

MINUTES OF MEETING
PINE RIDGE PLANTATION COMMUNITY DEVELOPMENT DISTRICT

A regular meeting of the Board of Supervisors of the Pine Ridge Plantation Community Development District was held on Thursday, August 11, 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 (by phone)
Chris Middleton	Supervisor
John Blanton	Supervisor
Levi Ritter	Supervisor

Also present were:

James Oliver	District Manager
Jason Walters	District Counsel
Peter Ma	District Engineer
Jeff Church	Amenity Services Group

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Affidavit of Publication

Mr. Oliver stated included in your agenda package is an affidavit of publication for the public hearing on the budget.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the July 8, 2010 Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes of the July 8, 2010 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 July 8, 2010 Meeting were approved.

FOURTH ORDER OF BUSINESS

Public Hearing Adopting the Budget for Fiscal Year 2011

A. Consideration of Resolution 2010-04, Relating to Annual Appropriations and Adopting Budget for Fiscal Year 2011

On MOTION by Mr. Blanton seconded by Mr. Ritter with all in favor the Public Hearing to Adopt the Budget for Fiscal Year 2011 was opened.

Mr. Oliver stated there are no audience members in attendance. You have a copy of the budget, which includes the revisions we spoke of at the last meeting, which brought assessments down to the level of fiscal year 2010. This was accomplished by using \$88,000 worth of carry forward surplus to make up for the increase in expenditures, primarily for operations and amenity management of the facility. I had a conversation with one of the board members yesterday and he wanted the board to consider using additional carry forward surplus to lower the assessments below where they are now. I will open it up for board discussion.

Mr. Ritter asked how much are the funds received from the sale of credits?

Mr. Walters responded \$467,500.

Mr. Ritter asked was it \$467,500, plus the gas line easement?

Mr. Oliver responded for the gas line we collected \$94,000 and for the APF credits we have \$467,500.

Mr. Walters asked is that cash in the bank?

Mr. Oliver responded yes. We fell short on O&M assessments of approximately \$90,000. You are still ahead of the game about \$460,000.

Mr. Ritter stated I think the budget itself is good. It is comparable to what we have done this year with a couple increases. The one extraordinary thing that we have that I would say most other Districts don't have is the benefit of the influx of the two sales. Ordinarily, you have the carry forward surplus. I think we budgeted in this budget \$88,000. I know that we can sell some more APF credits eventually. If things in the County stay the way they are I think there is still some opportunity left to potentially get some more sales. I would actually propose a \$200 decrease from last year. What that really means is the carry forward surplus would just be increased from \$88,000 to \$220,000.

Mr. Boeneman stated I would think if you would cut it \$100 it is pretty substantial for people. How much does it cost to cut it \$100?

Mr. Oliver responded \$73,600.

Mr. Boeneman asked and that cash can be used for playgrounds, etc?

Mr. Walters responded yes.

Mr. Oliver stated if you use the carry forward surplus we have in there now and then pumped in another \$140,000 to lower assessments \$200 that would leave you \$352,000 of the proceeds from the two sales. That is not counting in uncollected assessments, which will arrive at some point.

Mr. Ritter stated plus you still have almost a full year's worth of O&M still in the bank, even if we lower their assessments.

Mr. Boeneman stated I would like to take \$70,000 of that and put it into a playground and then lower assessments \$100. If we lower it \$200 those people are still going to be wanting some of that stuff.

Mr. Middleton stated I would just caution to not spend it in a way that would increase costs over time, then we would be defeating the whole purpose of everything.

Mr. Ritter stated also what is nice about this budget to is it increases the services related to the amenity center.

Mr. Oliver stated by having someone staffed there part-time, so the residents will feel that impact immediately.

Mr. Boeneman we could also keep the funds in there next year and if we wanted to lower it next year and hold it flat then we have that excess capital.

Mr. Oliver stated it is nice to put yourself in a position for next year's budget hearing and when other districts are increasing and you are not.

Mr. Walters stated you don't want a huge increase because regardless of the back story you tell them it is not going to help you. A smaller increase is always better.

Mr. Oliver stated so we will increase carry forward surplus, such that the assessments will be lowered \$100 from what they were in fiscal year 2010.

Mr. Ritter asked so that \$88,000 number will go to \$150,000?

Mr. Oliver responded right.

<p>On MOTION by Mr. Ritter seconded by Mr. Blanton with all in favor the Public Hearing to Adopt the Fiscal Year 2011 Budget was closed.</p>
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Mr. Walters stated Resolution 2010-04 is the appropriation resolution, which adopts the budget in accordance with the terms that Jim just outlined and that budget will be attached to the resolution. It appropriates the funds through the general fund and debt service for the operation of fiscal year 2011.

Mr. Ritter asked on the issue related to the assessment methodology, will that affect this budget?

Mr. Oliver responded it will not affect this budget.

Mr. Ritter asked if the assessment methodology for the District were to change in three months would that change the assessments?

Mr. Walters responded no, because we have been due and owed prior to that.

On MOTION by Mr. Ritter seconded by Mr. Blanton with all in favor Resolution 2010-04, Relating to Annual Appropriations and Adopting the Budget for Fiscal Year 2011 was approved.

B. Consideration of Resolution 2010-05, Imposing Special Assessments and Certifying an Assessment Roll

Mr. Walters stated Resolution 2010-05 is our levying resolution. It is a two step process. We appropriate the funds and then we have to have a mechanism to get those funds and this is the resolution that does that by levying the assessments to pay for the fiscal year budget and the debt service. We use the uniform method of collection for platted lots and we directly collect un-platted lots. Last year there was a lot of discussion about how to treat the different assessments. Generally we have the master trust indenture and the supplemental, which guide us through our assessment collections on debt service. The indenture provides that the District will use the uniform method for platted lots and will utilize either the uniform method or other methods for un-platted lots. Last year we had a discussion regarding, which way to go for delinquent assessments and we didn't really come to a conclusion on that. The issue again this year is given direction from the board we will use the uniform method for platted lots. That is the way we have done it in the past and that is the way the indenture provides it. The only way to get from that in the indenture is if the District were to find that it is in the best interest of the District to collect it in another method. I think we all recall last year we had that discussion and we could not come to a board consensus and I'm going to say

we will probably not come to a consensus again this year. Barring board's direction otherwise, we will put platted lots on the tax roll and we will directly collect on platted lots.

Mr. Ritter stated there are no un-platted lots remaining.

Mr. Walters stated the budget is showing there are some.

Mr. Ritter stated everything has been platted for a year now. Are the assessment collections up compared to last year?

Mr. Oliver responded I will look.

On MOTION by Mr. Ritter seconded by Mr. Middleton with all in favor Resolution 2010-05 Imposing Special Assessments and Certifying an Assessment Roll was approved.

FIFTH ORDER OF BUSINESS

Acceptance of FY09 Audit

Mr. Oliver the fiscal year 2009 audit is a clean audit. The opinion page says, "In our opinion the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities in each major fund of the District as of September 30, 2009 and was prepared in conformity with the accounting principles generally accepted in the United States."

Mr. Ritter asked what do they actually audit?

Mr. Oliver responded they audit all the financials and all the transactions of the District. On page 28 it says, "The District utilized a portion of the reserve balance of the 2006A special assessment bonds to pay the November 1, 2009 debt service payment because there was a shortfall in collection of the 2009 special assessments." Everyone that needed to know about that knew about that immediately.

Mr. Ritter asked what do we pay for getting the audit done?

Mr. Oliver responded \$5,000 or \$6,000.

Mr. Ritter asked and they provide other services during the year too?

Mr. Oliver responded you do also use an auditor for the arbitrage report and that report usually runs \$1,200.

Mr. Ritter asked is this a public document?

Mr. Oliver responded yes.

Mr. Ritter asked so I could forward this to other accountants and ask them if they want to do this work?

Mr. Oliver responded yes. You can forward it to them and they could bid for the work.

Mr. Walters stated we have to go through public procurement on auditing services.

Mr. Oliver stated in the internal control report the last sentence states, "We did not indentify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above." Then probably the most important statement on the last page of the audit it states, "Pine Ridge Plantation Community Development District has not met one or more of the conditions described in Section 281.503(1), Florida Statutes and is not in a state of emergency." Upon your acceptance of this audit, we will send this to the auditor general, as well as the dissemination agent.

On MOTION by Mr. Ritter seconded by Mr. Blanton with all in favor the Fiscal Year 2009 Audit was accepted.

SIXTH ORDER OF BUSINESS

Other Business

Mr. Oliver stated one of the Developers is proposing a change to the development plan and reallocating some of the 50 foot lots to be classified as estate lots.

Mr. Ritter stated what has been proposed is this block of lots here will be moved from here over to the western portion of Pine Ridge. This pond will then no longer be needed.

Mr. Ma stated that is correct.

Mr. Ritter stated the District would then not have any other maintenance obligations for any of the common area facilities up here. Nothing down here is really changing in terms of common areas. The density here will be spread over here creating a double loaded street but the lots will be significantly larger in terms of overall square footage.

Mr. Boeneman asked what is your objective by doing this?

Mr. Ritter responded I don't really know other than construction costs. I think it is also a little better aesthetically for the community too.

Mr. Blanton asked are you guys responsible for that pond that is going away?

Mr. Ritter responded the District would have to maintain it. In Pine Ridge all of the lots have assessments that have been levied based on lot size. They all have different assessments. 55 foot lots are assessed the lowest and the estate lots would be the highest

assessed. What will happen is all of these lots in this block the assessment levels will go up a little bit and the lots that are over here will go down a little bit. We are going to have to change the assessment methodology to do this.

Mr. Boeneman asked on all the lots or just those lots?

Mr. Ritter responded just on those. Nothing else will change. These will all be higher than the rest of the community.

Mr. Walters stated from the District's perspective development plans are between the Developer's. We just look at the assessments. If you said we are not going to build 100 lots over here, we would say that is fine but there are true up obligations and there are still assessment issues involved with that. With this redesign the issue we have to deal with is we have an assessment methodology, which said these lots get this and these lots get this based on their configuration and now we are changing those plans. From the District's perspective we have to make sure that all matches up. Lots that are not changing will not be changed.

Mr. Boeneman asked is there a cost to do all that?

Mr. Oliver responded there is a cost.

Mr. Boeneman asked is that something you are paying or is that a District deal?

Mr. Ritter responded I don't know. I think it is beneficial not only to the Developer but also to the District because we are cutting down on maintenance of that pond and all this right-of-way and cost.

Mr. Boeneman stated but you are also benefitting from the ponds being dug, so it is an even trade. How much does this cost?

Mr. Middleton responded but they dug everyone else's ponds too.

Mr. Oliver stated we estimate a cost not to exceed \$10,000. There would be an assessment methodology, two assessment hearing notices and then legal work to be done. We did talk to bond counsel yesterday and they would not have a role in this at all, so there would be no bond counsel cost.

Mr. Ritter stated a lot of the stuff happens at our regularly scheduled meetings.

Mr. Oliver stated I don't think it is going to cause additional meetings.

Mr. Walters stated the big meat of it is the assessment methodology. It has to be redrafted and looked at. We will put together a resolution and put the assessment methodology together and then we will review the notices.

Mr. Oliver stated if you did move forward at a subsequent meeting you would approve an assessment methodology and then you would direct staff to notice a public hearing.

Mr. Ritter stated the big cost is in engineering and we are paying for all of that.

Mr. Boeneman asked where would funds come out of to cover all the costs?

Mr. Oliver responded the general fund.

Mr. Walters stated the District is going to have to do this. When this changes we have to adopt a methodology. The only other document I can think of is I don't know if Sandhill signed a true up agreement.

Mr. Ritter stated if you are asking my opinion as a board member I saw we move forward and we will figure out who is going to pay for it. I just want to nail down what the cost would be.

Mr. Oliver stated the three costs that I see are \$5,000 for the assessment methodology, the legal costs probably around \$1,500 to \$2,000 and the notices will be big with maps and they will be published twice.

Mr. Boeneman asked what is the net unit difference?

Mr. Ritter responded we are really just moving them.

Mr. Boeneman asked why would the assessments be more now, because they are larger?

Mr. Walters responded they are larger than a 60 foot lot in other areas.

Mr. Boeneman stated I'm not on the board, but if the District doesn't recognize any negative impact to the District or the Developer then I guess it doesn't matter.

Mr. Oliver stated I don't recognize any negative impact.

Mr. Walters stated this is still a little ways away. The reality is we will look to do amend the assessment methodology, which will recognize new components and new configurations. Judging on timing we will probably have to do that contingent upon those plats being recorded. We will recognize this new structure but the assessments won't change until either a plat is recorded.

On MOTION by Mr. Ritter seconded by Mr. Blanton with all in favor Direct Staff to Proceed with Preparing an Assessment Methodology Amendment for Change in Development Plan was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Walters stated I talked last meeting about correspondence to the trustee that we were putting together regarding the completion of the two series. Jim handed out a letter drafted by me to Lisa Cruise at US Bank, who is the trustee. It kind of walks through the issue we are dealing with. I have talked to the trustee and they are looking into whether they have the ability or obligation to work with the bondholders but we have made the request to them. We will work with the trustee or whoever else we need to, to make sure everyone gets the information and gets on board.

B. Manager

Mr. Oliver stated we need to renew the operations contract and we can have the Vice Chairman execute that between meetings. Also, we need to enter into a contract for the part-time facility management.

Mr. Walters asked are we remaining on the same terms in terms of the operation?

Mr. Oliver responded yes.

Mr. Ritter stated I would like the opportunity to review it.

C. Engineer

There being none, the next item followed.

D. Operations Manager

Mr. Middleton stated I will be getting proposals for security cameras at the amenity center. We are having some issues out there with locks disappearing on the slide gate and people jumping the fence.

Mr. Boeneman stated I got a call from a homeowner today, Joann Woods and apparently there have been people swimming at 2:00 a.m. and 3:00 a.m.

Mr. Middleton stated if people are trespassing and I'm getting complaints that people from outside the community are coming in I tell residents not to confront that individual. Can I tell them to call the Sheriff's Office because they are trespassing?

Mr. Walters responded you can. Clay County has been pretty good about enforcing trespassing.

Mr. Boeneman asked do we need a signage up that says no trespassing for them to enforce it?

Mr. Walters responded we don't need a sign that says "No Trespassing." Do we have the hours of operation posted?

Mr. Middleton responded it is posted on the pool signs but you can only get to the gate from 5:00 a.m. to 10:00 p.m. and that is only because I figure people would want to workout in the evenings.

Mr. Walters stated sometimes the Sheriff's Office will ask for something to enforce it, so we might want to put a "No Trespassing" sign. If we have hours of operation and rules for access then that is something they can enforce. Cameras can help.

Mr. Middleton stated I'm trying to get the residents to form their own neighborhood watch because a lot of their complaints are speeding.

Mr. Boeneman stated the other thing this lady said was having a meeting at the amenity center for the residents where they can voice some complaints. There are a lot of yards they are complaining about in both the front and the back sections, where people just let their yards turn to dirt.

Mr. Middleton stated that is with the HOA.

Mr. Boeneman asked so what happens in that case? Once we have sent them three warnings then we have the right to file a lien on their house?

Mr. Middleton responded yes.

Mr. Boeneman asked so we shouldn't have a meeting with homeowners then?

Mr. Middleton responded we could. Give that lady my email address and email me her list of complaints. We are doing as much as we can as fast as we can. Give her the HOA phone number too.

Mr. Boeneman stated she also mentioned that trash removal at the amenity center seems to be happening a lot.

Mr. Middleton stated they come and clean the pool on Friday and by Sunday the filters are clogged and it is the same way with the trash cans. It gets to overflow because of weekend usage.

Mr. Church stated lifeguards should be doing this on weekends.

Mr. Oliver stated when you have amenity staff out there it will help that problem a lot and that is probably something good for her to know is there is going to be someone staffed out there soon.

Mr. Boeneman asked when does that start?

Mr. Oliver responded October 1st or as soon as an agreement with ASG is executed.

Mr. Middleton stated I have seen parents lifting their kids over the gate to get to the pool. The infrared cameras would be the way to go out here.

EIGHTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Ritter asked when assessments are collected by Clay County sometimes there are penalties and fees and I was wondering if those flow through to the District?

Mr. Walters responded it is prorata.

Mr. Ritter asked who would you call to make sure that is happening?

Mr. Oliver responded I can send you the detail that comes with one of those checks.

NINTH ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Financials:

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

Mr. Oliver stated included in your agenda package are the financial reports as of June 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 a check register.

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

D. Assessment Receipts

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

ELEVENTH ORDER OF BUSINESS

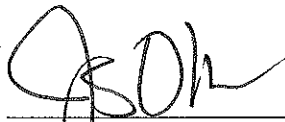
Next Scheduled Meeting – October 13, 2010

Mr. Oliver stated your next scheduled meeting is on October 13, 2010.

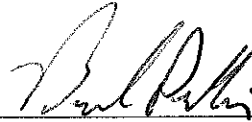
TWELFTH ORDER OF BUSINESS

Adjournment

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



Secretary/Assistant Secretary



Chairman/Vice Chairman