

**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 on Thursday, October 26, 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:

John Ricciardi	Severn Trent Services
Shawn Millard	Site/Community Center Manager
James C. Widman	Pasco County
Jane Fagan	Pasco County
Numerous Residents	

*The following is a summary of the minutes and actions taken at the October 26, 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 September 28, 2006 Meeting**

Mr. Hanzel stated each Board member received a copy of the minutes of the September 28, 2006 meeting and requested any additions, corrections or deletions.

The Board made several changes, which will be incorporated into the record.

On MOTION by Ms. Dwyer seconded by Ms. Carlson with all in favor the minutes of the September 28, 2006 meeting were approved as amended.
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- **Pasco County/Pulte Home Corporation Agreement**

- Ms. Fagan provided a letter to the Board regarding a proposed agreement between the county, Pulte and the CDD.
- Pulte agreed to work with the county for the repaving of Lexington Oaks Boulevard from Highway 54 to 100 feet past the circle excluding the paving at the entrance.
- The Board's concerns on the agreement were:
  - Undertake the repair and/or adjust sprinkler heads to insure over spraying does not occur on Lexington Oaks Boulevard.
  - Milling process to mill down 2 to 2.5" and resurface the road.
- Mr. Whitman gave the following presentation:
  - Is involved with negotiating with Pulte Homes to coordinate the repair of the roadway.
  - A geotechnical analysis of the roadway was performed, which uncovered several holes. Mr. Rick Mortensen with Mortensen Engineering was hired by Pulte to report their findings to the county. Mr. Mortensen reported the road fell apart due to an inordinate amount of surface moisture hitting the asphalt from the landscape areas. Mr. Widman opined the holes were caused by a combination of the soils under the road and high water table.
  - The solution is to mill 2" of asphalt off the roadway to get down to the top of the base. The inspector will visually grade the quality of the base material. If the material is bad, more material will be removed. If the report from Mortensen is correct, the material can be covered with 2" of new asphalt.
  - The CDD is responsible for repairing any broken pipes, adjusting any sprinkler heads producing excessive volumes of discharge and install water sensors to cut off the irrigation system when the moisture content is sufficient for the vegetation. This work needs to be done in order for the county to proceed with the repair.
  - Excessive moisture is elevating the water table under the road.
  - Suggested the Board contact Mr. Dewey with the county to recommend a landscape contractor to install the sensor for the irrigation system. Mr. Dewey is a County Extension Agent who advises people how to landscape and irrigate their yards to minimize water consumption.
  - Neither Pulte or the county will proceed until the moisture problem is addressed.

- Ms. Carlson inquired whether any landscape company has the ability to install the sensors. Mr. Widman reported all they need to do is bury a wire and the sensors in the ground. The sensors will save the District money on water and prevent overwatering.
- Mr. Peters inquired who determines the District met its obligation to install some moisture sensors. Mr. Widman directed the District to contact the county upon completion and they will notify Pulte.
- Ms. Fagan confirmed the number of sensors are at the discretion of the CDD.
- Mrs. Peters confirmed she attended the March 24<sup>th</sup> meeting with the county where the following items were discussed:
  - Underdrain system not working properly at several locations throughout the Boulevard. King Engineering who installed the underdrain failed to inform the District of their responsibility for maintenance and to properly mark them. Mr. Widman confirmed the agreement between Pulte and county says Pulte will repair the damaged underdrains.
  - The dirt Pulte used on the median and on Lexington Oaks Boulevard was of poor quality as it did not allow for proper percolation of moisture. Mr. Widman confirmed the material is suspect under the road and in the median. There are standards in the DOT drawings identifying where select material was replaced under the roadway. In his opinion, those standards were not followed. There is a shallow layer of clay stopping the moisture from seeping into the soil.
- Mr. Peters confirmed Ballenger was hired to perform an analysis on the landscaping. The prior landscaper reported they will make the necessary repairs. He performed a walk through with Mr. Mallard and reported they were making the repairs but still had some repairs to make.
- Mr. Hanzel reported the need to determine the cost of sensors from Highway 54 to the Circle. He inquired about the pavers at the front entrance. Mr. Widman confirmed the pavers will be the responsibility of either the CDD or Pulte. If the CDD elects to remove the pavers, Pulte will remove them and the entrance will be paved at their cost. Mr. Widman recommended the Board install brick pavers if the District chooses to install them. Ms. Carlson requested the county observe the work.

- Ms. Fagen confirmed the scope will need to be changed as it is specifically limited to a defined area. Ms. Carlson requested the District's terms be added to the agreement.
- Mr. Peters inquired whether the balance of the roadway was accepted by the county. Mr. Widman reported he has a map showing Pimlico owns part of Lexington Oaks Boulevard. He was unsure about who has responsibility beyond the circle.
- Ms. Fagen requested the CDD's accepting responsibility to reduce the surface moisture in common areas in order for Pulte to proceed.
- Mr. Hanzel reported the CDD spent an excessive amount of funds on studies and repairs performed on the irrigation system and does not want to have the same problems in the future.
- Mr. Widman disagreed with the engineer's analysis on the roadway and pointing blame to the District. He recommended the District obtain the minimum number of sensors needed.
- Mr. Peters reported six sensors were needed, one for each clock.
- Ms. Fagen requested the Board decide within the next week as the agreement will be finalized in a month. Within 60 days of the effective date of the agreement or when the Board agrees to take on responsibility, Pulte will commence repairs at the entrance. Once repairs are complete, Pulte will need to complete the road resurfacing within 120 days from the beginning date.
- Mr. Mallard expressed concern about whether the sensors will shut off the clocks when there is too much water and the plant material receiving the necessary water. Mr. Widman suggested observing the landscaping and adjusting the flow of water through the sprinkler heads.

On MOTION by Mr. Peters seconded by Ms. Carlson with all in favor the request from Pulte to install moisture sensors to the irrigation system to reduce over watering in the area included in the agreement between Pulte and the county was approved.

- Mr. Hanzel offered to write the letter to the county regarding the District's agreement.
- The pavers at the front entrance will be taken under advisement by the Board with assistance from the county.

**FOURTH ORDER OF BUSINESS**                      **Acceptance of Audit for Fiscal Year 2005**

Mr. Ricciardi reported on the following:

- The auditors indicated the assets of the District exceeded the liabilities and the net assets of the District increased through the fiscal year.
- The management report indicated the District, under current and prior year findings exceeded the budgeted appropriations and recommended the District amend the budget whereby actual expenditures do not exceed the budgeted appropriations within 60 days.
- The management response for the current year findings was the Board has taken the corrected actions to more closely monitor cost and anticipate potential unexpected budget items and will be instituting budget amendments when necessary.
- The management response for the prior year fundings was the amounts expended in excess of the budget were funded by the developer and the District will adopt revised budgets in the future to reflect such additional sources. The Board has been working with Mr. Mendenhall in this regard.
- Under compliance with the Auditor General the following items were discussed:
  - There were no significant findings and recommendations made in the preceding annual audit.
  - The District complied with the Florida Statutes regarding the investment of public funds.
  - There were no violations of laws, rules, regulations and contractual provisions.
  - There were no illegal or improper expenditures.
  - There were no deficiencies in internal control that are not reportable conditions.
  - The District has not met any of the conditions in the Florida Statutes stating they are in a financial emergency.
- Under internal control over financial reporting, the auditor noted no matters involving internal control over financial reporting they consider to be material weaknesses. However, there was another matter noted involving the control over financial reporting, which was reported in the management letter.
- Under compliance and other matters, the auditor disclosed no instances of non-compliance or matters required to be reported under Government Auditing Standards.

However, there was a finding the budget should be amended after 60 days if any budgetary appropriations were exceeded.

On MOTION by Mr. Peters seconded by Ms. Dwyer with all in favor the Audit for Fiscal Year Ended September 30, 2005 as prepared by Grau & Associates was accepted.

## **FIFTH ORDER OF BUSINESS**

### **Discussion Items**

#### **A. Establishment of Master Calendar for the Use of the Community Center**

- Ms. Carlson reported the service organizations using the community center in the evenings, which should have priority are:
  - CDD
  - Master HOA
    - Fine Committee
    - ARC
  - Villa HOA's
    - Churchill
    - Pimlico
    - Remington & Remington Fine Committee
  - Crime Watch
  - Girl Scouts
- Mr. Hanzel inquired whether a policy will be established or to follow the current policy in place. Ms. Carlson reported there is a policy but it is not being followed.
- Ms. Carlson inquired whether the rental fees for the HOA, Fine Committee, ARC and the Villa HOA's are waived since the Board has the authority to waive rental fees. Mr. Peters advised every group to fill out the rental form and follow the current policy.
- Mr. Peters expressed concern over members of these committees not living in Lexington Oaks.
- Ms. Carlson recommended having a system regarding who has priority over the use of the facility. Mr. Hanzel suggested priority being given to the following:
  - CDD Programs
  - Recreational activities
  - HOA

- Ms. Dwyer suggested priority being given to the following:
  - CDD
  - Master HOA
  - Fine Committee
  - ARC
- Mr. Ricciardi reported in other CDD's, the CDD has priority for the facility. The second priority is for the "community associations" such as the HOA because they are part of the community. Beyond those entities, the facility is open to private events.
- Mr. Peters expressed concern over CDD sponsored functions (i.e card night and bridge) taking precedence over the Master HOA, Fine Committee or HOA.
- Ms. Carlson agreed with Ms. Dwyer but added Churchhill, Pimlico, Remington and the Remington Fine Committee should be given priority, with the understanding it is not their inherent right to use the facility. They will be added to the master calendar after the CDD, Master HOA, Fine Committee and ARC add their meetings to the calendar.

Ms. Dwyer moved to allow the service organizations as stated above to have first priority to hold meetings at the Community Center, followed by social activities and private rentals, subject to filling out the proper forms and revisiting this matter in six months and Ms. Carlson seconded the motion.

- Mr. Hanzel inquired which service organizations will have first priority. Ms. Carlson reported the service organizations having priority are the CDD, Master HOA, Fine Committee, ARC and Villa HOAs. Second priority will be given to social organizations. He suggested the HOA's and Villa HOA's meet at their own community centers. He recommended deferring this item until a policy can be established.
- The residents addressed the following:
  - Including the Women's Club on the priority list.
  - Bridge group sharing the room with other groups.
  - Consideration for social groups to have priority to meet.
  - Conflicts with other groups meeting on same days and times.

- Other groups interrupting meetings.
- Noise level when other events/meetings are being held.
- New room accommodating small groups.
- Use of the office. Ms. Carlson reported this is a private office and cannot be used.
- Fine Committee changing their meetings from Thursday to Tuesday evening to eliminate problems with the Bridge Club.
- Ms. Carlson recommended the groups co-exist until the new facility is built.

On VOICE vote with Mr. Peters, Ms. Dwyer and Ms. Carlson voting aye and Mr. Hanzel voting nay the motion to allow the service organizations to have first priority to hold meetings at the Community Center, followed by social activities and private rentals, subject to filling out the proper forms and revisiting the matter in six months was approved.

**B. Evaluation of Shaun Millard**

- Ms. Carlson provided an Employee Performance Appraisal and Planning Form to the Board.
- Mr. Hanzel expressed displeasure about filling out the form in two minutes.
- Mr. Ricciardi directed the Board to provide their evaluations to Mr. Mendenhall who will compile the responses into a final document, which he will bring to the next meeting.
- Mr. Hanzel encouraged the Board to use positive and constructive remarks.
- Mr. Ricciardi pointed out Severn Trent appreciates Mr. Millard and his commitment to the District and responsiveness to any management issues.

**SIXTH ORDER OF BUSINESS**

**Manager’s Report – Consideration of 2007-2  
Amending the Budget for Fiscal Year 2006**

Resolution 2007-2 was tabled until the next meeting.

Mr. Ricciardi reported on the following items:

- There was no record of the vendor for the outstanding check in the amount of \$750.25 from 2005. The check was never cashed and the account was closed. Mr. Mendenhall met with the accountant and the check will be written off. If this vendor makes a claim in the future, the invoice can be paid.

- The invoices from Air Care were sent to Rizzetta but were not forwarded to Severn Trent Services. The invoices will now be sent directly to Severn Trent Services. Mr. Mendenhall is working with Air Care on a Maintenance Agreement for the Board's consideration.
- At the last meeting, there was a question on the maintenance repair of sidewalks and whether or not the repair could be paid from the capital funds. Mr. Valentine indicated sidewalk repairs are considered a maintenance and repair item and not a capital expenditure item. Mr. Hanzel reported Mr. Robin tried numerous times to address this item with Mr. Tim Murray from Pulte and Bond Counsel. Mr. Ricciardi reported he tried to contact Pulte on three different occasions but did not receive a response.
- There was a question for Mr. Valentine regarding the proposal for the Reserve Study. Mr. Mendenhall indicated Mr. Valentine is still working on this item and hopefully the Board will have an answer at the next meeting.
- Two months ago bills from the electric company were on the Check Run but not included in the financials. Apparently the accountant accrued it back because the date of the invoice was June 30<sup>th</sup>. Therefore the June financials did not include the invoices but the financials did. In the June financials, the amount to the electric company was much higher than the check. The amount paid is correct.
- Mr. Robin has been trying to obtain clarification from Pulte on the bond money.
- Mr. Hanzel reported Mr. Robin received an email from Pulte permitting the District to use the funds for capital improvements.
- Ms. Carlson reported a couple of months ago she asked Mr. Mendenhall to check with the Health Department in regards to installation of a stove in the kitchen. Mr. Ricciardi reported other CDD clubhouses have stoves and was not aware of any additional license. He will have Mr. Mendenhall check and contact Ms. Carlson.
- Ms. Dwyer requested investigation of payment of reclaimed water bills for the golf course. The invoices for \$9,000 and \$628 should not have been paid by the CDD.
- Mr. Peters inquired whether the money for the capital improvement list could be spent. Mr. Hanzel confirmed the money can be spent. Mr. Peters further inquired whether the \$21,119 erroneously paid from the 2005/2006 expenditures, which

should have been paid out of the capital expenditures were reimbursed. Mr. Ricciardi reported he spoke to Mr. Mendenhall and the monies were not spent because approval was not received from Pulte. Based on the email Mr. Robin received from Pulte, a requisition will be submitted to reimburse the General Fund from the bond funds.

- Ms. Carlson reported a check was sent to OneSource for \$3,162 for the second set of trees planted at the trailer park, which should have been paid out of the bond funds. She inquired whether the \$3,162 was included with the original invoice of \$19,000. Mr. Hanzel confirmed it was included and confirmed Mr. Mendenhall will handle.

**SEVENTH ORDER OF BUSINESS Attorney's Report**

There not being any, the next item followed.

**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:

- People are parking at the tennis courts at night. A towing company was contacted who will post a sign for enforcement purposes.
- Invited everyone to visit the Haunted House on Friday and Saturday between 7:30 P.M. to 10:00 P.M.
- OneSource will be contacted regarding their ability and cost to install moisture sensors.
- Ballenger reported the control valve on the 50 hp pump is causing pressure spikes creating breaks in the irrigation system. The company maintaining the pumps will come out in November to look at the control valve and replace if necessary. Irrigation Technical Services is paid \$325 per month for monthly maintenance of the pumps.
- Ms. Dywer reported vendors are not checking in when they come to the community. Mr. Hanzel authorized Mr. Mallard to issue letters to all vendors reminding them to check in before entering the community. Their invoices will be checked against the sign-in sheet.

- Mr. Peters reported in regards to the problems noted by Ballenger and OneSource in their inspection, there may be a problem with the controller due to many main and lateral line breaks.

**TENTH ORDER OF BUSINESS****Supervisor Requests**

Ms. Dwyer reported on the following:

- Requested the Board address the priority list. Mr. Hanzel directed Mr. Valentine to address the lighting, playground and community center issues. He will request Mr. Valentine to create the paperwork for the trailer park landscaping and water fountains.
- The following priority items were discussed:
  - *Pond Infrastructure*
  - *Playground*
  - *Lighting for the tennis courts, traffic circle and entrances.*
  - *Security System*
  - *Fitness Center*
  - *Hose Bibs*
- Ms. Carlson suggested the priority list be narrowed down at the same time the engineer prepares the plans.

Mr. Peters reported on the following:

- Ballenger estimated it will cost \$38,000 to repair the irrigation system, including \$8,000 for the controller and pump and \$24,000 for the wiring.
- Reported he sent Luke Brothers a letter requesting they make the necessary repairs in a timely fashion. If the repairs are made to the Board's satisfaction, they will be paid the \$22,000 owed for August. Mr. Peters went out with Luke Brothers on October 5<sup>th</sup> in regards to the plantings to be replaced. As of last Monday and Tuesday there are still some areas to be completed. They are diligently working on the repairs. There will be another inspection next Monday.

Ms. Carlson reported on the following:

- Provided a Traffic Enforcement Agreement to the Board allowing the Sheriff's Department access to Preakness & Hawthorne for civil violations. The signage must

meet DOT standards. Ms. Carlson will contact Mr. Valentine to determine if the costs will come out of the Preakness & Hawthorne account or paid by the CDD.

Mr. Hanzel reported on the following:

- Provided Mr. Mallard with copies of invoices for the meters the CDD pay for and requested Mr. Mallard go into the community and identify what each meter registers. This item will be discussed at the next workshop meeting.
- Suggested OLM do monthly landscaping inspections.

Mr. Hanzel moved to contract with OLM for supervisory services of the landscape contract for the period November 2006 through September 30, 2007, with the funds being paid out of the Irrigation Line Item and Ms. Dwyer seconded the motion.

- Ms. Carlson requested the Board wait three months as the landscaping company has only been providing services since September 1<sup>st</sup>.
- Mr. Ricciardi reported the same situation occurs in other districts where there is a new landscaper and OLM at the same time due to problems with the previous landscaper. OLM is used to dealing with new contractors and new scope and allowing time for the new landscaper to bring the property up to a certain level.
- Ms. Carlson expressed concern with having an out of state contractor evaluating a contractor in two hours.

On VOICE vote with Mr. Peters, Ms. Dwyer and Mr. Hanzel voting aye and Ms. Carlson voting nay the motion to contract with OLM for supervisory services of the landscape contract for the period November 1, 2006 through September 30, 2007, with the funds being paid out of the Irrigation Line Item was approved.

- Mr. Hanzel requested scheduling a workshop meeting for November 8, 2006 at 8:30 A.M. at the clubhouse and offered to schedule future workshop meetings.

**ELEVENTH ORDER OF BUSINESS**

**Audience Comments**

- Ms. Jolee Fallis praised Mr. Mallard on his performance as he is extremely willing and responsive.

- Ms. Ella Federico requested the Board consider thermal heating for the swimming pool and will provide information to the Board.
- Ms. Debbie Pienkowski praised Mr. Mallard for his responsiveness and requested the Board consider activities drawing the community together.

**TWELFTH ORDER OF BUSINESS**

**Approval of the Financial Statements, Check Registers and Invoices**

Mr. Hanzel moved to approve the financial statements, check registers and invoices for the period ending September 30, 2006 and Ms. Carlson seconded the motion.

- Mr. Peters reported on the following:
  - In the statement for September 30, 2006, the collections were included as an expense in this year's budget. In addition, \$47,127 was included as an expense with no budget. It should be a reduction to income, not an expense. Mr. Ricciardi will speak to the accountant.
  - Inquired whether the September invoice for Severn Trent was booked. Mr. Ricciardi will follow up.
  - Requested a requisition for the trailer and park landscaping taking money out of the bond funds to reimburse General Fund. Mr. Ricciardi will follow-up.
- Ms. Carlson expressed concern regarding Mr. Robin's charges on his August 28, 2006 invoice. He spent five hours speaking to OneSource after the contract was finalized, which seems excessive. Mr. Ricciardi reported he will speak to Mr. Robin but there may have been changes made to the contract. Mr. Hanzel reported Mr. Robin felt the attorney from OneSource was concerned about some of the language in the contract and wanted certain terminology.

On VOICE vote with all in favor the motion to approve the financial statements, check registers and invoices for the period ending September 30, 2006 was approved.

**THIRTEENTH ORDER OF BUSINESS**

**Adjournment**

There being no further business,

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

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Andy Mendenhall  
Assistant Secretary

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Peter Hanzel  
Chairman

NOTES:

Andy Mendenhall

- Obtain a proposal from Mr. Valentine on the Reserve Study.
- Check with the Dept. of Health in regards to whether a license is needed to install a stove in the kitchen.
- Speak to Mr. Robin regarding the Board's concerns over his charges in the August 28, 2006 invoice. The Board feels five hours being charged to OneSource is excessive.

Accountant

- Based on an email Mr. Robin received from Pulte permitting the District to use the revenue funds for capital improvements, a requisition will need to be submitted to reimburse the General Fund from the bond funds for the trailer and park landscaping.
- The \$3,162 check to OneSource for the second set of trees planted at the trailer park should have been paid out of the bond funds.
- In the statement for September 30, 2006, the collections were included as an expense in this year's budget. In addition, \$47,127 was included as an expense with no budget. It should be a reduction to income, not an expense.
- Was the September invoice for ST booked?

Agenda Items for November Meeting

- Budget Amendment Resolution
- Shawn Millard's evaluation