

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, July 21, 2015 at 6:05 p.m. at Pine Ridge Plantation Amenity Center, 4200 Pine Ridge Parkway, Middleburg, FL 32068.

Present and constituting a quorum were:

Nicole Gardner	Chairperson
Matthew Biagetti	Vice Chairman
Maria Haney	Supervisor
Rooster Hendrix	Supervisor
Mike Mesiano	Supervisor (by phone)
Matthew Lohse	Outgoing Chairman

Also present were:

Jim Oliver	District Manager
Jason Walters	District Counsel
Steve Andersen	Operations Manager
Amanda Rentsch	Amenity Manager
Rich Whetsel	Riverside Management Services

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Oliver called the meeting to order at 6:05 p.m.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

Mr. Lohse presented a plaque of appreciation to Mr. James Mutka for his service on the Pine Ridge Plantation CDD Board.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the June 16, 2015 Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes of the June 16, 2015 meeting. Are there any additions, corrections or deletions?

On MOTION by Ms. Gardner seconded by Mr. Lohse with all in favor the Minutes of the June 16, 2015 Meeting were approved.
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**FOURTH ORDER OF BUSINESS**

**Acceptance of the Minutes of the June 16, 2015 Audit Committee Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes of the June 16, 2015 audit committee meeting. Are there any additions, corrections or deletions?

On MOTION by Ms. Haney seconded by Ms. Gardner with all in favor the Minutes of the June 16, 2015 Audit Committee Meeting were accepted.

**FIFTH ORDER OF BUSINESS**

**Update Regarding Foreclosure Process**

Mr. Walters stated at the last meeting we had the approval of the funding agreement for \$100,000. I haven't gotten the final piece of bondholder contact and approval but there is nothing saying that anything has changed, so I fully expect that to come in. Trustee's counsel has been out of town for a little over a week on vacation. I expect it will come through for this fiscal year. At some point they will have an evaluation done. My understanding is they are bringing in an outside consultant at their cost to evaluate everything to see what the most economical approach would be.

Ms. Haney asked did you say you did find that one missing bondholder?

Mr. Walters responded I am hoping they have. I just haven't gotten that confirmation yet. I have left a couple of voicemails and an email.

**SIXTH ORDER OF BUSINESS**

**Acceptance of Fiscal Year 2014 Audit Report**

Mr. Oliver stated a copy of the audit is included in your agenda package. This has already been provided to the auditor general, which is required by Florida Statutes. You are required by Chapter 218 of Florida Statute to have an audit performed by an independent CPA firm, which the board selects through the RFP process. You are about to go through that process. As you go into the front cover, you will see the opinion letter from Berger, Toombs, Elam, Gaines & Frank. On page it states, "In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities in each major fund at Pine Ridge Plantation Community Development District as of September 30, 2014 and conformity with the accounting principles generally accepted in the United States of America." The next several pages are management's discussion and analysis of the financial statements. Those are followed by several pages of the

actual year-end financial statements. These are summary financial statements, summarizing what you look at throughout the year. If you flip over to page 16 are the notes to the financial statements. What the financial statements convey in numbers, the notes convey in words. On page 29 is the independent auditor's report on internal control over financial reporting. The last paragraph states, "During our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses." The following page is the management letter from the auditor to the board of supervisors. You can see the section marked prior audit findings. The rules of the auditor general dictate that they must address any prior findings in the 2013 audit. You will see in the letter that the auditor says there were no recommendations made in the preceding audit report. It stated, "They determined that the Pine Ridge Plantation CDD did not meet any of the conditions described in Section 218.503(1), Florida Statutes." They are referring to emergency financial conditions, which are not in here, which is good. On the next page, you will see other matters. It says rules of the auditor general require that we address in the management letter, any recommendations to improve financial management. It says in connection with our audit that we did not have any such recommendations.

On MOTION by Ms. Gardner seconded by Mr. Lohse with all in favor the Fiscal Year 2014 Audit Report was accepted.

**SEVENTH ORDER OF BUSINESS**

**Acceptance of Audit Committee Recommendation**

**Mr. Oliver stated**

**EIGHTH ORDER OF BUSINESS**

**Update Regarding Fiscal Year 2016 Budget**

Mr. Oliver stated the budget hearing will be August 18, 2015 at 6:00 p.m. at this location. There have been no changes to the budget. There is not going to be an increase in assessments this year. What we will continue to do is update the column of actuals, so you will have fresh information as you look at the budget.

**NINTH ORDER OF BUSINESS**

**Other Business**

Mr. Oliver stated one of the items that I want to address is the charter school. We have a long history there dating back to the January meeting. I know some of you have actively watched the site to see any improvements or to see their behavior there. I drafted a letter, which you have before you. It will go to Red Apple and also copied on that are our

representatives for the school board, the County Commission and the Superintendent of Clay County Schools, the County Manager and State Senator Rob Bradley. Since Red Apple did not honor their agreement to give \$100,000 to the District for access to that school, we have reiterated that they should at least reimburse the District for the professional fees that have been spent to consider their request. They brought their request of a charter school here to us. When all is said and done in terms of professional fees for the engineer and the attorney, we will reach approximately \$13,000. This doesn't count the time other staff members and all of the board members have spent on this issue. We have asked them to expedite returning the District owned area to its original condition. I am seeing some progress there. They are still not fast enough. The reason we put the other public officials on there is so they are aware of this problem. We are also going to provide their contact information to our residents, along with this letter, so they can also reach out to these public officials. We did the right thing. We need the District to be made whole, at least for this \$13,000. It is taxpayer money and the charter school shouldn't benefit by it. Mike Mesiano has reviewed the letter also. He gave me a correction to the letter. There is a grammar error on page two. If there is anything else that you want me to include in the letter then I am happy to do it. The reason I left the Chairperson's signature line blank is because by the time we finalize this letter, Matt will no longer be on the board. We will want to elect officers for the board and have the new Chairperson sign the letter. I will finalize the letter. In your June agenda package there was a letter from a resident that we contacted. Her fence is actually on District property and it has been that way for about three years. Subsequent to that, I did have contact with Mr. Fulton, who is the HOA President. His office has no record of either the resident or the homebuilder or the fencing company ever processing a request through the HOA to get permission to do this. That is not to say that it didn't happen. The resident called me in between meetings and I told her that the board has not made any type of decision. We are not in a rush to make a decision. We want to do the right thing. Whatever decision the board makes, certainly does not have to set precedent for things going forward. I have talked with District Counsel to see what our options are. There does not need to be a decision made tonight but I wanted to bring it to your attention.

Mr. Walters stated I was talking to Jim about this earlier. This isn't the most uncommon situation. It generally occurs more with secondary fences being put in. If they had

gone to the HOA and the HOA said no that is not your lot and they said we really want to push it out there anyways and they did it anyways then that holds a different character than if it is just accidental. The other issue we run into sometimes is those can sometimes be under conservation easement or a protected status. If you build anything in there and the St. Johns River Water Management District comes and finds it then it is on us and not the resident because it is our easement. To the extent that it is not in a protected area and it was done somewhat inadvertently, there is always an option to say to the resident to have a release agreement, where you acknowledge that the fence is on our property. You put all of the responsibility on them to maintain it. I like to include something in there that if they were to modify that fence or replace that fence in the future that they correct it at that point. Another option is you say you have encroached upon our property and you don't have the right to be there and you have to redo your fence. Looking at their pictures, they have obviously enhanced their back yard. It is really nicely landscaped.

Ms. Gardner asked what happens if they move and they sell the property?

Mr. Walters responded we would record an easement, so that subsequent buyers would have notice of that and they would have that agreement. It will run with the land. It does complicate it. This is a fence in an unprotected natural area.

Ms. Gardner asked does it include curbing and trees?

Mr. Walters responded it is the landscaping, as well. The board has lead way here. You can say remove all of the fence and the improvements in 30 days. You also have the option of saying we realize that this was done inadvertently and we would like to come to an arrangement but you are going to have to take on certain responsibilities in order for that fence to stay.

Mr. Oliver stated one other option is to have the resident come here and address the board.

Mr. Hendrix asked how does that affect property tax?

Mr. Walters responded it is not going to affect their property line, so it won't affect their taxes at all. In that lease or easement agreement, to the extent that caused a property tax on our property that they would be responsible for it. I don't think that will happen but sometimes you will get that. If we install a restaurant on site here and we lease it out to Red

Lobster then we wouldn't have to pay taxes on that portion of the building because that is a private enterprise.

Mr. Andersen stated it doesn't affect the operation of maintaining that area over there. It doesn't restrict us maintaining CDD property.

Mr. Walters stated the fence has been there for several years and we don't have to make this decision tonight. We can certainly invite the resident to the next meeting to have a discussion with the board.

Mr. Lohse asked what if we ever wanted to access that property?

Mr. Walters responded we would have easement rights over it. It is our property. If we want to make it, so that at any point we can require it to be removed then that can be included. An easement is just like any other contract.

Ms. Gardner stated I am torn because I completely understand where they are coming from. It is a huge financial expense. What they have done looks nice. I just don't want there to be problems with the next person that moves in.

Mr. Walters stated we can even condition it that upon sale they have to correct it. It is going to be tough to enforce an upon sale provision.

Mr. Lohse stated it seems like it would be easier to have them fix it. I wouldn't say to have it done within 30 days. I suggest having them fix the fence. They should have gotten a survey when they moved in.

Ms. Haney stated I definitely feel for them. I would definitely feel a lot different if this backed up to someone else's property. If it wasn't backed up to a conservation piece then that would even be more of a pickle. Homeowners should exercise due diligence when they are buying their home. I just don't want to set a precedent that if you are lenient with one that you are lenient with all.

Mr. Lohse asked can you correspond with the resident and ask them what a reasonable time is for them to remove the fence?

Mr. Oliver responded okay. We will have conversations with the homeowner and bring it back to the board meeting.

Mr. Andersen asked is there any problem with bringing them in here to address the board? Are you all familiar with the property? It is all weeds.

Mr. Lohse responded yes. The point is that fence is no longer on her property.

Mr. Walters stated you can include in your discussions that the next meeting is August 18<sup>th</sup> and they are welcome to come and address the board.

**TENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being none, the next item followed.

**B. District Manager – Discussion of Fiscal Year 2016 Meeting Dates**

Mr. Oliver stated included in your agenda package is the proposed fiscal year 2016 meeting schedule. This is for 12 monthly meetings at 6:00 p.m. at this location.

On MOTION by Ms. Gardner seconded by Ms. Haney with all in favor the Fiscal Year 2016 Meeting Schedule was approved.

**C. Engineer**

There being none, the next item followed.

**D. Operations Manager – Report**

Mr. Andersen stated everything is operating fine, except for our lights out on the pool deck. Hopefully, we will have good news next month. We are still waiting. As far as the school goes, I contacted code enforcement. I have been working with the County. You guys had a question the last time about the landscaping that is east of the amenity center in the new phase. It is just dirt. There is a \$38,000 price tag to put in irrigation and sod. The other option is to hydro seed. Hydro seeding will be somewhere around \$5,000. We can do that somewhere towards September.

Mr. Oliver stated I thought it would be a good idea to be able to go back to the homebuilders and say we are taking a look at hydro seeding.

**E. Amenity Manager**

Ms. Rentsch stated I am doing an audit with access cards. I am going back to the assessment roll to make sure the right people have access cards. We have a resident that is currently using the fitness center to train residents. He wanted to make it here but he couldn't come. He wants to do a resident boot camp on the field, poolside yoga and then Zumba and yoga in the kid's room in the clubhouse.

Mr. Lohse asked is he making money using our facility?

Mr. Walters responded I don't know that we have a specific policy against it. We certainly can have a specific policy against it. I can tell you that the issue you are going to run into is you are going to have to watch money exchange hands. You can also have a policy that says you can't train anyone or you can try to come to an arrangement, where you say under these terms you can provide these classes.

Ms. Gardner stated I don't know that I have a problem with it. I am just concerned from a legal perspective, as far as our liability if he is doing yoga by the pool and someone falls and cracks their head open.

Mr. Walters responded I have Zumba instructors at Districts throughout the State. What I always say is if you are going to do it then you have to do it right. If someone is going to be a Zumba instructor then they have to be licensed, insured and get an agreement with the District to get a schedule and timing. A lot of Districts have fitness instruction at their facilities. Sometimes the instructors are even willing to cost share some of the revenue that was generated. My advice is if they are going to do it then make sure you are doing it correctly.

Mr. Oliver stated we do have that at a lot of Districts, where the District does not get compensation for it because it is a service provided for the residents and it is between the provider and the resident but the District has that license agreement to indemnify the District and also have proof of insurance. Matt Biagetti is the director of recreation and aquatics at Eagle Landing and he has some of the same agreements in place.

Ms. Gardner stated I think they should pay for using the clubhouse to have classes because that could potentially hurt rentals.

Mr. Walters stated I have seen them both ways. The reality is if someone is charging \$10 a class then it may not be profitable for them to split some of that out. Another thing is if they are doing a class, they want to keep the price as low as possible because there is not a huge demand.

Mr. Hendrix stated I think we should do it on a trial basis.

Ms. Haney stated I kind of view it as a conflict. I don't think that individuals should make a profit off of community owned assets. Our residents pay to use this individually. It is not for folks to make a profit off of. If someone were to have a Mary Kay party here then they would have to rent it. I don't see any difference between holding a Mary Kay party versus



someone charging to do personal training. It is profit. I think residents want to use the pool. I don't think they want to compete with a yoga class.

Mr. Andersen stated one other option is to get all of the contracts in place. Eagle Landing gets 10% of the cost of the class, so that way it puts a little skin in the game for them. It is a service to the residents, so it benefits the community because it is a service and then the community gets back some money also.

Ms. Rentsch stated the yoga would be early in the morning before people are even swimming.

Mr. Oliver stated usually if a vendor wants to make a request like this, they should be here in person.

Mr. Walters stated I think if this person is really interested then they need to come to the next board meeting with the schedule and classes and present it to the board.

Mr. Lohse stated it would have to not interfere with residents, who are paying for operations and maintenance.

Ms. Haney stated if we can charge the residents to have a recreational function then we can certainly charge residents, who want to have a function that they charge for.

Ms. Rentsch stated I will invite him to the next meeting.

**ELEVENTH ORDER OF BUSINESS                      Audience Comments/Supervisors' Requests**

A resident stated I have a question about the access point for the charter school. If you go towards the back, it veers left into the charter school. I looked at the County plans and that is still under the Developer's name and that is considered a road straight back but this road with the curve is veered left. If you look at the plans, it is actually blocking the road.

Mr. Andersen stated that is actually Longbay Road. It is a County right-of-way. The one that is going north/south is Longview. This is Pine Ridge Parkway. It is a 70 foot wide right-of-way. It is actually County owned. They are inside the right-of-way right now. We went out and looked. They have pavement that is going in. They will be responsible to tear that up when Longbay goes in or this extension goes in. That will be an agreement between the Developer and Red Apple.

Mr. Lohse stated at that point it won't have anything to do with Red Apple because it is County right-of-way.

**TWELFTH ORDER OF BUSINESS                      Financials:**

**A. Balance Sheet and Statement of Revenues & Expenditures for the Period Ending June 30, 2015**

Mr. Oliver stated included in your agenda package is a copy of the balance sheet and income statement as of June 30, 2015.

**B. Approval of Check Register**

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

On MOTION by Ms. Haney seconded by Ms. Gardner with all in favor the Check Register was approved.

**C. Assessment Receipts Schedule**

Mr. Oliver stated included in your agenda package is the assessment receipts schedule. The on roll assessments are 99.86% collected.

**THIRTEENTH ORDER OF BUSINESS                      Organizational Matters**

**A. Acceptance of Resignation of Supervisor Matthew Lohse**

Mr. Oliver stated our Chairman, Matt Lohse is going to be departing soon to Hawaii. He told me that he would be resigning at the end of this meeting.

Mr. Lohse stated this has never been about me. The only thing I ever wanted to do was help out this community. My buddy James Mutka got on the board first. I watched the community go from a couple houses to what it is now and I had a part in helping with that and it was pretty awesome. The staff, guys and gals, when I first got on this board it were not all of you guys. GMS, Riverside, Hopping Green & Sams are excellent companies and I don't ever want to see them go. The personalities that we have running this organization, I never want to replace you. You are all doing outstanding work and I appreciate every day of it. You do the day to day and we just make the bimonthly decisions. I really appreciate your leadership in this, Jim. You have done a great job.

Mr. Oliver stated we have a plaque for you. I have to tell you that Matt is one of the most engaged Chairpersons that we have had for any of our Districts. He has a sincere devotion to getting the mission accomplished and taking care of his residents and looking after things. He is very detailed. This plaque is symbolic of your dedicated service but it doesn't say enough. Thank you for all of your hard work.

On MOTION by Ms. Gardner seconded by Mr. Hendrix with all in favor the Resignation of Matthew Lohse was accepted.

**B. Appointment of New Supervisor to Fill the Unexpired Term of Office (11/2016)**

Mr. Oliver stated now it is time to appoint a new supervisor to fill the vacancy. At the last meeting you filled one of the vacancies with Rooster. You have resumes in your agenda package that were submitted from Jeff Arp, Matt Biagetti, Alisa Redman and Jerry Ritchie.

On MOTION by Ms. Haney seconded by Ms. Gardner with all in favor to Appoint Mr. Matt Biagetti to Fill the Unexpired Term of Office of 11/2016 was approved.

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

*Mr. Oliver administered an oath of office to Mr. Matt Biagetti.*

**D. General Information for New Supervisor**

Mr. Oliver provided general information to the new supervisor.

**E. Consideration of Resolution 2015-03, Election of Officers**

On MOTION by Ms. Gardner seconded by Mr. Hendrix with all in favor Resolution 2015-03 Appointing Ms. Nicole Gardner as Chairperson was approved.

On MOTION by Ms. Gardner seconded by Mr. Hendrix with all in favor Resolution 2015-03 Appointing Mr. Matt Biagetti as Vice Chair was approved.

**FOURTEENTH ORDER OF BUSINESS**

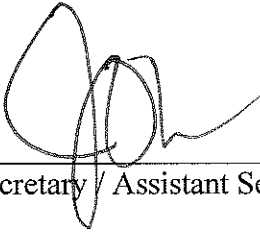
**Next Scheduled Meeting – August 18, 2015 at 6:00 p.m. at the Pine Ridge Plantation Amenity Center**

Mr. Oliver stated the next schedule meeting has been changed to August 18, 2015 at 6:00 p.m. at this location.

**FIFTEENTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Ms. Gardner seconded by Mr. Hendrix with all in favor the Meeting was adjourned.



Secretary / Assistant Secretary



Chairman / Vice Chairman