

**MINUTES OF MEETING
OAKSTEAD COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Oakstead Community Development District was held on Tuesday, June 13, 2006 at 2:30 p.m. at the Oakstead Clubhouse, 3038 Oakstead Boulevard, Land O'Lakes, Florida.

Present and constituting a quorum were:

Barbara Feldman	Chairman
John Witmer	Vice Chairman
Ken Jones	Assistant Secretary
Mark Sifford	Assistant Secretary
John Cascio	Assistant Secretary

Also present were:

Bob Fernandez	Severn Trent Services
Mario Grasso	Field Manager
Nancy Intini	Park Director
Mark Straley	Attorney
Dayne Piercefield	Engineer
Doug Draper	Prager, Sealy
Several Residents	

The following is a summary of the discussions and actions taken at the June 13, 2006 Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

Ms. Feldman called the meeting to order and Mr. Fernandez called the roll. All Supervisors were present except Mr. Cascio.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the May 9, 2006 Meeting

Ms. Feldman stated each Board member received a copy of the minutes of the May 9, 2006 meeting and requested any additions, corrections or deletions.

The record will reflect Mr. Cascio joined the meeting.

Changes were requested on pages 5, 6 and 8 which were made and will be included in the official record.

On MOTION by Mr. Jones seconded by Mr. Sifford with all in favor the minutes of the May 9, 2006 meeting were approved as amended.

THIRD ORDER OF BUSINESS

Approval of the April 2006 Financials & Check Register

Mr. Witmer asked about the petty cash fund of \$2,800 listed on the balance sheet because it seemed somewhat excessive for petty cash. Mr. Fernandez responded he would ask why it is being reported that way and email everyone the reply. Mr. Witmer also questioned whether the payment of \$1,800 to Akerman, Senterfitt listed on the check register was the final due on the lawsuit. Mr. Straley responded he thought so since the lawsuit was resolved earlier in the year.

Mr. Cascio asked why the District Management fees were \$7,000 above the prorated budget. Mr. Fernandez responded he would confirm and follow up as it was probably a matter of timing because a monthly amount is billed based upon the total contracted amount. Mr. Witmer noted based on information he received earlier, it could be a reclassification by the accountant. Mr. Cascio asked if the District was incurring any cost as the result of Rizzetta's improper reporting of the taxes. Mr. Fernandez responded any cost was absorbed by Severn Trent. Mr. Cascio was curious as to why landscape and maintenance was over budget by \$6,200. Mr. Grasso responded it could be the additional billing for sprinkler damage and broken mains. Mr. Fernandez stated he would follow up and get a more definitive answer. Mr. Fernandez will also look into the payment to Severn Trent posted on April 24th and ask that more descriptive comments be provided on future reports.

On MOTION by Mr. Sifford seconded by Ms. Feldman with all in favor the April 2006 financial statements and check register were approved.

Mr. Fernandez introduced Mr. Draper who spoke on the bond refunding. His presentation included the following refinancing information:

- A medium investment grade was received from S & P so the bonds will be rated in an A category; most likely an A- which is the highest rating received by a CDD.
- Insurance will be provided by MBIA who will do it at a cost lower than any received by a CDD in Florida.

- The bonds were issued in 2000 and 2002 as special assessment unrated bonds. The investors lent money to the CDD to construct the infrastructure improvements to develop the property. The interest rate was at a rate to compensate for risk. The 2000 bonds were issued at a 7.2% coupon and the 2002 bonds at a 6.875% coupon. The homeowner assessments are based on the outstanding debt at those interest rates. Insurance allows replacement of the old coupons with lower yielding coupons of 4.75%. The savings from the newer interest rates will be used on capital improvement projects.

- For federal tax law purposes, any money created at closing which is based on savings is new money. Under state law, because it is new money, all residents have to be treated equitably on how it is allocated. There are two different bond transactions in two different phases generating over \$1Million in total proceeds. Based on state law, phase one and phase two cannot be assessed a disproportionate amount. Phase two, Parcels 2, 5, 6b and 8, will not see any change in their assessment. All their savings will be taken upfront for capital improvements. Phase one, Parcels 1, 4, 6a, 7, 9 and 10 will also generate money for projects but since they have excess savings, they will also have a reduction in their annual assessment.

- The four homeowners who prepaid their assessments will now start receiving a relatively small assessment limited to the amount of new money received from the transaction.

- At the next Board meeting, District staff will present several documents for approval which are needed for the transaction. These items include the:

- Engineering Report
- 1st Supplemental Indenture
- Preliminary Official Statement
- Supplemental Assessment Report
- Assessment Resolution
- Delegation and Award Resolution

- The bonds will close and funding of the projects will occur in approximately 60 to 75 days.

- The interest rates will be locked in approximately 45 days. Short term rates continue to rise but long term rates have stayed relatively stable. There is risk, though not substantial, the rates could rise during the 60 days it may take to complete the matter.

- A notice will be mailed to all residents of the District explaining what is happening and setting the assessment public hearing date.

Mr. Draper continued to clarify the timeline and coordination of events pertaining to the refinancing. The process should be complete and the money received in 65 to 90 days pending the necessary resolution is adopted at the next Board meeting. Because the operations and maintenance budget public hearing is set for July, another public hearing for the debt service budget will be needed in August.

Mr. Piercefield stated he will bring a preliminary capital projects Engineer's Report which can be added to or modified at the next Board meeting. A lot of work is required for the final report which is estimated to cost \$10,000. Mr. Witmer provided assurance to both Mr. Draper and Mr. Piercefield that the bond refinancing will proceed for the capital improvement projects.

Mr. Straley volunteered to get the list of proposed projects to bond counsel, Mr. LaPides, for his preliminary review which will assist in confirming the items Mr. Piercefield will prepare the report on.

FOURTH ORDER OF BUSINESS

Manager's Report

A. Consideration of Resolution 2006-6 Designating Mr. Mark Straley, District Counsel, as Registered Agent

Mr. Fernandez reported the resolution is needed because Rizzetta was still listed as the registered agent for the District.

Mr. Straley noted the appointment of a registered agent is for an indefinite term and is only relevant if the District is sued. The District is required to have a registered office for the service of process. The principal function is to receive any complaint delivered by a process server. Should one be delivered, he would contact the District Manager and bring the complaint to the Board.

<p>On MOTION by Mr. Witmer seconded by Mr. Sifford with all in favor Resolution 2006-6 designating Mr. Mark Straley as the District's registered agent was adopted.</p>

B. Ratification of Resolution 2006-7 Transferring the State Board of Administration Investment Account

Mr. Fernandez reported the transfer was needed immediately therefore Ms. Feldman signed it between meetings.

Mr. Straley advised these are conservative investments which state agencies and other governmental entities invest in. Local governments can pool the excess money in their operations and maintenance account and invest it with the SBA for a better interest rate than what the District could get if it invested as an individual entity.

On MOTION by Mr. Jones seconded by Mr. Witmer with all in favor Resolution 2006-7 transferring administrator duties of the State Board of Administration investment account from Rizzetta & Company to Severn Trent Services was ratified.

D. Consideration of Stormwater Connection of Tract 1 Offices and Retail

Mr. Straley stated the agreement with the commercial property owners was approved in principle at the last meeting. The suggestions at that meeting were incorporated in the modified agreement which was previously disseminated to the Board by Mr. Fernandez. The prior action authorized Ms. Feldman to execute the document if all Board members agreed the revised form of the agreement was acceptable to them.

Ms. Feldman stated because of a development regarding the monument at the west entrance, the agreement was not signed and placed back on the agenda. The results of a meeting between Mr. Howell of Oakstead Commerce Center, LLC and District representatives were provided to Mr. Straley in a letter from Mr. Howell.

Mr. Straley stated he would incorporate the items from the letter into a revised agreement and will also add Mr. Howell as a signatory party.

On MOTION by Mr. Sifford seconded by Mr. Jones with all in favor authorization for the Chairperson to execute the revised stormwater connection agreement was approved.

Mr. Cascio extended thanks to Mr. Hickson, Mr. Grasso and Mr. Paradiso for meeting with Mr. Howell who seems interested in being a good neighbor. Mr. Cascio felt Mr. Howell has some business constraints but made some gracious, mutually beneficial concessions.

C. Questions and Comments on the Proposed Budget

Mr. Fernandez reported this as an intermediate discussion of the proposed budget in preparation of adopting the final one in July. The working budget indicates a slight increase in the per unit assessment so the District will be generating more in assessments than in the budget for the current year.

SIXTH ORDER OF BUSINESS

Engineer's Report

Mr. Piercefield reported the following:

- The positive response from SWFWMD to the Statement of Inspection Reports indicate they will not be required again on Parcels 4 and 8 until the year 2010.
- The contractor has the plans for the new drainage system and has ordered the material based on what the Board approved at the May meeting.
- The cursory review of the Weymouth drainage problem showed some of the catch basins/yard drains were not where they were supposed to be. Work is continuing on the issue.

FOURTH ORDER OF BUSINESS

Manager's Report

C. Questions and Comments on the Proposed Budget - Continued

Mr. Fernandez asked for any comments or changes to the budget in order for them to be incorporated into the final document. Mr. Cascio felt the numbers should reflect what the actual costs are anticipated to be and new line items/areas should be identified. He is hoping the assessments will remain level or be somewhat reduced to conform to the commitment made to the community last year. He felt Mr. Witmer and the finance committee worked very hard and he trusts what they've done but pencils should be sharpened to find ways to reduce costs.

Mr. Fernandez informed the Board of the option to have a budget workshop but it needs to be advertised a week before the meeting. He did not think the budget, as presented that day, contained any input from the finance committee.

Mr. Witmer stated this budget was developed by Mr. Fernandez and there was no input by the Board members or finance committee. The finance committee is scheduled to meet on June 19th to review the budget on a line by line basis.

The Board agreed to conduct a budget workshop on June 26, 2006 at 6:30 p.m. for the finance committee to present their findings.

Mr. Sifford cannot attend the workshop. His budget suggestions included:

- Adjust the engineer dollars as the fees for the refunding work will come out of the bond proceeds.
- Line item 4602 for \$38,000 should be removed because it is included in landscaping.
- Line item 4605 for \$32,000 could be reduced by \$5,000.

- A spreadsheet should be created that reflects actual staff costs because line item 3301 for Staff is listed in two different places; one for \$38,000 and the other for \$86,800.
- Line item 4785 for \$50,000 under Security Operations should be removed because it was taken care of last year.
- Line item 4775 under Fiscal Liability for \$25,000 should be removed.
- Line item 6405 under Contingency for \$200,000 should be removed because it was a one shot deal.

Various comments and suggestions continued which resulted in Mr. Fernandez stating he would have the revised budget sent to everyone in time for the finance committee meeting.

Mr. Sifford suggested the Board get a very clear picture of what budget it intends to present for adoption at the public hearing. Though residents are welcome to attend the workshop, public comments and questions on the budget are encouraged at the July meeting.

FIFTH ORDER OF BUSINESS

Attorney’s Report

There not being any, the next item followed.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Field Manager

Mr. Grasso reported the following:

- The Traffic Enforcement Agreement was approved and signed by Pasco County. The deputies can now come behind the gates on their own accord to patrol and enforce all traffic laws.
- A Notice of Deficiencies was provided to OneSource after a meeting between the landscape committee, Mr. Grasso and OneSource. Mr. Bruce Belcher of OneSource indicated they had internal staffing issues but would double the crew to make up for lost time.
- Proposals for a new landscaping company should be sought if the quality of work does not improve soon. The current contract expires September 30, 2006.
- The June payment for OneSource is being held by Mr. Grasso until he sees a substantial change in their work. A credit is also due from OneSource for services not performed.

Mr. Fernandez suggested an informal request for price quotes by the landscape committee should not be done. State law requires a very structured, consistent process for any contract over \$150,000. Everyone must be given the same opportunity to respond to the same specifications. It is accomplished in the formal structured RFP process.

B. Park Director – Proposal to Change Pool Party Policy

Ms. Intini reported the following:

- The pool party policy was revised to state there would be no fee for the party itself but a \$100 deposit would be required to ensure proper clean up.

Ms. Feldman stated the clubhouse committee changed the ratio on rule number four to one adult per five children. The ratio should be smaller if the children are between 2 and 6 years of age. There should also be a limit of 20 participants total i.e. 15 children and 5 adults. Ms. Feldman asked about the difference in premiums for a clubhouse allowing or disallowing alcohol and Mr. Fernandez will follow up. Mr. Witmer questioned the normal operating hours of the pool which will be corrected to read 10:00 a.m. to dusk. There was also a conflict on item B4 of the rules so the word thumbtacks will be removed.

- Ms. Intini recently completed CPO training for the pool. According to the trainers, Oakstead is not required to have lifeguards but Ms. Intini will confirm with the county. Mr. Fernandez noted the liability is greater if there is a lifeguard on duty at the pool.

- The Material Safety Data Sheets for chemicals used by the clubhouse need to be on file for 30 years from the last date used. Copies are being sent to Severn Trent for the District records.

- Building repairs included a plumbing leak, the spackling and painting of the men's restroom and the four inch gap on the deck which was causing a leak.

- Quotes for the paver sand are forthcoming as the pavers are loosening and will begin to crack if not taken care of.

- The ceiling repair is aesthetic but is being done.

- The motor on the pool's second filter went out. Five quotes were received and the new motor will be installed by Land O' Lakes Pool the week of June 19th. Electrical work was also completed at the pool.

- The front doors are not locking anymore and need to be replaced at a cost of \$3,000 to \$3,500. The lock mechanism is failing and the frame is in pieces due to several repairs.

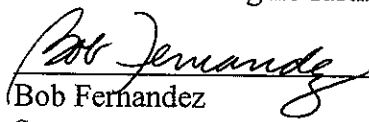
On MOTION by Mr. Sifford seconded by Mr. Witmer with all in favor the replacement of the clubhouse front door at a cost not to exceed \$3,500 was approved.

- The original sand at the volleyball court was replaced approximately one year ago with donated sand consisting of crushed shells which have caused injuries to residents. The

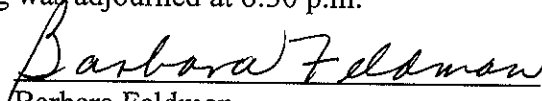
TENTH ORDER OF BUSINESS

Adjournment

There being no further business, the meeting was adjourned at 6:30 p.m.



Bob Fernandez
Secretary



Barbara Feldman
Chairman