

MINUTES OF MEETING
BAYTREE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Baytree Community Development District was held Wednesday, December 7, 2011 at 1:30 p.m. in the Baytree National Golf Links Meeting Room, 8207 National Drive, Melbourne, Florida.

Present and constituting a quorum were:

G. Melvin Mills, Jr.	Chairman
Mike Harden	Vice Chairman
Lou Smail	Supervisor
Edward Rizzotti	Supervisor
John Finafrock	Supervisor

Also present were:

Jason Showe	Assistant District Manager
Michael Pawelczyk	District Counsel
Melissa DeFrancesco	District Engineer
Alan Scheerer	Onsite Manager
Kevin Bouley	Allegiance Security
Several Residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order and Mr. Mills led the pledge of allegiance.

SECOND ORDER OF BUSINESS

Community Updates

A. Security

Mr. Bouley stated everything seems to be running fairly smoothly. We do have some trainees in the guardhouse so some of you may notice a little bit of a delay but they are doing very well. We continue to rotate these trainees to try to get more of a pool here so if someone is on vacation or out sick we have someone who knows what to do. We are working on the guards controlling the entrance, the two gates. They are not supposed to touch the resident gate that is done by a transponder. We have a box over the button and they have to have access to it for emergency vehicles but most of the time it is a resident coming through that lane. When

someone is coming to the guardhouse we are trying to get the guard get the information before they open the gate and look and make sure it is not a resident coming down the outside lane so we don't have a bottleneck going through those two gates. If there is a resident coming down that lane that resident would have the right of way and go through that gate then the guard will open the gate for the guest. There are times that you might see a guard open the gate and let someone through and you may think they didn't get the information but there are times that is going to happen and there are reasons for it and a lot of times the information is already input in the computer, the guard knows the person, they come through every week such as a home nurse or vendor that goes to the same resident all the time so sometimes you may not physically witness them getting information. We are trying to keep things moving especially during the daytime. We don't have that issue so much at night.

Mr. Harden stated I went to get a guest pass for my son and was told there were none and I was told the reason there were none is because you had run out of them and there wouldn't be any more.

Mr. Bouley stated that is not true that there wouldn't be any. We did have a problem with the computer, the computer has been down and I went over that the last time I was here so there might have been something in there where they couldn't print any passes for a period of time but they do have passes there.

Mr. Harden stated he gave me the impression that they had just run out. Basically he was saying he didn't have any because they weren't returning them.

Mr. Bouley stated that part is true they are never returned. People get passes and that is the last we see of them. When they scan that driver's license it prints out the pass but the computer was down for a period of time.

Mr. Harden stated maybe that's what it was but that is not what he said to me but that is okay. I just wanted to let you know. I thought that was really strange that we have this policy and no passes.

Mr. Bouley stated we are still doing the passes that hasn't changed. The computer is set up to automatically print that pass but it was down and that is probably what he was trying to say.

Mr. Harden asked was this at Thanksgiving?

Mr. Bouley responded yes.

Mr. Drew stated I'm the branch manager and we met with Mel and Jason yesterday to fine-tune a couple of things and one of the things you will be seeing us at the meetings. I will do my best to be here every other month to try to initiate being proactive because something may be small to start off of and if we don't get hold of it, it can mushroom into something huge. I will be in close contact with Jason and Mel is in communication with our office and we are going to try to be as proactive as possible. One of the major things we want to do is be able to identify our staff so we are trying to have some type of naming device so you know who is on duty for a couple of reasons: (1) if the officer is doing a great job and you feel he should be commended and (2) if he is not doing a superior job we know who to go to instead of coming to the resident and the resident doesn't know who this person is, it will be posted clearly upfront to keep things in order.

A resident stated I'm not sure what the official policy was when we set up the new security but I thought that when vendors come through the home should be notified when they show up if they are going to come to your house.

Mr. Mills stated the resident is supposed to put on the permanent list any frequent visitor, such as the lawn care company, sprinkler company whoever comes to your house routinely. If they are on your list you will not get called. If somebody does come and his or her name is not on your list you will get a call.

A resident stated that is not happening.

Mr. Mills stated we talked about that yesterday they are aware.

Mr. Bouley stated there are also vendors such as a lawn guy will come in but he may be going to several residences.

A resident stated I'm not talking about the lawn guy I'm talking about a guy checking something on our roof. We never knew when he was coming and he just showed up at the door. There is probably more than one occurrence but it was about three days ago first thing in the morning he showed up around 9:00 a.m.

Mr. Mills stated we are going to ask that all residents be specific when they have a complaint whether they file it with me or Jason.

A resident stated this is one instance but I'm saying as a general policy.

Mr. Mills stated we have to nail it down to who was on duty at the time it happened because we can't punish all the officers for what one officer is doing.

A resident stated I don't want anybody punished I just want to reiterate what they are supposed to do. I don't want anybody fired.

Mr. Mills stated they won't be fired but you need to make us aware that this is not taking place.

A resident stated it doesn't happen only one time it doesn't happen on a specific day it happens a lot.

Mr. Bouley stated we will check into that. We want to make sure the guards are all doing the same thing.

Mr. Smail stated I was out checking Christmas lights every evening to make sure they are on like they are supposed to and I was at the back gate and I'm pretty sure it was on a Saturday and the Christmas lights hadn't quite come on but I knew they were coming on so I was walking and a big car hauler pulled up with an empty bed and not only was he coming but he was coming fast and he stopped very close to the arm that was down and he was on the telephone so I walked over and knocked on his window to let him know that he can't come in that gate. I told him he would have to go around to the front gate, he can come out this gate but he had to go in through the front gate. He gave me a card and said if you have a problem with what I'm doing just call this number and about that time the arm came up and the gate opened. I have no idea how. I went to the front gate to make a report and told them and asked if there was any way they could control the back gate from here and they said no. It has to be looked into as to how that gate opened.

Mr. Showe stated after you told me that I looked at the video and I'm not sure what happened. Something about that occurrence triggered the emergency setting because it stayed open for 15 minutes after so we are looking at the video to try to identify what about that particular occurrence opened the gate. We haven't had reports of that before but we are looking into it.

Mr. Mills stated if there is a special frequency that that thing hears it will open that gate.

Mr. Scheerer stated we are looking into that. That is an operational issue and we are in contact with ACT about that.

B. BCA

Mr. Studds stated I want everyone to know that we are in the process of updating our BCA website. It has been neglected too long with an accumulation of information much of

which was no longer accurate. We had formed a website committee, ad hoc committee, which met about six weeks ago and set certain parameters for the website. We have pretty much attained the parameters set, changed categories, we opened up a lot of the website to any visitor to it, you don't have to log in. The only thing that now will be a login is if you choose to participate in having the website maintain your address and telephone number, which by Florida Statute we have to have an individual's permission in order to do that. That is why you are not going to get a BCA directory this year. One of the things we did was include a tennis tab because my understanding is that the CDD has some sort of contractual relationship with the tennis pro so as a courtesy we left it there and it lists a lot of the information about the pro telephone numbers, how you sign up for activities, etc. When you review that if there is anything in there you have reservations about let me know and I will certainly get it off.

We have chosen a static display that doesn't require constant updating but has accurate information and we know just by a study of the hits that were made on the website in the past year and it was a large percentage of other than Baytree residents and that is one of the reasons we opened up most of the website. The only place where it isn't static is going to require constant updating and it is not a concern of the CDD nor as a resident of Baytree but some of these activities we will try to keep them current but like anything else we are very dependent upon the head of the activities such as the bridge groups and mahjong and that kind of stuff to give us current information. If the committee finds the information for that particular activity is not being maintained we will probably pull it off the website.

I would like to take the opportunity to compliment Mel and to thank him for the terrific coordination that we have experienced this past year between himself and the BCA. There is a lot of small stuff that goes on more frequently than probably most people realize that Mel and I have been able to work out before it became a problem to anybody and I think it has helped community relations considerably and I appreciate Mel for his leadership of the CDD and the close cooperation that we have realized.

Mr. Mills stated thank you for those kind words but it takes two and you have been a great team member as well as your board and I know this board greatly appreciates the hard work and commitment that your board has given to this. I know John has worked with Mr. Mitchell quite a bit and other ones so we really appreciate that as well.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the October 5, 2011 Meeting

Mr. Mills stated the next item is approval of the minutes of the October 5, 2011 meeting. Are there any additions or corrections to the minutes?

Mr. Harden stated on page 4 again where I'm speaking about a third sentence down, something for you to consider is to look at some web based, strike "of these" hosting "options" so that information is maintained. On page 5 where I was speaking the last sentence, have a lot to do because in your "individual" case "much" is already in place. We were discussing the pluses and minuses and so forth. On page 6 I don't know what I was saying there, I still can't figure it out. I have made some changes, Mr. Harden stated I think you are in agreement that we really haven't had a lot of time to deal with this issue. More importantly, it is really for budgeting in 2012 and beyond, and as we get to thinking about what we are going to be doing for 2012 then it can be addressed. We were talking about the pluses and minuses and what we were going to do related to that.

On MOTION by Mr. Finafrock seconded by Mr. Smail with all in favor the minutes of the October 5, 2011 meeting were approved as amended.

FOURTH ORDER OF BUSINESS

New Business

A. Discussion of Reserve Study

Mr. Mills stated I was a little taken aback by the fact that this organization wanted to charge us \$700 to present their findings to this board. In the future I think whenever we have someone do consulting for us that needs to be included in the request for proposal because there are a lot of questions I'm sure most of us have with regard to this proposal. The other thing was a report is a report as long as it hits the main targets that we are after. There was a lot of flowering in here on their behalf trying to make themselves look good. All the flowering made themselves look good but I'm disappointed that they did not come and present this to the community and to the board and I would like that reflected back to them.

Mr. Smail stated overall I guess I was a little disappointed in it. I was over expecting and secondly I had no explanations as to where they achieved the recommendation for the annual reserves especially when you look at landscaping they say maybe \$6,000 a year would be all right and we just finished spending \$7,000 on just one issue by the front gate. I don't have any idea as to how they achieved what they recommend our reserves ought to be year by year in

order to build what we need. That concerns me. I don't see where it helped a bit as far as landscaping.

Mr. Rizzotti stated in general I thought it was kind of vague in some areas and it talked about a lot of things that we should do that we are already doing, the maintenance of things and all. It talked about them and I'm not sure that they really understood everything but at best it was a benchmark as to what you could shoot for but it was full of advertising for them and the further you read the worse it got. I didn't see anything from a financial budget standpoint as to any real problem we have right now and then going out 20 years but they did do the 5 year.

Mr. Harden stated I think it confirmed what we were talking about originally and that was that we probably really didn't need a reserve study. That was basically because of the way that we go about things we pretty much do that anyway. Truthfully with all the advertising and all that was going on just basically confirmed pretty much the system that we use to do the things that we do and to allocate the funding as we allocate it. The positive part about it would be now that the bonds are paid off that we have someone else's opinion as to how we are managing the funds so that when we are in the budgeting process we have another set of objective information that we can use to say that we are doing what we are supposed to be doing. Truthfully the only additional piece I saw was dealing with the landscaping where we currently put it in the P&L and basically they made the suggestion that maybe it could be put into the reserves, a portion of it.

Mr. Showe stated what they are talking about landscaping is more capital replacement. They understand that we do the operating budget every year to do what is needed so they are recommending that we save a little bit of money every year for huge major things that may come up outside of your operating budget.

Mr. Finafrock stated I agree with Michael's comments and I'm trying to digest exactly what you just said, Jason. I thought they talked about some of our operating expenditures in forms of reserve expenditure, reserve outlay. I kept getting lost but they talk about reserve expenditures here to me that are nothing more than annual operating expense and I was hoping we would see a document and I hope we still do, I hope we haven't paid for this yet. My recommendation would be to defer any payment until we get a document that is final and I agree with the comments that Ed and Lou made, right down the line this is a document that looks like their commercial. They are trying to sell their services to us, every year they talk about annual updates. That bothers me because I believe our collective wisdom in dealing with financial

budgets every year is superior to this document. I had some comments at the last meeting and I went through this thing and read it again and I haven't changed my mind at all in terms of what this document is. I felt like we were taken by someone that has a piece of software where they just changed everything into it. It is like you do with any document, select all, change everything in here from Suntree to Baytree. I worry about our reserves I don't worry about our operating expenses I know these guys every one of them in our budget process is going to stand up for their programs and we are going to get the money we need in that program for the forthcoming budget. We have execution year and we have budget year then we have the out years and we take a look at that. The out years to me is where we should have our reserves and our reserves should never restate operating budgets. This one appears to do so. How much money do we need in reserves? I go through this and see operating expenses.

Mr. Mills stated for the audience that is here I think it would be relevant for us to sort of explain why we got into this. I had requested that the board consider \$150 capital reserve fund not surplus but put ahead for the coming years that we could do roads, we could do necessary things without going back and ask for special assessments. What I was a little shocked about is how correct I was in my thinking when you look at exactly this part of the reserve study that they gave us. 2012 they recommend that we have \$84,943 in reserve funds, which equates to \$184.26 a year versus my \$150. They want you to increase every year with exceptions of 2013 and 2014 where they lower the actual assessment and then they ramp it up and the year 2041 it will be \$311.28. My concern was let's give us a flat objective and what can we cover so that we don't go with increases every year except for inflation.

Mr. Finafrock stated they talk about replacing our infrastructure and various things every 25 years. This community is not 25 years old yet and if we waited until 25 years it would be like me living back in Madison, Alabama and the community I lived in looked a little ratty after 15 years. We have residents who talk to me about the pristine conditions of Baytree and ever since the days when I first met General Studts on the BCA several meetings a year we would hear residents talk about maintaining houses and properties and that certainly includes common properties in a pristine condition. We repaired different things such as the guardhouses, the parking lot by the recreation center and according to these guys you do this every 25 years. I worry about that study.

Mr. Mills asked what do you suggest that we do? I would like to tell them that until they come and hear us we are not going to pay them.

Mr. Showe stated actually we have already issued the final payment.

Mr. Finafrock asked is this something where we should pay a couple of our directors like Ed Rizzotti and maybe one other person to go sit down with these folks? I believe they have an office in Tampa. I was pretty sure we paid for this based on memory. Is it possible we could sit down and workshop among us before they went and said these are the things we would like you to get changed and get this thing doctored? I know next Friday is the 6 month anniversary of this study and they said they would fix everything for six months from the day of the study, which I believe was July 19th. Is that something we might want to consider? Otherwise I am afraid we have a document here that is short in my expectation.

Mr. Smail asked what do you expect to accomplish by sitting down with them?

Mr. Finafrock stated we would have a final product that is something that has a difference between operating budgets and reserve amounts and something that is more realistic. Let's be real about this, somewhere in the next four or six more years we are probably going to have five new folks sitting at this table. This is going to be part of our legacy or not. Do we just do these things and put them in the archives and move on and forget it?

Mr. Mills stated this should be a working document and planned execution over a period of time to look back at this and use it as a roadmap as to where we are going coupled with the fact that we are looking at our strategic plan coming forward this would help guide us in that strategic plan.

Mr. Finafrock stated then we have the roads. PBS&J did the road study and in my estimation that is a reserve study for the streets and roads. Should that be part of this eventually should we bring all that together?

Mr. Rizzotti stated to me the document was a disappointment and I will do whatever the board would like us to do but I think they are going to charge you to go there and I think we have the skills and the people on the board and GMS and we have managed our budget pretty good over the years. Maybe we should have had a little more reserve a little less reserve whatever but I think we have the wherewithal to do that. We can look back on this but if I never saw this in my life I don't think it would make a difference. I think what they did is what we would have

called boilerplate, put it in the computer, filled in the blanks, changed the names to protect the innocent and went on. I am disappointed in it and I wouldn't want to give them another dollar.

Mr. Finafrock stated my point was not to give them any more money but us to spend a little money on our side to take advantage of what I think they owe us and that is a final document that should be tailored to what we need and use that as our baseline document and I would love to get it in soft copy so we can put it on the computer. If we could put something like this on the computer now we don't need to go to Tampa. We should have some road map, we should have something built into the system that is a guideline. I think we spend too much money now on vegetation. How do we correct that? I don't know that we ever can. The answer may be based on the economy we will spend more.

Mr. Harden stated I'm going to play the devil's advocate a little bit. I think it just basically confirmed what we were thinking all along. If you remember way back when we started this and Mel talked about it we had originally said we weren't going to do a reserve study. Then we had the issue of paying off the bonds and then we had your idea of having more dollars in the reserves and so forth and we all discussed we are already taking care of this, that and the other so truthfully what is left? We had a long discussion about whether we would do this reserve study or not and unless I'm missing something I don't know what else they could have done because basically we have a lot of the major items in place. Even though we have \$6 million in assets most of those are being dealt with, with the exception of the roads, which is a totally separate thing. I wasn't all that surprised by what came out, it was more of a confirmation of what we are doing. I'm not sure exactly what it is that they didn't do that a reserve study would uncover especially since we weren't going to talk about roads.

Mr. Mills stated where I was coming from was everything has age and I thought these would be the kind of people who would look at the heaters in the pool and say okay year one your reserves should be this and a guideline to put towards a replacement of this or that.

Mr. Harden stated I think they would do that had we not already done that.

Mr. Rizzotti stated I agree we were already doing the job and essentially they gave us some format and charts. My opinion is that we got a plan that would have been very good if we were in financial disarray and we didn't know what we were doing and we had things breaking and staying that way but we don't. I think the board together with GMS has done a pretty decent job and that is why this is disappointing. I don't see any need to go sit down with them at all. I

think it was interesting to have, I think it may be good as a benchmark to reflect on at our next budget meeting but I think our fiscal management has stood the test of time.

A resident asked are there specific items in this study that we want the answers to so that he can pass them on to GMS and maybe they could put a tracker on these things? Baytree is very unhappy get an answer to these four specific items.

Mr. Mills stated I would like to see a timetable. If you are going to collect a reserve of \$84,000 what is it going towards for year one, year two, year three, year four? That is what I thought they would give us a benchmark of where we need to be with regard to their recommendations.

A resident stated what I'm saying is you come up with specific items that would help from everything I hear we don't really need help and I don't think we do either. Something specific and put the screws to them.

Mr. Showe stated to the extent that anybody has specific questions we have free conference ability at any point. We can get them on video conference, phone conference, we can set that up for anybody who has questions.

Mr. Mills asked would the board like for me and/or Ed to go ahead and create such a table or do you just want to let it go?

Mr. Rizzotti stated I personally would let it go. I think it served its purpose it is a benchmark. When we have our workshop for the budget next May we can look back at this as a reference for whatever it is worth. Jason asked me how did I think it went, did I think maybe they left this out and essentially we came to the conclusion that all the things they had in here we had covered.

Mr. Mills asked did you go around with these guys?

Mr. Rizzotti responded I went around with the engineer to all the various places where you see the pictures. For three hours we rode around showed her everything, she took notes, took pictures but she was amazed at the fact that the place looked that good. We know because we have strived to have it be a premier community and everybody here keeps working on it.

A resident stated we had the contract and the study made and it looks like only one of you thinks the study was what was expected. Why did you make a payment? Who decides when payments go out?

Mr. Rizzotti stated it wasn't that it wasn't what we expected I think the difference is there isn't that big a difference between what they do and what we have been doing all along.

A resident stated the expectation was they would give you something better and they didn't meet that expectation. I don't know who gave them the authority to say go ahead and pay the bill.

Mr. Mills stated that is a good point. I think maybe what we need to do is when we contract for a consultant of that nature that the entire board sign off before it is paid or a consensus be built that it be paid for.

Mr. Harden stated we had voted on it. It was contradictory to begin with. I think we have forgotten what our initial objective was in having this done. We over time as it was being completed raised our expectations because I can remember those conversations we had. Why spend the money why do we need that and we ultimately said okay for whatever it was \$700 we will let these guys see so it confirms for us for the future and to the homeowners that we are going about it in the right way so that if there are surprises later it is not that we didn't do everything we could to keep that from happening.

A resident stated it is accounting more than anything. In the past I have used consultants and basically there are three reasons, one they give you new ideas and concepts, secondly it appears they met this one it is an outside validation of decisions you have already made and finally you look to the outsider to give you recommendations that you can present that you feel uncomfortable about presenting yourself so you can lay it off on somebody else. It appears they met your expectations in that they have validated what you have already done.

Mr. Mills stated I agree to a point but at least they should have given us a timeline so to speak.

A resident stated that is a management issue when you define the parameters of the assignment that you have given them requires this, this and finally a face to face meeting where the report can be discussed and issues brought forward.

Mr. Mills stated they want to charge us \$700 to have a face to face meeting.

A resident stated your proposal should have required that.

B. Discussion of SWOT Analysis

Mr. Mills stated I have asked Jason to put this on hold for one more round only because I would like us to dedicate the largest portion of the next meeting to go over this analysis. We are going to defer this until the February meeting.

A resident asked what is SWOT?

Mr. Mills responded strengths weaknesses opportunities and threats.

C. Discussion of Security

Mr. Mills stated we had a meeting with the security company on Monday at 9:30 a.m. and there were two of us and five of them. Needless to say we went over a few things that we were very disappointed about. One of them is the guards are not consistent. We talked at length about that and they said they were going to try to get that squared away. They have people calling them, would you please call the trappers because a fox went across my yard this morning. I rode down the street and Mr. so and so's sprinkler heads are broken will you call him and tell him his sprinkler heads are broken. We have got to stop that and that is one of the things they were really concerned about is they can't do their job, make phone calls when you have someone on the other end saying there is a fox in my backyard can you call a trapper to come get it. One of the things they have is a program if a guard is doing a good job they reward that guard. Those guards are as much a part of this community as we are. They learn to know us, they learn to know how we move in the community, they are to be our friends, they are to help us out when we are in need. Guards have been threatened by homeowners and we don't need that. We are going to put a plaque on the outside of the building to the right of the door that says "guard on duty" and it will have the officer's name across the bottom. If you see that and a guard is doing a good job call Jason or me and let us know, I would like to reward these guards. The more we reward them the better job they are going to do. We can't keep trampling them into the ground. We have to trust our guards.

Mr. Harden asked who is doing all this trampling into the ground?

Mr. Mills responded I don't want to name names.

Mr. Harden asked is it a lot of people?

Mr. Mills responded yes. With regard to some of the people coming in the gate and not giving information we have some FBI people who live here that are not allowed stickers on their cars, only because they don't want them to know where they live. We have two plain-clothes sheriff's people that live in this community and they as well do not have transponders, they come

in. The guards know some of these people and we have to trust that they are doing their job when they are letting people through. Every guard has a white shirt. If you see someone in the guardhouse other than a white shirt we are in trouble but basically every guard has a white shirt. If you want someone taken off your list don't assume the guard knows that so and so is to come off the list, please call the guard or write them a note and say take so and so off my permanent list. We basically gave them an ultimatum and they want to make it work. It is a team they told us they would meet with us quarterly and they have not but they will now. You heard the gentleman say I will be coming or try my best to be here at every meeting so we are making strides in that direction. Just give us a little more time and we will get it resolved.

A resident asked how are you going to communicate this to the residents because just telling us isn't going to get it out to all the houses.

Mr. Mills stated I was going to ask Mr. Studds if he would do that at the BCA meeting.

A resident stated not everybody is there either.

Mr. Mills stated and we will put it on our website.

Mr. Rizzotti stated we have a vehicle for doing it because we haven't sent out the newsletter so perhaps you can write something in the newsletter and request them to direct those calls to the proper authorities.

Mr. Studds stated I will also send something out to the voting members and ask them to distribute on their list.

A resident stated you should also provide the phone numbers of the appropriate party to call for different things.

Mr. Mills stated that is a good idea.

Mr. Showe stated I don't know if you want to talk about the law enforcement issues.

Mr. Mills stated this was in my last year's letter and it is also in this year's letter if you see something going on that you feel needs to go to the sheriff, don't call the guardhouse, call directly to the sheriff and communicate with him. A lot of times things get lost in translation of what is happening this way it will be you or whoever it is directly to the sheriff's department.

D. Review and Approval of Draft Fiscal Year 2011 Audit Report

Mr. Showe stated because of recent legislation changes we are required to get these done within 9 months so we pushed this one through as quickly as we could so this is the earliest you have received an audit. Page 23 gives you the report, it is essentially a clean audit. You will see

there have been no significant findings or recommendations, we have complied with all the statutes, there was nothing that came to their attention and we have not met any of the financial emergency conditions. If the board has any questions we will be happy to take those otherwise we would like to get approval from the board to allow us to transmit this to the state and finish our audit for 2011.

Mr. Rizzotti stated I think we got a very good audit report like we usually do. I didn't see anything to change.

Mr. Harden stated I think you should start taking the major pieces of this and doing a recap on our website. Again, just like the lake restoration or anything else we don't toot our horn enough and folks just don't understand what is going on. In looking at the numbers there are some really nice improvements that were made in terms of our liabilities with paying off the bonds and things like that. Our total assets have increased. If you look at everything that the common owner would look at it is a very positive statement so I think it should go on our website with a recap.

Mr. Mills stated you may also want to make sure that the bank gets a copy of this for the line of credit.

On MOTION by Mr. Smail seconded by Mr. Finafrock with all in favor the audit was accepted and staff authorized to transmit it to the State of Florida.
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FIFTH ORDER OF BUSINESS

CDD Action Items

Mr. Showe stated numbers 1, 2, and 3 deal with the streetlight improvements phases 2, 3, and 4 and Mr. Finafrock with update the board.

Mr. Finafrock stated phase 2 we are ready to go. We have FP&L input that came in just over \$15,000 for their effort. GMS has been meeting with a local contractor to do the three borings to get ready for the FP&L effort. We are doing everything we can to get that done before Christmas. Realistically since our key action officer with FP&L is out on medical leave for six to eight weeks we are probably looking at about the second week of January before the FP&L work gets done, however, that hasn't deterred me from pushing the replacement to move forward. That is phase 2 and that is everything east of Baytree Drive. There is one streetlight in phase 2 that is going to be removed off of Baytree Drive and that is the one that was left from Phase 1.

Phase 3 is everything west of Baytree Drive is in the works. We have identified every action that needs to be completed and that includes moving pole lights, installing new streetlights and trimming trees. There will also be some lights installed around the recreation area that includes the tennis courts, playground equipment and the community swimming pool. We are going to put four lights in there that we already own and we are going to have to put some poles in there. They will be on the Baytree CDD phase 3 plan. The board approved a not to exceed budget and it looks like we are going to be under that by several thousand dollars. The reason I'm talking about phase 3 today is it is also 2012 money. When we get done with phase 2 installation we will be approving the plans if we can get Darlene to work with us the way Pam has and Pam will be able to work from home in another two weeks helping us we will get that moving. Lenny and I will go back out probably tag Casey if he is in town to go along with us and revalidate the work we did.

Mr. Showe stated the next item is tennis pro payments and we are caught up through October and we expect the November payment to come in shortly.

The next item, which we will continue to do throughout the year is the lake bank restoration.

Ms. DeFrancesco stated I spent most of my time on another pond issue this last two months but at the last meeting I noted that I had some aerials from the county to start overlaying with current aerials to take a look at that. I am not happy with the quality that I have of those. I called St. Johns to set up a meeting to sit down with them and go through their process because they deal with this all the time and determine if they have some better aerials than what I have and also see if there is an opportunity when we do get our length of restoration whether we can possibly piggyback the contract that they already have. I will talk to them about that to see.

Mr. Harden asked what are you using to get the photography, public records?

Ms. DeFrancesco responded the aerials I have are the aerials that Brevard County had on file and they are from 1996.

Mr. Harden asked you know you can get current today like from a real estate standpoint?

Ms. DeFrancesco stated for current day. I do have that and we have higher quality aerials for today but the issue is the aerials in 1996 when you try to overlay and determine where things are you have to blow up an area they are just terrible quality. I know that St. Johns indicated that

they use this method for their lake bank restoration and I'm hoping they have something better that they use because I don't know how they get their quantities if this is the method they use.

Mr. Mills asked we had asked about this before but does St. Johns have any method of helping to fund these kinds of erosion problems?

Ms. DeFrancesco responded not that I'm aware of. When I talked to them they indicated that but if I sit down with them again I will find out. If there is a determination that what I'm getting from them is they don't have a better way of determining the top of bank and what we have is an estimate from our earlier study then I think the best course of action would be to go out at the particular ponds we are looking at now which are lake 1 and lake 8 survey from the water level up to the property, beyond the property line a little bit and that will give me a cross section through there to tell what elevation top of bank is and where that falls with that property line. Is it inside the property line, is it still outside, is there any berm left? That is the kind of information that I'm looking for and I can't get it from these aerials.

Mr. Harden stated you are going to start getting with me when you get started on that.

Ms. DeFrancesco stated yes.

Mr. Harden stated this would be the first ones and kind of set the precedent on how we handle it in future years.

A resident asked when were those screens put in between the lakes? I thought they were put in to stop the gators.

Mr. Scheerer stated they were installed as part of the permit conditions of having the grass carp.

A resident asked what year did we put those in?

Mr. Scheerer stated we have been putting carp in for the last couple of years and I believe in most all the lakes the screens were already in place. We have been here five or six years and they have been here since we have been here.

A resident stated they get debris caught in them.

Mr. Scheerer stated they can catch debris and we had some that were partially blocked but those are taken care of on a monthly basis through our aquatics contract with Ecor.

A resident stated for years and years of living here we never had this problem with the water backing up from the lakes and getting up as high. I know one year we had 22" of rain but

we never had that problem with these lakes coming up so high and circling around and coming up.

Mr. Showe stated the next item is the annual sidewalk repair and I spoke with the contractor today and I believe it will be completed today. We did that with the new process where they dug a little further down, put in river rock, overlaid that with fabric and put concrete on top and that is what the county recommended to help prevent those panels from popping up in the future. We will see if that becomes a better method.

Mr. Finafrock stated this year we are replacing 16 concrete slabs of sidewalks. Last year we replaced 71 and that was a lot of money. This year we used GMS labor to grind 41 of the sidewalks and those sidewalk edges should eliminate safety hazards and if you see something in your neighborhood where you don't think the safety hazard has been eliminated call me, Alan or Jason and we will correct that. We will make sure we have those on the 2012 sidewalk safety improvement program.

Mr. Showe stated the last item is the high water levels from the heavy rain.

Ms. DeFrancesco stated October 8th I received a phone call from John Finafrock that he had gotten many complaints about high water on the streets that Saturday evening of the no name storm and Mel got some too. I came over that evening and drove the streets with John and looked at all the flooding that was occurring. We put some barricades up towards the back gate where there was significant flooding on Baytree Drive. During that storm event the last number I heard was approximately 13" in about 24 hours a significant amount of rainfall in a 24 hour period. Although it didn't have a name it probably should have it was no different than a tropical storm or hurricane.

There were three areas where we felt there was significant flooding and differentiating between localized flooding and significant flooding for our storm event. During the storm event when we were driving around there were several streets with water on them. Sunday morning when we came back some still had some standing water, I believe the rain stopped around midnight Saturday night, Sunday morning there was still some water on those streets. During the day on Sunday most of those locations in the neighborhood cleared. I would consider anything that cleared over Saturday night into Sunday morning that was localized flooding and the system was inundated with water and needed to catch up. What we consider above and beyond are the areas that we were still pumping water out of Sunday, Monday and even into Tuesday morning.

Those areas were the back gate on Baytree Drive and the Balmoral area. There is another area of significant flooding and that was the end of Bradwick Way and that area had to do with the flooding at the back gate. The flooding on Bradwick Way you can see this system leads through the area at the back gate so when this area backed up the area along Bradwick Way backed up too. Balmoral we are talking about Lake 19 and that was at the intersection of Old Tramway and Balmoral Drive. I understand that area has overtopped its banks several times during a significant storm event.

There are a couple of reasons for the flooding in those areas the first being we had 13” of rain in 24 hours.

The second being as you talked about earlier the grates that we had on for the fish. They did gather debris and we had to clear those several times. Alan was out Sunday morning clearing those off to get more water offsite, removed some of them, removed more on Monday Ecor took care of that. The water was still flowing through the control structure it was not stopped but even though the grates were cleared off before the storm event, during the event more debris came into the ponds and it would gather on the structure and they needed to be cleared again so that backed it up a little bit and we were probably not getting the flow that the system was designed for.

The third and probably most significant was the pipes and this is what we believe happened in Balmoral and what I will call the Lake 12 area. There are pipes that lead from pond to pond they have mitered end sections and they are completely submerged so you don't see a control structure in those ponds you just have a pipe underground that equalizes those ponds and it connects the entire system together so that it can leave the site out through the wetlands. When we looked at the area at the back gate and how it was backing up we started moving downstream that area that is Lake 6 leads into three lakes called Lake 11 that were also backed up. We were pumping into those lakes when we had the water on the street. One thing that we noticed in Lake 12 area was Lake 12 was rising up so high that the water was overtopping the sidewalk all the way over on Old Tramway at Chatsworth and finding its way out another inlet to a different drainage basin offsite. When you look at the Lake 12 area there are four lakes, two of them at the top of a hill near the fairway. Those lakes appear to be much higher than the lakes down below, Lakes 12 C and D. It appears we have a pipe between Lake 12 A and 12 C that is at least partially blocked and we need to bring in a truck to either vacuum that out or blow that pipe out

to get the sediment out of that particular pipe. We had the same issue at Balmoral it appeared that Lake 21 did not overtop during that storm event but Lake 19 at the intersection did. We had Brownie's come out and they jetted that pipe out and did find some sediment in the pipe that supports what we are saying that there was some plug between here and we weren't getting the full flow of the pipe and in that type of storm event you need that. In a smaller storm event during the summer if a pipe is partially blocked you probably won't notice you have enough storage in the pond you have enough room in the pipe it is going to go by and nobody will know that there is an issue. In an event where you have 13" of rain you need every bit of that pond and the entire pass through to that pipe to move water through the system.

It is my understanding that what we are going to do with the Balmoral area is to see how the jetting is going to work. I think we are going to leave that as is unless we hear from the board otherwise to move forward with anything else than that. Lake 12 I have two proposals for the work there that is \$13,850 from a contractor in Orlando, the next is \$16,400 from American Inline in Edgewater, Florida and just yesterday I met with Brevard County. They came out and took a look at it and they do have a vacuum truck which is what we need to jet the pipe out and extract the material we believe is in there. They are putting together a proposal for us to potentially not pay for the rental of the vacuum truck but only pay for the man hours it takes for them to do this and I'm still waiting on that number. I think even if they include the vacuum truck in that we are still negotiating for it to be included it is most likely going to come in less than the two estimates we already have.

Mr. Mills asked the two that you forced open already do we need to at some point in time put this on a planned schedule of maintenance such as every four to five years to blow those things out to make sure?

Ms. DeFrancesco stated I think it would be a very good idea. I think based on what we have seen from this storm event that many of these pipes at the age they are now could be silted up and you don't know how significantly until you get a storm event like we just received. They may have been silted as well during Fay but everything flooded during Fay so no one knew the wiser.

Mr. Mills stated maybe you can give us a letter recommendation of what you feel we should do with that. The other one that is still clogged when we find out maybe we can also have you include that as well.

Ms. DeFrancesco stated okay.

Mr. Mills asked could a gator get in that one pipe and get lodged and not be able to get back out?

Ms. DeFrancesco stated he could, there aren't any screens on those pipes. There could be anything in there. I was talking to the gentlemen from road and bridge maintenance in Brevard County yesterday and they said you wouldn't believe what we find in pipes, we do this all day, you can find a tree trunk in there, massive roots, it could be anything up in the pipe. The pipes in Lake 12 area I believe it is a 24" pipe so it is a pretty good size and there are quite a few things that could get in there and plug it. I don't believe it is completely plugged.

Mr. Mills stated when I met with FEMA to have our home taken out of the flood zone he said no one in Baytree should really worry because this is the best engineered subdivision in the county for flooding, which I thought was encouraging. If we are flooding there is a reason.

Ms. DeFrancesco stated I know there was a question as to whether the design of the system was adequate during the storm event and after the storm event. I think the system as designed is fine. You made a comment earlier that you didn't remember having issues like this early on when the subdivision was newer and that may be the case. It functions fine in typical situations. A stormwater system isn't designed for 13" in 24 hours. You can design a system for that but you can't afford it.

Mr. Mills asked if the screens were mounted on tracks that you could just pull a lever and pull them up could we do something like that to expedite the water being released quicker?

Mr. Scheerer stated that's an option and we just installed a carp grate in a large outfall structure in Orange County where it was made out of aluminum and rather than have the fencing type grates we have now this was slotted aluminum so it was a little more gap in it and was parallel to the grate which allowed all the water to come through and any minor debris come through but we will definitely look into that and see if there are some different options for us.

Ms. DeFrancesco stated in our discussion about that the only thing we were concerned about is the district may not allow you to have something that is a quick release pull because they want those fish to stay in there they don't want it to be something that can be removed easily by anyone.

Mr. Scheerer stated the slotted aluminum if we just changed the type of grate we have it is going to cost us a little more money to do so, the fencing grate is off the shelf at Home Depot,

it keeps the fish in and there is a lot of maintenance which is why Ecor cleans the grates each month when they are out here. We have something a little bit different that is going to prohibit the fish from getting out and also allows small amounts of debris to get through.

Mr. Smail stated I have lived in Balmoral since 2003 and we had a hurricane in 2004 and another one in 2005 and every time we get a heavy rain it floods.

Ms. DeFrancesco asked do you mean a hurricane heavy rain?

Mr. Smail responded not necessarily that, Fay flooded it and this last one flooded it. I suspect whatever the problem is it didn't just create itself now it has been there for a good while. If you look at the grates on the side of the park that is up pretty high most of the time so I suspect that pipe has been clogged or partially clogged for a long time.

Ms. DeFrancesco stated I know when Brownie's cleared it we didn't cam the pipe so we can't see visually if it is completely open based on what they were doing but we know that they blew some silt out of it so apparently there was something in there. I think monitoring that to see how it works in future storm events is where we were going to go unless we hear otherwise.

Mr. Smail stated in the park is a pond and that pond is not tied into anything it just has drainage going in. Would it be feasible cost-wise to run a line from the corner where all the flooding is underground over there?

Ms. DeFrancesco responded that pond would have to be permitted as part of the system and it currently isn't. You can't place another outfall in the system without modifying the other outfalls. You are only allowed to release so much water from your entire site.

Mr. Smail stated I'm not talking about tying into the system I'm talking about utilizing the Preserve right behind it.

Mr. Harden stated the neighbors would have a fit about that because basically you are changing the system. The neighbors who get the flooding at the end of the street their primary issue is that they are always blaming that particular pond that is not really a pond. It could have been two houses it could have been a clubhouse it is not part of the system yet they see where there is that pipe that goes out and goes into the Preserve and that is what Lou is talking about and that is truly what Mr. McKnight and the other neighbors were talking about because they get it every time they get waves.

Mr. Smail stated most of the time the water in the pond is below the drainage and if it is above the drainage it doesn't take long to get below it. I'm just thinking that might be another

outlet to help take some of the water out of that section. I'm not talking about tying into the system.

Ms. DeFrancesco stated but you have to pipe it somewhere.

Mr. Harden stated yes because the water goes in the other direction. That is why it always maintains plus there is the outlet at the other end so when it does fill up it does go into the Preserve even though that is really not what it was designed to do. It always maintains and when the neighbors look at it they see all this flooding but they don't see that particular pond completely full. Mr. McKnight said you aren't very smart about this because it appears to me that something is clogged up somewhere.

Ms. DeFrancesco stated I don't think there is a connection to that pond at all.

Mr. Smail stated there isn't it is not in the system.

Ms. DeFrancesco stated it is not connected at all and if you try to connect it to even take the overflow storage I think you have to modify that pond because I don't think the elevations work out.

Mr. Harden stated what we were talking about is rather than the overflow pipe that is on the west side and that is what maintains that level and it goes out into the Preserve behind it by the golf course so it is not part of the system, the actual pond that you are talking about flows to the southeast and everybody assumes it is going towards the other pond which it is not because it wasn't designed to do that. What Lou is saying and what could be done just for those kinds of issues, which in essence is where we pump that water anyway is to put that pipe maybe a little bit lower so that you could get that connection and that is what Mr. McKnight was talking about is go ahead and put a culvert underneath it.

Mr. Smail stated I'm just talking about putting a new drain in next to the road wherever it would be most convenient for doing the job you want done and put it underground and right over into the pond.

Ms. DeFrancesco stated I can take a look at the elevations of the pond to make sure.

Mr. Harden stated it won't flow that way.

Mr. Smail stated if you have water standing and you open up something underneath it is going to go, the water is going to go down whatever pipe you put in. I'm not talking about the normal flow of the water.

Ms. DeFrancesco stated if we connect that pond though to use it for storage that outfall that it currently has to the wetlands to the west would have to be closed off because it is not a permanent outfall off the site that I can find in the records at St. Johns. I cannot find that it is permitted as allowable outfall for the site.

Mr. Smail stated it's not, I know that.

Ms. DeFrancesco stated you are allowed so much water off the site and assuming all of the other outfalls take up every bit of what you are allowed you could not let more water leave from there. They control the flow and there is a magic number to leave the site and all of the outfalls that you currently have were permitted to take care of that. I can take a look at that pond and the elevations to see if there was a way even if we severed that connection if there was a way to modify the pond to use it as storage but it would probably become a wet pond just like the others to make that happen.

Mr. Harden stated if you were to close the street drain that is going into the existing pond and leave the other one open to the non pond, you will get water going in there.

Mr. Smail stated for clarification we have two lakes and we have a pond. The pond is in the park the others are lakes. It would be the same thing if you decided to make a concrete V just on ground level and then you just wanted to run that V right into the pond, I'm not saying that is the way to do it but you keep saying the water doesn't flow that way, the water doesn't flow any way from the pond except when it gets full enough it flows out into the Preserve. I'm not following the rationale.

Mr. Harden stated because most of the water is still going to the regular pond. What I'm talking about is close that drain off so that water is forced into the other pond and then the overflow pipe will push it out into the Preserve.

Ms. DeFrancesco stated that would have to be permitted.

Mr. Smail stated I realize the simplest things to do are the hardest things to get done.

Mr. Mills stated I think you need to look at it and come back to us with a recommendation.

A resident stated since we all pay taxes to this county why can't we get the county to come in and clean out and vacuum out all these pipes? Why should we pay to have it done have the county do it for free. We pay taxes get your attorney in there and make them do it.

Mr. Pawelczyk stated the district owns the infrastructure and the county does not.

A resident stated I am one of the most affected people and even rain storms in the summer cause it to flood. That lake is up there many times around the trees around the sides and it goes back eventually but that is a bad situation. We have to call to get somebody to start pumping to get out of my house. When we get 12” of rain somebody should be out there with 9” pumping days before.

Mr. Harden stated you don't have to call, we did that.

Mr. Mills stated these guys were on that way ahead of time and they had made arrangements Saturday night to get the pumps in there immediately.

A resident stated Saturday afternoon it was all flooded. You can't wait until it is up to the driveways to start pumping.

Mr. Harden stated it was also a holiday plus we weren't expecting the rain. I understand what you are saying and being upset about it but I think we went overboard.

A resident stated another thing is the maintenance on the screens every five years. That has to be done on a more regular basis.

Mr. Harden stated we understand you and Mr. McKnight are on an island, you have the Preserve behind you, the lake in front, the other issue with that lake and it has been that way, it is not just the drain itself it is the natural slough that is supposed to be there that landscaping and everything else has overtaken. Truthfully to get the total flow when it gets way up above that area behind the houses is supposed to be a clear area for water to go into the other lake behind Chatsworth.

Mr. Mills stated we are totally aware of it as a board. You have our word as a board it will be taken care of.

Mr. Harden stated it might be that in the whole calculations of Lake 21 it may not be large enough. There is a possibility that you could go back because there is a tremendous amount of water because if you actually had houses in that other pond area, which we might have done we voted not to do it, but that pond is not supposed to be there and there is a tremendous amount of water there so as soon as that is solid and no storage that pond would not be large enough from a holding standpoint regardless of flow.

Ms. DeFrancesco stated it wasn't but it should have been designed and permitted for the number of houses and lots that were supposed to be there.

Mr. Harden stated obviously it is not.

Mr. Harden stated that is the newest area and a lot of people's memories are of all of the other areas and remember in the Balmoral area we never got irrigation we never got sod on the common areas we didn't even get sidewalks in some of the common areas until just a couple of years ago. There was a little bit of developer problems and it was all in that particular area.

A resident stated I was walking out the back gate two weeks before the storm not the last drain by the back gate but the second from the last on either side they are bubbling over two weeks before any rain. I don't know what's going on there.

Mr. Showe stated we had both of those drains jetted on both sides and they are measured to the lake level and at this point we don't know that there is any other alternatives, they are up because the lake is up.

A resident stated that is why the back gate flooded but it never flooded before. We had 22" of rain and there was no flooding back there.

Mr. Mills stated there was, those lakes were into each other during Fay. They put up cones not to exit the back gate and we have residents going around the cones and out the back gate. When the CDD puts up barriers for them not to go around we need their cooperation and not do that because the next thing you know the guard gets a call that their car is stalled out at the back gate.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any, the next item followed.

B. Engineer

Mr. Pawelczyk asked are there other engineering options that could be available to alleviate the concerns of that Balmoral area? Some places have french drains and I don't know if that is enough if that is a possibility but I think that is what we are really looking for is there something else that may include permitting.

Ms. DeFrancesco stated I will take a look at that and see if it will work. I wasn't onsite when Brownie's jetted the pipe so I'm not sure how much actually came out of it. I will look at other options and whether we can possibly permit that pond. I know we talked about it before and we don't know if that will work.

Mr. Harden stated not only that but you have the whole legal issue with that because we decided to do with it what we decided to do with it.

Mr. Mills stated I think Melissa has the experts at her firm that can take care of all of that.

Mr. Finafrock stated it could have been that way for years. If where we blew out back on Lake 19 that drainage blockage could have been causing problems back to 2004 easily enough because every time you go back there you see the water coming up it happens with every significant rain and it seems that blowing that pipe out and taking a look at it is the thing to do rather than spend a lot more money. The water backing up at the back gate all the way back to Baytree has to do with the drainage on Lake 12A and 12 being backed up. We can get the water to that point faster and we did and we filled up every lake in between by removing the screens temporarily on those back lakes but when you got back to 12A and 12 the water wasn't going anywhere because the lakes were stopped. We thought there was some growth at the end of 12A.

Ms. DeFrancesco stated we were hoping there was growth at the end of the mitered end sections and in fact there was not.

Mr. Finafrock stated we are taking it one step at a time trying to make this affordable. If we can go in and try to do the grandiose fix, which may not be required it could require a bond issue. It could require us exercising our loan, we could put ourselves in a hole and it doesn't make sense for us to do this any other way than to take baby steps and support our engineer. I think she is on top of it and I have walked with her and took a look and the professional engineers coming out of Orlando working with her they have the grandiose fix all the time. Those guys are selling services they are hiring out their equipment and they are trying to be profitable. We have an engineer on staff who is trying to keep us on track and I think we are doing the right thing.

Mr. Pawelczyk stated one of my districts in Broward County does a maintenance program to deal with drainage structures. They paid off their bond issue last year so they are in the same boat as you are but they decided to have all of their drains inspected either once a year or every other year I can't recall but Jason is going to follow-up with that manager. They either have a diver or cameras go through to see how much silt is in the pipes and it is relatively inexpensive and a report comes back to the board and the board says hire a contractor to do whatever ones

they choose and blow those out. Jason is going to look into that but from a maintenance standpoint I think we are hoping the pipe is clogged with silt because that is an easy fix.

Ms. DeFrancesco stated when we were out looking at the flooding during the storm I noted these three areas. Another area that John and I noticed was the clubhouse parking lot. It is my understanding that this is not under the district that has to do with the golf course. I did not look at that.

C. District Manager's Report

i. Field Manager's Report

Mr. Scheerer stated at the last meeting we indicated that we were going to purchase new pool heaters and we have done that and they are operating great, the pool is at a good temperature and it is clean and everything looks good at the pool.

The gates are working with minor issues, some of those issues were discussed during the security portion of the meeting. We are still doing transponders. We installed Christmas wreaths at the guardhouse as well as the rest of the community. Ecor is continuing to check the grates, the outfall structures to make sure we are clear and unobstructed each month. Everything is going as planned with the landscaping. I understand we have a clippings issue that we are going to be addressing the clippings are on the sidewalks too long during the course of the mow days so we are going to look at that. We have installed Christmas decorations throughout the community. During the Christmas decorations the flagpole in the back had started to snap so we removed the pole and we are in the process of getting a new heavy duty pole installed and we should not have any issues going forward.

We had the light at the main entrance flagpole repaired and we ordered and have received stop signs. During our inspection Jason and I noticed the stop signs were getting old and faded and we ordered those and on Monday we will begin installation of new stop signs.

Mr. Mills stated one other thing I have noticed is painting of the poles that the stop signs are on. Some of those are starting to look bad.

Mr. Scheerer stated we contracted with a company a couple of years ago and had those painted and if you like we could get prices and bring that back to the next meeting.

Mr. Mills stated as well as the street names, the poles they are on.

Mr. Finafrock asked what is the target date for a new flagpole at the rear gate?

Mr. Showe stated within the next couple of weeks we should have it up. I think it should be taken care of before the next meeting.

Mr. Scheerer stated we took action on that between Jason and me just based on the amount of money that it cost.

Mr. Mills stated it seems like all the work gets done is right before a CDD meeting. I noticed in the past that everything is a hustle and bustle right before the CDD meeting. Is there any way we can sort of do things in the interim prior to the next meeting?

Mr. Scheerer responded we try to do things as whatever direction we receive as quickly as possible. It may seem that way and I apologize if that is the impression the board is getting.

SEVENTH ORDER OF BUSINESS

Treasurer's Report

A. Consideration of Check Register

Mr. Showe stated we have the check register summary, checks 51493 through 51520 in the amount of \$59,393.01 and October payroll for \$754.80 for a grand total of \$60,147.81 and both Alan and myself can answer any questions about the invoices.

On MOTION by Mr. Finafrock seconded by Mr. Rizzotti with all in favor the check register was approved.

B. Balance Sheet and Income Statement

Mr. Showe stated the next item is the balance sheet and income statement. These are through October 31, 2011 so it is only the first month of activity.

EIGHTH ORDER OF BUSINESS

Organizational Matters

A. Consideration of Resolution 2012-01 Electing Officers

Mr. Mills stated the next item is consideration of Resolution 2012-01 electing officers.

Mr. Showe stated we do this on an annual basis. You can elect a slate of officers or each office individually. We would like to have Ariel Lovera in our office as treasurer or assistant treasurer and myself as an assistant secretary.

Mr. Finafrock nominated Michael Harden as chairman and Mr. Rizzotti seconded the nomination and there being no further nominations Mr. Harden was elected chairman.

Mr. Smail nominated Ed Rizzotti as vice chairman and Mr. Finafrock seconded the nomination and there being no further nominations Mr. Rizzotti was elected vice chairman.

Mr. Showe stated I can read the slate of officers and you can approve the resolution as a slate if the board is amenable. Resolution 2012-01 electing officers of the Baytree Community Development District and it will read Mike Harden as chairman, Ed Rizzotti as vice chair, Ariel Lovera as treasurer, Mel Mills as assistant secretary, John Finafrock as assistant secretary, Lou Smail as assistant secretary and Jason Showe as assistant secretary.

Mr. Finafrock asked could we note those as supervisors?

Mr. Showe stated for purposes of the resolution we need to call them assistant secretary or secretary so they have document signing privileges when we refer to them outside of this resolution we do refer to them as supervisors.

M. Pawelczyk asked did you add a secretary in that slate?

Mr. Showe responded no I think traditionally we have named them all as assistant secretaries.

On MOTION by Mr. Smail seconded by Mr. Mills with all in favor Resolution 2012-01 listing the slate of officers as read into the record was approved.

B. Discussion of Supervisor Responsibilities

Mr. Mills stated we want to talk about supervisors' responsibilities. Before we do that I would like to read something I put my thoughts to.

Before we begin our discussion of new assignments for 2012 I believe we need to discuss individual responsibilities and limitations as well as non-board members limitations. We had some of these discussions last year but it seems not to have fully sunk in. Point 1, last year we agreed as a board to respect each other's area of responsibility and not intervene or interfere except in a case of emergency. I know I am away from home periodically but am usually available by cell phone. With that I will tell you that our home phone is always forwarded to my cell phone. If you call me at home you will get me. I believe our attorney can confirm contact between supervisors outside of a meeting for the purpose to inform of an emergency does not constitute a breach of the sunshine law. Again, in the case of an emergency if I cannot be reached by phone in a timely manner depending on the perceived severity of the ongoing

emergency then someone must act. However in several instances this year I have returned from a trip only to find an instruction of a non-critical nature was countermanded by another supervisor. This places the person, our employee, specifically guards, receiving instructions from two different people, at the very least in an awkward position. This also serves to diminish the authority of not the supervisor in charge but the board as a whole. It appears no one is actually in charge. We should not be having turf wars, let's agree to respect each other's area of responsibility. Point 2, it has happened more than once that information gathered for research for the board has been released to certain uninvolved members of the public even before all of the supervisor have received the information and certainly before it has been released to the public as a whole in a public meeting. Often not all the information is passed and certainly not in its full context. Additionally, until the board releases it, digests and discusses at a public meeting and decides what actions are warranted if any it is private, proprietary information and early unofficial release may and often creates negative hostilities even before the board can properly digest it. It may set up an overwhelming irreparable negative tone for even a worthwhile project. We need to pledge as a board no board member will release proprietary documents or information from such documents and reports intended solely for the board prior to a public meeting. My last point, as a board we need to state it is non-acceptable for any individual resident to contact other agencies requesting assistance to the community in the name of the CDD particularly when the CDD is in its own process of research and remediation. This can only serve to confuse these agencies and may potentially create an undue expense to the community. This is not to suggest a resident does not have a right to report illegalities or impaction of the CDD that can or are creating problems but a grievance or problem should first be aired at a CDD board public meeting at least once and the board be given ample time to effect action. No individual non-board member has a legal right to speak for the CDD board.

With that we will go to responsibilities. Lou, are you comfortable staying with your responsibility?

Mr. Smail responded yes.

Mr. Mills asked Ed?

Mr. Rizzotti responded I am comfortable.

Mr. Mills asked Mike?

Mr. Harden responded sure.

Mr. Mills asked John?

Mr. Finafrock responded yes.

Mr. Mills stated so am I.

NINTH ORDER OF BUSINESS

Supervisors Requests

Mr. Smail stated I have an issue I want to make the board aware of. Several months ago I was going out and it happened to be the day that all the grass in the common areas was being cut and I went to the back to check something out and I noticed that from the back gate all the way down to the front gate and out to Wickham Road grass has been cut and was laying on the sidewalk and in the street. I got in touch with our gentlemen here and also we talked with Dave from Tropic-Care and told him that is not acceptable we can't have that. He said he would see about it but it would take longer if they pulled it up and they had a crew and one goes behind the other so he said they would maybe divide the whole stretch into four sections and see what kind of time that took. I didn't hear anymore about it and I went out a few times purposely on the day I knew they cut and it looked better. I got complaints from two residents today that were walking their dog and with the dew the grass was wet and they were walking the dog and they had to clean themselves off and clean the dog off. They looked up and down the street as far as they could see and there was no sign of the crew cutting. I called Tropic-Care and left an urgent message to get in touch with me and Dave called back and I told him about it and he said he told the guys to go from one gate to the next gate and then don't go any further until that is all cleaned up and then take care of outside the gates and that is unacceptable. That is too far of a span because the residents walk, they run, they take their dogs out. I said today it was wet the residents had to clean themselves and clean the dogs and that is too long of a span. Our guys here are going to get with him and try to get that cut down so we have a reasonable span. I told Dave nobody expects you to cut the grass and within an hours time it is gone we understand that but the time it takes to go from gate to gate and finish all the cleanup is too long of a time. I wanted to make the board aware because that is a problem especially when it rains and the grass is wet. One of the residents complained this morning and said there was not only dead grass on them they had mud on them and that type of thing. It is something we got on real quick and our guys are going to be dealing with Dave and at least try to get that cut in two or three more sections. It is understandable that it is going to take a little while to get it done, it might take an hour or hour and a half to get the sections done and it is going to take him longer and I know he

has laid off two people on his crew because of the financial situation so I know that is a problem but I wanted to make the board aware of it.

Mr. Rizzotti stated the only thing I have and I'm not sure we can do anything about it but I hope we can is the speeding on Baytree Drive is getting worse and worse.

Mr. Mills stated it is going out in the letter addressing it again. I also asked Jason to call the sheriff, which he has done to step up patrolling in Baytree especially during the holidays because of mischief because when the kids get out of school, look out. That has been taken care of and we will see if they put up the speed sign again and if they don't do that we will request it again.

Mr. Harden stated I want to get started on a program with this signs for dog waste and picking up in the common areas. I thought for a while of actually going and having us get containers with the bags and do like a lot of communities do but that would be a pain in the butt for us to do that. I think we need signs like the "no fishing" signs in specific common areas to just pick up after your pet or something. Responsible people pick up after their pet. In our area most people are very good about it but I think for the general common areas to have them there. It is not going to stop it totally but some people are going to think about it anyway.

Mr. Scheerer asked do you want me to go ahead and get the signs?

Mr. Harden responded yes get the signs.

Mr. Finafrock stated the recreational parking lot needs some help and we have mud puddles in there and we need to get that patched.

Mr. Scheerer stated okay.

Mr. Finafrock stated you have the stop signs and the one back of Balmoral and Old Tramway that sign doesn't need to be replaced that sign needs to be cleaned.

Mr. Scheerer stated I will take care of that.

Mr. Finafrock asked who replaces the monument lights?

Mr. Scheerer responded we do.

Mr. Finafrock asked are you aware of the ones out on the Kingswood monument and the front gate?

Mr. Scheerer responded no.

Mr. Finafrock stated it has been out all week. When you come in if you turn down Kingswood it is the monument on the left.

Mr. Scheerer stated I will take care of it.

ELEVENTH ORDER OF BUSINESS Audience Comments

A resident asked what is the legality of kids driving golf carts?

Mr. Mills responded 14 and that is going out in the new letter.

Mr. Harden stated there is also the question of the golf cart being road ready.

A resident stated I have heard comments that the size of our American Flag does not fit our poles. Does anybody know about that? The flags are too small for the size of our poles. I have heard military people say that.

Mr. Scheerer stated the flag at the back gate came with that particular pole when it was installed and it was 3 X 5 the flag at the front gate is 4 X 6.

Mr. Smail asked are the poles at the front and the back the same height?

Mr. Scheerer responded no they are two different poles.

Mr. Mills asked did we order an aluminum pole?

Mr. Scheerer stated it should be better than aluminum because that is what we had in the back and with all the wind it started to crack at the base and last Monday we were here and it was listing so we totally removed that pole.

A resident asked is anybody checking to see if Tropic-Care is hiring employees who are legal?

Mr. Pawelczyk stated I will look at the agreement and see what it says but it is not for us to really address it is the federal government's job to do that and as you know they don't seem to care.

Mr. Smail stated there is no provision in our contract that says that.

On MOTION by Mr. Smail seconded by Mr. Harden with all in favor the meeting adjourned at 4:05 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman