

MINUTES OF MEETING CELEBRATION COMMUNITY DEVELOPMENT DISTRICT

The workshop of the Board of Supervisors of the Celebration Community Development District was held Wednesday, February 16, 2005, at 8:30 a.m. in Town Hall, 690 Celebration Avenue, Celebration, FL.

Present and constituting a quorum were:

Richard Quinn	Chairman
Peter Crow	Vice Chairman
Steve Katz	Secretary
Linda James	Supervisor
David Stofcik	Supervisor

Also present were:

Edward Goscicki	Manager: Severn Trent Environmental Services
Ariel Lovera	District Manager's Office
Brian Smith	District Manager's Office
Gillian Walker	District Manager's Office
Matt Forbes	Walt Disney Imagineering
Jerry Newland	St. Joe
Joe Harless	Celebration Independent
Members of the Public	

Introduction

Mr. Quinn called the meeting to order. He noted the meeting is a workshop, not a Board meeting, which means no action will be taken. He said the purpose of the meeting is to receive information from staff.

Status of CCDD Webpage Development

Mr. Quinn said the purpose of a Celebration CDD website would be to provide the community with updates on CCDD business and other necessary information. He said posting community information on a website would also free the staff from answering questions. Mr. Lovera said staff was looking into creating a joint website linked to Celebration's Front Porch. Mr. Quinn agreed that a link to the CCDD website should be provided on Front Porch, although he feels the website should be independent. Mr. Katz said staff should comprise a proposal for webpage services. Mr. Goscicki said Severn Trent Services has a department that handles websites for clients who want them. Mr. Quinn said

he would like several website proposals so the Board has a variety of options to choose from, adding that he will speak with Mr. Lovera to determine what should be included on the website.

Audio/Video Capabilities for CCDD Board Meetings

Mr. Quinn said the Board would like to investigate the possibility of videotaping the Board meetings in addition to audio taping them. He asked staff to request bids for the services to ensure the Board has a variety of options. Ms. James inquired about the purpose of videotaping the meeting. Mr. Quinn said it would provide a better record of the meeting and assist staff with the transcription of the minutes. Mr. Quinn added that providing the videotapes to the local access television channel would facilitate communication with the Celebration community, particularly those who cannot attend the meetings.

Staff Updates on Current Projects/Issues/Complaints

A. Discussion Regarding February 24, 2005 Meeting

Mr. Quinn noted that everyone has a copy of the February 24, 2005 agenda. Mr. Katz asked Mr. Walter if he had any comments related to the agenda. Mr. Walter said he had an update regarding the DRI and DO research. He said he has met with the county, noting that nothing out of order was found. He said the county is currently in the process of monitoring and modeling. He said if the monitoring and modeling is completed before the February 24, 2005 Board meeting, he will inform the Board about the results.

Mr. Walter said the other issue on the February 24, 2005 agenda is an update regarding a state bid for asphalt. He said he trying to negotiate a contract with APEC, who is the county asphalt contractor. He said the District has two options to proceed with this matter. If the contractor matches the prices, the District will enter into their own contract with APEC. He said the second option would be to use the county's contract with APEC. He explained that he believed APEC would match the price of the county's contract. Mr. Katz said it would make sense to match the county's price because the county and the CDD are both public agencies and the roadways are also all publicly owned. Mr. Walter agreed.

Mr. Crow asked whether the services provided by this contractor would include all of the work needed to be performed on the alleys, including asphaltting, milling and laying, and Mr. Walter confirmed. Mr. Quinn asked how contracting with the county contractor would affect

the timeliness of repairing the alleys. Mr. Walter explained that contracting with the county contractor removes the need for a procurement process, adding that it is beneficial because it allows the District maintain low rate. Mr. Quinn clarified that he wanted to know whether the project would be delayed if the contractor became busy with county projects. Mr. Quinn said he was concerned about communicating to the residents that the alleyways would be closed for repairs. Mr. Walter explained that the CDD would have a separate contract with the contractor, so that would not be a concern. Mr. Katz asked what would happen if the county needed the contractor for another project. Mr. Walter explained that the county would not be in control of the contractor or the District work.

Mr. Quinn inquired about the Celebration Trolley agenda item. Mr. Smith explained that the Board requested he work with someone from Celebration Trolley work to create a signage proposal. However he said no one from Celebration Trolley contacted him. Mr. Quinn said after the last Board meeting, he began to have concerns about the cost and the liability associated with the signs. He said he would like to have a contract with Celebration Trolley that would ensure the CDD would have no liability associated with the stopping of the trolley and Celebration Trolley would be fully responsible for any and all costs. He then requested the staff remove the item from the February 24 agenda. Mr. Katz added that Celebration Trolley should be responsible for the cost of preparing the contract.

Mr. Katz said the signage throughout Celebration is an item he would like to discuss at the February meeting. He explained that a lot of the signage is old and needs updated. He said he would like to remove the model home signs because there is no longer a need for them. He said he also would like to revisit the one hour parking signs along the streets. He requested an update on all of the signage in the right-of-ways, including an explanation of why they are there. Mr. Quinn agreed and said he would like to ensure the signs provide the public with correct directions. Mr. Katz added that the community has requested larger signs to help direct people to the high school.

Mr. Crow asked what the Board requested from Celebration Trolley. Mr. Katz explained the Board asked for a complete package to be presented to the Board with regard to the placement of the signs. Mr. Crow said the Board may want to leave the Celebration Trolley item on the agenda so it could be addressed if someone from Celebration Trolley came to the meeting. Mr. Smith said he does not have enough time before the meeting to work on a

signage plan with someone from Celebration Trolley. Mr. Katz requested staff change the Celebration Trolley agenda item to "Update Regarding Signage." Mr. Quinn said Mr. Maldonado needs to receive approval and permits from all of the interested parties before he presents a signage plan to the Board. Mr. Katz said Mr. Maldonado should present a contract with an attached exhibit of the locations of the signs. Ms. James asked whether making this decision would set a precedent. Mr. Quinn said it could, but he feels the Board should take the issues on a case-by-case basis. He explained that the issue needs addressed because Celebration Trolley is already making regular stops at unsigned locations, which creates a greater liability.

Mr. Katz inquired about the goal of lease agreement agenda item, adding that he wanted to know if there was a date established in which the CCD would need to vacate the premises. Mr. Forbes said the goal is to establish a relationship with The Celebration Company. Mr. Katz asked when the lease term would end. Mr. Quinn said the lease is for one year with an automatic renewal. Mr. Crumbaker said the revised draft of the agreement incorporated several comments requested by Mr. Quinn. He said one of those comments was an automatic rollover and a requirement of a 90 day notice prior to the end of the term of any intent by the licensor to not renew. He said a six month out was also included. He said he has not received any comments back from the landowner at this time, although he hopes to finalize the arrangements with the landowner by the next Board meeting. Mr. Quinn asked whether the landowner would fill in the blanks in the lease regarding the cost. Mr. Crumbaker confirmed.

Mr. Katz said the people who use the facility are contractors not CCDD employees. Therefore, he said he wants the insurance of the vendors who use the facility to cover the liability, rather than the CCDD's insurance. Mr. Katz added that he is not comfortable with a one year lease with a 90 day termination clause. He said he would like the lease to be for 5 years, adding that using the land to complete the connector would be a proper reason for termination. Mr. Crumbaker noted that if the District does not have a lease with The Celebration Company, the use of the land is on a month-to-month basis. Mr. Katz said he does not feel a five year lease is unreasonable. He said five year leases are common, noting the District has a five year lease with Town Hall for the use of the meeting room. Mr. Crumbaker said he does not believe The Celebration Company will accept a five year lease,

although he said he would pass Mr. Katz's message on to Ms. Stuart and The Celebration Company. Mr. Katz then encouraged staff to look for a new space to use for that purpose.

Mr. Crow asked how much land the District needs for that purpose. Mrs. Smith said the current space is three acres. He said depending on how the space is used, the District would need three to five acres. Mr. Quinn noted there is a diagram of The Celebration Company's space in the back of the lease agreement. Mr. Crow asked how many vendors use the land. Mr. Smith said three: Davey Tree, Albritton Williams and Severn Trent. Mr. Quinn noted that The Celebration Company's land is difficult to fully utilize because it is much longer than it is wide. Mr. Smith added that the land also has a gas easement, which further restricts the use of the land.

B. Update on Status of Transfer of CCDD Parks to CROA

Mr. Quinn said last week the deeds were delivered to CROA with a copy of the signed resolution. Therefore, he said the District now has to wait for action from CROA. Mr. Quinn noted the District has also initiated a formal transmittal process. Mr. Katz asked if all of the deeds were signed and Mr. Quinn confirmed. Mr. Katz asked whether some deeds were quit-claim deeds and Ms. Walker confirmed. Mr. Quinn said the process was slightly delayed because the District was waiting for confirmation from St. Joes/Artisian Park.

Mr. Quinn said he talked with the Osceola County Commission Chairman about lowering the speed limit. He said he is in the process of scheduling a meeting with the county engineer, county commission chairman and himself. He said the chairman agreed that initiating a traffic study that may result in increasing the speed limit is unproductive. Therefore, if the process appears as if it will result in an increased speed limit, the county will drop the proposal. Mr. Quinn said he will update the Board when he has more information. Mr. Walter asked Mr. Quinn if he should be involved in the meeting with the county engineer and the county commission chairman. Mr. Quinn said he would like Mr. Walter to be involved.

Mr. Crow asked whether there was a sense of CROA's reaction to the transferring of the parks. Mr. Katz said CROA is fine with the transfer of the parks, and they plan to give the CCDD some of their parks soon. Mr. Katz added that it has been rumored that CROA may want the CCDD park on Waterside. Mr. Quinn noted that CROA already has plans to use the park as a dock park.

C. Discussion Regarding Alley Audit

Mr. Quinn asked for an update regarding the alley audit. Mr. Smith said he is waiting to receive information from Hanson, Walter & Associates. He said Mr. Walter is researching which alleys need repaired and what type of repairs those alleys need. Mr. Katz noted that CROA originally contracted with a garage company that had small trucks to accommodate the size of the alleyways. However, he said that company was sold and CROA now contracts with a company that has larger trucks. He said the District needs to work with CROA on this matter because CROA is in charge of contracting garbage companies. He said the District may have to expand the alleys to accommodate the size of the garbage trucks. Mr. Quinn said the alleys were not designed to handle a steady flow of heavy trucks. Mr. Katz said the District should have a discussion about the use of the alleys. Mr. Smith said he would contact CROA with regard to using smaller trucks. He said he would also look into widening the alleys. Mr. Katz asked how much of the alleyways the District owns. Mr. Smith said the District owns about four to five feet on each side. Mr. Quinn noted that it varies depending on the setback.

D. Discussion Regarding Tree Replacement Throughout Celebration

Mr. Katz said he would to have a plan to replenish the District's reserves. Mr. Quinn inquired about the status on the FEMA process. Mr. Smith said the project worksheets were turned over to the FEMA representatives, and they are going over the additional areas that they are requesting funding for. Mr. Quinn asked how much the District expects to be reimbursed. Mr. Smith answered \$1 million to \$1.5 million. Mr. Katz asked why the District will be receiving \$1 million to \$1.5 million, if only \$100,000 was spent. Mr. Smith explained that there are some invoices related to hurricane expenses that have not yet been paid. Mr. Katz asked what the net cost of expenditures will be. Mr. Smith said he does not know, although he said staff could find out. Mr. Katz asked when the District expects to receive the reimbursement check. Mr. Smith said there is a problem regarding the standing and dying trees. He said the District may have to appeal FEMA's decision that the standing and dying trees are not reimbursable, although right now the issue is under negotiation. He said he thinks the standing and dying trees were debris that just happened to be stood back up. Therefore he feels the removal expense for those trees should be included in the reimbursable expenses. He explained that it cannot be determined when the District

will receive reimbursement until he has a greater understanding of how this issue will be resolved. Mr. Katz asked whether the contractor is charging the District to do the additional invoice work. Mr. Smith said no, adding that much of the work is being done by the District Manager's Office.

Mr. Crow asked whether FEMA is paying for the lost trees. Mr. Smith said FEMA will only reimburse the District for debris removal. Mr. Crow asked what the District will do when the unpaid invoices are billed to the District, noting that the reserves are mostly drained. He added that he would like to know how the reserves will be replaced. Mr. Katz requested staff look at the budget and devise a plan to replenish the reserves, noting that it was fortunate there were \$1 million in the reserves prior to the hurricanes. Mr. Smith added that a majority of the hurricane expenses should be reimbursed by FEMA. Mr. Crow asked how much the District should keep in reserves. Mr. Katz said it takes time to establish a reserve, adding that it took four years to build up the \$1 million that was used for the hurricane damages. Mr. Quinn said as the District ages, the need for a larger amount of reserves becomes greater. Ms. James said the District needs to conduct a reserve assessment. Mr. Quinn agreed a reserve assessment would be the best method to determine the amount that needs reserved. Mr. Katz noted that the \$1 million that was reserved barely covered the hurricane expenses. Mr. Quinn said replenishing the reserves should be built into the budget. Mr. Smith said staff is currently undertaking an assessment study.

Mr. Katz said the District has been performing functions that are normally done by the landowners or the residents. Therefore, he said the District needs to clarify what their jobs are and whether the District owns the property aboveground from the sidewalk to the curb, or only the land belowground. Ms. James asked if the Board is confident the District owns the trees. Mr. Katz said on the property from the sidewalk to the curb, there is a mailbox, grass and a tree. He said the District does not own the mailbox or the grass and the District is not responsible if the mailbox is damaged or the grass dies. Therefore, he said the District does not own the tree and should not be responsible if the tree dies. He said the only reason the District owns that property is so they can receive reimbursements for the utility fees. He noted that Mr. Quinn pointed out that many of the trees were not the proper species to sustain hurricanes. However CROA is responsible for determining the types of trees that are planted. He said it is a difficult situation for the District to be involved in the tree replacement because

the District has no authority over the aboveground property. Therefore, it is difficult for the District to decide which species to replace the damaged trees with.

Mr. Quinn said the District needs to wean the residents and homeowners from their dependency on the District. He said since 1996, the District has taken responsibility for the trees, adding that they are pruned by Davey Tree and maintained by the District. Therefore, the homeowners have a reasonable expectation that the District owns the trees. Mr. Quinn added that following the hurricanes, the community was told by several sources that the District would handle the situation. Ms. James said regardless, the homeowners will pay for the trees. Mr. Katz said the District needs to be mindful that the District cannot plant a tree that does not fit the pattern book established by CROA. Mr. Quinn said it has to be a collaborative effort. Mr. Katz said there are differing views on how to handle the matter. He then requested Mr. Crumbaker provide the Board with an update on the sidewalk lawsuits at the next Board meeting.

List of all Current and Pending District Contracts Showing, Project, Contractor, Origination Date, Termination Date

Mr. Quinn said the reason he requested this item is because he has been receiving contracts for his signature late in the process. He noted that he had some concerns and questions regarding the Aquatic Weed Control Contract. He added that the Davey Tree contract was given to him for signature six months after it was approved by the Board. He said he would like a list of all of the contracts that exist including the date they were executed and the date the contract will be terminated, so a process can be established for renewing and bidding the contracts. Mr. Quinn noted some contracts are not included in the list that was distributed to the Board at the beginning of the meeting. He said Severn Trent, Disney Imagineering, Hopping Greens & Sams are a few contracts that need added to the list. Mr. Katz suggested creating yearly agendas that would include the expiration of contracts and dates for the Board to discuss contract renewals or contract bidding. He said if the District is contracting a new service, the Board should receive advance notice of that as well.

Mr. Crumbaker said many District contracts were entered into jointly with Enterprise. He asked whether in the future the District would like to continue with joint contracts, have a joint RFP package but separate contracts, or do the contracts completely separate. He added that the Enterprise would like to proceed as they currently are. Mr. Katz said he has always

had an issue with the allocation of costs with regard to the joint contracts. He said he is okay with joint contracts as long as the CCDD does not pay more than they should. Mr. Crumbaker said he would like Mr. Forbes and Mr. Smith to assist in the allocation of costs. Mr. Quinn said he had a concern with the Aquatic Weed contract because it did not clearly state all of the parties involved and it was confusing who the contract was actually with. Mr. Katz suggested having separate contracts, so the CCDD would be free to terminate the contract whenever it was deemed appropriate. For clarification, Mr. Crumbaker asked Mr. Katz if he was requesting joint RFP packages with separate contracts, and Mr. Katz confirmed. Mr. Katz said the party paying for the contract should have its own contract. Mr. Crumbaker said staff can construct the RFP in that manner in the future.

Mr. Crumbaker said Ms. Stuart received a request from ISSA Homes for a piece of District property, which she forwarded to the District Manager's Office and Mr. Forbes. Mr. Katz asked if it was for the parking lot, and Mr. Crumbaker confirmed. He said Ms. Stuart has a few questions, although she wanted to know if the Board would like her to proceed. Mr. Quinn said he does not want counsel to proceed without the Board seeing the request. Mr. Crumbaker said Ms. Stuart will likely discuss it at the next Board meeting. Mr. Quinn said he does not want the matter discussed at the next meeting. Mr. Katz agreed and Mr. Crumbaker said okay. Mr. Katz asked whether counsel was working on any other matters. Mr. Crumbaker said he received a request for a plat for Area 5. He said he is reviewing it and he is not sure if the District has an interest in it. He said if the District does have interest in it, it will be presented at the March meeting. He noted the review of the matter is being billed to the Area 5 Development, not the District. Mr. Quinn asked Mr. Crumbaker what software his firm uses for docket control, and Mr. Crumbaker said Docs Open or Hummingbird.