous Disclosure Agreement.

Ms. Minnis asked who reviewed this at Severn Trent Services and held on to it?

Ms. Donahue responded I am not sure but I will ask.

Mr. Pincket asked what are the consequences if we do not approve this tonight?

Mr. Johnson responded there are no penalties involved. The guidelines state we complete this within a year, although if we hold onto it until the October meeting I am sure it will not cause a problem.

Mr. Rizzetta stated the District will not incur any financial penalties. State guidelines dictate it should be done within 12 months. We recommend you notice the Attorney General's office to seek an extension. I want to clarify something said earlier about the two dates. The date of the report is when they finished their field work, then the auditors take all the information and put together the reports. They come back and do post field work reviews which may account for this timeframe.

Ms. Beaugrand stated we will move this to the October agenda. Who is responsible for requesting an extension to the State?

Mr. Johnson responded you can authorize your District Manager to perform this task.

Ms. Beaugrand asked is that the pleasure of the Board?

The Board members responded yes.

Ms. Beaugrand stated Severn Trent Services will apply for the extension and we place it on the October agenda.

FOURTH ORDER OF BUSINESS

Consideration of Contract with YMCA for Management of the Recreation Facility

Mr. Johnson asked did someone have a comment card on this item?

Ms. Stuart asked do we automatically renew a contract with the YMCA every year or are we searching out other possible management companies?

Ms. Beaugrand responded we have not gone out and searched for management companies this year. We are reviewing their contract tonight to extend it for the upcoming year.

A resident asked why do we not look for other management besides the YMCA? There is a list of reasons why and other residents feel this way as well. When the YMCA did not get their property they incorporated themselves into the community and everything they want to do is coming to fruition. Is everything relating to Mystic Park the YMCA or Julington Creek?

Ms. Beaugrand responded Julington Creek. The YMCA is under contract with us and this Board approves the rules and regulations of the facility. It is not a YMCA facility but a Julington Creek facility. The YMCA runs the payroll and Ms. Hernandez oversees the management of the facility. This is the first community the YMCA had a management contract with and since then they have one other District they conduct management services for. I feel the management of the facility has been fine. When we move forward with the new facility we will decide whether to manage it on our own.

Ms. Minnis asked how many management companies has this facility had?

Ms. Beaugrand responded two. Aquatic Alliance was the original company, which was not a positive situation, and the YMCA.

Ms. Beaugrand asked although these are two separate work authorizations, is it just coincidental that they are both \$15,000?

Mr. Maggiore responded yes.

Ms. Beaugrand asked is Amendment No. 10 to Work Authorization No. 1 for your annual services, such as attending meetings and preparing reports

Mr. Maggiore stated yes. I believe it has been \$15,000 every year. However, the hourly rates show an increase over previous years.

Ms. Beaugrand stated it is a significant increase.

Mr. Pincket asked on Amendment No. 10 to Work Authorization No. 1, is this \$15,000 a number we pay regardless? Is this a retainer or an estimate for work you will provide over the year?

Mr. Maggiore responded it is an estimate and we are traditionally under this number year-to-year. The increase in hourly rates will probably bump up whatever we do over the coming year.

Mr. Pincket asked why is there a work authorization when we do not know what work will be provided?

Mr. Johnson responded the base engineering contract contemplates they provide an estimate for any work authorization they bring to you. They are estimating the amount in the budget.

Mr. Pincket stated approving this does not mean we authorized the expenditure of \$15,000.

Ms. Beaugrand stated the general fund budget has a budget item of \$15,000 through July 31st and \$12,500 was expended.

Mr. Johnson stated no. You only expended \$3,100.

Mr. Pincket asked is that what was spent last year on engineering services?

Ms. Beaugrand responded they are traditionally lower in a nonconstruction year. When construction starts, some of it will be built into the budget and it will be heavier.

Mr. Pincket asked can you give me more detail on Work Authorization No. 48?

Mr. Maggiore responded this is the work authorization we prepare every year for the assessment roll, maps and the true-up. We already did a bulk of the work for this year. This was the work performed in June, July and August for the assessment roll. In the beginning of June we received an electronic database from the Tax Collector's office. We provide a reconciliation between it and the assessment.

Mr. Johnson stated you may have seen those large booklets at the budget hearing. England, Thims & Miller updates the database, prepares it and puts it on a compatible electronic medium to submit back to the Tax Collector so it ultimately ends up on the tax roll in November.

Ms. Beaugrand stated it is how our non ad valorem tax assessment is collected.

Mr. Pincket asked have you done most of the work regarding Work Authorization No. 48?

Mr. Maggiore responded yes.

Ms. Beaugrand stated the work is completed.

Mr. Pincket asked if it is completed, why are we approving this now? Why was it not approved prior to the work performed?

Mr. Johnson stated this was supposed to be on your agenda last month but it did not make it on time.

Ms. Beaugrand stated it is based on the current budget year that ends this month and is the reason why we have the new rates.

Mr. Johnson stated in Amendment No. 10, if you compare the notation under the line items for fees with the notation under Work Authorization No. 48, Work Authorization No. 48 has the language, “Expenses shall be invoiced in accordance with previously approved General Consulting Services Contract and District Policy”. It is the correct language that should be in Amendment No. 10 and you need to make sure it is in both.

Mr. Pincket asked was the Board informed the fees were increasing?

Ms. Beaugrand stated the fees increased approximately three years ago and Mr. Maggiore told me this was a possibility. I told England, Thims & Miller they needed to communicate this appropriately and I expected more communication from them than just handing Amendment No. 10 to us with a significant increase. We understand costs increase but I would rather see minor increases on an annual basis since it is a budget issue.

Ms. Minnis stated your firm has been familiar with this project so when we looked at going with another engineering firm our decision was based on your history knowledge, the potential issues you brought to our attention and a good working relationship. We agree, costs go up but we need time to do due diligence. Like Ms. Beaugrand, I feel blind sighted with this. Do we have to approve this?

Mr. Johnson stated you can ask to table it until next month and give Mr. Maggiore the opportunity to discuss it with you individually.

Ms. Beaugrand stated we will table Amendment No. 10 to Work Authorization No. 1 but we need to approve Work Authorization No. 48.

<p>On MOTION by Ms. Minnis seconded by Mr. Pincket with all in favor Work Authorization No. 48 for 2005 Assessment Maps, Roll and True-up was approved as amended and Amendment No. 10 to Work Authorization No. 1 for 2005/2006 General Consulting Engineering Services in order to discuss fee increases was tabled.</p>
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C. Recreation Facility Manager

Ms. Hernandez stated for the Board and audience's information, Bartram Trail High School does not have their weekly practices at Julington Creek Plantation. They practice off of County Road 210. However, they asked to have their practices Saturday mornings in September but as of today's date they only had one practice. The one time they used our pool they were in at 8:00 and out by 9:30 a.m. so there was no impact to the community.

D. Manager – Meeting Schedule for Fiscal Year 2006

Ms. Donahue stated presented in your agenda package is the new meeting schedule for Fiscal Year 2006. The dates reflect the second Tuesday of the month and the room has been booked with the library.

Ms. Beaugrand stated we have one comment card.

Mr. Manuel stated there are other engineering firms besides England, Thims & Miller and maybe the Board will consider putting this out to bid.

On MOTION by Mr. Abbatiello seconded by Ms. Spears with all in favor the Meeting Schedule for Fiscal Year 2006 was approved.

Ms. Beaugrand stated Mr. Wrathell just came in and we will proceed with agenda item eight.

EIGHTH ORDER OF BUSINESS

Presentations of District Management Companies

Ms. Beaugrand stated we have representatives from three out of the four companies. All four companies provided us with proposals.

Mr. Johnson stated we have four out of four: Wrathell, Hart, Hunt & Associates, Governmental Management Services, Rizzetta & Company and Severn Trent Services.

Ms. Beaugrand stated Severn Trent Services does not have a manager here for presentation purposes.

Mr. Johnson stated I have been asked whether these presentations are confidential in the sense that other presenters can stay in the room. We, as a District, may not request or exclude someone from these meetings. If the proposers want to decide that amongst themselves and come in and out, they are free to do so.

The presenters decided to vacate the room during each other's proposal presentations.

Ms. Beaugrand stated Ms. Donahue will remain for management purposes. I hope this is not an issue.

Mr. Perry stated I am the Managing Director for Governmental Management Services in the Jacksonville office. In our proposal we provided an outline of our firm. The services we offer are the traditional management services for districts within northeast Florida. Currently, we have three locations; Orlando, Fort Lauderdale and Jacksonville. Our local office is on St. Augustine Road next to the offices of England, Thims & Miller. We currently serve 19 districts in this region and you may be familiar with a few. What differentiates us from our competitors is all our senior personnel and District Managers have finance backgrounds. I believe it is important to have these disciplines for all our procedural managers because many issues the Board deals with are finance and accounting related. We also have expertise in general government. Our management staff includes myself and my partner, Mr. Darrin Mossing, who was previously involved with this District, and Mr. James Oliver who is also a District Manager. This is a brief version of my presentation and I will be glad to answer any questions. The proposal itself is lengthier and details the traditional services we offer.

Ms. Minnis asked which districts do you manage in this area?

Mr. Perry responded the handout I provided lists the districts.

Ms. Beaugrand asked who will be assigned this District?

Mr. Perry responded typically a lead District Manager. In this case, Mr. Oliver and he is present this evening as well. Either myself or another District Manager will attend at least two meetings per year. This way if Mr. Oliver cannot attend for some reason, we can fill in and will be familiar enough with the District to have backup.

Ms. Beaugrand stated Mr. Oliver will be the manager attending our meetings on a monthly basis.

Mr. Perry stated during budget time, I do most of the budget work because of my finance background, so I will attend these meetings and workshops. Many districts hold a workshop in lieu of the lengthy budget process during a regular meeting.

Mr. Pincket asked do you all work out of the office on St. Augustine Road?

Mr. Perry responded yes. Mr. Mossing currently lives in Tennessee but he travels back and forth. I am the Managing Director and we have two District Managers. We are in the process of recruiting another, possibly two. As you can see from the number of districts we have, we perform a lot of work in this area and are building up our staff.

Mr. Abbatiello asked how many years have you been in this business?

Mr. Perry responded I started in 1985 with the Dunes Development District, ITT, which is the Hammond Dunes District and was involved with that for a number of years. I worked for the development company and subsequently for the utility there. Prior to that I was involved with municipal governments for several years. I have been a CPA and external auditor for a number of municipalities.

Mr. Abbatiello asked how long has this company existed?

Mr. Perry responded since November of last year.

Ms. Beaugrand asked where were you previously?

Mr. Perry responded I was the Director of Strategic Planning and Acquisitions for the Jacksonville Electric Authority.

Ms. Beaugrand asked what about Mr. Mossing?

Mr. Perry responded he was with Severn Trent Services for 15 years. He left the company and came back on a contract basis and left again.

Ms. Beaugrand stated thank you Mr. Perry. Can you send Mr. Rizzetta in?

Mr. Rizzetta stated I am with Rizzetta & Company in Tampa and I appreciate the opportunity to be here. I remember some of you from a few years ago when we performed the bond refinancing. Our practice started in 1986, we have 50 employees and we are a full service company. We have provided financial advisory and District management services throughout the state. Currently, my firm is based in Tampa and our closest location to Julington Creek is Daytona Beach, which is approximately a 90-minute drive. We also have locations in northern Pasco County and the Panhandle to accommodate our clients. Our prior relationship with this District has been on the financial advisory side. Included in our proposal is a scope of services we provide, with terms of your ongoing financial work, bond work and assessment work with respect to the potential purchase. Approximately eight years ago we made a concerted effort to build a District Management practice and have successfully done that. We currently have approximately 70 districts we manage throughout the state. Included in our proposal is a copy of our company profile with a map showing the locations of our clients throughout the state. Ours is a service company. We recognize this and it is what we offer our clients. We will have a full-time staff assigned to this project. In addition, we will provide financial advisory services.

Ms. Beaugrand stated the map indicates districts you provide a variety of services for, including investment services. In St. Johns County, which districts do you provide District management services for?

Mr. Rizzetta responded we manage Heritage Park, Heritage Landing, Madeira, Sandy Creek and World Commerce. We manage all the districts listed except Julington Creek. It is on our client list because we provide bond financing work for you.

Ms. Beaugrand asked who will be managing our meetings?

Mr. Rizzetta responded Mr. Erick Dailey will be the manager assigned and he is based out of our Daytona Beach office. He has full-time responsibility for the districts in this part of the state. Mr. Dailey reports directly to Mr. Pete Williams who is the Director of Management Services and he has been with the company for over eight years. At times, Mr. Williams will attend these meetings but Mr. Dailey will be your full-time manager. On the administrative side, Ms. Nancy Martin is our full-time Administrative Assistant in the Daytona Beach office. If you decided to make a change on the financial advisory side, this is staffed by Mr. David Hedger in the Tampa office.

Ms. Beaugrand asked does Mr. Dailey service St. Johns, Flagler and Clay County?

Mr. Rizzetta responded yes. He also services a few districts south of Daytona Beach. We are in the process of hiring an additional manager for the Daytona Beach office to ensure the District will always have a manager.

Ms. Beaugrand asked are the accounting functions managed out of the Tampa office?

Mr. Rizzetta responded currently they are centralized out of our Tampa office. Our controller, Ms. Stacey Thomas, feels very strongly regarding internal controls and keeping it centralized. We are, however, in the middle of doing a pilot office and we have a staff accountant in our Daytona Beach office. We will decide if it makes sense because we are concerned about controls. We FedEx back and forth so it is a one-day turnaround. I cannot guarantee we will have accountants there but we probably will. However, checks will never be cut out of this office.

Mr. Abbatiello asked will the backup manager for Mr. Dailey be experienced or need training?

Mr. Rizzetta responded we would love to find some experienced people. Unfortunately, there is no university major for CDD's. We are broadening our search and will bring someone in as an Operations Manager. Our plan is to hire a person knowing it will take six to nine months before they fully understand the job. In terms of backup for this District, you will not get a trainee. In all likelihood you will get Mr. Williams, who has many years experience.

Ms. Beaugrand stated thank you Mr. Rizzetta. Please send in Mr. Wrathell.

Mr. Wrathell stated I am the managing partner of Wrathell, Hart, Hunt & Associates and with me tonight is Mr. James DeCocq, our regional manager. We are very appreciative of the opportunity to stand before you tonight. I will outline our qualifications in anticipation of being your District Manager. We are a new organization but interestingly enough, amongst the senior partners and senior staff, we have over 80 years of combined experience between us managing community development districts, local governments, public financing and serving in public office. I have been in this industry for over eight years and have managed approximately one-sixth of the community development districts within the state. I managed a new municipality in the Florida Keys and the experience helped me understand the needs of community development districts and how to properly manage these districts. The team we put together amongst the partners and particularly our senior associates have been successful in pulling in over 15 of the clients we have today. Eight of these are resident controlled districts. We think that because of our focus and effort to serve resident communities, we have crafted a team that effectively addresses resident communities.

Mr. John Hart is another partner in our firm and he is a former two-time county commissioner from South Florida. Mr. Hart provides us with an in-house lobbyist that not only

helps our organization but more specifically helps our clients. We feel the in-house lobbyist capability is useful when community development districts have issues with local government and/or the State. Mr. Phil Hunt further supplements the strength of our team with his own underwriting firm and he specializes in municipal bond financing. Mr. Hunt does not intend to compete with the players on the CDD bond side but we feel as needs arise, will be able to offer some different financing approaches.

Mr. Chuck Adams is one of the premier operations managers in the State of Florida for CDD's. He manages the operations of the District. Many districts have the Property Owners Association manage the infrastructure of a District. Mr. Adams offers the District the ability to manage its own infrastructure, recreational programs and the esthetics from a landscaping or entry feature perspective. Mr. Adams was the first CDD management individual to secure a Florida Recreational Development Assistance Program grant. Mr. Adams had fantastic relationships with the resident communities he managed in the past. To a great extent, this building of trust has served him well in working closely with the residents in the transition of a developer controlled Board and District to a resident controlled Board and District.

Your community is one of the premier communities in the area. As your community continues to mature and grow, the demographics and needs will begin to change and typically will age. We will help you in this process to identify not only the growing needs of the community but also the changing and evolving needs the developer had when they started the District. We like to craft our services to be adaptable and expandable to each individual client versus the cookie cutter approach. We take a great deal of pride in the transition process and working closely with resident communities.

Our regional managers include Mr. Richard Bowers in the Jacksonville area, Mr. DeCocq in Orlando and Mr. Adams in Southwest Florida. In regard to our backroom staff, we hire

individuals who not only can do the job but also exceed statutory requirements. Ms. Katy Selchen is a certified municipal clerk and she will prepare your agendas, public notices and maintain public records. As Mr. Johnson will tell you, there is no statutory requirement for a certified municipal clerk in this capacity, but we feel it is extremely important because we take our responsibilities serving as a steward for public records seriously. From a financial and accounting perspective we have three accountants for 15 districts. We are staffed with the insight we will double our business within the next four to five months.

We pride ourselves on proactively managing the District and the community. We do not believe in just attending Board meetings, turning on a tape recorder, taking notes and bringing them back to the office and that is all you will hear from us. We believe in helping you correctly manage your community.

Ms. Minnis asked will Mr. Bowers be the manager attending our meetings?

Mr. Wrathell responded I am proposing Mr. DeCocq from an experience perspective of managing districts, as well as his knowledge of dealing with resident communities. Mr. DeCocq will be the stronger individual. I would be happy to have Mr. Bowers attend but I want the strongest individual available to manage this District.

Ms. Minnis asked where is Mr. DeCocq located?

Mr. Wrathell responded in Orlando.

Ms. Minnis asked who will absorb the travel costs?

Mr. Wrathell responded we will.

Ms. Minnis stated Mr. Bowers' name is familiar to me for some reason.

Mr. Johnson stated Mr. Bowers was with Severn Trent Services in Jacksonville and he was also with the City of Jacksonville.

Mr. Wrathell stated Mr. Bowers is at a stage in his career where he wants to focus on new client generation and business development. Mr. Bowers is not interested in managing the districts on a day-to-day basis and is why Mr. DeCocq with his capabilities will be a better fit.

Ms. Beaugrand asked what districts do you manage in this area? Your client list is mostly in Southwest Florida.

Mr. Wrathell responded we have one in Osceola County.

Ms. Beaugrand asked do you have any districts in northern Florida?

Mr. Wrathell responded currently we do not but we are pursuing a number of districts in this area.

Ms. Beaugrand asked are any outside of Lee, Collier or Hillsborough County?

Mr. Wrathell responded no. We are extremely committed to the Jacksonville market and for our company to grow and succeed at the level we want, Jacksonville is a tremendous market.

Ms. Beaugrand stated thank you Mr. Wrathell.

Ms. Donahue asked do you have any questions for Severn Trent Services?

Ms. Minnis asked what is Severn Trent Services' annual fee?

Ms. Donahue responded the cost will be the same. I believe it is \$43,086.

Ms. Beaugrand stated that is not what is in our budget though. I did not find the fee in the proposal so I looked in our budget to see what was billed for one month and it annualized out to \$60,208. I did not have any other basis to figure exactly what the fees were and what they were made up of.

Ms. Donahue stated I asked this question myself and was told it will stay the same.

Mr. Johnson stated this amount is the management line item. In the contract there are a number of other line items.

Ms. Beaugrand stated there are accounting fees, administrative and District management fees. When I calculated the costs on two of the other proposals it came out exactly the same. Rizzetta's was somewhat confusing and you cannot include the bond issue fees. Their proposal came to \$60,000. Governmental Management Services came out to \$55,000, Wrathell, Hart, Hunt & Associates was \$59,000. I took the current expenditures and annualized it for Severn Trent Services.

Mr. Abbatiello stated to make it fair as far as Severn Trent Services is concerned, my calculation came up differently with \$57,308, which makes it comparable with the other three.

Ms. Beaugrand stated all the proposals are within \$5,000 of each other. No one is completely out of line.

Ms. Donahue stated I want to make it clear our price will not go up. I apologize Mr. Daugirda could not attend tonight but he is ill.

Ms. Beaugrand stated I spoke to many of my developer customers managing CDD's for their feedback. I asked them who they were or are with now, if they changed companies, why they changed and how the change is going because it is a critical factor for us to consider. I also talked to Mr. Sealy with Prager & Sealy from a professional standpoint because of their work on the bond issues and because they deal with all the districts on a different level than we do. They are the investment banking firm that does a large percentage of the bond issues around the state. Mr. Sealy, with his experience working with the different companies, feels Governmental Management Services had the best package to serve the districts.

Until this year, most of the districts have been with Severn Trent Services. We experienced tremendous turnover with Severn Trent Services over the last few years, not only with who is managing our meetings but also in the accounting department and the management of the company itself. We are introduced to another manager and the next month they are gone.

The service that was impeccable has fallen down, so I am unsure about Severn Trent Services because we cannot afford to worry about whether the invoices are correct or engineering requisitions get in the package, etc. Many of the developers I spoke with changed companies and the majority of them changed to Governmental Management Services. One client changed to Rizzetta & Company and the transition has been shaky from the accounting perspective. The transitions with Governmental Management Services have gone as smoothly as any transition like this can be because a transition is not an easy process. I wanted to provide you with this feedback because the developers were before us in this process. The prices are all within \$5,000 and it is not a price issue but a matter of who can give the District the best service.

Ms. Minnis stated my concern with Severn Trent Services is they did not know who we were when I contacted them and they could not locate anyone to answer my question. I called long distance, was transferred around and they did not even know I was a client. I have attended these meetings on a regular basis since 1994 and I do not ever remember anyone from management attending a meeting. My opinion is that if they wanted to keep our business they should have been proactive with our problems and visited the districts they service. As a management company they put Ms. Donahue in a very awkward position.

Ms. Donahue stated I have a strong background in operations and I am training as a District Manager. Many people who left Severn Trent Services went to work for Governmental Management Services. The new District Manager, Mr. Bob Koncar, starts tomorrow. We had some problems with accounting and the software conversion when the State required we go with GASB 34 software but we are through that. The District Managers left in the beginning of budget season, which could not have been any worse for the company. I apologize and we have worked very hard to get through it all. My background is operations and I have been in the business for 13 years with Moyer and Associates and with Severn Trent Services when they

bought that company. I worked for the Indian Trace Community Development District and was trained in engineering when I started. After it became a city, I was the public works manager. I also handled operations for the City of Weston for seven years and ran the public works department with 12 people working for me. I have a background in contract administration, mitigation and conservation areas, conveyances of water and sewer, stormwater management, State of Florida permitting and EPA. I apologize that they left me sitting here and I am doing my best. Each day has been a challenge. I only found out about your accounting issues today because you have been talking directly to the Coral Springs office. You can work with us any way you are comfortable. This is my second time attending your meeting and I understand your frustration.

Ms. Beaugrand stated we understand your situation Ms. Donahue and this has no reflection on you. Severn Trent services put you in an awkward situation.

Mr. Pincket stated you indicated you received feedback from your developer clients. There is some distinction between a management company serving a developer client versus one that serves a resident owned and run CDD.

Ms. Beaugrand stated they all start out in the same place. The developer creates the CDD, manages the Board and as the development matures and times go by, it is transitioned over to the residents.

Mr. Pincket stated Governmental Management Services does not have much experience but the individuals operating it have the experience.

Ms. Beaugrand stated in my opinion all three companies can do the job, along with Severn Trent Services. It is a matter of what works best for us. Wrathell, Hart, Hunt & Associates has the most capacity but I am concerned because they have no districts in this area.

Ms. Hernandez asked if the CDD decides to run the new facility in-house, how will it work with the District management company? Is this something we need to think about now? I do not know how it will affect us in the future with a new management company. If the CDD decides to do everything in-house, will this company help us get through it and continue with their services?

Ms. Beaugrand responded the District Manager stays in place. We need to have a District Manager regardless of whatever we do. The management of the recreation facility is a separate issue. I wish we had the answer and maybe we can bring all three back and ask them this question. I know theoretically Severn Trent Services has the capability of handling the accounting because I talked to Ms. Newman some time ago about running payroll through them.

Mr. Pincket asked is this something we are contemplating within the next 12 months?

Ms. Beaugrand responded it may when we open the new facility. I do not think any of us want to transition again in the near future.

Mr. Pincket stated Governmental Management Services has only been in business for nine months. If they tell us they can handle it I am not sure I have a lot of faith that they can. In my opinion, in a year or two they will be bigger, more stable and able to give us a more realistic answer about whether they can handle something like this.

Mr. Abbatiello asked are we going to make this decision tonight?

Ms. Beaugrand responded we do not have to; it is the Board's pleasure.

Mr. Abbatiello stated Severn Trent Services has been managing this District from the beginning when it was still Moyer and Associates. Until all these District Managers left it was rather stable. If it is an internal problem with Severn Trent Services we should make a change and make it quickly.

Ms. Donahue stated we hired a new Financial Director and she managed the City of Kansas City. We take this very seriously and we are getting back in the game. If you want to give us another chance we will do everything we can to make it right. We have a new management team coming on board because many employees left the company all at one time. We are getting back on our feet but it will take some time to hire the right individuals.

Mr. Abbatiello stated looking at the corporate structure of Severn Trent Services, community management is only one of seven businesses. How committed are they to CDD management compared to their other businesses?

Ms. Beaugrand stated when we first requested proposals, Severn Trent Services did not provide us one because of their company turnover. We received the proposal without the fee information. No one from management has called Board members to save our business. I understand an individual was sick tonight but management could have sent someone, knowing we were going through this process. These are not positive signs. We had turnover issues and a series of accounting issues. I do not feel there is a commitment to keep our business. Severn Trent Services has been in business for quite some time but right now they may be less experienced than some of the other firms.

Mr. Pincket stated I agree for these reasons and others. Severn Trent Services should have been here. I am more focused on Governmental Management Services and Rizzetta & Company because Wrathell, Hart, Hunt & Associates is not in this area. How is the experience with Rizzetta & Company been?

Mr. Johnson responded my impression of the financial advisory side of it has been good. I thought they did a very good job at the workshop we had a year and one-half ago.

Ms. Beaugrand stated since you are involved with many districts that work with a variety of managers you have first hand experience we need to know about.

Mr. Johnson stated I did not call anyone that I did not think could do the job. I agree the biggest leap will be Wrathell, Hart, Hunt & Associates because they are not located here. I worked with Mr. Wrathell for a long time when he was with Severn Trent Services but have no experience with him since he formed his own company. In terms of managing a project that is fairly complex with many moving parts on the activity side is the biggest risk and I agree with your concerns. There are risks with each company but they are different risks. The risk with Rizzetta & Company, although they are very established, is they were always the small dog with Moyer and Company being the big dog among the two companies managing districts around the state. They have taken on a great deal of work, are growing and their model is under the statewide multi-office model. Their growth issue is the reason for the risk. On the Governmental Management side, the clients who transitioned over have been happy but it is a short window and they have taken on a lot. Their staff is qualified and they are local so they are making a concerted effort to take as much of the work in Jacksonville as they can. My firm works with most of the districts on their list. My opinion is that both Governmental Management Services and Rizzetta & Company can do the job.

Ms. Minnis stated the one benefit I see with Governmental Management Services since they are local is if we have a problem we can stand on their doorstep. We have a huge project coming up and if we have to get in their face, I prefer to do it in Jacksonville.

Ms. Donahue stated we have an office in St. Augustine.

Ms. Beaugrand stated in fairness to the other firms we need to hold off any comments from Severn Trent Services.

Mr. Johnson stated it may be helpful to think about this as two steps and decide which step, if any, you wish to take. One step is if you wish to make a change, you have a 60-day

notice provision in your contract and you can vote on this tonight. If you vote on that tonight then you need to consider now or at your next meeting which company you will retain.

Mr. Pincket asked from the time we give the company the go ahead, what kind of transition time will we need?

Mr. Johnson responded at least 30 days. All the transitions with Severn Trent Services have been handled well and they responded to the needs of the new company. You will only have 60 days from the day you give notice.

Mr. Pincket asked does anyone on the Board want to wait to make a decision at the next meeting or is everyone comfortable and ready to make a decision? If we are ready, let us make it now and have the 60-day transition time.

Ms. Beaugrand responded I agree.

Ms. Behrmann stated from what I heard, all three companies have cast offs from Severn Trent Services. Were these former employees the reason for the trouble we experienced with Severn Trent Services?

Ms. Beaugrand responded if you consider the fact they left was part of the cause and the lack of experience to pick up behind them. I think that caused many of the issues.

Mr. Johnson stated Wrathell, Hart, Hunt & Associates and GMS both hired former employees of Severn Trent Services. Rizzetta & Company is a product of their own growth and to my knowledge, does not employ any former Severn Trent Services employees.

Ms. Behrmann stated my concern is if these employees caused the issues at Severn Trent Services we do not want to go with a new firm that hired these employees. Perhaps you can ask Wrathell, Hart, Hunt & Associates to place a person in Jacksonville.

Ms. Beagurand stated it is not feasible for them to put someone in Jacksonville for one district. My issue with them is all the districts they manage are in Southwest Florida. They do not have the same depth the other firms have.

Ms. Behrmann stated I like the fact of having someone in Jacksonville but GMS is a young company. If you like what Mr. Wrathell said maybe they will consider placing someone here.

Mr. Pincket asked of the 19 CDDs on GMS' client list, do you know how many they actively managing or how many are in a transition stage? My concern is they have six or seven they are not actively managing but will transition over within the next two months and we are behind them.

Mr. Johnson responded at least half of their client list is in transition.

Ms. Donahue stated the others I manage.

Mr. Pincket stated I hear many good things regarding GMS but I am concerned if they can handle another CDD in such a short timeframe. Initially I wanted to make a decision tonight so we have the 60-day transition but I would like to talk to them more.

Ms. Beaugrand asked what does the remainder of the Board think about timing?

Ms. Minnis stated if a Board member has concerns and needs more time, I think we need to give him that time.

Mr. Johnson stated outside of the meeting each of you can feel free to call the principals of each company for more information. There is nothing inappropriate or illegal regarding that.

Ms. Minnis stated you cannot respond to anyone on the Board regarding these conversations until we meet again.

Ms. Beaugrand stated we will put this on the October agenda.

Ms. Donahue stated if you give us the 60-day notice and decide to make the transition, in 30 days we will work with the new management company.

TENTH ORDER OF BUSINESS**Audience Comments**

Ms. Alvarez stated I disagree with the CDD's consideration to purchase Parcel 52. When it was originally purchased Parcel 50 was a residential parcel and Parcel 52 was zoned for recreation. The CDD paid to buy a residential parcel and D.R. Horton was willing to give up the residential land and rezone it recreation. Why did they not purchase the residential land that was originally zoned residential? Parcel 50 was zoned for two estate lots that will now be rezoned for recreation. Parcel 50 is 4.3 acres and Parcel 52 is three acres. Why would we want to give them four estate lots if they are to be zoned for two estate lots? Let us make it two estate lots on Parcel 52 and make it an even swap. They get two estate lots on Parcel 52, which is only three acres of uplands. The parcel is odd shaped and looks like a bent L. Physically you cannot even fit six homes on what they call estate lots.

Ms. Beaugrand stated we have a lot of work to do there and I understand your point.

Ms. Abbatiello stated in my opinion it is premature to buy the land for \$900,000. I do not think it will pass through the PZA or the commissioners. We had a meeting with the commissioners and they are not happy giving recreational to housing of any kind when the county is looking for recreational area. D.R. Horton will come out ahead and we will come out short.

Ms. Behrmann asked since we are approaching the time the POA will become resident run versus developer run, is it possible the CDD and POA will merge into one entity?

Mr. Johnson responded it will be extremely difficult and some of it you cannot do. There are certain things the POA does that the CDD does not. You will always need a Property Owners Association for architectural control and government enforcement and this District does

not have the ability. This District, unlike other districts in the state, was a much more limited purpose function in the sense this District only financed the offsite roads, the access road and recreational center. It is possible to take all the common areas and property owned by the HOA, convey it to the District, take the maintenance responsibility currently undertaken as field operations by the HOA and let the District assume it. Presumably you will see a decrease in your HOA assessment and an increase in your CDD assessment. However, there will be a number of transactional costs for conveyance to make it happen.

Ms. Minnis stated the other problem within this District that is not found in other districts is exempt property within the POA.

Ms. Behrmann asked can we put this on the agenda?

Ms. Minnis stated we need to give Mr. Johnson time to research this.

ELEVENTH ORDER OF BUSINESS Supervisor’s Requests

There not being any, the next item followed.

TWELFTH ORDER OF BUSINESS Approval of Financial Statements, Pay Requests and Invoices

Ms. Beaugrand stated we have no pay requests listed. The last two sections of the agenda package list the check register. What is check number 1343 to Julington Creek Plantation in the amount of \$57,126.53 for?

Mr. Johnson responded it probably is money received from the Tax Collector’s office. Anytime money is received it goes into the District’s general fund and the checks are cut over into the capital fund.

Ms. Donahue stated I will check on it.

On MOTION by Mr. Pincket seconded by Mr. Abbatiello with all in favor check numbers 50114 through 50159, 1343 and 50175 through 50187 were approved.

Mr. Johnson stated for the record, the Board has not taken any action on the management contract but will take a month to discuss individually with the representatives any questions or concerns they may have.

THIRTEENTH ORDER OF BUSINESS Adjournment

There being no further business,

On MOTION by Ms. Minnis seconded by Mr. Abbatiello with all in favor the meeting was adjourned at 9:00 p.m.

Al Abbatiello
Assistant Secretary

Susan Beaugrand
Chairman