

MINUTES OF MEETING
PINE RIDGE PLANTATION COMMUNITY DEVELOPMENT DISTRICT

A meeting of the Board of Supervisors of the Pine Ridge Plantation Community Development District was held on Wednesday, June 12, 2013 at 3:00 p.m. at Courtyard by Marriott, 610 Wells Road, Orange Park, Florida 32043.

Present and constituting a quorum were:

Levi Ritter	Chairman
Bill Pyburn	Vice Chairman
Mike Mesiano	Supervisor
James Mutka	Supervisor
Matt Lohse	Supervisor

Also present were:

Jim Oliver	District Manager
Jason Walters	District Counsel
Peter Ma	District Engineer
Louanna Perrucci	Amenity Companies

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 3:00 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the January 9, 2013 Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes of the January 9, 2013 meeting. I had some revisions given to me by Mike. Are there any other additions, corrections or deletions?

On MOTION by Mr. Mutka seconded by Mr. Pyburn with all in favor the Minutes of the January 9, 2013 Meeting were approved as amended.
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THIRD ORDER OF BUSINESS

Acceptance of the Minutes of the January 9, 2013 Audit Committee Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes of the January 9, 2013 audit committee meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Ritter seconded by Mr. Pyburn with all in favor the Minutes of the January 9, 2013 Audit Committee Meeting were accepted.

FOURTH ORDER OF BUSINESS

Consideration of Candidates for Seat 4 Vacancy

A. Oath of Office for Newly Elected Supervisor

Mr. Oliver stated this was the seat that was not filled by general election, so at the board’s direction, we announced the vancancy on the website and solicited candidates from registered voters living in the District. One candidate has come forward.

Mr. Mutka stated I would like to recommend Mr. Matthew Lohse for the seat four vacancy. That is a four year seat.

On MOTION by Mr. Mutka seconded by Mr. Ritter with all in favor Appointing Mr. Matthew Lohse to Seat 4 was approved.

Mr. Oliver administered an oath of office to Mr. Matthew Lohse.

B. General Information for Supervisor

Mr. Oliver stated you are now a public official. You can’t have communications about CDD matters with the other four supervisors on the board except at noticed meeting. You can certainly talk with them about other issues but no CDD discussions. I want you to be aware that all of your public records generated that are CDD business are subject to public records laws. We keep official records at our office, so you can keep things filed away if you wish. If you do, you may want to keep them segregated from your other records.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2013-04, Approving Proposed Budget for Fiscal Year 2014 and Setting a Public Hearing to Adopt Budget

Mr. Oliver stated this is the beginning of the budget cycle. The board and staff will have the next 60 days before the public hearing to refine the budget. By approving the budget today, you are meeting the statutory requirement to have a budget approved by June 15th, and provide to Clay County. Once the public hearing is held, you will actually adopt the budget.

Mr. Pyburn asked what is the method for revising the budget between now and then?

Mr. Oliver responded emails and phone conversations are good. We are trying to find is the right balance here. The budget right now that you see is keeping everything exactly as it

is. You will notice that for revenues to operate last year, we levied \$428,000 in assessments, assessing each of the 736 units. The board authorized \$100,000 from funds on hand from excess funds from the past to be used to subsidize that. Although, you had expenditures budgeted of \$532,000, assessments only totaled \$428,000 with a carry forward surplus funding the difference.

Mr. Pyburn stated we were collecting less than we were spending.

Mr. Oliver stated correct. If you look over to what we actually collected, to this point we have only collected \$261,000 of those \$428,000 of assessments. The County has just gone through the tax certificate sale process and we will get those results this week and we will know whether or not that is going to be bumped up from the \$261,000 and we also think there will be some other transactions that will increase those assessments. I don't think we will necessarily achieve the \$428,000 this year. The reason I bring all of this up is to meet budget this year, we may have to commit more than \$100,000 as planned. Right now, it is projected to be almost \$200,000 in subsidies to meet budget, which means we are going to have less money to subsidize the budget with next year. For the last three years, this District has used subsidies supporting O&M. Unlike most Districts, you have had two events in your favor that has helped; sale of tax credits, and the lease for the gas pipeline. We are reaching the point that you are not going to have subsidies to fund your expenses.

Mr. Mutka stated I remember last year's budget, we were going to drop down the special assessment and save that money and let people get used to the higher special assessment.

Mr. Oliver stated on the second page you will see the assessments last year went up to \$619.

Mr. Mutka asked and we also threw in an extra \$100,000?

Mr. Oliver responded yes. What happened is the subsidy got reduced last year. The idea was to have a glide path down to the landowners paying all of their expenses. You are still relatively low compared to most Districts out there. I have those numbers with me if anyone wants to hear them.

Mr. Ritter asked what have other similar Districts been paying?

Mr. Oliver responded Brandy Creek is a little bit different in what their amenities are because they now have two amenity centers but with operating only one amenity center, their

O&M was \$853. They are going to be increasing to \$1,069 a year. They have 583 lots. Bartram Springs is \$771 but that is spread over 1,400 households. The number of units is one of the biggest factors in this. Sampson Creek is St. Johns Golf & Country. They have 799 units. They pay \$1,205 for O&M and you have nicer amenities than they do. Even though they have a golf course there, it has nothing to do with the CDD. Turnbull Creek is \$953. Wynnfield Lakes is \$953.

Mr. Lohse asked is there any projection to where we would level out at?

Mr. Oliver responded I would say somewhere between \$800 and \$900 in today's dollars.

Mr. Lohse asked how much money is left in that fund? Is that the last of it?

Mr. Oliver responded it is going to depend largely on what the remaining assessments are. I did run another scenario and that is if we kept the budget the same and increased assessments to \$720. We would still have to supplement the budget by \$30,000 just to hit that target. The idea was not to have too much sticker shock and ramp up more gradually. If you look at the top under revenues, increasing assessments from \$428 to \$498 and reducing the subsidy to \$0 would create a deficit of \$29,900.

Mr. Mutka stated I absolutely agree with slowly increasing it. Eventually the residents are going to pay for the costs. That slide is a \$10,000 a year cost to be open two days a week. How much did we spend to resurface it?

Mr. Oliver responded I think it was right around \$6,000.

Mr. Mutka stated for \$6,000 I would have tore it down. Once that slide loses its lifetime and it is no longer feasible to repair it, I would say we remove that slide and invest into another feature in the amenity center. You are talking about years in the future. We should be something in place that doesn't require lifeguards and doesn't require added insurance and isn't a constant threat of vandalism, which I was just told happened again. They cut the lock. They jumped the wall and tried to beat the lock off and turn it on in the middle of the night. The pool maintenance contract is on a month to month service. We have talked about adjusting that. I don't know if they came back with a different number.

Mr. Oliver stated we do have a couple of proposals.

Mr. Mesiano stated I think the slide is going to be up to the homeowners. I think the battle is going to come once they are notified is coming down.

Mr. Mutka stated I polled a couple people about it and I asked them what they thought about it and they said it is cool. Then I asked them if they thought it was worth \$10,000 a year and they said no. I think they will change their tune when they see they are going to get an assessment. When it comes down to it, it is paying for that slide otherwise everything else is just your normal everyday operating costs. I just see it as an unnecessary item that could eventually be replaced.

Mr. Oliver stated when I was talking about 800 and \$900, I think \$720 gets you to the level of services that you have right now and then your assessments go up from there as you increase the level of services, so instead of having lifeguard coverage for six or eight hours a week, you may have it 20 hours a week or instead of having a part time person, you may want a full time person here. I am looking at the projections right now and your actual expenditures are going to come in less than what you budgeted. I think we can probably scrub the numbers and know if we are in the position to increase the number of hours out there. It comes down to money. If this board and future boards are willing to pay the extra money to have lifeguards there we will budget accordingly. The first question I got was why can't we get residents certified?

Ms. Perrucci stated actually no. I certify for a lot of different Districts. Then once they are certified under us, they are insured under us, as well as the company that gives the certification.

Mr. Mutka asked so a resident could be certified at no cost to us?

Ms. Perrucci responded you have to pay for the certification itself.

Mr. Ritter stated as time goes on, you will have to have capital improvements, so once you get up to 736 home sites, they are going to want more amenities. I think it should be good to go up a little bit.

Mr. Mutka stated absolutely.

Mr. Ritter asked I think Charles said there are nine foreclosed homes, so I assuming no one paid those taxes?

Mr. Oliver responded foreclosed homes actually work out very well because the bank or someone pays them.

Mr. Mesiano asked is this tax roll assessment inconsistent with the last few years?

Mr. Oliver responded no. It is pretty consistent with what has been going on the last few years. What you don't want to have to do is levy assessments at a budget hearing and then in the middle of the year levy a special assessment due to under-collecting. As far as the expenditures go on this that is something we will work with. It is essentially the same that we had for last year. What we are trying to do for noticing purposes is get some guidance from the board on what you want in that letter that goes out to the residents. Realize that once we have the public hearing, whatever we notice you can always assess less but you can't assess more.

Mr. Ritter stated I want to get a copy of it before it is sent because I think it was confusing.

Mr. Mutka stated they thought it was \$600 on top of the \$400 it was the year before.

Mr. Ritter stated I would make a motion to go with the budget, where there is a \$100 increase per year on residents.

On MOTION by Mr. Ritter seconded by Mr. Mutka with all in favor Resolution 2013-04 Approving Proposed Budget for Fiscal Year 2014 & Setting a Public Hearing for August 15, 2013 at 6:00 p.m. at Pine Ridge Plantation Amenity Center, 4200 Pine Ridge Parkway, Middleburg, FL 32068 was approved.

Mr. Walters stated they had the same issue with the notices at Brandy Creek. A lot of it is there are so many requirements of things that have to be in there from the statutes that it is hard to write a cogent letter. The thought is to write a cover letter. Hopefully that will work better.

SIXTH ORDER OF BUSINESS

Consideration of Proposal for Capital Reserve Study

Mr. Oliver stated included in your agenda package is the capital reserve study.

Mr. Mesiano asked how much is the study?

Mr. Oliver responded \$2,800.

Mr. Mutka stated the surface of the pool is wearing out. We will need to remarcite it.

Mr. Oliver stated Charlie Sheppard, who did this report for Community Advisors, used to work for St. Joe and he has done these reports for several other Districts. He is a contractor. He will look at all of the assets and determine their life and value and come up with a schedule

of what the expected expenditure is for each year and the recommended capital contribution for each year.

Mr. Mutka asked how far out will he go?

Mr. Oliver responded 30 years. It is helpful to this board and future boards when going through the budget process. I can tell you that the \$2,800 is a good price. He is responsive and he is local.

Mr. Lohse stated I would like to defer this until another meeting. I haven't read it yet.

SEVENTH ORDER OF BUSINESS

Consideration of Assignment of Developer Completion Agreement

Mr. Ritter stated Ryland Homes is currently in an agreement with the District. They obligated themselves to do a variety of things when the development was started. The last two or three things that need to be done in that agreement is the construction of a couple of ponds. Everything else is done. Ryland is gone. They haven't been here for a couple of years. They are not coming back. What Ryland would like to do is to totally cut the cord. They want to sell their lots. We are involved in the acquisition of those lots.

Mr. Mutka asked we as in?

Mr. Ritter responded the Developers. They just want to know because if we go forward and develop that piece, those ponds are going to be dug. Now we are on the hook for those remaining ponds.

Mr. Mutka asked where is that actually located?

Mr. Ritter responded on the other side of the power lines.

Mr. Mutka asked how long before that actually starts to become lots?

Mr. Ritter responded I don't know. I would say sooner than later but I don't know.

Mr. Mutka asked are we just agreeing that Ryland can go ahead and sign it over to the Developer?

Mr. Walters responded the board action is the current agreement is with Ryland Homes. There is an assignment provision in the agreement but it is at the mutual agreement of the party, so the board has to consent to that assignment. The reality is Ryland Homes, as it stands today, would be responsible at the end of the day for building those two ponds. If we assign the agreement from Ryland to Sandhill, the new Developer that is going to purchase that property, then Sandhill will be obligated to complete those improvements. It is a shift of the

obligation. Ryland is no longer interested in the land. They are not going to own it, so they don't want to be responsible for that, so as part of the transaction they want to say here is the deed and here is the responsibility to finish the infrastructure.

Mr. Mutka asked and that is at no cost to the District?

Mr. Walters responded no. If you think back, we floated bonds. We sold \$17M worth of bonds and that was for roads, water and sewer, amenities, ponds, etc. All of that infrastructure cost more than \$17M, so you are only financing a portion. The function of the completion agreement is to say we are going to finance \$17M of the \$20M or whatever it is and the Developer is going to pay the rest because we need it completed. The completion agreement says you are on the hook to complete these components because we are not going to finance 100% of it. Now we are at the stage, where 99% of the public infrastructure is done. The only remaining piece is these ponds. We have about \$80,000 in the bank to do it. It is going to cost more than that. The reality is who is going to construct the rest of it. By assigning this agreement, we would say the new Developer is going to do that. From the Districts standpoint, it is a question of who is the best party to have on the other end of that agreement. Obviously, Ryland is a large company but they are no longer interested in that party and I don't foresee them ever wanting to dig a pond in the middle of the woods for a property they are not going to develop.

Mr. Ritter stated Ryland has also failed to pay CDD taxes on the lots that they own for the past couple of years. As part of this proposal, Ryland has agreed to fund a portion of those. There is a little bit of give and take here.

Mr. Walters stated the thing is if Ryland stays in the agreement, we are going to end up suing Ryland. If the new development entity comes on and doesn't fulfill their obligations, we are going to have to sue them. The benefit of the new entity is they own the property and are interested in it and they are going to be building the roadways and everything else.

Mr. Mutka asked would the tax money all be in the agreement?

Mr. Walters responded at this point, they are in negotiations with two landowners. As far as the District, you could assign something very simply. You could do it in a 20 page assignment agreement that deals with everything. I think at the end of the day, it is going to have to be a negotiation between the District and the new Developer to say we are willing to consent to this and we are willing to do x, y or z. I think the biggest thing for the District is

seeing some of that revenue. They are going to pay x years of assessments and that will flow to the District.

Mr. Ritter stated for the past few years no one has paid any revenue on those vacant parcels. If you have an opportunity to start the revenue stream back up again by getting lots sold and this obligation also gets taken care of as a win-win. If we don't do anything Ryland is going to sit there until someone sues them.

Mr. Mesiano stated take me down the road if we don't sign this agreement.

Mr. Mutka stated they are just going to sit on it. The only thing I would like to see is the fact that if there is money for specific things that they are going to agree to, as far as taxes coming back to the District. Is that possible?

Mr. Walters asked what is the timeframe on the transaction?

Mr. Ritter responded weeks.

Mr. Walters stated the issue is going to be that we are not going to have another board meeting prior to that. Could we say at a minimum 50% past due and owing? Does that number work based on the current expected transaction? I am just trying to find some perimeters, so we can take action on an assignment. Could we say at least one fiscal years worth?

Mr. Ritter responded yes.

Mr. Mutka asked so in the agreement we would sign off today saying that as long as they agree to at least one fiscal year back pay to the District that you can move on?

Mr. Ritter responded and subject to review and approval by District Counsel.

Mr. Oliver stated on the assignment, the agreement remains the same. All of the obligations within this agreement transfer to the new owner. There is no changing of the obligation. It is simple an assignment of the obligation to a new entity.

Mr. Lohse asked what is the harm to the District for the pond not being built today?

Mr. Walters responded it is not needed for us today. The reality is we said we were going to build it. We went out to the public and sold these bonds. We said here is everything that is going to happen. Part of this is going to be funded by the Developer but you are going to have ponds here and here. Our disclosure to the public when we sold the bonds was these are all going to be part of our master infrastructure and at the current state they are not.

Mr. Lohse asked is there an obligation from anyone else to build the roads and infrastructure?

Mr. Walters responded no. The roadways are not master infrastructure because those are neighborhood but that pond is part of the drainage system.

Mr. Lohse stated from the CDDs standpoint, the benefit is not really there to us.

Mr. Walters stated the biggest benefit to the District is going to be getting the roads, water, sewer and those ponds built, so we can sell lots. The ponds are a small and integral part of that but what the District wants to see is the rest of it.

Mr. Mutka asked and who covers the rest of the development besides the pond?

Mr. Walters responded the Developer.

Mr. Mutka asked how far back are they?

Mr. Oliver responded they are two years back.

On MOTION by Mr. Mutka seconded by Mr. Lohse with all in favor the Assignment of Developer Completion Agreement from Ryland Homes to New Landowner was approved, subject to the payment of at least one fiscal years assessments with final review by District Counsel & the Chairman.

EIGHTH ORDER OF BUSINESS

Consideration of Proposals for Management of Amenity Center and District Operations

Mr. Oliver stated we were talking about these issues in late winter and early spring. I think we are into the season right now. There are two proposals in your agenda package. They are significantly different in the fact that you have someone who is handling both operations and amenities. The other proposal from Riverside has one proposal dedicated to amenities and another one operations. Maybe we need to find a more consistent scope and get some more proposals, so they are apples to apples.

Mr. Ritter stated I think we know what the job entails. Weren't there also a couple of other proposals at a previous meeting?

Mr. Oliver responded those were for other things. This is just for the management of the amenity center and operations. Right now, Raley Management Services is doing that task for \$36,000 a year. He is offering the same services at \$36,000. The other proposal is from Riverside Management Services but they have broken it down into components. It ends up

being more expensive than \$36,000 because for a 24 hour a week employee out there is \$32,000 and then on top of that they have an operations manager of \$15,000 managing the contracts, so that would bring it to \$47,000.

Mr. Lohse asked how many hours is the other contract?

Mr. Oliver responded the \$32,000 contract is for 24 hours a week and then this same person will do it 24 hours weekly from September through April and 40 hours a week during the busy months of May through August and that would be \$38,600.

Mr. Lohse asked and then the existing contract with Charles right now is for \$36,000 and how many hours?

Mr. Oliver responded it says approximately 18 to 24 hours a week.

Mr. Ritter asked not 40 hours though?

Mr. Oliver responded correct.

Mr. Mutka stated I don't think 40 hours is necessary. On any given day I can stop up there and I see Charles' car up there. I have stopped several times to talk to him. I have personally seen what he does. I do believe he goes above and beyond the scope of his agreement. I do know he cleans up vandalism. I have heard a lot of complaints about him and I have heard a lot of great things about him, so it depends on who you talk to. He picks up trash on Tines Boulevard and I am pretty sure that is outside the scope of the pool and the maintenance. He does a lot of things there and takes care of a lot of stuff there. I have heard more good things than I have heard bad. I would just as soon stay with what we have. It is less expensive and it is completely sufficient as of right now. How long is the agreement?

Mr. Oliver responded we could make it for one year.

Mr. Pyburn stated if you take out the operational side then Charles is cheaper. I am not sure what the operational side really entails opposed to the amenity side.

Mr. Oliver stated I do think you are getting great value in Charles. He is doing what two people would do. A lot of times these amenity driven companies is more of an office type person that is giving access cards out and dealing with programs. Then the operations person they have out there is the one managing the contracts. Charles has been successful at wearing both hats.

Mr. Mutka asked Riverside is a much larger company, correct?

Mr. Oliver responded correct.

Mr. Pyburn stated I think the other thing you have to ask yourself as a homeowner is as far as everything you are getting. I think as the subdivision grows some of the things you need to look at now is a website. I think we need a website now. You are getting to the point with the size of the community that people need to know what is going on in the community. You need someone that is planning events for the community. I agree that Charles does a good job but I think you need to look at it as a whole as the community grows. You can see right now that the builders in there are in a good pace. There are a lot of houses being built.

Mr. Mutka stated there are not that many ready build lots left.

Mr. Pyburn stated the question that needs to be answered is what is the scope of services that Riverside is going to provide.

Mr. Mutka stated operations manager was landscape maintenance, lake maintenance, utility accounts, field operations, site inspections, monthly nighttime community light inspections, meeting with contract service providers, attend District board of supervisor meetings, provide an operations memorandum outlining all field related activities, prepare a maintenance plan for any future District infrastructure and receive an respond to resident emails and phone calls pertaining to the District related issues. They would also seek proposals for District maintenance services and major repairs.

Mr. Oliver stated what you have there is for \$15,000 doing a lot of things that Charles does right now. The other half of that contract is a person that is performing tasks more like what Bill is alluding to, which is typical for most communities. You would have someone onsite that is planning events and issue access cards. They are two different skill sets. Looking into the future, you are going to need to start offering those type of programs.

Mr. Ritter stated they would manage the website.

Mr. Mutka stated they would be more like a cruise director.

Mr. Pyburn stated one of the biggest complaints residents have is they don't know what is going on in the community.

Mr. Mutka asked who pays for the events?

Mr. Oliver responded there are two ways to do it and sometimes it is a mix. Sometimes, they will be District funded. A lot of times they will be user paid. For instance, if you have Zumba classes, it is going to be covered by the fee payers and you are going to typically restrict it to residents. Once you build a special events budget, you may have a

cookout that costs \$10 a head and you may charge your residents \$5 a head for the sake of subsidizing it. It depends on what you allocate to special events but for the most part you want the users to pay for those events.

Mr. Pyburn stated that amenity center was built with the thought process of being able to do a lot of things. Every time I go in there I think it is so under used.

Mr. Mutka stated I agree that the space could be utilized more. That is outside of Charles' scope, correct?

Mr. Oliver responded he has been doing a little of everything. If you look in his scope, he even has special events in his scope but I don't think he has executed any of those and I don't think that is probably his strength.

Mr. Lohse stated I don't think it is an issue of if Charles is doing a good job. It is what are we going to get a better value for.

Mr. Ritter stated I think the operations sub section of the proposal could be discussed.

Mr. Oliver stated you are budgeted for that and you were budgeted for that last year. You just haven't used it.

Mr. Mutka stated it says additional staffing for private parties that can be provided at an hourly rate of \$16 an hour.

Mr. Ritter stated I think when you are comparing the services, the numbers are close. The list of things that could be done under the operations side that you just read are things that would happen by virtue by having someone sitting at the amenity center anyways. If there is someone that is going to go out there for \$36,000 or \$38,000 a year for 40 hours a week and someone comes and says a sprinkler head is broken I don't care who are someone is going to figure out how to fix it.

Mr. Oliver responded in the budget you adopted last year, you put \$36,000 aside for the Raley Management contract, but you also put \$15,000 aside for an operations contract. You just used Charles for both. I would go with the option that has the person 40 hours a week during the busy season.

Mr. Mutka asked they are also covering the pool maintenance services?

Mr. Oliver responded they have a proposal for pool maintenance too, but that is separate.

On MOTION by Mr. Ritter seconded by Mr. Mutka with Mr. Mesiano and Mr. Lohse in favor and Mr. Pyburn abstaining from voting, the Proposal from Riverside Management Services, LLC to Provide Amenity Center & District Operations was approved, subject to preparation of agreement by District Counsel & review and approval by the Chairman.

NINTH ORDER OF BUSINESS

Consideration of Proposals for Pool Maintenance

Mr. Oliver stated we started talking about this several months ago. At the time there was some dissatisfaction with the pool maintenance. We may have seen an improvement in that.

Mr. Mutka stated I ask my wife how it looks and she says it looks good.

Mr. Oliver stated the current company is Amenity Services Group and they do it for \$14,940. Riverside Management Services has a proposal for \$13,740. One of the advantages is ASG is familiar with that pool. I would recommend that you stay with the current pool maintainer. I haven't heard any recent complaints.

Mr. Ritter asked what is the cost difference in the proposals?

Mr. Oliver responded it is \$1,200.

Mr. Ritter asked I wonder if there is any economy of scale by having one company do it all?

On MOTION by Mr. Mutka seconded by Mr. Lohse with all in favor the Proposal from Amenity Services Group was approved.

TENTH ORDER OF BUSINESS

Ratification of Agreement for Lifeguard Services

Mr. Oliver stated I executed this agreement after the previous meeting didn't happen because we had to get lifeguards on staff for the start of the season. It was at the same price that was quoted of \$9,767. As we look at the money situation, we can increase those hours.

Mr. Ritter asked what are they doing now, like Friday evening to Sunday?

Ms. Perrucci responded they are doing Saturday and Sunday from 11:00 a.m. to 6:00 p.m.

Mr. Mutka stated the original agreement had the dates starting April 27th.

Ms. Perrucci stated we only charge for the hours we staff the pool.

Mr. Mutka asked so it is not a flat amount?

Mr. Oliver responded correct. It is based on hours.

Ms. Perrucci stated if you wanted to adjust the hours on the weekends that would also free up more hours if you wanted to put someone in the peak of the afternoon.

Mr. Mutka stated I met you there that one day and then I actually met your lifeguards there that weekend. I was just talking to them and they had no idea who I was. They mentioned the rope across the area in front of the slide. Obviously, they have a moral responsibility to react to anything in the pool, correct?

Ms. Perrucci responded contractually, they are only at the top and bottom of the slide for the catch pool. Just because of the way I run my staff I expect them to stop any dangerous behaviors within the entire pool area and also they would respond.

Mr. Mutka stated I watched the lifeguard that was on the bottom and there was a kid all the way across the pool and he dove in and she lit that whistle up and he stopped.

Ms. Perrucci stated in talking with Charles, we made an agreement, where they would be emptying the trash at the end of the day and straightening furniture and stocking the bathrooms.

On MOTION by Mr. Mutka seconded by Mr. Ritter with all in favor the Agreement with Amenity Services Group to Provide Lifeguard Services was ratified.

ELEVENTH ORDER OF BUSINESS Other Business

Mr. Oliver stated this is the audit for fiscal year 2012. You are required as a governmental entity to have an audit performed every year. This will be provided to the Auditor General for the State of Florida, as well as the dissemination agent. It is a clean audit. In the third paragraph under the opinion letter it states, "In our opinion, the basic financial statements above present fairly in all material respects, the respective financial position of the governmental activities in each major fund of the District as of September 30, 2012 in accordance with the generally accepted accounting principles." Then you have the management discussion items. On page five, you will see a checkmark toward the bottom. It does show that we have had expenditures greater than revenues. If you turn to page 30, this is

the report on internal controls. If you look in the last paragraph the auditors say we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. The most important part of the audit other than the opinion letter on the last page is a requirement of Chapter 218. It says, "Pine Ridge Plantation CDD has not met one or more of the conditions described in Section 218.503(1), Florida Statutes." We are not in a state of financial emergency. Many Districts can't say that.

On MOTION by Mr. Ritter seconded by Mr. Pyburn with all in favor the Annual Audit for Fiscal Year 2012 was accepted.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Walters stated there was an IRS ruling related to the Village Center CDD in Orlando. It has been going on for several years. It has no effect on this District. That is a particular audit to a particular District. The reality is the facts of that District are so 180 degrees from this District that it does not cause us any concern. That District will never transition to a resident board.

Mr. Ritter asked it just ruled that they weren't tax free, right?

Mr. Walters responded it ruled that the Village Center CDD is not a political subdivision authorized to issue tax exempt bonds. The only way our tax exempt status is at risk is if we are subject to a specific audit and we are not at this time and I don't anticipate that we would be.

Mr. Ritter asked when do we have another election?

Mr. Walters responded 2014.

B. Manager

1. 406 Registered Voters Within District

Mr. Oliver stated we have 406 registered voters within the District. We are required by statute to put that info on the public record each year.

2. Proposed Meeting Schedule for FY14

Mr. Oliver stated included in your agenda package is a proposed meeting schedule for fiscal year 2014. The meetings would continue to be on the second Wednesday of every other month.

On MOTION by Mr. Ritter seconded by Mr. Pyburn with all in favor the Annual Meeting Schedule for Fiscal Year 2014 was approved.

C. Engineer

Mr. Ritter asked who is using the money out of the account that is for capital improvements? There was \$120,000 in there two years ago and now there is \$80,000.

Mr. Walters responded the ADA compliance. The playground equipment.

Mr. Mutka stated I thought we transferred that money from one fund to another though. I think we paid for it out of one fund and then specifically wrote ourselves a check to the other fund.

Mr. Ritter stated I just want to make sure we are not using that for anything.

Mr. Oliver stated that would have to be by requisition that would be approved by the board.

D. Operations Manager

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS Supervisors' Request

Mr. Lohse stated now is a good time to add in specific requests for the management contract for different events.

Mr. Mutka stated we put in a several thousand dollar camera system that records. My understanding is there was a camera directly pointed at people that cut the lock and went over the fence. We into the pump house and beat on a lock. The camera didn't see any face. I was told by the manager there that there was a party underneath the covered area, where the next morning there was debris and drug paraphernalia. I just ask that if there are acts of vandalism or issues that the new management company document it and reported to the police.

Mr. Pyburn asked is that covered area dark or is it lit?

Mr. Lohse asked was this something that happened and there was not a police report filed?

Mr. Mutka responded I don't know. The police report needs to be filed and evidence documented. Then that information needs to come back to the board because maybe we need to do something else.

Mr. Mesiano stated the problem with the motion detector is the height issue. You can get beams placed, where they run at an angle under the covered area and you set those at four foot high, so if a person crosses it, it sets off the alarm.

Mr. Mutka stated at 11:00 p.m. all of the lights are off. I think there is one light that turns on.

Mr. Mesiano asked we have a security contract with Safe Touch, right?

Mr. Mutka responded that is just for the building. That is just windows and doors into the building. The cameras are a separate system that are privately monitored. I know that Charles said he has held a couple people responsible but if they damage something then I want to get them.

Mr. Walters stated we will put some provisions in the contract with Riverside and also communicate that request.

Mr. Oliver stated they will do an incident report.

Mr. Mutka stated the only reason why I found out was because I asked Charles. The other comment I got was there was someone up there taking pictures of children.

Ms. Perrucci stated I actually made the police come out and do a report on the resident. There hasn't been anything concrete but just a lot of different things going on and people feeling uncomfortable. My lifeguards were feeling very uncomfortable when this resident was present. The gentlemen left when he saw me come back. He had left by the time the police had got there. They did go to his house. They did speak to him. They did write a report. He was down at the pool over the weekend. My lifeguards did call me. There were no incidents. If nothing else he did get a good scare and knows he is being watched.

Mr. Mutka stated when in doubt call the cops.

Ms. Perrucci stated he is not a registered sex offender. He did have a criminal record but it was not related to anything sexual.

FOURTEENTH ORDER OF BUSINESS Audience Comments

There being none, the next item followed.

FIFTEENTH ORDER OF BUSINESS Financials:

A. Balance Sheet as of April 30, 2013 and Statement of Revenues & Expenditures for the Period Ending April 30, 2013

Mr. Oliver stated included in your agenda package is a balance sheet and income statement as of April 30, 2013.

B. Treasury Report

Mr. Oliver stated included in your agenda package is a treasury report.

C. Approval of Check Register

Mr. Oliver stated included in your agenda package is the check register.

On MOTION by Mr. Ritter seconded by Mr. Pyburn with all in favor the Check Register was approved.

D. Assessment Receipts Schedule

Mr. Oliver stated included in your agenda package is an assessment receipt schedule.

SIXTEENTH ORDER OF BUSINESS

Next Scheduled Meeting – Thursday, August 15, 2013 at 6:00 p.m., Pine Ridge Plantation Amenity Center, 4200 Pine Ridge Parkway, Middleburg, FL 32068

Mr. Oliver stated the next scheduled meeting is Thursday, August 15, 2013 at 6:00 p.m. at Pine Ridge Plantation Amenity Center.

SEVENTEENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Ritter seconded by Mr. Pyburn with all in favor the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman