

MINUTES OF MEETING

MONTECITO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of Montecito Community Development District was held on **Tuesday, June 6, 2006, at 11:20 a.m.** at the office of Mercedes Homes, located at 6767 North Wickham Road, Melbourne, Florida 32940.

Present and constituting a quorum:

Ken Mitchell	Board Supervisor, Chairman
Bob Kush	Board Supervisor, Vice Chairman
Jim Sigmund	Board Supervisor, Assistant Secretary
David Barin	Board Supervisor, Assistant Secretary

Also present were:

Eric Dailey	District Manager, Rizzetta & Company, Inc.
Steve Murman	Representative, Rizzetta & Company, Inc. <i>(via speakerphone)</i>
Dennis Lyles	District Counsel, Billing, Cochran, et al
Brian Bussen	Representative, Mercedes Homes
Hazel O'Toole	Representative, Mercedes Homes
Scott Stearns	District Engineer, Bowyer-Singleton & Associates, Inc. <i>(via speakerphone)</i>

FIRST ORDER OF BUSINESS

Call to Order

Mr. Dailey called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

**Consideration of the Minutes of the Board
of Supervisors' Meetings held on May 2
and May 22, 2006**

Mr. Dailey stated that the next item on the agenda was the consideration of the minutes of the Board of Supervisors meetings held on May 2 and May 22, 2006 (behind tab 1). Mr. Dailey asked if there were any questions or comments to the minutes. There were none. Mr. Dailey asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board approved the minutes of the Board of Supervisors meetings, held on May 2 and May 22, 2006 for Montecito Community Development District.
--

THIRD ORDER OF BUSINESS

**Consideration of Operation and
Maintenance Expenditures for June 2006**

Mr. Dailey stated that the next item on the agenda was the consideration of the Operation and Maintenance Expenditures for June 2006 (under separate cover). Mr. Dailey gave a brief overview of the expenditures. The total amount of the expenditures was \$6,998.12. Mr. Dailey asked if there were any questions or comments. There were none. Mr. Dailey asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board approved the Operation and Maintenance Expenditures for June 2006 (\$6,998.12) for Montecito Community Development District.

FOURTH ORDER OF BUSINESS

**Consideration of Series 2006AB
Construction Requisitions #33-#46**

Mr. Dailey stated that the next item on the agenda was the consideration of the Series 2006AB Construction Requisitions #33-#46 (behind tab 2). Mr. Dailey gave a brief overview of the requisitions. Mr. Dailey asked if there were any questions or comments. There was a question regarding Requisition #40, which was payable to Phoenix Developers. Ms. O'Toole explained that this was a reimbursement. There were no further questions or comments. Mr. Dailey asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board approved Series 2006AB Construction Requisitions #33-#46 for Montecito Community Development District.

FIFTH ORDER OF BUSINESS

**Presentation of Department of
Environmental Protection Revision of
Permit Conditions**

Mr. Dailey stated that the next item on the agenda was the presentation of the Department of Environmental Protection Revision of Permit Conditions. He stated that this permit shows the transfer of the permit from Phoenix Developers to Montecito Community Development District. No action was required on this issue.

SIXTH ORDER OF BUSINESS

**Public Hearing on the Fiscal Year
2006/2007 Budget**

Mr. Dailey stated that the next item on the agenda was the public hearing on the Fiscal Year 2006/2007 Budget. He asked for a motion to open the public hearing.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board opened the public hearing on the Fiscal Year 2006/2007 budget for Montecito Community Development District.

Mr. Dailey presented the General Fund Budget Worksheet for Fiscal Year 2006/2007. The General Fund and the Debt Service Fund were reviewed. The collection cost will be removed since the District will be direct billing. The website was discussed. The Board requested Mr. Dailey send a link so several of other CDD websites so they can review what the District website may look like. The rest of the budget was discussed line by line. Mr. Dailey discussed the final budget adjustments to the Board.

Mr. Murman discussed the debt service budget with the Board.

Mr. Dailey stated that he will send a clean version of the proposed budget to the Board. There was no further discussion.

Consideration of Resolution 2006-12, Adopting the Fiscal Year 2006/2007 Final Budget

Mr. Dailey stated that the next item on the agenda was the consideration of Resolution 2006-12, Adopting the Fiscal Year 2006/2007 Final Budget, as amended.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board approved Resolution 2006-12, Adopting the Fiscal Year 2006/2007 Final Budget, as amended, for Montecito Community Development District.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board closed the public hearing on the Fiscal Year 2006/2007 budget for Montecito Community Development District.

SEVENTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel
Mr. Lyles stated that several items that have been approved in the past several months have been reduced to writing award bids on the construction entry gate. He stated that he is continuing to work with the City Attorneys office on the issue of the District's bond funds being utilized in lieu of posting subdivision bonds. This is still being reviewed by the City.
- B. District Engineer
Mr. Stearns discussed the separation between the A and B bonds. Ms. O'Toole explained this separation to the Board.
- C. District Manager
Mr. Dailey stated that the next meeting is scheduled for July 5, 2006 at 11:00 a.m.

EIGHTH ORDER OF BUSINESS

**Supervisor Requests and Audience
Comments**

Mr. Dailey stated that the next item on the agenda is Supervisor requests and audience comments. There were no audience members in attendance other than individuals identified at the beginning of the meeting. Mr. Dailey asked if there were any Supervisor requests. Mr. Bussen stated that under the interlocal agreement for Hightower Park, the Developer is contributing up to \$400,000 to the city, although the Developer is building the park modifications. He stated that the City wants the Developer to use the City architect, who has already designed, in other city parks, a bathroom facility. With the modifications that are needed for the facility, a proposed needs to be executed with the architect for \$12,950.00. The architect is Ruud & Zwick. Mr. Lyles stated that is below the threshold for CC & A process so if the Board is satisfied with the explanation, it is part of the interlocal agreement and the Engineers Report describing the project. He stated that can be approved, by motion.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board approved a proposal from Ruud & Zwick in the amount of \$12,950.00 for architectural design for Hightower Park for Montecito Community Development District.

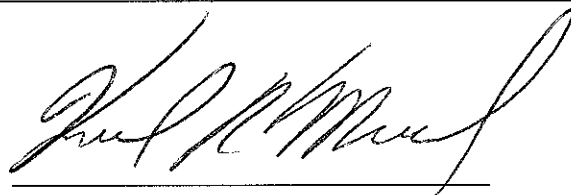
NINTH ORDER OF BUSINESS

Adjournment

Mr. Dailey stated that there were no other agenda items to come before the Board, so he asked for a motion to adjourn at 12:50 p.m.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board adjourned the meeting for Montecito Community Development District.


Secretary/Assistant Secretary


Chairman/Vice Chairman