

**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, November 16, 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
Maxine Carlson	Assistant Secretary

Also present were:

Andy Mendenhall	Severn Trent Services
Shawn Millard	Site/Community Center Manager
Approximately 12 Residents	

*The following is a summary of the minutes and actions taken at the November 16, 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 October 12, 2006 Meeting**

Mr. Hanzel stated each Board member received a copy of the minutes of the October 12, 2006 meeting and requested any additions, corrections or deletions.

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

On MOTION by Mr. Hanzel seconded by Ms. Carlson with all in favor the minutes of the October 12, 2006 meeting were approved as amended.
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**FOURTH ORDER OF BUSINESS**

**Consideration of Engagement Letter with Keefe, McCullough & Company, LLP to Perform the Audit for Fiscal Year Ended September 30, 2006**

Mr. Mendenhall reported at the last meeting, Keefe, McCullough & Company was selected by the Audit Committee and staff was directed to enter into negotiations with the accounting firm.

Mr. Peters reported page three was omitted from the agenda package.

This item was tabled while copies of the original letter were made.

**FIFTH ORDER OF BUSINESS**

**Discussion Item – Consideration of Discussion of Proposed Agreement between Pasco County and Pulte Home Corporation**

Mr. Hanzel reported on the following:

- An agreement was reached between the county and Pulte Home Corporation in cooperation with the Lexington Oaks CDD and HOA for Pulte Homes to repave Lexington Oaks Blvd. 100' past the circle.
- A condition of the agreement was for the CDD to install watering sensor devices in the area of agreement.
- The District Attorney informed the County Attorney the CDD Board agreed to install a minimum of 14 watering sensors in the area of agreement.
- The county was directed to negotiate with Pulte Homes to insure the pavers are re-installed in the correct manner.
- The county was in concurrence with the agreement and will install the pavers.
- At some point in time, the District and a representative from the Master HOA will meet with the county to insure there is agreement on where the S.R. 54 widening ends and the pavers begin.
- The county advised this was a one time deal and the responsibility of the District to maintain.
- Pulte Homes has 120 days from the date they enter into the agreement to complete the repairs. The agreement will go before the Board of County Commissioners on Tuesday, November 28, 2006.
- There are two choices for start dates; one before or during the holidays and one after. The following resident responses were recorded:

- Mr. Carlson recommended before the holidays.
- Mr. Martin recommended after the holidays.
- Ms. Larkin recommended after the holidays.
- Ms. Peters recommended before the holidays.
- Mr. Stanfield recommended after the holidays.
- Mr. Bob Shepard is the contact person at the county who works for Mr. Jim Widman.
- Mr. Hanzel recommended starting immediately.
- A resident suggested the underdrain repairs be completed by Pulte Homes before tearing up the road. Mr. Hanzel reported one lane going out of the subdivision will be closed.

On MOTION by Mr. Hanzel seconded by Ms. Carlson with all in favor Pulte Home Corporation will be notified to commence the repair work immediately on Lexington Oaks Boulevard from Wesley Chapel Boulevard 100' past the circle in accordance with the agreement between the District, Pasco County and Pulte Home Corporation.

**FOURTH ORDER OF BUSINESS**

**Consideration of Engagement Letter with Keefe, McCullough & Company, LLP to Perform the Audit for Fiscal Year Ended September 30, 2006**

On MOTION by Mr. Peters seconded by Mr. Hanzel with all in favor the engagement letter with Keefe, McCullough & Company, LLP to perform the audit for fiscal year ended September 30, 2006 in the amount not to exceed \$11,500 was approved.

**SIXTH ORDER OF BUSINESS**

**Manager's Report**

Mr. Mendenhall reported on the following items:

**Resolution 2007-2 Amending the General Fund Budget for FY 2006**

- Mr. Peters expressed concern over the early payment discount showing as an expense and pointed out the following unbudgeted items:
  - \$47,127 is 5.3% of the total assessments of \$891,227, 2% of which is the collection expense and 3.3% the early payment discount.
  - The August bill of \$22,000 for Luke Brothers is not budgeted.

- On the October statement, there is a September bill for OneSource in the amount of \$20,735, a September bill for Severn Trent Services in the amount of \$5,607, a bill for Florida Nurseries for \$5,200 from fiscal year 2005 and legal expenses billed in September for \$1,009.53. All these items should be paid out of the 2006 budget.
- Mr. Mendenhall reported there is \$21,000 in the bond funds, which can be transferred to the General Fund.
- Mr. Peters suggested showing these items as a discount under revenue. He pointed out the \$47,127 is not an expense and should not be shown as an expense. Once the Landscape Maintenance money of \$21,119 is reimbursed, it should be transferred to the General Fund. The expenses for September for FY 2005/2006 paid in October should be added to the end of the year report for September 30<sup>th</sup>.

After further discussion, Resolution 2007-2 was tabled until the next meeting and Mr. Peters, Mr. Mendenhall and the accountant will meet to discuss the discrepancies.

On MOTION by Mr. Hanzel seconded by Mr. Peters with all in favor Resolution 2007-2 Amending the General Fund Budget for fiscal year 2006 was tabled until the next meeting.

#### **Resolution 2007-3 Amending the General Fund Budget for FY 2007**

- Mr. Mendenhall reported this resolution was based on the Board's desire to properly allocate \$39,000 included in the Landscape Maintenance to Irrigation Repairs.

On MOTION by Mr. Peters seconded by Ms. Carlson with all in favor Resolution 2007-3 Amending the General Fund Budget for Fiscal Year 2007 was approved.

- Mr. Peters reported the \$47,127 should not have been added to last year's expenses. Mr. Mendenhall pointed out it was not added because the Board did not adopt Resolution 2007-2. It was only suggested.
- Mr. Hanzel felt adopting resolutions on each item was time consuming. Mr. Mendenhall reported since Resolution 2007-3 was of interest to the Board, he felt it

was necessary to present it to the Board rather than waiting until the end of the year. It is proper procedure for any amendments to the budget be done through resolution.

### **Air Care Service Contract**

- Mr. Mendenhall reported Rizzetta & Company forwarded old bills from Air Care to Severn Trent Services. He contacted Air Care and discovered they provided the service and presented a contract with their fees.
- Mr. Peters inquired what they do for \$82 per hour plus the additional \$70 per hour. Mr. Mendenhall will contact Air Care for further clarification.

On MOTION by Mr. Hanzel seconded by Ms. Carlson with all in favor the contract with Air Care to provide preventative maintenance service four times a year at a cost of \$328 per year through October 31, 2007 was approved.
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### **OLM Agreement**

- Mr. Mendenhall presented the revised OLM Agreement to the Board with the modified effective dates.
- Ms. Carlson inquired who OLM subcontracts with, whether they will be familiar with the District before OneSource takes over and how long OLM will be in the community and their official start date. Mr. Mendenhall will contact OLM and provide an emailed response to the Board.

### **Reserve Study**

- Mr. Mendenhall reported at the last meeting, the Board directed him to ask Mr. Bob Valentine for the reserve study cost. The approximate cost for a field review of Lexington Oaks and the assets is \$23,000 and \$10,000 for a paper study. Mr. Mendenhall is currently working with Mr. Valentine to ensure he has all of the records of the community and suggested the Board wait until Mr. Valentine is provided with the records so he can provide better numbers.
- Mr. Peters suggested Mr. Valentine review the plans instead of going out into the community and requested an inventory of the District's assets and number of miles of road. He pointed out there are three reserves; one for Hawthorne, Preakness and the remaining communities. Ms. Carlson agreed with the paper study. Mr. Hanzel also agreed with the paper study but suggested revisiting this matter in the fourth quarter

to determine whether there are sufficient funds. Mr. Peters disagreed waiting until the fourth quarter and suggested waiting until March 30, 2007. There was consensus from the Board to revisit the matter on March 30, 2007.

**Shawn Millard Evaluation**

- Mr. Mendenhall reported he is waiting for one supervisor to provide their comments.

**Requisitions in Progress**

- Mr. Mendenhall reported several requisitions are in process and is waiting for the engineer to provide his requisitions. Once those requisitions are received by Mr. Mendenhall, he will provide to the Trustee who will release the funds shortly after.

The outstanding requisitions are:

- Reimbursement to General Fund for OneSource work in the amount of \$24,280.89.
- Shellman for a drinking fountain in the amount of \$5,670.
- Withlacoochee River Electric for \$7,300.
- Game Time for the playground in the amount of \$138,247.71.

- Mr. Mendenhall will send an email to the Board when the funds are released.

**License for Stove in Clubhouse Kitchen**

- Mr. Mendenhall reported he spoke with Severn Trent Services Insurance Coordinator who confirmed no license is needed and there would be no increase in the cost of insurance.
- Mr. Millard reported the county Health Department provided him with a Food Service Request for Plan Review for equipment installation and application for a sanitation certificate. The Fire Chief recommended installing a special trapping system as well as an extinguishing system, which will require permits.

**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:

- Request from a resident to rent the clubhouse for \$150 on December 12, 2006 for a Christmas Expo.
- Mr. Peters requested a letter from the resident proving she represents a legitimate organization along with the proper insurance information.

On MOTION by Mr. Hanzel seconded by Ms. Carlson with all in favor the request from a resident for renting the clubhouse on December 12, 2006 for a Christmas Expo was denied.

- Mr. Millard provided a OneSource Proposal to the Board for the installation of Poinsettias at the end of the medians at the circle.
- Ms. Carlson inquired where the containers will be stored. Mr. Millard reported they will be stored at the front of the monuments on the S.R. 54 berm. Ms. Carlson expressed concern due to the Pulte Home repairs to the roadway and suggested removing the containers. Mr. Hanzel requested further clarification through an email.
- Mr. Hanzel felt \$2,000 for the Poinsettias and labor was excessive.
- Mr. Peters felt \$10.50 per Poinsettia was excessive. A resident reported Sam's Club was selling three Poinsettias for \$10.

Mr. Hanzel moved to deny the proposal from OneSource for the installation of Poinsettias in the amount of \$2,000. There being no second to the motion, the motion dies.

On MOTION by Mr. Hanzel seconded by Ms. Carlson with all in favor Mr. Millard was directed to purchase 50 Poinsettias from Sam's Club or like vendor and install at the front entrance in their containers.

- Mr. Millard presented a proposal from OneSource for plant replacements in the middle of the circle in the amount of \$733.
- Mr. Hanzel advised since Ms. Carlson cannot vote on any proposals submitted by OneSource due to a conflict of interest, the remaining proposals should be tabled until the next meeting.
- Mr. Hanzel reported he sent Mr. Millard an email requesting irrigation reports or inspections from OneSource. Mr. Millard reported he prepared his own reports with

OneSource, which he can provide to Mr. Hanzel. Mr. Hanzel directed Mr. Millard to accompany OneSource on weekly and monthly inspections as stated in the contract.

- Mr. Peters inquired whether Luke Brothers completed the repairs reported in the OneSource inspection report as well as the Ballenger report. Mr. Millard confirmed the repairs were made. Mr. Peters requested confirmation from OneSource that the irrigation system is operational. Mr. Millard will provide at the next meeting.
- Mr. Hanzel felt OneSource was doing a good job and had no complaints.
- Mr. Hanzel inquired whether there were 220 hookups in the kitchen. Mr. Millard confirmed there were no 220 hookups. Mr. Hanzel directed Mr. Millard to work with the Fire Department for installation of the stove.

#### **ELEVENTH ORDER OF BUSINESS                      Audience Comments**

- Mr. Norbert inquired about the status of the repair of the pillar in front of Churchill. Mr. Millard reported he was waiting for the monuments to be cleaned. Mr. Hanzel directed Mr. Millard to ask Mr. Valentine to repair the pillar.
- Mr. Lynn Barr requested a status report on the community calendar. Ms. Carlson reported there were articles in the Lexington Oaks Newsletter stating all requests were to be received by December 2<sup>nd</sup>. The new calendar will go into effect in January. Mr. Barr inquired when the Fine Committee was scheduled to meet. Ms. Carlson reported they are scheduled to meet the second Tuesday of the month from 7:00 P.M. to 8:30 P.M.
- Mr. Barr reported there is rusting on the Hawthorne monuments and requested whether this item was on the punchlist. Mr. Peters reported the Hawthorne monuments were not on the punchlist but at some point the monuments will be replaced.
- Mr. Scott Carlson with OneSource reported the annuals will be pulled next week and replaced in early December. The irrigation system has not been turned over. The final irrigation inspection will be completed with Mr. Millard this week and a signature will be required by the CDD representative stating everything was done to satisfaction. All deficiencies will be noted with Luke Brothers. Mr. Peters requested OneSource sign the inspection report as well. Mr. Hanzel authorized Mr. Peters to sign the irrigation inspection report.

- Mr. Harris reported the lights at the entrance shine into the bushes.
- Ms. Peters inquired about upcoming projects. Mr. Mendenhall suggested Mr. Valentine provide a report at the next meeting and future reports on a monthly basis.

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

- Mr. Peters reported on the following:
  - Requested the engineer and attorney attend the next meeting.
  - Will coordinate with Mr. Mendenhall on the financials.
  - In the budget, Landscape Maintenance should be changed from \$359,000 to \$320,000.
  - In the jet report, only the summary and schedules were included. He inquired about the contents of future jet reports. Mr. Mendenhall reported the Board will receive a full jet report including the summary page as well as supplemental information with schedules.
  - Requested the accountant attend a future workshop meeting.
- Ms. Carlson reported on the following:
  - Inquired when she will be sworn into office after running uncontested at the General Election. Mr. Mendenhall reported she can be sworn in after November 21<sup>st</sup>.
  - Reported Preakness and Hawthorne are supposed to pay a special assessment in the amount of \$26,000 for their gates but did not know if the assessment was paid. She requested Mr. Mendenhall determine how much each home is to be assessed, what formula is to be used and where the \$26,000 came from.
  - Mr. Mendenhall reported Rizzetta set up two separate accounts for Preakness and Hawthorne and budgeted \$26,000 to be collected to be set against expenses for fiscal year 2005. For the 2006 budget, Rizzetta accounted for the \$26,000 but did not assess for it.
  - Ms. Carlson confirmed the residents of Preakness and Hawthorne were under the assumption the special assessment has been collected and there is a reserve for roads. Mr. Mendenhall advised if it has not been collected, the Board has the authority to levy a direct bill to those residents.

- Ms. Carlson requested once the money is collected, a portion be put into a CD to accumulate interest. Mr. Mendenhall advised CDD's are limited by statute as to how much interest can be earned on public funds. The reserves can be put into a State Board account to earn between 3% and 4% interest.
- Mr. Mendenhall will prepare a report and provide to the Board.
- Mr. Peters reported \$170 per home times 158 homes (total number of homes in Preakness and Hawthorne) is to be collected. He confirmed three reserve accounts need to be created; one for Hawthorne, one for Preakness and one for the assets of the CDD.
- Ms. Carlson reported in prior years, Preakness paid \$180 per home and Hawthorne paid \$170 per home.
- Reported at the last meeting a Traffic Enforcement Agreement was provided to the Board allowing the Sheriff's Department access to Preakness & Hawthorne for civil violations. The engineer provided an estimate of \$2,800 to evaluate the proper signage. If the patrols do not occur, two villages will not receive the same service as the other villages.
- Mr. Peters reported he checked with the county and they own the roads but have not accepted them for maintenance. The county felt the sheriff should patrol in non-gated areas. Mr. Hanzel confirmed there is written documentation for Churchill for sheriff patrols but offered to check with the county.
- Expressed concern over a phone bill for two calls to Haiti. Mr. Mendenhall confirmed the accountant has no way of knowing whether or not the calls are valid.
- Felt the discussions regarding OneSource were combative. She suggested taking the 30 day termination if the situation becomes further combative.
- Mr. Peters feels everyone is working together with OneSource.
- Mr. Hanzel felt the Board needed to avoid any personal interactions regarding OneSource and to deal with them in a businesslike manner.

## **TWELFTH ORDER OF BUSINESS**

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

- Mr. Hanzel requested Mr. Millard supervise the phone usage and inventory of equipment on a weekly basis:

- Ms. Carlson suggested Mr. Millard institute a system where no one can make long distance calls.

On MOTION by Ms. Carlson seconded by Mr. Peters with all in favor the financial statements, check registers and invoices in the amount of \$74,019.22 for the period ending October 31, 2006 were approved.

**THIRTEENTH ORDER OF BUSINESS      Adjournment**

- Ms. Carlson reported a workshop meeting is scheduled for December 5, 2006 at 9:00 A.M. Representatives of the golf course and the security company will attend. Mr. Hanzel suggested Pasco Utilities attend in regards to reclaimed water accounts the District is not responsible for.

There being no further business,

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

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Andy Mendenhall  
Assistant Secretary

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Peter Hanzel  
Chairman

**NOTES for 11/16/06 Lexington Oaks Meeting**

**Andy Mendenhall**

- Contact Air Care for further clarification on what they do for \$82 per hour plus an additional \$70 per hour as stated in their contract.
- Contact OLM to clarify who they subcontract with, whether they will be familiar with the District before OneSource takes over, how long they will be in the community and when their official start date is. Once OLM responds, email the Board.
- Have the District Manager and Engineer attend the next meeting.

**Accountant**

- The September bill for OneSource for \$20,735, September bill for ST for \$5,607, bill for Florida Nurseries for \$5,200 and legal expenses billed in September for \$1,009.53 should be added to the end of the year report for September 30<sup>th</sup>.
- The \$47,127 early payment discount is not an expense and should not be shown as an expense.
- Once the landscape maintenance money of \$21,119 is reimbursed it should be transferred to the General Fund.

**Shawn Millard**

- Accompany OneSource on weekly and monthly inspections.
- Provide confirmation to the Board at the next meeting regarding whether or not OneSource feels the irrigation system is operational.
- Ask Mr. Bob Valentine to repair the pillar in front of Churchill.

**Agenda Items for November Meeting**

- Consideration of Resolution 2007-2 Amending the General Fund Budget for FY 2006