

MINUTES OF MEETING
CHAMPIONSGATE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the ChampionsGate Community Development District was held Monday, May 20, 2013 at 2:00 p.m. at the offices of RIDA Development, 8390 ChampionsGate Boulevard, Suite 104, ChampionsGate, Florida.

Present and constituting a quorum were:

Dennis Smeltz	Chairman
Ron Root	Vice Chairman
Thaddeus Kallini	Assistant Secretary
Phillip Montalvo	Assistant Secretary
John Lambert	Assistant Secretary

Also present were:

George Flint	District Manager
Travis Rentz	District Counsel
Mark Vincutonis	Hanson Walter
Yvonne Shouey	RIDA Development
Teresa Viscarra	GMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order.

SECOND ORDER OF BUSINESS

Approval of the Minutes of March 19, 2013 Meeting

Mr. Flint stated the next item is approval of the minutes of the March 19, 2013 meeting. Are there any additions, deletions or corrections to the minutes?

There not being any,

On MOTION by Mr. Root seconded by Mr. Smeltz with all in favor the minutes of the March 19, 2013 meeting were approved.

THIRD ORDER OF BUSINESS

Consideration of Agreement with Osceola County Property Appraiser Regarding the Uniform Method of Collection

Mr. Flint stated the next item is consideration of agreement with Osceola County Property Appraiser regarding the uniform method of collection. The District uses the uniform method of collection for collecting its assessments, which means basically we use the tax bill. The section of the statutes that authorizes us to use the tax bill as our method of collection refers to it as the uniform collection method. As part of that we are required if the tax collector and property appraiser asks to enter into agreements with them to pay them for using the tax bill. What you have in your agenda is an agreement from the property appraiser. We don't have a lot of discretion here if we want to use the tax bill we have to enter into an agreement with them and they are authorized to charge for the service. The fees are what I would consider nominal, they have a \$200 set up fee and the yearly administration fee they indicate would be determined once the assessment roll has been certified and the total costs are determined but they will not exceed 2% of the total collections. They provided us with an estimate of \$280 for the fee so it is not going to be anywhere near the 2% of collections. Right now we budget 6%, 4% for the early payment discount and 2% for costs charged to us by the tax collector and property appraiser. Theoretically both tax collector and property appraiser could charge us 2%, which would mean 8% instead of 6%. They provided an estimate saying it would only be \$480. They are statutorily able to charge up to 2%.

Mr. Rentz stated I apologize I did not see the agreement attached to the agenda so I have not reviewed it yet.

Mr. Flint stated the approval would be subject to review by District Counsel.

On MOTION by Mr. Root seconded by Mr. Kallini with all in favor the agreement with the Osceola County Property Appraiser was approved subject to review by District Counsel.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2013-02 Approving the Proposed Fiscal Year 2014 Budget and Setting a Public Hearing

Mr. Flint stated the next item is Resolution 2013-02, which is a resolution approving a proposed budget and setting a date, place and time of the public hearing for its final adoption. The proposed budget is attached and is based on the current assessment levels. The approval of the proposed budget doesn't bind the Board in any way or prevent you from making changes to the budget it is really the start of the process. You are required statutorily to approve what is

called a proposed budget by June 15th and then you have to submit the proposed budget to Osceola County at least 60 days before your public hearing for final adoption. This is an exercise to meet the June 15th deadline and allow us to transmit it to the county. The county has review and comment ability but they don't have any ability to make any changes to it. In fact I have never had a city or county respond to one of these. We are suggesting that you set the public hearing for August 19th at 2:00 p.m. in this location.

You will see that we provided the current year adopted budget, the actuals through the first 7 months, projected last 5 months of expenditures and a proposed budget for next year. You can see we did not budget beginning carry forward but we are recognizing that carry forward in our actuals in the revenue, the \$461,000. We are going to propose that we transfer \$457,000 out in the current year and we are creating a capital projects budget, which is on page 9. You can see the transfer in of \$457,000 and the expenses are basically the roadway project, the Jr. Davis contract. At the end of this year we project to have \$74,000 left, which would carry forward to the next year and in 2014 we would transfer another \$176,000 in. We would track in our capital project fund budget, pull the money out of the general fund. The only money we would keep in the general fund would be an operating reserve, which would be equivalent to about three months operating because the assessment revenue doesn't come in until December.

I will point out the engineering expenses associated with the roadway project are still reflected in the general fund and we probably should move those to the capital project fund so the entire cost of the project is tracked in that. You can see the engineering fees in the current year are going to be significantly over. We will have to amend the budget at the end of the year anyway to clean it up.

Next year based on O&M assessments of \$727,000 we are showing a proposed admin and maintenance budget that includes that \$176,000 transfer to the capital project fund. We can adjust all these lines after you have had a chance to look at it and before it is adopted.

Mr. Root asked on the \$176,000 transfer in do we have to disclose in any fashion what that revenue would be set aside for?

Mr. Flint responded no, unlike an HOA, which has to have reserve funds for building roads and sidewalks the District doesn't have the same requirements that HOAs do. We have talked about doing a reserve study but I believe the Board opted not to incur the expense of the reserve study because primarily what we have are roads and stormwater we don't own amenities

and other things like that. If you cover your roads, which we are doing you really don't have a lot of other obligations and there is no requirement to designate them for any specific purpose.

Mr. Root asked if there were a catastrophic event and all the palm trees blew down could this reserve be used for that purpose?

Mr. Flint responded yes. It can be used for any governmental purpose.

Mr. Root stated I am personally pleased to see the recommendation. I was the one who raised the issue of having the reserve study for a purpose like this not knowing there was a difference between an HOA and the District fundamentally. This is a good move.

Mr. Flint stated we have drawn down a significant amount with this road work so we are not at a point where the reserves are at a level where you would want to consider reducing assessments but at some point if they started building beyond what your needs were you could consider a reduction in your per unit assessment.

Mr. Smeltz asked do we want to move the engineering to the capital projects in the budget that you send to the county?

Mr. Flint responded it is not necessary if that is something the Board would like we can do that. It is not like sending the annual audit to the State of Florida where they actually look at it. There is a provision in the statute that we have to provide it to the county but they have no authority to do anything other than if they want to provide comments.

Mr. Root asked why can't they do that as part of this motion or at least step one step two?

Mr. Flint responded sure if you want to do that.

Mr. Root stated I think your rationale as you said was appropriate and that is we try to reflect in this capital projects fund as much as we can all the costs associated with the roadway.

Mr. Flint stated you can do it as part of one motion if you wanted to consider a motion to approve Resolution 2013-02 and included in that is to amend Exhibit A to move the engineering expenses associated with the roadway project to the capital projects fund. There is also some attorney's expense related to it but I'm not sure whether that would need to be moved but the engineering should be.

On MOTION by Mr. Smeltz seconded by Mr. Lambert with all in favor Resolution 2013-02 including an amendment to Exhibit A moving the engineering expenses associated with the roadway project to the capital projects fund was approved.

Mr. Root stated I don't recall the form of agreement with RIDA for onsite management services. Did we approve that?

Mr. Flint responded yes.

Mr. Root asked what did it look like?

Ms. Shouey stated I can give you a copy.

Mr. Root asked do we do it annually or is it in place until we decide to do something different?

Mr. Kallini stated I think we did it when we transitioned from the developer being on the Board.

Ms. Viscarra stated I believe there is some language in the agreement that said the price would stay in place unless either party said something 60 days before the contract ends that I think is for four years.

Mr. Root asked is it a price or percentage?

Ms. Viscarra responded it is a price.

Mr. Flint stated there is ability to change before the end of four years you are not locked in. I can email the agreement to the Board members.

FIFTH ORDER OF BUSINESS

Discussion of Opening Money Market Account for Capital Project Fund

Mr. Flint stated the next item is discussion of opening a money market account for the capital project fund. The District as a governmental entity doesn't necessarily have maximizing return as its number one priority. I would think in order of priority the first would be to preserve the principal, second would be liquidity because the capital project fund we have as Mr. Root brought up if we have a hurricane we need to access that money we don't want it tied up in a multi-year CD or something like that where we can't access it. I think third is probably return on investment. The interest earnings right now are dismal we have had excess operating money in a money market fund with U.S. Bank and we are probably getting .05%. Our operating account is with SunTrust they do have a money market account based on the balance in the account you can see the interest rates available. It is better than what we are getting in the U.S. Bank money market account and the other thing is U.S. Bank charges a number of fees to have the money in the account, this one if you have a minimum balance there are no fees and the money is available

immediately. Our recommendation would be that the Board authorize staff to open a money market account with SunTrust.

Mr. Montalvo asked is there is a reason we put it with U.S. Bank?

Mr. Flint responded when the bonds were issued a trustee was designated, which basically is a gatekeeper between the District and the bondholders and because U.S. Bank was the trustee for bond funds they had some of the District's funds invested already as their role as trustee so we used them for purposes of opening the money market account. We used to have the money with the State Board of Administration, which is a state operated investment pool for government entities. You may remember four or five years ago they had a significant collapse and we were able to get the money out of the SBA the morning they put a freeze on the funds. They are recovering nicely from that now but we are still not to the point where we are comfortable moving the money back in there.

On MOTION by Mr. Montalvo seconded by Mr. Kallini with all in favor staff was authorized to open a money market account with SunTrust.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Rentz stated we will review the agreement with Osceola County and report back soon.

B. Engineer

Mr. Vincutonis stated we are patiently waiting for Jr. Davis to get started out here. I talked to him this morning and they are saying next Monday they will be out here.

The 60 day clock they have to get to substantial completion started with the notice to proceed so they are hurting themselves as far as delaying it if they need the full 60 days. I think they can get it done quicker than that.

I did get an RFI this morning from Sam Metz who was here they are looking at the pavers. I guess two of the crosswalks are not actually pavers they are saying it is concrete.

Ms. Shouey stated it is stamped concrete.

Mr. Vincutonis stated they are asking how we want to address it because we were basically showing to remove and replace pavers but those two happen to be concrete. You look at them it looks like pavers to me.

Ms. Shouey stated because it was cheaper for us to do and the pavers weren't staying in is why we did the stamped concrete in that crosswalk. It is up to you how to redo it but it is bid to replace them.

Mr. Vincutonis stated it is bid to remove pavers and replace pavers and now we are talking about removing concrete and replacing it with pavers. It is a little different. We are probably going to end up having to meet with Jr. Davis and the paver people and see if we are talking about an increase in price and it would probably be a fairly small number but what are they going to want to do and what options so we have? Obviously, they do look a little cracked we probably do need to do something with them. Out of the box my recommendation would be to remove them and replace them with pavers like everything else so it is the same and see if we can't work a low price for them to do that if there is some demo additional work to pull out the concrete versus pulling out pavers.

Mr. Montalvo asked that road has been in about 14 years. I haven't been here that long and didn't see it but I walk up and down it everyday and I know from the time I turn the corner over by McDonalds and make it down to here takes 2 to 3 minutes maybe and I have been counting on the average anywhere from 4 to 7 heavy duty dump trucks and 18 wheelers. If you extrapolate that number let's say 5 that is about 100 an hour that go through there and this is in the morning anywhere from 7:30 a.m. to 9:00 a.m. When they get to the stoplight because they are flying down there none of them are just driving slowly they are flying and as they approach the intersection here or the one by Publix they slam on the brakes and bump to a stop pounding on the pavement. When we approved this project we were thinking that this was going to be of equal duration in terms of replacement time and I'm raising it as a concern as a discussion point and food for thought we own those roads, we pay for that road, everybody uses that road including all of these heavy duty trucks. I would like to start giving some thought in terms of the usage of that road, who uses it, who destroys it and should the taxpayers of the District be the ones called upon to say in 7 years we have to replace it because of all these dump trucks and 18 wheelers that go through there.

Ms. Shouey stated we e never anticipated truck traffic this way as much as there is and Marc and I went to the county right away to see if we could get the speed limit reduced to try to keep the trucks out. At first we asked can we keep all the trucks out, can we post it and they wouldn't let us do anything.

Mr. Montalvo stated I understand you can't keep the trucks out.

Ms. Shouey asked how would you control that?

Mr. Montalvo stated this is something that Counsel can give some thought to but at one time in some discussions we said we could put a toll booth up there because it is our road. I'm not sure we can. I would like to know if there is something we can do. The taxpayers in the District are the ones paying for that and as a member of this Board I think I have a responsibility to call that out and start looking into what our possible options are to recoup some of those expenses that may be coming down the road. All we are doing is providing a road that the county does not maintain or care about because it is on our dime and they are not going to allow us to do anything maybe there is another way to skin that cat. I'm raising the question because it is a concern to me, I see it everyday and I suspect based on what I'm seeing that road is not going to last 14 years with the type of traffic it has and whoever is sitting on this Board 7 or 8 years from now and have discussions about replacing it and doing a special assessment to cover it. That is the concern I'm raising and somewhere along the line we should have the discussion of at least looking into options and possibilities.

Mr. Kallini stated it is my understanding that same as Masters Boulevard it is a public road that is privately owned.

Mr. Flint stated it is not privately owned. It is a public road that is not owned by the county it is owned by the community development district, which is a public entity.

Mr. Montalvo stated we are a public entity and we own that road and I'm wondering about our ability to be able to do something to address these issues if any.

Mr. Flint stated in my experience it is very limited. We own and maintain the roads just like the City of Kissimmee owns and maintains roads that people who aren't residents of the City of Kissimmee drive on when they drive through the city. There is no ability for them to capture it from the non-residents other than periodically cities and counties do have the ability to get gas tax revenue and there is revenue sharing from the state that CDDs can't get. That comes up periodically, why can cities and counties get gas tax revenue and community development

districts or special districts that own roads can't get it. There is a formula that is in the statutes about how that money is shared and special districts aren't included in that formula. To change that would require a legislative act, which the cities and counties would likely fight and it would be tough to get changed. A lot of times roads like ChampionsGate Boulevard would not be owned by the CDD they would have been turned over to the county because it is a county road up to the interchange the county owns the road that way.

Mr. Montalvo asked we have that option, don't we?

Mr. Flint responded we have the option to ask they don't have to take it. The best time to do it would be right after you repaved it and did all the repairs then you say we are giving you a brand new road will you take it but a lot of times they won't agree to accept enhanced maintenance like paver crosswalks and that sort of thing. They may accept the rest of it and they may put the burden on the District to at least maintain the crosswalks and enhancements.

Mr. Montalvo stated on that point maybe Counsel can help me also. Our CDD does not have eminent domain powers.

Mr. Flint stated it has limited, not the same as cities and counties but we do have in the statute limited eminent domain.

Mr. Montalvo asked can you or someone give you the statutory reference so that I can look at it?

Mr. Flint responded it is in Chapter 190, F.S. but I will get it to you. What would we be conveying?

Mr. Root stated my concern is be careful what you wish for if you think of turning roads over to the county they could do it they have much more power, which for me would be a reason for not doing it. I would like to see what we have. I'm looking ahead I'm not looking at today.

Mr. Flint stated the county still has the same powers even if we didn't turn the road over. Their authority is not impacted by whether we turn the road over to them or not. I don't know where we are going with the eminent domain.

Mr. Montalvo asked what portion of our total assessment are paid by business in the CDD?

Ms. Shouey stated they pay a lot.

Mr. Flint responded I don't have the schedule with me.

Mr. Root stated it has to be well over 50%, Phil, and you are never going to convince the business community to limit traffic when they depend on it.

Mr. Montalvo stated I'm talking about dump trucks and 18-wheelers.

Mr. Lambert asked can you put up a weight restricted sign?

Ms. Shouey responded I don't know I'm going to call Dave Tomack at the county again. I have been calling him on the crosswalk issue and I will ask.

Mr. Smeltz stated perhaps the inconvenience of the road construction will discourage them.

Mr. Montalvo stated they will be back.

Mr. Kallini asked will Lennar have any input into maintaining some of these roads?

Ms. Shouey stated the same as everybody else.

Mr. Flint stated to the extent they have property within the boundaries of the District they would have the same input that any landowner would have. I don't believe there was any cost sharing agreement with them for offsite impacts when that sale went through. It is not typical to see that. They will pay assessments on the property they own within the District but anything outside the District that they may be going through the District to access we don't have a way of capturing anything.

Ms. Shouey stated there is going to be a road going through the Lennar project coming out on Tri-County and it will eliminate Masters.

C. Manager

i. Approval of Check Register

Mr. Flint stated you have the check register from March 12, through May 13, for the general fund checks 3229 through 3266 in the amount of \$332,023.69 and payroll register and the detail is behind the summary. If you have any questions we can discuss those and if not I ask for a motion to approve the check register.

On MOTION by Mr. Montalvo seconded by Mr. Smeltz with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

Mr. Flint stated we also have the financial statements through April 30th, the balance sheet and statements of revenue and expenditures. There is no action required by the Board but if you have any questions we can discuss them. We are just over 100% collected on our assessments at this point.

iii. Presentation of Number of Registered Voters

Mr. Flint stated each year we have to announce the number of registered voters within the District as of April 15th and you can see that there are 618 registered voters within the District.

SEVENTH ORDER OF BUSINESS

Other Business

Mr. Smeltz asked were there any other questions on the wells or sewer?

Mr. Montalvo stated I wasn't clear on what the answer to the sewer thing is.

Ms. Shouey stated water and sewer is Toho the stormwater is CDD.

Mr. Flint stated some of the stormwater is owned by the individual developments such as BellaTrae.

Mr. Montalvo stated BellaTrae has been working with Toho on that issue.

Ms. Shouey stated because in the minutes it says that they weren't sure it was their responsibility it was the CDD. Is that straight or not?

Mr. Montalvo stated I think they had an epiphany.

Mr. Root stated they charge an assessment for it; we pay fees for the sewer.

Mr. Montalvo stated someone is working with Toho.

Flashing Beacon

Ms. Shouey stated I did get pricing on the flashing beacons we talked about. We can do two of them for \$9,100. I went to the county first and she gave me a bid of \$10,000 to \$15,000 as what they paid.

Mr. Smeltz asked would the county allow us to do that?

Ms. Shouey responded yes. They are flashing beacon lights and they are saying maybe you don't want to leave them flashing all the time because then people don't pay attention. You flash them from maybe 6:00 a.m. to 10:00 p.m. she said you can program it. She also said you

have to remember it doesn't stop traffic it slows them down so the residents still have to be aware that they still have to look out for themselves.

Mr. Montalvo asked are those lights solar powered?

Ms. Shouey responded yes, solar powered flashing beacons. They also have the red flashing lights in the roadways but I don't think that is going to help and they were way more expensive.

Mr. Montalvo stated it does grab your attention and this is incrementally being done and the signs have helped a little bit.

Ms. Shouey stated I noticed when I did my last ride that for some reason the stop sign going into Happy Trails and Tri-County Road is gone and I saw them flying out of that dirt road. There used to be a stop sign there so they had to stop but there is none there anymore. I made them aware that it was down. They know it is out and hopefully they will get one up.

Mr. Flint stated the county ought to be pretty quick about replacing a stop sign.

Mr. Montalvo asked is this something we have to place on the agenda for the next meeting?

Mr. Flint stated if it were something you were interested in doing you could authorize it today.

Mr. Montalvo asked do we have funds to do that?

Mr. Flint responded we are transferring a significant amount to the capital project fund but we are showing we are going to end the year with about \$135,000 in the general fund after that transfer. That may get eaten away \$9,000 at a time but there appears to be funds available.

Ms. Shouey stated Marc wants to know if this increases any liability and why is the CDD paying and not BellaTrae.

Mr. Flint stated the District's improvements are master improvements. They are not neighborhood specific and when the assessments were set up it wasn't set up where BellaTrae paid for this piece of road and another neighborhood paid for another piece of road it was considered a master system of improvements. If we make changes to anything it is a shared cost by everyone. I would guess if it wasn't a health, safety issue and it was an aesthetic issue and BellaTrae wanted to have a different type of landscaping in front of their community you might make the argument that if they want it they can pay for it.

Ms. Shouey stated that is kind of what they are doing on the landscape maintenance on the roadway.

Mr. Flint stated exactly we have that situation with the landscape maintenance. It is a change to our master improvements and I don't know that we want to get into slicing and dicing and who is responsible for what.

Mr. Rentz stated as to the liability, the CDD owns the street at this point in time the Board is making what they believe is their best decision to try to reduce any type of accident that could occur. I haven't heard anything from the Board as to a suggestion that may be better. At this point the Board believes this is the best direction to go in to prohibit liability.

Mr. Flint stated the county is ultimately responsible for traffic regulation and if they have agreed that these signs are consistent with their traffic regulation rules and guidelines I'm sure we have some protection there. If someone gets killed we are going to get sued regardless. As long as the Board doesn't do something negligent and intentional I think governments have a lot of protection.

On MOTION by Mr. Lambert seconded by Mr. Montalvo with all in favor the two flashing beacons for \$9,100 were approved.

EIGHTH ORDER OF BUSINESS Supervisor's Requests

There not being any, the next item followed.

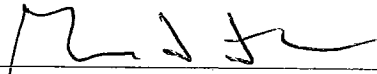
NINTH ORDER OF BUSINESS Audience Comments

There not being any, the next item followed.

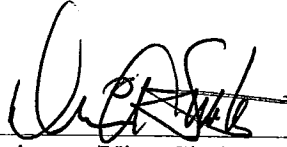
TENTH ORDER OF BUSINESS Next Meeting Date

Mr. Flint stated we do have the August 19th meeting date set. Does the Board feel the need to meet between now and August? If anything comes up between now and then we can always set a meeting with 7 days advertising.

On MOTION by Mr. Montalvo seconded by Mr. Smeltz with all in favor the meeting adjourned at 2:50 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman