

MINUTES OF MEETING
WYNNFIELD LAKES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Wynnfield Lakes Community Development District was held Wednesday, March 12, 2014 at 10:30 a.m. at the University of North Florida, University Center, 12000 Alumni Drive, Room 1088, Jacksonville, Florida.

Present and constituting a quorum were:

Shelley Farmer	Chairperson
Robert Herndon	Vice Chairman
Carrie Driscoll	Supervisor
Williams Youmans	Supervisor

Also present were:

Dave deNagy	District Manager
Jason Walters	District Counsel (by phone)
Jackie Compton	Riverside Management Services
Brian Stephens	Riverside Management Services
Kevin Mulshine	MBS Capital Markets, LLC
Travis Rogers	Southern Recreation

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 10:30 a.m.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

Mr. deNagy asked the Chairman if it would be okay with the board for Kevin from MBS Capital Markets, LLC to make a presentation. It is a diversion from what is on the agenda. Also, we have Travis with Southern Recreation. Can we start with Kevin?

Ms. Farmer responded that would be fine.

Mr. Kevin Mulshine stated all I want to do is provide some education on the outstanding debt and the outstanding assessments and the future opportunities coming up. Please flip to page 10, the other stuff is just really boring resume stuff. There is about \$11 billion CD debt in the state, and our firm underwrote about 80 percent. We are a boutique firm, that is all we do. I actually worked on this District; the petition was actually the Hutson Land Company. So I was here when we formed the District and issued the bonds, and then

Lennar bought the property from Hutson a while ago. In 2005, after the District was established, the District issued \$11.55 million of bonds to finance a lot of the infrastructure including the recreation amenities with the District. At the time, the bonds were issued at a relatively higher rate because they are non-rated because at the time there was only one landowner. And what happens, as homeowners move in, it becomes a lot better credit wise for the bondholder. Their security goes from one landowner to hundreds. I think it is 372 homes that are vertical, so it becomes very good credit. We actually applied for and received, just to help the secondary market trading these bonds, last year we are able to get an A-minus rating on the current debt. The nice thing is you will get to take advantage of that when you are refunding, the higher the rating, the lower the interest rate.

Mr. Youmans asked that A-minus, that is based on us paying it on time?

Mr. Mulshine responded yes, your paying it on time, and your community has a very low foreclosure rate. It actually is very much an on-time community. Most of the taxes are collected in your community in November. Tax certificates have literally been a couple of thousand dollars over the entire tough period. The way the S&P looks at everything, its how they do in 2008, 2009, and 2010.

Mr. Youmans asked so we did well in that period?

Mr. Mulshine responded you guys did great.

Mr. Youmans asked what is the highest rating we can get?

Mr. Mulshine responded A. Standard and Poor won't give higher, they just won't.

Mr. Youmans asked what could we do to improve that?

Mr. Mulshine responded we have another tracked year, and we are getting closer to our maturity, and the values have actually increased. One of the things they look at is the lien to value. So what is the average value of the home versus the average amount of principle, not the debt. Those factors are going up. The last home sold in Wynnfield Lakes actually sold for a lot more than they did in 2008. That is the existing data. Just so you know, the apartments actually paid their debt off, they prepaid their principle amount. The same as any homeowner who could actually walk in to Dave, and you don't want to pay your \$1,600, you could walk into Dave's office, and I imagine that represents about \$18,000 of principle, and Dave would say give me a check. That is what the apartments did a while ago. That is why the apartments

pay a maintenance assessment. I don't think they pay a debt service assessment. The debt service is on 372 homes.

Mr. Herndon asked these are still condominium units, right?

Ms. Farmer responded we believe they are condominium units, but our debt is paid.

Mr. Mulshine stated the important thing on your outstanding debt is between the apartment paying it down, because it is like a 30-year mortgage, you start paying down in 2005, so your mortgage is amortized a little bit. Your final maturity is 2036, and this is the important thing, on 5/1/15, you can retire the bonds at par. You could refund the bonds. The bondholders, the people lending the money, they said there has got to be a period where we get to keep our money outstanding, and that was a 10-year period, and we are starting to run the clock on that 10-year period. The reason we talk about it now is technically it could refund today if you want it. I wouldn't recommend it because your savings wouldn't be as good if you wait because the cost of issuing a year in advance. You may find a time six months from now or nine months from now where you say, if we can reduce assessments by 10 percent, let's go ahead and lock it in because you are always subject to market conditions with interest rates going up and down. It is a delicate balance. All we want to do is start the process of monitoring it and letting you know how things are going. I am going to go over to Economic Consideration. Most local governments will say they want to refund their debt at the benchmarks of 3 or 5 percent savings. Frankly, you only get one bite of the apple on the assessment side. I am more about reducing assessments by 8 or 9 percent, and eventually this board, however you do your refunding, you will wind up setting a target saying the family is paying \$1,600 today, we want a reduction of least X before we do it. And just so you understand how it fits into what you are doing is it won't be able to affect what you do this year in your budget, but in your next budget cycle in 2015, hopefully you will get to take advantage of the refunding where in your budget cycle in 2015, instead of putting on the tax bill \$1,600, you will be putting out a lower number, say \$1,400. So it will save you money on the next budget cycle. The timing considerations, we just discussed that, and not just the issue that the bonds can't be retired until May 1, 2015. You could refund them today, put the proceeds in escrow, and then May 2015 those proceeds would be used to pay down the bonds, but the problem is you are carrying the new bonds through that whole time, and that cost just really really dampens your savings, if that makes sense. CJ, you already hit on the economic, the

timing and credit considerations. This is exactly what S&P looks at every year, their criteria, it is the level of build out, the top 10 taxpayers, and foreclosure and short sale activity. One of the things that helps is you have 372 taxpayers who all pay the same amount, so S&P says that I don't have exposure to anybody if somebody's house burned down and they had to rebuild it or something. It doesn't impact it as much. And that actually becomes a problem when you have mixed use developments where we will have a commercial parcel with some residential. They like to be able to get a rating. S&P will say this is too much exposure due to a commercial property. The refunding structure, and this is really important, there are two ways we do refundings. One is called a private placement. There is where we don't even use the ratings. Every now and then, banks lend money based upon Libor, they are borrowing at Libor, which is incredibly low. When you issue in the public market, we either do a private placement to a bank or a public offering where we actually sell the bonds like last time around, and that is where the elite investors buy 100,000 bonds because they want a return of four or five percent or what the rate is. The problem is that banks will lend money when they are in the business of lending to CDs, and we did this about 20 times the last year. Banks will actually lend you money at a fixed rate that is tied to Libor so you can do a public offering at 4%, and you will end up getting a bank loan at 3%. We have gotten bank loans at 2.7%. It is just when they are in the market. The tough part with the banks is normally they don't want to go out 20 years fixed. Normally they will only fix it for 12 or 14 years, so we have to cobble them together with your staff to try to figure out how to make that work. The reason it is important is because we always take the process as we get closer where if you say we would like to start looking at locking into savings, what we will actually do is send proposals to banks and get the best bid from banks first, and if none of those work out, then we know we could always still lock in the savings at a public offering if none of the bank proposals work out. I just want to make sure you understand the difference. First, we go into the banks because when they provide the financing, it is a lower cost financing, so we will take bids from a bank. If that doesn't work out, then we will say let's get the upgrading up to A and go ahead and do a public offering. When we show you something, we always base it on a public offering because I don't want to promise what a bank is going to do. They fluctuate so much I wouldn't want to make any promises. Here is the important fund. We get to the estimated refunding results and the impacts on the tax bills. This is what happens. If current market conditions today, if you

did a refunding today or if you did a refunding a year from now, just to see the difference that the timing makes. The first four rows here is just your existing debt that is outstanding, but what we are talking about is either refunding on 4/1/2014 or 5/1/2015. You will see your current data is the \$7.2 million at 5.6% and here is the important number, the maximum annual debt service. That is \$561,000. To get to your assessment bill, that's the number that Dave takes and divides it by 372, and that is how you get \$1,600 on your tax bill for that service. If you look at the two refunding scenarios, if you refunded it today because you have to put that money in escrow, you see the estimated par amount would go up to 7.595 whereas if we wait a year, it will only be 6.68. That reflects the cost of having escrow money for a year. CJ, we talked about if you take a look at the average interest rate, say 4.6%, your average interest rate at a public offering today with an A-minus rating, if we bumped it up a little bit to an A, it might be about 4.5%. Make a little bit of a difference. These are just conservative scenarios. Here is the important part. If you look down at the estimated max annual debt service reduction, if we did it today because of that cost addition too early, we would only reduce assessments by one percent. You would never want to do it. I wouldn't even recommend it if it was three or four percent. I would say wait.

Mr. Youmans asked why is that more money to do it now?

Mr. Mulshine responded because what you would have to do is you can issue it now. That is called an advance refunding, and you actually issue this larger amount of money, the 7.595, and what you would have to do is place that money in escrow for a year before you could retire the old bonds, so what happens is you issue bonds. The proceeds get placed into an escrow with a trustee, and the trustee says the old debt is gone so we have enough on hand to pay the bonds off on May 1, 2015. The problem is since you have now a new bond issue outstanding of 4.5% and the old bonds are still outstanding, but they are escrowed, and your escrow isn't earning any money in today's market, that's called a negative arbitrage because your new issuance rate is so much higher than what your escrow is earning. There are times when you are actually, believe it or not it doesn't cost you anything because the escrow earns as much as the rate of the new bonds.

Mr. Youmans asked so it is basically rushing it, right? It is a rushing fee, so there is no reason to rush it just yet.

Mr. Mulshine responded you only get to do it once or twice in the length of the 30-year bonds. My only point is you want to make sure you are maximizing it. You may say let's issue in October of this year because in October of this year rates were very low, even a little lower than today. You can still probably get 10%. We could lock in the rates today but not close for two months. It is a judgment call by the board saying is this enough or not or do you want to take the interest rate exposure. If interest rates are in decline, then it goes away, and you don't get any savings.

Mr. Youmans stated we all know they are going up, right?

Mr. Mulshine responded you know, I've been saying that they are the lowest ever for 28 years now. Mathematically they can go up a lot more than they can go down.

Mr. Herndon stated there is a lot of talk of a bond market crash. No one knows when. At that pace, if there is a bond market crash, what does that do to Wynnfield Lakes CDD regardless if we get a new bond or would it be the same?

Mr. Mulshine responded if the bond market collapsed meaning rates to up and prices go down, it would take away the opportunity to refund the bonds. You could never go up from your current level because your bondholder has a deal.

Mr. Herndon stated so the bondholder basically will have useless bonds because the rate will go up.

Mr. Mulshine responded on your statement it will say your bonds are only worth \$0.70 on the dollar.

Mr. Youmans stated well we are locked in. We have 30 years. We are talking about refinancing basically. Taking advantage of these low rates right now.

Mr. Mulshine stated the reduction in the debt service is the most important. What I wanted to do, if you don't mind skipping to page 20, if you refund it today, conservatively you only save the folks about \$20 a year. That's one percent. But the more important ones, if you take a look at Scenario 2, the average single family home will save about \$180 a year, which starts to become very significant. That's why if you said today do a refund, it would take 60 to 90 days. Jason can give you a better feel. Just be prepared to do it. The nice thing is you are only asking for an increase in the rating, so it is not as long or arduous process. If interest rates continue to decline, it just improves. If you are in a situation where interest rates went down,

let's take advantage of that refund, and it will take three months to get it ready, and interest rates will go back up. So we are just trying to monitor it for you.

Mr. Youmans stated so we want them to stay low obviously for as long as possible, and then when we are ready, when we think they are starting to go up, we will get in.

Mr. Mulshine responded right. The difficult part for you will be if in the fall we are in the same kind of interest rate market, we may be saying you can save 9% if you did now but 12% if you waited. Do you want to save the people \$150 now or wait. That's the tough decision that the boards make.

Mr. Youmans stated that analysis is what we are going to want - black and white clear. As we go along, I think the decision will be easier. I think the other point that you are saying too is there are some legalities, there is going to be some timeframe when we want to do it and then to actually close, so we want to be ready to do that. So Jason, I haven't heard anything out of you. Do you have any opinions on what you have to do to get us ready to do that?

Mr. Walters responded we have done some refinancing. You have touched on the private placement side. We have done a couple of those in the not-too-distant past. Those happen quicker just because of the structure of the deal and the structure of the lender and what they require. Those can happen pretty quick, but as Kevin says, as we get a little bit closer we will be monitoring this, and Kevin will be in touch with staff all throughout the process. Generally, if we tidy things and get things moving, 60 to 60+ days on a public offering and a shorter timeframe on the private placement is very reasonable to do. We will keep our eyes on this and make sure we don't get caught in a timing situation. It may require the board to call special meetings. We meet every other month, and obviously that is not going to be conducive to a financing structure, so if we get into that mode where we are looking at a refinancing, we will try to call meetings convenient to the timing of that financing.

Mr. Youmans asked can we just give Shelley basically the power to make that decision?

Ms. Farmer stated I think it is a board decision.

Mr. Mulshine stated there will be a time where you will say because you can't meet exactly on that date and time you want to lock in the market, so there will be a time where you will delegate to the chairman and say the chairman is authorized to sign, for instance, a bond purchase agreement as long as we meet these parameters of interest rate no higher than this.

There will be a resolution called a delegated board resolution where you will delegate to the chairman within parameters that the whole board is okay with.

Mr. Youmans asked you would help us set those parameters?

Mr. Herndon asked Mr. Walters is there a third party that is available to the CDD board to look at this and give us another opinion? Is there someone available to the board?

Mr. Walters responded he is generally standing in the room. Kevin is our investment banker, and he is tasked with this exact thing of monitoring the market, providing numbers, crunching those to say based on these assumptions we would be looking at certain savings. He has always done an excellent job in the past. From the board's perspective, that is who we are looking to to tell us what the markets are doing, what our savings would look like, what our options are.

Mr. Mulshine stated when you decide to go out and say you are going to do a private placement, all we are doing is taking proposals from any bank who is registered bank and can legally do a deal, and we are just bringing you the best rates.

Mr. Herndon stated so you are here to represent the District? I just misunderstood as you representing the District versus you being just a vendor. My mistake.

Ms. Farmer asked how often do you recommend us getting this updated?

Mr. Mulshine responded it's easy. Once the whole thing is set up in the models.

Ms. Farmer asked so you can have it for every meeting going forward?

Mr. Mulshine responded yes.

Ms. Farmer stated so then we can go from there to know what kind of parameters you want to set and where we want to go with it.

Mr. Mulshine stated don't get into a deal unless you are getting really good savings. Mathematically what happens is, as you get closer to maturity, your ability to save money shrinks. We will give you all the numbers, but I can never say do it for 8, don't do it for 7 or do it for 10, don't do it for 11. That's why you have boards.

Mr. Youmans stated you can tell us what your other clients are doing though, what kind of criteria that they have set, and then we can analyze that and kind of make our own decisions.

Mr. Mulshine responded the GFOA, the Government Financial Office Association, they have published guidelines, and they say refund our debt as long as they can save 3% to 5% present value. With an assessment, the thing that is important to me is the reduction in the

assessment, and I just have never done one for 5%. I think the lowest we have done is 8% or 9%, but unless you are going to get a bang for your buck, you might as well as hold that bullet.

Mr. Youmans stated so what you are saying is that there are actual public guidelines that we must follow?

Mr. Mulshine responded no, it is just criteria and suggestions. What they say is a benchmark is 3% to 5% you should refund your debt. If you can save 5%, you should go ahead and refund it. It is just a guideline.

Mr. Youmans asked so can you give us your opinion of when you think will be the right time to strike?

Mr. Mulshine responded if interest rates are the same in the fall, what will happen with this stuff is sometimes banks really need to print out a bunch of money, and then they will say to us, lending we can work on. We will say Wynnfield has an A- credit, do you want to take a look at that one? If they want to knock your socks off in the proposal, they will bring it. I am just hoping that sometime during the year some bank really wants to give money out and save you a bunch of money or I can see this being in the fall where we are saying "It is now September, we are only six months away, we can delay a closing but lock in rates now, do we want to save the 8 versus the 11 later." As long as interest rates are pretty similar to where they are now, I think you will start with the tough decisions in the fall.

Ms. Farmer asked do you think an 8 to 11 percent savings is completely realistic?

Mr. Mulshine responded if they are callable today at this rate, we would get 11%, and that is conservative.

Mr. Youmans asked does November politics play into any of that at all?

Mr. Mulshine responded no. The good news is although people believe interest rates are going up, there are a lot of opinions out there that municipal bonds, tax-exempt bonds are still very cheap and a good deal. So people keep on buying them. So municipal rates are hanging in there pretty well.

Mr. deNagy asked Mr. Mulshine if he wanted to talk about MBS going forward.

Mr. Mulshine responded we have an agreement that we usually put in place with districts, it is called an investment banking agreement. We don't get paid unless there is a deal you like and we pursue it. At some point we would have to have some kind of agreement in place just because to present you to a bank, we have to be authorized. I wouldn't even push

that today. I just want you to understand the relationship. We never get paid unless we do something, and that is our standard agreement.

Mr. Youmans asked Mr. Walters have you reviewed the language of the contract yet?

Mr. Walters responded it is a standard form.

Mr. Youmans asked is there any rush to sign it?

Mr. Walters responded there isn't a rush to sign it, but as Kevin says, at some point we are going to be looking at approaching banks and other lenders, and at that point I think it is important to have that relationship in place so that they can represent us pursuant to a contractual agreement.

Mr. Youmans asked is there any reason we should not sign it now or soon?

Mr. Walters responded I don't. Offhand I don't recall the termination provisions, but I think there are general out provisions, but there is no drawback. There is not a fee associated with it, and there is no cost to the District until we close on a refinancing, so there is not a lot of down side.

Mr. Mulshine stated Jason, even if it made the District feel better, if you want to take the 90-day and say it is a 30-day termination that means you don't owe us a dime. If you don't want to do a deal or you find something that works better, I would be very happy to see you get this done. Unless we can save you a bunch of money, I have zero interest in trying to make money. Dave asked us to update because it is coming up for that year period, and we promised we would keep the numbers updated.

Mr. Youmans asked Ms. Driscoll if she had anything?

Ms. Driscoll responded no.

Mr. Youmans asked Mr. deNagy if he had any opinion?

Mr. deNagy responded if we just keep our finger on the pulse of what is going on, and there will be a point when we will want to pull the trigger on this and move forward. I think it is great for the District. Anytime you talk about reducing assessments, it is going to put a smile on somebody's face.

On MOTION by Ms. Farmer seconded by Youmans with all in favor to sign the MBS Investment Banking Agreement with the termination provision being changed to 30 days from 90 days was approved.

Mr. deNagy stated the second item before we get into the regular agenda is Travis Rogers from Southern Recreation. This goes back to the shade structure that was previously approved by the board.

Mr. Rogers stated we made a mistake on part of the quote for the shade sails, what we bid. Normally what we bid is a quote with everything on a single page. What happened was somehow we got two pages, and we just didn't catch that second page. So whenever we quoted you, we did not quote for the post AND sails. So what we will do, once the posts are set, they have to be measured specifically, and the sails are custom made. We will pickup the freight for the sails and also we won't put any mark-up on the sails at all. It will all be at cost. That number is slightly negotiable. The freight we will pick up is roughly around \$600.

Mr. Youmans stated thank you for coming and admitting that.

Mr. Rogers stated it was our mistake, nothing you did or anything. It is something we didn't catch. It was on the page, but was just something we obviously looked over.

Mr. deNagy stated the total cost approved was \$12,275. What will the total cost be?

Mr. Rogers responded I believe it is just over \$14,000.

Ms. Farmer stated \$14,133. That includes everything. That is with the swing too?

Mr. Rogers responded yes. You have two separate, one just for the swing and the other is for the shade sails.

Mr. deNagy stated the swing was \$1,928.65. The shade structure was \$12,275.00 but with the sail added minus the freight and no mark-up, how much are we adding?

Mr. Youmans stated the difference is \$1,858.

Mr. deNagy stated so we are adding an additional \$1,858 for the sail.

Mr. Herndon stated that would make the total be \$14 something?

Mr. Rogers responded \$14,133.

Mr. deNagy stated that is still under the threshold that board approved.

Mr. Herndon stated my view on this is everybody makes a mistake. They are not trying to gig us or something, it is just something that wasn't included. I hate when people take advantage of an accident. That always rubs me the wrong way. I think this is fine.

Mr. Youmans asked how fast could you get out there and do this?

Mr. Rogers responded if we ordered them today, it would take 6 to 7 weeks for the posts to come in. We can talk to the plant, which is in Carrolton. They are about a week or so behind because of the weather. We might be able to get it out in 5 weeks probably at the fastest. Once the posts are in the ground and set, they have to be measured. Once those are measured and set, it takes an additional 2 to 3 weeks to get the sails in. So you are talking a little over two months.

Mr. Youmans asked so you can't order the sails until you get the measurements?

Mr. Rogers responded right. They are not shades, they are not custom-made shades that stretch to a certain limitation. They are sails, so they have to be custom cut so they won't have any stretch in them so they won't tear. You can definitely have them for the summer.

Mr. Youmans stated I am just curious, you guys found this out in January?

Ms. Farmer stated I was contacted about it. The initial quote implied that the sails were included. I do not feel comfortable moving forward with an additional almost \$2,000.

Mr. Youmans stated with that, is there any way that you can just contact us by email? Do we need to meet and talk about it? We have wasted two months.

Mr. Walters responded you are going to have to meet as a board. This came in and from a legal perspective, I didn't want it to turn into a federal case. Shelley rightfully had some concerns in unilaterally deciding that it is okay to spend additional money. I think we are all on the same page that this was an honest mistake, but we just wanted to come back to the board to authorize the additional funds. It is not something that can be voted on outside of a meeting. We meet in the sunshine, and we are subject to all those statutes that require us to do so.

Mr. Youmans asked can we just do an emergency meeting next time if there is something like that. I don't how open your schedules are.

Mr. deNagy stated we just need to provide a week's notice, and there is usually a 3- or 4-day lead-time with the paper. Figure about 10 days if you want to call a special meeting.

Mr. Youmans stated I am open to meeting right away for something like that if in your opinion it is something we need to meet on right away.

Ms. Driscoll asked is there any way we can do just a phone conference?

Mr. deNagy responded no.

Ms. Farmer stated a quorum does not include a phone conference.

On MOTION by Ms. Farmer seconded by Mr. Youmans with all in favor to approve the additional \$1,858 cost that was accidentally excluded from the originally approved proposal was approved.

THIRD ORDER OF BUSINESS

Approval of Minutes of the January 15, 2014 Meeting

On MOTION by Mr. Herndon seconded by Ms. Driscoll with all in favor the Minutes of the January 15, 2014 meeting were approved as published.

FOURTH ORDER OF BUSINESS

Consideration of Proposal from ValleyCrest to Create Buffer Zone Along White Fence

Mr. Stephens stated the buffer zone along the white fence is for the conservation area on the south side of the entrance. We have already done the north side. This is to do from Wynnfield Lakes Boulevard all the way down to the end. It is behind the houses. Basically creating about a 3' buffer off the fence line.

Ms. Farmer asked about maintaining the buffer.

Mr. Stephens responded it is not something we would maintain. Every few years we would probably have to go do it again.

Ms. Farmer asked do we have money in the budget?

Mr. deNagy responded yes we do. We have a landscape contingency. We also have additional \$7,200 signage revenue that we will be receiving later this year.

Mr. Youmans asked is it just all white fences, anyone that has a fence on the back or is it all properties along the way.

Mr. Stephens responded it will be all the fence lines.

Ms. Farmer asked what brought this up, was it a resident?

Mr. Stephens responded it was a request by the board a few meetings ago.

Mr. Youmans stated we were talking about the whole thing, and we scaled it back to 3'. Is this the bare minimum?

Mr. Stephens stated if you do less than that, you will do it again next year.

Mr. Youmans asked are you going to be accessing from the wetlands side?

Mr. Stephens responded there will be a couple of easements that they will have to utilize but primarily from the wetlands side.

Mr. Youmans asked easements between the houses?

Mr. Stephens responded yes.

Mr. Youmans asked do we want to let the residents know? How do we let people know?

Mr. deNagy stated we can send notices out to those folks.

Mr. Youmans stated I think we should do that.

On MOTION by Ms. Farmer seconded by Mr. Youmans with all in favor to approve the ValleyCrest proposal for buffer zone work was approved.

FIFTH ORDER OF BUSINESS

Consideration of Proposal from ValleyCrest for Pool Landscape Clearing and Plant/Mulch Installation

On MOTION by Ms. Farmer seconded by Mr. Youmans with all in favor to approve the ValleyCrest proposal for pool landscape clearing and plant/mulch installation was approved.

SIXTH ORDER OF BUSINESS

Ratification of Extension of KB Homes Signage Agreement

Mr. deNagy stated KB Homes was notified. We are in our second six-month period with them with regard to the signage. They asked that we modify the agreement somewhat. Mr. Walters can speak to the agreement modification.

Mr. Walters asked which modifications specifically?

Mr. deNagy stated I think the original agreement wasn't specific to the successive six-month periods. It only went through January of 2014. We had to reword the agreement so that it is to go on in perpetuity until the signage.

Mr. Walters responded it just provides for renewals. There was concern on their side that if there was a term, and then we reached that term and there was no agreement reached prior to that end date, then we would have to go through another agreement, which would require drafting up a new one, sending it out, and getting it re-executed. So we just provided

that essentially it will renew unless we terminate it pursuant to the standard termination provisions we have.

Mr. deNagy stated we had it prepared, Shelley signed it, KB Homes signed it. We have since received the \$3,600.

Ms. Farmer stated so we are basically on auto-renew?

Mr. deNagy responded yes we are.

On MOTION by Ms. Driscoll seconded by Ms. Farmer with all in favor to ratify the KB Homes signage agreement was approved.

SEVENTH ORDER OF BUSINESS

Other Business

Mr. Herndon stated it appears in the wetlands area, especially on the Reserve side, it seems like a lot of those trees are dead. It just seems more like a field. I don't know if someone has looked at the health of the wetlands. That thing is probably going on 7 or 8 years, and I think those trees are up and full in 20 years. It certainly doesn't seem like we are a third of the way. It looks more like it is barren. It seems there should be more trees. I know when it was originally planted, there were more than 1,000 trees.

Mr. Stephens responded I don't think the wetlands were ever planted. That wetland conservation easement was preservation, and I don't think it is in our best interest to question whether the health of that wetland is good because that just means more money that we are going to have to spend. We have a permit for our development, and included in that permit is the preserving those wetlands. They need to stay to healthy, and if they don't then we, the CDD, has to pay to plant or keep the wetlands healthy.

Mr. Herndon stated I believe that those wetlands were actually created in order to develop the community.

Ms. Farmer stated I know there was a specific timeframe where we had five years or something where we had to do continuous inspections, but we are outside of that timeframe. We are no longer required to do anything with the wetlands.

Mr. Stephens stated going back to what you were saying about the slow growth, even our wetland species such as your cedars and your cypresses, they like to have wet feet some, but they still like to drier every once in a while. The last 2 or 3 years, our summers have been

excessively wet, so those areas have held water. So they are not getting the dry feet, or they are not breathing basically. It doesn't hurt them, it just stumps them a little bit. Ideally a wetland should be wet then dry then wet then dry, and they thrive. Also, it is not going to grow as quick as something in a landscape. Even if a landscape tree is not fertilized directly when you are fertilizing the turf, it is getting some beneficial nutrient from it whereas the wetland is not.

Mr. Youmans asked those aren't ValleyCrest's responsibility for those trees, right?

Mr. Stephens responded that's correct.

Mr. Youmans stated those are the CDD's trees, part of the wetlands.

Mr. Herndon stated anybody that drives through there, especially on the Reserve side, it looks like a big field. On the south end, you can see trees.

Ms. Farmer stated maybe it is something we need to take a look at the next meeting because by next meeting everything will be green. Spring will have arrived, and it will look a little more full. We can see what it looks like then.

Mr. Herndon responded that's fine.

Ms. Farmer asked is it a blanket statement that there is no traffic allowed in those wetland areas?

Mr. Stephens responded not to my knowledge

Ms. Farmer asked people can walk through there if they want to?

Mr. Stephens responded at their own risk.

Mr. Youmans stated there are signs that say no fishing I think.

Mr. Herndon stated I think there is a sign there that you are not supposed to disturb the wetlands.

Mr. Walters responded we have had issues with that in other Districts, and the problem we have is the water management district. If there is a problem, if there is a disturbance in a conservation area or wetland, the responsibility and the liability falls to the District.

Mr. deNagy asked if there was any other business.

Mr. Herndon responded I have got one more thing, and that is we have this sign money. The Wynnfield Lakes sign is small and looks kind of cheesy. I don't know how much a new sign could be, but I don't think it would be that much. I don't know if this will overstep the bounds of the CDD, but it is small enough where there was no way to put anything up there. I

would think there would be room for CDD postings but also room for the Reserve, room for the HOA meetings and such. Right now, the sign is so small and cramped.

Mr. Youmans asked do you want a bigger board?

Mr. Herndon responded a bigger or maybe nicer board.

Mr. Youmans responded I agree.

Ms. Farmer stated you can have one customized to have the Wynnfield Lakes logo on it. You can get it to where it lights up. I don't know if you have electrical out there. There are options. The Reserve sign was around \$2,000.

Mr. Herndon stated if we stay right around there, we are still not blowing the sign money.

Mr. Youmans asked can we put together something on that, and do we need to wait until next meeting to agree on it?

Ms. Farmer responded we can do a threshold, not to exceed.

Mr. Youmans stated I don't like the 60-day thing. I want to see action. When we make decisions, I want to see action happen.

Mr. deNagy stated we could have a proposal from Jackie and then authorize the chairman to go ahead and execute that.

Ms. Compton stated a small one for \$2,000. If you want a bigger one, it is going to be more.

Mr. deNagy stated we are looking for a motion for Jackie to get new notification signage proposal and authorizing the chairman to proceed with the proposal.

Mr. Youmans stated I would recommend that we motion for the amount not to exceed KB's amount.

Ms. Compton stated I think even though yours is smaller, you can still put more information on it because the letters are so big. So even if it is smaller, it will give more information.

Mr. Youmans stated let's see if we can pull an estimate together that includes everything we want at or below the amount KB has.

Mr. deNagy stated an amount not to exceed \$3,600. That is six months. That is signage and electric we are talking about.

Mr. Youmans stated the increased maintenance for lighting and extra power shouldn't be that much. Can we pull this all together in the next 30 days or so? Do we need to wait until the next meeting Jason? Can we authorize Shelley?

Ms. Farmer stated we can do a Not To Exceed.

On MOTION by Ms. Farmer seconded by Mr. Youmans with all in favor to obtain new notification signage proposal and authorize the Chairman to approve the proposal for an amount not to exceed \$3,600 was approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Walters stated I just have a couple of updates for the board, no action items. In the past I have always come back with updates and discussions regarding what is going on up here in the Capitol with bills and laws and changes that may affect districts. We are doing it a little bit different this year in terms of trying to get some more timely and hopefully cogent information to our boards. So we have started our Capitol Conversation newsletter. Essentially it is a weekly or sometimes bi-weekly play-by-play of what is going on, bills that are being discussed, what the status is, where they are going, and how they would affect us so we can provide more real time information. You will have something you can refer to if you get questions from residents or other folks you work with. It will be a handy reference. I am going to start circulating those by email. If you have questions about anything you see in there, please give me a call. We think this will be a resource for all of our Districts. At first there will be several of them, which will bring you up to speed until today. As the weeks progress, you will get updates. At the end we will do a wrap. The session will end in April. There has been some wrangling back and forth to see what the governor will or won't sign, and sometimes there can be a special session. Special sessions generally end up dealing with budgets, so oftentimes it will not be additional bills that will impact Districts. This governor has shown a dislike for special sessions. By the end of April we should have a good understanding of what has happened. With respect to the next meeting, we want to set up a hearing to discuss the Rules of Procedure. This is something we do about every four years or so. We have our Rules of Procedure that governs District business in more of a general sense

in terms of public bidding, how we conduct meetings, notices, and those types of things. They are large based on statute. I would say it is 90% statutorily based and 10% experiences and best practices that we have realized over the past 25 years. Every few years we like to go through and update those based on any changes to the statutes, and we did that this past fall. I will get those circulated to the board, and then I would like to tee up that hearing for the next meeting. I am looking for a little bit of action of this. I want to have authorization from the board to go ahead and start the rule-making process. There are a couple of notices that are required. We will get those set up in the paper, and then we will hold that hearing at the next meeting and discuss any changes to the Rules of Procedure.

Ms. Farmer asked is it something where we should be having night meeting?

Mr. deNagy responded our next meeting is at 7:00, and it will be our budget meeting.

Mr. Walters stated it is not the full policies. It is not stuff that the residents would probably interested in, but since it is a night meeting, I think that works out great.

Mr. Youmans asked didn't we just update the rules? Is that the same rules we are talking about?

Mr. deNagy responded we have updated our policies, not our rules.

Mr. Walters stated the policies we can do at a meeting by voice vote. The rules require a hearing, so it is a little bit more involved, which is one of the reasons we don't every six months.

On MOTION by Ms. Farmer seconded by Mr. Youmans with all in favor to authorize District Counsel to update the Rules of Procedure with a public hearing to be held May 14, 2014 was approved.

B. Engineer

There being no report, the next item followed.

C. Manager

Mr. deNagy stated I sent a letter to all residents regarding the Amenity Center parking policy. I didn't get any feedback from anybody, so I assume it was good. Our next meeting on May 14 is at 7:00. That is our FY15 budget approval meeting. I don't foresee any big changes in our budget next year.

Ms. Farmer asked are there any special projects we are looking at for next year? :

Mr. deNagy responded that is something that is open for discussion. That would be the meeting to bring those up to make sure we get it in our budget.

Ms. Farmer stated we talked about pool furniture needing updating.

Mr. deNagy responded we have a lot of materials in our capital reserve, and pool furniture is one of those things.

Mr. Youmans asked what is the cost to send flyers out to 372 plus Reserve, whatever that is?

Ms. Compton responded about \$500.

Mr. Youmans asked do we think it might be a good idea to do that? This is the meeting to come to and talk about special projects and stuff. Are we getting enough feedback from the community? I don't feel like we are.

Ms. Driscoll responded Jackie and I are working, and we are trying to get more people to sign up for email blasts, but we only have maybe 60 out of 372 homes. HOA and CDD are signed up through our websites. Jackie and I were talking about that specific, trying to draw more people in, and we are going to try to collaborate a little bit more on this spring event when we are having the petting zoo and getting people in and then offering an incentive if you give your email address.

Ms. Driscoll stated I think the pool furniture would be a pretty update, and I know you have repaired it and repaired it and repaired it. It is hard to maintain because it is so light colored.

Mr. Youmans asked do we have any other ideas besides the pool furniture, that stuff we have talked about in the last year or so? Maybe send out a flyer that says here are four or five options, do you have any ideas?

Ms. Compton stated the marsite needs to be resided. That is going to be a pretty expensive cost. The furniture on the patio area needs to be updated, as well. The spray park is going to need to be repainted. The playground needs cosmetic stuff.

Mr. Youmans asked that is part of the normal maintenance though, right?

Mr. Stephens responded the spray park painting would not be.

Mr. deNagy stated just so you know, in the capital reserve study for pool furniture, we are squirreling away money in the amount of \$55,714 for pool furniture.

Ms. Farmer asked when would it be scheduled to be replaced.

Mr. deNagy responded 2020. The pool resurfacing was scheduled for 2017, and that is just over \$54,000.

Mr. Youmans asked who sets that, who did that?

Mr. deNagy responded Community Advisors that did the study.

Mr. Youmans asked so they recommended in 2020 we replace our pool furniture?

Mr. deNagy responded I just want you to know that we are saving money for that purpose, so if we want to shift it around, we can.

Mr. Youmans stated that is a lot of money.

Mr. deNagy responded yes, and it may be more than we need.

Mr. Youmans asked \$20,000 for pool furniture?

Mr. deNagy responded \$55,000.

Ms. Farmer stated we are talking commercial grade and not talking Home Depot. Commercial grade is very expensive. It is a huge difference in pricing.

Mr. Youmans responded okay. I am sure the residents don't understand that, and I think with their understanding and having it in a list that says we have got these ideas, this is what it costs, what are your thoughts? You just mail it back in, we pay for the postage or something, and then we will get that, and we can analyze it. That way we are actively soliciting feedback and not sitting here and making decisions ourselves.

Mr. Herndon stated this lady lives in our neighborhood, she is here, I would tend to listen to her suggestion versus someone that never comes.

Mr. Youmans responded just because someone can't come doesn't mean they don't have a voice.

Mr. Herndon agreed and said it was the like HOA meetings. It is the same 12 people that come.

Ms. Farmer stated we not getting feedback from our pool monitor. When they go use the pool having a sheet of paper asking what would you like to see updated or changed? That doesn't cost any money.

Ms. Driscoll stated having them out in the fitness center too for people actually using the amenities. It is accessible for them to have an opinion.

Mr. Youmans stated I agree with that. The only other thing is just because someone doesn't use the amenities, maybe there is a reason why they are not using it. They don't like something and they don't understand that they can speak up to us and ask for something like a specific machine. I am strongly in favor of the mailing too. I feel like it is our duty to do that at least once a year to everybody whether they show up to meetings or whether they show up at the amenities.

Ms. Farmer stated I think all avenues should be explored. I think it should be mailed out and we should be putting it in their face at the fitness center.

A resident stated our streets really need repair.

Mr. Herndon stated that's a city deal and I believe they don't repair it until it is 10 years old or something. I think we have another two years.

Mr. Youmans responded right now the city is facing budget shortfalls with money for servicing roads. It is a big topic right now with a lot of the road construction going on in the city – whether it is the state or the city. Unless we have friends in the mayor's office, I think it is going to be really hard to get our street repaved anytime soon.

A resident stated Lennar should have done a lot of that repair work because on the corner of Diamond Springs and Wynnfield Lakes is where the biggest damage is done on the streets. That is where all the heavy equipment came in there.

Mr. Herndon responded the problem is that was inspected and passed by the City, so now it is no longer a Lennar problem. It is a city problem.

Mr. Youmans asked are you referring to the construction equipment due to the construction of the new KB Homes?

A resident responded no. This is Lennar when they had their trailer on the corner of Diamond Springs and Wynnfield Circle.

Mr. Youmans asked can we make a note to Preston to find out specifically where that is and provide any recommendations for that specific area and what are his thoughts on getting the city to resurface our community.

Mr. deNagy asked what was the address.

A resident responded it is on Diamond Spring and Wynnfield Circle.

Mr. Youmans stated I think the last time he did a report was last year. He is probably due for another report this year.

Ms. Farmer asked when is our reserve study? When should we get that updated? It sounds like we are talking about several items on there.

Mr. deNagy responded yes, and our balance in our reserve right now is \$215,000. We are right on target. We have got a lot of wiggle room to do the pool furniture or the Marcite resurfacing.

Ms. Farmer asked when they do the reserve study, I assume they inspect these things. They go around and inspect the furniture to see what kind of condition it is in.

Mr. deNagy responded yes, and they would take that into account. If we did work, obviously they would shift around. I wouldn't recommend it at this point. I think we have control over a lot of these items. The big expenditure years they have are for FY17, and then FY20.

Ms. Farmer asked how much is in FY17?

Mr. deNagy responded just about \$101,000, but \$54,000 is the Marcite, and 2020 is \$192,000. Then we have got some painting and playground equipment replacement.

Ms. Farmer stated maybe we need to have somebody come out who does Marcite and see if we are even there, if we have got some time with the Marcite.

Mr. deNagy responded sure.

Mr. Youmans asked is that free?

Ms. Farmer responded I would assume so.

Mr. Stephens stated they were the same company that did the patchwork this past summer, and when they were out then, they said that it really should be redone, not patched.

Ms. Farmer stated okay, so we are there?

Mr. Stephens stated yes. I can tell you what their answer is going to be, but I can certainly bring them back out and have them put it in writing.

Mr. deNagy stated this would be a good project for the winter next year.

Ms. Farmer asked as far as pool furniture goes, would there be a way for us to kind of weave in new furniture where maybe we just replace a portion of it? Take the worst pieces and replace those.

Mr. Youmans stated I agree, doing groups of it at a time.

Ms. Farmer stated I don't know how you do it and make it look atheistically pleasing, that's my problem. What I was thinking was maybe you could do all of the lounge chairs at

one time and leave the regular chairs if you weren't having an issue with the regular chairs. And you could maybe make that work. If I remember correctly, there are a couple of green stripes, so maybe we could do green lounge chairs so it would kind of blend in with the regular chairs, and then take the next year for the regular chairs. Have you noticed if the lounge chairs are worse than the regular chairs?

Mr. Stephens responded they might be a little worse because of the straps. Another concern would be going too dark and getting hot. We can found out from the manufacturer if the dark green is hot or if he stays cool where it won't burn somebody.

Mr. Youmans stated it sounds like we have got money to spend, and the next meeting we have some problems to fix. If you could put all that in your report for next meeting. Hopefully we can address that stuff before summer really gets here.

Ms. Farmer stated we are talking about for next year, for our next budget.

Mr. Youmans responded some things yes, some things no.

Mr. deNagy stated we have flexibility with our capital budget. If there is some stuff we need right now, we can certainly do it.

Ms. Farmer stated maybe take an inventory of the furniture and the condition it is in and what really needs to be replaced.

D. Operation Manager's Report – Monthly Manager's Report

Ms. Compton stated I would like to ask the board to change a couple of things in the policies. Right now, policies for the party says that there are 16 non-resident guests allowed at the parties. It hasn't really been monitored for the events, so during the summer it has kind of been a freefall. I want to change the times to 4:00 to 8:00. If we had three different timeframes, the rental times, instead of having it open from after business to 9:00 at night, setting specific rental times like 12:00 to 3:00 or 10:00 to 1:00, or 4:00 to 8:00. That way our pool monitor is going to be enforcing the District policies, issuing wrist bands for the amount of non-resident guests that come in not to exceed 25, if we could up that. Children 14 or under would be excluded from the 25.

Mr. Youmans asked do we have too many non-residents?

Ms. Compton responded too many non-residents because nobody was really enforcing it.

Ms. Farmer stated I'm confused, we have too many non-resident guests so we are going to up the number of guests you can have?

Ms. Compton responded they were bringing in like 50 or 60 guests. Sixteen is kind of an awkward number for somebody to have a party, so I thought a neutral number of 25.

Mr. Youmans asked these are birthday parties?

Ms. Compton responded birthday parties, parties in general.

Ms. Farmer asked but we are not going to regulate the number of minors we have?

Ms. Compton responded to try to keep it in balance, I would say maybe 14 and under would be ...

Ms. Farmer stated so on a busy Saturday, you have a birthday party at noon, walk us through a busy summer Saturday.

Ms. Compton responded the problem we are running into on a busy summer Saturday is that you have residents at the pool, and then they have booked their party and signed their contract that they would only have the 16 non-resident guests, but what we are running into is they are bringing 50, 30 on top of the pool and in the pool.

Ms. Farmer asked do they stay over their time? Is the monitor having trouble transitioning to the next party?

Ms. Compton responded yes. They are staying over the time, and the pool monitor was monitoring the pools specifically, so what we talked about this year is that he would have to monitor the parties as well so limit the amount with the wrist bands so we know how many people are there. Enforce the no drinking.

Ms. Farmer asked, as the pool gets busier, are you going to be changing your hours so that you are there on Saturdays to help regulate all this?

Ms. Compton responded that wasn't talked about. We have the pool monitor there to enforce the policies.

Ms. Farmer stated that is a lot of work for one person to regular 25+ people.

Mr. Youmans stated I think the wristbands will help deter.

Ms. Compton stated they will be given those in advance so they are going to know.

Mr. Youmans stated there is one contact for the pool monitor to talk to, whoever is signing it, right?

Ms. Compton responded right.

Mr. Youmans stated so the pool monitor has to be able to go to that person and say your time is up.

Ms. Compton responded right, and we also have the security guard there too. He has gone up and enforced those; sometimes by the time he gets there there is already 50+ people.

Mr. Youmans asked how do you know between residents that are just there spending their day at the pool versus non-residents?

Ms. Compton responded that's what we are going to. We are going to have a list of the 25 guests so that we know.

Mr. Youmans stated so the non-residents will get the bands, and if they are still there after time they need to go.

Ms. Compton responded correct.

Ms. Farmer asked how do you determine between a resident and their guest?

Ms. Compton responded the non-residents would be on the list.

Ms. Farmer asked so the non-residents only will have the wristbands?

Ms. Compton responded right.

Mr. Youmans stated a non-resident has a wristband on, time's up, oh – just take that off, then how does the pool monitor or security guard know between resident and non-resident? I agree we have to do something to try to deter it, and I think it will help.

Ms. Farmer stated maybe different colored wristbands for the different parties for the day.

Ms. Compton stated we try not to book two parties back-to-back just so we don't run into an issue.

Ms. Farmer stated it would be nice to because that is additional revenue.

Ms. Compton responded it would help us to be able to do that if we could implement stricter policy. Right now, if nobody is enforcing that they leave by a certain time, they are going to stay and overlap to the next party, which creates a huge issue.

Mr. Youmans stated if you do an overlap, if you have to book them separate, make sure they get separate wrist bands.

Ms. Compton stated I think if we set specific timeframes, that way they can either choose one of the three timeframes, and that will make it easier also.

Mr. Youmans asked what are the timeframes?

Ms. Compton responded right now it is after normal operating hours, which on the weekends the office is closed. So it could be from 9:00 in the morning until 9:00 at night or I would assume after operating hours would mean after 5:00 until 9:00.

Mr. Youmans asked are we renting the pool out when it is dark out?

Ms. Compton responded no. It is just the patio area. My suggestion would be to set a specific time from 10:00 to 1:00, 12:00 to 3:00, 4:00 to 8:00, and they choose which time they like from one of those time blocks.

Ms. Farmer stated you have an overlap, 10:00 to 1:00 and 12:00 to 3:00.

Ms. Compton responded so we would do 2:00 to 4:00.

Ms. Farmer stated I would say you are probably only going to be able to two parties a day.

Ms. Driscoll asked are we anticipating using the same pool monitor we have used the last two years?

Ms. Compton responded we have a new one. AJ will be starting on the 15th this year to monitor the spring break and then Stephanie. I completed orientation with her last week.

Ms. Farmer asked what are their ages?

Ms. Compton responded Stephanie is 18, and AJ is 22.

Mr. Youmans how do you find them?

Ms. Compton responded Riverside does that. They hire the pool monitors.

Mr. Youmans asked you guys interview them.

Ms. Compton responded yes.

Ms. Youmans do they become Riverside Management employees?

Ms. Compton responded yes.

On MOTION by Mr. Youmans seconded by Ms. Farmer with all in favor the Amenity Center policy modifications submitted as part of the Amenity Manager's report were approved.

Mr. Stephens stated everybody has got a proposal. The spray part starter for the pump has gone out.

Mr. deNagy stated this is the Crystal Clean Pool proposal.

Mr. Stephens responded they have given us two options. One is a variable frequency drive starter, and one is a basic one. It definitely will need to be replaced. We have a VFD in there now. The on/off either gets on or its off, whereas the variable frequency drive, it will start at a slow angle. It is easier on the pump, the maintenance on the pump will be much less, it will more longevity, and the electric usage is much less. Probably in a matter of two years you have saved enough by using the VFD to offset the additional cost.

Mr. Herndon asked in two years you would save about \$3,000?

Mr. Stephens responded it would be pretty close to it. What it does, like at nighttime when the pump is not being used, with the on/off system, it is either on or off. The VFD can be set up to where at 9:00 at night it still circulates to be compliant, but it is not circulating the full flow, so it using substantially less electricity.

Mr. Youmans asked how often do these things get replaced?

Mr. Stephens responded I have seen some go out after three years, and I have seen some that last 20. There are so many variables, it is hard to tell.

Mr. Youmans stated so we think that this new one will last longer because it is not working as hard and will save money.

Mr. Stephens responded the pump and motor will last longer too because they are not starting and stopping immediately. They are slow ramp up, and it is not working 24 hours a day.

Ms. Farmer asked so we are looking at the \$3,800, not the \$3,800 plus the \$975?

Mr. Stephens responded that's correct. They just gave us two options.

Mr. deNagy stated that is in the capital reserve budget as well.

On MOTION by Ms. Farmer seconded by Mr. Youmans with all in favor the Crystal Clean Pool proposal to replace a variable speed drive spray feature in the amount of \$3,816 was approved.

Mr. Stephens stated they will have to make that, and it would be a 3 to 4-week leeway before we can get it. What they have done temporarily is rewired it where it is functioning so we are compliant. It will be 3 to 4 weeks before we see the new pump. Riverside has pressure washed all the pool furniture and the tabletops to prepare for spring break as well as summer. We have also gone through all the self-closing hinges on the patio gates as well as the pool

gates and either readjusted them so that they close or, in a few cases, replaced the hinges. We have replaced the American flag at the Amenity Center and purchased and installed a new storage closet on the patio.

NINTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

Mr. deNagy stated the total of the check register is \$76,282.82.

Mr. Youmans asked the special mailing, was that the \$439?

Mr. deNagy responded yes.

Ms. Farmer stated that does include the Reserve. We sent out a notice.

Mr. Youmans asked where is that cost?

Ms. Farmer stated the Reserve ate that cost. We didn't feel like the CDD needed to pay postage when we could just stick it with our normal notices.

Ms. Driscoll stated I know we discussed having input from the residents, but did we come up with a plan?

Mr. Youmans stated I wanted to have ideas versus just blanketing them with something.

Mr. deNagy asked do you want a mailing to the residents about the next meeting? The approval process is probably more important than the adoption process. That is where you really tweak the budget. By the time we get to adoption, if you are going to have an increase, you want to do it at the time you approve it. You can't do it at the time you adopt it. We are working to keeping assessment level again this year. I don't see why that can't happen.

Ms. Farmer stated I think a mailer is better than posting it in the newspaper that nobody reads.

Mr. Youmans asked due to lack of time, can we just get something approved so that Shelley can make the decision about what the mailing looks like and the language. We need to get it out there soon.

Ms. Farmer asked Mr. deNagy have we done stuff like this before?

Mr. deNagy responded typically not, that it has been email or we have newsletters in some communities. Those are typically the ways we communicate. A lot of times if your assessments have been steady and are anticipated to remain steady, you don't get a lot of participation.

Ms. Farmer stated I think there should be a mailing go out.

Mr. Youmans asked do we need approval from Jason on the language?

Mr. deNagy responded no, I can draft the language. If you want me to run it by Shelley, I can certainly do that.

Mr. Youmans asked can you run it by all four of us, and we send you our comments?

Mr. deNagy responded sure.

On MOTION by Mr. Youmans seconded by Ms. Driscoll with all in favor the Check Register was approved.

B. Balance Sheet & Income Statement

Mr. deNagy stated a copy of the Balance Sheet and Income Statement is included in the agenda package.

C. Special Assessment Receipt Schedule

Mr. deNagy stated we are 100% collected.

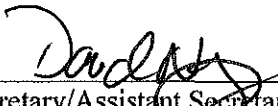
ELEVENTH ORDER OF BUSINESS


Next Meeting Scheduled is on Wednesday, May 14, 2014 at 7:00 p.m. at the University of North Florida, University Center, 12000 Alumni Drive, Room 1088, Jacksonville, Florida 32224

Mr. deNagy stated the next scheduled meeting is Wednesday, May 14, 2014 at 7:00 p.m. at this location.

ELEVENTH ORDER OF BUSINESS Adjournment

On MOTION by Ms. Farmer seconded by Mr. Youmans with all in favor the meeting was adjourned.


Secretary/Assistant Secretary


Chairperson/Vice Chairperson