

MINUTES OF MEETING

CELEBRATION COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Celebration Community Development District was held Tuesday, May 18, 2010, at 6:30 P.M. at 851 Celebration Avenue, Celebration, Florida.

Present and constituting a quorum were:

Cliff Akey	Chairman
Paul Collins	Vice Chairman
Tom Sunnarborg	Secretary
Lee Moore	Treasurer

Also present were:

Gary Moyer	Manager: Moyer Management Group
Jan Carpenter	Attorney: Latham, Shuker, Eden & Beaudine
Mark Vincutonis	Engineer: Hanson Walter & Associates
Brenda Burgess (<i>by phone</i>)	Moyer Management Group
Dave Casto	Osceola County Emergency Management
Wes Cleaves	Girard Environmental Services
Debbie Goode	Hoyman Dobson
Michael Harford	Osceola County Commissioner, District 1
Jim Parker	Walt Disney Imagineering
Brian Smith	Severn Trent Services
Brian Weatherby	Girard Environmental Services
Residents and members of the public	

This is not a certified or verbatim transcript but rather represents the context and summary of the meeting.

FIRST ORDER OF BUSINESS

Call to Order

Mr. Akey called the meeting to order at 6:30 P.M.

SECOND ORDER OF BUSINESS

Roll Call

Mr. Moyer called the roll and stated a quorum was present for the meeting.

THIRD ORDER OF BUSINESS

Pledge of Allegiance

Mr. Akey led the *Pledge of Allegiance*.

FOURTH ORDER OF BUSINESS

Approval of the Meeting Agenda

Mr. Akey reviewed the agenda and requested any changes.

Mr. Akey stated we will hear the audit presentation immediately before the County's Emergency Management Report.

FIFTH ORDER OF BUSINESS

Public Comment Period

Mr. Jim Siegel stated I am interested in the status of the installation and operation of the variable frequency drives that have to do with solving the problem of variability of water pressure in Celebration. Some people have said they think they are experiencing a decrease in water pressure. I am interested in knowing if this means these drives are operational throughout the entire town. If it does not, when will it be operational?

Mr. Smith stated the panels are installed, but it is not currently operational. We expect to have it operational by the first week of June.

Mr. Siegel asked will residents expect to see some decrease in the water pressure that they currently have? If they have 100 psi now, will it go down to 70 psi or 80 psi?

Mr. Smith stated we will be setting it between 80 psi and 90 psi, which will still require a pressure regulating valve on your home, pursuant to the plumbing code. Currently we are seeing pressures of 110 psi. You will see a slight drop in pressure when these are operational.

Mr. Siegel asked what is the reason you are not reducing the pressure more than that?

Mr. Smith stated certain areas of the community will see 75 psi, even up to 80 psi. We are going to start setting it in the range of 80 psi to 90 psi, in order to tweak the pressure in the system to a place where the system will run at a consistent pressure.

Mr. Siegel asked is the expectation to reduce it more later?

Mr. Smith stated we are going to tweak it under 90 psi in the beginning and do some pressure tests throughout the community. The range of 80 psi to 90 psi will be the levels at the pump station. We want to perform field tests to see where the pressures are in Artisan Park and Aquila Loop and other areas at the end of the project to see what the pressures are.

Mr. Siegel asked will this impact virtually every residential facility?

Mr. Smith stated yes. When we are ready to go online, I will let you know and we will send another insert in the utility bills.

SIXTH ORDER OF BUSINESS

Consent Agenda

A. Minutes of the April 20, 2010 Meeting

B. Invoices and Check Register

Mr. Akey reviewed the Consent Agenda, and requested any corrections, additions, or deletions to the minutes.

On MOTION by Mr. Moore, seconded by Mr. Sunnarborg,
with all in favor, the Consent Agenda was approved.

SEVENTH ORDER OF BUSINESS

Osceola County Emergency Management

Mr. Casto stated Osceola County Emergency Management is an Osceola County governmental entity. I work directly for the County Manager's office. It is a public safety office. It is different from the fire department and EMS safety office; we are not a first-response agency. My primary role is to provide support to those out in the field with resources so they can provide service to the community. In addition, when there is a large community impact such as a hurricane or a tornado, my role is to support the community in its disaster relief efforts and provide information. This is fairly new to Osceola County. Osceola County has had an Emergency Operations Center in some form or another for several years. It was previously called civil defense and one of the lessons we learned in 2004 with the hurricanes and in 1998 with the tornadoes in Kissimmee, confirmed by the hurricanes in 2005 along with the 2001 attack on the World Trade Center, was hurricane management is a concept that is integrated. It is not just an office of eight staff members that I manage, but it requires some coordination and planning, training and exercises with all of the entities in the community, whether public, private non-profit, or government organizations. My role is to tie that together so that when there is a community-wide impact, I can orchestrate all of the entities and be responsive to recovery efforts. Since 2005, a couple things occurred. Emergency management came out from under fire service and became its own standing department reporting to the County Manager. That puts it in line with Chapter 252, Florida Statutes, which states that we must have an emergency management program and an Emergency Management Director. There are things within that statute that we have to fulfill, such as planning programs. We have a new Emergency Operations Center and Emergency Dispatch Center (a 911 center) for Osceola County. The County governs most of the unincorporated areas within the County. Within the County are the Cities of Kissimmee and St. Cloud. Then there are organizations such as Community Development Districts and School Districts. We need a place for everyone to come together. The Board of County Commissioners in 2005 invested \$22 million into this new Emergency Operations Center and new Dispatch Center. This Dispatch Center governs the Osceola County Fire Department and the Sheriff's Office. It has the ability to integrate the City of Kissimmee, the City of St. Cloud, and any other City that may come up within the next 20 or 30 years because there

is a lot of room to expand. The Board of County Commissioners saw the need for a new command facility and they invested money into one. We put it to the test in the past couple weeks. Last week we had a fairly significant hurricane exercise, one of the largest we have ever done. It was three days, and we exercised the Call Information Center which fields the public's calls, as well as the Emergency Operations Center itself where we bring in decision makers to a command/control type of operation. Then we did some damage assessment operations. That is the field response that many people do not realize is happening after a disaster. It begins with getting a Presidential declaration. If we do not do it right or quickly enough, it delays the declaration and the assistance we can receive from the Federal Government if we need it. We instituted a lot of new things since 2004 and 2005, which I use as a bench mark to show what we have done since those hurricanes. With the new Emergency Management Office and the new Emergency Management Operations Center and some new ideas coming into the 21st century, we are seeing that we are slightly behind in some areas, but the critical areas where we need to concentrate on are being addressed. At the command control environment, we instituted a National Incident Management System. I know some residents in Celebration have attended this training, which is a standard way of responding and recovering to emergencies throughout the nation. We are finding that communities investing a lot of time and training into learning the National Incident Management System recover faster and deal with problems faster. It does not have to be a hurricane. When the bridge collapsed in Minnesota, they instituted this program which they had just learned in the community. They instituted the framework for this program and it made things work much easier. We did not have all communities in line with that in 2004 and we saw the results of that. The question I receive often is, are we ready? The answer is yes, but you have to put it in context. It is like a prize fighter. The fighter might be the kind of person who has won all of his boxing matches and qualified for the national championship who is ready and in top form, but that person cannot stop training. He cannot just sit around and wait for the next fight. The more training that person does, the better he will be able to compete and win that prize fight. His chances of winning are diminished by not doing anything and by not training. It is the same with emergency management. I am constantly training people and we are always reviewing disaster plans, whether they are ours or someone else's. We are always going through drills and exercises. I am doing that but I do not know if you are doing that. I can answer the question and say that I am ready, but I

do not know if you are ready. I make that statement from the Federal Government all the way down to the business and homeowner. If you are not investing in training and exercises and planning into your daily routine or annual routine, it will be challenging. I think we saw this clearly in 2004 when all of the evacuees from Hurricane Charley came to our area and our community was impacted. The mindset that I talk about is that most people believe it cannot happen to them and if it does, there is nothing they can do about it. You may need my services this year because of the active hurricane season that is predicted. At some point, it will eventually happen. It makes a difference if you wait until the last minute or if you start managing your time now to get ready and be prepared. I always encourage people to have a disaster plan. The County has a disaster plan. I have to have one pursuant to State Statute. The State of Florida has a disaster plan, pursuant to State Statute. The Federal Government has a disaster plan, pursuant to Federal Code. Nothing says that a homeowner or a business owner has to have a disaster plan. Typically if there is no encouragement to do that, it gets missed. Local, State and Federal Governments are limited in how we can respond and what we can do to help people who are impacted by a disaster. I think we saw that clearly in 2004. It is a matter of public education. I encourage people to take some time to get a disaster plan and talk with your family about what to do, whether or not to evacuate and if so, where and when. I also encourage the community to do the same thing or at least encourage the residents to go through that thought process. It is difficult because most people do not think about this on a daily basis. Most people think about getting to school and work on time, paying bills, buying groceries and other things because we face them on a daily basis. My job is to remind you all that at some point, something will happen. It may be a hurricane or a tornado, or it might be something we have not even considered. The question I want to pose to you is, are you a survivor? I am ready. The sociological research shows that people who survive an impact such as a hurricane or a tornado have two common themes running through their brain: physically, emotionally and mentally. They either have had experience with it before and remember what it was like, or they believe it will happen and they get prepared. Those are the rare people we do not see very often. What we saw in 2004 was nothing compared to what could happen. It is a good reminder and it caught our attention, but it is a reminder that something worse can happen. People are so dependent upon electricity and the internet and ATM machines and have forgotten basic life skills. We need to get back to that. The government is not going to be able to reach

out to all 250,000 residents in this area. Our theme is, are you a survivor, not just in the County but throughout the State. Be a survivor, not a victim.

Mr. Sunnarborg stated we appreciate you coming to this meeting as well as to our workshop a couple weeks ago. We had some good dialogue on a number of topics that might be worthwhile to share with the community: shelters or lack of them, sirens, and reverse 911.

Mr. Casto stated I am proud to say that Osceola County is no longer in a shelter deficit as much of the rest of the State is in. For everyone who needs to go to a shelter, we have space for you, either in a school or another facility that we have determined is rated strong enough to withstand the most common types of hurricane impacts. We have approximately 30 buildings that we can utilize for shelters, one of them being Celebration High School. It does not necessarily mean we will use the closest shelter. We open and close them for a variety of reasons. In the hurricane scenario, we open them in a phased approach. We open them for the most vulnerable people. Those who are required to be evacuated are ones who live in a storm surge area and those who live in mobile or manufactured homes. Those are the required, mandatory evacuees by law. We do not have to deal with storm surge in Osceola County, but we do have many people who live in manufactured homes and they are required to be evacuated when there is an evacuation order. We have enough shelter space to accommodate not only the ones who are evacuating, but also those who are coming here from other areas. I am confident in saying that most people in Celebration will not have to evacuate in the event of a hurricane, provided they do certain things. Get a plan together. Retrofit your home, perhaps board up windows and things of that nature to protect your home. Beyond that, most of the homes here are just as safe as any shelter. If you have a modern home, you should be fine and in fact, we want you to stay home. We do not want to add you to the problem of other evacuees on the road trying to get to a shelter or adding to the congestion of I-4 or S.R. 417 to get out of the Tampa area. Some people might be in a lower elevation, which is prone to flooding or they may have an older home that is not well maintained, so we encourage those people to understand their vulnerability in a high-wind event and we encourage them to make that decision whether or not to evacuate. We encourage people not to go to shelters, which sounds like an oxymoron coming from the Emergency Manager. What we ask people to do, if they have to evacuate, is to go to a family member's house or a friend's house. You will be able to

bring your dogs and cats and you will be more comfortable versus a gymnasium floor on a cot or a mat. A shelter is a life boat of last resort. I want to encourage the residents of Celebration to seek ways to stay and protect your homes. I do not know your community's rules about shutters and those types of things, but you may want to relook at that if they are not permitted. I personally believe if a person can stay at home in their house, even in a Category 5 hurricane in Osceola County, they will survive much better and more comfortably than trying to get on the road and head to Ocala or Jacksonville or some other location. People in Tampa will be evacuating to Orlando, as will people in Melbourne, depending on where the storm is headed. We have enough shelter space but it is a last resort and the closest shelter near you may not be open. I encourage people to watch the news, listen to the radio or contact our office to find out what shelters are available. There is a variety of reasons why one is open and another is not. It is not based on location; it is based on need.

Mr. Casto stated we do not have a siren system in Osceola County with the exception of some golf courses that have some lightning systems. For tornadoes and other events, we do not have sirens. I venture to say that we will never have sirens to alert residents of any impending event. They are expensive and are not fail safe. This is not like the Midwest where they have sirens spread through out the plains where it is flat and dry and you can hear a siren for miles and miles away. In Florida, we consider it flat, but it really is not. There are a lot of trees in the way, a lot of humidity in the air and a lot of bugs in the air. All of that takes a toll on siren systems. If you have a lightning detection system with a siren, you need to inspect it to be sure it is not rusting the electrical system and that birds are not nesting in the speaker. If you do not activate it and test it on a regular basis, then you will find those problems. Siren systems can fail and they will fail if they are not taken care of. They are very expensive. Putting in a siren system just in the City of Kissimmee will cost millions of dollars and at this point in time, that is not palatable for most people. However, we do have an option. There is a siren system available nationwide, which is the NOAA weather radio. You can plug it into the wall and it works as a siren system. When the siren goes off, you know something is going on and there is a display to let you know what kind of warning it is, whether tornado, hurricane, blizzard, or even a hazardous material spill or some type of homeland security issue. The National Weather Service throughout the nation has a system in place that is just as reliable, if not

more so, that will notify people day or night and provide information. You can either read the display or push the right button and read the alert message.

Mr. Siegel asked are you suggesting that every home have one?

Mr. Casto stated yes, every single home and every business. Do not turn them off, even in the middle of a thunderstorm. It is a lifesaving device. If you are visually or hearing challenged, there are devices you can hook up to a computerized system or to a light that will flash or shake a bed for those who cannot hear the warning signal. For those who are visually challenged, there is the audio output that will tell you what is going on. Siren systems do not do that, but these radios do. They are getting better with technology. Most cost between \$20 and \$30 and some cost up to \$300. I recommend getting one that is electrical with a battery backup. There are some models that do not have the siren feature on them. I am not a fan of the ones you have to crank because it will die at some point. They are great, however, if you have the electrical and battery backup.

Mr. Casto stated Osceola County has the reverse 911 system, which is located at the Sheriff's Office Dispatch Center. However, it is fairly limited and antiquated. We are researching newer technologies with web posting-based technology for mass notification. There is a lot of research being done on whether or not they are effective. I tend to think they are. There are devices that will send you a text message or an email or some other means. They are expensive and it is part of the County's strategic plan to look at replacing the old reverse 911 system with something more modern. The service may cost anywhere from \$50,000 to \$150,000 per year. We are having discussions on having a cost sharing mechanism with the Sheriff's Office and others who may need that service, but it is in the investigative phase right now. Hopefully next year we may be able to report some success in that area.

Mr. Akey stated we appreciate the information. I had the NIMS training, but we did not sustain it or go anywhere with it. I will contact CROA and some other people who have had CERT and NIMS training to set up a time to meet with you to see how we can achieve a sustainable program.

Mr. Casto stated my staff can help you coordinate but you will need to have people dedicated to the program to keep it going.

Commissioner Harford stated previous Commissioners made a wise decision in spending the money to build the Emergency Operations Center. I have had the

opportunity to tour the facility. It is set up so that it will allow Mr. Casto, the Sheriff's Office, the Fire Department, School Board and the two Cities to be able to coordinate the activities that are needed among all departments during an emergency. It is a very nice building and it is designed well. It will certainly withstand any hurricanes coming here. I am proud that we have it and that it is part of our tool kit where we can handle all of the operations out of there in the case of an emergency. I appreciate the opportunity to introduce Mr. Casto to you and allowing him to share this information with you.

EIGHTH ORDER OF BUSINESS

Action Items for Board Approval

A. Acceptance of Audited Financial Statements for Fiscal Year 2009

Ms. Goode reviewed the audited financial statements for fiscal year 2009, which is included in the agenda package and available in the District Office for public review during normal business hours.

Ms. Goode stated we met with the Audit Committee and discussed the Audit in more detail at their meeting and extensively covered the audited financial statements. The District received a clean, unqualified opinion on the September 30, 2009, financial statements. I am often asked by clients if they are solvent and in a good financial position. This District is financially solvent and you are not in a state of financial emergency. You have \$1.8 million in unreserved fund balance and expenditures in the General Fund of \$3.4 million, which means you have about six months of your total expenses in an unreserved account. What that unreserved figure should be is open to debate. Some think one or two months is sufficient. We used to recommend three months of expenses. After 2004, people started suggesting having at least six months of expenses. It depends on what you plan to do in the future and what kind of projects you might have, including capital projects. It is a fluid number, but you certainly have enough money in contingencies to be financially solvent. The monies in the Debt Service Funds are used to pay principal and interest on your bond indebtedness and monies in the Capital Projects Funds can only be used for capital projects. We are required to look at the internal controls of the District, the segregation of duties and compliance with laws and regulations. We had no findings in this area. You have good internal controls and checks and balances. We issue a management letter and we had one recommendation noted in the letter, along with management's response.

Mr. Collins stated from the perspective of the Audit Committee, the members who met were Mr. Richard Quinn and Mr. Scott Cadwell, along with myself. Mr. Chuck

Wellendorf was not able to attend. It was a good meeting and we spent about two hours reviewing the numbers. We felt fairly comfortable that there was nothing unusual or inconsistent with what we have seen in prior years. We felt good about the audit. All of our cash balances were reviewed by the Auditor and they checked to make sure they were actually at the bank. The only thing I would identify is on Page 19, which shows that our operating income and expenses match. However, in the Capital Project Funds for Series 2005, the beginning balance was \$2,257,000 and the current balance is \$1,934,000, netting in a reduction of \$323,000. We are getting ready to start our budget season and we need to make sure on a long-term basis that we have the monies in our budget to pay for our operating costs as well as our capital projects. We have consistently been paying capital expenditures of \$300,000 to \$400,000 a year. As we review the budget, I know we have realized a reduction with the landscaping contract, but we need to discuss how we should use those savings. We will need that amount of money for capital reserves each year. The only other major reduction we had this year was in interest income. We budgeted \$60,000 and given the poor experience we had with the State Board of Administration, we currently have all of our money in very safe, short-term government-insured investments. The only negative to that is we earn about 1% interest. We are not earning much interest income, but it is 100% safe. We discussed that and Mr. Cadwell is in that business. He was also an Auditor performing government audits. He felt that at this point in time, we should not be taking anymore risk and keep the money where it is to make sure it is safe. We felt good about the audit and we feel things are well under control and that our Accountant is doing a fine job. Our Auditors have also done a good job and we certainly recommend that we continue working with this firm.

Mr. Moyer stated to supplement the comment Mr. Collins made on the investments, one of the ways you can receive more interest earnings is to invest for longer periods of time. Mr. Cadwell was good at analyzing that. The problem with that is, I think we all assume that interest rates will begin to rise in the near future. The longer you go out on the investment curve, the greater your risk is that those investments at market will be less than what you paid for them. At maturity they are fine. That is why Mr. Cadwell recommended we keep our investments in fairly short-term maturities.

Mr. Akey stated we thank Mr. Collins for his service on this committee. We also thank the committee members for serving. It is a lot of work and we appreciate it.

Ms. Goode stated I am also thankful for the work of the Audit Committee. They paid a lot of attention to the financial statements and we reviewed all of the numbers in great detail, which is good.

On MOTION by Mr. Collins, seconded by Mr. Sunnarborg, with all in favor, approval was given to accept the audited financial statements for fiscal year 2009 and to authorize staff to file it with the appropriate State agencies.

Mr. Sunnarborg stated Mr. Moyer and his staff made it look easy again and we thank you and your staff. Month after month, year after year, the CDD's finances are in great shape. Please thank your entire team for us.

B. Consideration of Easement Agreement with Progress Energy

Ms. Carpenter stated I distributed a revised version of an Easement Agreement with Progress Energy. The attachment that was included in the agenda book showed a list of parcels. All of those parcels were deeded from The Celebration Company to the CDD at one time. The deed was included as an exhibit to show that this property is fully owned by the CDD. Mr. Vincutonis worked with Progress Energy and we have narrowed down the easement parcel to a 25-foot strip, which is the colored area on the attachment. Progress Energy requested the easement and I am not aware of any other changes. The original request was for the entire parcel and Mr. Vincutonis and Progress Energy negotiated it down to a 25-foot parcel that might be needed.

Mr. Smith stated it is my understanding that there will be some sidewalk closure because they will be directional drilling and taking out panels. The majority of their current conduit is underneath the sidewalk. They will stay within that same conduit easement.

Ms. Carpenter stated the form of easement is similar to the form of easement that the CDD and TCC have ventured into with Progress Energy over the years. There was not a lot of negotiation and this is essentially what has been approved in the past.

Mr. Sunnarborg stated I still do not know where this parcel is, even with the attachments.

Mr. Smith stated it is at the end of Waterside Drive, where the trail system goes behind Celebration Avenue. Just to the left and on the side of the church property are some transformers on a raised bed. They want to expand that transformer bed and add

another transformer. It is all on the side of the church and you can barely see it back there.

Ms. Carpenter stated we think this agreement is in final form, but we have not received final comments from Progress Energy that includes the exhibits. I request that the Board approve this agreement and authorize the Chairman to execute it, in substantial final form and give him the authority to make any final changes if they are necessary.

On MOTION by Mr. Sunnarborg, seconded Mr. Moore, with all in favor, approval was given to the Easement Agreement with Progress Energy in substantial form, and to authorize the Chairman to execute the agreement, making any final changes if they are necessary as reviewed by legal counsel.

C. Presentation of the Fiscal Year 2011 Budget and Consideration of Resolution 2010-03 Approving the Budget and Setting a Public Hearing

Mr. Moyer stated I am asking the Board to approve this budget for the purpose of setting a public hearing. I differentiate the word “approve” from “adopt.” I am not asking the Board to adopt this budget. You will be asked to do this after the public hearing on August 17. The highlights of the budget that as presented by staff: (1) We do not anticipate increasing the non-ad valorem assessments so there will be no change in the assessments if this budget is adopted. (2) We are all aware that we were fortunate in being able to obtain a competitive price on landscape maintenance, but this Board rightfully has some concerns and until we get more of a track record with this contract we do not know for sure if we will need to rebid the contract. Based upon their performance to date we do not think that will be the case, but in an abundance of caution, those savings have been allocated under field to a category called *Landscape Rebid Contingency*. If that is not used, that contingency will fall through to your fund balance, which can be allocated to your reserves. (3) We worked with the Chairman, based on comments this Board made during the past year about a desire for District staff to act more quickly to resident complaints and concerns and get the work done in a more timely fashion. I think Mr. Smith does a great job in terms of scheduling resources, but he can only schedule the resources that we have. Mr. Akey, Mr. Smith and I have been working for the past four to six weeks putting into this budget some additional help for Mr. Smith. One will be an additional field member who can be a jack-of-all-trades and do whatever is necessary on things that need to be addressed quickly. As you are aware, we do not

have a large secretarial staff, and when someone is out sick, the others have to cover that position. They do a great job of filling in, but we are short handed because we do not have anyone to cover any absences. We included some additional secretarial help in this budget. We have taken one of the secretaries in the office who actually is the Office Manager and Mr. Smith's assistant and we are reclassifying her as Office Manager and adjusting her salary to reflect that position. That is all reflected in this budget, but the assessments will not change and we should realize a good savings at the end of the next fiscal year, which will fall through to fund balance.

Mr. Moore asked do we post this budget on our website for residents to review?

Mr. Moyer stated yes.

Mr. Moyer reviewed Resolution 2010-02 and read the Resolution into the record by title.

Mr. Sunnarborg asked how many years in a row is this without an increase?

Mr. Moyer stated 16 years.

Mr. Sunnarborg stated congratulations. In an era of almost every government having severe budget problems, for you to come in year after year with no increase 17 times in a row is fantastic.

Mr. Akey stated the community ages every year. Ms. Maria Fuentes is tied up with the mosquito RFP, so we adjusted her position in the office. If someone is out sick, someone else has to answer the phones and cover the lobby. I think this new staffing setup gives a good balance. They are all busy and working hard. I think these resource allocations will help immensely to help ensure we maintain the excellent service levels we have today.

<p>On MOTION by Mr. Sunnarborg, seconded by Mr. Moore, with all in favor, approval was given to Resolution 2010-03 approving the budget and setting a public hearing for August 17, 2010, at 6:30 P.M. at the Celebration Community Center, 851 Celebration Avenue, Celebration, Florida.</p>

Mr. Akey stated I want to thank Mr. Moyer and Mr. Smith and the entire CDD staff.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Manager

i. Financial Statements

Mr. Moyer reviewed the financial statements, which are included in the agenda package and available in the District Office for public review during normal business hours.

Mr. Moyer stated to date, we have collected 92.72% of our non-ad valorem assessments, which is exactly where we were at this time last year.

ii. Number of Registered Voters

Mr. Moyer stated the number of registered voters within Celebration is 4,808. The reason for this is when the District reached 500 registered voters and was 10 years old, we converted from a landowner election to a regular qualified elector election. That was two or three elections ago, so this is really just information and there is no action that is required because we have already met the thresholds and we are already electing Supervisors in the General Elections.

Mr. Sunnarborg stated it is interesting to note that the number of registered voters is down 209 from last year. We will not know what the population is until the results of the Census are published, but I think this confirms what people are feeling, that our population has decreased slightly. The number of registered voters decreased from 5,117 to 4,808. I distinguish that from the number of residents.

B. Field Operations

i. Monthly Highlight Report

Mr. Smith reviewed the Field Highlight Report, which is included in the agenda package and available in the District Office for public review during normal business hours.

ii. Communication and Complaint Log

Mr. Smith reviewed the communication and complaint log, which is included in the agenda package and available in the District Office for public review during normal business hours.

iii. Mosquito Control RFP

Mr. Smith stated I met with Dr. Parsons today on the mosquito control RFP that we will be sending out to solicit for bids. We would like to schedule a workshop on July 20, 2010, at 3:30 P.M., which is the day of your regular meeting, to have presentations from the contractors, similar to what we did with the landscaping contractors.

Mr. Akey asked did Dr. Parsons provide any input into this RFP?

Mr. Smith stated I met with him for two hours and we reviewed it page by page.

Mr. Akey asked did any other residents from the Go Green group review it or just Dr. Parsons?

Mr. Smith stated it was just Dr. Parsons. I think we will have a good and thorough RFP package.

iv. Miscellaneous Issues

Mr. Moore stated I see the Celebration Hotel is now the Bohemian Hotel, which will mean a change on the directional signs in the community. Who is responsible for changing the signs?

Mr. Smith stated we will change them out, but the issue is who will pay for the sign slats. I can work on that with Mr. Parker.

Mr. Smith stated we completed work at the shade structures and I think they turned out pretty good. The work for the bulkhead at the dock is not quite complete, but it looks better than it did before.

Mr. Akey stated I thought it all looked good all the way down the railings. They are all concreted in.

Mr. Smith stated we need to paint all of the light fixtures down there and we will get everything else painted and ready for the summer.

Mr. Akey stated one of the items that came up recently is mowing the grass between the back of the curb to the sidewalk. Last year we authorized some money for a one-time expense, which we completed. We need to consider whether or not to authorize Mr. Smith to continue to do that work, especially the ones that have really tall grass.

Mr. Moore stated one home was already done. Should we retroactively approve that work because it was complete?

Mr. Smith stated Girard was kind enough to do it for us without a cost as a tradeoff. It was relatively quick work, but if there are a lot of yards, they will not be able to do them all for free.

Mr. Moore stated that one was highly visible and everyone sees it on the way to school every day. The weeds were higher than the trees and I think it was good that it was taken care of.

Mr. Akey stated if we see more in the next month or so, you can decide what to do. Next month, we can consider an action item to determine the dollars for this work.

Mr. Sunnarborg stated let us put a list together.

Mr. Moore stated CROA is doing the same thing and putting together a list of abandoned homes.

Mr. Richard Joossens stated there are currently 15.

Mr. Moore stated Mr. Smith can compare lists with Ms. Pat Wasson.

Mr. Akey stated we will handle these on a case-by-case basis for the next 30 days and then look at a long-term proposal to consider next month.

Mr. Akey stated I have a concern about the sidewalk on Eastlawn. My thought is not to leave them broken until the work is done. I do not see why we cannot put something in there so that the sidewalk is level so someone does not trip and fall. Have them put plywood on it but do not leave it broken. Someone will fall because a lot of people walk on that sidewalk.

Mr. Smith stated I will have them put in a six-inch reinforced sidewalk. Even using plywood, if they do not do it right, they will be replacing them every day. I will look at it and meet with them. The edges are broken and there is a three-foot swath that is walkable.

Mr. Moore asked how long are they supposed to be working there?

Mr. Smith stated I will talk with them because I do not have a clear schedule. I did ask them to submit a use application because they have encroached upon our park. I spoke with the owner of the company and he said they will come back and restore everything when they are finished. They appear to be very professional.

Mr. Akey stated we know the sidewalk is broken but I do not want to leave it broken until they are finished.

Mr. Moore stated there are a lot of kids going to and from school every day, walking and on bicycles.

Mr. Sunnarborg asked how is the water quality on those troublesome lakes coming?

Mr. Smith stated I talked with Mr. Eddie Snell late last week and they are coming out to do another sampling this week. We will meet this week and discuss it after we see what the quality is. The last sampling showed the water quality was great on that pond. He really likes the pump system that we installed and he thinks it will work well for us. Once we get the tests back, we will know more.

Mr. Sunnarborg asked how is the duckweed?

Mr. Smith stated this is a bad strain of duckweed and it is very hard to kill. They were here spraying all day yesterday, and they did a good spray downtown. You can see all of

the bright green duckweed is now a beige color and it is dying and starting to fall out. The product they are using is a somewhat better and they are working on some different chemicals to try to break down the leaves so the chemical can get inside. We are on the positive side of where we were a week ago.

v. Landscaping Issues

Mr. Weatherby stated we appreciate your business. It has been 90 days since the start of our contract and we wanted to address the Board and community to see if you have any questions or concerns for us.

Mr. Moore stated I appreciate you being here. As you heard earlier in the meeting, we set aside a contingency for landscaping, but it has nothing to do with the way you have been performing. We have been very happy with your performance. I am sure there are things you could tell us as you learn the property. Irrigation is probably the biggest issue for you right now. The last couple days I have seen you concentrating on irrigation. Especially on Eastlawn, I see some of the grass getting thin and the irrigation may not be working properly because it has been dry for a couple weeks. Is irrigation an issue for you or is it something you are trying to catch up on?

Mr. Cleaves stated we have been working throughout the property. We did have some pressure issues and we have been working with Mr. Smith and Mr. Russ Simmons and his team to address these areas and getting more water into some of these areas. Some areas are in full sunlight and others are in the shade. We are still learning some of the nuances of the property. We have some additional people looking into it as well. We have been more proactive working with Mr. Simmons lately in getting out to these areas and analyzing if it is a system issue, if we simply need more water in that area, or if there needs to be additional adjustments to the irrigation. You can see that a lot of the landscape has reacted very differently this year in how things are blooming. We went from winter to summer, back to winter and summer again. Some things have responded in a positive manner, but the turf gets the most stressed because it needs more water on a daily basis. We will continue to work on this with your Site Manager, Mr. Fred Dorsey, to make sure we stay on top of it and communicate with the crews in the field and with Mr. Smith's team.

Mr. Akey stated Mr. Dan Tomsick mentioned to me that he saw an article in the newspaper saying there has been a great demand for sod this year.

Mr. Cleaves stated that is correct. It is not only due to the freeze. We followed the freeze with flooding. If you look at some of the sod farms, you will see them go from frozen to underwater, which creates fungus and other diseases because you cannot dry out the sod. The reproduction of new sod was drastically set back. We had a record number of cold days in a row and there was never any recovery time for the sod.

Mr. Moore asked how do you think it has been going? Did you face any challenges? Did you over plan?

Mr. Cleaves stated we over planned in some areas. Our biggest concern was mowing because of the vast spread of this property that has so many nooks and crannies, but it turned out that our biggest issue was trash. We have made a lot of adjustments and some of it is internally with personnel. We have probably gone through 30 people. By the third week, if the employee is not getting it, they will never get it. Most of what we do is repetitive. If they cannot look at his maps and know where his daily routine is, then we will move onto someone else. Celebration requires a higher level of service than any of our other properties. We do not just move that person to another property, either. We worked on our weekend service to make sure we continually improve in that area. We work with Mr. Smith and his team when there are large events downtown. It is new to us, but what we have learned in the last 90 days in Celebration, I am confident that we can go anywhere else to any other property and deal with anything they have. This is a unique property. We are still learning but we feel things are going very well.

C. Attorney

Ms. Carpenter stated the contract with The Celebration Company for the maintenance facility has been received and we have submitted our comments to their Attorney. There were a lot of comments that I do not think will be problematic. I do not think there is a pressing rush for it, but I would like to get it back and provide it to you to review. Most of the comments in the contract were things that are particular to the CDD, so I do not think there will be any problems. The covenants and restrictions had one condition that I questioned and I want you to think about it. There is a limitation on the use to only being a landscape maintenance facility, which is the intended use now. That is the only thing you may want to think about. Since our term sheet was limited to that, I am not sure The Celebration Company will agree to anything that has a wider scope. The rest of the comments were cleanup comments. As soon as we receive the contract, I will forward it

to each of you for your review and comments. By the next meeting, we will hopefully have a contract.

Mr. Sunnarborg asked is there anything in that contract that will prevent Severn Trent employees from using the facility? It is not just for landscape maintenance employees but also for some of the management staff.

Ms. Carpenter stated it currently is limited to landscape maintenance, but perhaps we can broaden that to landscape and management staff.

Mr. Sunnarborg stated I do not want to get caught up on a technicality. Even the golf course maintenance staff includes men in shirts and ties.

Ms. Carpenter stated that was my concern when I read it and that is a business issue more than a legal issue. I will see if there is the ability to change that.

Ms. Carpenter stated at the last meeting, a question was raised about towing. I will send a memorandum to you, but the State has specific mandates on towing. There are three occasions when you can tow a vehicle. The one that usually comes up is you must have specific towing signs. Osceola County has adopted some more restrictive issues with towing companies. Pursuant to State Statute, the signs have to be fairly specific and have a certain size letters. Most of the towing companies will provide those signs. You have to position the signs within five feet of the entrance and there are some specific places you must place the signs.

Mr. Moore stated the signs are still up now and most of the private entities have signs with their names on it. For example, we own the alleys but we do not have a sign that says we will tow a vehicle. I presume if a car is parked and blocking the alley, we have the right to tow it since it is blocking fire access.

Ms. Carpenter stated if it is blocking fire access, you have the right to tow the vehicle and you do not need a sign.

Mr. Moore stated in the parking lot we own, I do not know why we would be towing anyone anyway. Do we even need the signs?

Mr. Sunnarborg stated it would be in the case of a vehicle left up on blocks for a month or a similar situation.

Mr. Moore asked do we need a sign to remove a derelict vehicle?

Ms. Carpenter stated if it is in a parking lot, you need a sign unless there is a County Ordinance saying you cannot leave an abandoned vehicle for a certain number of days. If there is, then you would have the County come and give them a ticket for illegal parking.

If you think of other specific examples, let me know and we will work with Mr. Smith as to whether we need it or if we can work with law enforcement.

Mr. Moore stated this sign indicates available parking but it also mentions towing. I think it sends a mixed message and that is my only concern about these signs in that location. I want to encourage parking instead of discouraging parking.

Mr. Akey stated we can always eliminate the signage. If we have an isolated case, we deal with it when it arises. If we start getting five cases a month, then we know it is a problem. I do not have an issue removing the signs and monitoring it.

Mr. Moore stated there is a County Ordinance related to the parking of abandoned vehicles or leaving vehicles parked for a long period of time.

Mr. Daniel Tomsick stated abandoned vehicles are defined and the example of a car on blocks is a good example.

Mr. Akey stated I have observed those parking lots at various times, including early in the morning and most of them are overnight parking for the condominium owners.

Mr. Sunnarborg asked are they our signs or do they belong to Carlyle?

Mr. Smith stated they are our signs.

Mr. Sunnarborg stated then we can remove them.

Ms. Carpenter stated I suggest giving Mr. Smith a time period to monitor it, 30 or 60 days.

Mr. Akey stated let us remove the signs, monitor it for the next 60 days and then report back to us.

D. Engineer – Roadway Progress Report

Mr. Vincutonis reviewed the roadway progress report, which is included in the agenda package and available in the District Office for public review during normal business hours.

Mr. Akey stated we discussed some of the minor pothole repairs. Mr. Tomsick, Commissioner Harford and I will discuss this matter in order to come up with something we can bring to this Board and the County Board, to look at how we do them going forward instead of having the County come out here for them. If we do not get to any resolution with the repairs on Celebration Boulevard and Acadia, all of the roads are now owned and maintained by the County, but we want to come up with something that is workable and come up with an interlocal agreement. That is next on the list for the roadways.

Mr. Vincutonis stated the Lake Evalyn weir is complete, as well as the Jasmine weir.

Mr. Smith stated we have some minor repairs on the Jasmine weir because we are having some washout issues. As long as there is no cost, I will send my staff to work on it but if it begins to erode away, we will need to leave it instead of constantly re-sodding it and hopefully the homeowners will accept that.

F. Chairman – Update on Joint CDD/CROA Issues

Mr. Akey stated one of the groups we discussed at our joint meeting was the Film Permitting Group. Is there an update?

Mr. Sunnarborg stated we are waiting for an updated property ownership map that we can share with the group members. We received that two days ago and I will follow that up with the Celebration specific guidelines and I will distribute that by this time next month.

Mr. Akey stated the other item that was raised at our joint meeting was street sweeping. Mr. Smith, Mr. Tomsick and I are going to discuss this item and bring some options to the Board. It might address how the program can be more effective on some of the side streets, not necessarily the main thoroughfares. Mr. Smith has some good thoughts. Some of the areas where we have high piles of leaves are the places we need to address. The street sweeper is not going to get in there, so we will provide that for next month.

G. The Celebration Company's Representative

Mr. Parker stated regarding the cell phone tower update, we met with the Osceola County Superintendent and discussed the possibility of a cell tower at the high school. The Superintendent understood the position of the community and the desire and need for the tower, but he did not feel that having a tower on school property was appropriate. He separated himself as Superintendent from his personal position on it. He has voters on the education Board whose children attend the school and this is his focus. He understands through experience that there can be controversy surrounding a cell tower and he does not want to get caught in the middle. So that eliminates that location and we are now moving on and considering the substation site and the Artisan Park condominiums. We have a drive test scheduled for tomorrow. We had some discussion with AT&T to let them know where we stand. We are trying to work with the hotel in what they want to do, which is to put some larger arrays on the hotel.

Mr. Parker stated we received the contract for the civic corridor property from Ms. Carpenter. We have a meeting scheduled for Monday morning to review it.

Mr. Sunnarborg asked who is leading the effort for the cell tower at the Artisan Park condominiums?

Mr. Parker stated Mr. Joossens.

Mr. Joossens stated I talked with the Artisan Park Condominium Association Board and they have the opportunity to provide cell phone capabilities in that area. I shared the alternate plan mentioned at a previous CDD meeting, which is a tower in the civic corridor on CDD property. At this time, they tabled the idea of having antennas or a tower placed on their roofs. They have many issues with it and they want to address those issues before they will consider anything to go on it. Like everyone else, they have a concern about lack of coverage, so that is not a viable option at this time. They said they have too many risks with structures going on the top of their buildings. There is also the issue of storing the equipment.

Mr. Sunnarborg stated I appreciate you meeting with them. If the alternate plan is on CDD property, is there a viable location for it?

Mr. Smith stated not at this time. You are looking at a lot of permitting. That was my concern that CDD property was in the area they are looking at, but there are a lot of issues with that property. The Celebration Company still has some opportunity for input. There are multiple permitting issues as well as drainage issues because it is currently a drainage basin. The suggested parcel is Tract 51, which is just past the circle at the end of Celebration Avenue.

Mr. Sunnarborg stated I remember the scrape area where the St. Joe trailers were and that is dry retention. If we could clear all the other hurdles with the other jurisdictions, would you propose the tower be on the south side or the north side of the path?

Mr. Smith stated I would put it on the west side of the path, which will put it in there deeper and will help block the visual impact of the tower.

Mr. Sunnarborg stated we discussed the areas of impossibility for Tract 51 a few years ago as it related to getting an emergency egress out of Artisan Park. The conclusion is that the CDD owns the land in that corridor but it is so layered with other jurisdictions that it becomes impossible to build a roadway through there. Do those same issues exist for a cell tower? Could we carve out a corner of that area for a tower and have a

reasonable chance of getting it permitted? It may only take a couple hours of legal time to research that.

Ms. Carpenter stated I would suggest that it is as difficult, if not more, than putting in a road. We are happy to look into it with the covenants and restrictions and the various permits in place. The height aspect will add a layer of conditions that might make it even more difficult. Nothing is impossible until you look at the specific use. I know we looked at the road aspect but I do not believe we ever contemplated the idea of constructing something.

Mr. Moore stated one of the challenges is we would never be able to do it with the height because there are issues going on now and drive tests. There is an area on Celebration Boulevard that is a possibility. The Celebration Company will do their drive test tomorrow and that will provide some answers. There are already two cell towers at the Celebration Hotel, but we are now talking about making it a slightly taller structure. Anything even a little bit taller in that area makes a big difference because you have the tree. Once they make it taller at the hotel, that will make a big difference as far as coverage. We are also talking about an area on Celebration Boulevard. The area that will probably be the least impacted by what we are considering is Artisan Park, which leaves them in a difficult position for cell phone towers. We may be able to hit Aquila Reserve by raising the one downtown and we will find the results of that with tomorrow's drive test. I think the computer models indicate that it will not be impacted much, but we will see tomorrow. One on the south end of town will make a big difference. What Mr. Joossens is looking at for the Artisan Park condominiums is a big area that has a big pocket. I think we should discuss that further. The permitting issues we are discussing for Tract 51 would be much harder to accomplish. The easiest way and the one with the most impact for the residents is to use the Artisan Park condominiums. We could mask a tower in that area that may cover the entire town with those elements, as opposed to one very large tower. We will know more after tomorrow's drive test and see how important it is, if we lost the Artisan Park condominium area, if Tract 51 is our only hope.

Mr. Sunnarborg stated Mr. Joossens indicated the condominiums are not an option, and Ms. Carpenter indicated that the possibility of getting a permit for Tract 51 is slim to none. It appears to me that we need yet another alternative.

Mr. Joossens stated I would talk to Artisan Park condominiums again.

Mr. Moore stated I agree. If we told them that there is no other option, they may think differently. The condominium Board is probably made up of residents who do not get cell phone coverage. Perhaps if we tell them Tract 51 is not an option, I think we may come back with something. Mr. Joossens said they have other issues with their roof and I did not want to get into that, but I think they can be mitigated. I am not sure they have enough information as to how the tower can be hidden. Mr. Parker has a lot of experience hiding it within the Celebration Hotel. T-Mobile is hidden above the Bank of America building. I think if we discuss these other things and remove Tract 51 from the list of options, maybe that will work.

Mr. Moyer stated I have a concern about the District spending even a minor amount of money for Ms. Carpenter to do that research. This is not an authorized power under Chapter 190, Florida Statutes. We are doing this because you are involved in the community and we want to move that process forward, but I am very reluctant to spend public money on something that is not authorized by law.

Mr. Sunnarborg stated I did not know that, and I agree with you.

Mr. Moyer stated in my experience when cell phone providers have an interest, they fund all of the upfront costs. We will not have to do that. Other Districts that I am associated with have not paid any of those costs. All of the research has been funded by the cell phone providers.

Mr. Moore stated for clarification for the audience, this is not something by law we are permitted to expend money for. We can still research it, but have someone else fund it.

Mr. Moyer stated if someone comes to us and wants to lease a piece of property and it is available from our surplus to be able to lease, that is fine. But I do not want to spend District money for Ms. Carpenter to do any research.

Mr. Sunnarborg stated I was suggesting that we get a check on the likelihood that we could get a permit and I am hearing that it is close to zero.

Ms. Carpenter stated I think it is probably slim to none.

Mr. Sunnarborg stated it is not a matter of us taking it off the table voluntarily; we simply cannot do it.

Mr. Joossens stated if we think this is a viable option, then we will get the cell phone provider to do the work.

Mr. Sunnarborg stated it sounds like Tract 51 is not a viable option.

Mr. Joossens stated they feel like it is a good option. They have not met with Osceola County.

Mr. Moore stated it is more than the County. There is Reedy Creek Improvement District, too.

Mr. Sunnarborg stated there are conservation easements.

Mr. Moyer stated there are the South Florida Water Management District and many other easements.

Mr. Sunnarborg stated what I am trying to clarify is, if someone is going back to the Condominium Board, Tract 51 is not an option and they need to be told that. So far, there is no other option.

Mr. Joossens stated I think that is unrealistic.

Mr. Sunnarborg stated good luck trying to get a permit for Tract 51. We have already been through this.

Mr. Joossens stated let the cell phone provider go through the process and we will try to see if they can be approved as a viable location. We are down to the last of possible locations. If we do not do it now, we will never get it done. We spent many years trying to find a location for a cell phone tower. We have too many issues. If there is an accident on Celebration Boulevard and I cannot call 911, that is totally unacceptable. We need to have cell phone capabilities. We need at least the major carriers, which are AT&T and Verizon. We have to give them that capability. This is a viable location that can work. The Condominium Board is not willing to look at it at this time and they want to table it. They have too many concerns with the construction of the buildings to work on putting the electronic boxes in some locations as well as putting something on the roof.

Mr. Sunnarborg stated I am getting frustrated with month after month of no progress on this issue. I am trying to help you clarify what the possibilities are so you can go back to the Condominium Board and say you are out of options. If you tell them Tract 51 is a possibility, they will just defer to that while the cell phone carrier tries to permit it unsuccessfully and it takes months to do that. So they will get an answer and that answer will be "no" and it will take months to figure that out. We do not have that long.

Mr. Joossens stated right now, they are not going to listen to putting anything on that roof until they investigate all of their issues with the equipment.

Mr. Sunnarborg stated then we need another option and another piece of property.

Mr. Joossens stated I am willing to look at anything. I am willing to work with the Water Management District and anyone else in order to put up a tower.

Mr. Sunnarborg stated you cannot wave a magic wand and make those things go away. We need to have a concerted effort to find another site.

Mr. Joossens stated our people have looked at it and they feel fairly strongly that they can put a tower on Tract 51. If you want to take it away from them, we have no other options.

Mr. Sunnarborg stated I am not taking it away from them. I am just skeptical of success. I think time would be better spent trying to find another alternative.

Mr. Joossens stated I do not know of any other location that Mr. Moore has not looked at that has not already been addressed.

Mr. Moore stated I think there may be some locations that we discounted before. Depending on the coverage of tomorrow's test and what we think we can cover with the hotel, it may be just an Artisan Park issue. If we think of it that way, there may be something we can do on a smaller scale for Artisan Park if the rest of the community is covered.

Mr. Joossens stated I do not mind doing all of that, but I like to do things parallel, rather than wait three months later to find out we have to look for another location.

Mr. Moore stated I agree.

Mr. Joossens stated unless you tell me today that we cannot consider Tract 51, they have already done due diligence and looked at some of the issues. Let them spend the time and find out if it is even feasible. Do not let them do all that work and then pull the rug out from under them.

Mr. Moore stated I have a lot invested in this and I do not want the cell phone company to do the same thing. I am not sure they know the issues surrounding that property that Ms. Carpenter knows. This was an issue when we discussed building a road through that area and there are bigger issues with that property. I defer to our Attorney, who says this is a bigger issue than we thought and the cell phone company does not know that.

Mr. Moyer stated if it helps, we can make available the minutes of the meeting when we discussed this.

Mr. Joossens stated I will take a look at them and determine if there is a possibility or if it is a dead issue.

Mr. Akey stated in your search for a location, The Celebration Company will be a prime contributor to help solve the issue and you already have their help.

Mr. Joossens stated we are looking for two carriers in one location, not one here and one over there.

Mr. Sunnarborg stated I will not stand in the way of any possibility. We needed cell phone coverage yesterday. If this company wants to take their time and research it and if we can provide the information from our meeting when we discussed this, that is fine. But we need to have some other options working in parallel, like you said.

TENTH ORDER OF BUSINESS

Updates and Discussion Items

A. Discussion of Civic Corridor Infrastructure and CDD Maintenance Facility

Mr. Moyer stated we discussed this item in depth at our workshop a couple weeks ago and are proceeding in the direction the Board provided to us at that time.

ELEVENTH ORDER OF BUSINESS

Other Business

There being none, the next order of business followed.

TWELFTH ORDER OF BUSINESS

Supervisor Requests and Comments

Mr. Moore stated our financial records look good and I am happy with the audit.

Mr. Akey asked was Mr. Smith able to research some numbers for the maintenance facility?

Mr. Smith stated yes, I have some estimates for using the property in its current condition, for parking and just being able to occupy the property.

Mr. Sunnarborg stated the idea we talked about, given the feedback we received from the Board at the workshop to approach this in a phased manner, first we complete the property swap. The second step is to try to get a workable, but temporary solution on that land as soon as practical after the land swap so we can begin using it and parking on it, but not to do anything or spend any money or propose anything that is permanent or is not really reasonable in cost.

Ms. Carpenter stated the caveat to that is the covenants and restrictions will require design approval. One of the changes we asked for is a diminimous amount of \$25,000 or some number in order to make some improvements without going through that process. Right now, any improvements including this, would have to go to The Celebration Company for approval.

Mr. Sunnarborg stated we will submit all of our improvements for approval, but the idea is that anything in the temporary solution other than the obvious fence exposure will be hidden. We do not want to cause any design issues other than how good our screening is. The third step is something we will work on over the next few years of designing a long-term permanent facility, which we will make a separate decision about as we discussed in our workshop.

Mr. Akey stated we have the temporary plan and the estimate associated with it. What is the next step from here?

Mr. Sunnarborg stated this is the first time we are all seeing this information. The next step is to see if we are agreeable to spend \$57,000 on improvements that will last at least a couple years.

Mr. Moore stated considering that we were going to spend \$1 million to build a facility, which we are deferring for now until we figure out how to fund it and get partners on, as well as not building an entire road and related infrastructure that will cost \$500,000, this is a good cost savings. I think it seems reasonable to do the land swap and be able to improve it slightly to put temporary things on it and we can use it for as long as we need to.

Mr. Sunnarborg stated this does not include any buildings. We will be using the same trailers and existing facilities.

Mr. Akey asked is our next step to review it over the next month and consider it as an action item in June?

Mr. Sunnarborg stated yes. That way we can come from the land swap with an approval to proceed with these improvements. How quickly can we move the parking, once you have the land and the approval for the improvements?

Mr. Smith stated I can move it the next day if they need it moved that quickly. I will get it bushhogged quickly. As soon as they turn it over to us, we will clear the grass and move everything over.

Mr. Sunnarborg stated it will not be instantaneous, but it will be a couple days to complete.

THIRTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Moore, seconded by Mr. Sunnarborg,
with all in favor, the meeting adjourned at 8:30 p.m.

Tom Sunnarborg, Secretary

Cliff Akey, Chairman