

**MINUTES OF MEETING
SOUTH-DADE VENTURE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the South-Dade Venture Community Development District was held on Thursday, April 22, 2010 at 3:00 p.m., at the Watersone Clubhouse, Phase II, 1355 Waterstone Way, Homestead, Florida.

Present and constituting a quorum were:

Alex Diaz de Villegas	Chairman
Kimberly Felipe-Ochoa	Vice Chairman
Sonia Castro	Assistant Secretary
Curtis Cooper	Assistant Secretary

Also present was:

Mike Pawelczyk	District Attorney
Paul Winkeljohn	District Manager
Dennis Baldis	Governmental Management Services
Walt Batcheller	McNeill Signs
Angela Jones	Watchfire Signs
Ralph Diaz	Command Security Corporation
Carlos Dimaso	Command Security Corporation
John Cusick	Waterstone Grand
Jose Zepeda	ValleyCrest Landscaping
Several Residents	

FIRST ORDER OF BUSINESS

Roll Call & Pledge of Allegiance

Mr. Diaz called the meeting to order, called the roll and the Pledge of Allegiance was recited by all who attended the meeting.

SECOND ORDER OF BUSINESS

Approval of Minutes of the March 25, 2010 Meeting

Mr. Diaz: Moving on to Item No. 2, Approval of the Minutes of the March 25, 2010 Meeting. Are there any corrections, deletions or suggestions? Did you have any corrections Sonia?

Ms. Castro: No.

Mr. Diaz: Curtis?

Mr. Cooper: No, I didn't have any corrections either.

On MOTION by Mr. Cooper seconded by Ms. Castro with all in favor, the Minutes of the March 25, 2010 Meeting were approved.

Mr. Diaz: Moving on to the next item, actually I want to take something out of order, we do have with us here to today Mr. Walt Batcheller and Mr. Batcheller has a demonstration of the lights that the board wanted to see from last time that the school is proposing to place over by the school side of Waterstone Way, so we'll take this meeting outside for that demonstration, so do you want to take a short recess and then come back?

Mr. Pawelczyk: We will be in the meeting while we're outside.

Mr. Diaz: Do we need to record it, well it will still record outside because it is wireless, ok so we'll move the meeting outside for one moment while we see this demonstration. Ok, we're outside now and with us is Walt Batcheller and Angela Jones who are going to do the presentation of the school sign, thank you.

Ms. Jones: What we're looking at here is the 16 millimeter which is the pixel pitch that the school is looking at putting in front of their facility. It is the tightest pixel pitch that we now offer, so it is the top of the line to give you a good clear picture as people are driving by. So you'll see that there are both moving messages and still messages, depending on what the city and everybody allows, they can either do animation or just still messages and these are some preloaded messages that are either patriotic or school related, something that I felt they might be able to use within their facility right now.

Mr. Diaz: I notice you have a lot of public service announcements so there are endless possibilities for what you want to put on there is that correct?

Ms. Jones: Right and most of what you see on here right now is already created within our software, so it's real easy for them to drag and drop easy art or clip art into there. You can also do a text message of your own and type anything you want, so you could put, board meeting at 7:00 p.m. tonight, and have it play that and you can actually

tell it what times to play what messages also. So you could have that message to start on the day of your meeting, instead of saying, board meeting and put the date on it, you could actually put the word, tonight, for those specific ones.

Ms. Castro: I have a question. Is this the size that they are actually looking at?

Mr. Batcheller: I think it's 3 by 8, it's exactly the same size. The original specs we got were very similar to these pillars that are over here, however, I understand the city has given the District permission to put it in the right-of-way but you wanted it back in a little bit further, so that's why it's now an 8 foot size, instead of any larger than that. The actual screen you see is 36 inches by 96 inches, 3 by 8.

Mr. Diaz: Ok, so the screen is the exact same screen that they're going to have?

Mr. Batcheller: Exactly.

Mr. Diaz: Ok.

Ms. Jones: Just a couple of features within our software, we have both an override ability to where you can check when you're doing a message, when you schedule it to override all the other playlists, and then also send it and play immediately. So if there is some sort of an emergency that's going on in the area, you don't have to worry about what you have already planned on putting on that sign. If something happens within the community and you guys have a few streets that are closed for instance, you can actually have that put on there and just override everything else and it will be up there right away.

Mr. Diaz: The other question that I had, since you mentioned about the monument size, there was a concern that was brought out about if we did do a hard monument, not a framed one for the ventilation of this thing.

Ms. Jones: Yes, you are still going to want some ventilation in the back and what we can do is give you our ventilation requirements, if you give me an inch or two and the top and the bottom of the sign and then a little bit between the two of them, we'll be fine.

Mr. Diaz: What's the life span of these signs?

Ms. Jones: LEDs are rated for 100,000 hours which is about 11 years, the technology is fairly new, it's about 10 or 11 years right now, so just keep that in mind but they're known to last at least that long at this point, they're about 10 years old.

Mr. Cooper: What about as far as the pixels, what would transpire after that?

Ms. Jones: The parts are covered for five years, so you'd get a new module and they're in about one foot increments, that's covered within your warranty on there and then beyond that you could always replace the module, and most of the time you're not going to notice maybe one or two pixel that goes out, if you have a whole cluster of them that would, then you would notice that.

Mr. Cooper: What would be the timeframe with your company to come out and repair anything if the sign has an issue or something?

Mr. Batcheller: Well, you would call McNeill Signs and you would have repair within approximately 24 hours and when we say that it's actually 2 days, because it's unusual for the entire sign to go out and we can show you a board. McNeill Signs is 55 years old and it's in its second generation owner right now. We've been doing business with Watchfire for about 40 of those 55 years, before LED and digital signs ever become popular, and so this company supplies them to the big areas. As a matter of fact, Town and Country Shopping, we have one that's going up there on May 17th we'll begin the installation facing the Turnpike and it's 23 feet by 12 feet.

Mr. Diaz: I've seen one at Miami International Mall, when you're going down 107th Avenue I believe. Let the record reflect that Kimberly Felipe-Ochoa has joined us at the meeting.

Ms. Castro: It is going to be double sided like this right? Or is it just one sided?

Mr. Batcheller: No, it is double sided. The other side is 19 millimeter, and the reason we turned the other side off is when you're viewing it, and when you're standing right on top of a digital sign it doesn't have the same impact as if you were back and you would view it normally.

Mr. Cooper: As far as updating, how do you update it? Is it wireless?

Ms. Jones: It can be.

Mr. Batcheller: There's two ways, we can do it through a fiber optic cable and it depends on right in front of the school if they want to do that, or just do a phone modem, it can actually be hooked up.

Ms. Jones: We can do wireless.

Mr. Batcheller: Yes.

Ms. Jones: There's several ways we can do it and we'll narrow that down as we get into the project and see which way is the best for everybody to work with.

Mr. Batcheller: Right now included in the price is the fiber optic cable, now that would still require the school to put an inch and a half conduit from wherever they want to control it from out to it, although they indicated they wanted to use wireless.

Mr. Diaz: I think that's what she indicated to me also, where it's going to be a wi fi feature from the office, they can do it through a laptop and make the changes.

Mr. Batcheller: We can also show you what these boards look like up close because one of the things that Watchfire has done, this particular sign is one of the signs that they actually demonstrate underwater, because all of these LEDs that are in these boards are all imbedded in a really thick casing of silicone and that keeps the board free from any problems with the weather. Also you don't have to put any kind of covering over top of these and I'll let Angela show you as she talks about it.

Ms. Felipe-Ochoa: Is everybody satisfied with what they've seen so far, so we can go back inside?

Mr. Cooper: Yes, we can do that.

Mr. Diaz: Yes, sure, we can go back inside. Ok, so we're back inside now. Does anyone else have a question for the representatives from McNeill and Watchfire?

Mr. Cooper: They were going to go ahead and show us the board.

Mr. Diaz: Ok, I'm sorry.

Ms. Jones: Alright, if you notice the front of the boards actually have these louvers on here, they do a couple of things. The first thing is they are protective louvers if someone was to throw something at it like a beer bottle or something on it, it's not going to hit the LEDs themselves, it's going to bounce right off of it and it's also a sun shade, so it's going to block out some of the sunlight where it doesn't wash out your LED. The big thing that we do differently is the way we encapsulate our boards, you'll notice that the whole board is sealed, all the gaskets are sealed, the front of it has a thick silicone gel that

you can feel. What this allows us to do is we can actually take these boards and run them under water, not that you're ever going to run your boards under water, but it's what is going to take the brunt of your weather.

Ms. Felipe-Ochoa: I have a question. This drawing that we have before us, there's a structure surrounding the actual sign that you guys built, or is this company going to be doing both?

Mr. Diaz: My understanding is the proposal you provided to them was both, everything included, correct?

Mr. Batcheller: Yes.

Mr. Diaz: Thank you. Are there any other questions for McNeill or Watchfire, and this is basically just informational because the school has asked if we could partner with them financially in this endeavour because it is a little bit more expensive than your standard one color red amber, the ones you typically see in schools. Can you just elaborate on the differences between those types of signs and this type of sign?

Mr. Batcheller: The biggest difference is, of course you're limited in color, which is attraction, it attracts the eye to the message that you're trying to get across. You don't have the same graphic ability to this color that you have with the white tone, whether it's amber, red, or green that you would normally have.

Mr. Diaz: Very good and if you recall the other reason why they were presenting this idea was because of the long term cost of banners and the appearance of banners all along the fence line was one concern. The other concern was if they don't put it in this particular location where they want it, they do have the option to put it on Campbell Drive, up high, the ones that go on those long pedal stools and I think that's less attractive than this particular feature where it's at eye level and it's on Waterstone Way. It's an opportunity for us, but it's really up to the board and obviously there's a big investment in cost and I don't know how much, we'd have to work out that figure with the school.

Ms. Castro: I keep hearing about a cost, but I haven't heard the cost, I would like to know what it is.

Ms. Felipe-Ochoa: Paul, how many meetings ago was that? About a month or two months ago, that was the original quote, or is this a new one that's being presented now?

Mr. Batcheller: Well, we had an original quote but it was for a different size unit. I think the original quote also was a smaller LED system.

Mr. Diaz: Ok, so the proposal you have here that's with everything included, correct?

Mr. Cooper: And it's broken down as well on there.

Mr. Diaz: Yes, it's also broken down, but this is with the wireless, and everything and it's a total of \$64,804 and my understanding is that the school does have, I don't want to say sufficient funds for the whole project, but they do have for at least have of it and they're asking for half or whatever we would be able to contribute to it. This is more informational for the board, but that's something we would have to discuss afterwards or at another time.

Ms. Castro: I do have a question. What is the electrical consumption of this and who will be paying for that?

Mr. Diaz: Good question.

Mr. Batcheller: It's going to be connected to the school's electrical.

Mr. Diaz: Dennis, do you have a question?

Mr. Baldis: Yes, I was wondering is there a location where one of these signs is installed where we can see it at night?

Mr. Batcheller: Well, May 17th we're installing one at Town and Country Shopping Center at Kendall Drive and the Turnpike.

Mr. Baldis: Ok.

Mr. Cooper: I do have a question, once this warranty period is over and if we wind up contributing money to the school to help them out, have they suggested anything with regards to if they're going to be maintaining the sign further after that point?

Mr. Diaz: That would, I would imagine we would have to draft up a contract with Mike some type of an agreement because if you recall this particular property where they'd like to place a sign is an easement that we own, so probably the permitting and

everything else, probably the easiest way is if we took the lead on it and then they would contribute to the cost. I don't know exactly how we would work that out Mike, but it is our property that they would put it on.

Mr. Pawelczyk: Well, it's our physical property, we own it fee simple, we don't have an easement over it, right?

Mr. Diaz: No, there's no easement over it, it's just a berm and a swale.

Mr. Pawelczyk: Ok, I'm just making sure we're clear on that.

Mr. Diaz: Are there any other questions?

Ms. Felipe-Ochoa: Yes, Mr. Chairman, how much was the maximum budget that the school was going to allow for this project, do you remember that number?

Mr. Diaz: Well, I remember initially it was going to be around \$22,000 then it went up to about \$30,000, and that was about two months ago, so I don't know where they're at now because as I mentioned at the last meeting they get special funds every time they get rated an "A" school, so they've been saving up for this particular sign and as I mentioned before, they feel, and I agree with them, that they really don't have any signage that really identifies the school, and so this is just tending to that concern.

Ms. Felipe-Ochoa: Ok, and I'd like to know the board's thoughts because we heard from the chair that he doesn't think it should go on 8th Street, it would be a taller one, so I would assume that would be more money, and that's just my thoughts.

Mr. Diaz: Right, if they go and do it on their own, they're going to go on their own property, and they're going to put up probably a 20 foot high marquee and it's not going to be this, it's going to be that red, one color sign, because that's what they can afford and that would be in their price range.

Ms. Felipe-Ochoa: An example of that would be like the Coral Reef sign?

Mr. Diaz: Exactly.

Ms. Felipe-Ochoa: Ok.

Mr. Diaz: The typical ones the schools have now, where it's one color, you basically can put one message, and in this case you're really not targeting your audience.

Ms. Felipe-Ochoa: Well I think that we need the school here, so I think we should table this until next month because we really need the school here to discuss this.

Mr. Diaz: Well, they were invited here because the last time we presented this idea and everyone wanted to actually see what the sign looked like, so this is really involving three different parties, they are the vendor, the contractor, and the location is right in the middle of Waterstone Way, this is the entrance, this exit of the school, so it's right here in the middle on the grass part. Ok, are there any other questions? So, I think now the next step is to have the school respond here and I think we're all in agreement that this is the appropriate type of sign, is that the general consensus of the board?

Ms. Castro: Yes.

Ms. Felipe-Ochoa: Yes.

Mr. Cooper: Yes.

Mr. Diaz: Ok, and I think it's been our policy that if we're going to do it, we're going to do it right the first time, so we greatly appreciate you coming all the way down here Walt and Angela.

Mr. Batcheller: Thank you.

Ms. Felipe-Ochoa: Thank you, and thank you for bringing out the example that we desperately wanted to see, because I know that's a big deal.

Mr. Diaz: Alright, the next guest we have here today is the representatives from our contracted security firm which is Command Security Corporation and with us here today we have Ralph Diaz, who is the regional vice president for South Florida, and also Mr. Carlos Dimaso, who is the general manager. So if the board has any questions, and maybe just to introduce you to them, we have Kimberly Felipe-Ochoa, Curtis Cooper, Sonia Castro and we have one other board member who is not here today, that's Monica Elliott.

Ms. Felipe-Ochoa: I was the one who actually asked for you guys to be here today, just so we can all get on the same page because we have to work out all the kinks with the guards and so I wanted to make sure that all the supervisors and your staff are on the same page because anytime you have a new big project like this with a community's

expectations which are very high, so I was the one who requested that you come out today. So I have some questions for you, and Paul may know the answer, Alex may know the answer, and so it might not be a question for you directly, but I wanted to bring it up with the board. To start this off then, does any of the rest of the board members have any questions or concerns or improvements that they think are necessary?

Ms. Castro: Well let's hear your questions first and then I'll expand if I need to.

Ms. Felipe-Ochoa: Ok. My understanding was that the staff that was starting would be fully trained is that correct?

Mr. Ralph Diaz: If everything was fully functional, bear in mind the wand is not running, right now what the officers are doing basically is collecting the ID, scanning the ID and the system doesn't have full functionality as of yet and I don't know what the status is on that.

Ms. Felipe-Ochoa: Ok, I'm sorry, I'd like to interrupt you so that we can get an answer on that. Alex or Paul, I don't know who would know the answer to that, but what are we waiting for, to make sure that these guards that are on right now be trained. I went into the guardhouse, and talked to the guard and he was asking me where everything was and there was no map in there, so it said there was a map in there a couple day before so I think we need to have that in plastic and somewhere in the guardhouse.

Mr. Ralph Diaz: Yes, there is a laminated map, and I apologize for that, there should be a laminated report and every time I've been there I have seen a laminated map, and we're going to make sure we have a back up. I was not aware of that on that particular evening there was not a map there.

Ms. Felipe-Ochoa: Right and it's a new thing and this is going to be ongoing as time goes on, and we might say something today or make a suggestion.

Mr. Ralph Diaz: And that's what we're here for, we're going into week 3 right now, and we want to work out all the kinks in gatehouse #1 because we are slated for the other two gatehouses starting on the 3rd. We recognize that there are a lot of things, the angle of the pass, we discussed that, the reader.

Ms. Felipe-Ochoa: Well, my expectations was that when the guards start, they would at least get a orientation of some sort, or a tour of the community, and they have not gotten that and that is very important, because when you ask the guard, and I don't know how the rest of the supervisors feel about this, but they don't even know where the clubhouses are.

Mr. Ralph Diaz: Yes, and we expect that the first several weeks, again this is a brand new gatehouse, it's never been established, this is a new process, so we're on a learning curve here. I totally understand with regard to understanding about the community, what the different communities are and the location of the clubhouses. I think that's paramount, and that's something that I will discuss with Carlos and his staff and we'll make sure that the guys receive that and ongoing, any new person that comes in here will also have that training.

Ms. Felipe-Ochoa: Ok.

Ms. Castro: If I may interrupt you Kim?

Ms. Felipe-Ochoa: Sure, go ahead.

Ms. Castro: Because I do have a couple of pet peeves. One of them is guards leaving their post and wondering off into the street.

Mr. Ralph Diaz: The only reason they should be leaving now is the temporary speed bump that we have after the cars go over it a couple of times it actually ends up down the road and the guards leave the gatehouse to retrieve that. If they leave any other time, that's a big no, no, and that's the only reason why they should leave the guardhouse, either to attend to the resident lane, or to move that temporary speed bump.

Ms. Castro: I understand in the general area, but wondering off into 137th Avenue, that needs to be corrected. Another pet peeve that I do have is that I understand that in time these guards are going to get to know the people that live in the community, regardless, I want to be very clear on my position here, I still want every single person to go through this process, I do not want people getting in through the guardhouse without providing an ID or without completing this form. The third point that I do have is that I spoke to one of your guards, and he told me that we are not getting a supervisor present at

every shift. For example, that particular guard told me that he had not seen his supervisor for a week.

Mr. Ralph Diaz: That is Christopher Ellis, and I want to clarify that, supervisor and management is the same thing. I've either been outside in the morning, Mr. Dimaso or Julian Menendez which is our account manager and I did discuss it with Christopher Ellis so when you ask him about a supervisor, he's thinking the actual uniform supervisor.

Ms. Castro: No, it wasn't Chris that I spoke to, I don't know who he is but that was not the guard that I spoke to.

Mr. Ralph Diaz: Ok, well on the afternoon shift and the midnight shift, that will be the supervisor, and you can substantiate that by the officer activity logs because they sign in with red ink where they've been on site.

Ms. Castro: Well, where I was going with that comment is that I thought we had spoken here that whoever was coming to the property was going to sticker cars that were parked inappropriately.

Mr. Ralph Diaz: That is correct.

Ms. Castro: Well, if we could have a little bit more communication between myself and you because I live on the Boulevard and give you the peak times.

Mr. Ralph Diaz: Ok.

Mr. Winkeljohn: And let me interrupt that comment for just a minute. There are pretty strict rules about communication between board members and that could be a pretty sticky issue. The way this should happen is they can email me and I can get reports to the board as a whole because they are not allowed to communicate among themselves in writing or verbally with it being in a meeting, so to eliminate a potential mistake that should be the practice and if you email me, and I'll give you another person on my staff in case I'm not available and as a protocol we can forward under the normal procedures to the board and that way the communication will be streamlined.

Mr. Pawelczyk: Unless the board wants to appoint somebody specifically from the board to be a liaison to the security company, and the reason I'm saying that is if the board has any questions about what they're doing, he's your contract administrator, you need to

go to Paul and say I have a problem with the security company, or I have a suggestion for the security company and Paul can go to them. Unless the board wants to appoint a liaison and if you appoint a liaison it still has to go through Paul because he's your administrator. It's really just to protect you as the board, and also because you don't want to be accused of directing them, when you have no right to direct them unless the board gave you that authority, Paul does.

Mr. Winkeljohn: Right and when the relationship is perfect, this is no problem but for instance if we wanted to deduct them in the penalty clauses of our contract they could say, well Sonia told me to do this, and then what am I supposed to do, I can't possibly enforce the contract so it puts everybody in a bad position.

Mr. Pawelczyk: So let's do it the right way, and I know we have a relationship with ValleyCrest where Alex and Dennis go out because the board said to Alex, go out, take a look at things and bring back recommendations to the board which he's obviously been doing and that seems to work pretty well, but you already have that relationship set and you also have a member of the management team with you on that site visit, for the most part, so just to protect things, and make sure things run smoothly.

Mr. Ralph Diaz: Understood, we'll absolutely follow protocol.

Mr. Cooper: I have a question and I have something that I noticed and I haven't been out there a lot and I tried to get away from it because I've been involved a lot recently, but hands in pockets, and I know it's easy to put them in there, but just presentation wise if you could try and cover that.

Mr. Ralph Diaz: We can absolutely include that in the post orders.

Mr. Cooper: Also too, the question on this, and now that we have, and I don't know if this is directed to Paul or not, but what are we doing with these, now that they are filling these out, what physically happens once this is filled out?

Mr. Alex Diaz: That's really more of an idea, if you recall, let's take a few steps back for a moment, if you recall, we decided that we were going to open up the Boulevard guardhouse or guardhouse #3 first, and work out all the bugs, training, figure everything out within that month, well that's exactly what we've been doing and one of the things we

talked about a while ago was, what were we going to do with people who didn't show identification and it's partly my fault because I was going to come up with a design, and that form that you see there I designed it and I provided it to CSC this week. The idea there is, it's very similar to what the police department has, it's called a field interview report, obviously some things were excluded, but it basically gives a good description. So the idea that I have, now to answer your question, is that they would fill this report out to make it quicker, but somehow we can come up with some drop box for all these options and enter it into our data base and somehow we would have a record, a time stamped record that would correlate with every time they press the button to allow somebody in, so you could actually match either one of these, or the actual ID scan with every time they open that and that should correlate together so that we'll know if any particular guard is actually opening that gate 10 times too many or 22 times too many.

Mr. Winkeljohn: Right, it's an accountability process that you're looking for, and I would add, and I totally appreciate Alex's mindset to think like that. I want these systems and I recommend them highly but we also have to keep something in the back of our minds that we want to keep a latitude and discretion because some of these guards are going to be really sharp and understand that they're probably irritating more people by one piece of paper than it's worth. So we want to keep a little bit of discretion in the envelope because if you take that discretion away from your guards, and if this were a hard gate, I would understand that, but in your situation I think we have to remind ourselves that we do want our residents to be happy all the time and not irritate them with the gate.

Mr. Alex Diaz: One of the things that I did look at when I designed this form is believe it or not, time was a big factor, because I know that delay is a very touchy situation of how much time, well these forms were actually designed to be under two minutes and that's why you see check marks for everything versus having to write out many things, so it's divided by a description of the person and of course if you ask them for their name and they don't give you their name, you would just write, refused, or whatever, but the idea is that you have this form and then when they have time, they can take these forms and go to

the computer and input that information in there. That was the whole premise behind that, you're communicating to all the residents that if you don't have ID that it's going to take you two minutes versus 8 seconds to get you through.

Mr. Winkeljohn: Right and I definitely think one of the goals and the prime leading goal is to create that inconvenience for the nonresident or for the non decal person, but that form, I read it and it does exactly what Alex said.

Mr. Alex Diaz: Well, I think the board needs to set a policy, and this is a perfect opportunity to do just that, what is the policy with recurring cars coming into the community multiple times because there is going to be a perception where one time you don't know what the guard saw the first 20 times or the first time.

Mr. Pawelczyk: I think a policy that requires the ID every time is fine. Obviously if I was a guard, my review of the ID is not going to take as long the second time or the six time as it does the first time and I think your policy needs to be consistent, as opposed to discretion, and the more discretion you have, the more trouble you're likely to get into. As far as the soft gate issue, the fact that you have to let somebody in does not prohibit you from writing down what they look like, the model and make of the car, their tag number, those things are enough to deter anybody and some people just don't want you to know who they're there to see or why they're there because it could be an extra marital affair or whatever, nobody knows, so there is some areas where that could happen.

Mr. Alex Diaz: Right, the main thing is we're trying to control a particular type of behavior.

Mr. Pawelczyk: Right, and your reports that you're adding will help the board determine at a later date if there is additional policies that we need to implement because of the data that you're gathering through this reporting.

Mr. Alex Diaz: Yes, and we've even talked about a digital photograph to add to the file, even though the tag readers are capturing the tag, he's verifying the tag, and the person can basically sit there and tell you nothing and you still have a lot of information according to this report so you'll be able to obtain a lot of information.

Mr. Ralph Diaz: I hate to burden the board but if you guys give us policy and procedure, that's what we'll adhere to, right now we're in a very fluid state, things are occurring.

Mr. Alex Diaz: Well, let's set that policy now because I see two issues here for policy, one is, are we going to get the ID and bypass a report on every single instance when they come in, or are we going to give discretion, so I'd just like to take a consensus from the board for that policy.

Mr. Cooper: Could you clarify what you just said because it was a little bit confusing, are you saying, are we getting an ID as well as having them fill out this form?

Mr. Alex Diaz: No, it's either or, that's why it's called the bypass report, it's either you get the ID, if they don't have the ID or they refuse to give you the ID, then the guard completes an ID bypass report in every instance without fail, or do we allow the guards to have some type of discretion and in that case, like what Mike is saying, you're opening up Pandora's box here of what is discretion.

Mr. Cooper: For me personally I feel that we should do the initial first and then if we need to relax it or change it later on at least we've set some type of an example and if we start hearing an outcry or whatever the case is with certain individuals, or Paul starts getting some complaints of some sort then we would have to adjust it then.

Mr. Pawelczyk: I think it's easier to be strict at first, then make the adjustment.

Ms. Felipe-Ochoa: Right.

Mr. Winkeljohn: Absolutely.

Mr. Alex Diaz: Ok, Kim?

Ms. Felipe-Ochoa: I just want to know, form or no form, is that right?

Mr. Alex Diaz: Either ID or the form, one or the other, or discretion.

Ms. Felipe-Ochoa: Well, I'm not for the discretion part, they need something outlined that is a process so when they're questioned or if something actually happens, so I'm for the form because the residents who live here, if they don't have their ID, because that was actually the example that I have, at least we have this, and they may be lying, so I

vote for the form, the bypass form and I just want to clarify, the driver fills this out, correct?

Mr. Alex Diaz: No, the guard fills it out, he'll ask those particular questions, and he'll fill it out, and like I said, it looks like a lot of information, but it's actually designed like I said to be check marks so you can get that information quickly, and then he has to go around and get the license plate number, the color of the car, model, make and the type of vehicle it is and how many passengers they have, then he has to ask the purpose of the visit, the name of the resident he's visiting, the address, and sometimes they know the address but they don't know the name of the community, and the reason for the visit, and again that's just check marks with delivery, visiting resident, resident without a pass, a vendor, contractor, or refused and then a space for comments.

Mr. Cooper: I think we're pretty much all in agreement that we like what we're talking about, so that's the consensus that we want.

Mr. Alex Diaz: At least for now, the policy will be ID or the bypass form.

Ms. Felipe-Ochoa: Do we need a motion for that process?

Mr. Pawelczyk: No, I don't think you need a motion, I think you guys are just listing the post orders now, so once you tweak those I'd like to review those. My concern is, number one, they prepare the post orders because they are your independent contractor that is an expert in security services, but I just want to check because it's a tax exempt bond status, that's the only thing I want to look at.

Mr. Cooper: While I'm thinking of it, can you make sure Paul that we get copies of the post orders sent via email.

Mr. Winkeljohn: Yes.

Mr. Ralph Diaz: We'll update those, not including the discretion decision that we just made, and we'll send those out to Paul tomorrow. There are a couple of things I want to address that we still need and I don't know if you want me to address that right now, some issue that we need and some observations that we've made. The telephone is a big deal for us.

Mr. Alex Diaz: Yes, and the residents asked us if the guards will ever be calling, and once again it's getting out of that mindset of it's not a hard gate, it's a soft gate, so there is no phone calls, it's a screen process.

Mr. Ralph Diaz: Correct, but what I'm saying is, the phone onsite, all our guards are using their cell phones at this point, so if there's an emergency or something it would be a good idea to have a backup. The wand is not functional yet, so the guys are actually having to cross the guest lane, go over to the resident, walk back to the gatehouse, and it's time consuming and I think the wand will help assist with that. Scanner speed, when the CPU was under the desk it was much faster, since the relocation to the top bracket there is a delay, so I'm just trying to pinpoint things that we can be more efficient at the gate. One other observation, the lip existing the gatehouse, I've tripped on it numerous times and I know the guards have had multiple instances also, if there is any possible way that we can adjust that, maybe something removable, I understand it's for the guide for the door and also for rain but maybe there is something removable.

Mr. Alex Diaz: In looking at that I came up with a solution I was going to discuss with Paul about cutting that lip out.

Mr. Winkeljohn: I think we can modify it where it won't bother anyone anymore.

Mr. Ralph Diaz: The only observation I have and I'm sure everybody made this observation that summer is here, and it's going to get really hot for the officers in the blazers, so you're going to start noticing the uniforms around the collar start to get dirty and that becomes an issue and so Alex and I had some conversations in the past at the beginning that possibly you folks might consider a summer uniform, so I would definitely suggest that just to make that more pleasant for the officers during the summer months. That's all I have and I really appreciate you guys taking us under your wing, you've been great to our officers, and everything we've needed is top of the line as far as the gatehouse, the technology, and we're here to work with you. I understand there are some issues still and we're here to work those through. We're going into week four next week on Monday, and we'll start eliminating all of these little issues.

Mr. Alex Diaz: Two things, when I was there the guard said that the majority of the people are saying that they are really pleased with the program, and they're also asking if there is going to be sometime of roving service, they'd like to see some type of roving service.

Mr. Ralph Diaz: Homestead police is what I've heard.

Mr. Alex Diaz: Yes, and that's one of the considerations we're looking at, we do have a pilot program going on right now as the board knows and that will be ending on 30th of this month I believe. The other item that we touched on and we got away from it is the passport, the new passport program. What we did is we had these made up and the idea here is that it's addressing the concern with realtors and I believe Waterstone Grand had started a program very similar to this that distributed from the actual clubhouse itself, correct John?

Mr. Cusick: That's correct and up to this point we've had a program in place for about 8 months now. We've been able to register about 400 real estate agents, and we're not giving codes out just so you can put your minds at ease. We are doing a background application process with them, and then we manually open the gates from the clubhouse after we verify certain aspects of information that pertain to their registration, so that is currently the system we do have in place and due to board direction we are going to continue with that program. Thank you.

Mr. Alex Diaz: Just as a little bit of background as well, I did ask all the Waterstone management team and board members if they wanted to participate in this program. Again, it's a consensus as one community, but according to John it's not going to go through, so this will only be for the Waterstone II communities, these are all programmed to every single community in Waterstone II and these passports are numbered, and there will be five in each guardhouse, they are programmed as the two's correlate to guardhouse #2, the three's basically correlate to guardhouse #3, and the one's correlate to guardhouse #1 and it says to call this number if it's found. It's big so they can't lose it, but basically the guards take the driver's license, they log it into a log, and they put the driver's license in the space where the number goes, and they give it out on the way out,

they have a window that they can slide open, they give them the pass back, and then they get the driver's license back.

Mr. Ralph Diaz: That has been updated in the post orders and we'll send that to Paul tomorrow as well. Thank you for your time and your patience, thank you so much.

Ms. Felipe-Ochoa: Can we take a five minute break?

Mr. Pawelczyk: Ok, Kim's asked for a quick five minute break.

Mr. Diaz: I'd like to keep going forward with the agenda because we have to wrap it up so we can take a break for the town hall meeting recess, so we still have a quorum and so we can move on to the next item.

THIRD ORDER OF BUSINESS

Consideration of Resolution #2010-01 Approving the Proposed Fiscal Year 2011 Budget and Setting the Public Hearing

Mr. Diaz: Moving on to Consideration of Resolution #2010-01 Approving the Proposed Fiscal Year 2011 Budget and Setting the Public Hearing, Paul?

Mr. Winkeljohn: Thank you Mr. Chairman. I have circulated electronically to you the proposed fiscal year 2011 budget and if you have any questions or wanted to discuss it we can do that. I don't know how you wish to proceed on that Alex, but I can give you an overview of the budget and identify some general changes and then we can talk about it if you want to.

Mr. Cooper: Did you want to go ahead and move around with the budget now or discuss stuff with Jose from ValleyCrest first?

Mr. Winkeljohn: That's Alex's call.

Mr. Alex Diaz: Sure, I'm sorry, let's go out of order again, I didn't realize that you were waiting.

Mr. Cooper: I do have a proposal from them.

Mr. Diaz: Well, that's Dennis' portion so we can move on to Dennis' portion.

Mr. Cooper: Ok.

Mr. Winkeljohn: That's a good idea.

FIFTH ORDER OF BUSINESS

Staff Reports

C. Field Manager – Management Report

Mr. Alex Diaz: Ok, so we will table that for now, item No. 3 and we'll move over to Staff Reports, under C, Field Manager – Management Report, Dennis?

Mr. Baldis: Yes sir. I contacted Allstate Resource they're going to schedule the inspection of the storm drains. I also asked them to contact Waterstone II clubhouse to see if they wanted to coordinate any of the HOAs having their storm drains cleaned at the same time. JCV Fence has come and done repairs, they've completed the repair behind the clubhouse and in our drive through today we found a couple more locations where the fence needs repaired which is going to be an ongoing issue for who knows how long. The coconut palms that died on Campbell Drive have been removed, the royal palm at Waterstone Way and 137th should be removed today, if not it's probably already done, but it was scheduled to be taken out today. The signs for the guardhouses will be installed by the end of next week and some of them are already here. There was a problem with a couple of the signs with miscommunication where they thought they were going to be installed on land instead of asphalt so they are making those modifications and they'll have those signs back. The AEW you approved for the plantings behind the entrance feature signs will be completed today and the AEW for the sod around the bench pads will also be completed today. At your last meeting there was discussion on AEWs to re-landscape the median on Waterstone Way, and Waterstone Way median, Waterstone Blvd., and there are two options here that were presented to you at the last meeting. I don't know if you want to discuss those at this time or not.

Mr. Cooper: Just to give clarification, that's updated because Corrine did some modifications, I had met with Corrine sometime last week and sat down with her to discuss some options for the median and I showed her some pictures and I believe that there is just a simple add on which was for a hedge that went around the palms, not like a straight hedge, so it basically circled around the palms along the median and then with the existing theme that we have which was proposed at the last meeting, so basically we're just adding the hedge I believe is what the difference in the price was from the last meeting to this meeting. I believe Corrine is working on something, right Jose?

Mr. Zepeda: Yes, and there is a big difference between the proposal that we gave you guys before and this one, it's a big change. We put in a new hedge and the whole thing has changed pretty much.

Mr. Baldis: This is for the median on Waterstone Way?

Mr. Zepeda: That's correct, the whole median up to the circle.

Mr. Baldis: That's for \$35,630.70?

Mr. Zepeda: That's correct.

Mr. Winkeljohn: Does that include irrigation?

Mr. Zepeda: Yes.

Mr. Diaz: That's a significant raise from the original proposal because the first one was under \$20,000 and I remember the discussion at that last meeting was that you didn't want to have the same plant materials as we have off of Campbell Drive and it should be a lot more lush because it's 15 feet wide medians, but there is a cost to that and so that cost is roughly \$20,000 more.

Mr. Zepeda: Yes.

Mr. Diaz: Ok, so do we have any direction on this?

Ms. Castro: I believe that instead of taking ValleyCrest for a ride and telling them I want this, I want that, we should establish as a board a limit on the amount of money that we're going to spend on each median because I don't want to continue the discussion of having them propose something and say, no that's too much or that's too little, so we should set an amount and then work off of that and I will go with whatever you want but that would be my suggestion.

Mr. Cooper: Ultimately that's what we're going to have to do, we have to decide if that's going to be worth the price, the cost of adding those hedges and doing that work. In the eyes of the whole board is it going to be worth the extra money, and if it's not then we have to figure something else out, if we're going to continue with the previous proposal or not. It's the same exact material I believe, I don't think anything has changed with the material, it's just adding of the hedges and I think there's probably a lot longer space now, the initial proposal wasn't for that entire stretch, minus the guardhouse area. So did you

guys want to wait on pictures and say in two weeks, this way Dennis can look at the proposal?

Mr. Zepeda: The pictures should be ready now.

Ms. Castro: Well, the way that I see us moving is that we are going to redo the entire medians, the three of them, the Boulevard, and both Waterstone Way, so why don't we just approve the project pending the actual pictures and then we decide how each one is going to look, because right now we have them and we haven't even approved if we're going to do this project, right?

Mr. Diaz: If you recall at the last meeting we didn't approve anything because there were budget issues that were uncertain that Paul needed to pin down all the numbers, they were all floating around in different locations with the guardhouse project and a lot of other things, so I think we should first start by visiting the budget issue, see how financially healthy we are because if it became an issue at the last meeting, I don't see why it's not an issue this meeting until we resolve that issue first, then move on to whatever items we're going to budget, so I think that's a good presentation, but it should be tabled until we have absolutely established for certain what our budget capabilities are, then the second question would be how much the board would be willing to commit to this particular project. So going over to Paul, are we now clear on what the actual budget numbers are, how much we're carrying over?

Mr. Winkeljohn: As of this meeting I have your financials caught up to date and I went a little bit further to solve what is a recurring problem, is that anything in the queue, if you will, things that are proposed and about to start that haven't been invoiced, those don't show up on your financials until they are actually paid which sometimes can be months by the time the actual invoice gets to you, so yes, I've done that, I have a pretty good handle on it, there was a few thousand dollars worth of items out there, which isn't actually tens of thousands so I'm pretty comfortable that the financial statements and the budget proposal that's before you later today will give you a good indication of what you can spend the next six months and you can set your goals for what you want to spend the following 12 months after that.

Mr. Diaz: Right, but what I'm mostly concerned with is our onetime monies that we're carrying over that aren't budgeted items that are going to continue to know clearly and give me a definitive answer, we have \$517,000 onetime use funds that can be committed to X,Y,Z project or whatever.

Mr. Winkeljohn: Right, and that's a budget discussion and we can have that now, but yes, I'm comfortable to talk about that today.

Mr. Diaz: Ok.

Ms. Felipe-Ochoa: Can we get on with it? The budget?

Mr. Diaz: Well, we tabled the budget, we're about to get into the budget, but we tabled it for this.

Mr. Winkeljohn: Thank you Jose.

Mr. Diaz: Alright, so we are still on the field manager's report so I think it will be best for Dennis to finish his part.

Mr. Baldis: That's all I had.

Mr. Diaz: Ok.

THIRD ORDER OF BUSINESS

Consideration of Resolution #2010-01 Approving the Proposed Fiscal Year 2011 Budget and Setting the Public Hearing (Cont.)

Mr. Diaz: So now we can move back to the budget which is item No. 3 on your agendas, Consideration of Resolution #2010-01 Approving the Proposed Fiscal Year 2011 Budget and Setting the Public Hearing, Paul?

Mr. Winkeljohn: Thank you. Did everyone print out a copy of the budget? I've given Kim a copy and Curtis and Sonia do you have one?

Ms. Castro: No.

Mr. Winkeljohn: Alright, here's one for you. Basically you guys remember our budget procedure, we take the current financials and project the next six months expenses and that projection begins the budgeting process for the next year. You do know that the statutes require that you propose a budget by June 15th and the purpose of that statute is

exactly that, is for the board to not only take a look at what their goals might be financially for the upcoming fiscal year, but it's a bit of reality check as to where you are at that point so that you can do two things, you can decide how you're going to budget yourself for the next six months at the same time. So today is not only a fiscal year 2011 budget discussion, it's also a fiscal year 2010 six month budget discussion, so I'll start off on page 1 with that description. If you want to just get familiar with what you had budgeted in 2010 that starts the conversation off and you set that budget at about the six month period because you wanted to not change your assessment and you want to have a budget that reflected the needs of the upcoming year without an assessment change. You can see in the far left column on page 1 has a projection of \$1.376 million dollars in operating revenue, and if you look just above that total there's a carried forward surplus of \$591,000, but if you go immediately to the right, your actual carry forward surplus was \$519,000, so that's a difference of \$79,000 that actually did not occur and the reason I bring that up is because it's a good understanding of why this six month window takes place because you're projecting what your expenses and your revenues are going to be and at this six month period your budgeted on a projection of \$591,000. In the interim you spent an additional, you did not realize that \$90,000 because of what happened in the next six months, so that's an indication of how complicated your budgeting process can be, not only are you expected to project six months from now what you want, you're supposed to project what you're going to do for the next six months also, so that's just an introduction of what the budget process is like. For today's purposes your current budget is tracking, because of the conversation we had at the last meeting where you had spent a onetime revenue, and you can identify that onetime revenue by the middle column which is titled, total projected 9-30-2010. You can see the special assessment line of \$782,000 is exactly the same because that's your assessment and that's always in your business going to be within a few dollars of right, then the following columns are pretty modest and various incomes that are new to this year. The miscellaneous income of \$170,000 was the onetime payment from Comcast and of course I carry forward the surplus of \$519,000 which was the actual cash after the books were done at the end of September, so your total revenue projected by

the end of this year is \$1.48 million dollars. If you go down the rest of that column all the way, it tells you basically what we think you could be spending for the remainder of the year. Now if your budget was \$184,000 on the total administrative line, you can compare it to the middle, the \$150,000 which is the actual projection, so you're doing better than the budget by about \$30,000 and if you keep that same thought process on page 2, and page 2 is the variable part of your budget and page 1 is usually pretty fixed, or better than budget administrative costs. You can go down and you can see that your total field expenses of \$1.192 million budget are projecting out ahead of budget at \$953,000, so that's good news. I will tell you that there is an error on the landscape maintenance line, if you go back up to the middle, and I apologize for jumping around but it is how you have to look at these things, so you have a total budget of \$312,000 for landscape maintenance, that's a fixed number based on a contract. One of the things that happens when you project, if you don't go back and double check what you're actual expenses are, that's on a seven month window of the maintenance contract and so the projection is \$26,000 high, so I'm just pointing out that line item, and I should have caught that but I went back and actually counted the invoices, basically we've paid seven months of maintenance in a six month period because we paid at the beginning of the process not at the end and that's actually already been corrected but it didn't show up in this budget as of now. Moving down it shows the total expenditures of \$1.376 million dollars, and a total projected expenditure of \$1.103 million dollars, then in the middle where we expense inner fund transfers which is money taken out of your operating budget that went into the construction budget and because it's a capital project that was identified in the engineers report that's how it has to be done. It has to be transferred, it has to be paid out of the trustee and transferred into the trustee's account, but it was really projects that you authorized out of your operating capital. Remember that conversation at the last meeting where I said it's going to be a little bit fuzzy because there are things we intended to buy out of operating that were really put through under the contractors that are in the contract for the gates, so it's an accounting headache for us to really track the dollars and I went through that at length at the last meeting, but the point is you're projected to spend \$111,000 out of this budget for

the project. So the total impact for you is you'll have a balance, we're projecting a balance fund of \$265,000 for this year and actually if you want to add \$25,000 to it you can say, we have \$290,000. What that means to you, if you go back to page 1, last year you transferred in \$519,000, then next year you're only transferring in \$260,000, and so the lesson I'm starting my conversation on the budget with is, one, that's about a \$250,000 change, \$80,000 of that is what you didn't get from the previous fiscal year and \$111,000 of that is what you have spent over your budget basically because of things you've chosen to do, which have all been pretty clear and pretty valuable projects, the bulk of them are in landscape enhancements. I have a list of all your expenses and there's really nothing glaring, there's nothing over \$10,000 or \$20,000 that you did not deliberate on, that you did not purposely choose to do, so if I were looking at this budget saying where did the money go and I couldn't find a good explanation for you, if I didn't think you were buying things that were valuable and purposely chosen, that would be a different conversation, but I really believe that everything you did, and everything you chose in the year 2010 was absolutely on track with what you wanted to do. You added to your holiday lighting that was on budget, you added to your landscape plan, because you needed to, or wanted to, and those are all good things. The administrative choices you made to add to your off duty officers, to add to your gate overall project, and we call it the gate project, but really it's part of that change of policy for this community to have a gate, it's just an indirect change. So the bottom line is, when you assessed two years ago you raised an extra \$400,000 and the intent of that money was to cover, and I went through the minutes, and I always talk about \$400,000, what did I mean by that, what did we mean, what do we think about that, so that \$400,000 was a budget calculation for what it would cost to staff three security gatehouses 24/7, it was about \$350,000 and we rounded it up to \$400,000 just to be even. The next decision was, what we were going to do with that money and we decided we were going to hire off duty detail with some of it, and we used some of it to budget the lines for supervisor meetings, we used \$50,000 of it to add to the plant master plan, do you remember that, we talked about a five year master plan, that's where that extra revenue went to. In other lines, we beefed up different lines in our pressure

cleaning, repairs, and you can look at the budget, and you can see where the lines are new from '08 to '09 and they are on our website if you want to do that. So the bottom line is if I'm your manager and I tell you, keep your assessments the same, you're not going to spend at this rate for the next six months, what would be wrong with that is that you will have very little flexibility in your budget. I would have to cut the plant program to zero, I'd have to cut your pressure cleaning, and the things I know you value as a board, I would have to zero them out or subtract them to a level that I know you would not be happy with, so I did not do that today, I did not bring you back a budget that was at zero increase, because that \$400,000, you probably remember we took about \$180,000 of that to not raise the combination of the debt and O&M assessment when we bought the bonds for the gates, so that loss of \$200,000, yes we've spent money on things we wanted to, and the cash is not going to continue flowing because it's not an assessment, it's a onetime carry over. So to get you to what you have has goals, what you have has a standard of behavior in this community, you need to increase about \$100,000 to \$180,000 to keep you at that level with the \$360,000 new contract to gate security, so I hope that overview gives you an understanding. I honestly had the impression you would still carry about \$400,000 to \$450,000 over, but I knew something was adding up as I started through the gate process, and I started through your operating budget, and I said, I have to pull all this stuff together that's happening right now, and look at it, and it starts to add up and you realize it's only going to be about \$260,000, that's not the \$500,000 that we got the year before, so that has to come from somewhere and now you have a contract, whereas a discretionary line of \$200,000 that you can move around and move \$20,000 here or \$10,000 into plants, or \$6,000 into pressure cleaning, or a brick project or whatever, you don't have that if you don't add about \$50 per resident and so option #1 on your budget anticipates a \$49.44 assessment increase. Now what does that give you, I think I covered it, it gives you the level of landscape maintenance, and the level of landscape enhancement that you have come to believe is valuable and I advised you to do that on my experience also, that you need to get into a capital replacement of the cosmetic features of your community at about \$50,000 per year, or \$40,000 is what I think we ended up with. Then the maintenance

standards that you've come to believe in which are the culvert cleanings, the pressure cleanings, and it's an infinite list of little things but they add up as you know. So that's option #1 and on direction of the chairman I had realized you all wanted to propose this to the residents, I built in option #2 which is an eight hour a day off duty Homestead police duty officer, so option #2 brings you up to almost a round \$100 per resident assessment increase. Then third column, option #3, is \$187 per resident and that is a pure 24/7 law enforcement off duty detail by Homestead police.

Mr. Diaz: So, #3 was \$187.08 which comes out to \$15.59 per month, and brings \$425,000 a year roughly more, that's for 24/7 police.

Mr. Winkeljohn: Right.

Mr. Diaz: That is from a number I received from Homestead police, for a full year is with application and costs is \$290,175 dollars.

Mr. Winkeljohn: When I calculated off their invoice I was at \$282,000 so we're pretty close to what they proposed.

Mr. Diaz: That's vehicle fees and everything.

Mr. Winkeljohn: Right and one thing I didn't mention, is that I also added in a \$50,000 gate expense item, what that would include and the primary catalyst of that was, you have basically three high tech buildings that have almost 15 or 16 electronic detection devices, either a camera or a video or something and a PC as well, so you're going to have three network abilities, and then you have four gate arms which is four pieces of moving equipment. The reality is in your first year it's going to have 12 months warranty and our service provider can bill against the manufacturer for warranty type items. I asked him what it would take to maintain these gates at our standard, which I'll call the Waterstone standard, which is not like some of the sub associations that many of us our familiar with where the gate can be broken for many weeks. I don't believe in that standard and I'm sure you don't either, so he anticipated that it would be about \$1,000 a month per gate, so that's \$3,000 per month, and that equates to \$36,000 per year in contract maintenance which will include parts, and labor and your first year you will benefit from the warranty but I can't budget my assessment thought process on that reality because it will fall six

months through the process, so I think that's just bad budgeting, so I left that in full. The other \$14,000 of that budget line I anticipated your basic management understanding, and Alex mentioned it earlier I said, GMS' contract does not anticipate guardhouses, on two levels, one the day to day, hour to hour, phone call complaint, problem solving, and I'll call it the Alex behavior, because Alex actually does a lot of onsite management and he's made your project successful frankly, but I like to spend about a half day here a week and so I was thinking that the kind of thing I bring to the table that would hopefully relieve you guys of some of that, and so some of the things I would be doing is the electronic packaging, I would supervise the software contractors and those sorts of things, I was thinking I could probably argue as your contractor to my employer between \$5,000 and \$10,000 management increase which would cover not just the gate change, but really it would better reflect the full scope of services we are really providing to you which is about a half day every week I come to your site, and it's really my time that I'm describing, and that's obviously not in this budget on a specific change but I'm just saying that's what I'm envisioning, and it's up to the board of course. The second thing is, about \$10,000 of that was in my mind what it would be worth to Waterstone II management team to have one of their people be the field representative for the gates, and I could be wrong, and it has not been negotiated but I'm just throwing it in there because I think you need it and I haven't negotiated the contract with a security firm either, so that's negotiable also, so somewhere in there I'm thinking those are the services you are about to start full time and your budget needs to reflect that whether you agree with me to continue at my level of management for this District or not, that's another topic and we don't really need to go into that today, or whether you agree with Waterstone II, Continental absorbing a piece of that, and we don't really have to go into that today either, but I think that's the most efficient. Right now your security contractor is probably doing a lot of things that they're not going to do a year from now in reality, and so that's my job, to be a cold water salesman and dump the cold water on heads in reality as much as I can. Anyway, those are the changes to the budget for your review and discussion.

Mr. Cooper: Just to add to on to what Paul just said as far as looking possibly for an onsite management, I guess whenever we figure out exactly what those duties would entail, we just have to make sure that whoever takes it is not going to overtake themselves that would hinder out possible operations that they're handling.

Mr. Winkeljohn: Yes, absolutely.

Ms. Felipe-Ochoa: So the proposed budget option #1 is \$49.44 per resident increase.

Mr. Diaz: Well, I broke it down this way, for option #1 is \$49.44 a year, which comes out to \$4.12 per month, per resident, which would increase our budget by roughly \$113,000 per year, that option does not include any roving service whatsoever. Option #2 would be an increase of \$101.14 or \$8.42 per month, per resident, which would increase our budget by roughly \$230,000 per year, and that would give us police officers 8 hours a day. Then option #3 is all guns blazing, an increase of \$187.08 per year, which comes out to \$15.59 per month, which would increase our budget roughly \$425,000 but that would give us 24/7 police roving services.

Mr. Cooper: Is there a way to either get a contract with off duty for longer than a year that may give us either a break in price or also lock them in on a price so that next year they're not increasing their fees, for instance, say like we do a two year contract with them that they would continue with that same price?

Mr. Diaz: Unlike security companies, I know where you're going with that, unlike security companies you're dealing with unions, this is a contract through unions and they don't budge because they don't want the other guy, say like Publix, well we do 8 hours every day, why aren't you giving us a break, so they don't even get into that world, they basically tell you, this is it, take it or leave it.

Mr. Winkeljohn: Alex, do you think some of their administrative costs could be negotiated slightly?

Mr. Diaz: Well we asked that question, we've gone through this before when Kennedy was here. We could revisit that again, that was about a year and a half or two years ago when we first came up with this proposal so we can certainly ask again.

Mr. Cooper: You mean if we can lock him into maybe a two year, and they know they're going to be getting this revenue for two years?

Mr. Diaz: Well they won't do that because that's voted on by the union membership.

Mr. Pawelczyk: Well, the police department doesn't care, the department and the City of Homestead make no money on this contract, none.

Mr. Diaz: This is FOP.

Mr. Pawelczyk: Yes, your costs are administrative, the only people that make money on this contract are the officers that are working and there is a provision in every collective bargain agreement for the police department which specifically deals with off duty work and really the City of Homestead authorizes, the off duty work allows its officers to do that work, pursuant to the collective bargaining agreement and the City of Homestead provides the liability insurance, which allows them to carry their guns while they're on duty, which allows them to use their vehicles to provide that presence here, that's really the city's only role and then the minor administration that they do.

Mr. Diaz: If you recall two years ago we negotiated probably for almost a year through two different city managers, we even looked at the possibility of actually hiring a full time police officer for Waterstone and sharing the cost with the city, and we looked at every possibility, even hiring a retired officer, or a reserve officer.

Mr. Winkeljohn: Yes and we went through every iteration available to us Curtis and it always comes back to the very simple, this is the best deal for your dollar because of the immediacy of the law enforcement. If you paid the city \$400,000 you would get about three quarters of an officer back, because that officer would be in the shift and you'd get all these other administrative challenges pulling them out of your community. The off duty officer is the purest, total owned and operated by your community who still has that law enforcement capability.

Mr. Diaz: The other thing too is that if we look at it from a budgetary standpoint, unlike a contracted security firm this is a very fluent process so if for whatever reason, you want to let's say bring the budget down or have extra money for any particular project,

you could just simply say, for this month we're going to cut out the midnight shift or every other midnight shift, or we're going to cut back on the afternoon shifts because there's nothing really going on during this particular time period, everybody is working and school is in session. So there's a lot of flexibility with that and believe it or not those little tweaks here and there can be a difference of up to \$100,000 or \$200,000, and that makes a big difference when you're budgeting and you're trying to budget over a year.

Mr. Winkeljohn: Yes, it has a lot of flexibility and you're not obligated to those hours.

Mr. Diaz: There's no contract.

Mr. Winkeljohn: Right, there is no contract, and though that is a pain and you can't negotiate an economy of scale, on the flip side, you can cancel them an hour before their detail almost, right?

Mr. Diaz: I think it's 2 or 4 hours before their shift.

Mr. Winkeljohn: Ok and that way you would incur no cost, so that is a huge advantage.

Mr. Cooper: Well, two things, I don't know how one would perceive this, but we are going to have a town hall meeting this evening and we are probably going to present these three options that we have in front of us, the last thing I would want to perceive, so we need to figure out if that is how we're going to do that, if we are planning on using that opportunity to cut hours down in the future, to just figure out how we're going to say that we're providing 24 hours police and in reality not necessarily if we run into those situations.

Mr. Diaz: Our intention, like with any budget, is to provide the services that you're budgeted for, nothing says that you can't change that. We could budget 4 fountains and then decide that year that we're not going to do that project and then next year just align the budget differently. Or we could say that we're going to spend \$80,000 on an irrigation project and later on say, we're not going to do that, take that line item and shift it over, it's all fluid from one line item to the other.

Mr. Winkeljohn: Unless it's a bond and you have an engineer, and that side of a debt project, a capital project where you have a borrowing and you have obligations to perform it, where as an operating and maintenance budget is just as Alex described, it's discretionary and it's to the prudence of the policy making board which is you guys to make a decision.

Mr. Cooper: My second thought is obviously we're getting the gate in gear, things are moving, they're on pace, how would we be able to, if we decided not to go with the 24/7 or the 8 hour shift, or if we just did the 8 hour shift, see how the guardhouses are going to function first before we contribute all this extra money into something that we may not need?

Mr. Winkeljohn: You can operate the gates less than 24 hours and that's the problem with your business, is you have this six month budget to decide on between now and October, and you have basically tonight to set the highest bar that you can live with, and the mistake is if you set it too low there's no recovery other than an excruciating additional assessment process which would be really time consuming because you would have to have another public hearing, you'd have to direct bill, and that would obviously be counterproductive, and you'd only get three quarters of the bills because 400 of your homes don't pay when you give them a direct bill.

Mr. Diaz: What he's saying is that, when you set the budget up, and we've gone over this before in different budget cycles, for the last two years we've enjoyed no increase whatsoever, so we didn't have to worry about it, but this year inevitably we're going to have to raise it, so the smart thing to do is just go the maximum that you're even thinking about and then of course you're going to have people respond to that, as you normally do, but you're going to have people respond for \$49 just as much as you're going to have people respond for \$187, they're just going to respond, but the decision will be made at that budget hearing that day.

Mr. Winkeljohn: Correct, today your objective is to reflect on what you think you want to spend in 2011 to reflect on what you think your needs are going to be for the next six months, so it's an 18 month discussion and the reality will be, I think we need these

services so let's set the bar wherever you feel that is, and our job would be to fine tune that decision between now and the actual budget adoption process, with of course, as Alex just said, the reality is that you can't go over that line without a very excruciating procedure.

Ms. Felipe-Ochoa: Now, I have a question, the bottom line is minimum \$49.44 per resident?

Mr. Winkeljohn: That's what is recommended.

Ms. Felipe-Ochoa: Ok, in these projections, I'm looking at the landscaping, we just had a \$35,000 quote, and there's going to be more landscaping and because we're at this pivotal moment with the budget looking at it from that perspective, those numbers would probably need to be added to the budget because right here we're just talking about security.

Mr. Winkeljohn: Well in theory they are under that projected six month line.

Ms. Felipe-Ochoa: Ok, so that's why I want to bring to the rest of the supervisors attention that we're going to need probably a couple of more landscaping jobs, and that's what I see happening, so we have to think about that and those are significant numbers, so now while we look at this \$49.44, the \$101, and the \$187, we need to think about those other areas because we don't want to raise the assessment every single year.

Mr. Diaz: That's exactly my point also. My point is if you're going to rip off that band-aid, rip it all off at one time, and then not have to increase it the following year, the following year and the following year, but that's exactly the point with the security objective. In my eyes it's a lot easier to justify 24 hour roving Homestead police and then later on scale it back to 16 hours and then have the funds for what you exactly want and remember there's nothing wrong with that, that's just budget sense, that's just the way budgets work, we're not being deceptive, we're just simply saying that this is our intention to do this, but with the understanding that we know as a board that we're very creative and we're very progressive and we do a lot of these projects that make the community look great, but it's hard to justify it to the people that we have this five year plan. By the way, later on I'm going to show the actual numbers of the burglaries and everything in Malibu Bay versus Waterstone, I have that breakdown here today.

Mr. Cooper: Well I guess this question that I'm going to ask now might be a little bit more difficult but I guess in your best guesstimation Paul, and it may be for the next meeting or if you could tell us now, as far as the direction for this year coming up, for these big ticket items is there a way that you could say, this is what we can max out maybe possibly spending so we're not putting ourselves in a bad position for next year?

Mr. Winkeljohn: Right, and we didn't get to that discussion point, but had you been inclined to approve a \$38,000 landscape item today, I would have said, we have to jump back to this projected line and where are you going to take it from, and that's the behavior that you have to go to from now on. The thing that's actually changed in your world going forward is you now have \$700,000 in contracts in a million dollar budget line, so almost 70% of your money is now committed as opposed to about 50% of it, and that's how it was before you had the discretionary cash flowing through your budget either from carry over or from just open line items, now you have a contractor for \$360,000 where you only had one contractor for \$300,000. So in essence as a discretionary spending board you've lost more than 50% of that ability by the very nature of a contract for 24/7 gates, so you have two \$350,000 gorillas on your budget now that you only had one before with the landscape maintenance contract, so there's no discretion now, you have to cut the grass and you have to man the gates. Going forward, what you're going to do with this six month budget is identify where you're going to take it from each time and I've instructed Dennis to have his landscape budget projected out to that meeting so that when you say, I need \$5,000 he's going to say, ok I've got \$5,000 left, but that gives us a balance of \$5,000 for the rest of the year and that's a behavior you haven't had to deal with because you asked me, Paul do we have the money, and I said sure, you have the money, of course you do, because of the carryover you had \$400,000 of discretionary spending money at every budget meeting and the year before you did some of it but because you were doing a widening and a landscape project that ate up all of it, and so it didn't hit your operating budget and now every penny hits your operating. To punctuate what Alex said from a management perspective is, that's the beauty you want, you want that flexibility in your budget of that off duty officer where you can drop a random, and we've had this

conversation of how the deterrent effect of law enforcement is just as important as the actual money you spend, so we could drop a day a week or a shift a week and take \$60,000 right out of that.

Mr. Diaz: It's not only that, you also have another option too, which is to have roving security, have the same company come here and do roving security, so there's all kinds of possibilities.

Mr. Winkeljohn: Curtis stepped out for a short recess, but we're still in discussion of resolution #2010-01.

Mr. Diaz: I'd like to move this meeting and all of our items as fast as we can, if we could just get through it because we all want to take at least an hour to an hour and a half break before our town hall meeting, so we just need to vote on resolution #2010-01 approving the proposed budget.

Mr. Winkeljohn: We also need to pick a date for the public hearing.

Mr. Diaz: Ok, what's the latest date we can pick?

Mr. Winkeljohn: You're talking about the public hearing and the adoption?

Mr. Pawelczyk: You have to adopt this proposed budget by June 15th, so in reality you don't have to adopt this resolution today, you can adopt it at the next meeting, but that's up to the board.

Mr. Diaz: When do we actually have to have the budget hearing?

Mr. Winekljohn: Yes, I was getting to that. Your budget has to be adopted by the board in time for us to put it on the tax roll, so you have to propose today's activity before June 15th, so you have between now and June 15th to adopt your highest assessment rate and propose the budget, then you must wait 60 days and because it's very likely that you're going to increase I'm going to need about 70 or 80 days to get the letter that goes to the residents letting them know, then you're setting a public hearing and that public hearing needs to happen and you need to adopt your final budget, the roll has to be certified by September 15th and you need to be on the TRIM notice which saves us in advertisement in August, so it's difficult to have the adoption any later than the last week

in July is what that translates to, so your meeting schedule, that would fall nicely on July 22nd I believe.

Mr. Diaz: So we have until June 15th to make this particular decision on this resolution?

Mr. Winkeljohn: Correct.

Mr. Pawelczyk: Then you have to wait 60 days.

Mr. Diaz: Ok, so we can table it and just chew on it for a while since we have a little bit of time.

Mr. Pawelczyk: The only reason I say that, is that you have a town hall meeting tonight, you might get some input from the residents and the thought being, let's get the proposed budget adopted at the next meeting to get Paul plenty of time to get it advertised, so the reality is the sooner he gets the budget adopted, the easier it is for him to get this District done and make sure you're on the roll. Not this management company, but there is another management company that I work with that failed to get three District's on the roll because they waited too long and that won't happen with GMS but that's proved to be a huge problem.

Mr. Winkeljohn: So for a matter of schedule I think if you do a May 27th which is your next official business meeting, that way I would have another set of financials and I can tighten up, that would give you May, June, July and your July 22nd meeting would be too early for an adoption, and one of the problems is you're on a every two week meeting, and I do not get bank statements and so there won't be many changes to what we know today.

Mr. Pawelczyk: Well, I don't think that matters so much as you have this proposed budget, you can go off of this one in two weeks from now, because your main goal is to pick the options and the highest amount.

Mr. Diaz: Ok, can we just table this item and move on because we have a lot of other items on the agenda to go on, if that's ok with the board?

Ms. Felipe-Ochoa: Yes.

Ms. Castro: Yes.

Mr. Winkeljohn: Sure.

FOURTH ORDER OF BUSINESS

Discussion of General Election Procedures

Mr. Diaz: Moving on to the next item, Discussion of General Election Procedures, Paul?

Mr. Winkeljohn: Yes, in your packet is a letter from the Supervisor of Elections and behind section 4 you have a notice of qualification period. Seats #2 and #3 for your District are referenced in this notice and I'll give you names to go with that. In seat #3 is Monica and in seat #2 is Kim, so those two seats are on the general election ballot for November, and this letter describes the process and the deadline on June 14th, beginning on June 14th and closing at noon on June 18th for someone to qualify for those seats.

Mr. Pawelczyk: Right, and you have to qualify before you're put on the ballot obviously, unless nobody else runs in which case we'll do an appointment process pursuant to the statute. If only one of you qualifies for each particular seat, for instance if Kim and Monica are the only ones who go down there and qualify, you will be elected and you will not appear on the ballot, so if any questions come up let us know but that qualifying period is June 14th to through 18th.

Mr. Winkeljohn: That's noon on the 18th because a lot of people make that mistake.

Mr. Pawelczyk: Yes.

Mr. Winkeljohn: So that's all I have on that item.

FIFTH ORDER OF BUSINESS

Staff Reports

Mr. Diaz: Ok moving on to Staff Reports, Mr. Attorney?

A. Attorney

Mr. Pawelczyk: In terms of items to report, Juan has been working on those lift stations with the City of Homestead, we received an easement back, except they signed it improperly so he sent it back for them to sign it correctly, but the fact that they've approved it and they have it is good, so they are fixing their signatures pages and that will come back.

Mr. Winkeljohn: And it will be recorded.

Mr. Pawelczyk: Yes, we'll record it. The only other item I have I will not discuss, I will pass out copies, this is the letter to the various associations dealing with the stormwater drainage permit and who is going to be responsible for all that. I know we're pressed for time, so just look at it and we'll talk about it at the next meeting, and then you can say, yes send the letter out or whatever, so I'll just pass that out at the end of the meeting so I don't waste anymore time, and that's all I have Mr. Chairman.

Mr. Diaz: Thank you Mr. Attorney.

B. Engineer

Mr. Diaz: Next up is the engineer, Paul?

Mr. Winkeljohn: That was his report actually.

Mr. Diaz: Ok, the only other thing is, I did try to get an updated version of a nicer graphic map of Waterstone for the guards to give out and I know we're really pressed for time here today and so I think what we're going to do is just revise the map we have, we're going to give that out and add some graphics to the outside, but generally that's going to be the map because it's going to be way over our price range to have one redesigned and it works, and it will be 17 by 11.

C. Field Manager - Management Report (Cont.)

Mr. Diaz: Field Manager's report we already did that

D. Manager

There not being any, the next item followed

SIXTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Diaz: Moving on to Supervisors Requests and Audience Comments.

Mr. Diaz: Kim?

Ms. Felipe-Ochoa: Nothing, thank you.

Mr. Diaz: Curtis?

Mr. Cooper: I do have a comment, I believe there's something shining on the wall over there that needs to be addressed.

Mr. Diaz: Yes, I was going to mention that in my comments. Ok, we had a lot of issues if you recall with the monument and trying to get the waves affect in there, we all agreed on it, there was a big fiasco with getting it and waiting for it, it was on backorder and in the end they didn't have them, they weren't delivered to them, so I just went down the street to Florida City where they have a Music Depot and we got that one for actually less than what they were even offering it for, and he said if we buy them bulk, it would probably come down to \$110 per unit, which was \$50 less than what the other guy was charging. Now the only thing we don't have is some way to encase that affect, the water rippling effect, and we did go out onsite and test it at night and we have video of it, but unfortunately I haven't had time to put that video together and I don't have a laptop right now. So we figured that for each of the big monuments you'll need two of these particular units to make that effect, which by the way, it is LED and it is color changeable, so I can change the colors if you'd like, I just left it on blue. Anything else Curtis?

Mr. Cooper: I do have one thing, and this would be directed to Paul, I was just thinking and I don't know what the cost is per these booklets and depending on if our meeting schedules adjust as frequent, but what the cost advantage, if there would be any to doing a set of, and which we'd be saving trees, maybe doing laptops, some type of a cheap laptop that we could have everything emailed as opposed to having these Fed Ex'd and everything set out?

Mr. Winkeljohn: There are some boards that do that. I don't actually manage any of them so I don't know what it would cost but you spend about \$3,000 per year on our duplication responsibilities and paper and whatnot, so if the board wanted to buy five laptops for \$500 each, it would be a wash for the first year.

Mr. Diaz: Well we'll have Comcast Wi Fi here soon.

Mr. Winkeljohn: Yes, well it's something to think about, let me look at that and see what it entails because I still have to produce the documents for your records so there is an

economy to doing five more books, it's just the price of paper, so I can't eliminate the hard copy, so it's something to think about.

Mr. Cooper: Alright.

Mr. Pawelczyk: You can eliminate the binding of the books though.

Mr. Winkeljohn: Yes, it eliminates that step but I have to do one or two books, but let me see.

Mr. Diaz: Not a bad idea.

Mr. Winkeljohn: I like that, thank you.

Mr. Diaz: Anything else Curtis?

Mr. Cooper: No, that's all.

Mr. Diaz: Sonia?

Ms. Castro: Nothing, thank you.

Mr. Diaz: Well, the only thing I have is I did collect the stats and I'll be doing the state of District address and it's interesting numbers for our crime stats, I wanted to go over it before we did it at the town hall meeting tonight so that jaws won't drop on your side anyway. For the last year, and keep in mind we've had the roving police service, Waterstone, they gave me the records for all of Waterstone and Malibu Bay together, and for residential burglaries reported there were 70 burglaries reported, of that Waterstone had 51 of those. Of the burglaries in progress, occupied, that means somebody was in the home at the time, they had 10 burglaries reported between Malibu Bay and Waterstone and of that 9 of them were in Waterstone. Burglaries to tools and sheds, Waterstone had 6 out of 7, of burglaries in progress Waterstone had 7 out of 10. Burglaries to motor vehicles, Waterstone had 16 out of 23, and as I mentioned before, the routine burglaries reported Waterstone had 51 out of 70, reported between both communities. As far as thefts, Waterstone actually did half, 13 out of 25 and then we were the only grand larceny and the only armed robbery was over there in Malibu Bay. The reason I brought that information out is because there is a correlation it would appear in a guardhouse system and not a guardhouse system, I don't know if you can correlate that together or not, but those are the numbers and it's a good point to make for tonight's town hall meeting. The other

ticket items that I had, I guess I'll go over tonight, but it's amazing every time we recap for the year how much we've actually done in a year. Paul actually touched on this a little bit, that we're in our third year in our five year landscape plan, we've relocated over 30 trees this year, since last April, we've added or replaced approximately 210 trees, we replaced in damaged sod at least 14 occasions continued porter service, installed two signature palms, added new berms, a newly adopted theme entrance to Waterstone Blvd., added approximately 140 feet of new micro berms, several new boulders along Waterstone Way, over 6,000 new ground cover plants on 19 beds, created Friendship Park and dedicated to Kennedy, and of course we won the 2009 plant award and that is just in the area of landscape, and we have a category for public safety, the guardhouse project itself, the holiday display project and general maintenance, communication, finance and future goals. That's all I have.

SEVENTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

B. Balance Sheet and Income Statement

Mr. Diaz: We do have one other item on the agenda which are the Financial Reports and the Approval of the Check Register and the Balance Sheet and Income statement, so if we could just get a motion for that.

On MOTION by Ms. Castro seconded by Ms. Felipe-Ochoa with all in favor, the Check Register, Balance Sheet and Income Statement were approved.

April 22, 2010

South-Dade Venture CDD

EIGHTH ORDER OF BUSINESS

Adjournment

Mr. Diaz: Alright, then we would just need a motion to adjourn this meeting and then we'll come back at 7:00 p.m. for our town hall meeting which it is my understanding does not need to be recorded, correct?

Mr. Pawelczyk: That's correct, you can just adjourn this meeting.

On MOTION by Mr. Cooper seconded by Ms. Castro with all in favor, the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

April 22, 2010

South-Dade Venture CDD

NOTES:

*~ Please note that the budget was tabled to the May meeting and Paul will let us know if we will present it again at the May 13 or at the May 27th meeting
At the next meeting we will Request for Drainage Easement to maintain Interior Road Drainage System within Association Rights-of-Way (which is coming from Michael Pawelczyk)*

Agenda Items:

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