

MINUTES OF MEETING
NARCOSSEE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Narcoossee Community Development District was held Tuesday, May 27, 2008 at 3:00 p.m. at the Offices of Governmental Management Services, 201 East Pine Street, Suite 950, Orlando, Florida.

Present and constituting a quorum were:

Allan Goldberg	Chairman
Eric Wills	Assistant Secretary
Michael Amsterdam	Assistant Secretary
Jeffrey Smyk	Assistant Secretary

Also present were:

George Flint	District Manager
Roy Van Wyk	District Attorney
Rey Malave	District Engineer
Ariel Lovera	GMS
Alan Scheerer	Field Operations
Jason Showe	Assistant District Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the April 15, 2008 Meeting

Mr. Flint stated the next item is approval of your last meeting held April 15, 2008. They were provided to you in your agenda packet. Are there any additions, deletions or corrections to the minutes?

There not being any,

On MOTION by Mr. Goldberg seconded by Mr. Wills with all in favor the minutes of the April 15, 2008 meeting were approved as presented.

THIRD ORDER OF BUSINESS

**Consideration of Resolution 2008-03
Approving the District's Proposed budget
and Setting a Public Hearing**

Mr. Flint stated the next item is consideration of Resolution 2008-03 approving the proposed budget for Fiscal Year 2009 and setting a date, time and place for a public hearing for final adoption. The proposed budget is attached to your agenda packet. We did hand it out at your April 15th meeting and I think there has only been one change.

Mr. Lovera stated on the Nona Preserve line item for the proposed budget for Fiscal Year 2009 shows zero and it should be \$3,600 based on the contract for lake maintenance.

Mr. Goldberg asked are we allowed to make changes before the final?

Mr. Flint responded yes. The only issue between now and the final adoption is if it is going to impact the assessment amount.

Mr. Goldberg stated increase.

Mr. Flint responded yes. If you want to move it around or reduce it you are okay. We are going to have to do a mailed notice.

Mr. Lovera stated we will have to do a mailed notice for LaVina for it to increase \$44 based on the actual budget that we have. Nona Preserve and G and H will remain the same.

Mr. Flint stated if you will turn to page 6 in what I handed out you will see the current O&M assessments and the proposed.

Mr. Smyk stated I was running numbers and things just don't exactly add up. Like Nona Crest I'm a resident and know what I pay and what I have been paying and it is actually more than what I have been told as an allocation where it is basically a third of the administrative and then the operating and maintenance budget. When you arrive at those figures for Nona Crest it is not too much of a difference but what I came up with was about a \$19 discrepancy. I took 34% so I erred on the high side and 34% for 2008 for administrative was \$37,912 and when you add in the operating and maintenance it ended up coming up to approximately \$94,884 and then we are assessed \$100,163 so there is a \$5,279 discrepancy there with 269 units would be about \$19 more.

Mr. Amsterdam joined the meeting at this time.

Mr. Smyk stated when you look at LaVina with their administration I decided to take 33% and it came out to \$36,798 and in 2008 the budget that was approved for operating and maintenance was \$136,874, for a total of \$173,000 but their assessment for maintenance was

\$89,159 which is an \$84,000 discrepancy. I have gone back year to year from 2003 and looked at the numbers that is when I moved into the neighborhood and I know what was there and what wasn't and basically Nona Crest has been paying not what I have been told in the past of an allocation of we break out the maintenance and landscape and pond and electricity and utilities and all of that for each community. Originally, we were the only community so it didn't matter but as things were developed I can see where we have been assessed more.

Mr. Goldberg asked may I suggest since I don't think they are going to be able to answer your questions at this meeting, would you mind getting together with Ariel after the meeting?

Mr. Flint stated we have a detailed spreadsheet that shows how we are allocating the costs.

Mr. Smyk stated I can sit with someone else but it seems we were going to be voting on a budget.

Mr. Flint stated this is to approve the budget and you are going to set the hearing for final adoption. This is really for purposes of being able to transmit it to the City of Orlando and Orange County. There will be a public hearing for the final adoption so there is an opportunity if you have concerns to address those but I think a lot of it goes to the fact that in prior years there has been subsidization with the carry forward of some of the areas and what we have tried to do and this year we have a \$44 increase in LaVina we are trying to get LaVina where it needs to be to cover that 1/3 administrative coverage, maintenance. There has been in prior years some utilization of the fund balance or the operating reserve that has probably covered some of their expenses. What we are trying to do is get them where they need to be now and there is going to be a mailed notice.

Mr. Smyk stated I do understand but when we are speaking fairness over the course of two or three years and we are still budgeting where we are in excess for Nona Crest and a deficit for someone else, why are we not saying now LaVina two years and more of being subsidized you are now paying your rightful share when Nona Crest is paying more?

Mr. Lovera stated Nona Crest that \$5,000 difference you found when you look at the budget you have to gross it up 6% of that amount and divide it by the number of units. I can give you a little more detail but this is a broad answer to that specific \$5,000 difference you saw on Nona Crest. LaVina has been subsidized in prior years so their assessment is being reduced by using that carry forward. This year any carry forward that belonged to LaVina has been applied

to their assessment. If you look on page 3 that is the only subdivision that doesn't show a reserve for next year because all the reserve they have allocated to that area has been used for next year to reduce their assessment.

Mr. Smyk stated the overall assessment is still greater than the budget.

Mr. Flint stated they are going to have to go up again next year.

Mr. Smyk stated what I'm saying is we have a carry forward I didn't go back to 2003 that shows how we have been assessing and carrying forward dollars year to year. Two years ago we approved a budget with \$137,000 in operating reserves which was 60% of our annual maintenance budget which was grossly over, three months wouldn't be 60%, it would be 25%. We keep magically carrying over dollars and we are now going to have LaVina still at a deficit not having any reserves but other communities possibly paying more at this juncture. Say it was an oversight now I'm bringing it up and it shouldn't be an oversight for the future. If LaVina has this amount of a budget they need to be assessed.

Mr. Goldberg asked you are saying even with the increase they are not being assessed where they should be?

Mr. Flint stated the \$44 increase includes an offset for their projected carry forward from this year. As you can see there is no operating reserve for LaVina and what will happen next year is it will have to go up again because there won't really be any carry forward to offset so it is going to have to go up again. There may be a slight carry forward but we are going to have to start funding the operating reserve for LaVina. We were trying to ratchet that up to where it needed to be. It is not being subsidized from any other area now because the carry forward is the only thing that is keeping it lower than what it needs to be for 100% and next year it is going to have to go up a little more to get to where it needs to be. In the past it probably hasn't been assessed where it needed to be but you had Parcels G, H & K which have been assessed which there hasn't been services for and again, you will see in Parcels G & H there is a \$47,000 reserve for that. We are starting to set the money aside by area. That carry forward before was mingled together and we would rebudget the next year without tracking it separately since the beginning it is very hard to go back and try to recalculate everything to figure out where it was coming from. What we decided on a going forward basis is that we would break it out and carry a separate reserve for each area and that is why G & H has a reserve because we assessed them a

certain amount this year and they haven't come online as we anticipated so they have a reserve plus the assessments.

Mr. Goldberg stated one of the questions I have is why are we even doing an assessment this year.

Mr. Flint responded that assessment could go down.

Mr. Goldberg stated it technically should be zero because they effectively have two years of reserves built up.

Mr. Flint stated that is an option that Board would have.

Mr. Smyk stated I went back and Ariel stated in the August 21st meeting that excess budget had been allocated for Parcel K and that would be put aside in the State Board account which then could be used for future maintenance assessments just what Mr. Goldberg is saying that there was a \$75,000 difference. I have gone back even further and saw \$63,000 for that parcel which was put in a budget. There has been a mass amount of money but nothing has really been spent so it seems like again that money has gone to subsidize one community over another community. If we did truly set aside a specific account for that money then you should be able to show me an account that says this and their maintenance would be nil.

Mr. Flint stated their maintenance could be nil.

Mr. Smyk stated but we are still proposing \$31,000 and this will be the first year that there will actually be anything other than a field management fee, this is the first of any type of actual maintenance for 2009. At this point it is not even under the auspices of the District as far as I'm aware.

Mr. Flint stated if you look under Parcels G & H on the maintenance side we are projecting zero.

Mr. Smyk stated back when we were having the overage it was actually G, H & K. G & H we don't really know what is going on at this moment. K is where we are fully aware and that is where when I talked about this for Parcel K they said there was maybe not \$75,000 because we were lumping in G & H is a little questionable in the sense that G, H & K were vacant fields at the time when we were proposing budgets to maintain and all of that. There should be allocated moneys set aside that now could be used specifically for that community. We are proposing just for K alone \$31,000 for 2009. I know I can go back and look in 2006 G, H & K was \$80,000. In 2007 I think it was \$63,000. Then it went from a \$414 maintenance assessment

down to \$83 and we threw some maintenance back in for ponds or something of that nature and it went up to \$167 for their maintenance. One year \$63,000 there should be a load of money set aside. If not, then it is going to one of these other communities.

Mr. Goldberg stated it was subsidizing LaVina and Nona Crest.

Mr. Smyk stated it wasn't subsidizing Nona Crest, Nona Crest from as far back as I can look has always paid their fair share and a little more. I just don't understand why LaVina and the different communities that make that neighborhood up now that it is all brought to light why that isn't going to be the actual assessment to cover this budget that we are about to propose is going to be X amount of dollars. Why would we think that we would say okay we will cover part of it and then we will take a little bit here and a little bit there like we have done in the past. Someone needs to sway my thinking on that.

Mr. Flint stated our plan was to ratchet it up over a two year period, recognize the fact that in the current year they had an adopted maintenance budget of \$136,000 we are projecting to spend \$98,000 so even though their assessment wasn't generating that amount there was a carry forward balance there that we were applying to next year that would help offset the amount of the increase in the first year. With that it is an increase of \$44 without it it would be greater than that. In the following year it is going to need to go up again.

Mr. Goldberg asked are we fully covering LaVina this year?

Mr. Flint responded we are fully covering it recognizing there is no reserve.

Mr. Goldberg asked legally can we go back and change previous years allocations and assessments, not assessments because they are already gone.

Mr. Flint stated this is the only District that we have that even makes an attempt at trying to break it out by neighborhood. Usually what happens and it is the nature of how this District was set up, Nona Crest and LaVina are somewhat separated. They don't have a common entrance and that sort of thing but usually you have one O&M budget District-wide and you allocated your assessments based on the Assessment Methodology and in an effort to make it equitable we have made it more difficult for ourselves in trying to track it. I said this last year too I think you trade off equity with administrative complexity or simplicity. The more equitable you try to be the more complex it is to try to administer it. When we took over at the end of 2005 I don't think we want to go back and try to rehash what has happened since 2002 what we are trying to do is move from this point forward. It is the same thing I said last year was trying

to move from this point forward and each year we try to get better about how we are doing it and this year we are proposing an actual individual line item for each area recognizing what that reserve and carry forward is. We do a separate carry forward calculation now for each area where before it was all lumped into one carry forward amount and reallocated the next year. The byproduct of doing that was some areas may have been subsidizing other areas.

Mr. Goldberg stated your question is really based on previous years allocations.

Mr. Smyk stated I am just kind of stating facts that I have come upon by looking at the numbers. \$19 is not that big of a deal for Nona Crest but when you are talking \$180 in difference going back to 2006 that is not that long ago, we are not talking about previous management companies or anything like that. That is an awful lot.

Mr. Goldberg stated we were using a different basis of allocation at that point in time, whether it was right or wrong it was what it was. What we try to do is refine it as we are going along and make these individual reserve accounts which we started this year.

Mr. Van Wyk stated as far as previous assessments go that door has already been closed because assessments are levied and there is an appeal time you can have by law and if you don't appeal it within a certain time that door is closed you can't go back there. His point is this year he is saying this year with this budget of \$99,000 are we going to be able to finance that with the assessments on those lots within LaVina.

Mr. Lovera stated yes and the reason is it lowered a little bit is because we used what we considered to be LaVina only carry forward which is the difference between the \$161,000 budgeted and the \$98,000 we are projecting to spend.

Mr. Van Wyk asked what did you actually collect from LaVina with respect to that \$136

Mr. Smyk responded \$89,000.

Mr. Goldberg stated let's try to bring it up to this budget. We can't do anything with history.

Mr. Smyk stated Nona Crest and Nona Preserve what they subsidized in 2007 and 2008 that subsidy from those communities is what Ariel is now wanting to use as a carry forward for 2009 to make things equitable and that is not right.

Mr. Goldberg stated because they never had a carry forward.

Mr. Smyk stated they never did. They collected \$90,000 and last year had \$136,000 which was proposed but in actuality \$100,000 is what is being used. The actual is \$10,000 over

from what they were assessed and what they spent they are still \$10,000. Why are we not making sure this year that nothing like that will happen again? If it was an oversight we are now aware.

Mr. Goldberg asked what would their increase have to be to get them where they should be?

Mr. Smyk asked and what about consideration to the other communities for the years that they have been subsidizing?

Mr. Van Wyk stated you really can't go back there.

Mr. Smyk stated I'm just talking.

Mr. Goldberg stated it is really G, H & K that were doing the subsidizing for the most part.

Mr. Smyk stated no, G, H & K is a non existent expense.

Mr. Goldberg stated they were the entity that was making up the biggest portion of the carry forward because we were allocating budget but not spending any dollars.

Mr. Smyk stated I understand what you are saying, they were the ones providing the subsidy as well as Nona Crest.

Mr. Goldberg stated we should bring them up to their full amount.

Mr. Van Wyk stated they were assessed \$89,000 last year and now you are proposing a budget of \$99,000 so it a \$10,000 increase based on the number of units with 6% gross up, that is basically what we are looking at.

Mr. Lovera stated we look at the total budget, gross it up 6%.

Mr. Smyk stated technically they are \$10,000 in the hole if they were assessed \$90,000.

Mr. Van Wyk stated they are projected to be \$10,000 in the hole now.

Mr. Smyk asked correct so why would they not be assessed \$110,000 for this year?

Mr. Goldberg stated we can't over assess to try to correct a previous year. We can only make sure this year they are paying their full boat.

Mr. Van Wyk stated I know what you are saying now that is shown this way it is very clear where the amounts that perhaps should have been used in years past but I have to remind the Board that you made findings of benefit and apportionment and those findings have to stay you can't change those. You can't go back retroactively and adjust that. You can adjust it from now forward but not backwards. I think we should adjust it to properly assess LaVina.

Mr. Smyk asked for Nona Preserve or Parcel K what about any moneys? When we did bring it up for discussion over a year ago or almost a year ago about the budget for Nona Preserve and it was stated that there would be a separate account. In actuality that never happened it just got all lumped in together to subsidize one of the communities. Some of the questions I have asked in the past, I brought it up many times about fiscal responsibility on the budgets but yet it seems like I'm the only one that has really looked hard into this and now I'm met with we kind of made a mistake before but now we will make good.

Mr. Goldberg stated it wasn't a mistake it was just the way we were allocating previously the carry forward. It was a different methodology.

Mr. Smyk stated that is the part that I don't understand. How can one community be allocated a certain ratio of administrative and operating and maintenance and then another community not be assessed with that same ratio? The numbers go back, it has not been happening.

Mr. Goldberg asked are you saying the 1/3, 1/3, 1/3 wasn't happening that way?

Mr. Smyk responded no.

Mr. Goldberg stated because of the carry forwards.

Mr. Smyk stated one community couldn't put any money into the bucket of carry forward because they were in deficit. Two other communities could put in. I was in the meeting you explained we are breaking out expense items to show the operating and maintenance for each individual community so we have gotten budgets we have a list. That budget as well as the administrative which I was told would have been an even third split between the three major groupings that is what was assessed that formula was assessed on Nona Crest. That formula I believe was assessed on G, H & K. That formula was not assessed on LaVina, A, B, C, and D or whichever because there is no way that could happen when we had in 2008 there was an \$84,000 discrepancy in what the budget proposed and what the assessment was.

Mr. Goldberg stated what you are saying is that we subsidized LaVina by \$89,000 from the carry forward amount.

Mr. Smyk stated what I'm trying to say is the assessment formula that I was told did not apply equally to the different communities. At least I know for a fact that 2008 and now I'm speaking of 2009. I have gone back accordingly but he said we don't need to go that far back but that is the part that I'm trying to get across that we knew. Just like $2 + 2 = 4$. We knew we had a

budget proposed of this amount but yet we were only going to assess for that maintenance this amount which clearly was a deficit. If it was fair it would have been Nona Crest one time, G, H & K another time but that is not the way it has been.

Mr. Van Wyk asked if you were to go back and do the current year's budget and the current year's assessments would it then be safe to say that the apportionment of the carry forward operating reserves needs to be remixed? It says carry forward zero for LaVina but it really should be a negative \$10,000.

Mr. Flint stated the other ones would increase.

Mr. Van Wyk stated I assume the \$97,000 first quarter operating was just taken flat out of the budget.

Mr. Flint stated that is correct.

Mr. Van Wyk stated that is where your apportionment mix is getting stopped.

Mr. Smyk stated but we were actually appropriating a budget line item of this operating expense that there was no reason to because we had this huge carry over year to year that never would get touched. But to make things add up we were putting that as an expense to go against a revenue.

Mr. Van Wyk asked what is the best way to address that currently or is that a way to address that?

Mr. Flint responded the assessment has to go up to \$549.57 which would be an increase of \$220 per unit.

Mr. Goldberg stated that would also give extra moneys back to the operating revenues of the other entities.

Mr. Flint stated those other reserves would be reallocated. That carry forward of \$40,000 would increase the other areas.

Mr. Lovera stated the communities can decide to reduce their assessments or put it aside for reserve.

Mr. Flint stated that is the other option the Board has.

Mr. Smyk stated I am not out for blood.

Mr. Goldberg stated I understand exactly what you are saying. But the best we can do is make it straight this year.

Mr. Smyk stated I am for easing things in like George has talked about.

Mr. Goldberg stated I'm not for easing things in if we have been subsidizing their property. They need to pay their portion whatever it is.

Mr. Smyk stated after looking at everything I did not want to just go and put my stamp on another year of the way things are allocated not being fairly which is what I believe what was determined in the very beginning when things were formed.

Mr. Flint stated if the Board wanted to levy the full amount this year we could do that and you can leave the other assessments at their current rate and at the final hearing you could make a decision as to whether you wanted to lower those as a result of the reserve balances in each area. You could adjust them downward at the final hearing. The TRIM notice will go out at the current rate but the final tax bill may reflect lower.

Mr. Goldberg stated we just have to get the LaVina letters out with the correct number on them.

Mr. Smyk asked is that the August meeting?

Mr. Flint responded yes.

Mr. Van Wyk stated you may want to get a bigger room.

Mr. Goldberg stated they are going to find out that they have been subsidized the last couple of years too.

Mr. Van Wyk asked is the assessment comparative to the other neighborhoods? Assuming there was no operating reserve if it was a straight assessment are we talking pretty much the same?

Mr. Flint responded it is higher because there are a smaller number of units. There are larger costs and there are 270 units.

Mr. Lovera stated the cost of maintaining that area is a lot higher than the other areas and they have fewer homes.

Mr. Van Wyk stated we are using a 1/3, 1/3, 1/3. Why did we choose that?

Mr. Goldberg stated that was the decision at the beginning.

Mr. Van Wyk stated before we had any units all built, but now that we have units built there why are we still following the 1/3, 1/3, 1/3? It should be a lower operation cost not a maintenance cost because maintenance costs are what they are but the operations cost should be based on the number of units within that neighborhood. You are talking about somebody is

paying to run their construction contracts or maintenance contracts and for auditing services. Auditing services are the same no matter how big your unit is or where it is located.

Mr. Smyk stated the Nona Crest, LaVina breakdown one is 269 and one is 271 there are only two residences different so the 1/3, 1/3, 1/3 pretty much makes sense. Basically the shortfall comes with Nona Preserve and the commercial property but with 228 units I can see where a 1/3, 1/3 would work.

Mr. Goldberg asked what is the basis for allocating the commercial if you were determining a new methodology?

Mr. Flint responded we would use the same basis that was developed in the debt service Assessment Methodology.

Mr. Van Wyk stated assuming that it is applicable. You have to look at it. Sometimes it works and sometimes it doesn't work.

Mr. Flint stated it may not be applicable it may be better do it on a per capita, we will have to look at it.

Mr. Goldberg asked wasn't the original methodology based on ERUs?

Mr. Flint responded yes. We haven't really tweaked that allocation the last two years. We incorporated the practice that was in place on the O&M side. I will be more than happy to look at it and if there is a better basis for allocating the administrative we can do that.

Mr. Goldberg stated that is something we can do between now and August.

Mr. Flint stated yes. I don't think it is going to have an upward impact on any of the assessments. If it does have an upward impact we maybe ought to lessen that by any reserve that has built up because Nona Crest, LaVina and Nona Preserve all have similar numbers of units then you have the commercial property which has some multi-family in it and G & H and those administrative expenses apply to everyone whether it is developed or not because it is a cost of the District being in place. It is possible that Nona Crest and LaVina could go down a little bit based on the 1/3, 1/3.

Mr. Goldberg stated so what we are going to do is fully assess LaVina and get that notice out to them then we are going to take a look at a new methodology for allocating the O&M. Should we talk about that before we have our final hearing?

Mr. Flint responded yes.

Mr. Goldberg stated we will have to have a July meeting.

Mr. Scheerer stated there was a meeting scheduled for June 24th.

Mr. Van Wyk stated maybe we should keep that one.

Mr. Smyk stated I probably won't be able to make that one.

Mr. Flint stated you need to be there and we want to make sure you are at the public hearing too.

Mr. Goldberg stated so let's meet on the 24th. Will you have a proposal for the new methodology?

Mr. Flint responded yes.

Mr. Van Wyk asked can you get that out in advance of the meeting so everybody can have input and anybody who can't be here in person can join by phone but we will need a quorum.

Mr. Flint stated we can provide it to Jeff and if you have comments and can't be at the meeting you can provide them prior to the meeting or in writing if you want.

Mr. Goldberg stated that is the best we can do right now. All valid comments. I had no idea we were subsidizing one entity more than another.

Mr. Smyk stated to be honest I didn't either. I kept looking in one direction and things were just a little bit off and then I figured why not do some stuff with some of the other.

Mr. Goldberg stated good job. Now we need a motion to approve the resolution.

Mr. Flint asked do we want the proposed to reflect the increase in LaVina?

Mr. Van Wyk responded I think it should be adjusted to reflect that.

Mr. Goldberg stated I agree.

Mr. Flint stated the motion will include the increase to the LaVina assessment.

On MOTION by Mr. Goldberg seconded by Mr. Smyk with all in favor Resolution 2008-03 approving the budget as amended and setting the public hearing was approved.
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Mr. Goldberg stated we can talk in June about reducing the other budgets for Parcels G & H.

Mr. Flint responded we can do that. We left it in there with the understanding that the board may want to reduce that.

Mr. Goldberg stated I wouldn't suggest it for the other two but for G & H.

Mr. Flint stated we have a carry forward there that is almost ridiculous.

Mr. Smyk asked the lake maintenance that is in G & H where exactly is the lake? I have heard the south end?

Mr. Scheerer responded if you go into LaVina on Dowden Road it is at the furthest back portion of that parcel on G. It is between Mirabella and the commercial piece. There is a large tract.

Mr. Smyk asked is there a lake?

Mr. Scheerer responded there is a stormwater retention pond. They just did the tie in two or three weeks ago into Pond A.

FOURTH ORDER OF BUSINESS

Appointment of Audit Committee and Chairperson

Mr. Flint stated next is the appointment of an Audit Committee and Chairperson. The District has an agreement with Keefe McCullough. This is for the current Fiscal Year so we are getting a head start on it. Keefe McCullough is currently doing the audit for Fiscal Year 2007 and that will be the third year so it is time to bid it out again and Florida Statutes prescribes the process to be used for doing the audit selection and that includes appointment of an Audit Committee and a Chairperson. We typically recommend that the Board appoint themselves as the Audit Committee and one of the board members as the Chairperson, although you have the option of appointing other people. The Audit Committee is going to meet after this meeting.

Mr. Van Wyk stated I recommend appointing the whole Board as the Audit Committee.

On MOTION by Mr. Goldberg seconded by Mr. Wills with all in favor the board members were appointed as the Audit Committee.

On MOTION by Mr. Goldberg seconded by Mr. Smyk with all in favor Mr. Cole was appointed Chairman of the Audit Committee.

Mr. Flint stated immediately after this meeting the Board will adjourn as the Board and we will open a meeting for the Audit Committee.

FIFTH ORDER OF BUSINESS

Consideration of Proposal from Seminole Masonry, Inc. for Installation of Standard

Brick with Bull Nose which will be applied to Existing Planter Walls

Mr. Flint stated the next item is a proposal from Seminole Masonry.

Mr. Scheerer stated at the last meeting Marianne Smith had brought up that there was a concern of the white ephus cap that goes across the knee wall planter beds in her community, Mirabella and Ziani. She asked us to look into putting perhaps this bull nose or some sort of brick covering over the top and removing that. I contacted UCC Group and Seminole Masonry. UCC really hasn't been selected in anything and chose not to submit a bid. At the request of Marianne at the last meeting we asked Seminole to come out. What they are proposing is to remove the ephus cap from around the knee wall planters at both Mirabella and Ziani and replace it with either a bull nose brick for \$6,286.17 or a standard brick for \$4,678.23.

Mr. Goldberg asked do we know how much for each separately or is it just one lump sum?

Mr. Scheerer responded she manages both communities and they wanted them both done. It was a lump sum for both.

Mr. Goldberg stated but now we are getting into our new allocation method so we need to look at them separately.

Mr. Scheerer stated I will be more than happy to have that broken out and provide it at the next meeting.

Mr. Goldberg stated that would be great.

Mr. Smyk stated when we are talking about the new allocation we are going to break it down even more possibly with Capri and Mirabella?

Mr. Goldberg stated actually that is all LaVina, that is a good point. We can talk about it now or talk about it next month.

Mr. Scheerer stated I can break it down and bring it back.

Mr. Goldberg stated you can break it down but it doesn't mean anything it is all under LaVina. I don't think we are going to allocate any farther than that. The number was \$4,700?

Mr. Scheerer responded for no bull nose it was \$4,678.23 and the bull nose was more.

Mr. Goldberg stated they want to remove the existing cap and replace it with brick.

Mr. Scheerer responded yes.

Mr. Goldberg asked and the reason they want to do that?

Mr. Scheerer responded it appears that every time something goes on the caps get knocked off. Girard knocked it off and they put it up at their own expense and their guys did it when they changed out some annuals. It is something that can be done in 2009, we were asked to address it and we can add it.

Mr. Goldberg stated if we are going to add it we need to increase their budget. Do we still have the caps?

Mr. Scheerer responded yes, everything is still in place.

Mr. Goldberg stated we already bumped them up a lot do we want to bump them up another \$5,000? How about Capri and Solvina, do they still have caps?

Mr. Scheerer responded no there is mostly a retention wall on the Capri side and there is an obelisk at Solvina.

Mr. Smyk stated there was an excess that we used for the entry at Nona Crest.

Mr. Goldberg stated but again it was under another time of when we were allocating.

Mr. Smyk stated actually it was a line item in their budget.

Mr. Goldberg stated but it was an overage in their budget which we chose to pay from the carry forward.

Mr. Smyk responded no, it was a line item in their budget.

Mr. Scheerer stated there was actually money available in the Nona Crest budget that allowed us to provide that for them.

Mr. Flint stated there is nothing wrong with the wall, it is the aesthetics.

Mr. Amsterdam stated if it is related to all the construction just leave it as is and once the construction is over if it is still a problem then they can move forward from there if they have any money left.

Mr. Goldberg asked what are we going to do with that agenda item?

Mr. Van Wyk responded there is no action.

SIXTH ORDER OF BUSINESS

Discussion and Consideration of Proposals for Landscape Services for the Nona Preserve Entrance

Mr. Scheerer stated also at the request of Mr. Goldberg at the last meeting we were asked to put in some costs in case the Nona Preserve tract wanted to deed that frontage road over to the

District. We contacted the current landscape provider which is REW Custom Landscaping as well as Girard Environmental.

Mr. Goldberg stated these numbers are included in the 2009 budget or an estimate thereof.

Mr. Scheerer responded that is correct. Based on the numbers we took the low bid which was REW they are already in place, they are already doing the stormwater ponds for the Nona Preserve subdivision. They quoted us this price to do the front entrance on a yearly basis and we added that number to the budget.

Mr. Goldberg stated they are less than Girard.

Mr. Scheerer responded yes Girard was \$17,434.75 and REW is at \$16,777.74.

Mr. Goldberg stated we don't have a contract for that because it is currently with the HOA.

Mr. Scheerer stated that is correct.

Mr. Goldberg stated so we need to contract that.

Mr. Scheerer stated we did include it.

Mr. Smyk asked isn't that something we would vote on to bring that into District?

Mr. Goldberg responded we have to accept it, yes.

Mr. Van Wyk asked which area is this?

Mr. Scheerer responded it is Nona Preserve the area between the brick wall and the sidewalk along Narcoossee Road north and south.

Mr. Goldberg stated it has been maintained by their HOA previously.

Mr. Smyk stated that is a question that I had going back a year where I questioned why we were appropriating a budget to this and we did appropriate money then last year we saw it was platted and all under the townhome association. We then took all of that out. At that point I asked why it was different and it was that was the way it was platted. I asked is this something the District would want and the answer was maybe we don't know, that is something we would have to decide at a later date. That is why I was questioning.

Mr. Goldberg stated we need to look at the plat again but I think he is correct I think it was always owned by the HOA and we discussed bringing that tract into the CDD so we could have consistent maintenance.

Mr. Scheerer stated I think I have the plat in my office. I believe it is platted to the HOA.

Mr. Van Wyk asked is that the one we were waiting on the quit claim deed?

Mr. Scheerer responded no, that is the wall, Tract CC for Mirabella.

Mr. Van Wyk asked why don't you get the plat and we will see what tracts that is.

Mr. Goldberg stated we had to make a decision if we wanted to take that over. The HOA wants to give it to us.

Mr. Smyk asked if the Board were to accept that, that would be deeded over and there wouldn't be a cost where we would have to purchase it, correct.

Mr. Goldberg responded correct.

Mr. Smyk stated Nona Crest my understanding is their wall is not owned by the District it is owned by the HOA but it is maintained by the CDD. That would be something their homeowners association would want so they wouldn't have to worry about replacement and insurance. From reading the master engineering plan that was a Developer contribution that was then given to the HOA.

Mr. Goldberg stated we wouldn't have taken maintenance over without deeding the property to the CDD. There is something missing there.

Mr. Smyk stated I would love a clarification.

Mr. Goldberg stated we can take a look at that.

Mr. Flint stated some of those early thoughts about who was going to own and maintain obviously changed.

Mr. Goldberg responded right because there were individual builders and developer that bought the pieces and did their own thing but we can check into that.

Mr. Flint stated on the LaVina side the wall is on an easement on the back five feet of people's property.

Mr. Goldberg stated we have an easement to maintain it.

Mr. Smyk stated actually Alan Scheerer through the builders was our property manager and he is the one who talked to me about that as well. When I looked it seemed like it was a Developer built wall that was given over to the HOA, not the District.

Mr. Goldberg stated it might still be owned by the Developer.

Mr. Van Wyk asked where is the landscaping we are talking about?

Mr. Scheerer responded this landscaping bid is everything that is outside.

Mr. Van Wyk stated that is the tract you would like to get from the HOA that will be Tract J.

Mr. Scheerer stated and I believe this stormwater tract was recently deeded over to us.

Mr. Van Wyk stated and you want J to go over as well.

Mr. Scheerer responded that is correct.

Mr. Van Wyk asked where is this wall located?

Mr. Smyk stated that is Nona Crest.

Mr. Goldberg stated and Nona Preserve.

Mr. Scheerer stated Nona Crest owns the wall.

Mr. Smyk stated but it is maintained by the District.

Mr. Scheerer responded no. We just do landscaping.

Mr. Smyk stated there is no maintenance on the wall other than if there is an actual problem.

Mr. Scheerer stated the last time you experienced a hurricane you lost your vinyl wall, and on the HOA documents it states that the wall and vinyl PVC wall that runs by Pond D which is south of the entrance all belongs to the HOA.

Mr. Smyk asked what about the brick wall?

Mr. Scheerer responded the brick wall is included in that and is also covered under your insurance.

Mr. Smyk stated that is why I was saying if the District is entertaining the idea of bringing platted ground from Nona Preserve the wall into the District that is why I was trying to get clarification so that possibly then that is something that Nona Crest would look to do as well.

Mr. Van Wyk asked what are we talking about the maintenance or the actual ownership of the wall?

Mr. Smyk responded I would think that we would treat it the same way as Nona Preserve if that is something that we do if the District does take ownership because as far as I understand it is platted to Nona Preserve HOA. If the District would entertain the idea of now deeding that over then that is the same thing I think we may possibly want to do with Nona Crest.

Mr. Van Wyk stated we could do that but we would have to have ownership of the wall.

Mr. Scheerer stated I don't think originally we were looking at the ownership of the wall we were looking at ownership of the landscape tract outside that wall.

Mr. Goldberg asked is the wall in that landscape tract?

Mr. Scheerer responded I don't know.

Mr. Amsterdam stated those units that back up could be common area property and there may be a wall easement.

Mr. Smyk stated they probably do go across individual lots.

Mr. Amsterdam stated on your subdivision on Nona Preserve that could be a common area tract.

Mr. Van Wyk stated or there would have to be an easement in favor of the HOA which would have to be assigned to the District.

Mr. Goldberg stated we will research both to find out exactly where it sits and bring it back to the June meeting.

Mr. Scheerer stated something else that came up Friday and I didn't even get a chance to share this with George. At Nona Crest apparently the HOA trapped some hogs on CDD retention pond area without notifying the CDD and they would like to know if the CDD in the good graces of their hearts for Nona Crest would be willing to pay some and/or all portions of this \$700 for their trapper to come out and remove hogs that they felt were a danger to the children and residents of Nona Crest. I just found this out Friday and met with Jim Gregwar the President of the HOA at 2:30 p.m. to review some landscaping and brick paver work and he admitted that he was out of town it was done in error a couple of anxious board members took it upon themselves. I had a request from Mr. Gregwar to bring that to the Board.

Mr. Goldberg stated unless anybody thinks differently I suggest it is not the CDD's responsibility to trap feral hogs unless it was destroying CDD property.

Mr. Scheerer responded we did get a little bit of the turf dug up around a couple of the retention ponds but that has since been fixed. If they had notified us we would have called someone.

Mr. Smyk stated this is the second instance.

Mr. Scheerer stated the first instance was behind Pond A and the HOA pond along the gas line easement. This one we didn't know anything about behind Ponds B and C on the opposite end of that same gas line easement. The HOA did behind the HOA pond have somebody come out and set a trap for quite a while behind the HOA pond. But this particular

location apparently something came up, Jim was out of town and a couple of the board members took it upon themselves.

Mr. Smyk stated we didn't do anything as a District with the first occurrence.

Mr. Scheerer responded no.

Mr. Goldberg stated I would say no action.

Mr. Smyk stated I would say no action as well. I can tell you that it has been quite a nuisance but the District shouldn't have to do it.

Mr. Goldberg asked are they coming down that gas easement?

Mr. Scheerer responded they are coming out of the conservation area. There was some minor damage at the furthest pond that abuts Pond A by Nona Preserve as well. They have been kind of hitting and missing. They have torn up some homeowners yards in Nona Crest.

Mr. Van Wyk asked what are we going to do with respect to these estimates for landscaping? Just table it until we get a property interest?

Mr. Goldberg stated I think we need to verify that we have or don't have a property interest and then get a property interest before we do anything.

Mr. Flint stated we needed that for budgeting purposes in the event that we do take it over.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Van Wyk stated George has handed out a construction license and indemnification agreement. Randal Park as part of their ongoing construction of the roadway needs to build some slopes that are within some of the conservation areas that the District is responsible for. It is on District property and there is a conservation easement over top of that of which we have a permit for. The work that is covered under the agreement and for which Randal Park is wanting to move forward with is work that was originally contemplated in the engineering design of the roadway as we originally permitted it, when I say we, the District. The work to be performed by Randal Park in the conservation easement was originally contemplated as part of our permit so it is consistent with our permit and acknowledged by the Water Management District. We chose through discussions with the District Engineer and District Manager that we felt the best way to proceed was to grant them a construction license. A construction license allows them to go onto

the parcels to make the improvements that they need to make and to get off and we also have an indemnification provision that provides that if there is anything inconsistent with the requirements of the conservation easement or the conservation permit that we have that they will be responsible for it and make the repairs. We had originally discussed having a grant of easement slope easement or something out there. That is property interest, that is complicated, we would have had to get the Water Management District to join in, we would have been in the next budget cycle by the time that got approved so all the parties agreed that we think a construction license agreement and indemnification agreement would be the best way to go. All this does is grant them authority to go on there, make the improvements that were originally contemplated in our permit and are part of their improvements under their permit and they will indemnify the District should anything happen, if there is any damage or need of repair. I suggest you approve the construction license and indemnification agreement. It has already been reviewed by the attorney for Randal Park and I have reviewed it and made my changes to it and I think George is fine with it as well. Rey, you agree with this as well.

Mr. Malave responded yes.

Mr. Smyk asked that one interlocal agreement I had seen about East Park and Narcoossee, that wouldn't play into that we now have to include East Park?

Mr. Van Wyk stated we are still working on that agreement. That is still moving forward. East Park gave them an easement over some areas that they needed.

Mr. Flint stated they ended up modifying the construction plans instead of going into the easement.

Mr. Van Wyk stated this is a little simpler and is easier to clean up.

On MOTION by Mr. Amsterdam seconded by Mr. Wills with all in favor the construction license and indemnification agreement with Randal Park was approved.
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B. Engineer

Mr. Malave stated there was an issue about some of the stormwater lakes and we wrote a letter on behalf of the District as engineers showing the concern and what we have heard on a verbal voice message from the South Florida Water Management District is that they are going

to go out and look and review their permits to ensure that everything is acting the way it is supposed to and if there is something they find they will notify us.

The lake that we were asked at the last board meeting that was high, part of it was due based on our estimate on the digging of the lake across the street that they were discharging water from dewatering, etc. but when you look at the normal water of that particular lake which is the first one when you come in on the right hand side, it is at normal water. We felt that it was working the way it was supposed to even though it was higher than all of the other ones. The fact that it was at normal water right at the invert of the draw down pipe, if there had been a storm it would have worked as designed originally. We did not feel it was a concern or an issue.

We had a proposal from the contractor who did the fixes on the outfalls to do the adjustments on some of the skimmer blades in order for us to be able to certify complete to the District and then get them to do a walk through so we can do the final transfer and operation permit with the South Florida Water Management District.

Mr. Goldberg asked are the blades at an inappropriate elevation?

Mr. Malave responded there are some that need to be adjusted.

Mr. Smyk stated at the northern boundary of G where the construction is going on for the commercial I noticed what seems like a conservation area and beyond that it looks like there has been some land clearing. Is that part of the District?

Mr. Goldberg stated there is a 25 foot buffer on the north side of the property.

C. Manager

i. Consideration of Check Register

Mr. Flint stated next is the summary of invoices for the general fund check numbers 655 through 664 in the amount of \$23,813.63, the payroll register checks 50036 through 50040 for \$923.50 for a total of \$24,737.13. The register is behind the summary.

On MOTION by Mr. Goldberg seconded by Mr. Wills with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

Mr. Flint stated next is the financials. You will find the combined balance sheet and income statement. There is no action required but if the Board has any questions I will be happy to answer them.

iii. Number of Registered Voters

Mr. Flint stated you will find the letter from the Supervisor of Elections for Orange County indicating that as of April 15, 2008 there are 641 registered voters within the Narcoossee Community Development District. There is no action required on that letter, we just have to announce that at a public meeting.

iv. Designation of November 4, 2008 as Landowners Meeting Date

Mr. Flint stated we need to designate the date for the landowners election. We are recommending November 4, 2008. You will see in your agenda packet that we provided instructions and a sample agenda for the landowners meeting as well as a landowners proxy. There will be one seat that is landowner elected and two seats that will be on the general election.

Mr. Goldberg asked how does that work? You need nominees, right?

Mr. Flint responded we will have a landowners election like we have always had and it is one vote per acre or part thereof. Anyone who owns property within the District can come to the landowners meeting and nominate and cast their ballots. There will be one seat that will be landowner elected. I will ask the Board to designate November 4, 2008 as the landowners meeting. It is not a board meeting so the board members don't necessarily have to be there.

Mr. Van Wyk asked are you going to hold it here?

Mr. Flint stated that was the plan. We haven't investigated alternative sites.

Mr. Van Wyk stated you might be able to have it at the amenity center.

Mr. Scheerer stated there is a YMCA that is right across the street from all of the communities that is easily accessible.

Mr. Van Wyk stated with it being election day you have to check.

Mr. Scheerer stated that is the precinct as well.

Mr. Flint stated we can put this on the June agenda. We are only required to announce this 90 days before the election so if the Board is going to meet in June we will still meet that 90

days and we can put this back on the next agenda and in the meantime we can look at alternative locations.

EIGHTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

NINTH ORDER OF BUSINESS

Supervisors Requests

There not being any, the next item followed.

TENTH ORDER OF BUSINESS

Audience Comments

There not being any,

On MOTION by Mr. Goldberg seconded by Mr. Smyk with all in favor the meeting adjourned at 4:32 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman