

**MINUTES OF MEETING  
VISTA LAKES  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Vista Lakes Community Development District was held on Wednesday, April 9, 2008 at 10:00 a.m. at the offices of Leland Management, Inc., 5955 TG Lee Boulevard, Suite 300, Conf. Rm. 3002, Orlando, Florida.

John Rose	Chairman
Ron Cumello	Assistant Secretary
James Shelton	Assistant Secretary
Dr. Harold G. Banks	Assistant Secretary

Also present were:

Gary L. Moyer	District Manager
Barry Roy	Engineer
Sharon Eichorn	Vista Lakes Community Director
Al Kazula	Gentry Park HOA
Lee Smith	Holland & Knight
Gary van der Laan	Leland Management

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Moyer called the meeting to order and stated all Supervisors were present with the exception of Mr. Holihan.

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the March 12, 2008 Meeting**

Mr. Moyer stated each Board member received a copy of the minutes of the March 12, 2008 meeting and requested any additions, corrections or deletions.

Mr. Shelton stated Mr. Roy was not present. Under Supervisor's Requests in regards to the Melrose pedestrian gates, the Property Owners Association and not a Newland Representative, pointed out to the Melrose residents the pedestrian gates do not add to the level of security.

Mr. Cumello stated on page nine, the word "Boulevard" should be deleted.

Mr. Rose stated under the list of attendees, Mr. Lee Smith is not representing the HOA. He is representing Holland & Knight. Mr. Al Kazula is representing the Gentry Park HOA. On page five, Mr. Holihan and not Mr. van der Laan said "in a split second".

Mr. Moyer stated thank you for your corrections.

On MOTION by Mr. Shelton seconded by Mr. Cumello with all in favor the minutes of the March 12, 2008 meeting were approved as amended.

**THIRD ORDER OF BUSINESS**

**District Manager's Report**

**A. Financial Statements**

**B. Check Register**

Mr. Moyer stated the financial statements and Invoice Approval #93 were provided to the Board. The expenditures are in line and I do not have anything to highlight relating to the financial statements.

Mr. Rose asked will you be giving us an update on the Newland matter?

Mr. van der Laan responded I will give you an update under my report.

Mr. Rose asked why is \$600 being allocated for *P/R Board of Supervisors*?

Mr. Moyer responded Mr. Shelton receives compensation in accordance with State Law. Although it is provided in Chapter 190, the IRS still considers this fee as payroll. This is why it is listed as P/R.

Mr. Rose stated I thought Mr. Shelton received \$250.

Mr. Moyer stated he receives \$200.

Mr. Shelton asked do you have a problem with this?

Mr. Rose responded no.

Mr. Cumello stated on the budget cycle, I believe the year end is September 30.

Mr. Moyer stated correct.

Mr. Cumello asked when will we start the new budget cycle?

Mr. Moyer responded you will receive the preliminary budget next month. We should probably discuss the field expenditures, which I spoke to Mr. van der Laan about. It looks like we are in line with what we budgeted this year to carry over to next year. I suspect this will also be true for the administrative expenditures. If the Board desires to do anything regarding litigation, we do not have funds budgeted for this purpose. I think all of you as good business men know litigation is not inexpensive. This is why we need to consider this.

Mr. Cumello asked will we see some baseline numbers next month?

Mr. Moyer responded yes. It will almost look like the budget you are currently operating under. I need to look at our Renewal & Replacement Study to see what the recommendation last

year for this year was. However, this is the only number I can think of in the total budget that needs to be adjusted.

Mr. Cumello stated when we discuss the budget; we should look at landscaping from the standpoint of the replacement of dead material. We did some replacement under last year's budget. It is good to have money in the budget to do replacements on an ongoing basis.

Dr. Banks asked is there any possibility of us getting involved in any litigation?

Mr. Moyer responded this is something we briefly discussed for the last several months in terms of replacing District Counsel and the reason for doing so. If the Board is serious about pursuing this, we could do some preliminary work next year and get some more facts, which should be inexpensive, but then the following year, we may do some significant litigation. Those are the types of issues we need to discuss as a Board and come to conclusion on.

On MOTION by Dr. Banks seconded by Mr. Cumello with all in favor the financial statements for February 29, 2008 and Invoice Approval #93 in the amount of \$68,484.63 were approved.

**C. Consideration of New District Counsel**

Mr. Moyer stated you currently have a complete proposal from Clark & Albaugh, LLP, which is Mr. Scott Clark's firm. The other response received in response to a letter I sent asking about conflicts and experience with litigation, was from Larsen & Associates, P.A. However, when I received the letter, I noticed it did not include the first part of the request, which is their experience with CDDs. We contacted them this morning and requested this information. The third firm I sent a letter to, who has extensive CDD experience in the Orlando/Orange County area, chose not to respond. If you wish to defer this matter until I receive additional information from Larsen & Associates, P.A., I have no problem doing so.

Mr. Cumello asked is Larson & Associates viable from your perspective and experience?

Mr. Moyer responded I do not have any experience with this firm in terms of CDDs. I have extensive experience working with Mr. Clark and can tell you from a real property point of view, you are not the only CDD who went through all the legal work in terms of identifying property ownership. Mr. Clark is good at dealing with this type of work.

Dr. Banks asked have you spoken to Gray, Robinson?

Mr. Moyer responded no.

Dr. Banks stated they are very good.

Mr. Cumello asked who was the third firm?

Mr. Moyer responded Shuffield, Lowman & Wilson, P.A.

Mr. Cumello asked have you worked with them?

Mr. Moyer responded yes.

Mr. Cumello stated I suggest we wait for receipt of the third proposal.

Mr. Rose asked did they decide not to submit a proposal?

Mr. Moyer responded I think the problem was they could not meet the deadline because the lead person was out of town. If you do not mind waiting, I will request a full proposal from them. When we started these discussions, I mentioned we could place a notice in the newspaper and put in the specification, the Board's desire for the firm to have experience with CDDs or municipal law and bond issues. I can list the criteria, which was in the letter I sent to these Attorneys, if you want more responses and can tell you which Attorneys in Central Florida provide CDD work.

Mr. Shelton asked do you see any reason to do this?

Mr. Moyer responded not really. Mr. Banks mentioned Gray, Robinson. They are certainly an excellent firm and I can tell you from the developer's side, they have represented projects, which had CDDs and they may be well qualified, but this not part of their core business. CDDs are not Clark & Albaugh and Shuffield, Lowman's only line of business but it is an important line of business.

Mr. Shelton asked is there a downside to placing a notice in the newspaper?

Mr. Moyer responded no. You may receive responses, which you can look at fairly quickly and decide they are not qualified, but we are not obligated to do anything because we placed a notice in the newspaper.

Dr. Banks stated if these firms perform this work as part of their core business, we probably should stay with them.

Mr. Moyer stated I think it does make it easier because according to Mr. Clark's resume, he deals with areas we are looking at.

Mr. Cumello stated I was impressed with the proposal Mr. Clark submitted as it hit on all the issues we are interested in. Unfortunately the proposal from Lawsen & Associates does not have any background information and therefore, it is difficult to evaluate them. Another month is not going to hurt us and I propose we wait until the third proposal is submitted.

Mr. Rose stated next month we want to have three complete proposals, meaning they answered all of our questions.

Mr. Shelton asked do the other Board members think we need to place a notice in the newspaper?

Mr. Cumello responded I do not think so.

Mr. Rose stated I think we should only consider the two proposals we already received.

**FOURTH ORDER OF BUSINESS**

**Attorney's Report – Proposed Parking Policy**

Mr. Moyer stated after the last meeting, the Board requested I delete certain portions, which they felt were not applicable in the parking policy. I did this and sent a copy of the revised policy to everyone, for which I did not receive any comments. However, Ms. Buzyniski informed me she reviewed it and found it to be in order. If there are no further comments, I will have the Chairman execute the resolution memorializing this policy. I spoke to Mr. van der Laan about posting some signs and we can authorize him to install them and put the parking policy into place.

Mr. Cumello asked do we have a provision in the resolution for the towing of commercial vehicles under *Section 3.1 Enforcement*?

Mr. van der Laan responded Subsection 1 says "Vehicles parked in violation of this policy may be towed".

Mr. Moyer stated in the version I provided to the Board, Section 1.3(1) prohibits "Any vehicle longer than 21 feet or higher than 8 feet". Subsection 2 says "Commercial vehicles or any vehicle operated for the transportation of persons or property in the furtherance of any commercial or industrial enterprise."

Mr. Cumello stated I have no further comments.

Mr. Moyer stated the Board approved this policy at the last meeting, but we should have a motion to adopt Resolution 2008-4.

<p>On MOTION by Mr. Rose seconded by Dr. Banks with all in favor Resolution 2008-4 Establishing and Enforcing Policies and Rules Governing the Parking of Vehicles within the Community was adopted.</p>
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**FIFTH ORDER OF BUSINESS**

**Engineer's Report – Status Report on  
Progress Energy Easement Request**

Mr. Moyer stated the Board had some questions on easements and transformers.

Mr. Roy stated after numerous discussions with Progress Energy on the KinderCare and going back and forth, it turns out the easement they are pursuing is for the bank on Lot 4. The easement across our road is sufficient, but when they installed their transformer on the bank site, they never obtained an easement, which would have allowed them to run additional lines from the transformer. They intend to feed Lot 5 from the transformer on Lot 4. This is now in Progress Energy's hands.

Mr. Cumello asked are they going to have to open the street?

Mr. Roy responded yes, in order to run their directional drill underneath.

Mr. Cumello asked is this going to cause any problems with the street cracking?

Mr. Roy responded it should not cause any problems, so long as they miss the water, sewer and stormwater lines.

Mr. Cumello stated I assume they are permitted under the City of Orlando.

Mr. Roy stated this is a private road.

Mr. Cumello asked how are they permitted to do this work?

Mr. Roy responded they have a utility easement under the road with the CDD. This is for the benefit of the lot owners within the Town Center site.

Mr. Rose stated if they cause any damage by this easement, they will have to repair it.

Mr. Moyer stated correct.

Mr. Rose stated they are not new at this.

Mr. Roy stated no.

Mr. Cumello stated it seems like they came across where we have our gates and opened up the ground. They have yellow tape around this area for some reason.

Mr. Roy stated they tied temporary power from the KinderCare into the Progress Energy transformer, which is close to the gate meter in the easement. They did not connect to the CDD gate meter. They actually came across their property to get to this transformer. This is the same area we talked about getting an easement for the HOA to maintain. This connection will go away as soon as they get permanent power from the north. I do not know of any other issues. There was a request from the Narcoossee Warehouse Project for additional information. We asked them to transmit any requests through Mr. Moyer so he could forward them to us. The

information they were looking for they already had and is in the St. Johns permit. We felt they needed to spend more time doing their work.

Dr. Banks asked does this affect the POA in any way in regards to the electrical work in the easements?

Mr. Roy responded they are going to be crossing CDD property.

Dr. Banks asked will it impact the property owners?

Mr. Roy responded it should not impact any property owners. The only impact is if their directional drill happens to hit a utility in the area or a storm line belonging to the CDD or does damage to the right-of-way.

Mr. Cumello stated at the Army Corp. of Engineers RAB meeting, there was discussion about going into the conservation areas. The Army Corp. of Engineers was unclear about who was responsible for the conservation areas. I informed the individual I was speaking to that this was permitted under S.J.W.M.D. At some point, there needs to be some contact with them because their intent is to go into those conservation areas.

Mr. Roy stated I believe all the plats in the conservation areas are dedicated to the CDD for ownership. The development rights are dedicated to either the City of Orlando or the County so they cannot be developed. They would have to ask permission from the CDD to work on this property.

Mr. Cumello stated I know we signed an Access Agreement with the Army Corp. of Engineers and I am not sure what the footprint is.

Mr. Rose stated the footprint is for a specific area.

Mr. Roy stated the footprint was for the conservation area north of Lee Vista Boulevard.

Mr. Cumello stated under their plan, which they are currently developing, they are talking about cutting in the middle to do some testing. I am not sure if they are allowed to do this under the permit.

Mr. Shelton stated my understanding of what they are going to do is not to clear out trees. They will maintain a straight line with the machine insofar as they can.

Mr. Roy stated I am guessing it is more like a survey crew cutting the line to gain access. The machines I have seen are a pull behind lawn spreader about the same width. I do not think they will be cutting trees, but they will probably have to clear vines to gain access.

Mr. Cumello stated the question is who we need to contact at the Army Corp. of Engineers when they need access to these areas and to determine whether or not what they are doing is permitted under the permit.

Mr. Moyer stated we have a contact from the previous consent we gave. I will tell them we will continue to issue those consents, but in the conservation areas, there are other permit requirements they need to be aware of and satisfy as a condition of our consent. If you do not mind, I pushed this burden back onto St. Johns.

Mr. Cumello stated I agree. We need to make sure they are not causing any damage to this area or violate the permit.

Mr. Moyer stated I will be happy to do this.

Mr. Rose asked when are we going to talk about the easement for Vista Park Investors related to the Day Care Center?

Mr. Moyer responded we finally received the needed information from Ms. Buzyniski. If my recollection is correct, she still needs to get me a sketch. I think the Board directed me to proceed with this and get the easement signed.

Mr. Rose stated I did not know the status because we did not mention this under the Attorney's Report and I did not know whether or not this was the appropriate time to discuss it.

Mr. Roy asked for the gates?

Mr. Moyer responded yes.

Mr. Roy stated the problem is actually with the Day Care Center.

Mr. Cumello asked who is working on this?

Mr. Moyer responded I will contact Vista Park Investors, LLC. Mr. van der Laan will give me the name of the individual to contact and I will send the letter.

Mr. Cumello stated so they have not seen this language yet.

Mr. Moyer stated correct. This is the latest.

Mr. Cumello stated it will change.

## **SIXTH ORDER OF BUSINESS**

### **Community Association Manager – Agronomist Report**

#### **A. Agronomist Report**

Mr. van der Laan stated the Activity and Agronomist Reports were provided to the Board as well as the comments provided by Servello & Sons. Mr. Rose brought up the issue about

outstanding monies owed from Newland Communities to reimburse the District for construction related damage to the irrigation system. They sent us a letter on March 3 disputing those damages, as I reported to you at the last meeting. I received two e-mails from them saying they needed more time to look into this. I was supposed to have heard back from them by last Friday, but I have not received any further information. The last correspondence I had disputed the charges we sent over to them regarding the construction related damages. I do not know if the Board wants to keep waiting for them to respond.

Mr. Rose stated it sounds like they are asking for more time. We should simply send them a letter saying "*You said you would respond by this date and have not responded so please respond*".

Mr. van der Laan stated I will keep this item on my report for next month and let you know what the status is.

Mr. Rose stated please do so.

#### **B. Horizon Easement Agreement**

Mr. van der Laan stated I am not clear about what this easement was for and feel it should be removed from the next agenda. I believe this was the request Horizon originally made for some tree trimming in the conservation area bordering the Horizon community. They were told to have the area surveyed in order for this item to be considered by the CDD. They have no intention of doing so. If this is what this item relates to, we can remove it from further agendas because they are taking care of this matter.

Mr. Rose stated my recollection is this easement was for the irrigation line along Chickasaw.

Mr. Roy stated there were two issues with Horizon; one was the CDD's irrigation line behind the wall along Chickasaw and the other was the trimming of the conservation area trees across their fence.

Mr. Rose stated obviously, they are not going to do anything about the conservation issue. We talked about this before and will eventually have to deal with it. Do you recall the status of the irrigation?

Mr. Roy responded yes. Several months ago, we reviewed the easement being proposed and told you this gave you the ability to access your lines behind the wall. This is the last update

I heard about this matter. I do not know if the easement has been recorded. Ms. Buzyniski was dealing with the recording.

Mr. Rose stated someone needs to follow up.

Mr. van der Laan stated I have not seen the easement and do not know if Ms. Buzyniski prepared it.

Mr. Roy responded the sketch was prepared by Horizon and was going to be attached to the easement.

Mr. Moyer stated I will follow-up. We will carry this item over to the agenda for the next meeting so I can report back to the Board.

Mr. Rose stated I know this is mentioned in the minutes somewhere.

Mr. van der Laan stated this is all I have to report, unless there are any questions.

## **SEVENTH ORDER OF BUSINESS**

### **Supervisors' Requests**

Mr. Cumello stated the residents have asked about the builder signs on Lee Vista Boulevard, which are eight years old and deteriorating. Is there any agreement with Newland Communities on how long we have to keep these signs up? I assume this will have to be researched.

Dr. Banks responded I have been arguing with Newland Communities for a long time to try to get some of these signs removed as they are literally on our property. They keep saying as long as they are building houses, the signs will remain. This is the answer I am getting from them.

Mr. Cumello stated there has to be an agreement. If there is no written agreement, it is the Board's decision, but I will leave this with Mr. Moyer to research whether or not there is an agreement. The signs are getting old and worn. There is one sign in Warwick, which the HOA gave permission for them to install by your property.

Dr. Banks stated it is on my property.

Mr. Cumello stated if it is on your property, it is a different problem because when the HOA first came to us, they requested the sign be placed on HOA property.

Dr. Banks stated it is straddling my property. It should be on the other side of the street as far as I am concerned. I cannot win this battle.

Mr. Cumello stated if you can research this, we would appreciate it because the signs are getting old.

Mr. Moyer stated I would be happy to do some research.

Mr. Cumello stated we questioned whether or not the Gate Agreement was executed. Mr. Rose reported last month he had not received it.

Mr. Rose stated I signed it, but had not received an executed copy. We need to obtain an executed one. Did you sign this agreement on behalf of the HOA?

Mr. Cumello responded yes. What is the status of the records being transferred from our Attorney's office to Leland Management?

Mr. Moyer responded it is in process.

Mr. Cumello asked have any records made it here?

Mr. Moyer responded no.

Mr. Cumello asked can we push this along? It would be nice to see what records they provide before making any decisions on the Attorney.

Mr. Moyer responded yes.

Mr. Cumello stated the HOA has to replace the golf cart used by the maintenance staff. The last time we replaced one was in 2006. There is an agreement between the HOA and the CDD for a 60/40 split. I wanted the Board to know the intention is to process an invoice for 60 percent of the cost of the golf cart.

Mr. Rose asked will we see the estimates first?

Mr. Cumello responded you will see the actual price as the HOA decided which golf cart to purchase.

Dr. Banks asked what was the cost?

Mr. Cumello responded \$5,000.

Ms. Eichorn stated there was a trade-in value. I think the total cost was \$4,600.

Mr. Cumello stated we are responsible for 60 percent of \$4,600. It is relatively inexpensive.

Mr. Rose asked was this item budgeted?

Mr. Cumello responded I do not know.

Mr. Moyer stated you have \$6,000 left under the field contingency. The money can be taken from this line item as this is a field related use.

Mr. Cumello stated we are going to have money left over on the gates because we under budgeted. Once the agreement is executed, the HOA will pick up the cost going forward. They

may have money budgeted for gate maintenance. This is just an update, unless anyone has a concern.

Mr. Shelton asked is it possible for me to receive a hard copy of the agenda package? The financials can still be e-mailed.

Mr. Moyer responded yes. Mr. Holihan requested a hard copy of the agenda booklet at the last meeting. If this is alright with the rest of the Board, I can add you to our mailing list.

Mr. Shelton asked how soon are they delivered?

Mr. Moyer responded we second day Fed-Ex them a week ahead of the meeting. You should receive it on Saturday.

Mr. Shelton stated I would appreciate it.

Mr. Rose asked do we need to ask the POA to put pressure on Wachovia Bank to re-landscape their lot? There is dead grass.

Mr. van der Laan responded they finally resolved their water connection issue as they are now connected to the public system, which is what they were supposed to be connecting to instead of the CDD irrigation line. I spoke to the Project Manager for Wachovia two weeks ago in regards to the re-planting and he said they were scheduling the work.

Mr. Rose asked do you know when this work will be completed?

Mr. van der Laan responded he did not give me a date, but I can check.

Mr. Rose stated this has gone on way too long. A couple of months ago, I affirmed my desire to obtain proposals for combined management companies instead of having two separate management companies. Mr. Cumello wanted to get the Attorney replaced first, but I think we need to start this process, if this is something the Board wants to seriously consider.

Mr. Cumello stated I agree this is something we need to look at. We should take a look at how we can have one company provide all of the services.

Mr. Shelton stated we definitely should consider it.

Mr. Cumello stated we are moving into our budget cycle. Certainly it is appropriate to research this, do the due diligence and make a decision before the 2009 Budget is closed so we know what the costs are.

Dr. Banks stated consolidating costs is very important.

Mr. Rose asked how do we go about doing this?

Mr. Moyer responded usually the way this is done is by putting out a Request for Qualifications (RFQ) or Request for Proposals (RFP), where you receive qualifications and a fee schedule as part of the response. The Board will have to come up with a scoring system in terms of price, qualifications, staff and experience. You go through the proposals and score them across the criteria to come up with the number one ranked firm. You may not get cheaper fees, if you base this on the qualifications. In Vista Lakes, regardless of whether or not we combine the management and field services under one contract, you are still going to have a separate HOA Manager. The thought process we used here was having a management company provide the field management for the common property, instead of having an HOA Manager. I think this is how we got to where we are.

Mr. Rose stated my concern with the current arrangement is we are getting charged per door by two different companies. I agree with having a Field Manager for CDD property, but I feel the HOA is totally separate. The biggest cost savings in my opinion, is the per door charge.

Mr. Shelton stated as we go through this process, I will be interested in hearing from the two companies involved. There may be some advantages and there could be some hidden disadvantages in combining them by not being involved in the day-to-day operations. I understand you have a conflict of interest and we need to understand your views may be shaded by your desire to keep our business.

Mr. Moyer stated Severn Trent has their own contract.

Mr. Shelton stated I am not accusing you of being dishonest, but this is something we need to be aware of.

Mr. Cumello stated in other words, Mr. Moyer cannot assist us with the evaluation.

Mr. Moyer stated I would not be the evaluator.

Mr. Cumello asked is the evaluation process you described required by Chapter 190? I am not familiar with this process.

Mr. Moyer responded no. This is a process most governments follow.

Mr. Cumello stated from a procedural standpoint, the Board needs to have a separate committee because of a conflict of interest with the potential bidders, to pull together the RFQ or RFP. We need to think about how this committee will be set up. We cannot have two Board members on a committee as this then becomes a formal meeting under the Sunshine Law. We

need to at least have one Board member and two other people who do not serve on the Board. We have some mechanics to work out.

Mr. Shelton asked is the procedure the law or just good practice?

Mr. Moyer responded good practice. As a matter of fact, the amount of money you are paying my firm and Mr. van der Laan's firm, falls under the bid limits. You would not even have to competitively bid it as this is not required under Chapter 190. The intent of the Legislature, when they put the RFQ or RFP process together, was not to put management or legal services out to bid as they thought the Boards should select management and legal services based on qualifications and not be overly concerned about price. They wanted to stay away from the price issue, although they understood, this had to be a factor. Their concern was Districts/Governments in general, get the best quality management they can get and the price was secondary.

Mr. Shelton stated this also allows our comfort with the firm aside from price or qualifications.

Mr. Cumello stated if we are going to proceed with this, we need to authorize the establishment of a committee.

Mr. Rose asked are there any models to follow for this procedure?

Mr. Moyer responded I think Mr. Cumello described this process perfectly. If the committee has more than one Board member, we need to run an advertisement seven days before you meet, saying you are having a meeting. Every Board member can serve on this committee. You just need to have a separate meeting. This does not have to be a CDD meeting or you can consider the proposals at one of your CDD meetings. I will just bring the materials back and all of you can review it. You would serve collectively as a Board on this committee.

Mr. Shelton stated you could not have more than one Board member without providing this notice.

Mr. Moyer stated correct.

Mr. Shelton asked can we place a notice on the CDD website?

Mr. Moyer responded no. The notice has to be placed in a newspaper of general circulation within Orange County.

Dr. Banks asked is this something we need to do? Are we unhappy with the two management companies? My feeling from talking with the property owners is they are happy

with Mr. Moyer's group and they have been good for us. They are always available to us and I do not hear any complaints from the homeowners about Leland Management.

Mr. Rose stated we are not talking about replacing Leland Management or Severn Trent Services, but we are paying two management companies to manage the CDD, which in my opinion is fiscally irresponsible on our part. I have not been pleased with many aspects of both companies. You have invoices going from one extreme to another and getting misplaced. We asked for an action list because items were getting dropped on the floor and people were not managing this CDD.

Dr. Banks stated I understand. I am new to this and I am learning.

Mr. Rose stated it makes more sense to me to have one company responsible for everything. We need to make sure this company takes the issues we discuss instead of coming to these meetings and saying they did not follow-up. As a manager myself, you have to be able to work the process.

Dr. Banks stated I was not aware of these issues.

Mr. Rose stated it has been frustrating for the past year.

Mr. Shelton stated we also have to pay more attention to separating the CDD and HOA matters. We found Leland Management grouped everything together but there should be two separate budgets and issues.

Mr. Rose stated I do not think the HOA Manager has anything to do with our CDD Manager. The line is clear on the property management, when you are talking about the resources we pay 60 percent of.

Mr. Shelton stated the HOA Property Manager is hired by the HOA.

Mr. Rose stated I am hoping both companies will submit a bid for this work, but at this time, it does not make financial sense for us to be paying per door to two different companies. Do you want me to create a scoring system and a list of services we want our management company to provide?

Mr. Cumello responded the first step is to authorize the formation of a committee. Then we need to find out who wants to serve on the committee; whether Board members or non-Board members and let the committee do the work.

Mr. Rose stated I have no issue with serving as Chairman for the committee.

Dr. Banks stated I have no problem with you serving as Chairman for this committee.

Mr. Cumello stated a decision has to be made on whether the committee is going to be made up of one Board member and four non-Board members or strictly all Board members.

Mr. Moyer stated you need to be careful with committees because abiding by the Sunshine Law is based on the authority of the committee. If what the committee does in no way binds the Board or is not a formal recommendation in which one would expect the Board to accept or adopt the recommendation, then you are probably safe but if this is an actual formal committee of this Board, the participants need to abide by the Sunshine Law. It is like a Planning and Zoning Board. There really is a fine line. If the Board gave Mr. Rose direction to appoint individuals to provide him input into this matter and he does this on an informal basis and comes back as a Supervisor and tells you what he has done and recommends, this does not rise to the level of a committee.

Mr. Rose stated I think this is how we need to approach this. I will do some research. Since Mr. Moyer has experience with this, whatever I create I will provide to him to review and provide comments. I will find the participants for this committee and come back to the Board next month with a proposal. I will try to send out some information beforehand so we can discuss it at next month's meeting.

Mr. Cumello stated you cannot send it to us.

Mr. Rose stated I will provide my report to Mr. Moyer and he can forward it to the Board.

Mr. Cumello stated I will forward some information to Mr. Moyer because I also have experience with this type of evaluation process.

Mr. Rose stated if you are interested in serving on this committee, you can.

Mr. Cumello stated I did not say I wanted to do it but I have the experience dealing with this type of evaluation process.

Mr. Moyer stated at the end of next month, you will have whatever Mr. Rose came up with or whatever any Board member wanted to provide. All this information will be included in the next agenda package to be discussed at this meeting in the Sunshine as this meeting has been noticed. I think this is the safest way to accomplish this.

Mr. Shelton stated I think this is a critical issue because Mr. Rose is the Chairman and has to be involved. Mr. Cumello has the experience and should be involved. The rest of us can decide if we want to be part of this process. The only downside is we have to publish a notice in the newspaper. We are probably going to end up with the same amount of people, whether we do

this or not. There are certain advantages to having the Board participate. I do not feel strongly about this one way or the other, but I just wanted to raise this as an issue.

Mr. Rose stated we are proposing the entire Board be involved in the decision, but I am going to be doing the legwork and Mr. Cumello is going to be feeding some information through. I will get my report out before the next meeting so everyone can review it and we can discuss it at the meeting. If additional steps need to be taken, we can direct those steps at the meeting and decide how to proceed from there.

Mr. Cumello stated in Federal contracting, price is not a factor. It is based on technical experience. I believe this is the way Mr. Moyer described the process.

Mr. Rose stated this does not necessarily mean it has to be a factor.

Mr. Moyer stated in closing, I am not sure we understand your expectation regarding the process you are following, especially with Mr. Rose's input in some cases. I think it is important we understand what the expectations are. The management provided to this Board is fairly typical of the management provided to all CDDs. However, in many cases field management is not bifurcated from the administrative management, but in some cases it is. Your input and the Board's input in terms of the expectation would be very helpful.

Mr. Cumello asked can we get a copy of the existing contracts?

Mr. Rose responded I have copies of both contracts. The cross charging we get from the HOA for the monthly maintenance is killing us. We are getting all these cross charges, which I do not feel the CDD is getting the benefit of. I sent an e-mail to the HOA a couple of months ago and of course never heard anything back. There are clearly things not CDD related, which we were charged for. The bottom line is the money is all coming out of the same bucket of money; i.e. the residents. It is the homeowners that are ultimately paying. My concern is whether there are legal implications with the CDD paying for items not related to the CDD. Is the Board held liable for not doing due diligence? You said you would work with Mr. van der Laan to get a proposal and we heard nothing. This is the crust of my frustration.

Mr. Moyer responded it needs to be accounted for properly. We have a fiduciary responsibility separate from the HOA and you are correct in terms of the money all coming out the same pocket. However, in terms of theory, we are separate and apart from the HOA and those invoices need to be reviewed. We need to pay for only what the CDD is incurring the expense for.

Mr. Cumello stated I agree. I think the HOA should only invoice us for costs associated with the maintenance of CDD property. We have two maintenance people out of a staff of 12 to 14, which we are paying for through a 60/40 split. When we do any type of maintenance on CDD related property, those costs should be charged. There should not be any HOA charges coming across. If there is, they should be reversed.

Mr. Rose stated they have been coming across for months. There are items, which are gray areas, meaning they were clearly not used under the benefit of the CDD or the HOA. I thought the whole purpose of this arrangement was for the 60/40 split to be only for those items, which could be used by either the CDD or HOA. For example, bug spraying or ant control could be done on CDD property or HOA property. The invoices for the re-decoration of the Welcome Home Center are getting cross charged to us.

Mr. Cumello stated they should not be because this is HOA property. Our policy should be if something comes across, which is not correct, the charge should be reversed. We need to look at those invoices carefully and reverse the charges. There is no reason for it. It is not the policy to send them over.

Mr. Rose stated we need to put a process in place preventing those invoices from being changed to us.

Mr. Cumello stated in looking over last month's invoices, there was \$4,725 worth of charges from the HOA. I assume two of them are payroll related and the other one is a miscellaneous charge.

Mr. Rose stated the other one is for \$1,200, with 60 percent of the maintenance for one month.

Mr. Cumello asked for the maintenance of materials?

Mr. Rose responded yes. They purchased many keys and folding chairs.

Mr. Cumello stated we should not be charged for those items. However, the keys could be for the irrigation system. There was a problem with an irrigation system where someone was tampering with the lines and we had to install locks. The irrigation system is the responsibility of the CDD.

Mr. Rose stated if you look at the past five billings, we purchased 60 keys.

Mr. van der Laan stated I will come up with a process on our end and run it by Mr. Moyer. We will have it implemented within the next two weeks. I will have our Accountant go

back to see if there is anything charged to the CDD that should have been charged solely to the HOA and will reverse those. I suspect what happened is because most of the charges, Home Depot for example are split 60/40, it was not thought about. The Christmas decorations went on the Home Depot account. I will put something in place where all invoices get reviewed by me first.

**EIGHTH ORDER OF BUSINESS**

**Audience Comments**

There not being any, the next item followed.

**NINTH ORDER OF BUSINESS**

**Adjournment**

There being no further business,

On MOTION by Dr. Banks seconded by Mr. Shelton with all in favor the meeting was adjourned.

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Gary L. Moyer  
Secretary

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John Rose  
Chairman