

MINUTES OF MEETING  
PINE RIDGE PLANTATION COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Pine Ridge Plantation Community Development District was held Thursday, January 13, 2010 at 3:10 p.m. at the Ryland Homes, 1845 Town Center Boulevard, Suite 200, Orange Park, Florida 32003.

Present and constituting a quorum were:

Brad Paullin	Vice Chairman
Levi Ritter	Supervisor
Chris Middleton	Supervisor
John Blanton	Supervisor

Also present were:

Jim Oliver	District Manager
Jason Walters	District Counsel
Peter Ma	District Engineer

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Oliver called the meeting to order at 3:10 p.m.

**SECOND ORDER OF BUSINESS**

**Organizational Matters**

**A. Consideration of Appointment to Fill Unexpired Term of Office (11/2010)**

Mr. Oliver stated as you know we have a vacancy on the board. Does the board want to address that today or table it?

Mr. Paullin responded table it.

**B. Oath of Office for Newly Appointed Supervisor**

This item was tabled.

**C. Consideration of Resolution 2010-01, Election of Officers**

This item was tabled.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the November 12, 2009 Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes of the November 12, 2009 meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor the Minutes of the November 12, 2009 Meeting were approved.

**FOURTH ORDER OF BUSINESS**

**Acceptance of Minutes of the November 12, 2009 Audit Committee Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes of the November 12, 2009 audit committee meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor the Minutes of the November 12, 2009 Audit Committee Meeting were accepted and District Manager was authorized to execute engagement letter.

**FIFTH ORDER OF BUSINESS**

**Consideration of Audit Committee Ranking of Proposals for Audit Services**

Mr. Oliver stated the audit committee met earlier today and they have recommended the ranking of Berger, Toombs as the top ranked firm, followed by Grau & Associates, Keefe, McCullough and Carr, Riggs & Ingram. If the board accepts these rankings then staff will get an engagement letter from the top ranked firm, so we can begin the audit. Typically, we would bring that audit engagement letter back to the board but since our next meeting won't be for another 60 days I would recommend that after review of the letter by the attorney that you authorize the District Manager to sign the letter, so we can start the audit.

On MOTION by Mr. Paullin seconded by Mr. Ritter with all in favor Ranking of Audit Proposals Provided by the Audit Committee were accepted.

**SIXTH ORDER OF BUSINESS**

**Discussion of Resolution Declaring Series 2006B Project Complete**

Mr. Walters stated at this time I would like to table this item and we will bring it back at the next meeting.

**SEVENTH ORDER OF BUSINESS                      Other Business**

There being none, the next item followed.

**EIGHTH ORDER OF BUSINESS                      Staff Reports**

**A.    Attorney**

There being none, the next item followed.

**B.    Manager**

Mr. Oliver stated a little later we are going to talk about funding request number 46. The District is now in transition, where as in past years you have funded the O&M with funding requests paid by the Developers, now you have actually levied assessments for those. So instead of approving funding requests, you will start reviewing a check register. Since there are funds on hand, checks will be cut, so that we stay current with the invoices that are received. You are still required as board of supervisors to approve every expenditure, so at the end of the year when an audit is performed there is an audit track in existence. This will be the last time you will see funding requests because things will be paid through assessments. Last month's funding request included some fiscal year 2010 costs and Ryland paid that and they also paid their assessments. When funding allows, they will be refunded the amount they paid on that funding request. The same will go for the other Developer for any funds that they advanced for 2010 invoices. We have some assessments on the rolls and we also have some Sandhill lots that are under direct bill and they are current with those based on their payment plan. Right now, we don't have enough O&M collected for the entire year but I can say that for any District that I manage because of the timing of the tax rolls. It is just something we will have to keep our eye on. There is adequate cash flow right now.

Mr. Ritter asked if we don't collect what was budgeted will we have enough?

Mr. Oliver responded no. Right now, it looks like we would be about \$47,000 short and that is not counting the \$12,000 or so that would be refunded to Ryland. Is there room in the budget to cut the budget some? That is something as staff and the board has to look at to see if there are any services we could cut.

**C.    Engineer**

**1.    Requisition Summary**

**a. Consideration of Requisition No. 373 (Series 2006 Construction Funds)**

Mr. Ma stated included in your agenda package is a requisition summary. I think we only have one invoice for Hopping Green & Sams in the amount of \$49 out of the 2006A bonds.

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor Requisition No. 373 was approved.

**2. Cost to Complete Schedule – Amenity Center Construction**

Mr. Ma stated we are still talking about the Compac contract. We are still holding a retainage check in the amount of approximately \$14,000. I had a conversation with Chris earlier that they have fulfilled their obligations and I wanted to bring it to the board before we released that check. Chris, is that your understanding?

Mr. Middleton responded sure, if everyone else is fine with green pavers then I'm fine with it.

Mr. Walters asked how much would it cost just to replace those pavers?

Mr. Paullin asked we have plenty of pavers out back, don't we?

Mr. Middleton responded yes. Are you going to go pick them up?

Mr. Paullin responded no but we can find out what the cost is and if they don't want to do it we can propose to them that we can get it done and subtract it from the amount.

Mr. Middleton stated I'm just not confident in them to come help with anything in the future.

Mr. Paullin asked should we propose to them that we will have the work done and just take away from the retainage?

Mr. Middleton responded sure.

Mr. Paullin asked does the slide still leak a lot?

Mr. Middleton responded I'm not 100% sure. I don't even know if we have the control problems fixed because its not 100 degrees out right, so it doesn't heat up when you run it. But that is not really a Compac contract. That is a Dicky Smith contract but Compac is the one that supplied that equipment and in other jobs I am dealing with them on they are not very responsive and they don't really come back and do what they say they are going to do. I'm sick of them. Pay them whatever.

Mr. Paullin asked what is the recourse if we don't pay?

Mr. Middleton responded file suit.

Mr. Ma asked what if we release like \$10,000 of it and tell them we will release another half of it when the pavers are replaced and the other half once we are sure?

Mr. Ritter responded I would like to use it as leverage to make sure the other work is done.

Mr. Middleton stated we technically never resolved that.

Mr. Walters stated I think it was like \$1,000 a day.

Mr. Ma stated they were due like December of 2008 that they were supposed to have it in place.

Mr. Walters stated I think some may have talked to them about that but the issue you always run into with damages is they are going to say that they were delayed by x, y or z.

Mr. Middleton stated we just need to remember this down the road that I wouldn't recommend them for any future projects. It's not so much the pavers but the pumps and the controls are heating up and they are not functioning properly in the summer when it's hot outside. It shouldn't overheat. The pump shouldn't surge and the slide shouldn't just run out of water. The problem is that is a Dicky Smith contract and those people are going to get screwed and the pool contractors are going to get screwed because they are not going to come back and warrant their stuff. I can't replicate the problem right now because the ambient temperature outside is too cool and that is why I wanted a meeting months ago but we could never get them out there.

Mr. Paullin stated if you think it is going to be an issue in the summer then I think it's probably the right thing to do.

Mr. Ma stated I think someone needs to send out a letter of what our concerns are.

Mr. Middleton stated their response is going to be that that money has nothing to do with those controls, which they are right but that money has everything to do with pavers, so they need to get a price to clean and fix the pavers. They need to fix the pavers.

Mr. Ma stated if that is the case then there is no reason to hold Compac's money.

Mr. Middleton asked why don't we just release \$10,000 and hold \$4,000 and say if you want your money then fix the pavers?

Mr. Paullin responded yes.

Mr. Walters asked have we made it verbal to them? Do they know it has been a problem?

Mr. Middleton responded you can write them and talk to them until you are blue in the face.

Mr. Walters stated I'm talking about Dicky Smith. Are they aware that we are having a problem with the pumps?

Mr. Paullin asked what is their warranty, a year?

Mr. Ma responded yes.

Mr. Paullin asked when is that up?

Mr. Paullin responded I think the pumps are longer.

Mr. Middleton stated I think it is good to put them on notice that the problem existed before this winter.

Mr. Ma stated I will get in touch with Dicky Smith.

Mr. Oliver asked just to clarify are we going to do anything with the retainage or nothing for now?

Mr. Middleton responded we are going to release \$10,000 and keep \$4,000.

Mr. Ma asked is there any legal issue with that?

Mr. Walters asked with releasing the retainage?

Mr. Ma responded with releasing part of it. They have a lien on us.

Mr. Middleton stated no. They don't.

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor Release of \$10,000 in Retainage to Compac & \$4,000 to hold until work completed was approved.
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**NINTH ORDER OF BUSINESS**

**Supervisor's Requests**

Mr. Middleton stated Sparkle Cleaning's contract I think was like \$250 a month and I'm just going to have her buy the paper towels and toilet paper. She will probably be a little more than \$250 a month, so maybe we should budget \$300. I think we need her to come once a month now. She realizes that it has been several months since she has been out there and it is going to take a little more elbow grease to get everything looking good again but she is aware of that. The poor lady last time had to wait four or five months to get a check because we didn't have the funds, so I just want to make sure that we have the money in the budget to pay. There have been

complaints that people spilt Coke in the breezeway and her husband does pressure washing, so I told her to give me a price on that.

Mr. Oliver stated between maintenance reserves and contingency and also the janitorial line item you can take that into account and you can afford to do that.

Mr. Paullin asked, “Chris, did you talk to the landscaper about trimming those plants by the bus stop?”

Mr. Middleton responded I forgot about it, so maybe shoot me an email and I’ll see if I can get out there. We have some other areas that we need to get mowed. Were the kids complaining?

Mr. Paullin responded the parents are complaining about the kids standing at the bus stop and you can’t see oncoming traffic. There are only like three intersections that are real bad.

Mr. Middleton asked is it trees or is the mulley grass?

Mr. Paullin responded it is mulley grass. They are really nice looking but they are just too tall.

Mr. Ritter stated we have some uncollected assessments and hopefully those assessments will be coming in but we drew on the default reserve/debt service reserve account, which is established from the get go. It is kind of a pot of money sitting aside. There are disagreements as to what the purpose of the pot of money is for. That pot of money was tapped into on November 1<sup>st</sup> in the amount of \$304,787.62, so it obviously raises a little bit of concern with the bondholders that hold the A bonds. It is my understanding that Ryland has purchased all the B bonds for the entire property but on the A bond side the bondholders had some questions about that. They wanted to know what their rights were. I think they may have called District Counsel to discuss it with them but at this point there is money sitting in that debt service reserve account and its there for some purpose. I don’t know what the purpose is. I believe that as the community continues to mature and lots are sold it will be fully replenished. I just wanted to make everyone aware of that.

**TENTH ORDER OF BUSINESS**

**Audience Comments**

There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Financials:**

**A. Balance Sheet as of November 30, 2009 and Statement of Revenues & Expenditures for the Period Ending November 30, 2009**

Mr. Oliver stated included in your agenda package is the balance sheet and income statement as of November 30, 2009.

Mr. Ritter asked what is the \$38,587 due to Developer?

Mr. Oliver responded I don't have the detail in front of me but it is likely that the previously approved funding request that affected fiscal year 2010 that were paid with Developer funding. I can't say that for sure but there are probably Developer funds that were fronted to fund fiscal year 2010 expenditures. It seems a little high but I'll find out.

Mr. Blanton asked so like the September, October and November funding requests that went out to some degree had 2010 items built into them?

Mr. Oliver responded yes.

Mr. Blanton asked are you going to email that out?

Mr. Oliver responded yes. I will shoot an email to Patti tomorrow.

Mr. Ritter asked are there any outstanding funding requests?

Mr. Oliver responded I think you may have one funding request from last month. If you look at funding request number 45 was for \$18,400 and Ryland paid \$9,200.

**B. Approval of Funding Request No. 46**

Mr. Oliver stated included in your agenda package is funding request number 46.

On MOTION by Mr. Paullin seconded by Mr. Ritter with all in favor Funding Request No. 46 was approved.
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Mr. Ritter asked how much is left in the A bond proceeds?

Mr. Oliver responded \$62,872.

Mr. Ritter asked can we do something with those, so that we don't get requisition requests for \$50?

Mr. Walters responded once the A project is complete we will go through a completion. Some of that money may be spoken for. There is a procedure you go through.

Mr. Ritter asked can we start that procedure?

Mr. Walters responded the engineer issues a report stating that all the A project as defined in the beginning has been completed and there is nothing left to be done.



Mr. Ma asked what are we doing with the outstanding remaining ponds?

Mr. Ritter asked the what?

Mr. Ma responded those three ponds.

Mr. Middleton stated we have to resolve the pond issue.

Mr. Walters stated there are ways to still get around it but it takes action. You are going to set aside funds for the completion of certain improvements. The quickest way to do it is to have everything done, have everything inspected, have the permits transferred, declare the property complete and then you have to reline assessments.

Mr. Ritter asked if you have spent everything but the improvements weren't done what would you do?

Mr. Walters responded you would look to Developer funding agreements.

Mr. Oliver stated in the first full year of operations you may come up with some things you wish you would have done.

Mr. Walters stated the amenity center is an improvement but the chairs on the deck come from the capital funds. If this summer you need 10 more chairs then that would come from capital funds. If this summer you want to put a big screen television and certain blinds up in the facility then that might be funded with bond proceeds.

Mr. Paullin asked you are still at risk for surprises, right?

Mr. Walters responded sure. That is why it is advantageous to wait and see if you have actually built it the way you wanted it.

Mr. Ritter asked would it be the same thing with the pumps if we couldn't work something out with Dicky Smith?

Mr. Oliver responded well, if they are improvements.

Mr. Walters stated you would have to look at what we are doing to that.

### **C. Outstanding Funding Requests**

This item was discussed above.

### **D. Construction Schedule**

Mr. Oliver included in your agenda package is a construction schedule.

**E. Assessment Receipts**

Mr. Oliver stated included in your agenda package is an assessment receipt schedule. Right now, you are at about 60% collected.

**TWELFTH ORDER OF BUSINESS                      Next Scheduled Meeting – March 10, 2010**

Mr. Oliver stated the next scheduled meeting is March 10, 2010.

**THIRTEENTH ORDER OF BUSINESS                      Adjournment**

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor the meeting was adjourned.

  
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Secretary/Assistant Secretary

  
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Chairman/Vice Chairperson