

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 on Tuesday, May 19, 2015 at 6:00 p.m. at Pine Ridge Plantation Amenity Center, 4200 Pine Ridge Parkway, Middleburg, FL 32068.

Present and constituting a quorum were:

Matt Lohse	Chairman
James Mutka	Vice Chairman
Maria Haney	Supervisor
Nicole Gardner	Supervisor
Mike Mesiano	Supervisor

Also present were:

Jim Oliver	District Manager
Jason Walters	District Counsel
Peter Ma	District Engineer
Steve Andersen	Operations Manager
Amanda Rentsch	Riverside Management Services
Bill Kinsey	Down to Earth
Josh Boucher	Down to Earth
Preston Gerard	Vesta

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Oliver called the meeting to order at 6:00 p.m.

**SECOND ORDER OF BUSINESS**

**Public Comment**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the April 21,  
2015 Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes of the April 21, 2015 meeting. Are there any additions, corrections or deletions?

Ms. Haney responded on page 13 the word "considered" should be "concerned."

On MOTION by Mr. Lohse seconded by Mr. Mesiano with all in favor the Minutes of the April , 2015 Meeting were approved as amended.

**FOURTH ORDER OF BUSINESS                      Update Regarding Landscape Maintenance**

Mr. Andersen stated we changed landscape maintenance providers last year to Down to Earth. Bill Kinsey and Josh Boucher are here from Down to Earth to answer any questions that you may have. You can see improvement out here. The field is coming around. It took a hit last week because we were trying to follow the watering guidelines but now, we are beefing it up a little bit. They replaced some grass out here.

Mr. Josh Boucher stated we replaced three pallets worth.

Ms. Haney stated you had mentioned that you replaced a lot of sod. Have you replaced a lot of sod towards the back area? I notice on the side that there are a lot of dead patches.

Mr. Josh Boucher responded all we have done towards the back is right there where the island stops. We replaced about one pallet there but we still need to do about two more pallets there. The only place we replaced sod was right in front of the amenity center up to your first right.

Ms. Haney stated there are a couple of crape myrtles that look like they need to be trimmed. Have you had an opportunity to look at those?

Mr. Josh Boucher responded I will have to take a look them. Do you have any specific areas?

Ms. Haney responded it is predominately as you go further back.

Mr. Josh Boucher stated we did trim up all of the magnolias down that way. We are going to be out here Thursday and Friday, so we will take a look at the crape myrtles then.

Ms. Haney stated we do have some magnolias that look kind of sick. Do you have any recommendations for getting them healthy again?

Mr. Josh Boucher responded I actually did liquid fertilizer on all of the magnolias. They are starting to get new leaf growth on them. I did not see any sort of insect or fungus on them. We are also going to do a granular fertilizer in two to three weeks. We when first started that back area had no irrigation there. The irrigation wasn't working at all, so that probably didn't help the magnolia situation at all.

Ms. Haney asked so is the irrigation fixed?

Mr. Josh Boucher responded yes. It is all fixed.

Mr. Andersen stated that is the one thing that I want everyone to know. There was no irrigation down that area back there, so that is why the weeds took over everything. When we brought them on, they fixed all of the irrigation going back. The board is going to have to consider what you want to do to bring that landscaping back.

Mr. Josh Boucher stated there is a lot of St. Augustine Grass back there. There are some areas by the school that will probably need to get replaced.

Mr. Lohse asked were you able to take a look at phase two and the irrigation that wasn't installed in there?

Mr. Andersen responded it is not installed. Usually what the County requires when they develop a place they require two strips of sod and the sidewalk to be installed on those areas. What we got was what we got.

Mr. Mutka asked so it is on the District?

Mr. Andersen responded yes.

Mr. Oliver stated that is not uncommon in other Counties also. Down to Earth will develop some options for us on that.

Mr. Andersen stated we will work with Down to Earth and get some proposals put together for that and we will bring it back to the board.

Mr. Mutka stated I saw you guys replacing the sod. The trees look nice. Everything is starting to green up.

Mr. Kinsey stated this is going to be a work in progress to get it back to where you guys want it. We are just now really in the last weeks have gotten to optimal temperatures in the daytime and nighttime for turf grass to really grow. A lot of the weeds will grow in lower nighttime temperatures. The goal right now is to continue to get the grass strong enough, so we can get rid of some of the thick weeds. Through the summer, you should gradually see an increase in quality and if not, then we are not doing what we are supposed to be doing.

**FIFTH ORDER OF BUSINESS**

**Update Regarding Charter School Construction and Access Issues**

Mr. Walters stated my thought it to walk through some of the history and where we are now. I have spoken to several of you on the phone about some of the issues. I also put a brief packet of a few documents. This is kind of what led to the most recent discussions. What prompted all of this is my email to all of you stating that due to title concerns and issues that

they had that they decided they were going to use the alternate access because they couldn't get title through our parcels. After the initial meeting when the representatives were here and we had come to an agreement on access, the first thing we did was run title. The first thing they did was run title. We had the two strips of land there. One was designated as primary conservation. We knew something was going to have to be done with that. I thought that was going to be the bigger issue. The other strip is designated as common area on the plat. That ended up being more of an issue than the other piece. We immediately contacted the County. They were all on board. We were going to put together an acknowledgement letter. We figured that would be good enough for title and I think at the end of the day that it probably would have been. The title issues they are trying to resolve are they have to have insurable access to that parcel, so they are not insuring our pieces. They are insuring their piece. Part of that is good and available title and free of all encumbrances and then you have access to that parcel. As you can see from the email, the biggest things that came up for them were that the title company was going to require an amendment to the CCR of the POA and also the consent of two-thirds of all members of every voting class of the POA. With that, the school kind of tapped their brakes. I can tell you that we all got on the phone with First American and had a not so fun-filled call. They took it to a second title underwriter, who came up with the exact same objections. I had a private conversation with the General Counsel of First American. At the end of the day, there wasn't going to be a title company out there that would play ball. At that point, their decision was to pursue the other option. I trust that you are all frustrated. If there is a more frustrated person in the room, I can guarantee that it is me. This whole process has been frustrating. This school has been frustrating to work with. This construction company has been frustrating to work with. At the end of the day, we had an agreement to provide access either through deed or easement. Any agreement to convey real interest property has to be in writing, so the deed is kind of your written document. I compare it to buying a house. You go down the street and you put an offer in on a house and they accept it for \$100,000. Then you have your due diligence period to do an inspection and all of that type of stuff. If you do your inspection and your home inspector pushes on the wall and the whole house collapses then you are not going to buy that house. Even to a lesser degree, if you have that house under contract and the house down the street goes up for sale for \$90,000 and it is bigger, fancier and nicer then you are going to leave that deal and take the other one. Until the

deal is done, it is not done. The next complication was they obviously bulldozed an access straight thru the parcels and that is what prompted my letter. I immediately sent out that cease and desist letter saying you cannot use our parcels, you do not have an agreement to do that and you also have to repair that parcel. I think that got them to stop using the access. Obviously, the remaining lingering issue is that they have to repair that area and restore it to the prior state. I had a conversation with their attorney. As of yesterday, he said they are bringing in a subcontractor to do that work because their contractor is building a school. They are on notice that they have to have it done within two weeks. I anticipate that to start. They realize they have screwed up. They realize they have to fix it and they are going to fix it. My point was I want them to fix it now and not to wait until the school is done and then say we will get to it because we know that will never happen. I expect to see progress on restoring that area within the next seven days. When they came to us, they came asking for access and the board said we would like more information. I think that was a very natural response to that type of request. There was a lot of back and forth. Things got testy early. There were questions about whether we even had the right to say no or whether they were going to sue us to force us to grant that access. The board made the decision to protect its rights and investigate this fully and to the extent possible, to work out an arrangement that could be beneficial to both. We decided to negotiate an agreement but it fell apart. Like I said before, there is no one in this room more frustrated than me at this moment. I think the last issue that we need to resolve is making sure that the property is restored and that they are not using that access. In order to get good financing, if I a bank and I'm coming to you, I want a title report that looks pristine before I hand you millions of dollars to finance your project. We will stay on top of the restoration. To the extent that we need to change it then we will let you know.

Mr. Mutka stated I spoke to you in great detail the other day. Thank you very much for your time. I see how it all went wrong. My only concern is that since we are no longer doing business with Red Apple, I would like to move towards getting them out of our business and out of our property. I really don't care to do business with them anymore, period. They removed their sign today. I was very happy to see that. I want them 100% off of our property, in regards to fencing, etc. They cut into the irrigation system. Someone marked it with a green flag. We need to ensure that they fix it properly and to our satisfaction. There is a particular

spot that I believe will be another section that they need to repair. I think they cut the corner of the fence and mowed it all down without paying too much attention to where they were at.

Mr. Walters stated I tried to convey that in the letter that it must be restored to whatever it was.

Mr. Mutka stated I think the board and staff needs to identify that this is ours and this is yours. You stay on your side and we will stay on our side and you have a nice day. There are a lot of stakes out there. I do believe that our property comes to a 90 angle at the end. Do they have the right to go through the utility access?

Mr. Walters responded there is a CUA easement that was platted with the original property.

Mr. Lohse stated the PCN designation on the driveway that they cleared, when I was reading their response to the seize and desist, it kind of insisted that it would be left alone. Do you know what is required of them to do to that area now?

Mr. Walters responded there was some confusion on their part. Essentially their concern was if you look at the plat it shows Pine Ridge Parkway and then it shows our parcels. At the end of the day that right-of-way is really wide. That roadway goes all of the way to the edge of the sidewalks. Their concern was if we constructed a sidewalk in the PCN, can you restore it to a sidewalk? The PCN designation says that it has to remain a natural state. Sidewalk is not the natural state. Do I have to go to the County and get some sort of permission? My initial point to that was I don't care what you need because you are going to have to get it. We then worked out a plat and looked at the cross section plans that we originally proposed. It is clear that the PCN is the part with the woods, so they don't need anything additional from us. The school is getting a letter from the County Attorney making it clear that they can restore that area to whatever it was before.

Mr. Lohse stated my only thought was if they have to restore the property back to the way it was on that spot then in regards to the PCN, they can't put that back. We can't improve it, right?

Mr. Walters responded no. They are going to replant and put in all of the plantings. It will be back to the woods and the grass.

Ms. Gardner stated right because they did that in both driveways. With the other one, they didn't tear out the sidewalk but they did put it to dirt all of the way to the sidewalk.

Mr. Mesiano stated I can't even get access to our property. Where is the dedication of Pine Ridge Parkway as a public road end?

Mr. Ma responded I believe when you guys platted Pine Ridge West that unimproved Long Bay was part of that plat.

Mr. Mesiano asked so they do have legal access? Do they really have access to that property by way of Pine Ridge Parkway to Long Bay and then coming across on Long Bay? You are saying the unimproved part of Pine Ridge Parkway is a dedicated public right-of-way?

Mr. Ma responded the unimproved portion of Long Bay is a public right-of-way.

Mr. Mesiano asked what about the unimproved portion of Pine Ridge Parkway?

Mr. Ma responded I believe that was platted at this point.

Mr. Mesiano asked so when you drive to the end of Pine Ridge Parkway and it goes from pavement to dirt, it is still a public right-of-way?

Mr. Walters responded it is platted all of the way to the backend.

Mr. Mesiano stated in the public right-of-way back there, they have placed aggregate material that is blocking my access to the property back there and they put a silt fence up. I wasn't aware of the level that it was. I asked Steve to go in there and look at the ponds and Steve told me he couldn't get back there. When I talked to our club manager's, they told me that it was just some silt fence in the way but they worked out a route to get back there but now when I see it, there are brand new piles of aggregate that are in the way and they also erected some sort of a berm across Pine Ridge Parkway. You can't physically get from where the pavement ends across to the property any longer because they put up a berm of stripings all of the way across the back there.

Mr. Walters stated it is a precarious position. Obviously, it is platted right-of-way. I think there is a plat dedication. I don't know if there is a backup deed to that. At the end of the day, it is either public right-of-way or it is Developer's property.

Mr. Mutka stated if it is not considered public right-of-way then it is Alterra Group because if you click on the tax map, it comes up as Alterra Group.

Mr. Mesiano asked even the roadway piece?

Mr. Mutka responded yes. Pine Ridge borders that on three sides.

Mr. Mesiano stated the ponds are owned by the CDD. If the roads are platted then presumably, they would be owned by the County, right?

Mr. Walters responded all I know is someone other than the District owns that property.

Mr. Mesiano stated my fundamental issue is that I need to get access to the property back there. I guess we will get to the bottom of it and I will keep you informed. They have stakes running down what appears to be the western boundary of Long Bay but they just say S/F, which is just a silt fence boundary. I didn't see any stakes indicating where the corner was or any boundaries. Those might be on the boundary.

Mr. Andersen stated a good indication is if you go to Clay County Clerk of the Court then it will have the actual designation and it will turn over the land to Clay County. It won't turn over the improvements because there are no improvements.

Ms. Haney stated I agree with what you said. I think the company has shown their true colors. I know I had talked to Jim awhile back about the possibility of getting a reimbursement for legal fees and other resources. Are we pursuing that?

Mr. Oliver responded I tried to go through non-legal channels. I reached out to Nick Diamond, who came to two of the meetings here. I had a conversation with him. He asked me to put my request for reimbursement of costs in an email. I put it in the email that at the very least we want to recover all of the professional fees that were expended on attorney fees and engineer fees. He never responded to that email. I reached out to him again on the funding request when I pointed out that there sign was still up on District property. At that point, he emailed back saying his attorney has been in contact with Jason, which I perceived to mean that the lawyers are taking care of this, Nick is not going to respond to me anymore. That is not off of the table of us making this request. I also think there is a political component to this. I think it is very important that we use all of our contacts. Of course, we had Clay County Commissioner Wayne Bolla here a couple of times. Clay County School Board Chairperson Joanna McKinnon also addressed the Board and residents and heard Red Apple's presentation to the CDD. Once we coordinate some type of communications with them, we should also encourage our residents to contact their elected officials.

Ms. Haney stated we should certainly reinforce to them about the treatment that we have received from this company.

Mr. Oliver stated yes because if we don't benefit from it, in terms of some type of compensation from the fees that we expended, then perhaps that will make the consideration of their next application for a school in Clay County to be reviewed more closely.



Mr. Lohse stated that is what I would like to do.

Ms. Rentsch stated in regards to the wood benches, again Pride has the lowest price. The other ones are almost double what Pride recommended. We could install the wood benches around the playground.

Mr. Mutka asked are they cemented in or are they bolted in?

Ms. Rentsch responded I quoted all of the in ground mounts, so they will all be cemented in. Our guys will probably install them.

Mr. Mesiano asked who are our guys?

Ms. Rentsch responded our operations guys.

Mr. Andersen stated we have over 19 parks at Eagle Harbor. All of the equipment is from Southern Recreation. We just replaced half of them and they are about 18 years old. There is a big difference between what Pride offers and what Southern Recreation offers. They are not comparable. One is extremely high quality and the other is good quality. You get what you pay for in this case. They put our playground in here.

Mr. Mutka asked how many are we looking at buying?

Ms. Rentsch responded two would be a good start. There is only one picnic table over there now.

Mr. Oliver stated Mandy can proceed with purchasing two benches.

Mr. Lohse stated I would just consider quality over price. You always get what you pay for.

Mr. Mutka asked and what is the picnic table for?

Ms. Rentsch responded it was brought up at the last meeting.

Mr. Andersen stated I thought we were discussing this as an alternate to some of our pool furniture.

Mr. Oliver stated no. In Mandy's report at the end it has audience requests and those were some of the items that were requested.

Mr. Lohse asked are you recommending picnic tables?

Ms. Rentsch responded yes.

Mr. Mutka asked where would you put them?

Ms. Rentsch responded in the grass area next to the playground. Getting one picnic table is good for now.

On MOTION by Mr. Lohse seconded by Ms. Gardner with all in favor the Proposal from Lake Doctors for Additional Lake Maintenance Services was approved.

**EIGHTH ORDER OF BUSINESS                      Annual Review of Policies Regarding District Amenity Facilities**

Mr. Oliver stated after several years of not going through the policies, the District board went through the policies last year with a fine toothed comb. We actually had a workshop and spent many hours bring the policies up to speed. Mandy has offered some revisions to these policies. I would ask that Mandy walks us through her suggested changes.

Ms. Rentsch stated under use fee structure, I added a \$25 charge to replace lost cards. That has always been our policy but it just wasn't in there.

Mr. Oliver stated that is very common to have that fee. We would have to have a rate hearing to adopt that fee.

Ms. Rentsch stated I reinforced the facility hours. I have updated the thunderstorm and lightning policy. It is on page seven. We were supposed to add some language in this section last year with ASG but it didn't get updated. This is reinforcing the thunder and lightening policy.

Ms. Gardner stated I have a question on page five at the bottom. It specifically talks about pool toys. I don't have strong feelings one way or the other. We were at the pool on Sunday with our children and one of the lifeguards went over and spoke to one of the parents in regards to some water squirting toys that they had in the pool. They told them that were not allowed to use them. The mother had told her that they were using them the day before. I am curious if that is something that the lifeguards are enforcing or if that is a policy that we are changing.

Ms. Rentsch stated that is not a policy change. I assume they have that rule at another one of the Districts that they work at and they probably think it was the same for her. I will talk to Danielle and let her know to let the lifeguards know that the residents are allowed to have pool toys.

Ms. Haney stated on page five it says that swimming after dusk is prohibited by the Florida Department of Health. Is that still the case?

Ms. Rentsch responded yes.

Mr. Oliver stated we don't have the lights yet that qualifies our pool for nighttime swimming.

Ms. Rentsch stated one of the bigger changes is under the fitness center policies on page eight. I am requesting that we change the age to children that are 14 to 18 years of age have to be with an 18 year old and no children under the age of 13 will be allowed in the fitness center. With kids younger than 14, they are not in there to really work out. They are just in there to goof around. The pool age is 14, so I am requesting that the fitness center be consistent.

Ms. Gardner stated I agree. On number three, the word says sixteen but the number says 18.

Ms. Rentsch stated okay. We will make that change. I have also taken out the language that kids can accompany their parents.

Mr. Lohse asked is this because you have had problems with the policies?

Ms. Rentsch responded yes. We have issues with kids being in there all the time with kids in there goofing around and misusing the equipment. We have more residents here now and there is not enough room for kids to be in there. Every time they are in there, they want to use the equipment too.

Ms. Haney stated my only concern is if you have a single parent. What are your options if you have a well behaved child?

Ms. Rentsch responded but with any gym I go to there are no kids allowed. They either have a daycare center or they don't allow children.

Ms. Gardner stated the verbiage there says no children under 13 years of age and younger are permitted. Shouldn't it say children 13 years of age and younger are not permitted?

Ms. Rentsch responded that is correct. Thank you. Next is under the facility rental policies. Again, I have gotten rid of the outdoor rental. I don't know if you were all here on Saturday but there was a rental out there and they had all of the entryway decorated and the kitchen area, which was just supposed to be the kitchen area and five tables. There is not really a good outdoor space for rentals here. If the clubhouse would have been rented then those people would have been intruding on the people in here. If we have over 25 guests, I added

wording for having an attendant fee of \$16 per hour. I also would like to change the hours of the clubhouse rental. Right now, it is \$75 for six hours. I would like to change that to four hours. Most of the time parties don't last for four hours and then that way, we can actually have some time slots and have two parties in one day. Right now, with having six hour parties, we are limited to just have one party in here per day.

Mr. Mesiano asked can one person rent both time slots if they want?

Ms. Rentsch responded some Districts allow it and some do not.

Ms. Gardner stated as long as they are paying for that extra time slot then I don't think it would be a problem.

Ms. Rentsch stated yes. Those are about the biggest changes that I have made. I know people want to swim in the pool and use the clubhouse but it is too much.

Mr. Mutka stated I can see the resident's point that they would like to have a party and have their guests use the pool but if you come here on a Saturday then you are going to start taking away the pool capacity for residents.

Ms. Haney asked under the suspension and termination of privileges, could we add a bullet for those that purposely damage or destroy property?

Mr. Oliver responded okay.

Ms. Haney stated in regards to the references regarding alcohol, there seems to be a lot that is involved in the use of alcohol. Would it be simpler to just eliminate the use of alcohol altogether?

Ms. Rentsch responded that is a board decision.

Mr. Mutka stated I came up here one night and someone was having a rehearsal dinner up here. I called Mandy to check and they had a licensed bartender and they purchased the insurance policy.

Ms. Rentsch stated we have only had two events with alcohol and both of them had a certified bartender and they both provided the insurance.

Mr. Oliver stated you can take action at the next meeting or you can take action with the changes that she has suggested.

Mr. Lohse asked is there anyway to put the pool rental back in there but limit it at your discretion, so we don't completely remove that option? As you know, we pay a lot of money for use of this facility. Is there a way that we can make it at your discretion?

Ms. Rentsch responded that is kind of hard to do.

Ms. Gardner stated right. What if you don't think it is going to be busy but then you have a party and there is 100 people here that day?

Mr. Lohse responded we had it limited to no more than 25 people and it was scheduled.

Mr. Mutka stated the complaints that I have heard is that it is too many people in general. It becomes crowded in the front.

Mr. Andersen stated at Eagle Harbor, we rent out the cabanas.

Ms. Rentsch stated yes but we only have two tables that fit under one veranda, so that would fit eight people.

Mr. Lohse asked were we at max capacity this weekend?

Ms. Rentsch responded I am not sure but I know it was packed.

Mr. Lohse stated I am not saying to have a giant party but we need to find the middle ground. Do you think you could work on that and bring it back to us?

Ms. Rentsch responded yes.

Mr. Oliver stated we will put this back on the agenda.

On MOTION by Mr. Mutka seconded by Ms. Gardner with all in favor the Revisions to the Amenity Center Policies with exception of Pool Party Rental were accepted.
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**NINTH ORDER OF BUSINESS**

**Update Regarding Foreclosure Process**

Mr. Walters stated the direction from bondholders has been when you are dealing with the reserve account, you generally need 100% consent of the bondholders. We thought we had two bondholders here but it turns out there are four. Three of the bondholders, we have located. The one bondholder, they are having trouble locating, so what you do is you send out a DTC call, which is a depository company that holds all of the bonds. You talk to the underwriters. We are trying to track that down. We will eventually find that bondholder. Luckily, they are a very small portion. If they don't cooperate then they can be bought out. What we have done is secured verbal commitments from other large bondholders for the preliminary structure of what we intend to do. The biggest piece of that for me is they have committed to provide \$100,000 in funding for operation and maintenance next year, which will plug that gap while we deal with foreclosure issues. They will also pay all of the costs

associated with any process that we choose. The intention is to get a deed in lieu of foreclosure or to foreclose on just the O&M portion, which will leave that debt piece in place. They want to keep that lien in place and evaluate their options. The short nontechnical version of how we do that is we set up a LLC. It is usually managed by the trustee, Pine Ridge Plantation, LLC, which will hold the property, so we don't have merger of lien and title. The process will either be to foreclose out the O&M assessments or we can take it with a deed in lieu. The bondholders will look to reposition that as best as they can. At the next meeting I expect to bring two documents. The first one will be a resolution, which will declare technical default. Pursuant to the indenture, we have all of those funds set up. We have the construction account. We have the reserve account. In order to access that reserve account for remedial purposes, such as foreclosure, funding O&M, etc. There has to be a default. We are not going to default. By declaring an event of default, it will free up that reserve account and will allow them to pay that \$100,000 and allow them to pay all of the costs of the foreclosure, etc. All of those costs will be paid out of a reserve and not from our funds. The second will be a reserve fund agreement, which is the agreement between us and the trustee saying they are going to fund the \$100,000 out of the reserve account and they will pay all of the remedial expenses contingent upon that resolution. My expectation is to have those at the next meeting.

#### **TENTH ORDER OF BUSINESS**

#### **Appointment of Audit RFP Committee**

Mr. Oliver stated each year, the District has a financial audit done by an independent CPA firm. Chapter 218 of Florida Statute requires that governmental entities, including CDDs go through a RFP process and use a committee in that process. Typically, the board of supervisors serve as that audit committee. If the board were to approve itself as the RFP committee, the audit committee would have a meeting the next time this board meets and approve the evaluation criteria. Once we advertise the RFP, we will get the proposals back. We will then bring them to the audit committee and the audit committee will rank those proposals based on the evaluation criteria. At the board of supervisors regular meeting, they will take those rankings and pick the top ranked firm and then we would enter into an agreement through an engagement letter with a CPA firm.

Mr. Lohse asked so we didn't do this last year, right?

Mr. Oliver responded no. You probably haven't done it for three to four years.

Mr. Lohse asked and what is making us do it this year?

Mr. Oliver responded because when we do this process, we do it for a three to five year window. You do a one year agreement with renewals. We will probably go with a five year agreement this time. If you are not happy with an auditor then you can not renew them for the next year and go through the RFP process again.

On MOTION by Mr. Mutka seconded by Ms. Haney with all in favor the Entire Board to Serve as the Audit RFP Committee was approved.

**ELEVENTH ORDER OF BUSINESS**

**Consideration of Resolution 2015-02,  
Approving the Proposed Budget and  
Setting a Public Hearing Date for Adoption**

Mr. Oliver stated Florida Statute requires that we approve a proposed budget by June 15<sup>th</sup> and provide it to Clay County. Tonight, you approve a proposed budget and set a public hearing for later this summer. We would likely have that at the July 21<sup>st</sup> or August 18<sup>th</sup> meeting. This kicks off the budget process. By approving the budget, all you are doing is getting everything in motion. The board working with staff would refine the budget over the next 60 plus days. Then you would have that public hearing and take input from residents and adopt a budget. Once you adopt a budget then it will be put in the form of a certified assessment roll. An increase is not projected. If the board does approve a budget tonight that does not have an increase then that means the board does not plan to have an increase, so we wouldn't go to the budget hearing and suddenly make the decision to have raise assessments. We don't think we need to raise assessments because this community has been through a lot over the last few months with the issue with the charter school and also because we are having discussions now with bondholders counsel, so we can work something out on this foreclosure arrangement. The one thing we have done the last few years is under the revenue section of the budget, although we have a budget that is \$537,000 for fiscal year 2015, the assessments on the tax roll are \$429,000, of which, we are about 91% collected. The assessments for the direct collect are at \$109,000, of which, we have collected zero. This is true for last year also. We have been working around a big gap and operating about 80% of our collections. We have also been relying on funds that we collected years ago through the easement for the gas line, as well as sale of the Brannonfield Plan credits. We had some money that was in our undesignated reserves to keep things operating. We are in the same position right now. Although it occur

that by the time we get to the August budget adoption, we may have more detail from the bondholders on what degree they are going to assist the District with operation and maintenance. The one line item that I would see any great change is in the supervisor fees and FICA line item. You will have to remember that the board met very infrequently before this fiscal year and now we are meeting on a monthly basis, so there is a cost to that. You will see the bottom line of the budget goes from \$248,000 to \$243,000. I do want to talk about some of the projections that are on there. Starting from the top, it is a great success story when you budget \$30,000 for electric and we have our accountants projecting \$17,000. We will see if that happens. We are coming into our busy season. You will have the air conditioner on a lot more. If we come under the projection then that will put us in a position to lower that line item for 2016. For your Dish Network, right now that is at \$0. I think we have it at \$900 but that cost is going to be more than that. I think that is going to need to be adjusted. In looking down to field management services, you will see that goes from \$15,000 to \$20,000. This is the work that Steve and his crew do with managing the operations of the District. The typical amount is about \$33,000. If you look further down at the capital reserve, you budgeted \$42,000. The projection is at \$30,000. Going down to landscape maintenance, the projection for that \$800,000 line item is to only execute about \$93,000 of that. I think you will probably exceed \$100,000 with that because as we heard with the landscaping folks and from board discussion, there are several areas that we need to take care of in the District. I think you will actually exceed that line item this year. Then under repairs and maintenance, there is a \$30,000 line item but the projection is to only execute \$10,000. I have absolutely no doubt that beyond that there is another \$20,000 worth of operations repairs and maintenance to be done before this fiscal year ends. The resources are there and we will execute those. Although the accountant projects that you will execute about \$486,000 against the budget of \$537,000, I think you will easily exceed \$500,000 with that. If you look at the table at the bottom you will see the number of units that we have, which is 736. The assessment per unit gross would be \$777, which is the same that was adopted last year. If people pay their assessments by the November 30<sup>th</sup> deadline, they will get the full 4% discount, so it would bring that to \$730. The next several pages are line item descriptions. We will update those as needed. The next item is the reserve account that is on page nine. That shows what the projection is for operating transfer in. I think that will be at \$42,000. Maintenance reserve is what the planned

expenditures are for fiscal year 2016. Right now, that is sitting at \$0. We will take a look at the capital reserve fund and put that amount in there. The next item is the debt service fund. This is to account for the principle payment that is made on May 1<sup>st</sup>, as well as the semi-annual interest payments, which are made on November 1<sup>st</sup> and May 1<sup>st</sup>. Hopefully sometime after we work through the foreclosure, we will be at a point to refinance these bonds at a lower rate.

Ms. Haney asked have you ever run into a situation with any other communities, where they set the budget and something happens and they had to scramble to change it?

Mr. Oliver responded I have not run into that.

Mr. Walters stated the only time I have ever seen anything like that was when we had five hurricanes criss-cross in Central Florida. We had to have a special assessment because there was \$500,000 in damages that wasn't covered by insurance. We were able to recover that money through FEMA but we had to do it immediately.

Mr. Mesiano asked where do you capture the amenity center rental money?

Mr. Oliver responded that would be in the revenue section under miscellaneous income.

Mr. Mesiano asked and where does that money go?

Mr. Oliver responded it goes into the general fund.

On MOTION by Ms. Gardner seconded by Mr. Lohse with all in favor Resolution 2015-02, Approving the Proposed Budget and Setting a Public Hearing Date to be August 18, 2015 at 6:00 p.m. at the Pine Ridge Plantation Amenity Center, 4200 Pine Ridge Parkway, Middleburg, Florida 32068 was approved.

**TWELFTH ORDER OF BUSINESS**

**Organizational Matters – Candidates to Fill Upcoming Supervisor Vacancies**

Mr. Oliver stated our Chairman and Vice Chairman are both active duty Navy and are moving to new duty assignments. The good news is you have other residents in the community that want to step up and fill that void. We advertised it by email blast, announced it at a board meeting and we also put information on the website. We can't fill their spot until they actually resign. Included in your agenda package are five very impressive resumes that were provided by residents. The five resumes we received were from Jeff Arp, Matt Biagetti, Rooster Hendrix, Alisa Redman and Jerry Ritchie. We still have the advertisement on the website. It

mentions a May 9<sup>th</sup> cut off date. I would look for direction from the board on whether you want us to take it off of the website.

Mr. Lohse stated it is okay to take it down.

**THIRTEENTH ORDER OF BUSINESS      Staff Reports**

**A. Attorney**

There being none, the next item followed.

**B. District Manager – Report on the Number of Registered Voters (578)**

Mr. Oliver stated included in your agenda package is a letter from the Clay County Supervisor of Elections stating that there are 578 registered voters in the District. It is required by Florida Statute to put this on the record once a year.

Mr. Lohse asked do you know how many rooftops have been built?

Mr. Walters stated I have a map that I can send you.

Mr. Mutka stated we are getting to the point where we don't have a lot of lots left.

Mr. Oliver stated I did get an email from Dreamfinders yesterday saying they were near the end of their construction process.

Ms. Rentsch stated KB Homes has 30 more lots.

**C. Engineer**

Mr. Ma stated to circle back on that Pine Ridge West plat, the right-of-way did get dedicated to the County.

**D. Operations Manager**

Mr. Andersen stated I had a phone call today on the north side pond on Camp Ridge. It is almost empty now.

Mr. Lohse stated it has always been low.

Mr. Andersen stated there is not a solution. Peter brought this up last year that the only outside chance is over the years, the silt will build up on the bottom and it may slow down the drainage and the evaporation from it.

A resident stated I am a resident on Camp Ridge.

Mr. Andersen stated I don't have a solution for it. The Developer went to the County. The County approved it. They did a soil test. They must have determined that it was okay with the way it sat and they built it.

Mr. Lohse stated all of the options that you presented were very expensive. We are not in a position to do that.

Mr. Ma stated to put a liner in it would cost \$100,000.

A resident stated I will go further up if I can't get anymore answers. It is supposed to be a retention pond and there is no water in it. A retention pond is supposed to retain water but it is not retaining water. It is very hideous. It has green algae. That is not the way it looked when I moved in. It is neglected. The retention pond on Foggy Day is beautiful. This is something that we have to look at everyday.

**E. Amenity Manager**

Ms. Rentsch stated I wanted to let you know from the last meeting that I did speak to the Girl Scouts leader about making sure she cleaned the clubhouse after they used it. She said she would make sure she cleans it better.

**FOURTEENTH ORDER OF BUSINESS Supervisors' Requests**

Mr. Preston Gerard stated we suggest using a Metal Magic solution to help prevent the stains that are starting to come around the returns at the bottom of the pool again. It will help protect the new marsite from metals that are in regular tap water.

Mr. Mutka asked what is the cost associated with that product?

Mr. Preston Gerard responded I am not really aware of that but it would have to be a regular treatment.

Mr. Mesiano asked is it an acid product?

Mr. Preston Gerard responded I don't think it is an acid exactly but it is something.

Mr. Mesiano stated let's get a letter to Brad with Crown Pools and have them bless the idea first.

Mr. Andersen stated if you would send me the information on it then I will get with Crown Pools and make sure this stuff works and then we will come back to the board.

Mr. Preston Gerard stated another thing to help prevent the metals that doesn't have anything to do with the pump is we can put a filter on the auto-fill mechanism that will help filter out the metal before it even reached the pump.

Mr. Lohse stated I am all about protecting a \$100,000 pool.

Mr. Andersen stated we will bring back information to the next board meeting.

Ms. Haney stated I wondered if there was anything we could do about soliciting in the community.

Ms. Gardner stated just from a Neighborhood Watch perspective, we spoke to the officer about it. The signs at the front of the neighborhood technically serve no purpose at all. Legally, the people that do the soliciting know that. The only way to prevent solicitors is to have a no soliciting sign at your front door. Then if someone comes to your door and you have that sign there then you can contact the police and they can issue a trespass. The only people who that doesn't apply to are religious and political. The no soliciting signs do not apply to either one of those.

Ms. Haney stated that is new information to me. Maybe we could pass that onto the residents.

**FIFTEENTH ORDER OF BUSINESS          Audience Comments**

Mr. Jerry Ritchie stated I am looking at the amortization table on the last page of your budget. Is there anyway we can refinance these bonds?

Mr. Oliver responded right now because of the fact that we are in technical default, we are not in a position right now to refinance. Hopefully once we get over that hurdle, we can refinance. We are in the process of refinancing bonds at many Districts right now.

Mr. Jerry Ritchie asked what kind of rates are they getting right now?

Mr. Oliver responded a lot of them are in the mid 3% range.

**SIXTEENTH ORDER OF BUSINESS          Financials:**

**A. Balance Sheet as of February 28, 2015 and Statement of Revenues & Expenditures for the Period Ending February 28, 2015**

Mr. Oliver stated included in your agenda package is a copy of the balance sheet and income statement as of February 28, 2015.

**B. Treasury Report**

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

**C. Approval of Check Registers**

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

On MOTION by Mr. Lohse seconded by Mr. Mutka with all in favor the Check Register was approved.

**D. Assessment Receipts Schedule**

Mr. Oliver stated included in your agenda package is the assessment receipts schedule..

**SEVENTEENTH ORDER OF BUSINESS**

**Next Scheduled Meeting – June 16, 2015  
at 6:00 p.m. at the Pine Ridge  
Plantation Amenity Center**

Mr. Oliver stated the next schedule meeting has been changed to June 16, 2015 at 6:00 p.m. at this location.

**EIGHTEENTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Lohse seconded by Ms. Haney with all in favor the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman