

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

The regular business meeting of the Board of Supervisors of the Fiddler's Creek Community Development District #1 was held on **Wednesday, March 28, 2007 at 10:16 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
Alexander Love	Vice Chairman
James Robertson	Assistant Secretary
James Curland	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Bob Casey	Assistant Regional Manager
Corinne Norton	Assistant Regional Manager
Craig Wrathell	Treasurer and Assistant Secretary
Terry Cole	District Engineer
Anthony Pires, Esq.	District Counsel

CALL TO ORDER

Mr. Casey called to order the meeting of the Fiddler's Creek Community Development District #1 at 10:16 a.m. He advised that all Supervisors were present with the exception of Supervisor Schmitt.

PRESENTATION/DISCUSSION ON ASSESSMENT REVENUE VARIATIONS.

Chairman Brougham spoke of his reasons for bringing up this item. He stated that based on the published year end financial records, it appeared as if the District had been "shorted some

money from the developer.” He stated that emails and analysis done by Mr. Adams and Mr. Wrathell indicated that the developer had paid to date from 2001 forward. Mr. Brougham asked for clarification on the following question: “If we assess on-roll assessments of \$1 million, what are the fees associated and how are they reflected, not only in the budgeted assessment or the budget, but when the final collections come?” Mr. Brougham stated that per discussions with Madonna at WHHA, some of the fees had been turned back in November of the last fiscal year from the Tax Collector. He felt the issue became confusing regarding what was adopted as a budget, what portion of this consisted of fees, and what portion was returned after the fiscal year. He requested that Mr. Adams talk the Board through the entire process, focusing on the fact that the District’s financial reports did not fully reflect assessment payments received prior to the close of the fiscal year.

Mr. Adams explained that he had highlighted the General Fund Budget on Exhibit 1 which showed the total on-roll and off-roll assessment of \$1,762,451. He stated that there was a timing issue involved when year was closed out on September 30, but the District continued to accrue expenses and revenues. He stated that the financial reports dated September 30 did not show close-outs until mid-November, by which time the Board was receiving financials for the new fiscal year. He suggested that going forward, management could prepare a final closeout set of financials that took into account these accruals. Summary of the data was as follows:

Mr. Adams referred to Exhibit 1, which reflected a total assessment of \$1,764,451 for both on-roll and off-roll assessments.

Mr. Adams referred to Exhibit 2, which reflected the on-roll collections, actual collections, and the difference of under \$69,000. He explained that the \$69,000 reflected the discount and tax collector fees. He added that in Collier County, the Tax Collector held these fees back and presented the District with the net difference.

Mr. Adams referred to page 17, a copy of the 2005 audit, which reflected the actual assessments collected, including the originally budgeted assessment amount of \$1,762,451 and the actual assessment collected which was \$1,693,451 -- both on roll and off roll. He stated that the \$69,000 difference was related to discounts and tax collector fees. He stated that this factored in the accruals of outstanding revenues due from the developer, final billings for September that came in after October 1, and any unused fees coming back to the District from Collier County.

Mr. Adams referred to the final spreadsheet dated 2005, which reflected all revenues the county received from governmental entities for the purposes of placement on the property tax bill. He stated that the county provided this reconciliation along with a check to each governmental entity.

Mr. Adams advised that the District had received final payment on the off-roll assessments from the developer on October 16. He added that the District had received unused fees back from the Tax Collector on November 10. He stated that at that time funds were credited back to 2006 financials.

Mr. Brougham commented that the remittance of fees flowed back to the District well after the close of the fiscal year.

Mr. Wrathell explained that the timing issue being discussed was not a unique situation but was standard throughout Florida. He stated that the District received its tax bills every November. He added that the District needed to complete its budget process in time to get the information to the Tax Collector and ensure the property appraisal rolls were correct. He added that every local government dealt with this issue as their books closed out on September 30. He pointed out that the budget was adopted before management knew what the actual on-roll and off-roll numbers would be. Mr. Wrathell stated that there were agreements and mechanisms in place stipulating that if the developer committed to building a certain number of units but lost some of those units, the developer was responsible for those bond obligations. Mr. Wrathell suggested that the appropriate step going forward was to provide another report to the Board entitled "Revised Unaudited September 30 Financials." This document would reflect exactly what the auditors were given, once accrued revenues and expenditures beyond September 30 were accounted for.

Mr. Brougham stated that he had sent an email to Madonna several weeks earlier regarding a recurring item on the balance sheet indicating that \$35,118 was due from the developer. He questioned why this item remained on the balance sheet for years if it was from an "ancient history audit in 2001 and 2002" as Madonna stated. Mr. Wrathell explained that this money had come in and the prior management company had allocated it incorrectly to the General Fund. Mr. Brougham stated that prior to the next audit, he wished to have a discussion with respect to prior audit formats.

DISCUSSION ON PROPOSED REVISION TO SECURITY POST ORDERS

Mr. Adams referred to a document outlining the policies and procedures regarding gate post orders and roving patrol. He requested that the Board review this and provide comments at the next meeting. He spoke of revisions and updates he had made to the document. He added that an item had been introduced concerning private property and traffic congestion. He explained that each guest would be provided with a community map that identified roads owned by the CDD versus private roadways.

Mr. Brougham stated that some residents wanted all service and delivery personnel to come through the main gate or the construction gate. Mr. Adams suggested it might be healthy to continue this discussion at the April meeting. He advised that June 1 was the anticipated date for these orders to go into full effect and for the construction gate to open off US-41. He stated that all construction traffic would then relocate from Championship Boulevard to US-41. He stated that within the document were procedures for the general public, residents and staff that pertained to the use of the new access control system.

Mr. Pires advised that adopting these orders by resolution was necessary. He recommended language that stipulated these orders were adopted by the Board and could only be modified or revised by the Board. He stated that the District was ultimately responsible for what happened if someone was improperly denied access.

It was requested that staff address the issue of access for individuals involved with resales or open houses. Mr. Adams stated this would fall under page 10, Resident Guest Registered.

Further discussion followed on this topic.

Mr. Brougham stated he still wanted to have a meeting with TEM to look at their hardware and software program and its capabilities.

CONSIDERATION OF RESOLUTION 2007-5 AMENDING THE FISCAL YEAR 2006 GENERAL FUND BUDGET

Mr. Brougham questioned the need for this amendment. Mr. Adams explained that in Fiscal Year 2006, there were many costs that were not included in the original budget, largely due to Hurricane Wilma. He explained that this revision was meant to "true up" certain line items that were expended beyond the budgeted amount. Mr. Brougham pointed out that not all

expenses had been addressed in this revision. Mr. Adams requested deferring this item to "true up" all line items of concern.

This item was tabled to the next meeting.

APPROVAL OF MINUTES FOR THE FEBRUARY 28, 2007 JOINT MEETING

Board members provided corrections to the minutes. After further discussion, the Board requested that staff bring the minutes back with additional details as discussed. Mr. Brougham requested staff's cooperation and diligence in carrying out directives set by the Board.

On MOTION by Mr. Brougham and seconded by Mr. Love, all were in favor of approving the pay draws as described.

OTHER BUSINESS

STAFF REPORTS

a) Attorney - Maintenance Agreement supplemental on agenda.

Mr. Pires asked the Board to keep in mind that access control records maintained by any vendor for the District could be construed as public records. He advised that these needed to be maintained appropriately pursuant to public records law.

Mr. Brougham asked whether it was appropriate for the District to periodically test the access procedures. Mr. Pires responded affirmatively. He explained that as a follow up to the November 2006 discussion with Mr. Harris of Greenberg Traurig, the District had an amendment for a certificate associated with the District's 2006 Bond. He stated that the amended language was an additional covenant in the certificate with regard to the internal District road. He distributed this document to the Board for review and for a formal motion. Mr. Pires read the amendment into the record.

On MOTION by Mr. Love and seconded by Mr. Brougham, all were in favor of approving the amendment to the certificate.

Mr. Pires stated he had sent a letter to Mr. Parici at Gulf Bay Group of Companies regarding the Foundation and the supplemental maintenance agreement. He explained that the letter outlined the Board's concern about the existing maintenance agreement that was no longer applicable.

Mr. Pires advised that with regard to the compilation of a booklet with the District's various conveyances, Mr. Carlos Antonio had prepared much of this material, which would be presented at the Board's next meeting.

Mr. Pires stated that the Board had adopted its Rules of Procedures but there was no resolution in the record book reflecting this. He requested that the Board adopt a resolution that would ratify and confirm the meeting protocol established by the Board in March, 2006. Mr. Brougham stated he would be more comfortable if Mr. Pires would circulate in advance a separate mailing of the edited version discussed in 2006; then once this was reviewed by the Board, Mr. Pires could bring the resolution back for approval.

b) Engineer - Approval of Pay Draws

Mr. Cole referred to the 1996 Series Bond with a pay draw for approximately \$108,000. He explained that this consisted of work on the turn lane for the south commercial center. Mr. Brougham asked whether the District had expended all the monies tagged for construction with this pay draw. Mr. Cole stated he believed this was the case but was unsure at that point.

Mr. Cole referred to the 1995 Series Bond, Draw 45, for approximately \$52,000. He stated that this consisted of clearing within the Phase 6 Unit 1 area as well as monies related to the 951 entrance.

Mr. Cole referred to the 2002 Series Bond, Draw 49. He stated that this covered several retainage monies due to contractors for work done more than one year ago. He referred to the second page and indicated excavation work done for approximately \$31,900.

Mr. Cole referred to the 2005 Series Bond, Draw 11, for approximately \$275,000. He stated that much of this work was done in the Phase 3, Unit 3 area. In addition, some funds related to the south commercial center as well as the Phase 6, Unit 1 excavation to the east.

On MOTION by Mr. Brougham and seconded by Mr. Love, all were in favor of approving the pay draws as presented.

c) Manager - Unaudited Financials as of February 28, 2007

Mr. Brougham referred to page 1 of the Balance Sheet and asked that the \$35,000 figure be corrected. Mr. Casey responded affirmatively. Mr. Brougham referred to page 2 with regard to the developer assessment year-to-date figure which was still off by \$37,812. He pointed out that this needed to be corrected. Mr. Adams stated he would address this. Mr. Brougham commented that the Supervisor fees seemed like a small amount compared to what was budgeted. He commented that this item appeared to be 23% of the budget, when it should be around 40% of the budget. Mr. Adams stated he would address this. Mr. Brougham referred to page 3, Water Management Maintenance: Fountains, and asked for an explanation of this expense. Mr. Adams stated that this expense concerned the repair of one pump and replacement of another pump, which were not aligned with the prorated budget amount. Mr. Brougham questioned the recent payment for holiday lighting. Mr. Adams advised that this was paid for in two installments: half prior to installation and half after decorations had been removed and stored. Mr. Brougham questioned why the street lighting expense was running at 54%. Mr. Adams stated that this was partially due to the significant increase in fuel that was not anticipated. Mr. Brougham commented that landscaping was running behind budget. Mr. Adams stated that staff was holding back money from one source. Mr. Brougham commented that improvements and renovations were well over budget. Mr. Adams stated he would need to pull a transaction detail for this item as some corrections were necessary. Mr. Brougham questioned what the capital outlay figure was for. Mr. Adams stated he did not recall specifically what this figure was for but would pull a transaction detail on this also. Mr. Brougham requested that an email addressing these various requests be sent to the Board.

SUPERVISORS' REQUESTS AND AUDIENCE COMMENTS

Mr. Robertson commented that as wastewater volume decreased, the reclaimed water irrigation system started clogging up sprinkler heads again. He asked Mr. Cole whether this problem would be resolved this year. Mr. Casey advised that staff was doing weekly maintenance on the wet wells to minimize the organic matter being introduced into the system. He added that there were strainers on the system and a blow-off that was operated weekly. Mr.

Casey stated that over the past week he had also received comments about this issue. He stated that with the lower water levels, there was not much staff could do to about this at present.

A Board member asked who was responsible for the control boxes in the grassy areas. Mr. Casey stated these were irrigation control boxes which were One Source's responsibility. He advised that he had spoken to them on many occasions with regard to keeping lids on the property secured. He added that one of their responsibilities was conducting wet checks.

A Board member spoke of signs that were still lying around outside. Mr. Casey advised that the contractor, Sign Tech, was supposed to have removed these signs.

A Board member asked about the trimming schedule for the ficus on Championship Boulevard next to Deer Crossing. Mr. Casey advised this was done on an as-needed basis and that it should currently be on the pruning schedule. Mr. Adams advised that A&D had recently completed its pruning work. He stated staff would need to follow up with regard to the ficus.

A Board member asked about the ramps for Championship Boulevard. Mr. Brougham advised that the District was waiting for accumulated interest on the Bond funds to see whether there was enough money to proceed. He added that a quote for \$46,000 had been received. It was stated that staff was still trying to true up CDD Bonds 1 and 2 and was processing Bond 3; at the end of this process, it would be clear how much money would be available for this.

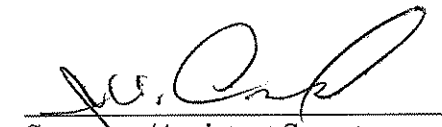
Mr. Brougham asked Mr. Casey if he had done further work on the emergency preparedness plan. Mr. Casey stated he had reviewed this one week earlier but was not yet ready to present it to the Board. Mr. Brougham asked whether Mr. Casey had received a proposal for the gap in shrubbery along Championship. Mr. Casey stated he had not received a proposal yet but would follow up on this.

Mr. Brougham raised a question about planters at the main gate. Mr. Casey stated he would do a tour after the meeting to look at the plantings in place.

Mr. Brougham asked whether staff had gathered anymore lightning protection proposals. Mr. Casey stated he had not secured any proposals but had secured backup documentation for the original proposal. He added that this vendor had all the necessary certifications and licensing and was recommended by Bentley who did the District's street lighting. Mr. Brougham requested that Mr. Casey bring this material to the next meeting for review.

ADJOURNMENT

On MOTION by Mr. Brougham and seconded by Mr. Curland, all were in favor of adjourning at 11:50 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman