

**MINUTES OF MEETING
FIDDLER'S CREEK
COMMUNITY DEVELOPMENT DISTRICT #1
AND
COMMUNITY DEVELOPMENT DISTRICT #2**

The joint business meeting of the Board of Supervisors of the Fiddler's Creek Community Development District #1 and the Fiddler's Creek Community Development District #2 was held on **Wednesday, February 28, 2007 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:

For Fiddler's Creek #1:

Phillip Brougham
Alexander Love
Peggy Schmitt
James Robertson
James Curland

Chairman
Vice Chairman
Assistant Chairperson
Assistant Secretary
Assistant Secretary

For Fiddler's Creek #2:

Clifford (Chip) Olson
James Robertson
Gretchen Scott

Chairman
Vice Chairman
Assistant Secretary

Also present were:

Chuck Adams
Robert Casêy
Corinne Norton
Terry Cole
Anthony Pires, Esq.

District Manager
Assistant Regional Manager
Assistant Regional Manager
District Engineer
District Counsel

Others present:

Ron Albeit
Mike Charbonneau

Fiddler's Creek Foundation
Fiddler's Creek Foundation

CALL TO ORDER

Mr. Casey called to order the joint meeting of the Fiddler's Creek Community Development Districts #1 and # 2 at 10:00 a.m.

FIDDLER'S CREEK CDD # 2 ITEMS

APPROVAL OF MINUTES OF THE JANUARY 24, 2007 MEETING

On MOTION by Mr. Olson and seconded by Ms. Scott, all were in favor of approving the January 24, 2007 minutes.

STAFF REPORTS

Attorney

It was stated that the Board needed to seek a replacement Supervisor for Art Woodward. Mr. Pires advised that it was the Board's discretion to send out letters to members of the community or make an announcement on the website to solicit members if you wish.

Mr. Adams stated that the commitment was made by the developer to send a possible candidate to this meeting but this did not occur. He suggested that the Board could allow the developer another opportunity to send this individual or consider other nominations for the appointment. He added that a meeting could be held specifically to address this issue.

Ms. Scott asked can you schedule the March meeting and give the developer a week to submit a name and if you do not get a name, advise the Board and we will begin the nominating process?

Mr. Adams responded we will do that.

Mr. Pires stated if any Board members have names of individuals that they feel would be appropriate, provide the information to Mr. Adams so that he can contact them and get a resume from these individuals.

A brief recess was announced as Sheriff Hunter had arrived to give his presentation.

PRESENTATION BY SHERIFF DONALD HUNTER OF COLLIER COUNTY SHERIFF'S DEPARTMENT

The Board members welcomed Sheriff Hunter of the Collier County Sheriff's Department.

Sheriff Hunter stated that each year the county was required to report crime numbers to the state which were then forwarded to the FBI. He advised that contrary to crime increases in other areas of the country, Collier County would see another 6% decline in significant Part 1 crimes such as murder, rape, robbery, aggravated assault, burglary, larceny and motor vehicle theft. He stated that this would result in a significant drop in the rate of crime with regard to the overall population. Sheriff Hunter then introduced Lieutenant Rich Gibbons who commands District 3. He explained that District 3 is unique because you have two substations. One is located on Marco Island and one is located in the East Naples area. He explained that Fiddler's Creek was sandwiched between the Marco Island and East Naples substations. He stated that the department focused on career criminals and those connected with organized criminal groups and gangs. He further stated that his department also worked closely with immigration customs enforcement and had deported some offenders already. He further stated that one of the assistant directors at the FBI had recommended that the Los Angeles Police Department visit Collier County to study its successful enforcement efforts.

Sheriff Hunter also spoke of the important issue of traffic violations nationwide. He advised that according to the World Health Organization report, traffic violations were the ninth leading cause of death worldwide and were a global health and safety concern. He stated that in 2006, the department had written a record number of citations to residents and visitors to the county. He stated that for two years running, Collier County had received the top award in the country for its traffic enforcement programs. He added that he and Lieutenant Gibbons were taking a keen interest in Fiddler's Creek's specific issues.

Chairman Brougham spoke of ongoing concerns raised by residents about the volume of traffic on Championship Drive and about excessive speeding, particularly at rush hour, which is when all of our construction and staff workers come in through the gate. He also commented on the "apparent" lack of visibility of the Sheriff's department on patrol within Fiddler's Creek and asked that Sheriff Hunter address these points.

Sheriff Hunter stated his department had no control over congestion on the roadways. With regard to visibility, he stated that when police vehicles were put in a congested area, this slowed traffic down and caused further congestion which caused further violations. He spoke of the difficulty his agency had of handling about 600,000 service calls with about 700 personnel spread across two shifts, in a population of close to 400,000 in peak season. He explained that factors such as the call load for Part 1 crimes and medical alarms affected whether officers would be seen on a traffic detail at a particular moment. A burglary takes precedence over a traffic issue. A medical alarm will also take precedence over traffic enforcement. If you have a limited number of people assigned to a particular area (this is Zone E "Echo" of District 3) and you have one person assigned to E-Echo on a shift, you are not likely to see them on a traffic detail depending upon the call load. He stated that Lieutenant Gibbons had the authority to call in the Safety and Traffic Enforcement Bureau (STEBS) to assist with the traffic detail. He also spoke of the use of the Speed Monitoring and Recording Trailer as a helpful traffic calming device. He stressed that his department was willing to work with the District to slow traffic down as best as possible.

Chairman Brougham invited residents to ask the Sheriff questions.

A resident commented on a recent incident of human trafficking and asked whether east coast crime was crossing over to Collier County. Sheriff Hunter spoke of the activities of smugglers who had been landing at the port over the last four to five years. He stated that there had been a downturn in this activity on the west coast of about forty percent. He stated that his department monitored the boat ramps and were making successful arrests. He responded affirmatively that the west coast had been experiencing crime issues from the east coast since Hurricane Andrew.

A resident commented that traffic monitoring devices had been used on Championship Boulevard and Fiddler's Creek Drive and asked about the input that was recorded. He also asked if the Sheriff's department had any input with the DOT with regard to a possible traffic light in front of Fiddler's Creek 2. Sheriff Hunter stated that the traffic monitoring input would be provided to the Board as soon as possible. He stated that this would show the number of violators of speed compared to the total traffic pattern. Sheriff Hunter added that his department had very little influence over FDOT or the Federal Department of Transportation as they did their own

monitoring, traffic counts and decision making regarding traffic signals at particular intersections.

A question was raised about the response time for a 911 call to Fiddler's Creek. Sheriff Hunter stated that response time to the District was about six minutes. He stated that this was a typical city or municipal response time. He explained that priorities were assigned to calls as follows: Priority 1 - a crime in progress or an imminent crime; Priority 2 - a crime that had already been committed; Priority 3 - an old crime with delayed reporting; Priority 4 - community service issues.

A question was also raised as to whether cameras would be at intersections to catch traffic violators in the future. Sheriff Hunter advised that this was a legislative priority and that his department had been working on this for three years. He stated that there appeared to be a hang up in the legislature with regard to this issue and privacy. He added that he was not optimistic about this effort being successful this year but would keep trying.

A question was raised regarding widows and potential fraud crimes. Sheriff Hunter spoke of an old scam used to get enough information to drain individuals' bank accounts. He stated that his department would stay current and publish information on this issue.

A question was raised as to whether Sheriff Hunter had statistics on other crimes in Fiddler's Creek. Sheriff Hunter stated he did not bring this data with him but recalled some burglaries going back two years. He stated that there were no Part 1 crimes reported in the past six months for Fiddler's Creek. He stated he could not recall any Part 2 crimes but spoke of theft from construction sites. He stated that Fiddler's Creek was in very good condition where crime was concerned.

Chairman Brougham thanked Sheriff Hunter for addressing the Board and residents.

Sheriff Hunter requested the Board's permission to leave documents and information with regard to immigration policies. He encouraged all present to look at the report issued by Mike McCaul summarizing the issue of foreign nationals illegally present in the United States and the impact this had on public safety. He stated that it was important for everyone to read further on this issue and communicate their views to Senator Martinez. He voiced his opposition to the direction being taken thus far with regard to immigration law.

[End of Tape 1, Side A]

[Start of Tape 1; Side B]

STAFF REPORTS

Mr. Casey reconvened the meeting at 11:15 a.m.

Engineer

Mr. Cole distributed pay draws that had been processed in the last month. He indicated draw #42 in the amount of approximately \$190,000 and explained that this covered work done in Phase 4, Unit 1 and some work done on Sandpiper Drive.

Mr. Cole indicated the second pay draw for the 2005 Series Bonds and draw #13 for approximately \$2.4 million. He advised that \$1.6 million was for lake excavation work. He also referred to work done in Phase 5, Unit 2 for the amount of \$706,000. He spoke of work done on Lake 65, Phase 2, an extension of the county canal on the north side of Phase 5, Unit 2. He also referred to preparatory work done on US-41 for the turn lane construction. He added that the right-of-way had been cleared and that these improvements would be taking place over the next few months.

A question was raised as to why Fiddler's Creek #2 capital improvement fund expenditures were not on the report. Mr. Casey indicated he would address this.

A question was raised about the status of the west entrance. Mr. Cole advised staff had met with the DOT the previous week and was compiling the application packet for submittal. He stated that generally, the DOT was in agreement with the concept being proposed for the west entrance. He stated that several years ago, the District had submitted conceptual information to the DOT for the west entrance which had been approved. He explained that after a change in personnel, the DOT was adamant about relocating the entrance to the intersection illustrated. He added that the developer had also decided to relocate the entrance. He stated that the District had put its efforts into the east entrance over months of submittals and revised traffic studies related to both entrance locations. He stated that staff was focusing on getting the construction entrance done now that the permit had been received. He anticipated that this would be open by summer.

Manager - Unaudited financials as of January 31, 2007

A question was raised about improvements and renovations that had cost \$14,000 versus the \$10,000 budgeted. Mr. Casey stated that this was for new landscaping services. Mr. Casey stated he would provide an account detail for improvements and renovations.

Ms. Scott asked about the status of the boardwalk maintenance. Mr. Casey stated this was brought up at the Master Association meeting and that the developer had the responsibility of maintenance. It was stated that Ron Albiet of the Fiddler's Creek Foundation had agreed to take care of looking at replacing boards and repainting where needed.

Ms. Scott asked whether two reserve spaces were still needed out front since the corporate office had vacated the building.

Ms. Scott asked whether two parking spaces were needed for security as one vehicle was supposed to be driving throughout the community.

ADJOURNMENT - FIDDLER'S CREEK #2

On MOTION by Mr. Olson and seconded by Ms. Scott, all were in favor of adjourning.

FIDDLER'S CREEK CDD #1 ITEMS

*[Tape 2; No audible conversation on tape for the following two items.]

CONSIDERATION OF FINAL ENGINEER'S REPORTS FOR PHASE I AND PHASE II FROM HOLE MONTES

On MOTION by Mr. Brougham and seconded by Mr. Love, all were in favor of accepting the final Engineer's Report for Phase 1.

On MOTION by Mr. Love and seconded by Mr. Curland, all were in favor of accepting the final Engineer's Report for Phase 2.

APPROVAL OF MINUTES OF THE JANUARY 24, 2007 MEETING

On MOTION by Mr. Brougham and seconded by Mr. Love, all were in favor of approving the January 24, 2007 minutes as amended.

*[Dialog on Side A begins mid-discussion.]

Manager - Unaudited financials as of January 31, 2007

Chairman Brougham stated that as far as his research went, deficiencies did not appear on balance sheets as receivable items. He stated that previous external audits that he had been privy to did not point out this deficiency to the Board of Supervisors. He questioned what the outside auditors were being paid to do, if obvious items as to budget versus actual on a revenue line were not pointed out. Mr. Casey stated staff would research this.

Chairman Brougham stated that the District Attorney had recommended that the Board direct the District Manager and Counsel to draft a letter on behalf of the Board to the developer citing preliminary findings and indicating that all parties would conduct due diligence with respect to past assessments versus revenues paid. He also commented that it was the Board's discretion whether to put the developer ERU units on the tax roll. He stated that historically, this had not been done; however, if there were any deficiencies, he felt they should be considered for the next fiscal year. At least in the 2006 fiscal year, there was a deficiency of \$69,000.00. Those are monies that our residents have not had benefit of, plus any accrued interest that we could have received on those funds.

On MOTION by Mr. Brougham and seconded by Mr. Love, all were in favor of directing the District Manager, in consult with the District Attorney, to draft a letter to the developer citing preliminary findings and asking for their cooperation to resolve the issues of fact.

Chairman Brougham stated that he hoped someone could produce a record of payments that were made as these had not appeared on the financial reports, and he felt this pointed the finger back to the District Manager.

VERBATIM DISCUSSION ON MOTION

Mr. Love: I have one point of discussion.

Mr. Brougham: Absolutely.

Mr. Love: When we have an ERU, that basically becomes when there is an approval or finished product, a CO, right? If the unit is sold, then it becomes a tax record. If the unit is not sold, then the developer still owns it, but he has a CO on the product, that's what we're talking about, right?

Mr. Brougham: Not with CO's. It's platted units. Platted units may or may not even have a structure on them. Am I correct in saying that?

Mr. Casey: That's correct.

Mr. Brougham: It's platted units. Now they may choose not to build on a platted unit, but they still have to pay that portion once those ERU's are certified through Alice Carlson's office. They still owe an assessment on it, whether they build on the property or they don't build on the property.

Mr. Brougham: All in favor?

All Board Members: Aye.

Mr. Brougham: Opposed? Thank you.

Mr. Robertson suggested that the first step should involve checking that the numbers were in fact correct.

Chairman Brougham agreed and reiterated that the motion just passed directed that a letter be written to the developer based on preliminary unaudited numbers taken from District financial reports that were of public record. He felt the recommended next step was to retain an independent, outside auditor, unless someone could produce the checks and facts showing the funds were paid or that the budget number in the report was incorrect. He then stated if there is any validity to this, if I were Gulf Bay, I would not pay one nickel until we have had an outside audit. That would be the next course I would recommend to the Board. We should employ an independent outside auditor, and not the auditors that we have historically employed because I think they may be part of the problem. I think it is important that all three parties concerned put their heads together and figure out what the issue is and report back to the Board, and I would request that they report be given back to the Board on an interim basis by email prior to next

month's meeting. I do not want to wait a month. I think this is significant enough on both sides of the issue that we need aggressive action and early reports back to the Board individually.

Mr. Casey stated staff would address this over the next couple of weeks.

Chairman Brougham stated that he did not think there were any plans to make Championship Boulevard a four-lane road. Mr. Cole concurred.

Chairman Brougham asked whether there was any restriction by ordinance to making the entire length of Championship Boulevard a no-passing zone with a double yellow line and appropriate signage.

Mr. Cole stated he needed to look into this. Normally on a local road, it's not an issue.

Chairman Brougham stated I noticed per my request to the County, they double striped from 951 down Championship to the front gate, and that's "No passing". That may be another preventive measure we could put in if we could double yellow line that and put up "No Passing" signs because three weeks ago, an SUV went around me and I was going 35 miles per hour and he passed me.

ADJOURNMENT - FIDDLER'S CREEK #1

On MOTION by Mr. Love and seconded by Mr. Brougham, all were in favor of adjourning at 1:10 p.m.

For Fiddler's Creek #1:


Secretary/Assistant Secretary


Chairman/Vice Chairman