

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, August 15, 2012 at 3:05 p.m. at Courtyard by Marriott, 610 Wells Road, Orange Park, Florida 32043.

Present and constituting a quorum were:

Levi Ritter	Chairman
Chris Middleton	Vice Chairman
Bill Pyburn	Supervisor
James Mutka	Supervisor

Also present were:

Jim Oliver	District Manager
Jason Walters	District Counsel (by phone)
Peter Ma	District Engineer

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 3:05 p.m.

SECOND ORDER OF BUSINESS

Affidavits of Publication

Mr. Oliver stated included in your agenda package are the affidavits of publication for today's meeting and the public hearing. There was also mailed notice to sent to all landowners.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the June 13, 2011 Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes of the June 13, 2011. Are there any additions, corrections or deletions?

On MOTION by Mr. Ritter seconded by Mr. Mutka with all in favor the Minutes of the June 13, 2011 Meeting were approved.

FOURTH ORDER OF BUSINESS

Update Regarding Audit Committee

Mr. Oliver stated the audit committee met earlier today. They approved the evaluation criteria and directed staff to issue an RFP for audit services.

FIFTH ORDER OF BUSINESS**Public Hearing Adopting the Budget for
Fiscal Year 2013****A. Consideration of Resolution 2012-02, Relating to Annual Appropriations and
Adopting Budget for Fiscal Year 2013**

On MOTION by Mr. Ritter seconded by Mr. Pyburn with all in favor the Public Hearing Adopting the Budget for Fiscal Year 2013 was opened.

Mr. Oliver stated the budget that you have before you is what the board initially approved at our June meeting. We must approve a budget before June 15th and then over the next 60 plus days, we refine that budget before having a public hearing. The budget is very similar to the budget you had last year. If you were to look at page two of the general fund budget, there is a line item called total expenses. Last year this board budgeted \$525,000. For fiscal year 2013, the budget is \$532,000. Most of that increase is for pool maintenance. The other things have stayed relatively stable. If you flip back to the first page, you will notice that under the revenue section, the very first line item, shows assessments last year of \$298,000 for the general fund. For fiscal year 2013, assessments are \$428,000. The reason these assessments have gone up is because the District does not have additional money to subsidize the general fund budget. A couple of years ago the District was able to enter into an easement with TECO for the gas pipeline. The Board approved using those funds to keep assessments as low as possible. Those funds are not going to be available to the same extent they were before, so these assessments are still subsidized but only by \$100,000 rather than \$226,000 that we had last year. If you flip back to page two, you will see gross assessments per unit. Last year fiscal year 2012 was \$430. Next year it will be \$619. The way the letter is written that you received it would lead some to believe that your assessments are going up by \$619 but that is not the case. Your assessments are going up from \$430 to \$619. That is not because expenses are going up. It is just that we have less money available from the gas pipeline to put towards keeping assessments low. You are still at the low end of assessments for O&M. This board has done what they can do to keep your assessments as low as possible but still provide a quality product in your neighborhood.

Mr. Mutka asked how much did we offset the costs with last year?

Mr. Oliver responded \$226,000.

Mr. Mutka asked and the year before that was about the same?

Mr. Oliver responded yes. Several years ago, the assessments were closer to the proposed FY13 level and then when we got the gas pipeline funds, the Board was able to lower assessments the last two years. Now, we are approaching the level that we really need to be at but assessments are still being subsidized by \$100,000.

A resident asked who is paying the \$100,000?

Mr. Oliver responded that is money the District has from TECO for the gas pipeline easement agreement. They paid a one time fee to the District and the District has used that for the last two years and is using it again this year.

A resident asked so we can look for another increase for us to cover that when it is gone or more houses being built to defray it to some degree?

Mr. Oliver responded yes. All 736 lots, whether there are homes built on it or not, are assessed. You will see there are line item descriptions after the general fund budget. On the last couple of pages is the debt service budget. This District issued bonds when it was originally established. It is a 30 year bond. It is very similar to a home mortgage. We make two payments a year for interest and one principal payment each year. Those do not change over time. It is the same payment each year and you are assessed for your lot on that. There may be a time in the future, once more rooftops are in the District and the economy recovers some, that we will be able to refinance those bonds and get a better rate.

A resident stated when things recover, there is also the chance that rates can increase back. Is there no possibility of refinancing it now? This is a high rate compared to what interest rates are today.

Mr. Oliver responded part of it is because they issued these almost as dirt bonds, so there was a high risk on it. The more homes that are built and sold, the closer we can get to be a good risk for bondholders to want to refinance these bonds. Construction activity is a good thing because it will help you in the long run.

Mr. Mutka asked did I read it correctly that 75% of our budget goes to making the payments for the bond?

Mr. Oliver responded yes. On your tax bill there is one line item that says CDD assessment and that includes two components; your debt service and the operation and maintenance portion.

A resident stated one thing that we don't have that I see at other places is tennis courts. Is that an intention in the future when we build out?

Mr. Oliver responded eventually, the residents are going to control this board and the residents will be able to determine what they want to do in terms of additional amenities. A lot of resident controlled Districts have borrowed additional funds or saved money and built a strong capital reserve, so they could expand their fitness facilities and add tennis courts. It is not in the plans right now but I would say you do have the land available to do that.

A resident asked what percentage of build out do we need before the homeowners take over?

Mr. Oliver responded unlike a HOA, it is not based on build out. It is based on two components; one, there has to be at least 250 registered voters living in the District and two, is the District at least six years old, which it is. This will be the first year that residents will be on the board. As a matter of fact, James Mutka qualified with the supervisor of elections back in June, so he could run in the November general election for one of these seats. Since he is unopposed, he will not even be on the ballot. There was a vacancy on the board, so the board appointed him to fill that vacancy. There is another seat that no one qualified for and after the November general election, the balance of the board will be able to appoint another registered voter who lives in the District to the board. At that point, you will have two residents on the board. In 2014, you will have two more seats, which residents will fill.

A resident asked what is this cable for?

Mr. Mutka responded it looks like they accounted for it but they haven't spent anything on it.

Mr. Oliver stated anything that is not spent at the end of the year will flow back into your reserves.

Mr. Mutka stated there is not a television in the amenity center now but they account for it in the future.

A resident stated with the problems that we have up there with vandalism I just don't see it.

Mr. Ritter stated it has been cut down somewhat because we installed a six or seven surveillance system and there have been some folks tracked back. It also recognizes who you are by your access card. I think we had flat screen televisions at the amenity center very early

on and I think they were vandalized. Maybe that is something we can think about putting in the fitness center, now that we have surveillance.

A resident stated the problem around the gate is the fence around it is four foot tall. Anyone can jump over a four foot fence. Is there anyway we can make that fence taller?

Mr. Middleton asked did they put in the security system that talks?

Mr. Ritter responded I don't think so.

A resident asked do you have a meeting once a month or once a quarter?

Mr. Mutka responded there is a schedule.

Mr. Oliver stated not only will we make sure that the schedule is posted at the amenity center but we will have an email blast go out to the community and also get it on the website. We will also make the website more user friendly. Clearly, we want people to come to the meetings.

Mr. Ritter stated it is also published in the newspaper.

A resident asked which newspaper?

Mr. Oliver responded Clay Today.

A resident asked what is the website address?

Mr. Oliver responded I will get that for you after the meeting.

A resident stated I would also recommend that when you hold a meeting that you hold them at a more reasonable time, where people can get off work and come here. 3:00 p.m. is not a good time for most people. I have a home in Fleming Island and they hold their meetings at 7:00 p.m.

Mr. Oliver stated the board is certainly open to discuss when to hold meetings.

A resident stated I am trying to figure out what the \$30,000 is for pool maintenance.

Mr. Oliver stated there were some improvements done to the pool for ADA requirements.

A resident asked since last year the thing that says you have to be so tall is still broken, so where is the pool maintenance?

Mr. Oliver responded the pool maintenance part is just the monthly maintenance of the pool and the chemicals.

A resident asked who are we using?

Mr. Oliver responded you are using a company called ASG. We do get proposals for pool maintenance.

A resident stated I will keep that pool in the same condition for \$30,000 a year.

Mr. Oliver stated then you can put in a proposal for it.

A resident asked I would like to know where the amenity manager is that gets paid \$40,000 a year?

Mr. Oliver responded, he is not paid \$40,000 a year. That is for a number of services that he provides. Charles Raley is up there on a regular basis. Not only does he perform maintenance onsite but he also issues cards and assists residents with a number of issues.

A resident stated but you have to contact him by email. That is an awful lot of money. Chris Middleton used to do it and he used to drive thru the neighborhood once a week and check to see if people were cutting their grass. We have lowered the standards in the community.

Mr. Oliver stated the CDD doesn't have anything to do with residents cutting their grass. That is an HOA issue. The CDD has limited authority and that is for the operation and maintenance of CDD property and that is largely the entry features, some of the common areas and the recreational facilities. Anything that has to do with private residences, the District has no authority. Anything that has to do with the county-owned road system, is managed by Clay County.

A resident asked when is the HOA going to start having meetings? It seems like a lot of our complaints are HOA related. I have gone to Charles for a few issues I have had.

A resident stated Charles works in the recreation center but then he takes calls on the HOA. What hat is he wearing?

Mr. Middleton responded I think he does both.

Mr. Oliver stated I will get with the HOA and get some information from them.

Mr. Mutka stated I have some HOA information that I can share with you after the meeting.

A resident stated on page one of this budget it has revenues adopted actual of \$641,000 and expenditures for fiscal year 2012 is \$68,000. Am I reading that right?

Mr. Oliver responded that is just the administrative expenditures through June 30th.

A resident asked so \$351,000 was the total expenditures out of \$641,000?

Mr. Oliver responded correct but only through June 30th. The fiscal year has not ended.

A resident asked so what about when we took down three playgrounds?

Mr. Mutka responded those playgrounds were never built by Pine Ridge. Those were built by Developers.

Mr. Ritter stated the biggest issue was those were non ADA compliant and the Federal Government mandated that those be taken down when we had our study done for ADA compliance. The new playground is ADA compliant.

A resident stated I also heard they were infested with termites, so it wasn't staff.

Mr. Oliver stated our fiscal year ends September 30th. We projected to spend \$480,000 for the year. We can't look at what the expenditures are through June 30th and think that is all we are going to spend through the remainder of the year. There is money carried over from last year and hopefully there is going to be money carried from this year. You guys are going to want to have funds available for capital reserve because you are going to have to have repairs.

A residents asked do we have a feeling for how much we want to keep in reserves?

Mr. Oliver responded at this point, we have about \$80,000. I recommend within the next year or so the District should commission a capital reserve study. The capital reserve study will detail repair and replacement costs and cash flow needs for the next 25 to 30 years, what you can project to spend because you will have to replace roofs, do the remarsiting of the pool, etc.

Mr. Mutka stated it cost us \$3,000 to repair the crack in the bottom of the pool.

A resident stated what I am trying to figure out is how you hold someone accountable for that. The pool is only three or four years old.

Mr. Oliver stated it is not under warranty unfortunately. There are a lot of things going right about this District. We certainly wanted to do everything we could the last couple of years to use these additional funds to keep assessments as low as possible. Assessments used to actually be higher than what they have been the last two years. We lowered them because we had this gas pipeline money but now that money is just about to run out.

Mr. Mutka stated there is actually a study that watches these CDDs as they develop and they color code them red, green or yellow. In 2009 we were listed as a yellow community. Two Creeks was already red, which is actually defaulting. They explained to me last time that

we are one of the few neighborhoods that actually have a budget to work with. We still have money in savings and we are not exceeding our costs.

Mr. Ritter asked, "Jim, how many Districts do you work with?"

Mr. Oliver responded I have about 15 clients. Our office manages about 50 Districts.

Mr. Ritter asked and with the same type of amenities that we have, is there anyone else right now with a lower O&M?

Mr. Oliver responded the only District I have with lower O&M assessments is Juliington Creek Plantation but they have 6,000 rooftops to spread those costs across.

Mr. Mutka stated when I came to the last meeting, they were actually discussing ways to try to save the District money. We talked about reclaimed water. \$42,000 is budgeted for reclaimed water and it has actually cost us \$27,000 so far. Reclaimed water is expensive. They came up with a possible solution to put a well in the ground. There was some research done.

Mr. Ma stated when you have reclaim available, your site is mandated that you use the reclaim water.

A resident stated it is fine that you go through every line item and you watch every expenditure but there are some of us, who would like to be able to come to these meetings and know where the money is going.

A resident asked how many home sites are there in Pine Ridge?

Mr. Oliver responded 736.

A resident asked how many rooftops do we have now?

Mr. Ritter responded just under 300.

A resident stated I have lived in the community for three years and I have never gotten a copy of this. Why don't you mail them out?

Mr. Oliver responded we can mail them out. There is a cost to mail them out. Your assessments are going up \$180 a year. We will use electronic communications and send it out. If you look at the table on the bottom of page two, you will see what your assessment was last year.

A resident stated for several months these empty lots were not maintained but last week they came and cut them all.

Mr. Mutka asked what section are you in?

A resident responded Creek Bluff.

Mr. Oliver stated it is an HOA issue.

A resident asked is that considered lake maintenance?

Mr. Oliver responded lake maintenance would only be for common areas owned by the District on the lake.

A resident stated I think a lot of our problems are HOA problems.

Mr. Middleton stated you can email issues to Charles, as well.

Mr. Ritter asked how much did the budget go up this year versus last year?

Mr. Oliver responded \$7,000. It went from \$525,000 to \$532,000.

Mr. Ritter stated the only difference is that we don't have the surplus from the easement sale and the gas company and the credit sale.

A resident stated when I moved into the community I was told there was going to be another amenity center. Is that true?

Mr. Oliver responded that is similar to the discussion we had about the tennis courts. There is nothing planned. The residents may decide they want to pursue some capital projects down the road.

A resident stated this one doesn't seem to be big enough for this community.

A resident asked is there land available if we want to do something else?

Mr. Oliver responded yes.

Mr. Ritter stated there are other park sites in the community.

Mr. Oliver stated a lot of these contracts, we will go out and get proposals on to make sure we are getting the best price and quality of service.

Mr. Ritter asked when are most of them up?

Mr. Oliver responded September/October.

A resident asked so we do have a process?

Mr. Oliver responded yes. Just like before the meeting today, we had an audit committee meeting to send out a request for proposals for audit firms. We get proposals for these other services too.

A resident asked do we get proposals every year for maintenance on the grounds?

Mr. Oliver responded not necessarily every year. Sometimes contracts are renewed. Sometimes we are not satisfied with the price or service and we will go out for bid.

A resident stated I think the improvements that have been made so far have been really good. It has come around a lot in the last year and a half.

Mr. Ritter stated we weren't happy with the initial landscape maintenance company. We have had two or three different pool companies. I haven't heard any complaints about the pool lately.

Mr. Middleton stated the big thing we improved about maintenance is the company we went with. They pretty much perform everything. When they see a broken irrigation head, they will fix it. If they see that plants need to be replaced, they come to us. They are a one stop shop.

A resident stated they have done a nice job.

On MOTION by Mr. Ritter seconded by Mr. Middleton with all in favor the Public Hearing Adopting the Budget for Fiscal Year 2013 was closed.

Mr. Oliver stated Resolution 2012-02 is to adopt the fiscal year 2013 budget.

On MOTION by Mr. Ritter seconded by Mr. Pyburn with all in favor Resolution 2012-02 Relating to Annual Appropriations and Adopting Budget for Fiscal Year 2013 was approved.

B. Consideration of Resolution 2012-03, Imposing Special Assessments and Certifying an Assessment Roll

Mr. Oliver stated Resolution 2012-03 is imposing special assessments and certifying the assessment roll, which we will provide to the Clay County Tax Collector.

On MOTION by Mr. Ritter seconded by Mr. Pyburn with all in favor Resolution 2012-03 Imposing Special Assessments and Certifying an Assessment Roll was approved.

SIXTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Mutka stated we talked about the ADA compliance last time I was here. I happened to see a letter came out that Florida changed the way it described a public pool and a private pool. Is that still the case?

Mr. Walters responded there are two different categories for public and private. The only thing that has changed on the public side is the Department of Justice has been doing some tweaks to the provisions. At one point we discussed that March of this year was the enforcement of deadline, meaning by March of 2012 you had to have everything in compliance or you would be subject to enforcement. There was a lot of confusion on the pools, in terms of what exactly was going to be fully compliant versus not fully compliant. The Department of Justice did extend that deadline out until January of 2013. If there have been changes to the definition of private pools, I haven't been monitoring those.

Mr. Mutka asked so we are 100% compliant with the pool and the park?

Mr. Walters responded it didn't change the standards for the public pools. They just extended the period, so our actions that we took as a District to come compliant are going to remain relevant and won't be subject to enforcement.

B. Manager – Proposed FY13 Meeting Schedule

Mr. Oliver stated there is a copy of the proposed meeting schedule for fiscal year 2013 in your agenda package. We will adopt this schedule; however, I will work with the board to try to find something more suitable. It may not necessarily be this same day of the week. Do you want to adopt the schedule now?

Mr. Ritter responded we will just wait on that.

A resident stated it would be more convenient if we had the meetings at 7:00 p.m. and have it over by the pool.

Mr. Oliver stated I will get with the board and we will work out the details.

C. Engineer – Requisition Summary

1. Ratification of Requisitions

- a. No. 391, Payable to Pine Ridge CDD, in the Amount of \$25,000**
- b. No. 392, Payable to Pine Ridge CDD, in the Amount of \$2,998.50**

Mr. Oliver stated included in your agenda package is requisition number 391 and requisition 392. One requisition is for the ADA improvements and one is for the playground installation. This is reimbursing the general fund from the debt service fund.

On MOTION by Mr. Ritter seconded by Mr. Pyburn with all in favor Requisition Nos. 391 & 392 were ratified.

D. Operations Manager

Mr. Oliver stated we will get Charles Raley to come to the next meeting, so he can give a report.

EIGHTH ORDER OF BUSINESS Supervisors' Request

Mr. Mutka stated I drove around the neighborhood and randomly talked to people that were sitting outside. I was curious to see what they thought about their neighborhood, their park, their pool, etc. I have two and a half pages of line item stuff.

Mr. Ritter stated most of it looks like HOA.

Mr. Mutka stated it is 100% HOA.

NINTH ORDER OF BUSINESS Audience Comments

A resident asked what is the website address?

Mr. Oliver responded I will find out what it is. My office does not maintain it. If it is substandard then we will start something fresh that covers all of the bases.

TENTH ORDER OF BUSINESS Financials:

A. Balance Sheet as of June 30, 2012 and Statement of Revenues & Expenditures for the Period Ending June 30, 2012

Mr. Oliver stated included in your agenda package is a balance sheet and income statement as of June 30, 2012.

B. Treasury Report

Mr. Oliver stated included in your agenda package is a treasury report. The balance is \$119,000 less the money that you ratified today of \$27,998.50 for the new park and ADA improvements.

C. Approval of Check Register

Mr. Oliver stated included in your agenda package is the check register. It includes check numbers 776 through 818. You can see the two items I have marked capital.

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 the assessment receipt schedule.

We are 103% collected.

Mr. Mutka asked how are we 103% collected?

Mr. Oliver responded it includes late penalties.

ELEVENTH ORDER OF BUSINESS

**Next Scheduled Meeting – October 10, 2012
at Courtyard by Marriott, 610 Wells Road,
Orange Park, FL**

Mr. Oliver stated the next scheduled meeting is October 10, 2012 at 3:00 p.m. at this location but that date, time and location may change. We will let everyone know.

TWELFTH 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