

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**MONTECITO
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Montecito Community Development District was held on **Wednesday, October 1, 2008, at 11:05 a.m.** at the Montecito Beach Club, located at 208 Montecito Drive, Satellite Beach, Florida 32937.

Present and constituting a quorum:

Bob Kush	Board Supervisor, Chairman
Jim Sigmund	Board Supervisor, Vice Chairman
David Barin	Board Supervisor, Assistant Secretary
Marcus Cain	Board Supervisor, Assistant Secretary

Also present were:

Vivian Carvalho	District Manager, Rizzetta & Company, Inc.
Mike Pawelczyk	District Counsel, Billing, Cochran, Lyles, Mauro & Ramsey, P. A.
Rey Malave	District Engineer, Bowyer-Singleton Associates, Inc. <i>(via speakerphone)</i>
Hazel O'Toole	Representative, Mercedes Homes
Danielle Goodman	Representative, Mercedes Homes
Sharon Weber	Representative, Mercedes Homes
Stacey Oakey	Facility Manager, Amenity Services Group
Roy Deary	Representative, Amenity Services Group
Dan Fagan	Representative, Amenity Services Group
Brian Alderfer	Field Manager, Environmental Design Services
Kelly Evans	Representative, Rizzetta Amenity Services <i>(via speakerphone)</i>

Audience Members

FIRST ORDER OF BUSINESS

Call to Order

Ms. Carvalho called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

**Consideration of Appointment of New
Member to the Board of Supervisors**

Ms. Carvalho stated that the first item on the agenda would be the consideration of the appointment of a new Member to the Board of Supervisors.

Ms. Carvalho asked if there were any recommendations. There were none. Ms. Carvalho stated that this agenda item would be tabled at this time, as well as the next agenda item, Administer Oath of Office to Newly Appointed Member of the Board of Supervisors.

THIRD ORDER OF BUSINESS

**Consideration of the Minutes of the
Board of Supervisors' Meeting held
on September 2, 2008**

Ms. Carvalho stated that the next item on the agenda would be the consideration of the Minutes of the Board of Supervisors' Meeting held on September 2, 2008 (behind Tab 2).

Ms. Carvalho asked if there were any additions, deletions or corrections to the minutes as presented. There were none. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Barin, seconded by Mr. Sigmund, with all in favor, the Board approved the Minutes of the Board of Supervisors' Meeting held on September 2, 2008 for Montecito Community Development District.

FOURTH ORDER OF BUSINESS

**Consideration of the Operation and
Maintenance Expenditures for
September 2008**

Ms. Carvalho stated that the next item on the agenda would be the consideration of the Operation and Maintenance Expenditures for September 2008 (behind Tab 3).

Ms. Carvalho stated that the expenditures for September 2008 totaled \$23,830.26 for the period of August 1, 2008 through August 31, 2008. She asked if there were any questions or comments. There were none. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Barin, with all in favor, the Board approved the Operation and Maintenance Expenditures for September 2008 (\$23,830.26) for Montecito Community Development District.

FIFTH ORDER OF BUSINESS

**Ratification of Requisitions #585-#591,
Series 2006AB Special Assessment Bonds**

Ms. Carvalho stated that the next item on the agenda would be the ratification of Requisitions #585 through #591, Series 2006AB Special Assessment Bonds (behind Tab 4).

Ms. Carvalho stated that all requisitions have been reviewed by the District Engineer and the Vice Chairman.

Ms. Carvalho asked if there were any comments or questions. General discussion ensued. Ms. Carvalho asked for a motion to ratify Requisitions #585 through #591.

On Motion by Mr. Barin, seconded by Mr. Cain, with all in favor, the Board ratified Requisitions #585 - #591, Series 2006 AB Special Assessment Bonds for Montecito Community Development District.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2009-01,
Re-Designating Assistant Secretary**

Ms. Carvalho stated that the next item on the agenda would be the consideration of Resolution 2009-01, Re-Designating Assistant Secretary (behind Tab 5).

Ms. Carvalho requested that David Berman, of Rizzetta & Company, be appointed as Assistant Secretary for signatory purposes, due to the impending retirement of BJ Coryer. She asked if there were any questions or comments. There were none. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Barin, seconded by Mr. Cain, with all in favor, the Board approved Resolution 2009-01, Re-Designating Assistant Secretary (David Berman) for Montecito Community Development District.

SEVENTH ORDER OF BUSINESS

**Review of Contracts Executed by the
Chairman Pursuant to Resolution 2006-14**

Ms. Carvalho stated the next item on the agenda would be the review of contracts executed by the Chairman pursuant to Resolution 2006-14 (behind Tab 6).

Ms. Carvalho reviewed the LSP Landscaping contract briefly for the Board. She asked if there were any questions. There were none.

Ms. Carvalho asked for a motion to ratify the contract executed by the Chairman pursuant to Resolution 2006-14.

On Motion by Mr. Cain, seconded by Mr. Sigmund, with all in favor, the Board ratified the Contract Executed by the Chairman pursuant to Resolution 2006-14 for Montecito Community Development District.

EIGHTH ORDER OF BUSINESS

**Consideration of Hoyman Dobson
Engagement Letter**

Ms. Carvalho stated that the next item on the agenda would be the consideration of the Hoyman Dobson Engagement Letter (behind Tab 7).

Ms. Carvalho stated that this Engagement Letter would be for Hoyman Dobson to conduct the Fiscal Year 2008 audit. She stated that Hoyman Dobson did increase its price over what was budgeted. Ms. Carvalho stated that the District budgeted \$9,500 for the 2007/2008 audits and Hoyman Dobson increased their price to \$10,500. Ms. Carvalho stated the District is due for an Audit RFP in 2009. A brief discussion ensued.

Ms. Carvalho suggested that if negotiation with Hoyman Dobson is not successful to reduce the fee to \$9,500, the Board could start the RFP process now.

Ms. Carvalho asked if there were any questions or comments. There were none. Ms. Carvalho asked for a motion to authorize District Staff to negotiate with Hoyman Dobson to reduce the fee to \$9,500, and if negotiation is not successful, authorized District Staff to advertise a RFP for auditing services.

On Motion by Mr. Cain, seconded by Mr. Sigmund, with all in favor, the Board authorized District Staff to negotiate with Hoyman Dobson to reduce the fee to \$9,500; and if negotiation is not successful, authorized District Staff to advertise a RFP for auditing services for Montecito Community Development District.

A Board Member stated for the record that the 2008 Audit Report must be filed by September 30, 2008.

NINTH ORDER OF BUSINESS

Review of Amenity Services Comparison Analysis

Ms. Carvalho stated that the next item on the agenda would be the review of the Amenity Services Comparison Analysis (behind Tab 8).

Ms. Carvalho stated that at the last meeting the Board requested a comparison analysis of the current and proposed ASG contracts. She stated that a revised ASG contract, along with the proposals from two other firms had been provided to the Board. She stated, in addition to that proposal it also included pricing if the District were to hire a District employee as opposed to a management company. General discussion ensued.

TENTH ORDER OF BUSINESS

Discussion Regarding Revised ASG Proposal

Ms. Carvalho stated the next item on the agenda would be the discussion regarding the Revised ASG Proposal (behind Tab 9).

Ms. Carvalho briefly reviewed the Revised ASG Proposal. She stated that there was an increase in the Facility Attendant hours from October through May and June through August; there was a reduction on the Full Time Manager salary from \$55,950 to \$54,900; and the actual pool services are now \$12,600 without chemicals. General discussion ensued. The Board decided to accept the ASG Revised Proposal; keeping ASG on until further notice with the exclusion of \$12,600 for pool services and revising the bid by \$40.

Ms. Carvalho asked if there were any questions. There were none. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Barin, seconded by Mr. Sigmund, with all in favor, the Board approved the Revised ASG Proposal for Montecito Community Development District.

ELEVENTH ORDER OF BUSINESS

Review of Financials

Ms. Carvalho stated the next item on the agenda would be the review of Financials.

Ms. Carvalho stated that total annual expenditures of \$482,875.00 were budgeted; year-to-date, the District has expended \$384,201.00 and the year-to-date variance is \$58,435.00 as of August 31, 2008. She stated that the construction account funds remaining as of August 31, 2008 were \$898,547.59 in the 2008 Bond and \$6,083,251.06 in the 2006B Bond. General discussion ensued.

Ms. Carvalho asked if there were any questions or comments. There were none.

TWELFTH ORDER OF BUSINESS

New Business

Ms. Carvalho stated that the next item on the agenda would be New Business.

Ms. Weber stated that the general contractor hired to do the work on the Clubhouse had undersized the drainage system; there was a meeting September 19th between Mercedes Homes, Rizzetta & Company, the architect and the contractor and subsequently the architect redesigned a separate drainage system that will pick up any of the water that is needed. She stated that the cost and construction is Glover's responsibility and Glover is currently working with a subcontractor to schedule construction dates.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Pawelczyk stated that the agreement for Project Management Services was brought to the Board in August for informational purposes. He stated the Developer has requested to be compensated for its land development management services. Mr. Pawelczyk stated that up to this point the Developer had been performing these services at no cost to the District because the original thought was that there weren't enough funds in the Bond proceeds to cover the cost for land development management services.

Mr. Pawelczyk stated the Developer has requested that an agreement be prepared retroactive to August 2008 stating that the Developer will be paid 5% of the proceeds that are paid out to the contractor from the Bond proceeds for these services.

Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Cain, with all in favor, the Board approved the Agreement for Project Management Services subject to final review by the District Counsel and the Developer for Montecito Community Development District.

B. District Engineer
No report.

C. Field Manager

Mr. Alderfer stated that per Mr. Barin's request he reformatted the monthly Field Manager Report. He gave a brief overview of all the repairs that need to be made. He stated he will check all the timers and make sure they all work properly. Mr. Alderfer reported the front door was reinstalled by Glover; the second pump station was down; and the pump had a leak in the system which has been repaired. He stated that he spoke with Lake Doctors and they are waiting on a permit to install the grass carp. Mr. Alderfer stated that there is a pending proposal for grading and the sod work by the new sidewalk that was installed; once that proposal is signed that work can be completed. He stated the wall fountains on the South Patrick Drive entrance are not working; the pool company determined that one of the fountains has a bad pump and another has a bad refill system; they will provide a proposal to repair both of the fountains. Mr. Alderfer stated that on the north sign wall of the South Patrick Drive entrance, one of the foam column has fallen and is laying down in the bank area. He stated that he called McMaster Construction for a recommendation and proposal on how to repair the column. Mr. Alderfer stated the pedestrian gate by South Patrick Drive has been severely damaged, and he is working getting a proposal to repair the gate. He stated the entry gate on the Shearwater Parkway entrance has been hit by a car; he has been in contact with the gate company and will forward them a picture of the damage to obtain a repair proposal. Mr. Alderfer stated that he has given everyone one month to perform all repairs to the property. He stated that he would like to come up with a schedule for all the plant beds, mulching and annuals. He stated he will bring the information to the next meeting.

D. Facility Manager

Ms. Oakey stated that there has been an ongoing problem with vandalism. She stated that two weeks ago the police had to be called out because four granite tiles were broken on the outside tables; apparently the tables and furniture are being used to climb the fences. She stated that in addition there was also marijuana found on the tables twice, as well as beer bottles, broken glass and cigarettes; fans were also broken. Ms. Oakey anticipated that once the cameras are installed that will eliminate the issue. Ms. Carvalho stated the cameras will be installed mid-October and will go live in November. Ms. Oakey stated that there was a CDD Workshop and the residents requested that all the preventive actions being taken be put in the community newsletter.

Mr. Alderfer requested that a two-way communication be set up between the property officials and the residents so he can address any issues they may have. A Board Member suggested adding this information along with the information regarding the cameras to the CDD website and community news letter.

E. District Manager

Ms. Carvalho stated that the next regularly scheduled meeting will be held on Wednesday, November 5, 2008, at 11:00 a.m. at the Montecito Beach Club, located at 208 Montecito Drive, Satellite Beach, Florida 32937.

Ms. Carvalho stated there was a productive outcome at the CDD 101 Workshop. She stated that Larry Whitney (resident) generated a list of questions prior to the meeting. She stated that she will follow up with the Developer on certain issues. Ms. Carvalho stated that the front door was replaced and a Front Door Maintenance Program needs to be in place to maintain and reseal that door due to the heat exposure. Ms. Carvalho stated that she has contacted MAI Architecture regarding a proposal on the options for a canopy for the door.

Ms. Carvalho stated at the previous meeting the Board approved the Policies and Rates Public Hearing which will be held at the November 5, 2008 meeting.

Ms. Carvalho stated that she is working with Brian Alderfer to obtain proposals for the lighting in the parking lot, which will be brought before the Board at the next meeting. General discussion ensued.

On Motion by Mr. Barin, seconded by Mr. Sigmund, with all in favor, the Board set the Public Hearing for Rule Making for Rate Setting to be held on Wednesday, November 5, 2008 at 11:00 a.m. at the Montecito Beach Club, located at 208 Montecito Drive, Satellite Beach, Florida 32937, and authorized District Management to advertise the Public Hearing for Montecito Community Development District.

FOURTEENTH ORDER OF BUSINESS

**Supervisor Requests and Audience
Comments**

Ms. Carvalho stated that the next item on the agenda would be Supervisor requests and audience comments. Ms. Carvalho asked if there were any audience comments. Larry Whitney briefly reviewed the information that was presented at the meeting.

Ms. Carvalho asked if there were any Supervisor requests. There were none.

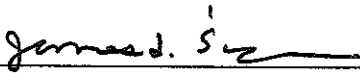
FIFTEENTH ORDER OF BUSINESS

Adjournment

Ms. Carvalho stated that there were no other agenda items to come before the Board. Ms. Carvalho asked for a motion to adjourn the meeting.

On Motion by Mr. Sigmund seconded by Mr. Cain, with all in favor, the Board adjourned the meeting at 12:55 p.m. for Montecito Community Development District.


Secretary/Assistant Secretary


Chairman/Vice Chairman