

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 Wednesday, June 9, 2010 at 3:00 p.m. at Ryland Homes, 1845 Town Center Boulevard, Suite 200, Fleming Island, Florida 32003.

Present and constituting a quorum were:

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

Also present were:

James Oliver	District Manager
Jason Walters	District Counsel
Peter Ma	District Engineer
Dan Fagen	ASG
Roy Deary	ASG
Jeff Church	ASG

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Approval of Minute of the May 12, 2010 Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes from the May 12, 2010 meeting. We received memorandums of voting conflict from both Levi Ritter and Chris Middleton. They did not vote when we had Alterra Group's proposal up for consideration for operation services within the District. Are there any additions, corrections or deletions?

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor the Minutes of the May 12, 2010 Meeting were approved.
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**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2010-03, Approving the Proposed Budget for Fiscal**

**Year 2011 and Setting a Public Hearing to  
Adopt the Budget**

Mr. Oliver stated when you approve a proposed budget it starts the clock for the budget process. You have to have at least 60 days before you can have the public hearing and then adopt the budget. Once the budget is adopted in August we put that budget in the form a certified roll and provide it to the Clay County Tax Collector for those on the rolls and we provide direct bills for any landowners that are not on the tax rolls. The biggest things we are looking at for the budget this year is what level of service you want to have and what level of lifeguard service you want to have. Right now, you only have lifeguards on a weekend schedule. Also, you will notice on the bottom of page one we put a plug in figure for amenity management of \$40,000 and that is just a working figure right now that depends on whether you want to have the office staffed part time, fulltime or not at all. We also plugged in on the next page \$15,000 to field management services. You approved the contract for the rest of this fiscal year and that is at that same rate.

Mr. Paullin asked the assumption on the \$40,000 for the amenity management, how much time would that be for?

Mr. Oliver responded that would be for a part time manager. I did put in front of you the pricing that Roy Deary of ASG has proposed for a part time facility manager. It would be a total of \$30,000 for the fiscal year.

Mr. Deary stated it shows 18 hours a week for eight months at 24 hours a week for the summer months.

Mr. Oliver stated obviously you are going to have revenues through the assessments that are collected but perhaps you are going to realize some funds through the impact fee credits.

Mr. Ritter asked is there a level of assessment that we can't go beyond once it is approve today without reapproving it?

Mr. Oliver responded the only thing we can't do is once we send public notice of the hearing, which would be 20 days before the August hearing is we don't want to go up. We can certainly decrease it during that time.

Mr. Ritter asked how does this budget relate to the existing year's budget?

Mr. Oliver responded probably the per unit assessment and there is a table at the bottom of page two and it shows for a single family you would see an increase from \$532 to \$631.

Mr. Blanton asked and that would be from the increased services for the amenity center?

Mr. Oliver responded right.

Mr. Ritter stated I think it is fine to vote in favor of it today, especially since it contemplates an increased level of service and then my goal as a supervisor is to cut that thing back before the August meeting.

Mr. Oliver stated yes. Typically, this first budget is a conservative budget. We will have a budget hearing in August and we will notify everyone by mail and it will also be noticed in the newspaper. I would suggest holding the public hearing on our regularly scheduled meeting date of August 11, 2010.

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor Resolution 2010-03, Approving the Proposed Budget for Fiscal Year 2011 & Setting a Public Hearing Date for August 11, 2010 at 3:00 p.m. at Ryland Homes, 1845 Town Center Boulevard, suite 200, Fleming Island, Florida 32003 was approved.

#### **FOURTH ORDER OF BUSINESS**

#### **Discussion of Purchase and Installation of Playground Equipment and Soccer Goals**

Mr. Oliver stated since the last meeting it showed about \$60,000 in the A bonds and about \$60,000 in the B bonds that were available. After scrubbing those numbers it looks like interest was never allocated from interest earnings to the B bonds. If you look in the treasury report in your agenda package you will see that \$60,000 has been shifted over for the time being until the analysis is through, so that money is sitting in the B bonds right now.

Mr. Ritter stated I would like to table this issue until we figure out what the status of the funds is.

#### **FIFTH ORDER OF BUSINESS**

#### **Consideration of Proposals for New Landscaping Concept**

Mr. Oliver asked is this also a capital item that would need to be tabled?

Mr. Middleton responded a couple of those things have already been done because they were pursuant to the resolutions last week. The limbs along the parkway and cutting the grass are like \$3,695. River rock was put in place at the pool for \$2,365 and then we did some front entry stuff. There was landscaping behind the entry features and that was \$3,117.

Mr. Oliver stated the cutting back of the grass is in the median and I think is operation and maintenance responsibilities anyways.

Mr. Ritter stated I would say the pool, as well.

Mr. Oliver stated could be either or.

Mr. Ma stated just at a preliminary look there is still some funding left in the A bonds.

Mr. Oliver stated Peter and I will analyze these and get these paid and if something is paid out of O&M that can be reimbursed later we will do that.

Mr. Middleton stated so we are tabling any playground equipment or soccer goals. What about the bulletin board?

Mr. Oliver responded by all means. The sooner the better.

Mr. Middleton asked what about the refrigerator and stove?

Mr. Oliver responded go ahead and get the refrigerator because there is still some money in A bonds and if not we will use the O&M. Also, let's get the bulletin board.

#### **SIXTH ORDER OF BUSINESS**

#### **Other Business**

Mr. Oliver stated before you is an ASG proposal. Roy Deary is here with Jeff Church and Dan Fagen. They have provided this proposal as a courtesy for our budget process.

Mr. Deary stated there are really two components; one is a part time manager for the facility on site. It is spelled out September thru April of 18 hours a week and May thru August it would be for 24 hours a week. We just outlined and described the responsibilities of the individual, as far as keeping an eye on the facility and responding to resident requests needs and proactively offering some programs and activities that we typically do. The second component is the pool maintenance and I don't think that was really an issue at your last CDD meeting but it seems it may be an issue from either Chris' perspective or Jeff's perspective recently, so on the heels of their conversation we just added this to the proposal in case you want to talk about that.

Mr. Oliver stated this is not for consideration today.

Mr. Deary stated we just took a stab at what we thought was comparable to what some other communities that are being affected by the real estate slow down and budgets are tight. There are certainly other communities with a lot more residents that commit to more staffing to

this. This is a very conservative level of staffing but it can be adjusted and modified for your needs.

Mr. Middleton asked what is included in the pool maintenance?

Mr. Deary responded in a big picture sense any vendor or contractor would say the same thing that is probably two large components to that; one is dealing with the filters. It seems that has been neglected lately. The other component is vacuuming the pool and the pool area. The grid part, the filter part people don't really see that with their own eyes but that will affect the quality of the water more than anything. The vacuuming part is what people tend to see.

Mr. Paullin asked who takes care of blowing off the pool deck?

Mr. Middleton responded the landscaper should blow it off but hopefully getting the rocks installed now will help. Visually, I think it has been looking good.

Mr. Ritter asked I'm curious to know if item two in this proposal eliminates the need for Crown Pools?

Mr. Deary responded well, you wouldn't have two pool maintenance vendors.

Mr. Ritter asked so you guys are going to put the pool chemicals in and keep it clean?

Mr. Deary responded yes. I don't think that is a level of service that you are not already supposed to be receiving through Crown Pools. We proposed this all a year ago.

Mr. Paullin asked how many days a week does this include?

Mr. Deary responded we typically do two to three days a week during the summer and one to two in the off season. Jeff has looked at it and talked to you and I think we feel that three days a week is definitely needed and we won't change that price, even though I think it was typo saying two and one. During the summer we will do it three days a week and we won't change the price. Your \$20,000 on that line item does say it includes pool chemicals and we are trying to split that out in our fee because as Jim knows at other Districts there is a tax issue with the vendor buying the pool chemicals versus the District being tax exempt and buying the pool chemicals directly. Do you guys use liquid chemicals?

Mr. Church responded it is set up for liquid but they are not using liquid now. They are having trouble with the feeder system. We are not really sure how they are doing it because you can't just dump acid into the grids.

Mr. Ritter asked their budget is \$20,000 and yours is \$26,000 a month?

Mr. Deary responded without the chemicals.

Mr. Ritter asked how much are chemicals on average a month?

Mr. Deary responded if you go with the liquid with the vendor that is at a lot of other Districts they will give you a flat fee and they will stick with it. They spread that amount level over the course of the year. Earlier in the body of the proposal we estimated it is going to be about \$975 a month.

Mr. Ritter stated that is \$24,000 a year.

Mr. Oliver stated they are \$1,100 a month for chemicals and this past invoice from Crown Pools for chemicals was right at \$500.

Mr. Deary stated we don't have to use the liquid chlorine, especially if that drove up costs that you can't absorb. There are really two issues; there is the labor and then there are the chemicals. If there are changes that are already underway and you need a little more opportunity to see if that solves the problem then we can sit tight.

Mr. Church stated your feeders are in place out there they are just bypassing them. That is okay as long as stay on top of it but you have everything in place to run it the right way.

Mr. Paullin asked are we month to month with Crown right now?

Mr. Oliver responded it is a contract thru the end of this fiscal year.

**SEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Walters stated I want to back to an item we had last month and that was related to the exploration of the potential market for credits that the District may be entitled to. At the last meeting we authorized Levi to go out and begin discussions with potential purchasers and see what our options may be. I understand Levi has done a lot of work on that front and I wanted to bring back an update.

Mr. Ritter stated the APF credits are stemming from a fair share agreement that Sandhill executed with Clay County. The agreement basically provides for the entire communities fair share. You get credit for a whole litany of things. Another aspect of it is what we got credit for based on some roadway improvements that were funded with A bond money and right of way donation for property that was given to the county for right of way. I spent probably the past six to 12 months researching this issue and whether or not there were any viable opportunities, not only for the District but for Sandhill Development, who has some

of these credits, as well, due to its property donation. Part of what I've done is figured out whether or not the county would even do it because they have never done one of these transfer before, so I have gotten numerous pieces of correspondence and I have done some legal work back and forth with the county to ensure that this something that they are ready, willing and able to do. The second component of that is obviously finding someone who would be the things. In order to find someone who is willing to buy them because the county has put a moratorium on traffic impact fees, there is really no one paying traffic impact fees right now, so there is no market for these things. You can also use these credits for fair share. You get your initial concurrency at the onset of a subdivision being built. I have monitored through Clay County's Concurrency Department all the different applications and folks coming through over the past six months or more. I think we talked to them as late as last week regarding some of the new ones that were coming through for modification. Most of those were to no avail. I recall the principals that had submitted for the fair share application and done their agreements with the county and they said okay thanks we know you have the credits, so don't call us we will call you. I think it is a function of the market no one is really moving forward with different projects and no one has cash. Throughout this process we have actually pinpointed one potential buyer and I think they are willing to buy and also pay the substantial amount for a portion of our credits. In this deal we would be selling \$1.375M worth of our impact fee credit. Before that the gross purchase price would be \$550,000. They are ready and willing buyers right now to close on this transaction. We have to do a couple of clean up items with the county but I have a written proposal from them that I would ask District Counsel to review and comment on and get back with me on. Some of the other board members only became aware that we even had these credits. The problem is and the reason it is coming to a head now is because the particular buyer here is publicly traded type of entity that really wants to see the funds spent before the end of the quarter. I got an email here from their attorney just asking about the status and it says they need to spend the money by the end of June, so we need to move along. I know at the last meeting we talked about compensation for that and I think it would be fair for the level of work that has gone into this deal and all the other things that go along with it for a 15% of the gross price.

Mr. Walters asked how many credits in total does the District have?

Mr. Ritter responded off the top of my head I think we may have around two million.

Mr. Paullin asked did we find out if the credits would expire?

Mr. Ritter responded it is kind of a gray area. I have a letter from the county saying that it is okay.

Mr. Paullin asked is there anyway of making a comparison to the purchaser and having to pay his fair share of credits upfront? I think we need to do our due diligence for the District and make sure we are getting what the fair amount would be for.

Mr. Middleton stated it sounds like there is some time pressure.

Mr. Ritter stated the money has been sitting in an escrow account with this attorney for the entire 2010 fiscal year and once the second quarter is up they will lose the funding.

Mr. Paullin asked is there anyway we can make a decision at a later time?

Mr. Ritter stated in terms of the market right now if all of the people that own impact fee credits or fair share credits in the jurisdiction or be able to publicly trade those credits on the open market, so then you wouldn't have the problem of finding private individuals. It is my honest opinion that they would trade for significant less than \$.40 on the dollar today. If there is a ton of homes being built and not put a moratorium on the impact fees then I think it might be a little different.

Mr. Walters stated we can go ahead and continue this meeting.

Mr. Ritter stated there is probably not time enough to get all the stuff they have in their agreement from the county and back to them by the 30<sup>th</sup>. It is not like they are talking to me. I don't have a say in it. It is some multi national corporation. My fear is that the money is gone June 30<sup>th</sup> and we don't have this stuff done and the District basically leaves somewhere between \$400,000 and \$500,000 on the table that could be used with that budget we just approved.

Mr. Paullin asked what would we have to do to go ahead and process it?

Mr. Ritter responded I don't know. They are asking for four letters from the county and a legal opinion from the CDD's counsel.

Mr. Paullin asked what was approved at the last meeting? Was it the sale of the credits?

Mr. Walters responded no, the sale wasn't approved. What was approved was the authorization for an exploration of the terms and conditions of the agreement to be brought back. The only question I have is in terms of doing the research on the side is on some level these are very unique. I don't know what the market value is, so I want to make sure that if we



are going to take the time to explore this what that means. I don't know if there are experts in the field that we can talk to. I want to make that if we are looking for guidance that we know what that means because from the staff level this is somewhat of a peculiar situation.

Mr. Ritter stated the only person these are valuable to is a developer who has a fair share agreement in Branan Field area and that they have money.

Mr. Paullin stated I agree. I think we are all on board and we need to get it done before the end of June. I suggest that we table the decision until that time. The definition is defined as the most reasonable resource that we can find to ensure that the sale of credits is the best.

Mr. Middleton stated you are not going to sell them for 100% because the county selling them for 100%. The question is can we get \$.40 on the dollar or what.

Mr. Blanton asked what is the value on a credit? Is there a legitimate per credit dollar amount?

Mr. Ritter responded I don't know. No one has ever done this before. I'd like to leave this meeting with some certainty and be able to tell the buyer we will have an approval for you or not and then I need to work on all the stuff I have to do to get the county on board. I can tell you that it has already been negotiated up to 40%.

Mr. Walters stated this is a pretty novel idea. From the board's perspective the issue is going to be are we comfortable with the terms on the price and all the other terms involved and if so, I think the District is served by some revenue funds. The saddest thing to happen from all of this would be to have \$2M in credits and have them washed away. On some level we just have to be in a place where we think we are comfortable.

Mr. Ma asked do you believe that there are a lot of these credits floating around?

Mr. Ritter responded I know for a fact right now there are no buyers.

Mr. Middleton stated maybe he is right if we don't sell them for \$.40 we will have to sell them for \$.20 because there are no buyers.

Mr. Blanton asked do you really have a set value out there? Who is willing to pay it? Right now we do have one person who is willing to pay it. How many potential developers do you have in Branan Field?

Mr. Ritter responded all good questions. I will just caution you to be discrete because if there are other folks out there with these things to sell and are willing to take less for those credits.

Mr. Walters stated publicizing this could be very dangerous.

Mr. Paullin stated my thought would be to research outside this area.

Mr. Ritter stated one of the neat things in this area is you can transfer to other projects within Branan Field but its only limited, so other jurisdictions tend to trade a highly reduced rate. In St. Johns County they can't be transferred to any other subdivision, so you get a higher rate of return on those. I would like to do whatever as soon as possible. I am willing assist in whatever way I can. I think at the last meeting we talked a little bit about the compensation for the work in selling these.

On MOTION by Mr. Ritter seconded by Mr. Middleton with Mr. Blanton & Mr. Paullin voting nay on the Sale of \$1.375M of the District's APF Credits for a Gross Amount of \$550,000 motion failed.

On MOTION by Mr. Ritter seconded by Mr. Middleton with Mr. Blanton & Mr. Paullin voting nay that the Alterra Group of any amount received receive a 15% payment off the gross proceeds motion failed.

Mr. Oliver stated let's continue the meeting to June 16<sup>th</sup> at 2:00 p.m. at this location.

**B. Manager**

**1. Designation of November Landowners Meeting**

**a. Instructions**

**b. Sample Proxy**

Mr. Oliver stated we need to designate the November landowners meeting. We will have three seats up for election this year. You get one vote per acre and one vote per vote and one vote for a portion of an acre. The seats that are expiring are held by John Blanton, Levi Ritter and a vacant seat. I recommend that we hold that on November 10, 2010 at 3:00 p.m., which would be coordinated with our regular meeting schedule. We have forwarded the board members the instructions and sample proxy.

**C. Engineer**

There being none, the next item followed.

**EIGHTH ORDER OF BUSINESS**

**Supervisor's Requests**

Mr. Ritter asked I would like to know the status from the District Engineer on the B bond project?

Mr. Ma responded I believe it is substantially complete with everything that the improvement plan calls for.

Mr. Walters stated we will declare the B bond project by resolution.

Mr. Ritter asked do you have a draft resolution?

Mr. Walters responded no. You don't just complete the project in one setting. We can tee it up but we have to make sure we are there.

Mr. Ritter asked is it something that you can tee up in the next week or so?

Mr. Walters responded I don't think it will happen at the continued meeting. It is going to take a little more time. There is work that goes into that.

Mr. Ritter asked could we do it at the July meeting?

Mr. Walters responded there is a chance.

Mr. Ritter asked can I make a motion to have that all teed up by the July meeting?

Mr. Walters responded you can make a motion and we will do our best as staff. We wouldn't advise you to declare the project complete until all that is done.

Mr. Ritter stated the B bond project has been complete for two years now, so that is what I don't understand.

Mr. Walters stated I can tell you from staff perspective that we are looking at those issues. One of things that popped up was the account. We don't want to move funds through the trust accounts until we know what the exact numbers are and that will impact A's and B's.

On MOTION by Mr. Ritter seconded by Mr. Middleton with Mr. Blanton & Mr. Paullin voting nay for B Bond Completion by July motion failed.

Mr. Walters stated the reality is it will be done when it is done. There are a couple issues with the way the funds were issued, so we have to make sure we can declare the projects complete. There is one construction fund, so we have to make sure the impact of if the trustee

will accept a limited completion certificate just for the B project and not the A project. Calls are being made to trustee's counsel.

Mr. Ritter asked all the A bonds and the B bonds are put into one account?

Mr. Walters responded construction funds. The question is can you trigger a completion of one project and segregate the funds out or do you have to wait until the project is complete, so that both projects are declared complete at one time. Trustee's counsel is really the person to answer that.

**NINTH ORDER OF BUSINESS**

**Audience Comments**

There being none, the next item followed.

**TENTH ORDER OF BUSINESS**

**Financial Reports**

**A. Balance Sheet as of April 30, 2010 and Statement of Revenues & Expenditures for the Period Ending April 30, 2010**

Mr. Oliver stated included in your agenda package is a balance sheet and income statement as of April 30, 2010.

**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.

Mr. Ritter asked the \$300 for the recreation park maintenance versus the \$6,020 for the landscape maintenance, is there a separate \$300 that gets paid a month?

Mr. Oliver responded we will come back with the information.

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor the Check Register was approved.
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**D. Assessment Receipts**

Mr. Oliver stated included in your agenda package are assessment receipts. We are about 73% collected on the tax roll.

**ELEVENTH ORDER OF BUSINESS**                      **Next Meeting Scheduled – August 11, 2010**

Mr. Oliver stated the next scheduled meeting is on August 11, 2010 but we are going to entertain a motion to continue this meeting to June 16<sup>th</sup> at 2:00 p.m.

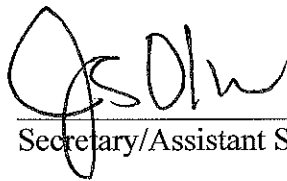
Mr. Ritter asked how are we on collections compared to the prior year?

Mr. Oliver responded we are better as more lots on the tax rolls have closed.

On MOTION by Mr. Paullin seconded by Mr. Ritter with all in favor the Meeting was Continued to June 16, 2010 at 2:00 p.m. at Ryland Homes, 1845 Town Center Boulevard, Suite 200, Fleming Island, Florida 32003.

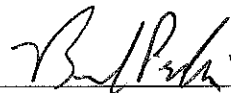
**TWELFTH ORDER OF BUSINESS**

**Continuation**



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Secretary/Assistant Secretary



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Chairman/Vice Chairman