

**MINUTES OF MEETING
OAKSTEAD COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Oakstead Community Development District was held on Tuesday, January 10, 2006 at 6:30 p.m. at the Oakstead Clubhouse, 3038 Oakstead Boulevard, Land O'Lakes, Florida.

Present and constituting a quorum were:

Barbara Feldman
Ken Jones
Mark Sifford

Vice Chairman
Assistant Secretary
Assistant Secretary

Also present were:

Bob Fernandez
Tracy Robin
Mario Grasso
Mark Wingate
Several Residents

Severn Trent Services
Attorney
Field Manager
I.D. You, Inc.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Feldman called the meeting to order and Mr. Fernandez called the roll.

SECOND ORDER OF BUSINESS

Consent Agenda

Consent Agenda Items:

- 1. Approval of the Minutes of the December 13, 2005 meeting**
- 2. Financial Statements**

Mr. Sifford stated Lake Brothers should be Luke Brothers on page 2 of the minutes. In the financials, what are the two checks written to Mr. Grasso on December 1st and December 6th?

Mr. Grasso responded the ones for \$600 were hours accumulated for security patrol which is a line item in the budget. They write the check to me and I disperse it to the individual security members. They have records of all the names and hours worked. It comes out to \$6 per hour.

Mr. Sifford asked what is the \$275 for Excellent Promotions?

Mr. Grasso responded it is the deposit for printing the resident cards. The total for printing the cards is \$657.

On MOTION by Mr. Sifford seconded by Mr. Jones with all in favor the minutes of the December 13, 2005 meeting and the financial statements were approved as amended.

THIRD ORDER OF BUSINESS

Staff Reports

B. Engineer

There not being any, the next item followed.

C. Manager

i. Consideration of Permanent Utility Easement Request by Pasco County

Mr. Sifford stated last month, Pasco County was looking for a utility easement located on the school site. It was not property owned by the District or Devco. It was on the school's property. I contacted Pasco County and they are in the process of re-doing the legal description. They are going to shift the easement over onto some property Devco owns and we are going to provide them with the permanent easement. It is just a matter of us getting a legal description so we can do what needs to be done internally to dedicate it over to them. It has nothing to do with the District anymore. At this point, it is a non CDD issue.

ii. Engagement Letter for Arbitrage Rebate Services Provided by Deloitte Tax LLP

Mr. Fernandez stated this is the firm which has been conducting these services for you. It is a continuation of the same arrangement. We ask your consideration to approve the engagement letter which will allow them to continue to provide the service. The charge is \$1,500. We are required by law to do this. It insures you do not violate the arbitrage restrictions in your use of the bond funds. They monitor and make sure any appropriate disclosures are made to the federal government.

On MOTION by Mr. Jones seconded by Mr. Sifford with all in favor the engagement letter for arbitrage rebate services provided by Deloitte Tax LLP was approved.

The Park Director position was offered to the candidate you approved but she declined. She accepted another position. We advertised the position again and have a number of applicants. I am in the process of reviewing the applications and scheduling interviews.

D. Field Manager

Mr. Grasso stated the flowers have been planted in front of all developments. The computer is up and running and the rebates are on the way. All traffic enforcement signs are in

place but I am waiting on Mr. Robert Rick to come and do a final inspection. The lounge chairs are being done now so we should be receiving them no later than early next week. We had some vandalism to the building and pool area last week. The Sheriff's Department has a suspect and is investigating. In an incident on New Year's Eve, Marchmont's gate was smashed and it will cost another \$1,200 for repairs. I summarized the costs per year spent on gates for each village. Because Ashmonte has two gates, they are at the top with \$6,735. We saved at least \$600 on the repair of Keswick by using an old transmission gear box from Ashmonte. Weymouth had no repairs; just phone service. However, there was some damage to the pedestrian gate so we will need to repair it unless I get proof on the youth suspected of doing it. I made another contract for our pond maintenance company and it is basically a rollover except with the possibility of a 4% increase due to fuel costs. In my package to you is the proposal from I.D. You, Inc. Our security patrol does a lot but not enough. If we had surveillance cameras we could have a suspect and payment on the gate crashers. Mr. Wingate is here tonight to go over any aspects of the contract you have questions on.

Ms. Feldman stated Mr. Wingate was very explicit in his presentation. Because the financial committee worked on the budget, they will study the proposals and come back to us next month.

Mr. Grasso stated things are running smooth. Communication with the landscapers is good. Most of the residents are very happy with the plantings in front of their villages. Things are starting to look good.

A resident asked how much were the plantings?

Ms. Feldman responded we allowed and budgeted for no more than \$2,200.

A resident asked do you know exactly how many plants you bought and what the breakdown was?

Mr. Grasso responded yes, I have the breakdown but not here with me tonight.

A resident asked are they all annuals?

Mr. Grasso responded yes, they should last until at least the first week of May.

Mr. Sifford asked what is the technology behind the cameras that is going to give us any benefit as to seeing who, when, what and how in the dark of night? When you did your presentation last month it was day and we could see. How does it pick things up at night?

Mr. Wingate responded we use infrared cameras. When it gets dark, it has its own light inside the camera to view what is going on around it. It then turns to a black and white image. When it is daytime and you have natural light, it will revert back to color.

Mr. Sifford asked how are the details at night in relationship to being able to see them in the day?

Mr. Wingate responded we have tremendous success with face, vehicle, and license plate recognition.

A. Attorney

Mr. Robin stated in the permitting processes for the development of this project, permits were obtained from various regulatory agencies; one of which was the Army Corps of Engineers. With respect to the conservation areas in Phase II, the Corps permit requires an easement over those areas be granted to the HOA. It is the same document used in Phase 1 conservation areas. I brought with me a deed for that purpose. I ask the Board for a motion to approve and authorize the Chairman to execute the deed in granting the conservation easement to the HOA.

On MOTION by Mr. Sifford seconded by Mr. Jones with all in favor the requirement by the Army Corps of Engineers permit for an easement over the conservation areas in Phase II to be granted to the HOA was approved.

The payment required when we negotiated the settlement with Luke Brothers has not been made yet. Their attorney has been insisting on a release. I have not been willing to allow the District to give a release unless it received a mutual release. Once we release them, they could file a counter claim of some sort against the District. Their attorney has not been very active or diligent in taking it on. In an effort to try and get the money dispersed, I drafted the mutual release attached to the letter I gave you. Regarding the bid protest with Luke Brothers, they have been fighting tooth and nail in their claim. They have exhausted every opportunity to depose Supervisors, along with other people involved with the District, about the events and impose discovery requests on the District to try to turn up documents that would in some way be damning. We think they have failed in all respects. In talking with your litigation counsel, they came to the conclusion the claim Luke Brothers brought is frivolous to the point they have used a section of the Florida Statutes which is fairly rare. It allows a claimant to bring a claim for attorney's fees and costs against the other side for bringing a frivolous lawsuit. It is called a

57105 motion, for the number of the statute. That motion was recently filed in the case against Luke Brothers. It is set for a hearing at the end of the month. The District has no choice at this point but to defend its actions. Otherwise, the party you awarded the bid to would be in your lap with a lawsuit. Your litigation counsel is doing an excellent job in attempting to bring this to closure. We are consulting with them on a regular basis and will bring you a status report to the next meeting.

E. Park Director

There being no report, the next item followed.

F. Financial Committee

There being no report, the next item followed.

G. Resident Council

Mr. Hickson stated the council is asking if there is any progress on the bond refinancing. If the interest rates keep climbing and we do not make a decision, the option of refinancing the bond will be out the window. We need to move on that.

Mr. Fernandez stated during last month's presentation, Mr. Brett Sealy emphasized the fact he is your investment banker. You are under contract with him. As part of the bond issue, his services include making that presentation and giving you some options. The presentation outlined options in terms of "would you like savings or would you like additional funds to proceed with additional projects. If so, you need to select the projects". The Board did not make a choice after the presentation.

Ms. Feldman stated the decision was to have a workshop with the finance committee.

Mr. Hickson asked can we proceed without that decision as far as starting the process of bond refinancing? It takes several months and the clock is ticking.

Mr. Fernandez responded in order to proceed, the Board needs to at least give some overall direction in terms of structure. Are they going to go in the direction of looking for additional funds or realizing savings?

Mr. Hickson asked do we have to make all those decisions before we can say go ahead?

Mr. Sifford responded if you are going to do capital improvements, you have to put together an engineer's report to attach to whatever you are going to do.

Mr. Hickson stated one of the suggestions from the Resident Council was to have a portion of the benefit from the refinancing go to straightening out the landscaping/grass situation.

Apparently, we are going to have to put in a Bermuda-type grass in order for it to sustain itself on a year to year basis. It would be a fairly substantial financial outlay.

Mr. Jones asked do we have any proposals, aside from the grass, as to how those monies would be spent if we took cash out? I have not seen any recommendations or proposals on anyone wanting to spend money. We have been talking about how we can cut costs.

Mr. Sifford stated it is important to understand, if you are going to get \$1M you have to show how you are going to spend the \$1M. You must have the plan in place before you get there.

Mr. Robin stated the expenditure of these funds can only be used for capital improvement purposes to the extent there are excess funds beyond the refunding. You identify your capital improvements and you have to tag the costs along with them. Then you seek a proposal from the bond underwriters. They would help you size the bond issue based on the amount of money it would take to refund the existing bonds; adding to it the capital improvements you want to make. All of which have to be approved by the Board. Eventually there needs to be an engineer's report to substantiate it in order to actually start the refunding process.

Ms. Feldman stated letters of proposal can be sent to the CDD Board. We will then have something to present to finance when we have the workshop.

FOURTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

FIFTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Ms. Feldman stated one of our residents pushed through the vehicular gate to walk his dog. He became irate when a resident told him not to do it. The resident created a proposal to put a self-locking punch code battery pad into the pedestrian gates. The cost is approximately \$70 each and can work in all nine villages. It would be \$630 total as opposed to gate repair of approximately \$1,000 each time. As he wrote a letter to the Board, I promised him I would bring it to the attention of the other Board members.

Mr. Sifford stated we were notified by letter from SFWMD regarding an unauthorized wetland activity. The issue is there has been some activity in the buffer at the address they provided. There has been some mowing, some vegetation removed and some planted. In order to get this off SFWMD's books, what needs to happen is everything newly planted within the buffer needs to be removed. It does not need to be replanted but everything needs to be out. I am

asking Mr. Fernandez to send a letter to the resident stating the same and they should notify you when it is complete. We will have someone go look at it and call SFWMD back out for re-inspection.

Can you talk me through the process of how we get two more Board members?

Mr. Fernandez responded it is up to you. We received two expressions of interest so far. At any time you can ask for distribution of those and consider them at your next meeting if you would like. I can make the announcement and maybe we can put it into the newsletter again.

Mr. Sifford stated we need to have a full Board. I would like to see the two but I am not going to make the decision tonight.

Ms. Feldman stated this has been going on for a couple of months and we have only received two. We need a few more volunteers. This is the time when we need the rest of the residents to say 'we are stepping up'. As you can see, from the three original residents, there is one left.

A resident asked how is the decision made and how do they fill the position in terms of length of time?

Mr. Fernandez responded the Supervisors selected will fill the un-expired term of the vacant positions. That would be the length of their term.

Ms. Feldman stated one position would be one year and the other would be approximately two and a half years.

A resident asked how is the decision made?

Mr. Fernandez responded they are selected by the sitting members of the Board of Supervisors.

Ms. Feldman stated within the residents who apply. It is not going to be random. They will be selected from those who show interest by sending in their application.

A resident asked do they have to be residents?

Ms. Feldman responded they should be residents because two residents resigned. Those were elected positions so they should be residents.

Mr. Robin stated the right description is actually property owners. That is how these vacancies are going to be filled. In due course, as this District begins to mature, seats will come up onto the regular election cycle. These will become elected seats and be put on the regular

election cycle for State and Federal governments. The District will not have to pay the expense of holding an election; it will be put on the ballot during the general elections in November.

Mr. Sherwin of Weymouth stated I am asking for a postal drop box in Oakstead. I feel a little leery putting my Social Security number, my bank card number and any other number I do not want anyone else to see, into my mailbox. I put the flag up and they sit there for 20 minutes. She might not even have mail for me that day and she goes by. I would not catch it until the next morning. It would be a convenience to all to add a post office drop box. I suggest putting it on the far end of the rectangular area. It would be easy access for everyone including the postal workers. I asked the post office over a year ago and they said there were not enough people here to warrant it. It may be a different situation now.

If we do not get the surveillance cameras, maybe we could light up the entrances a little more.

Ms. Feldman stated we now have the two applications in front of us. Do you want to make a decision tonight or do you want to read them over?

Mr. Fernandez stated if you would like me to advertise the next meeting as a special meeting, then you can take action.

Ms. Feldman stated we will take action on a couple of things at that time. You can bring any other applications you receive and we can get the proposals for the refinancing.

A resident asked where did you advertise for the Board members?

Mr. Fernandez responded the newsletter.

Ms. Feldman stated it was when Ms. Cosenza resigned so it has been a couple months.

A resident asked are you going to re-advertise for the second position?

Ms. Feldman responded the second position only opened in December. At every meeting, we have mentioned the fact Ms. Cosenza resigned. You are just finding out for the first time another Board member resigned. If anyone is interested, please present your applications.

A resident stated we have a room of 30 people but 1,100 residents. Would it not be fair to the other residents to let them know as well?

Ms. Feldman stated we can also put it onto the website.

Mr. Fernandez stated at a previous meeting, you directed us to deactivate the website.

A resident stated you are going from advertising in the newsletter on one hand for the first position and now you are talking about advertising on the website. Why would you not go back to advertising in the newsletter?

Ms. Feldman responded the newsletter still has to come out.

A resident stated all I am asking for is consistency with your actions.

Ms. Feldman stated we are trying to be consistent. The thing I am trying to get through is for the last five months we had one vacancy and we have only two applicants.

A resident stated look at what you are trying to accomplish. This is not the right forum to advertise for a job. You go to a hiring agency or the newspaper.

Ms. Feldman stated everyone knew Ms. Cosenza resigned even before the Board knew it. If you want to be an applicant you can go right ahead.

Mr. Sifford stated with all due respect, this is what we received. One is dated January 9th. Sometimes you have to play with the hand you are dealt.

Mr. Fernandez stated December 13th is the date on the cover of the other.

A resident stated I am on the HOA and they ask that information be submitted for the newsletters 20 days in advance. The Board could put their write-up in the next issue and incorporate the fact we have openings for CDD candidates.

Ms. Feldman stated I will forward the information to Ms. Jennifer Dean.

A resident asked is there a tentative schedule for the widening of Manassas, the rest of Oakstead Boulevard and Lake Patience Road?


Ms. Feldman responded no, not at this time.

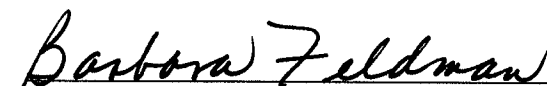
SIXTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Sifford seconded by Mr. Jones with all in favor the meeting was adjourned.


Bob Fernandez
Secretary


Barbara Feldman
Vice Chairman