

**MINUTES OF MEETING
LEXINGTON OAKS
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Lexington Oaks Community Development District was held Thursday, August 24, 2006 at 8:30 a.m. at the Lexington Oaks Clubhouse, 26304 Lexington Oaks Boulevard, Wesley Chapel, Florida.

Present and constituting a quorum were:

Peter Hanzel	Chairman
Don Peters	Vice Chairman
Patricia Dwyer	Assistant Secretary
Maxine Carlson	Assistant Secretary

Also present were:

Andy Mendenhall	District Manager
Tracy Robin	Attorney
Shawn Millard	Site/Community Center Manager
Numerous Residents	

The following is a summary of the minutes and actions taken at the August 24, 2006 Lexington Oaks Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hanzel called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the July 20 and July 27, 2006 Meetings

Mr. Hanzel stated each Board member received a copy of the minutes of the July 20, 2006 meeting and requested any additions, corrections or deletions.

The Board made several changes, which will be incorporated in the amended minutes.

Mr. Peters addressed the following issues:

- Requested clarification on the maintenance and electric.
- Requested a breakdown on telephone charges for Preakness and Hawthorne.

- Inquired whether the Preakness and Hawthorne special assessment was added to the budget. Mr. Mendenhall reported this could not be done since the Tax Collector forwards the assessment money to the accountant in one check but it can be done on a proportional basis.

On MOTION by Ms. Dwyer seconded by Mr. Hanzel with all in favor the minutes of the July 20, 2006 meeting were approved as amended.

Mr. Hanzel stated each Board member received a copy of the minutes of the July 27, 2006 meeting and requested any additions, corrections or deletions.

The Board made several changes, which will be incorporated in the amended minutes.

- Mr. Peters confirmed on page three, the amounts in the attachment Mr. Robin distributed listed four different vendors for irrigation as well as alternative irrigation.

On MOTION by Ms. Dwyer seconded by Mr. Hanzel with all in favor the minutes of the July 27, 2006 meeting were approved as amended.

FOURTH ORDER OF BUSINESS **Consideration of Financing Matters**

A. Approval of Supplemental Engineer's Report

- Mr. Peters noted an error in the Engineer's Report.
- Mr. Robin explained this report supplements the three reports prepared previously by the District's prior engineer in connection with the issuance of the 1998, 2000 and 2002 bonds.
- There was slight refinement to the list of projects, which is an attachment to the report. Some of the descriptions are generic to provide the Board with flexibility.
- The cost estimates by the engineer had two changes. The skate park project estimate increased to \$120,000 and community fitness center increased to \$700,000.
- Ms Carlson noted the report reflected there was lighting at the roundabout sidewalk but there is no lighting.

On MOTION by Ms. Carlson seconded by Mr. Peters with all in favor the Engineer's Report was approved as amended.

- Mr. Robin presented the resolutions for the purpose of scheduling the Chapter 170 meeting for adoption of the assessments related to the 2006 project.

B. Consideration of Resolution 2006-11, Confirming and Levying Special Assessments

- Resolution 2006-11 acknowledges the Board previously authorized and approved the issuance of 1998, 2000 and 2002 bonds for the District for the purpose of constructing certain capital improvement projects as stated in the engineer's report.
- The prior projects were acquired in conjunction with the proceeds of the bonds. The costs associated with the improvements are currently being defrayed by the levy of special assessments against land within the District benefiting from the improvements.
- There is an excess of funds remaining from the bonds of \$2,360,000.
- The Board determines it is in the best interest of the District to expand the infrastructure and add enhancements using the proceeds of the excess funds as described in the supplemental engineer's report.
- The Board will determine whether it is in the best interest of the District to defray the cost of the improvements by levying the special assessments and ratifying, confirming and re-levying the special assessments for the 2006 project.
- The description of the prior project will be modified to include the 2006 project.
- The estimated cost of the 2006 project is \$2,358,000 as stated in the engineer's report.
- The assessments were previously adopted by the Board in Resolution 1998-33, 2000-05 and 2002-12 to levy assessments on residential lots.
- There will be no change in the assessments or amount of debt.
- The assessment process is primarily for the purpose of amending the description or definition of the project to include the new project.
- Assessments were previously levied on benefited property according to an assessment plan on file at the District Manager's office.
- Rizzetta & Company prepared the Assessment Methodology Report.

- The Assessment Methodology Report shows the areas to be assessed, amount of the benefit, assessments against each area and number of annual assessments into which the assessments are divided.
- The assessments will continue to be paid in the installments specified in the resolutions.
- Mr. Peters reported two villages had sidewalk repairs. Pulte will need to be paid back by the CDD.
- Mr. Robin explained the construction account cannot be used for this purpose.
- Mr. Peters does not want this expense to show in the O&M budget.
- Mr. Hanzel confirmed this is not a District project, but a developer project.
- Mr. Peters has a priority list from Pulte.
- Mr. Robin clarified there are projects within the community which have not been completed. Pulte feels unless the CDD pays for it, they will not commence work but is willing to act as the District's contractor to repair the items if the District is willing to pay. He suggested the District Engineer look into this matter and determine if this work is considered to be anything other than maintenance and repairs, in which case the construction funds can be used.
- If there are cost overruns and the amount of money in the construction account will be exceeded, the Board can eliminate, adjust and reduce the amount of the project or proceed and pay out of the General Fund.
- Improvements in 1B and 5A were added to the list.
- Mr. Hanzel directed Mr. Robin to contact Pulte regarding use of Pulte funds to make necessary repairs.
- Mr. Peters will provide the complete list of punchlist items to Mr. Robin.
- Mr. Robin pointed out paragraph 10 stating the resolution will be published is in error and will be removed.

On MOTION by Mr. Peters seconded by Ms. Dwyer with all in favor Resolution 2006-11 Confirming and Levying Special Assessments; Providing for Amendment of the Capital Improvement Projects Identified in the 1998 Engineer's Report for the District's Special Assessment Revenue Bonds, Series 1998A and 1998B, Amendment of the Capital Improvement Projects Identified in the 2000 Engineer's Report for the District's Special Assessment Revenue Bonds, Series 2000A and 2000B, and Amendment of the Capital Improvement Projects Identified in the 2002 Engineer's Report for the District's Special Assessment Revenue Bonds, Series 2002A and 2002B; Indicating the Location, Nature and Estimated Cost of those Improvements whose Cost Shall be Defrayed by the Special Assessments; Providing for the Portion of the Estimated Cost of the Improvements to be Defrayed by the Special Assessments; Providing the Manner in which Such Special Assessments will be Confirmed and Levied; Providing when Such Special Assessments Shall be Confirmed and Levied; Designating Lands Upon which the Special Assessments Shall be Confirmed and Levied; Providing for an Assessment Plat; Authorizing the Preparation of a Preliminary Assessment Roll; Providing for the Notice of Public Hearing and Providing for Publication of this Resolution was adopted as amended with the deletion of paragraph 10.

C. Consideration of Resolution 2006-12, Setting a Public Hearing on Special Assessments

- Resolution 2006-12 calls for a public hearing and comments by the public to confirm the assessment on certain property within the District.
- In no less than 30 days before the public hearing on October 26, 2006, a statutory notice letter will be sent to each landowner.
- Mr. Mendenhall suggested the Board write a separate letter from the statutory letter explaining the benefit to the community, rationale for spending the money and the fact Pulte may be entitled to receive a percentage, of more or less 40 percent.
- Ms. Dwyer requested the time of the public hearing be changed to 6:30 p.m.

The Board and staff commenced discussion of timelines. The result of the discussion was changing the date of the public hearing to October 12, 2006.

On MOTION by Ms. Carlson seconded by Mr. Hanzel with all in favor Resolution 2006-12 Setting a Public Hearing for the Purpose of Hearing Public Comment on the Confirmation and Levy of Special Assessment on Certain Property Within the District in Accordance with Chapters 170, 197 and 190 Florida Statutes was adopted as amended changing the public hearing to October 12, 2006 at 6:30 p.m.

SEVENTH ORDER OF BUSINESS

Attorney's Report

- A resident expressed concern about Pulte installing a sprinkler system on CDD property. The sprinkler system is owned by a homeowner.
- There is a Warranty Deed showing the property was transferred to Pulte who transferred the property to the CDD.
- The homeowner requested the sprinklers be moved off of CDD property onto their property since they are paying for the water, which Pulte representatives agreed to do with the proper landscaping.
- The CDD property is a golf cart path.
- A number of golf cart paths belong to the District and the District is maintaining but the golf course is benefiting.
- Mr. Hanzel expressed concern over the CDD paying for those areas.
- The Board needs to decide what level of landscaping is appropriate for those areas and perform the maintenance as it was not part of the original project constructed by the developer.
- Mr. Robin cautioned the Board if the property was transferred out of the CDD, the Board will forfeit any ability to ascertain what those areas will look like.
- Mr. Hanzel directed Mr. Robin to ask Pulte if they will pay and if there are access easements.
- Ms. Carlson requested a copy of the corrected first page of a letter Mr. Robin sent to Luke Brothers terminating their contract as she only received the corrected second page.
- Mr. Robin confirmed corrections were made to the letter before it was sent to Luke Brothers.

- Mr. Peters inquired whether the Board will receive an estimate from OneSource for irrigation repairs.
- Mr. Robin confirmed OneSource only performed a preliminary inspection. As soon as OneSource takes over maintenance of the property, they will perform a complete inspection of the irrigation system and report on the condition of the system and an estimate on the cost to make repairs.

The record will reflect Mr. Robin left the meeting.

FIFTH ORDER OF BUSINESS

Auditor Selection Committee

A. Audit Ranking Recommendations

- The Audit Committee met prior this meeting and selected Keefe, McCullough as auditor.

B. Authorization to Enter Into a Three Year Contract with Selected Audit Firm

- Mr. Mendenhall confirmed with most contracts the District enters into, there is a 30 day cancellation and the District is allowed to re-submit the RFP.

On MOTION by Ms. Dwyer seconded by Mr. Peters with all in favor Keefe, McCullough was selected as auditor and staff was authorized to negotiate a three year contract.
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SIXTH ORDER OF BUSINESS

Manager's Report

- Mr. Peters requested a copy of the budget submitted to the county and the methodology for the assessments.
- Mr. Mendenhall confirmed he left a message with the Assessment Department to determine the methodology used. However, since Rizzetta prepared the methodology, they should be contacted.

A. Discussion of RFP for District Insurance

- Mr. Mendenhall reported employees at Severn Trent Services work with local insurance companies in Florida to obtain the lowest rate.
- An RFP is not done for insurance because not many companies want to insure in Florida or in Pasco County and you run the risk of the current company dropping coverage once they discover you are going out for an RFP.

B. Discussion of RFP for Employee Worker's Compensation

- There is a standard rate for workers compensation, which is a percentage of the salary or wages.
- Severn Trent Services has a contract for services with an appraiser who performs assessments for Districts under contract with Severn Trent Services in order to save the District money.
- Insurance companies are giving savings by having the appraisal done.
- Mr. Mendenhall recommended not going out for RFPs due to the potential risks.

The Board is not interested in issuing RFPs for insurance and worker's compensation.

- Mr. Mendenhall reported a draft of the landowners letter is complete. The letter is based on requirements in the statute and tailored specifically to this District. The letter was provided to Mr. Robin for review.
- A copy of the resolution and supplemental engineer's report will be attached to the letter.

EIGHTH ORDER OF BUSINESS

Engineer's Report

There not being any, the next item followed.

NINTH ORDER OF BUSINESS

Staff Report

- **Site/Clubhouse Manager**

Mr. Millard reported on the following items:

- Offered to accompany Luke Brothers when they do the inspection.
- A lane is closed at the pool as it is being re-marcedited.

TENTH ORDER OF BUSINESS

Supervisor Requests

- Mr. Mendenhall recommended having a workshop meeting at the same time as the regular meeting to discuss general issues.
- At the public hearing on the bond, there will be presentations by the attorney and Financial Advisor on the Assessment Methodology. The Board can allow the audience to make comments.
- Mr. Peters requested an irrigation inspection from Ballenger before the work is completed. Mr. Hanzel agreed as it could give insight on potential problems.

On MOTION by Mr. Peters seconded by Ms. Dwyer with all in favor the proposal by Ballenger to do a complete irrigation inspection for an amount not to exceed \$2,300 with Mr. Peters establishing the date and time was approved.

- Mr. Mendenhall suggested having a representative from OneSource present at the inspection.
- Mr. Peters suggested moving the 30 mph sign after the sharp curve and installing a 20 mph sign in Maywood Village.
- Ms. Carlson updated the Board on the emergency entrances and exits in Lexington Oaks. The response from the Fire Marshall was there was no way for emergency entrances/exits to be designed.
- Mr. Hanzel requested the Hawthorn & Preakness assessments be separate to show how much money is collected on a monthly basis.
- Mr. Mendenhall will find out from the accountants how the four percent discount is accounted for.

ELEVENTH ORDER OF BUSINESS Audience Comments

The following concerns were addressed:

- Mr. Randal Collette requested the Board modify the policy to allow for professional “House For Sale” signage and access to view homes from 12 p.m. to 5 p.m.
- Ms. Carlson opposed this request as there have been problems with people coming in and out of the gate and objected to realtors giving out their gate codes to potential customers.
- Mr. Hanzel pointed out this matter will be discussed at a future meeting.
- Mr. Tom Nicole requested permission to install signage on a temporary basis for open houses and garage sales.

There were additional comments from the residents, which could not be identified by the Transcriber.

TWELFTH ORDER OF BUSINESS

Approval of the Financial Statements, Check Registers and Invoices

- Ms. Dwyer inquired why there were three invoices for the golf club reclaimed water totaling \$3,065.82 from May 25th to June 28th. The District should not be paying for reclaimed water. The residents pay a flat rate of \$44.08 for reclaimed water.
- Mr. Mendenhall agreed the District should not be receiving a \$9,000 bill for reclaimed water.
- Mr. Peters noted it could be for the golf course.
- Mr. Mendenhall will work with Mr. Mallard to determine which areas receive reclaimed water. If this is for the golf course, the District will be reimbursed.
- Mr. Peters inquired why the District was charged \$9,100 for electric when no electricity was used.
- Mr. Peters inquired what service Ecological Consultants provided. Mr. Mendenhall explained the mitigation reporting was broken out to several different companies.
- Mr. Mendenhall will contact Ecological Consultants to find out what they are doing and how often.
- Mr. Peters inquired why Mr. Robin charged the District for a telephone call a resident made. Mr. Mendenhall confirmed this is not done in other Districts and offered to speak with Mr. Robin about this matter and request he refer any resident requests to the Board.
- Mr. Peters inquired why there was a \$5 fuel surcharge from Accurate Electronics. Mr. Mendenhall confirmed this was unusual and offered to contact the vendor.

On MOTION by Ms. Carlson seconded by Ms. Dwyer with all in favor the financial statements, check registers and invoices for the period ending July 31, 2006 were approved subject to confirmation on the reclaimed water, Ecological Consultants and fuel surcharge issues.

THIRTEENTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Ms. Carlson seconded by Ms. Dwyer with all in favor the meeting was adjourned.

Andy Mendenhall
Assistant Secretary

Peter Hanzel
Chairman

NOTES:

Andy Mendenhall

- Provide clarification on the maintenance and electric.
- Provide a breakdown on telephone charges for Preakness and Hawthorne.
- The District received a \$9,000 bill for reclaimed water. Work with Mr. Mallard to determine which areas receive reclaimed water.
- Why was the District was charged \$4,100 for electric when no electricity was used.
- Contact Ecological Consultants to find out what they are doing and how often.
- Speak with Mr. Robin about and request he refer any resident requests to the Board rather than charging the District.
- Contact Accurate Electronics regarding \$5 surcharge.