

**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, December 27, 2007 at 8:30 a.m. at the Lexington Oaks Clubhouse, 26304 Lexington Oaks Boulevard, Wesley Chapel, Florida.

Present and constituting a quorum were:

Don Peters	Chairman
Terry Bechtel	Vice Chairman
Peter Hanzel	Assistant Secretary
Raymond Dolente	Assistant Secretary
Fritz Nystrom	Assistant Secretary

Also present were:

Andy Mendenhall	Manager - Severn Trent Services
Tracy Robin	District Counsel
Bob Valentine	Engineer
John Adams	Site Manager
Michael Pienkowski	Maintenance Staff
Chuck Bellissimo	HPI

The following is a summary of the minutes and actions taken at the December 27, 2007 Lexington Oaks Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Peters 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 November 15, 2007 Meeting

Mr. Peters stated each Board member received a copy of the minutes of the November 15, 2007 meeting and requested any additions, corrections or deletions.

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

On MOTION by Mr. Bechtel seconded by Mr. Nystrom with all in favor the minutes of the November 15, 2007 meeting were approved as amended.

FOURTH ORDER OF BUSINESS Fitness Center Update by Garcia Seufert

- Mr. Seufert was not present at the meeting.

SEVENTH ORDER OF BUSINESS Engineer's Report

Mr. Valentine addressed the following:

A. Entrance Pavers

- The cost to replace the entrance pavers will be approximately \$75,000.
- The sub-base and base will be redone.
- This amount includes the replacement of four headers.
- Part of the cost will be for the maintenance tract network. You will have to close either the in or the out while they are working on it and reroute traffic while the signals are out.
- The cost of using concrete for the base is not included in the \$75,000. This would probably be an additional \$25,000.
- Staff will review if bond funds can be used for this project.

The record will reflect Mr. Robin joined the meeting.

- The agreement was when the road was completed, Pulte would replace the pavers and the CDD would own it.
- Mr. Hanzel has not received a response from Pulte.
- It was questioned whether they would do as good a job replacing the pavers as the CDD.
- If we use bond funds it can be done correctly, if it is determined we cannot, the alternative is not to do the brick pavement.
- Whoever performs the work must meet county code.
- District Counsel advised that Pulte is probably not legally responsible for repairing the pavers.

The Board and staff continued to discuss the use of different materials for the pavers, the use of bond funds and whether the CDD or Pulte would perform the work with the outcome being Mr. Valentine will determine whether bond funds can be used, if not he will get a quote using asphalt if it is to be paid out of O& M funds and also provide information on the timing of the work.

B. Preakness/Hawthorne Law Enforcement

- The county inspected the signs on November 13th and we received a letter from them on December 18th with the results. They inspected all the licenses and everything is fine.
- In Silver Turn Terrace there are tree limbs blocking the sign which need to be trimmed and one of the newly installed signs is missing and will need to be replaced.
- This sign was previously replaced and there is concern it will disappear again and not be there when the county inspects the site.

On MOTION by Mr. Peters seconded by Mr. Hanzel with all in favor Mr. Valentine was authorized to replace the missing sign.

C. Capital Projects Review

- An updated Capital Improvement Project report is attached for the record.

The record will reflect Mr. Bellissimo joined the meeting.

FIFTH ORDER OF BUSINESS

**Security System Report by Chuck Bellissimo
of HPI**

Mr. Bellissimo addressed the following:

- The permit process is moving slowly; there are no real roadblocks to relate.
- The towers and poles will not be ordered until approval is received from Pasco County because they can make changes.
- Delivery on the poles is seven to eight weeks after the order is placed.
- He is assimilating the information for the permitting and is still working with the engineering firms.
- The camera system in the Community Center does not require permitting.

- The equipment for the camera system has been received and installation will begin in January.
- The pole and tower permitting process with the county is expected to take 90-120 days and thereafter a 90 day timeframe is the goal to hit ground level.
- Permit applications for the poles and towers will probably be submitted separately. This must also go through the zoning process.
- The card system is in two parts, the Community Center and the tennis courts. The Community Center is on the main controller. The command center will be built first, then the recording equipment and computers installed and the cameras placed on the building. The card system will be the last issue we address.
- There will be 12 to 13 poles installed depending on Pasco County requirements.
- It was requested Mr. Bellissimo provide a sample security card to the Board for review.
- The security contract was let in September and concern was voiced on the lack of progress moving forward.

The Board and staff continued to discuss the security system, the process and progress of permitting and the card system with the outcome being Mr. Bellissimo and Mr. Mendenhall will create a project list for the security system including milestones, etc. to be presented at the January 24, 2008 meeting.

The record will reflect Mr. Bellissimo left the meeting.

SIXTH ORDER OF BUSINESS

Attorney's Report

Mr. Robin addressed the following:

- He is continuing communications with residents regarding the street light district so they can get an understanding of the complexities of their request because it is not as simple as it sounds.
- Mr. Peters was of the opinion Pulte dropped the ball when they petitioned for 560 homes to be on the street light district and forgot about the other 900 homes.

- There were some people who lived in the area longer than five years, who in effect paid double because there was overlap in the areas the District was assessing for and the street light district was additionally assessing.
- It is a complex scenario to figure out who is entitled to a refund based on how long they lived in the community.
- Once the Board was on notice that this problem existed, they did take immediate action to remedy it. Residents presently are not receiving an extra bill.
- The CDD electric bill was previously \$90,000. The street light district's 560 residents plus the boulevard street lights which were also being charged to them were added to the CDD, increasing our bill to \$130,000.
- Mr. Hanzel was of the opinion it is not the CDD's responsibility to refund dollars back to residents. It is the responsibility of the county because they collected a fee.

The Board and staff continued to discuss the street light issue with the outcome being Mr. Robin will draft a response to residents who question this for review by the Chairman.

- Mr. Peters requested this response include "the CDD never considered reimbursement and that it was a Pulte issue and oversight".
- It is not necessary to publicize the response because there are only about a dozen residents who complained.
- Concern was again voiced regarding the security system and the towers.
- District Counsel hopes the District will not end up cross ways with HPI but if they do because the project was misjudged or misbid, a written record of a timetable will demonstrate the performance or lack of performance in the contract.
- Mr. Mendenhall will monitor the work progress and update the timetable Mr. Bellissimo was requested to present at the January meeting.
- Mr. Mendenhall will contact Mr. Bellissimo requesting he submit the timetable to the Board for the January 10th workshop which he does not have to attend. He should plan on attending the January 24th Board meeting.
- Mr. Mendenhall will review the HPI contract to clarify the requirements.

Discussion of O&M Assessment Methodology

- A resident previously questioned the assessment of lot size and at the last meeting Mr. Browne provided a copy of the 1998 Bond Assessment Methodology.
- Mr. Peters questioned if that is the same methodology adopted for the O&M budget.
- Mr. Robin noted it usually is. It would be very unusual to have a different methodology.
- Mr. Mendenhall noted usually the assessment methodology speaks to not only the debt portion but the operation and maintenance which is to be levied across the community.
- Mr. Browne is following up on arranging for one of our assessment staff to attend in person or via telephone one of our meetings or workshops to speak about the assessments, how they were set up and to answer any questions.
- Mr. Robin noted there are a variety of assessment alternatives. Some fit one type of development better than others. The assessment methodology is one of the first decisions the developer board makes because it has to be made before bonds can be run and construction started.
- The developer hires a financial adviser who performs an analysis of the development and makes recommendations which are adopted and become the permanent methodology for both the permanent long term assessments and the O&M assessments.
- It is possible to change assessment methodology for O&M. There is no perfect assessment methodology and if you look at the two or three used for this type of community there are pros and cons to each.
- If there was a mistake in the assessment methodology, certainly you would want to have it corrected. There is no indication there is a mistake in the assessment methodology of this District.
- Mr. Peters does not want to change the assessment methodology; he wants to be able to explain it.

The Board and staff continued to discuss the assessment methodology with the outcome being District Counsel suggested giving the person questioning it a copy of the assessment report relating to their lot.

- It was noted this information was given to the resident who questioned it at the last meeting.
- Mr. Hanzel suggested a workshop be scheduled to inform residents they can pay off their debt and save the interest rate. There is a tax advantage involved.
- District Counsel advised they should be referred to their financial advisor for determination whether or not they can or should be writing off that part of their tax bill for tax purposes, rather than telling them they can do this.
- This can be placed on the next meeting agenda and those residents with questions can contact Mr. Mendenhall's office for specific information relating to their property and pay off information.

EIGHTH ORDER OF BUSINESS Discussion Items

- A. Security System Administration**
- A decision must be made on who will make the cards, will the card include a photograph and who will receive a card.
 - Mr. Robin was asked if it was necessary for the CDD to seek competitive bids regarding the Fitness Center equipment which will cost \$85,000 to \$100,000.
 - Mr. Robin noted in that price range it is not required.

The record will reflect Mr. Robin left the meeting.

- Mr. Mendenhall noted issuing cards to everyone is a way to back track in the event something happens. You have to way out the costs and you may find down the road you want to include other areas in the community as gated access.
- Additional information and discussion is needed prior to a decision.
- It was suggested the required form be printed in the newsletter so residents are prepared when they come for their card.

The Board and staff continued to discuss the security card process with the outcome being it will be discussed at the January 10th workshop. Mr. Mendenhall will review the District's specific card system and present an outline of security card procedures utilized by Meadow Point II and Rivercrest.

B. Reclaimed Water Billing

- The spreadsheet distributed at the December 13, 2007 workshop is attached for the record.

C. Staff Salary/Wages

The following was noted:

- Patricia Ehrhardt - \$9/hour - date of hire, April 4, 2003
- Eleanore Code - \$9/hour – date of hire, October 7, 2003
- Michael Pienkowski - \$10/hour – date of hire, October 23, 2007
- John Adams - \$40,500/year – date of hire, July 2, 2007

The record will reflect Mr. Valentine left the meeting.

- Mr. Peters noted Mr. Pienkowski recently started and is being paid adequately. Mr. Adams has done a much better job than anticipated and deserves an increase.

The record will reflect Mr. Adams and Mr. Pienkowski left the meeting.

- Mr. Mendenhall noted he has received numerous calls and emails from residents with positive feedback relating to performance of staff, particularly Mr. Adams.

The Board and staff continued to discuss the performance and salary of personnel with the outcome being an annual performance review date for employees should be established to coincide with the preparation of the budget, a \$1,000 bonus before taxes will be given to Mr. Adams in recognition of his performance to date and Mr. Adams will submit salary/bonus recommendations for staff.

TENTH ORDER OF BUSINESS

**Staff Report – Site/Clubhouse Manager –
Pond Aeration Electrical Costs**

- Mr. Hanzel moved this item be deleted from the capital project list.
- Mr. Adams suggested the treatment contract be altered to delete the “as needed” phrase.

On MOTION by Mr. Hanzel seconded by Mr. Dolente with all in favor deleting the pond aeration item from the capital project list was approved.

ELEVENTH ORDER OF BUSINESS

Supervisor Requests

- Mr. Bechtel discussed the Gym Source proposal for the Fitness Center equipment in the amount of \$83,041.63, a copy of which is attached for the record.
- There will be a presentation by Gym Source at the January 10, 2008 workshop.
- Mr. Mendenhall will validate the Verizon telephone bills and Pasco water bills.
- The telephone bills should be coded to Hawthorne and Preakness.
- Mr. Hanzel noted that the repairing of the pavers in Churchill is a one time event and the CDD will not be responsible for future repair of the pavers.

TWELFTH ORDER OF BUSINESS

Audience Comments

There not being any, the next item followed.

THIRTEENTH ORDER OF BUSINESS

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

The following was discussed regarding the financials:

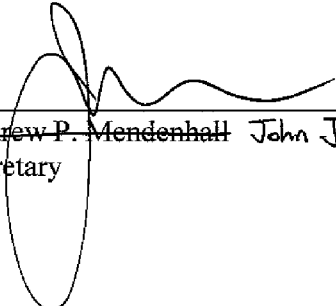
- It was questioned why the expenses for Hawthorne and Preakness are shown in two places on the financials.
- Mr. Mendenhall noted it is shown with additional information as a support document.
- Mr. Mendenhall will check on the Pasco stormwater assessment and whether government buildings are also required to pay this.
- Mr. Mendenhall will have an expense code added to the statement of revenue and expenses.

- It was questioned if the two invoices on page 122 and 123 are separate and if so is there duplication of work performed. Remington is included in both of these invoices.
- This was when Remington was not included in the final bid. There were some areas where they had to install the sod further.


On MOTION by Mr. Nystrom seconded by Mr. Bechtel with all in favor the financial statements, check registers and invoices for the period ending November 30, 2007 were approved.

FOURTEENTH ORDER OF BUSINESS Adjournment
There not being any further business,

On MOTION by Mr. Nystrom seconded by Mr. Dolente with all in favor the meeting was adjourned.



~~Andrew P. Mendenhall~~ John J Browne
Secretary



Don Peters
Chairman