

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

The regular business meeting of the Board of Supervisors of the Fiddler's Creek Community Development District was held on **Thursday, October 19, 2006 at 10:00 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

Also present were:

Chuck Adams	District Manager
Bob Casey	Assistant Regional Manager
Terry Cole	District Engineer
Anthony Pires, Esq.	District Counsel

Others present:

Bill Reagan	Bank of America
Mr. Yates	
Rich Peterson	
Ms. Brougham	

Call to Order

Mr. Adams called to order the meeting of the Fiddler's Creek Community Development District at 10:00 a.m. on Thursday, October 19, 2006 at the Fiddler's Creek Club and Spa, 3470 Club Center Drive, Naples, Florida 34114.

All supervisors were present with the exception of Supervisor Matire.

2. Consideration of refinancing the Series 1996 Revenue Bonds

Mr. Adams referred the Committee to copies of Bank of America documents. He indicated that Bill Reagan of Bank of America was present and would summarize the analysis.

Mr. Reagan briefly explained the process of refinancing of bonds. He advised that the bonds could not be refunded until May. He explained the concept of "advance refunded" bonds which involved re-issuing new debt by placing new bonds in escrow until the first call date. This allowed interest earnings to grow and provide for the premium. As a result, the residents would then pay for the new bonds issued at a lower rate.

Mr. Reagan stated that currently, the District had \$7.2 million in outstanding bonds with an upcoming November payment due. He stated that with developers pre-paying a portion, along with the normal principal and interest payment, the outstanding amount of bonds would drop down to \$6.7 million.

Mr. Reagan explained that these types of bonds were not accepted in the market place as they were special assessment bonds classified as high risk. He stated that in District 1, the 847 units assigned to the 1996 bond would be eligible for a reduction of its annual assessment payment.

A Board member advised that District 1 had some communities that were not involved in the 1996 bond issue.

Mr. Reagan advised that under federal guidelines, if an entity issued less than \$10 million of debt, the entity could be classified as a "bank qualified investor" which meant that banks and similar institutions could buy those bonds and deduct the interest on their corporate income taxes. He explained that special assessment bonds could be refunded in two ways: 1) through purchasing insurance or 2) by buying the bonds through the bank itself. Mr. Reagan suggested that the District consider authorizing the purchase, preparing and approving relevant documents by November, then closing the transaction January 1, 2007. He added that the savings would be about \$150 per unit, per year. He stated that regardless of which option the District chose, the purchase would not close until January, 2007. Mr. Reagan advised that if the District did not exceed the current \$6.7 million in outstanding bonds, no public hearing would be needed, which would save a lot of money.

A Board member asked if either option would involve exceeding the original term of the bond. Mr. Reagan responded in the negative.

A Board member asked about the risks to the District in choosing bank qualified bonds versus insured bonds.

Mr. Reagan advised there was probably more risk using insurance because there was no assurance of getting insurance.

A Board member asked if the bank qualified amount would be capped, in light of the possible need for another bond issue within the 2007 calendar year.

Mr. Reagan responded that the amount was not capped.

A Board member recalled that the District had an agreement for \$3.6 million with a final drawdown of \$2.8 million.

Mr. Robertson recalled a previous instance where the District had attempted to get a loan from Bank of America but was unsuccessful. He asked why the District should not go back to SunTrust Bank which treated the District favorably. In response, staff advised that Bank of America had selected bond counsel in that particular instance, and the individual chosen had not shared District's opinion regarding replacement of infrastructure.

Mr. Reagan apologized on behalf of Bank of America regarding this deal and explained that he was not advised of that particular transaction.

A Board member raised the issue of bank fees if the District went forward with these options presented.

Mr. Reagan advised that the only cost was bond insurance. He advised that the bank was happy to move forward with the District.

A Board member advised of the following Fiddler's Creek villages that would benefit from the refinancing of the 1996 bond issue: Isla del Sol; Mulberry Row, 1 and 2; Mallard's Landing; Bellagio; Pepper Tree; Cotton Green; Cascada; Bent Creek, Cardinal Cove; Deer Crossing 1 and 2; Whisper Trace and Hawks Nest.

A Board member asked when the bond would be retired.

Mr. Reagan advised that it would be retired in 2018.

On MOTION by Mr. Love and seconded by Mr. Robertson, all were in favor of directing staff to proceed with bank qualified paperwork.

Mr. Adams clarified the Board's motion and direction as follows: "the Board agreed to direct staff to work with Bank of America to construct the necessary documents for signature by the earliest possible date in November, together with a resolution capping the Wilma loan at \$2.8 million."

Mr. Adams recommended re-scheduling and moving up the November meeting date to November 15.

<p>On MOTION by Mr. Brougham and seconded by Mr. Love, all were in favor of moving the meeting to November 15, 2006 at 1 p.m.</p>
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3. Other Business

Mr. Brougham advised he had some items to bring up later under Supervisor Comments.

4. Staff Reports

a) Attorney

Mr. Pires spoke of Location #5 along the Lake and advised that the District did not own the easement at that location; rather the Foundation owned it. He stated that this easement appeared to encumber the area. He stated that the park benches could be placed at these locations if the Foundation assigned the easement over to the District.

b) Engineer

Mr. Cole advised that staff was waiting for a check from the developer in order to make a submittal to the County regarding the US-41 East Entrance. He advised that staff had held a few conference calls with FDOT and that staff had made a re-submittal the day before and was now awaiting the necessary permit to go forward.

Mr. Brougham stated that complaints from residents about traffic on Championship Drive were on the rise. He hoped that residents understood that all Board members along with the developer, engineering and legal team were not responsible for delays.

Ms. Schmitt suggested increasing security and police presence to better control traffic.

Mr. Brougham stated that the sheriff was having a problem with lack of manpower as the detail needed involved overtime hours. He added that the District might consider asking the sheriff to assign officers for additional regular duty and conduct additional radar control.

Rich Peterson spoke of dangerous speeding along Fiddler's Creek Parkway during early morning hours.

Mr. Brougham asked Mr. Adams to have a discussion with Mike Charbonneau regarding additional measures such as parking a car with an officer working nearby.

Mr. Brougham requested that staff ask the sub-station commander to park the old decoy patrol car along Championship Boulevard.

A Board member suggested that Mr. Adams provide a written report on the discussion with the sub-station commander to provide for better follow up.

Mr. Cole advised that there was one draw on the 2005 bond. He explained that work was done in the Phase 3 area and further out to the east. He added that the work consisted of road work, utility work and lake excavation. He stated that the total draw made was approximately \$861,000.

Mr. Brougham advised that member elect Mr. Curland who ran unopposed for Supervisor Matire's seat who would join the board on November 17, along with the winner in the election for Jim Robertson's seat on November 7.

c) Manager

Unaudited Financials as of September 30, 2006

Mr. Adams referred the Board to the updated financial reports and the reconciliation pages. He summarized changes made with regard to supervisor fees, management fees and field expenses. He advised that staff had made adjustments in the columns for September 2006. He advised that the auditor would make adjustments to the audit accordingly.

Mr. Adams referred to a voided check that threw off prior months' expenses for Wilma expenses. He explained that staff had received a check from a vendor which was a duplicate payment. He stated that this payment had to be credited back to the vendor and indicated where this adjustment could be found on the report.

Mr. Adams referred to the final page of the reconciliation section and advised that administrative expenses had erroneously been left out of the formula. He indicated that these balances had been adjusted across the board.

A Board member questioned the reconciliation figure of \$4,186,142 for total operating expenses, versus the year-to-date figure on page 4 "for period ending September 30," which was \$4,182,655.

Mr. Adams explained how the new figure of \$4,186,142 was arrived at.

A Board member questioned the figure of \$102,618 for hurricane cleanup.

Mr. Adams explained that this amount was driven by lingering invoices. He added that the amount to cover these expenses had been set aside when the initial draw had been made.

Mr. Brougham commented that he continued to be very concerned about the District's expenses for maintenance and repairs. He stated he was not comfortable with these high expenses.

Mr. Adams stated that these were extremely expensive programs.

Mr. Brougham asked whether it was appropriate to have TEM attend the next meeting to hold a discussion on gate control hardware/software security and the average costs. He also wanted to know whether the District had the best surge protection in place or whether better options could be explored.

Mr. Adams was willing to hold these discussions with staff.

Mr. Brougham suggested bringing the notes to financial statements up from the last page of the report and placing these into the section after the General Fund.

5. Supervisor's Request and Audience Comments

Mr. Brougham opened the discussion to the audience.

A resident asked if the CDD handled all the costs of the security system.

Mr. Brougham advised that the CDD handled all the costs of the gatehouse operation and safety personnel. The resident then asked why this cost was not pro-rated.

Mr. Brougham advised that it was pro-rated. He explained that for the next budget year, CDD #2 was making a contribution to CDD #1, Fiddler's Creek, of \$87,500 for the safety program including gate operation, patrol cars, and patrol personnel.

Mr. Yates stated that a letter received much more attention. He agreed that staff needed a written report of discussions held with the police about the speeding problem. Mr. Yates also spoke of trailers that posted speed limits electronically and suggested renting these and placing them along the roadway.

Mr. Adams advised that these units cost \$30,000. He stated that staff could request some from the sheriff's office for periodic usage.

Mr. Yates thanked those involved in the hurricane reconstruction efforts along Mulberry Row. He spoke of several lights that were out on Mulberry Lane. He stated that he had made a report on this but had not yet seen any repair crews.

Mr. Adams advised that these lights were repaired in groups.

Mr. Yates referred to the recently installed drainage system and advised there was a cover missing from a drain for about nine months. He stated that this had caused a problem with a child riding a bicycle. He stated that the drain was located along the sidewalk just past the entrance.

Mr. Adams stated that staff would take care of this.

Mr. Peterson also spoke of the traffic problem and asked about the construction schedule along 41.

Mr. Adams stated that by March, April or as soon as a permit was received, the developer would start construction.

Ms. Brougham asked about the commercial area that was recently cleared and how it would be maintained.

Mr. Cole advised that the area was being seeded.

Supervisor Comments

Mr. Love asked about the status of the car. Staff advised that the car had been delivered to the dealer. In addition, the contract documents were ready and the resolution would be added on at the November meeting.

Mr. Brougham recalled the Board's request for an explanation of the process by which developers constructed infrastructure then conveyed deeds to the District.

Mr. Pires advised that a detailed presentation was being prepared to address this item at the November meeting.

Mr. Brougham asked about the anticipated date for the new gate hardware/software system.

Mr. Adams advised that staff was working toward the November 1 date to have this installed for onsite employees.

6. Adjournment

On MOTION by Mr. Robertson and seconded by Mr. Brougham, all were in favor of adjourning the meeting at 11:15 p.m.


Secretary/Assistant Secretary


Chairman/Vice-Chairman