

**MINUTES OF MEETING
FIDDLER'S CREEK
COMMUNITY DEVELOPMENT DISTRICT #1**

The regular business meeting of the Fiddler's Creek Community Development District #1 was held on Wednesday, July 26, 2006 at 10:10 a.m., at the Fiddler's Creek Club and Spa, 3470 Club Center Drive, Naples, Florida 34114.

Present and constituting a quorum were:

Phillip Brougham	Chairman
Peggy Schmitt	Assistant Chairperson
James Robertson	Assistant Secretary
Alexander Love	Assistant Secretary
Diane Matire	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Craig Wrathell	Treasurer & Assistant Secretary
Anthony Pires	District Counsel
Terry Cole	District Engineer
Mark Strain	Gulf Bay
Mr. Curland	Resident

ROLL CALL

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

DISCUSSION OF PROPOSED BUDGET FOR FISCAL YEAR 2007

Mr. Adams stated that a copy of the budget had been provided. He added that the major revisions to the budget from the June meeting have been incorporated; however, the only uncertain item was the Security Contribution from Fiddler's II in the Revenues section. He commented that it is calculated based upon a proportionate share but will be termed as an actual contribution and not cost-shared. He explained that this is a contribution of \$88,737, based upon 2,039 units in one district and 399 units in the other and the costs identified in the June draft budget.

Mr. Brougham questioned when the security services bid will be up again?

Mr. Adams responded that the contract expires November 30th, 2007.

Mr. Brougham suggested that as they come upon the next year's budget season, both districts should make clear and concise decisions prior to putting the item out for bid.

Mr. Adam's agreed.

Mr. Brougham questioned, under Rentals and Leases, whether the \$29,000 is the estimate of the two-year lease cost discussed at the last meeting.

Mr. Adams responded that the two-year lease cost is approximately \$12,000 for the vehicle and the balance is the current obligation for the Gate Upgrade Program.

Mr. Brougham observed that, with respect to Repairs and Maintenance – Parts, he is hopeful that \$20,000 is not utilized to maintain a new vehicle.

Mr. Adams agreed and stated that it must be adjusted and be comparable to the expenditures on fuel for the one vehicle.

Mr. Brougham commented that on page five, under Legal Advertising, The News Press should be changed to Naples Daily News.

Mr. Adams agreed.

Conversation ensued regarding cost shifting for irrigation based on number of units.

Mr. Brougham questioned whether page eight, under General Fund 002, is showing the reserve account for the SunTrust loan.

Mr. Adams responded that it is correct and was done to ease administration and tracking due to prepayments.

Mr. Brougham asked Mr. Adams whether the required 20% security has been borrowed to date.

Mr. Adams responded that it had to be funded with the first draw and is shown and netted out of the proceeds, as discussed at the last meeting. He explained that the note proceeds drawn to date amounts to \$2 million. \$1,692,800 is reflected in the revenues with \$300,000 netted out for Debt Service Reserve Fund, and \$7,200 netted out for the SunTrust fee.

Mr. Brougham requested that Mr. Adams highlight that in the financials and budget.

Mr. Adams stated that next month there will be an additional column that will be posted as a reserve.

Mr. Brougham commented that he wants to ensure the location of all the capital is tracked.

Mr. Adams stated that he is finalizing the final draw to cover expenses to date and anticipated outstanding expenses to come. He explained that currently hard costs, to date, are \$2,440,541.60, and netting out the additional planting credit of \$142,918 that amounts to \$2,297,623.60. He stated that then adding \$300,000 Debt Service Reserve Fund results in \$2,597,623.60. He then explained that \$2,000,000 has been drawn to date and an additional \$600,000 is required. The original anticipated loan amount was \$3.6 million. He added that he is creating a final reminder notice to the residents regarding the project's anticipated and actual costs, principal amount per each unit cost and the annual assessment over five years, which would be zeroed if the principal amount was paid off.

Conversation ensued regarding the details and deadlines of the mailing to the residents.

Mr. Brougham requested that the next budget revision be sent out for comments as soon as possible prior to the public hearing.

On MOTION by Mr. Robertson and seconded by Mr. Brougham, all were in favor to accept \$359.40 bid from Teleco for annual maintenance of website, including two updates per month, contingent upon attorney comments with regards to the legal agreement.

Mr. Pires explained that governmental entities are required to post a notice on their website that electronic mail addresses sent to them are subject to release to the public, which should be posted as a disclaimer. Mr. Pires stated that information on the website is not confidential contrary to that agreement.

Mr. Adams stated that Mr. Pires' comments would be included in the final version of the agreement.

APPROVAL OF JUNE 28, 2006 MINUTES

Mr. Pires stated that on page one, Introduction to the Amendment to the Rules, "#1" should be inserted beside "District."

It was commented that on page two, second paragraph, third line, first word, "He stated that there is a reference that the Board can adopt procedures from time to time." It was stated

that on page three, second to last line at the bottom right-hand side should read "the purpose of the survey" instead of "surveyors."

Mr. Brougham stated that on page four, under Engineer's Report, fourth line should read "\$13,000 of that are the sign posts" instead of "is the sign post." He added that on page eight, the seventh paragraph should read "Mr. Adams stated that landscaping is based upon actual contract obligations with One Source" instead of "one source." He explained that on page nine, last paragraph, sixth line should read "if their contract is going to be utilized to patrol CDD II" instead of "control CDD II." He commented that on page ten, second paragraph, second line should read "but it is going to make the situation precarious and he would not look forward to having the same people straddling two districts."

Ms. Matire stated that on page ten, third paragraph from the bottom should be changed from "2003" to "2006."

Mr. Adams responded that 2003 is correct and should say "as they moved forward with purchasing on additional vehicles" instead "move." He also commented that page 11 should read "on the 2003 vehicle," inserting "vehicle" after "2003."

Mr. Brougham stated that on page 12, second paragraph up, second line from the bottom of the paragraph should read "86%/14%" instead of "\$86,014 (?)." He added that on page 13, fourth paragraph, last line should read "on the entire \$3.6 million" instead of "on the entire 3.6." In addition, change "2.4" to "\$2.4 million," "142" to "\$142,000" "2.3" to "\$2.3 million" and "3.3" to "\$3.3 million." He commented that "There was a question as to whether the residents pay it all at once" should be changed to "will have an opportunity to prepay." He explained that on page 14, last paragraph, end of the second should read "that One Source is under contract to perform that and was supposed to have begun after Easter."

Mr. Brougham stated that on page 16, sixth paragraph "Mr. Pires stated that there was nothing further but he had filed the lawsuit" was referring to Pelican Marsh.

Mr. Pires stated that for clarification should read "had filed a lawsuit on behalf of the Pelican Marsh Community Develop District" and "they" should read "Severn Trent."

Ms. Schmitt commented that on page 16, third paragraph from the bottom, which starts "Ms. Schmitt a question" should read "Ms. Schmitt asked a question."

Mr. Brougham stated that on page 17, fourth paragraph, second line Jim "Bajen" should read "Vajen."

On MOTION by Mr. Brougham and seconded by Mr. Robertson, all were in favor of approving the minutes of June 28, 2006 as amended.

Mr. Robertson suggested line numbering for the minutes.

OTHER BUSINESS

Resolution of the Board of Supervisors to Fiddler's Creek Community Development District #1 Expressing Appreciation for the Assistance and Support Rendered by Gulf Bay Group of Companies and the Fiddler's Creek Foundation, Incorporated in the Aftermath of the Hurricane Wilma and in the Landscaping Restoration Project

Mr. Brougham had requested that the attorney draft a resolution from their Board to Gulf Bay and Fiddler's Creek Foundation in appreciation of their cooperation and assistance during and after the hurricane. He added that the first draft was thanking 951 Holdings, Incorporated and Mr. Pires thought that was the appropriate entity to thank versus Gulf Bay Group of Companies.

Mr. Brougham commented that he had both versions drafted and questioned Mr. Strain as to which one he thought to be more appropriate.

Mr. Strain responded that Gulf Bay Group of Companies would be more appropriate as far as an entity.

Mr. Brougham explained that although he will read the draft, there is no need to include the reading in the minutes as long as the resolution is provided.

Mr. Pires agreed.

On MOTION by Mr. Brougham and seconded by Ms. Schmitt, all were in favor of approving the Resolution of the Board of Supervisors to Fiddler's Creek Community Development District #1 Expressing Appreciation for the Assistance and Support Rendered by Gulf Bay Group of Companies and the Fiddler's Creek Foundation, Incorporated in the Aftermath of the Hurricane Wilma and in the Landscaping Restoration Project.

Mr. Adams stated that a copy of the Resolution will be attached to the communication sent to residents.

Mr. Robertson stated that he had spoken with the CSO who was strongly in favor of not looking at the full term of a lower cost vehicle and suggested that the Crown Victoria police vehicle be purchased.

Mr. Adams commented that he has not yet secured pricing but will provide that in the October-November timeframe, which is through the federal government accounting department and their federal government pricing. Mr. Adams explained that both vehicles will be replaced and he will provide a resolution to surplus the two existing vehicles and proceed as discussed.

Mr. Brougham stated that, per the prior discussion on this topic, it was decided that both vehicles would be surplus when the new vehicle was brought in and, to the extent that another vehicle was required, would obtain a rental for that period.

On MOTION by Mr. Brougham and seconded by Ms. Schmitt, four were in favor of surplus the current vehicles, purchasing a Crown Victoria on a two-year lease and obtain rental arrangement when primary vehicle is out of service for an extended period of time.

Mr. Robertson opposed the motion.

Conversation ensued regarding vehicle purchasing options.

Ms. Schmitt questioned what the intent would be when the new 41 gate was opened for construction traffic and what would happen with the Championship gate.

There was a response that the Marriott clients must be allowed through and be able to use that keypad, which is the only deed restriction on that gate.

Mr. Brougham questioned Mr. Strain as to whether there is an update with Mr. Cole on the construction entrance.

Mr. Strain commented that everything was resubmitted to the DOT and a response is expected. He added that everything is still on schedule for the end of the year. He also stated that there has been some redesign on the other entrance as a result of input from the DOT but has not gone into permit at this point.

Mr. Adams questioned whether there were final comments to the Hurricane Preparedness Plan other than revising incorrect phone numbers.

Mr. Robertson recommended that cell phone numbers be provided for contact numbers.

Mr. Brougham commented that it was vague regarding who had the authority to retain contractors immediately for cleanup, etc.

Mr. Adams stated that he would be responsible for initial movement followed immediately by a meeting of the entire board to finalize. Mr. Adams requested a motion to approve that document with the addition of those phone numbers.

On MOTION by Mr. Brougham and seconded by Mr. Robertson, all were in favor of approving the Hurricane Preparedness Plan with phone number revisions and additions.

STAFF REPORTS

Attorney

Mr. Pires stated that Jim Curland qualified, with no opposition, for a seat available on the district. He added that there was a question as to whether there can be communications between existing board members and Mr. Curland until such time as he is sworn into office. He responded that in his opinion, because Member Elections to the Boards are subject to the Sunshine Law, there can be no communications with Mr. Curland concerning any business that could come before the Board.

Mr. Pires stated that he began drafting an amendment to the Supplemental Maintenance Agreement and it will be up for discussion at the next meeting.

Mr. Adams commented that regarding the finalization of the Restoration Project, there should be an opportunity to videotape an entire right of way program and add it as an exhibit to that supplemental, identifying the new palate.

Mr. Adams stated that regarding the Cost-Sharing Inter-Local Agreement, at this point, Gulf Bay/CDD #2 is not interested in entering into the long-term Inter-Local Agreement for the cost-sharing. He added that it is; however, being done on the irrigation supply side since the two districts benefit because District #1 owns the pumping facilities and District #2 owns the water supply facilities. He commented that as the units increase in Fiddler's II, there will be a point

when both districts benefit. He also explained that eventually there will be a Fiddler's Creek #3 District.

Mr. Pires commented that regarding Mr. Adams' statement that the developer/District #2 has decided not to go forward, he is aware of no discussions regarding whether or not to go forward.

Mr. Adams stated that he indicated to them that, at this point, he did not believe it was in their best interest to enter into a long-term inter-local agreement.

Mr. Pires stated that, for the record, there is no implication that there were decisions made outside the public.

Mr. Adams agreed that there were no decisions made outside the public.

Engineer

Mr. Cole stated that there are three pay draws received this last month. He explained that the first one is the 1999 bond, requisition number 44 in the amount of approximately \$84,000. Conversation ensued regarding details of draw.

Mr. Cole added that the next draw is the 2002 bond, requisition number 47 in the amount of approximately \$344,000. Conversation ensued regarding details of draw.

Mr. Cole explained that the final draw is the 2005 bond, pay draw number four, which is approximately \$536,000. Conversation ensued regarding the details of the draw.

Conversation ensued regarding sidewalk ramps, district boundaries and number of units.

Manager – Unaudited Financials as of June 30, 2006

Mr. Brougham requested details of Securities on page one.

Mr. Wrathell responded that he is 99% confident they are money markets.

Mr. Brougham questioned why Contractual Services and Rentals and Leases are not showing 75% of budgeted expenses.

Mr. Adams responded that it is a timing issue.

Mr. Brougham questioned whether it is a billing lag for Landscaping as well.

Mr. Adams responded that it is a billing holdback regarding finalization of shrub pruning.

Conversation ensued regarding landscaping.

Mr. Brougham commented that under Irrigation Supply Services, Electrical is 182% and Supply System is 25%.

Mr. Adams responded that it is a posting error.

SUPERVISORS REQUESTS AND AUDIENCE COMMENTS

Conversation ensued regarding landscaping concerns.

Mr. Strain stated that, regarding the bench project, he was authorized to move forward with the engineers and the bench should be done by the next meeting.

Mr. Brougham reminded that all the benches must be within the right-of-way. Conversation ensued regarding right-of-way.

Mr. Brougham questioned Mr. Pires as to whether there was a response from Severn Trent in response to their last letter regarding their claim.

Mr. Pires responded that he had discussions with their attorney regarding the Pelican Marsh issue but nothing further. Mr. Brougham requested that Mr. Pires send a follow-up letter referencing their letter of four months ago.

Mr. Curland questioned whether the management company can be provided a copy of the Hurricane Preparedness Plan for each building.

Mr. Pires stated that he would be apprehensive disclosing it to the public due to Public Records Law. He explained that after September 11, 2001, the legislature modified the public records substantially so that records dealing with public utilities, infrastructure and security are exempt from disclosure.

Mr. Adams stated that he does not believe there would be an issue other than exposure of cell phone numbers, which could be eliminated.

Mr. Pires stated that the difficulty is that if it is given from one public agency to another it does not lose its exempt status, but once it is given to a private entity, outside the circle of public agencies, it may lose its exempt status.

A question was asked as to whether private home work vehicles are required to go through the construction entrance.

Mr. Adams commented that the intent is to focus as much of the heavy equipment traffic to 41.

Mr. Pires stated that the Board can adopt reasonable rules and regulations with regards to which type of vehicles can enter the district's facilities and at what point.

Conversation ensued regarding gate entrances.

ADJOURNMENT

**On MOTION by Mr. Brougham and seconded by Mr. Love,
with all in favor of adjournment.**

There being no further business, the meeting adjourned at 11:20 a.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman