

**MINUTES OF MEETING  
OAKSTEAD COMMUNITY DEVELOPMENT DISTRICT**

The special meeting of the Board of Supervisors of Oakstead Community Development District was held on Wednesday, February 8, 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  
John Witmer

Vice Chairman  
Assistant Secretary  
Assistant Secretary  
Appointed

Also present were:

Bob Fernandez  
Mario Grasso  
Mike Kuhn  
Finance Committee Members  
Several Residents

Severn Trent Services  
Field Manager  
Raymond James, Inc.

*The following is a summary of the discussions and actions taken at the February 8, 2006 Board of Supervisors meeting.*

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Organizational Matters**

**A. Acceptance of Resignation of Ms. Donna Cosenzo and Mr. Robert Thurston**

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| On MOTION by Mr. Sifford seconded by Mr. Jones with all in favor the resignation of Ms. Donna Cosenzo from the Oakstead CDD was accepted. |
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**B. Appointment of Supervisor to Fill an Unexpired Term of Office (1)**

Mr. Fernandez stated this term of office expires in November 2008. You have in your packets resumes of those who expressed interest in serving as a Supervisor.

Ms. Feldman stated before we continue, I would like to clear something we were told at the last meeting. In order to be able to be one of the appointed members of the Board, you have to be a property owner.

Mr. Sifford asked of the three or four received, will the other two or three applicants be considered for future vacancies?

Ms. Feldman responded yes.

Mr. Jones stated I nominate Joseph Cascio.

Ms. Feldman stated I nominate John Witmer.

On MOTION by Mr. Sifford seconded by Mr. Jones with all in favor the nominations to fill the unexpired term of office were closed.

Mr. Fernandez stated we will take them in the order they were nominated. You each only get one vote because there is only one seat. The vote is two for Mr. Witmer and one for Mr. Cascio. Mr. Witmer has been appointed.

**C. Oath of Office of Newly Appointed Supervisor**

Mr. Fernandez, being a Notary Public of the State of Florida, administered the Oath of Office to Mr. Witmer, a signed copy of which is attached hereto and will be made a part of the official record. I have given Mr. Witmer a copy of Form 1; statement of financial interests as required as part of his duties as a Supervisor. I have also given him a copy of the 2005 Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees.

Mr. Witmer stated received.

Ms. Feldman stated the next item of business is acceptance of the resignation of Mr. Robert Thurston.

On MOTION by Mr. Jones seconded by Ms. Feldman with all in favor the resignation of Mr. Robert Thurston was accepted.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the September 13, 2005 Meeting**

Mr. Fernandez stated our records do not indicate these have been before you for your approval. Although they were prepared by Rizzetta & Company, we brought them before you to make it official.

On MOTION by Mr. Sifford seconded by Mr. Jones with all in favor the minutes of the September 13, 2005 meeting were approved.

**FOURTH ORDER OF BUSINESS**

**Discussion of Bond Refunding Options**

Mr. Fernandez stated the decision before you tonight is to decide whether to use the proceeds from the refinancing of the bonds to initiate additional capital projects or to reduce the assessments. This is essentially a joint meeting with the finance committee as we have members of the finance committee with us tonight. The CDD assessment is divided in two parts. One is for the retirement of the debt and the other is for operation and maintenance. The operation and maintenance may vary from year to year depending upon the action of this Board when they adopt the operating budget. Typically, the debt service portion of the assessment does not change because it is the amount necessary to retire the debt of the bonds necessary to build the infrastructure for the community.

Ms. Feldman stated although we do not have counsel represented here, there are some items which may have to be discussed for any legal issues.

Mr. Fernandez stated the best way to proceed is to take a look at the proposals for capital projects and determine if the Board feels a strong need to proceed with any of them.

Mr. Simon stated the bond money must be used for capital improvements. It cannot be used as a reserve.

Mr. Don Hickson asked does someone have a legal definition of a capital item?

Ms. Feldman responded if it says replace or repair, it does not qualify. If it says buy new, it does.

Mr. Chris Tranier of Nabors, Giblin & Nickerson, a resident of Oakstead stated I would defer all cases to the District's counsel and bond counsel. In the end, they are the ones giving the opinion but I can certainly help.

Mr. Fernandez stated if we arrive with a list the Board would like to go forward with, it has to be submitted to bond counsel for approval before we do anything else.

Proposals from the finance committee, Mr. Grasso and Mr. Thurston were distributed and reviewed by the Board, copies of which are attached hereto and will be made a part of the record. The initial list of suggested items included: landscaping & community beautification, safety & security, bike paths & sidewalks, clubhouse, pool, parks and communication.

It was determined the bond refinancing would net approximately \$1 Million over the 30 year life of the bond which could save each house roughly \$28 per year or the money could be spent on capital improvements to do something nice for the community.

It was noted there was \$45,000 in the 2006 budget identified for capital improvements / reserve.

There was discussion on road repair and setting up a restricted reserve account for each village for those funds. The thought of delaying the bond refinancing until it was time for roadwork was mentioned. Estimates at today's prices, a ¾ inch overlay is \$25 per linear foot which is basically \$1 per square foot, \$132,000 per mile or \$1.2 Million for the community. This is something which is at least 10 years from needing to be done.

Mr. Simon stated the reduction in debt service per home is about \$847 over the 30 year term. The only way you are going to get the reserves is to either wait for a bond refinancing at a future date or keep the existing operations and maintenance budget. The excess, because of the nonrecurring items from this year, passes through to specific budgets for reserves on specific items. You can quickly build sufficient reserves, particularly early on. In theory, there will already be \$300,000 for next year.

A finance committee member, Monica, stated based on conversations with Raymond James, if we were to decide to give the money back to the community you have to send out for a vote among all property owners as to what percentage to give back.

A resident, Mike, of Hillington suggested the Board consider a sound barrier wall for Lake Patience Road. A lot of homes face the road. Now there is a white picket fence but when Lake Patience Road extends into U.S. Route 41, it might become a four lane highway. As we look to the future, maybe we could build and extend those walls all the way to the other walls for a sound barrier because there will be kids and car traffic going through.

As the District has no police power, Mr. Sifford spoke of hiring off-duty police to assist with the security team and/or camera monitoring issues raised by a resident. However, it will add to the operations and maintenance expenses \$17 per hour, per officer with a three hour minimum. Mr. Grasso stated it would need to be a full time job with three shifts.

Mr. Kuhn stated Raymond James brought the refinancing idea to the District in April but the Board had a lot on their plate. We went through a lot of different financing scenarios. In October, I came to a Board meeting and presented some very rough, conservative numbers. The

rates were very good then. At the time, the finance committee decided to do a Request for Proposal for an underwriter. We never received it. I tried to stay in touch and resubmitted some numbers in early January. My understanding is some other firms were solicited and one came forward. A decision would need to be made by the Board on who the underwriter is going to be or if they want to use both underwriters as a team. If we started today, we could have the bond issue closed in about 45 to 60 days.

Mr. Jones stated as the Board, we are responsible to the people in the community. We are on the threshold of making important decisions. We need good feedback from the people. What is the best way to get some good feedback from the people as to “are we interested in reducing the debt service by \$28 per household per year or are we interested in taking money and spending up to a \$1 Million on capital improvements”? How do we go about getting good reliable feedback with a good consensus of the people who are well informed?

Mr. Fernandez responded some Districts use surveys they send out to all their residents. You do not get 100% response from surveys and have to be careful how you word the questions. It is not always as clear a message from the residents as you would like it to be. As Supervisors, you bring to this Board a perspective which comes from your interaction with the community. You have, or should have, formed a view of the community’s needs. That is why you sit here as their Supervisor; to represent the residents. If you do not think you have a good enough idea about it, maybe a survey is the way to do it. An either/or kind of question is easier to focus your responses. Another community put all the projects on the survey. It is hard to get a consensus from that. A focus group is another good way to do it. Hold facilitated workshops to have people come in with ideas to develop concepts of what they would like to see the community look like and what kinds of projects it would take to get there.

Ms. Feldman asked could we do both capital improvements and reserve providing the reserve is for something specific, like the roads?

Mr. Kuhn responded per the IRS, it would have to be spent-down within certain parameters. You could do a taxable bond issue and put it away for a reserve fund as long as you want. If you want the tax-exempt rates, you have to spend it down per IRS regulations which require 10% within 6 months, 50% in 18 months and the whole amount within 3 years of issuance.

A resident asked can we get started with the bond issue without having the complete list of what we are going to spend the money on? If we wait until we get this all done, the interest rates may be up so high we will have nothing to spend to begin with.

Mr. Fernandez responded yes. You have more time to refine your list of capital projects. The purpose for tonight's discussion is to settle the question, if we go forward with the financing, is it for savings or is it for capital projects. It is what we are trying to establish tonight. In order to do that, we have discussed some concepts of capital projects so we have some idea of what we are talking about when we say "capital projects".

A resident stated, I would be shocked out of my shoes if a majority of people would say they would rather save the \$28. By using capital improvements, you are going to increase the value of your home, vis-à-vis the community, more than \$28 a year. We should not belabor this business of saving \$28.

Discussion continued regarding surveys and focus groups; how to do them, why to do them and possible difficulties with both.

Mr. Thurston stated the only question you have to answer today is whether you are going to give money back to the homeowners or concentrate the efforts on capital improvements and the associated maintenance of those improvements. This list is not well-refined; it is probably not even complete. The important thing is you sit down and make a decision; to do the capital improvement. In our own hearts, we know there are certain priorities which have to be taken first and then we work down the list. It is like a triage in a bad accident. You only have that one decision to make.

On MOTION by Mr. Witmer seconded by Mr. Jones with all in favor the District will proceed with refinancing the bonds and will use the monies on capital improvements which will be specifically identified within the next two months. In that process, it will be identified how much of the bond proceeds, to the extent legally possible, may be able to be set aside in reserve.

Mr. Jones stated I would like to address the sidewalk comment. Timing is important with respect to what is going on with the school and Lake Patience Road. It would be somewhat critical to mount some sort of community support for it now with Pasco County. You could draft a petition of sorts where you get the entire neighborhood to sign expressing an interest in it.

Nothing gets their attention like you folks. You are tax payers. They will listen to you in a big-time way.

Mr. Simon stated the developers order contained, once the school was begun, its sidewalks would be complete. The school board has submitted to DEVCO the sidewalks be completed. DEVCO responded it is not their responsibility. The school board believes it is DEVCO's responsibility.

Mr. Jones stated let them sort through the issue. The point is, 1,250 residents expressing interest in getting it done is going to move the peg forward.

Residents in the audience volunteered to walk the petition through Marchmont and Strathmore after the petition is drafted and reviewed by District counsel. Counsel may also review the developers order regarding completion of the sidewalk.

A resident stated the next step on the motion which just passed is to let the appropriate company know which one is going to work on the bond issue. It is going to take 60 days from the start date. It is important to get moving on it.

Mr. Grasso stated Weymouth has a drainage problem. The environmental people came out and were supposed to clean out one drain on the even side of Weymouth Street. I was called the following day by another resident on the opposite side as her drainage system needs to be cleaned out and flushed. The first proposal I have is for jet flushing one drain at \$1,200. They have to dig out the end going toward the retention pond. It was brought to the Board tonight, rather than the regular meeting on the 14<sup>th</sup>, in lieu of a resident saying they were going to an attorney.

Ms. Feldman stated there is a whole problem with the design of those drains. It has been going on for months. There have been many people out here regarding it. We all know it has been an ongoing issue and we have money set aside in maintenance.

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| On MOTION by Mr. Sifford seconded by Mr. Jones with all in favor the two drains in Weymouth will be cleared at a total price not to exceed \$2,500. |
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Ms. Feldman stated somewhere along the line, we are going to have to study this as it is an ongoing problem.

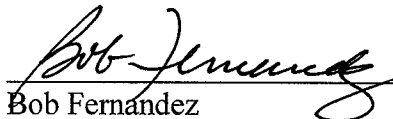
Mr. Jones stated we do not know the problem. These folks are not going to know until they go in and flush it out. If you flush out the pipes, perhaps it will drain properly. The real questions are was the grating done correctly and were the pipes and drains installed at the right elevations. Those are all engineering questions. I can tell you the developer has to grade the property to meet the specifications based on the topography as approved by Pasco County. When they do that and have to sign off on all the lots, the lots meet the grade specifications. Having built houses for 20 years, having faced this very problem with some of my customers, I can tell you that we, as builders, have gone in, modified the height of the grading and caused the problem. We can sit here and point fingers, saying to everyone "you caused the problem, it is your fault" but you still have the problem. We are trying to get at the easiest, best and quickest solution; go in there and flush out the pipes to see if we solved the problem.

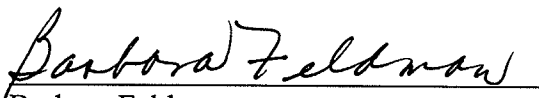
A resident from Weymouth stated Weymouth residents have been trying to get the Board to do something for a long time. The people who are affected are fed up. This is a great first step. You have to follow through and solve this problem one way or the other.

**FIFTH ORDER OF BUSINESS**

**Adjournment**

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

  
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Bob Fernandez  
Secretary

  
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Barbara Feldman  
Vice Chairman