

**MINUTES OF MEETING
EAST PARK COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the East Park Community Development District was held at 5:00 P.M. on Monday, July 30, 2012 at the offices of Leland Management, 6972 Lake Gloria Blvd., Orlando, Florida.

Present and constituting a quorum were:

Angel Colon	Chairman
Donn Rinehart	Vice Chairman
Gracila Von Blon	Assistant Secretary

Also present were:

Gary Moyer	Manager: Moyer Management Group
Roy Van Wyk	Attorney: Hopping Green & Sams
Larry Ray	Engineer
Brian Smith	Severn Trent Services
Servello & Son Representative	

The following is a summary of the minutes and actions taken at the July 30, 2012 East Park Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Moyer called the meeting to order at 5:00 P.M. and stated all Supervisors were in attendance with the exception of Mr. Alexander. There was also one vacant seat.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the May 21, 2012 Meeting

Mr. Moyer stated each Board member received a copy of the minutes of the May 21, 2012 meeting and requested any corrections, additions or deletions.

There not being any,

On MOTION by Mr. Colon seconded by Mr. Rinehart with all in favor, the minutes of the May 21, 2012 meeting were approved.

THIRD ORDER OF BUSINESS

Public Hearing to Adopt Fiscal year 2013 Budget

A. Fiscal Year 2013 Budget

Mr. Moyer distributed a copy of the revised Fiscal Year 2013 proposed budget to the Board and noted the following:

- This meeting was advertised as a public hearing for the purpose of adopting the budget.
- The fiscal year runs from October 1 and concludes on September 30.
- The proposed budget does not increase any non ad-valorem assessments.
- Last year’s budget was placed on the tax roll in order for the assessments to be collected by the Tax Collector. This year the District will bill \$82,264 for Town Center Parcel 2.
- Through June 30, the District had not collected \$135,000. A portion was related to Parcel 2.
- The administrative budget decreased from \$139,669 to \$136,831 and there was a slight increase in O&M from \$383,857 to \$385,245.

Mr. Moyer opened the public hearing.

- Mr. Rinehart questioned why the lights on Moss Park Road and by the park were on during daylight hours. Mr. Smith will follow-up.

B. Consideration of Resolution 2012-07 Amending Resolution 2012-05 Changing the Location of the Public Hearing

Mr. Moyer read the following resolution into the record:

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE EAST PARK COMMUNITY DEVELOPMENT DISTRICT AMENDING RESOLUTION 2012-05 APPROVING THE FISCAL YEAR 2013 PROPOSED BUDGET AND SETTING THE PUBLIC HEARING TO CHANGE THE MEETING LOCATION”

- Mr. Moyer reported this resolution reflects the change of location to Leland Management, 6972 Lake Gloria Blvd., Orlando, Florida.

On MOTION by Mr. Colon seconded by Ms. Von Blon with all in favor Resolution 2012-07 as stated above was adopted.

C. Consideration of Resolution 2012-08 Adopting the Budget

Mr. Moyer read the following resolution into the record:

“RESOLUTION 2012-08: A RESOLUTION OF THE EAST PARK COMMUNITY DEVELOPMENT DISTRICT RELATING TO THE ANNUAL APPROPRIATIONS OF THE DISTRICT AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2012, AND ENDING SEPTEMBER 30, 2013, AND REFERENCING THE MAINTENANCE AND BENEFIT SPECIAL ASSESSMENTS TO BE LEVIED BY THE DISTRICT FOR SAID FISCAL YEAR”

- There being no questions or comments,

On MOTION by Mr. Colon seconded by Mr. Rinehart with all in favor Resolution 2012-08 as stated above was adopted.

D. Consideration of Resolution 2012-09 Levying the Assessments

Mr. Moyer read the following resolution into the record:

“RESOLUTION 2012-09: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE EAST PARK COMMUNITY DEVELOPMENT DISTRICT IMPOSING SPECIAL ASSESSMENTS AND CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR THE AMENDMENT OF THE ASSESSMENT ROLL; PROVIDING FOR THE COLLECTION OF ASSESSMENTS; PROVIDING; A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE”

- Mr. Van Wyk explained Section 3 was worded so the District could either have a Settlement Agreement with the landowners in Village Center II or file a court order. It collects the 2012 assessments on the tax roll.
- There being no questions or comments,

On MOTION by Mr. Colon seconded by Ms. Von Blon with all in favor Resolution 2012-09 as stated above was adopted.

FOURTH ORDER OF BUSINESS

Award of Contract for Landscape Maintenance

Mr. Smith addressed the following:

- This contract was bid through a request for proposals and not as a formal bid.
- The list of bids received was provided to the Board.
- Servello & Son had the lowest bid. The current contract amount from Girard is \$114,369. Servello & Son provided excellent recommendations. Mr. Smith has used them on other projects and they are professional.

Mr. Colon addressed the following:

- He questioned whether all of the bidders received the same scope of work and provided a Project Manager. Mr. Smith confirmed they all received the same scope, which reflected having a Project Manager on-site.
- He expressed concern about the low amount of Servello & Son's bid. Compared to Weber, there was a 30% gap. Mr. Smith indicated the bid was based on how busy the company was and how much they wanted the job.
- He agreed with the recommendation to award the contract to Servello & Son as they know the scope of work and was highly recommended. Ms. Von Blon agreed as she did not see an improvement with the landscaping. Mr. Smith confirmed before Girard leaves they will correct all of their deficiencies.

Mr. Colon MOVED to award the landscape maintenance contract to Servello & Son and Mr. Rinehart seconded the motion.

- He questioned when Servello & Son could start. Mr. Smith indicated Girard's contract expires at the end of September. They requested a two year renewal, which the Board does not have to accept. There was a 30 day renewal.
- Mr. Moyer questioned how long it would take for Servello & Son to mobilize. A representative from Servello & Son indicated they could start on October 1, 2012. Mr. Colon agreed as their start date would coincide with the start of the new fiscal year. Mr. Moyer suggested terminating Girard's contract as of October 1, 2012.

On VOICE VOTE, with all in favor the prior motion to award the landscape maintenance contract to Servello & Son was amended to reflect termination of Girard's contract on September 30, 2012 and Servello's start date of October 1, 2012.

- The representative from Servello & Son promised to replace the turf if it ends up being poor quality from the start.
- Mr. Smith will do a walk through with Servello & Son prior to the start date.

FIFTH ORDER OF BUSINESS**Acceptance of Audit for the Fiscal Year
Ended September 30, 2011**

Mr. Moyer distributed a copy of the Audit prepared by Grau & Associates for fiscal year ended September 30, 2011 and noted the following:

- In the Independent Auditor's Report, the Auditor states in the third paragraph, *"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities and each major fund of the District as of September 30, 2011, and the respective changes in financial position thereof for the fiscal year then ended in conformity with Accounting principles generally accepted in the United States of America"*. This is referred to as a clean audit opinion, meaning the records staff provided to the Auditor fairly represented the District's financial position.
- In the Report on Internal Control over Financial Reporting and on Compliance and Other Matters on Page 25, the Auditor pointed out under Internal Control over Financial Reporting, *"We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above"*. This means there are sufficient checks and balances to safeguard the District's financial assets and the way they were accounted for.
- Under Compliance and Other Matters, the Auditor stated *"The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards"*. This means the District was in compliance with Laws, Rules, Ordinances, Contracts and Trust Indentures. However, they noted certain matters involved internal control over financial reporting and compliance, which they reported to management of the District in a separate letter dated June 29, 2012.
- On Page 27, is the Management Letter referred to above, where the Auditor indicated several listings dealing with the non-payment of special assessments by Village Center, Phase II and the 2008 A and B Bonds. Management provided responses to their recommendations. Part of the response deals with declaring an event of default and proceeding to foreclosure.
- On Page 30, the Auditor found the District has not met one or more of the financial emergency conditions described under Section 218.503(1) of the Financial Statutes.

The following was addressed:

- Mr. Van Wyk questioned how this could be an inconsistency as the Auditor states the Board should have a directive from the bondholders for the Trustee to use funds from the Trust Account, yet the Board cannot control how the Trustee uses the funds from the Trust Account. Mr. Moyer agreed as this was provided for in the Trust Indenture.
- Mr. Colon questioned the financial highlights on Page 3 and the comment regarding the liabilities of the District exceeding its assets. Mr. Moyer explained the District used bond money to build infrastructure, some of which was given to Orange County and were no longer assets of the District. However, the residents of the District were still liable to pay the bond.
- Mr. Colon questioned the comment regarding the change in the District's total net assets and whether this was an increase. Mr. Moyer confirmed the District's net assets deteriorated.

On MOTION by Mr. Colon seconded by Ms. Von Blon with all in favor, the Audit for the Fiscal Year Ended September 30, 2011 as prepared by Grau & Associates was accepted and staff was authorized to file the same with the appropriate State agencies.

SIXTH ORDER OF BUSINESS

District Managers Report

A. Financial Statements

Mr. Moyer reviewed the financial statements through June 30, 2012, which were included in the agenda package.

B. Check Register

Mr. Moyer reviewed the check register from May 1, 2012 through June 30, 2012, which was included in the agenda package. There being no questions or comments,

On MOTION by Mr. Colon seconded by Mr. Rinehart with all in favor the June financial statements and check registers for the period May 1, 2012 through June 30, 2012 in the amount of \$68,439.25 were approved.

C. Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year Ended September 20, 2012

Mr. Moyer presented a standard form Engagement Letter from Grau & Associates authorizing Grau & Associates to undertake the Audit for fiscal year 2012 and noted the following:

- The fee for this work will not exceed \$5,500, which is consistent with past audits.
- Grau & Associates has done a good job and staff was satisfied with their work product.

The following was addressed:

- Mr. Van Wyk indicated the Engagement Letter has all of the statutory language.
- Mr. Colon questioned whether \$5,500 was typical for this type of audit. Mr. Van Wyk confirmed this was a fair amount.

On MOTION by Mr. Colon seconded by Ms. Von Blon with all in favor the Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ended September 30, 2012 in an amount not to exceed \$5,500 was approved.

D. Meeting Schedule for Fiscal Year 2013

Mr. Moyer provided the meeting schedule for next fiscal year to the Board and reported the following:

- Each year a yearly meeting schedule is published in the newspaper as a requirement of Chapter 189 of the Florida Statutes.
- Based on last year's meeting schedule, meetings are scheduled for the fourth Monday at 5:00 P.M. on January 28, 2013, March 25, 2013, May 20, 2013, July 29, 2013 and September 23, 2013.
- The meetings will be held at Leland Management as there are scheduling issues with the YMCA.
- If the Board needs to change meetings or have additional meetings, this can be done by simply noticing a meeting as a special meeting.

On MOTION by Mr. Colon seconded by Mr. Rinehart with all in favor the meeting schedule for fiscal year 2013 as stated above was approved.

SEVENTH ORDER OF BUSINESS**Staff Reports****A. Attorney**

- Mr. Van Wyk reported the following regarding the foreclosure proceeding:
 - All of the paperwork has been filed and all questions were answered.
 - The opposing side requested an oral argument as the order has not been issued by the Court yet.
 - There is renewed interest by the bank in discussing settlements. The bondholders are talking about settlement options. They have a prospective buyer.
 - He is in the process of drafting a letter to send to the bondholders regarding what they propose to settle the foreclosure.
 - He is working with the CDD Accountant to get them to pay their foreclosure costs. Trustee's Counsel indicated they have signed approval from one bondholder and were awaiting signed approval form another to direct the Trustee to direct the payment.
- Mr. Van Wyk reported the following regarding the Easterfield Drive construction project:
 - The Easterfield Drive Interlocal Agreement was approved by the County Commission and executed by the Chairman two weeks ago.
 - Mr. Colon pointed out the agreement indicated a turn around of 12 months from the date of execution of the agreement. Mr. Ray indicated it should only take 45 days.
 - He asked where to send the check and has not received any response.
- Mr. Colon addressed the following:
 - He questioned whether the agreement was completely executed. Mr. Van Wyk confirmed the agreement was fully executed and was being filed with the Clerk of Court.
 - He questioned whether the HOA should send the check to the City or to the CDD so the CDD could send the full amount. Mr. Van Wyk suggested the HOA send their check directly to the City. There was no reason for the CDD to show this as revenue. Mr. Moyer agreed. Mr. Colon suggested contacting

Commissioner Jim Gray who has been extremely active in this project. Mr. Van Wyk will contact him tomorrow.

B. Engineer

- Mr. Ray reported the following:
 - He reviewed the Reclaimed Water Inspection Report from the City.
 - Other than making some adjustments to lines, there was nothing negative in the report.

C. Field Operations

i. Field Maintenance Report

ii. Landscaping Report

iii. Aquatic Weed Control Report

- Mr. Smith presented the monthly Field Maintenance, Landscaping and Aquatic Maintenance Reports, which were included in the agenda package and discussed the following:
 - American Shoreline Restoration looked at the pond and provided a courtesy report saying restoration was not needed immediately. They recommended using a product called Geotec Tube, which is sock used to dredge soil out of the pond along the edge of the pond. However, the product is costly.
 - According to pictures, the water levels have risen to the weep hole in the outfall structure. Over time, the water levels rising up and down kill the vegetation along the shoreline, particularly sod. Behind homes, the water level rises to a place where it does not look bad. If he goes back there with a piece of equipment, he will have to restore the sod.
 - Mr. Smith provided a sample cost estimate of \$5,071.84 for 530 linear feet of restoration. There would be an additional cost to repair the erosion behind homes due to the replacement of sod.
- The following was addressed:
 - Mr. Ray indicated he did not review the cost estimate, but what they recommended was reasonable. This was not a natural pond. It was dug as a borrow pit and adjusted to mimic the natural conditions. His biggest concern was how they would tie it back into the slope of the pond.

- Mr. Rinehart questioned whether they would install the sock from the water side or from the land. Mr. Smith indicated they would use a utility cart to roll out the sock and dredge water into it from the lake.
- Mr. Moyer believed this was a moot point until they resolve the foreclosure and monies come back to the District from the Bond Trustee.
- Mr. Smith acknowledged they would not be able to do this work until February or March.
- Mr. Smith reported:
 - D.R. Horton requested barricades next to the tennis courts. The cost to install barricades is \$2,000. He spoke to the Project Manager for D.R. Horton who indicated the start date for this project was fairly soon. They are in the process of some permitting changes and would address any problems as they occur. If they have vandalism, they will look into fencing. Mr. Ray indicated D.R. Horton changed the product from condos to townhouses. They should start construction in the next 30 to 45 days.
 - The cattle fence was extended.
 - The benches and trash cans were returned to the basketball court. They replaced the wood on the benches in-house as the cost to replace the wood through a contractor was \$1,500. The basketball nets should be replaced.
 - All of the tops of the brick columns were painted except for the ones on Dowden Road. They are now planning to paint the fence and straighten the columns.
 - As reflected in the Field Management Report, they replaced a lamp in the median at the Lakes of East Park entrance and changed the photocells. They also installed a timer in lieu of a photocell near the Lakes of East Park entrance. He will have the timer adjusted because when he was out there this morning, the lights were on.
- Mr. Colon reported there were five or six dead trees along Moss Park Road. Mr. Smith confirmed the trees were not dead, but were in the process of being treated. He will see if Servello & Son replaces them.

EIGHTH ORDER OF BUSINESS

Other Business – Update on Easterfield Drive Connection

- The update on Easterfield Drive was discussed earlier in the meeting.

NINTH ORDER OF BUSINESS

Supervisor’s Requests and Audience Comments

- There not being any, the next item followed.

TENTH ORDER OF BUSINESS

Adjournment

- There being no further business,

On MOTION by Mr. Colon seconded by Mr. Rinehart with all in favor, the meeting was adjourned.

Gary L. Moyer
Secretary

Angel Colon
Chairman