

**MINUTES OF MEETING
OAKSTEAD COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Oakstead Community Development District was held on Tuesday, August 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	Chairman
John Witmer	Vice Chairman
Ken Jones	Assistant Secretary
Mark Sifford	Assistant Secretary
Joe Cascio	Assistant Secretary

Also present were:

Bob Fernandez	District Manager
Mario Grasso	Field Manager
Nancy Intini	Park Director
Tracy Robin	Attorney
Several Residents	

The following is a summary of the discussions and actions taken at the August 8, 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.

SECOND ORDER OF BUSINESS

Consent Agenda

- A. Approval of the Minutes of the July 11, 2006 Meeting**
- B. Approval of the June 2006 Financials and Check Register**

Ms. Feldman stated each Board member received a copy of the minutes of the July 11, 2006 meeting and requested any additions, corrections or deletions.

There not being any,

On MOTION by Mr. Cascio seconded by Ms. Feldman with all in favor the consent agenda was approved.
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The record will reflect Mr. Witmer joined the meeting.

THIRD ORDER OF BUSINESS

Manager's Report

B. Consideration of Audit Engagement Letter from Grau & Associates to Perform the Fiscal Year 2006 Audit

Mr. Fernandez stated the cost is not to exceed \$12,500 for the year ending September 30, 2006 audit.

Mr. Witmer asked about the status of the 2005 audit. He felt it would have been nice to have a completed audit report prior to concluding the budget process. He also asked about communication from the auditors to the Board.

Mr. Fernandez responded he will follow up on the status and ask if they would be available by telephone to the Board members.

On MOTION by Ms. Feldman seconded by Mr. Sifford with all in favor the engagement letter from Grau & Associates to perform the audit for fiscal year 2006 was accepted.

A. Discussion of Open House Sign Policy

Mr. Grasso stated the current policy is an HOA responsibility and does not specify open house signs.

Mr. Cascio presented a copy of Pasco County's signage ordinance Section 601.4 which states signs are not allowed on county property unless permitted. The limitation includes road easements and medians on Oakstead Boulevard, Manassas and Lake Patience Road. The ordinance does not apply to private property within the communities.

Mr. Witmer stated the District does not have the authoritative power to enforce a county ordinance. He had not yet received a response to a letter, which included the sign topic, sent to Mr. Straley. He felt any discussion would be premature pending the outcome of the attorney's response.

Mr. Robin asked if there was a particular policy adopted by the District or if the restrictive covenants were being relied upon. The District and the Association, within their powers, can opt to enact more restrictive provisions but cannot enact any policy or provision which would undermine or excuse requirements of the county code. To the extent the District feels there is a need for signs on District property which would be reasonable and appropriate, they would be generalized signage as opposed to allowing advertising signage, which is prohibited by the restrictions.

Mr. Fernandez felt a convention had been adopted; a practice the District allowed fairly consistently. Said practice was open house signs could be placed on the roundabout at the village entrance near the callbox and beyond 250 feet away from the eastbound front entry on SR 54. It had been conveyed to people who asked to erect open house signs but is probably not consistent with the county sign ordinance. If a formal policy is adopted, it will have to be consistent with the county sign ordinance.

Mr. Witmer asked if the District meeting sign in front of the clubhouse, on county property, is in violation of the county ordinance.

Mr. Robin advised it could be argued as such by the county.

Mr. Witmer asked if the proposed lighted messaging sign could be placed in the median or near the Oakstead Park monument.

Mr. Robin responded the District may be able to obtain a permit from the county. If they issue a permit, it is legal for the sign to be there.

Mr. Witmer asked if the sign would be subject to HOA approval.

Mr. Robin responded no, on behalf of the District, the Board is permitted to do so under the restrictions. With respect to the issue about realtor signs, the Board should not adopt a policy which would be in conflict with the county's. However, the Board has some enforcement rights, as does the HOA, under the restrictive covenants. Those enforcement rights are permissive; they may be enforced. Any resident may enforce them, the Association may enforce them and/or the District may enforce them. He emphasized it means "may", not "have" to. The Board, as a whole, without taking any official action, may decide, in the best interest of the residents in the District, signs could be allowed to the extent the District is not going to be the policeman. The Board could effectively allow some of it to occur simply by not attempting to enforce it, thereby deferring to the county for enforcement. It is a zoning issue under the county zoning code or its equivalent section. Mr. Robin added the powers of the District are outlined in Chapter 190 and just as the District does not have zoning or land use authority, the District, by law, does not have authority to enforce deed restrictions. Despite what the private covenants might suggest, state law does not grant the District the power to enforce deed restrictions. That belongs to the HOA.

Mr. Witmer asked if the CDD has enforcement powers with SWFWMD violations.

Mr. Robin advised the District has the power to regulate the use of its own property. Wetlands and conservation areas are governed by other governmental regulatory agencies. The

District was granted permits for the construction of the Development which have certain requirements under monitoring and the District provides reports to the agencies. It is responsible for continuing compliance to the agencies issuing those permits. Whether it is a resident or someone from outside the community damaging District property or conducting activities which would violate the permits, the District absolutely has the right, the responsibility, to regulate the behavior and take any appropriate steps to prevent it. The District has the ability to take someone to court, have a judgment entered against an individual who damages District property and to sue them for recovering the damage. Attorney's fees may or may not be recoverable because there must be a statutory or contractual right to recover attorney's fees.

Mr. Fernandez recommended the Board's policy should be to defer to the county for the sign restrictions.

Ms. Feldman asked if the HOA should be made aware of the CDDs intent so an agreement could be reached as there will be conflict if the CDD makes an allowance but the HOA enforces the policy.

Mr. Robin stated he did not suggest the Board make an allowance but simply say it is not their job to be the policemen and enforce it. The HOA can do whatever they want to and they need to consult their Counsel to determine what their rights are with respect to enforcement.

Mr. Witmer suggested the HOA and CDD meet to come up with a combined, reasonable approach to handling the sale of people's homes.

Ideas and possible options on the topic were discussed.

Ms. BJ Miller stated she works with Caldwell Banker and is a resident of Ballastone. With 25 years experience, she felt the general public is trained for 1:00 p.m. to 4:00 p.m. on Sunday afternoons for open houses and opportunities to sell homes are lost because people cannot drive through the community. She noted other CDDs in Pasco County allow open houses on Sunday afternoons. If the houses are not sold and they sit on the market, prices are going to drop in \$10,000 increments. As a resident, she is very angry because it is affecting her and other people's investment.

Mr. Fernandez felt the meeting was not the right forum to have the discussion. Although the Board may feel passive about the issue to some degree, because of the current policy, the HOA feels differently. Mr. Witmer stated he wanted people to know the CDD is interested in

working with the HOA and the residents. Ms. Feldman felt the right step would be to talk with the HOA to come to some sort of agreement because they are the enforcers.

Mr. Fernandez distributed recommendations to improve meeting efficiency. He asked the Board to consider them as written or modify them if desired. The recommendations were read and are attached hereto as part of the official record. They were designed to keep the focus on the fact the Board is a governmental entity which meets to receive information or recommendations and make policy decisions.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2006-13 Rescheduling the Public Hearing to Adopt the Fiscal Year 2007 Budget

Mr. Fernandez stated the resolution is a housekeeping matter authorizing the meeting.

On MOTION by Mr. Sifford seconded by Mr. Jones with all in favor Resolution 2006-13 rescheduling the public hearing to adopt the fiscal year 2007 budget was adopted.

FIFTH ORDER OF BUSINESS

Public Hearing to Consider the Adoption of the Budget for Fiscal Year 2007

Ms. Feldman declared the public hearing open for the proposed budget.

Mr. Fernandez stated adjustments were made to the budget presented at the July meeting. It incorporates all the line item decisions previously made and calls for an assessment of \$894 for operation and maintenance purposes, which is a reduction from the current \$996.

Public comments were heard as follows:

Mr. Duane Bain of Marchmont stated the Board has a difficult job and he appreciates their efforts. He asked if they are adding to the debt to make improvements.

Mr. Fernandez responded the existing debt was refinanced. The provisions of the refunding were such that the debt was not increased, the time period was not expanded and the debt service payment was not increased. The amount of debt was increased but because of the lower interest rate, residents are not paying any more. Within the existing debt service amount, the Board was able to issue bonds to retire the existing bonds (2000A and 2002A) and have additional money available to do improvements without increasing assessments.

Ms. Joann Matei of Weymouth asked what was approved to be done with the funds from the refunding. She had an issue with not replacing things and not maintaining things properly. One of her main points of contention was not having a gate system within code for the pool area.

She was also concerned about the gate systems to all of the communities because she cannot get in or out with her key and has to wait for a car to come in order to enter.

Ms. Feldman stated the issue would probably have to fall under the refinancing which is a separate meeting to be held on August 22nd.

Mr. Don Marchok of Ballastone asked about the three bonds 2002A, 2002B and 2000A.

Mr. Witmer responded they will all be replaced in the refinancing effort by two other distinct bond issues which will expire at the same time as the prior bonds. The short term B bonds are paid off as units are sold and the connections to the infrastructure are made.

Mr. William Cooper of Weymouth asked about the budget overrun of \$12,000 for District Counsel fees.

Mr. Fernandez responded the District incurred additional legal expenses for the litigation with Luke Brothers.

Mr. Robert Norman of Weymouth asked about the improvements to be made in the community.

Ms. Feldman responded the refinancing is not included in the budget. It will be addressed on August 22nd at 2:30 p.m.

A resident asked about the \$10,000 increase for Engineering from 2006 to 2007.

Mr. Sifford responded a lot of the capital improvement projects in 2007 will need the District Engineer's oversight.

A resident asked about line items Landscape Management Contract and Landscape Maintenance.

Mr. Fernandez responded he made a recommendation the Board utilize a professional landscape management company to try and make a difference in the District's landscape contracting because there had not been success with hiring a landscape company, giving them a contract and expecting them to perform. Great success was achieved in other Districts taking the management company approach. The firm helped in the management of the bid process and structuring of the bid specifications. State law requires the Board to select the low bid. Unless the specifications are carefully written, the low bid may not provide the desired quality. The firm specializes in drafting bid and specification language effective in obtaining a high quality product. The management contract fee is for monthly monitoring of the landscaping company. The maintenance contract is structured so that 25% of the monthly bill is not paid if certain

specifications are not met. It is an attempt to significantly improve the quality of the landscaping and is a new approach in the District.

Mr. Robert Norman stated the west side of Oakstead Boulevard required new grass and within five months it was dead. He asked if anyone from the District would be overseeing the landscape management company.

Mr. Fernandez responded the company name is OLM. Tampa Palms looks differently now in large part because of the way OLM operates, the standards they establish and their effectiveness in monitoring contracts. There is a field manager in Oakstead who is responsible to monitor all of the field contracts including the management company overseeing the landscapers.

Mr. Fred McCoy of Brenford asked why someone is being paid \$38,000 per year and another \$18,000 for someone to come in and help do his job.

Ms. Feldman responded the field manager will oversee the landscape manager who will oversee whatever landscape maintenance company the District contracts with.

Mr. William Cooper of Weymouth asked about the amounts in the Security Patrol line item for 2006.

Mr. Witmer responded they are ADT Security bills mis-coded by Severn Trent and have nothing to do with the actual security patrol. There is an agreement to reimburse mileage for security patrols and some of it recently took place but unfortunately is being charged to Miscellaneous Expense. The \$3,000 budgeted for security patrol is mileage reimbursement for the people who use their own vehicles and gas to patrol the community.

Mr. Eric Slavia of Brenford asked for clarification on OLM and the landscape bids.

Ms. Feldman responded OLM will bring in the bidders and the District is bound to take the lowest bidding landscaper.

Mr. Fernandez added a formal bid is not required for the services OLM provides and Severn Trent has no affiliation with them.

Ms. Feldman closed the public hearing.

Mr. Witmer asked the Board to consider reclassifying \$10,000 of the budget into different categories. There was \$28,000 budgeted for OLM but \$10,000 of it is not necessary at this time. He would like to see the \$10,000 moved into the Parks and Recreation Department under Special Events and Programs where there is currently \$3,000 budgeted. He would like to take \$5,000 of the \$10,000 and designate it toward programs created by Ms. Intini and he would like to

designate the other \$5,000 to a CDD newsletter which would cost \$500 per month for 10 months beginning in November or December. He clarified the whole \$10,000 should be added to the Special Events and Programs with the understanding \$5,000 is being designated for the cost of the newsletter. The line item will become \$13,000 with no impact on the total budget.

Mr. Cascio noted the current newsletter publisher, JGI, Inc., has not met expectations and the HOA is strongly considering cancelling the contract. The HOA entertained the St. Petersburg Times and the current editor is working with them to determine whether or not they will publish their newsletter. However, HOA dues are \$34 per year and they do not generate enough revenue to support mailing a newsletter on a monthly basis. It is the objective of the HOA to have a combined HOA/CDD newsletter published by the St. Petersburg Times.

A. Resolution 2006-8 Relating to the Annual Appropriation of the District and Adopting the Budget for Fiscal Year Beginning October 1, 2006 and Ending September 30, 2007

On MOTION by Mr. Jones seconded by Ms. Feldman with all in favor Resolution 2006-8 relating to the annual appropriation of the District and Adopting the Budget for Fiscal Year Beginning October 1, 2006 and Ending September 30, 2007 was adopted as amended.

B. Resolution 2006-9 Levying and Imposing a Non Ad Valorem Maintenance Special Assessment for Fiscal Year 2007

On MOTION by Mr. Jones seconded by Ms. Feldman with all in favor Resolution 2006-9 levying and imposing a non ad valorem maintenance special assessment for fiscal year 2007 was adopted.

SIXTH ORDER OF BUSINESS

Attorney's Report

Mr. Robin stated he was asked to review and comment on a lengthy letter from Mr. Witmer which raised issues related to the District, the HOA and their respective responsibilities. He spent several hours reviewing some of the more significant issues and the CCRs. To answer all the questions in any level of detail would take a great deal of time and cost the District a great deal of money. Though the letter was generated by the Vice Chairman, Mr. Robin did not know if his office received any authorization from the Board about attempting to address it in detail. The CCRs contemplate the District and the HOA work together in a cooperative manner. He sensed from the letter there is competition between the two in Oakstead and felt many of the

issues could be resolved through cooperation between the two as opposed to competing or challenging one another on authority. There were areas which are not crystal clear. He was looking for further guidance from the Board in consideration of the residents paying for the legal fees. When DEVCO put restrictions on the property they made a valiant effort to put together a set of covenants beneficial to all residents and to protect the neighborhoods. It was not their intent to create strife and competition between the two entities. The District is a unit of local government which has governmental responsibilities defined by statute. They are entirely separate and apart from those of the HOA but there is some natural tendency to overlap them. Mr. Robin felt the two should work together in concert as opposed to allowing forces in the community to pit them against each other in an effort to achieve what is in the best interest of the residents, the District and the HOA.

Mr. Cascio stated the HOA is not sure how to interpret the language in all cases and they are not sure if the CDD wants to abide by the deed & covenant restrictions of the HOA. There was some controversy in terms of who is responsible for common property. He felt those are the concerns and it is not a competition.

Ms. Feldman asked how the Board can communicate with the HOA within the Sunshine Law.

Mr. Robin apologized if he mischaracterized the relationship between the HOA and the CDD. He stated one of the items in the letter had to do with the parking of recreational vehicles on District property. Generally speaking, the District is subject to the covenant conditions and restrictions. However, the documents have some exception provisions in them. The HOA has responsibilities in certain respects for deed restriction enforcement the District has no responsibility for. Article 8 deals with use of property and has two provisions which may impact the issue. Item K deals with campers, etc. and Item AA deals with motor vehicles, trailers, etc. There was an exception implanted which says "other than areas provided therefore within the common property if any". Common property is the District's property. As Counsel, he viewed the exception as providing the District with the opportunity, if it chooses to do so, of having the ability to provide some exceptions on common property.

Mr. Fernandez asked if the Board designated an area for parking recreational vehicles within CDD property would the area be exempt from the policy language.

Mr. Robin responded the language has the effect of allowing the District to do so. In keeping with that, the Board would be very careful and cautious about how they did it. It is designed to allow the Board to have the flexibility. One of the other questions had to do with enforcement. Because the District is affectively exempted from assessments, levies and liens by the HOA for violations, the HOA can take the District to court and get injunctive relief to stop the District from whatever violation the District engaged in. It is the same relief the HOA and individual homeowners have against any other homeowner who may be violating the restrictions. It is an ultimate cure. If the two entities were to get into a legal war, even though it states the prevailing party may recover their attorney's fees, the bigger picture is the residents would be paying for the legal battle on both sides. If the damages were awarded against the District, the District would assess the residents to pay for it.

Ms. Feldman and Mr. Robin felt a workshop with the Oakstead HOA would be a good solution.

Mr. Witmer asked about question one on the letter regarding the declarant, DEVCO, successors and assigns.

Mr. Robin responded he did not know the answer to the question. He did not know whether DEVCO had ever attempted to assign any rights it may have retained or whether it may continue to have those rights. If DEVCO still retains whatever rights there are, the District could ask for those to be assigned to the District.

Mr. Witmer asked if DEVCO designated the CDD Board as successor, would the CDD assume the responsibilities of the declarant.

Mr. Robin responded yes, to the extent Chapter 190 allows.

SEVENTH ORDER OF BUSINESS

Engineer's Report

There not being any, the next item followed.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Field Manager

Mr. Grasso reported the following:

- A meeting will be held between Mr. Grasso, Mr. Fernandez and Mr. Bruce Belcher regarding approximately \$25,000 in credits due the District.
- Palm tree trimming finally occurred.

- The Creeping Ivy on some of the walls in Weymouth was ripped off so the south wall of the Weymouth monument structure was painted.
- Mr. Grasso met with Mr. Tom Metlock regarding withholding three months' payments from OneSource totaling over \$46,000 because he is not happy with their performance.
- There were two SWFWMD violations. Mr. Grasso talked with SWFWMD and to the resident who planted vegetables on conservation land. He is expecting a call back from SWFWMD regarding the timeframe to correct the situation.
- Gate repairs to Marchmont were completed.
- Lighting and irrigation repairs occurred on the trail.
- The new Ballastone gate openers were not working before the storm and someone attempted to force it open. There was no power to the board but it is under warranty so should not cost anything to repair.
- There are irrigation problems at the front of Tanglewylde. The valve needs to be replaced for approximately \$3,800.
- There is construction in the Wesley Chapel area which is causing irrigation inconsistencies within Oakstead.
- A couple of flooding calls were received from Weymouth so Mr. Grasso called Mr. Piercefield to begin addressing the issue.

Mr. Jones suggested Mr. Grasso contact Mr. Jerry Long due to Mr. Piercefield undergoing recent heart surgery.

- The light pole will be put back in its place on the west side of Marchmont when fill dirt is brought in which should occur later in the week.

B. Park Director

Ms. Intini reported the following:

- She is waiting for dryer days to replace the sand in the playground and volleyball courts.
- Approximately 50 events are planned for the coming year.
- There is an ongoing problem with security. Someone jumped the fence and set off fireworks which landed in the pool and caused the need for additional chemical treatments to clear it up. Security sensor lighting will be installed around the pool.

- The creation of a procedure manual is in process for pool operations.

C. Finance Committee

There not being any, the next item followed.

D. Clubhouse Committee

Ms. Jennifer Dean reported the following:

- Ms. Maureen White will be in charge of the committee beginning in September.
- The newsletter will be published by the St. Petersburg Times but the paper will not do the mailing, which is estimated at \$170 per month at bulk rate postage. The Times will also take care of the advertising.
- The official CDD website, www.oaksteadcdd.org will be utilized for committee information and event dissemination.

E. Resident Council

There not being any, the next item followed.

F. Landscape Committee

Mr. Adam Heath reported the following:

- The committee is currently collecting qualified landscape architect proposals for design improvements.
- They are also compiling names of landscape contractors interested in bidding on the property once the terms of the contract from OLM are approved.
- Because there is great concern among the residents about the landscaping condition, they will be addressing a way to constructively receive suggestions at their monthly committee meetings.

NINTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Cascio stated he was one of the first residents elected to the Oakstead HOA. The management company at the time was Rizzetta who was appointed by the Developer. After the community was turned over to the residents, residents were appointed to the Board. Mr. Cascio's term will be expiring and he will not be seeking election. However, there will be at least three and possibly four vacancies on the HOA Board. Due to some resignations on the CDD Board, he expressed interest in supporting the CDD and was appointed by a majority of the Board. He is running for election in Seat 3, which is a four year term.

TENTH ORDER OF BUSINESS

Audience Comments

Mr. Don Marchok commented on the traffic flow near Oakstead Elementary School. Residents cannot get in or out of Ballastone for over 40 minutes in the mornings and evenings because of the turn lane. The traffic line to drop off or pick up students extends back to Oakstead Boulevard which blocks the only lane going in and out of Ballastone. He felt the traffic flow should be redirected to take it past Ballastone and then turned around. There is also a problem with the access road to the old Lake Patience Road built by the school developer. It has become a shortcut for SUVs, trucks, motorcycles and cars traveled daily by approximately six vehicles. He suggested it be blocked or developed into a full road.

Ms. Feldman stated she did not know the solution to the problems as a county or school representative would need to be consulted.

Mr. Duane Baine commented he wants the deed restrictions enforced on the rental property. He asked if the residents were supposed to notify someone of violations.

Ms. Feldman stated the HOA needs to address the concerns. They meet on the third Thursday of each month at 7:00 p.m.

Mr. Cascio added Rampart has a field manager who enforces deed restrictions.

Ms. Maureen White commented the school traffic was bumper to bumper from Weymouth to the school and she could not cross the street.

Mr. Witmer stated it is a county issue because it is a county road.

Mr. Sal Paradiso commented on the use of the dirt road short cut by children on ATVs and there is a similar problem on the dirt road near Marchmont.

Ms. Feldman commented on the clubhouse vandalism. She suggested residents tell someone if they know or see the children responsible for it. Also, cars have been seen in the clubhouse parking lot at night after closing.

Mr. Witmer distributed to the Board a recap of the operations and maintenance per unit as well as the proposed new debt service agreement which includes two years' history.

Ms. Feldman concluded by stating the residents will save money with the 2007 budget because there will not be a special assessment during the year and a reduction will actually be seen due to the refinancing.


Mr. Jones thanked Mr. Witmer and the entire finance committee who worked on the budget. It required a lot of time, energy and effort. Their good job has proved to save residents approximately \$100 per household.

ELEVENTH ORDER OF BUSINESS


Adjournment

There being no further business,

On MOTION by Mr. Cascio seconded by Ms. Feldman with all in favor the meeting was adjourned at 9:05 p.m.



Bob Fernandez
Secretary



Barbara Feldman
Chairman