

**MINUTES OF MEETING  
RIVERCREST  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Rivercrest Community Development District was held on Thursday, February 1, 2007 at 6:20 p.m. at the Rivercrest Clubhouse, 11560 Ramble Creek Drive, Riverview, Florida.

Present and constituting a quorum were:

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| Ed Pichette, III  | Chairman            |
| Melanie Calloway  | Vice Chairperson    |
| Manuel Carro, Jr. | Assistant Secretary |
| Julio Cruz        | Assistant Secretary |
| Lisa Dunn         | Assistant Secretary |

Also present were:

|                      |                     |
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| Andrew P. Mendenhall | Manager             |
| Rolando J. Santiago  | Attorney            |
| Kim Bryant           | Field Manager       |
| Laura Fiatoa         | Activities Director |

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Pichette called the meeting to order and called the roll.

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the January 4, 2007 Meeting**

Mr. Pichette stated each Board member received a copy of the minutes of the January 4, 2007 meeting and requested any corrections, additions or deletions.

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| On MOTION by Mr. Carro seconded by Ms. Calloway with all in favor the minutes of the January 4, 2007 meeting were approved. |
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**FIFTH ORDER OF BUSINESS**

**Attorney's Report**

Mr. Santiago stated one of the follow up items is the investigation of the broken levee. We received the EPC notice. I have been exchanging emails with Mr. Hall from Heidt & Associates to get an opinion from them. We have not been able to connect. Someone is going to have to do a review and give us an estimate of what their consulting fees will be. This is the first

step. Mr. Hall has been very busy. If they cannot do it, we will have to find a different consulting firm.

Ms. Calloway asked can Ms. Stewart give us a breakdown of what her fees will be to look into this matter? I provided you with a copy of what Heidt & Associates had when we looked at the file.

Mr. Santiago responded yes. We were going with them because they had some of the history. We can check with Ms. Stewart.

Ms. Calloway stated give her the documents and see what she says about it.

On MOTION by Ms. Calloway seconded by Mr. Pichette with all in favor the Board authorized District counsel to request bids on investigating the levee repair issue.

Mr. Santiago stated we had discussions last month in regard to your resolution for the fees to be charged in the event keys need to be replaced. By law we can only charge what it costs us because we are not a profit making entity. If it costs us \$5.99 to make the key and \$20 in staff time, we can charge \$25.99 to replace a key. There are a number of different keys. Rather than having a static resolution authorizing fees, the resolution will authorize the District manager to empower field operation staff or the designee the authority to replace keys for the actual cost. It provides for placing a notice for the rental of this facility. Anyone who rents this facility will be on notice if they lose the key, the actual cost to replace the keys will be deducted from their deposit. If they lose one key, it will cost approximately \$20. If they lose the entire set, the locks and the entire set of keys need to be replaced. This will not be covered by a \$200 deposit. There is an imbalance of the equities. We will have the resolution before you next month.

Mr. Mendenhall asked can the Board approve the resolution authorizing the Chairman to sign it between meetings?

Mr. Santiago responded I do not see a problem with it.

On MOTION by Mr. Carro seconded by Ms. Calloway with all in favor the Board authorized the Chairman to sign Resolution 2007-9 adopting a fee policy for the replacement of lost keys.

Mr. Santiago stated the Board authorized the preparation of a letter to the cell tower carriers. It is an invitation for them to put a facility on the property. I sent out letters to three of the major carriers as well as three of the more prominent tower companies. There have been no responses to the letter. The letter will be in your agenda package for the March 1, 2007 meeting.

There are two additional items I want to bring to your attention. The first is your policies and procedures for your public notice board. This is a common issue in HOAs and CDDs. You have an official public notice board outside of the gates. This is where all your official business is noticed. You have a second notice board for miscellaneous items. It is CDD property. I recommend you consider establishing a policy and procedure for what can be placed on this board because whatever is put on the board can arguably be impugned to the CDD. We have to tread cautiously because it is a notice board. This means we have first amendment protections. We cannot determine content. We can determine time, place and manner.

You may have received an email I sent to you. It is an item, which someone wanted posted on the board. It is difficult to prevent it; however, if someone wants to take this action, they have to follow state law. The document is a petition someone wants to post. A petition of this nature has to comply with state regulations. The content of this petition did not. I returned it to the sender. With your permission I would like to prepare policies and procedures for the board so staff has something to rely on moving forward.

On MOTION by Mr. Cruz seconded by Ms. Calloway with all in favor the Board authorized District counsel to prepare policies and procedures for the public notice board.

Mr. Santiago stated there was an administrative matter regarding staffing. I will defer to Mr. Mendenhall's report in regard to this issue. The bond refunding is moving forward. All the notices will be posted. There has not been a great deal of activity. We received some of the refunding documents. There is not a great deal of activity to report. I received a request from Grau & Associates for a summary of all pending litigation. I responded to it and sent them the information. It is part of our audit. There is no pending litigation at this point.

**SIXTH ORDER OF BUSINESS**

**Engineer's Report**

There not being any, the next item followed.

**FOURTH ORDER OF BUSINESS**

**Manager's Report**

Mr. Mendenhall stated I have some follow up items from the last meeting. One of the more important items is the status of the District's insurance. It went up quite a bit from last year and there were concerns as to the reason why it went up. I did some research and spoke with Brown & Brown who is the broker for your insurance. I found out there was a mistake made when your insurance was written. Your tennis courts and basketball courts were given a value of \$800,000 instead of \$80,000. It was a typo. The good news is you will be getting a credit of \$12,000 within a few weeks. The increase in insurance will only be \$5,000 and it is due to rising insurance costs as well as property costs.

Ms. Calloway asked did they inform us this was going to occur?

Mr. Mendenhall responded I asked if there was any correspondence and she did not have any.

Ms. Calloway asked why did I have to go this far and research this? We paid our previous management company to be our financial advisors. Why did they not fulfill their obligation in their contract? They should have abided by their contract and found this mistake. We need to have litigation against Rizzetta & Company for failure to fulfill their contract by not providing sound financial advice and not finding mistakes like this one.

Mr. Mendenhall responded you are correct. This is a large amount. It is at the Board's discretion of what you want to do.

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| On MOTION by Ms. Calloway seconded by Mr. Cruz with all in favor the Board authorized District counsel to research for litigation purposes neglect by Rizzetta & Company for accounting and financial services. |
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Mr. Mendenhall stated we will have a public hearing at the next meeting for the bond refinancing. The notices were mailed out. My office has received a number of phone calls. People are curious as to what is going on. When we explain it to them, they are happy. We received a number of the bond documents. They are being reviewed by our financial team and the various attorneys. These documents will be presented at the public hearing.

The Board wanted to see a copy of all the invoices each month in their financials along with the check run. Because we had a new policy put in place where these invoices are reviewed before they are paid and okayed, I did not know if you still wanted to see all the invoices. It might be more efficient to look at the check run and if there are invoices you have questions on,

we can look into it. I am fine with doing it either way, but I wanted to bring it up to save the District money on paper.

Ms. Calloway stated I would still like them in this agenda package. I want to be able to review these documents prior to the meetings.

Mr. Mendenhall asked would you like me to email them to you rather than bind them in order to save the District money?

Ms. Calloway responded I do not want it emailed to me because then I have to print it out at my cost.

Mr. Mendenhall stated we currently have staff working here at Rivercrest. There are two individuals who are hourly employees at the moment. The Board should consider making Ms. Bryant and Ms. Fiatoa salaried employees. They are here more than anyone else and they work more than a 40 hour week. It is difficult for you as a Board to maintain your budgetary limits with two employees being paid hourly when there is a chance for overtime. I do not know if we want to discuss salaries and wages as a Board in a public session. It is public information, but due to concerns of the privacy of your employees I recommend the Board choose a sponsor to meet with me. We can discuss the situation and bring back recommendations to the Board. If you want to handle this in another way, I am open to suggestions. It is something we need to look at because at the moment you will be over budget.

Mr. Pichette stated I am supportive of the idea. I want you to research what the total compensation was last year to get an idea of what we are spending on overtime in order to get a fair salary amount.

Mr. Mendenhall stated I agree. We need to figure out what will work best.

Ms. Calloway asked if they become salaried, do we have to provide medical and vacation benefits?

Mr. Mendenhall responded I will defer to counsel, but my experience is it is not required. It is usually a good idea to give benefits because they are working overtime without extra pay.

Mr. Santiago stated it is not a requirement, but pursuant to Chapter 190 District employees are technically governmental employees. The flip side of this is you can piggyback on some state benefits. If individuals wanted to become part of FRS, they can as long as they are District employees. You have to pay for a portion of it. The fact they are salaried employees does not mean they will not have overtime. There is the Federal Labor Standards Act

requirements, which can come into effect depending on the classification of the employee. We can discuss these things with Mr. Mendenhall. Benefits are at the discretion of the Board.

Ms. Calloway MOVED to direct the District manager to research options for paying current staff employees on salary versus an hourly wage and report to the Board at the next meeting.

Mr. Pichette stated Mr. Mendenhall suggested one of us work with him. I want to volunteer because I have salaried employees in my business. I understand how it works and I am familiar with it. I will work with him and then we will report back.

Mr. Mendenhall stated we will come back with different scenarios.

Mr. Pichette stated we will involve everyone in the process.

Ms. Calloway stated it sounds good.

Mr. Mendenhall stated I have follow ups on questions Ms. Fiatoa had in regard to the budget. I will do it outside of the meeting if it is okay with the Board.

**THIRD ORDER OF BUSINESS**

**Approval of Financial Statements**

Ms. Calloway asked do you have a discrepancy with any of the financial statements?

Ms. Fiatoa responded no. They are fine. Ms. Bryant and I went through them.

Ms. Calloway stated I did not see a garbage bill. I know we have a credit, but I would like to see an invoice with the credit. What is this contractor's invoice for removal of graffiti and paint from Creekside Crosswalk?

Ms. Bryant responded that was near where you live. Someone wrote obscene words on the sidewalk with spray paint. It needed to be removed and we needed someone to pressure clean it.

Ms. Calloway stated it is a public right-of-way. It is not our responsibility. It is Hillsborough County's responsibility. Next time you are not to use our dollars to do this. You will call Hillsborough County with anything like it.

On MOTION by Mr. Carro seconded by Ms. Calloway with all in favor the financial statements were approved.

**SEVENTH ORDER OF BUSINESS**

**Field Manager**

Ms. Bryant stated our well is done and I am waiting on the official test of the water. Our irrigation is running.

**EIGHTH ORDER OF BUSINESS**

**Activities Director**

Ms. Fiatoa stated I need you to pick a company to do the pool tiles. Sharper Image gave me a quote of \$9,930, which includes the repairs. Elite Pool & Spa quoted \$8,800, which includes the repairs as well as replacing the netting on the kiddy pool.

Mr. Cruz asked is it with the bars?

Ms. Fiatoa responded no.

Ms. Calloway asked what is the deal with this?

Ms. Fiatoa responded getting quotes is like pulling teeth from these people. The best I got was to put Plexiglas there for approximately \$3,000.

Ms. Calloway stated there is a drain there and we may not be able to get to it.

Ms. Bryant stated he said he can screw it and unscrew it, but the older kids keep ripping the existing mat.

Ms. Calloway stated I like the idea of Plexiglas. It is more durable. Make sure it does not have any sharp edges. Please get quotes on Plexiglas.

Ms. Fiatoa stated I recommend Elite Pool & Spa to do the pool tiles.

Ms. Calloway stated I want to okay quotes now because the bond money should be in by the end of February to the beginning of March and we will be ready to go.

Mr. Santiago asked is the quote exactly for what you were just discussing?

Ms. Calloway responded it may be a different price due to the fact we need to adjust something. We want to be sure this is scheduled so we are ready to go once the bond money comes in.

Mr. Santiago stated if the quote you are about to approve does not contain the concepts you were discussing, I suggest you pass a motion to have them submit a new quote consistent with the concepts you referenced. We will prepare a resolution accepting this instrument and empowering the officers of the District to carry forth all necessary instruments so everything is in cue. When the bond monies come in, the empowerment is there to proceed.

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| <p>On MOTION by Mr. Cruz seconded by Ms. Calloway with all in favor the Board directed District staff to obtain a new quote for the pool repairs and to prepare a resolution supporting the quote for the next meeting.</p> |
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Ms. Fiatoa stated Linsey is our current pest control company. We have not been satisfied with their service. They come every other month and charge us \$80. I have a quote from Impact. They come every month and charge \$60. They will also take care of the fire ants around the pool area. Linsey does not do anything outside the building.

On MOTION by Mr. Carro seconded by Ms. Dunn with all in favor the contract from Impact for pest control services was approved.

Ms. Fiatoa stated I have not received the information from Mr. Mendenhall for the non-resident membership fees.

Mr. Mendenhall stated I looked into the fees. I am concerned with coming up with fees, which are loosely based on other districts. There are certain statutory requirements to defining fees for a district. It goes along with the rulemaking process of districts. It makes sense for the Board to authorize me to work with Mr. Santiago and look into what step we need to take to develop these rules, especially the fee schedule. I have an abundance of information on what fees are appropriate, but you need to advertise a hearing for it so the public has an opportunity to give input.

On MOTION by Mr. Cruz seconded by Ms. Calloway with all in favor the Board authorized District counsel and District manager to work together to create a schedule of fees for use of the CDD's facilities for non residents.

Ms. Fiatoa stated we have several lights throughout this area, which are out. When the builder put the lights in, they used ballast. We have been unable to locate ballast. We have to update our ballast in a box. We were given a quote for the wiring, the box and the lights. It is a little over \$1,000 for seven lights.

Ms. Calloway stated I wonder if this can be put under capital improvements.

Mr. Mendenhall asked is it new lighting?

Ms. Fiatoa responded yes.

Mr. Mendenhall stated if it is completely new you should be able to.

Mr. Pichette stated we are not replacing it.

Ms. Fiatoa stated no.

Mr. Pichette stated they are not new lights, they are replacing the old ones.

Mr. Mendenhall stated the idea of a capital improvement is for it to be brand new. It should not be replacing something, which already existed. Bond counsel makes the ultimate call, but based on other districts who had the same circumstances it is a tough argument to win.

Mr. Santiago stated it is.

Mr. Pichette stated we need to do it.

Ms. Calloway asked is he an electrical contractor?

Ms. Fiatoa responded yes.

Ms. Calloway asked is he licensed to do electrical work?

Ms. Fiatoa responded yes.

Ms. Calloway asked do you have a copy of his license?

Ms. Fiatoa responded no.

Ms. Calloway stated I want to make sure he is a licensed contractor.

Ms. Fiatoa stated he has his own business.

Mr. Pichette stated you can research anyone's licenses on MyFlorida.com. Tell him to give you a copy of his license until we take another step further. We will have to revisit this.

Mr. Santiago stated have him provide a copy of his license and insurance.

Mr. Mendenhall stated you have liability insurance as well as worker's compensation, which will cover certain aspects. Unfortunately persons doing work for the District need a license and insurance because you can run into some potential issues.

Ms. Fiatoa stated for the next meeting I have pool policy updates. There are four pages of detailed policies.

Mr. Pichette stated I would like you to provide Mr. Santiago with a copy so he can look at it.

Ms. Fiatoa stated I am still waiting for the towing companies to give me quotes.

## **NINTH ORDER OF BUSINESS**

### **Supervisor's Requests**

Ms. Calloway stated I attended the neighborhood watch meeting. I was the only Board member to attend this meeting. I was under the impression Ms. Dunn volunteered to be the head of our security. She was not available.

Ms. Dunn stated I had to pick someone up at the airport and their flight was delayed. I had every intention of being there. I spoke with the police officer who was going to be at the meeting. I could not make it. I apologize.

Ms. Calloway stated I understand, but she also had all of our signature sheets. I spent three hours collecting signatures. I would like those signature sheets back to go forward. I do a great deal of work for this District. According to Mr. Santiago's letter, negligence of duty is a way to be removed from the Board. I hope other Board members take this into account. There are other Board members who are not happy with the security in their section of the neighborhood. This is our neighborhood. If I needed to walk down each section as part of the neighborhood watch, it is what I would do. If you have problems in your section, you should have attended the meeting. It was posted, people knew about it and you did not attend. I am disappointed other Board members did not attend. I was the only one.

The next item is in regard to Mr. Van Wyk from Hopping, Green and Sams. When I looked through their invoices there was a \$1,600 discrepancy. Mr. Santiago spoke with him. There may be a pending lawsuit. I am wondering if \$1,600 is worth the lawsuit or if we should pay it. It pains me to say it. We should consider paying his bills and send him on his way.

Mr. Pichette asked is the total \$1,600?

Ms. Calloway responded no. We stopped a check for \$3,800. He submitted an invoice for \$1,600.

Ms. Bryant stated it was three separate bills he submitted. I do not know the grand total of what we owe him, but after speaking with Mr. Santiago it is in our best interest to pay him.

Mr. Santiago stated he questioned why his bills were not being paid. I advised him the Board had concerns as to whether or not he had been properly authorized to do the work he is billing for. He asked me what the solution could be. I asked him to make an offer. I told him the Board is willing to pay him for his services, but not for unauthorized work. I told him the Board authorized me to make an offer, but I told him he was welcome to make an offer to the Board. I have not received a response. In my experience it typically means we will be served with papers or something of that nature. It has not happened yet and it has not been overtly stated.

Ms. Bryant stated there is an invoice for the meeting in November. There is an invoice for him shipping items to Mr. Santiago.

Mr. Mendenhall stated I can verify with Hopping, Green and Sams what the outstanding amount is. You can authorize to pay up to a certain dollar figure. The total I show in my records is \$3,907.06, which was from one invoice. It sounds like we had more invoices.

Mr. Santiago stated I recommend you authorize payment of the invoice totaling \$3,907.06 and address the other invoices next time.

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| On MOTION by Ms. Calloway seconded by Mr. Cruz with all in favor District staff was authorized to pay the invoice from Hopping, Green and Sams in the amount of \$3,907.06 and to request all open invoices. |
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Ms. Calloway stated I had residents say more people would attend our meetings if they were held at 7:00 p.m. When are we going to look into changing the meeting time?

Mr. Pichette responded when we look at our new schedule.

Mr. Mendenhall stated you usually do it at the same time you do your budget.

Mr. Pichette stated I believe we need to do ours in May.

Mr. Mendenhall stated you can change it at any time. I have districts who meet in the morning, the afternoon and in the evening. I do not have any districts beginning after 6:30 p.m. We have heard residents say they will attend if it is later or if it is on the weekends and many boards have changed their times to accommodate those residents only to find you have the same residents attending regardless of the time. The residents interested in coming to these meetings will come at anytime. You can change the meeting time at anytime as long as we have enough time to notice it, which is approximately two weeks.

Ms. Calloway stated I want a policy for no smoking in this clubhouse or the office.

Mr. Pichette asked how about making the entire recreation facility non smoking? Is it not supposed to be non smoking outside?

Ms. Calloway responded yes. I have regular meetings with the Pool Committee. We discussed this. I feel there should be no smoking in the clubhouse, the office and on the pool deck; however, because we have cigarette trays in a certain area it should be the designated smoking area.

Mr. Santiago stated once you get into limiting activity in the open air, you have a hard time validating the health, safety and welfare argument. My advice is to tread lightly when you are talking about limiting these types of activities in the outside because they are difficult to justify.

On MOTION by Ms. Calloway seconded by Ms. Dunn with all in favor the areas inside the community recreation facility, the community office, the bathrooms, the areas under the roof as well as any area inside the second gate around the pool were designated non smoking areas.

Ms. Calloway asked where are we with Sharper Image fixing the leak?

Mr. Santiago responded there is an \$8,000 repair pending. They are asking for payment on their outstanding bill. The remaining \$8,000 will be paid out of the bond proceeds. We had a second company do an investigation of the leak repair.

Ms. Fiatoa stated I do not believe it is \$8,000. It was only \$4,000.

Mr. Santiago stated it is approximately \$4,000 to \$5,000. Did you advise them of the second company who did the leaks?

Ms. Fiatoa responded yes I did. I am waiting for a quote from them for the other two leaks. I have not heard anything.

Mr. Santiago stated they are not taking action because they want to get paid their outstanding invoice.

Ms. Calloway asked what are they obligated to fix under the current contract?

Mr. Santiago responded they need to do the second part of the repairs to complete the jobs. They are saying because they cannot do the second part of it, the job is not complete causing you to have leaks. We are at a crossroads. You do not have the money to authorize the second repairs. They cannot be liable for repairing the leaks because they do not have the authority to complete the repairs.

Ms. Calloway stated when we have people do repairs they come and do the repairs, they invoice us and we pay them the following month. We should have the bond money by next month. Can we go that route?

Mr. Santiago responded if we have the funds, we can authorize payment of the repairs they have done. They will be able to come in and do the other repairs. I can ask them. They are desperate to get paid. They called me on several occasions in the last two weeks.

Ms. Calloway stated I am not sure you understand my question. I suggest we get a contract of the money it will cost, we authorize the work knowing the bond money will come in March and then pay them in March with the bond money.

Mr. Santiago asked is this for the second part of the work?

Ms. Calloway responded yes.

Mr. Santiago stated I can ask them if they are willing to proceed once we authorize it, but I do not recommend we get into a situation where we do not have the money to pay for something. It is an extension of credit and we cannot do it. I also do not know if they are willing to go out on a limb. They are already out on a limb to us for \$5,362.

Ms. Calloway stated they cannot verify it works because they have to fix the rest of the leaks. They are under obligation to fix the leaks. They have not done their job.

Mr. Santiago stated I will propose it to them. They are seeing it as two separate jobs; however, they recognize the jobs are related. I will ask them if they are willing to proceed.

Ms. Calloway stated they have to proceed because they are under obligation to do it. They were doing a bad job. If they cannot fix it, we need to bring in another company to fix it and they need to pay that company.

Mr. Santiago stated under warranty principles they have to finish the first job. I will advise them they need to finish their job.

Ms. Calloway asked do we have to send out RFPs for the capital improvements in regard to the bond money? Should we start getting these proposals so we have them in March to start the work?

Mr. Mendenhall responded it depends on how long their quotes will be good for. You are only required to do RFPs if the work will be over \$150,000.

Ms. Calloway stated I want to make sure all of these things are ready. When the money comes we need to approve them as soon as possible.

Ms. Fiatoa asked what about the basketball hoops?

Ms. Calloway responded it has come to our attention the basketball court hoops are broken. Look into quotes and bring them to the next meeting. Are we able to use the bond money for it or does it have to be directly stipulated?

Mr. Mendenhall responded it has to be stipulated and it has to be new.

Ms. Calloway stated I thought we were putting in a contingency.

Mr. Mendenhall stated a contingency is for items designated in the engineer's report. It has to be a capital expenditure so it has to be brand new.

Ms. Calloway stated get us an estimate and we will see if the handyman can put them in.

Mr. Pichette stated I want to advise the Board my wife is expecting the first week of March so there is a possibility I may not be able to attend the March meeting.

**TENTH ORDER OF BUSINESS**

**Audience Comments**

Mr. McReynolds stated we were wondering if there was any chance of us getting a skate park.

Ms. Calloway stated we had vandalism by skateboarders. They have defecated on our deck. They have damaged our property due to their skateboarding. We are wondering if it was you. If it is not, tell your friends to quit damaging the properties around here. If you know who they are, you can let us know. We do not appreciate having to pay for all the damage. If you guys are not doing it, it makes you look bad. If you know who is doing the damage, please let Ms. Fiatoa or Ms. Bryant know so we can work on correcting the situation.

Mr. Pichette stated when we started the refinancing of the bond, we had to come up with a list of things to improve the community. Right now we do not have the money for it. I am not personally against the idea of a skate park down the line, but we have other priorities at the moment. We are going to build a bigger playground for the smaller kids do they are safe inside a fence. We are going to upgrade the basketball facility. We do not have the money to do it at the level you will want it done.

**ELEVENTH ORDER OF BUSINESS**

**Adjournment**

There being no further business,

On MOTION by Mr. Carro seconded by Mr. Cruz with all in favor the meeting was adjourned.

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Andrew P. Mendenhall  
Assistant Secretary

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Ed Pichette, III  
Chairman