

**PINEY-Z COMMUNITY
DEVELOPMENT DISTRICT**

SEPTEMBER 13, 2010

AGENDA PACKAGE

Piney-Z Community Development District
Severn Trent Services, Management Services Division
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September 8, 2010

Board of Supervisors
Piney-Z Community Development District

Dear Board Members:

A regular meeting of the Board of Supervisors of the Piney-Z Community Development District will be held **Monday, September 13, 2010 at 6:30 p.m.** at the Piney-Z Plantation Lodge, 950 Piney-Z Plantation Road, Tallahassee, Florida. Following is the advance agenda for this meeting:

1. Roll Call
2. Pledge of Allegiance and Prayer
3. Approval of the Minutes of the August 9, 2010 Special Meeting
4. Auditor Selection Process
 - A. Appointment of Committee Members
 - B. Establishment of RFP Evaluation Criteria
 - C. Authorization to Proceed with RFP
5. Manager's Report
6. Attorney's Report
 - A. Consideration of the Amended and Restated Interlocal Agreement with the City of Tallahassee
7. Property Manager's Report
8. Supervisor Requests
9. Audience Comments
10. Acceptance of the July, 2010 Financial Statements and Approval of the Check Register and Invoices
11. Adjournment

Enclosed for your review are the minutes of the August 9, 2010 meeting.

The fourth order of business is the auditor selection process. According to Florida Statutes, it is necessary for the Board to appoint an Audit Committee for auditor selection. This can be either the entire Board or at least one Board member and the District Manager. After the designation of members, the Audit Committee must establish the criteria for the RFP. Enclosed please find a sample of the instructions for proposal and evaluation criteria. Lastly is the authorization to proceed with issuing and advertising the Request for Proposals for audit services. The proposals received will be presented to the Audit Committee at a future meeting. The committee will then rank the responders and make a recommendation to the Board for your consideration.

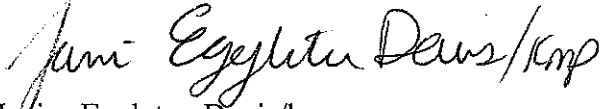
The sixth order of business under the Attorney's Report is the Amended and Restated Interlocal Agreement with the City of Tallahassee for your consideration.

The Property Manager's Report is included under tab 7.

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The financial statements and check register for the period ending July 31, 2010 are enclosed for your review. Any additional supporting material for the items listed above will be distributed at the meeting. If you have any questions, please give me a call at (904) 940-6044.

Sincerely,



Janice Eggleton Davis/kmp
District Manager

cc: Chasity O'Steen Bob Reid Clay Campbell Zannah Lyle
Lance Rogers Doug Sealy Claudia Vaccaro Michael Eckert

Third Order of Business

**MINUTES OF MEETING
PINEY-Z COMMUNITY DEVELOPMENT DISTRICT**

A Special meeting of the Board of Supervisors of the Piney-Z Community Development District (CDD) was held on Monday, August 9, 2010 at 6:30 p.m. at the Piney-Z Plantation Lodge, 950 Piney-Z Plantation Road, Tallahassee, Florida.

Present and constituting a quorum were:

Thomas Cooper	Chairman
Geraldine Rudd	Vice Chairperson
Beth Matuga	Assistant Secretary
Richard Kessler	Assistant Secretary

Absent:

Richard Mergy	Assistant Secretary
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Mr. Cooper mentioned receiving a call from Mr. Mergy's son informing him that Mr. Mergy experienced a fall earlier that day and would be unable to attend the meeting.

Also present were:

Bob Koncar	General Manager, STS
Janice Eggleton Davis	District Manager
Chasity O'Steen	District Attorney
Karen Ellis	STS (via phone)
Michael Eckert	Attorney for Piney-Z Land Co.
Lance Rogers	Property Manager
Numerous Residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Cooper called the meeting to order and Ms. Davis called the roll.

SECOND ORDER OF BUSINESS

Pledge of Allegiance and Prayer

The pledge of allegiance was recited followed by a short prayer.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the
July 12, 2010 Regular Meeting**

Mr. Cooper stated Board members received a copy of the minutes for the July 12, 2010, regular meeting, and inquired if there were additions, corrections or deletions.

There being none,

On MOTION by Ms. Matuga, seconded by Mr. Kessler with all in favor, the Minutes of the July 12, 2010, regular Board meeting were approved.

FOURTH ORDER OF BUSINESS

District Manager

A. Consideration of a Alternative Assessment Methodologies and adoption of a Assessment Methodology (Resolution 2010-4):

- Ms. Davis reviewed exhibits supplied to the Board in their agenda packet:
 - Tab Four, or Resolution 2010-4, contained two exhibits that were not truly the exhibits for this resolution.
 - The first exhibit represented one alternative methodology the Board could adopt: it showed a front footage based on a change in the last three product types.
 - The second exhibit an exhibit is a second alternative methodology the Board could adopt: it showed equalizing assessments where everyone paid the same Operations & Maintenance (O&M) assessment.
 - What would actually become Exhibit A would be a listing of all the properties by parcel ID; Exhibit B would be whichever of the two assessment methodologies the Board selected.
- Ms. O'Steen remarked that at the previous Board meeting, staff was directed to review the assessment methodology issue, research the alternatives and present them to the Board for consideration and adoption of one.
 - The two alternatives were contained in the agenda packet, with the second alternative based on an equal allocation to all the benefitted properties regardless of product type or front footage.
 - They were commonly used methodologies, and staff felt either

- alternative was defensible if challenged.
- There was also a third alternative available: the assessment methodology currently being used by the Board consistent with the chart attached to the debt resolution the Board adopted in late 2006.
 - If the Board elected to retain the existing methodology and it was challenged, there were, potentially, some legal arguments that could be applied to argue the developer was estopped and waived any argument that it was not a reasonable allocation of benefits.
 - In summary, it is a cost-benefit analysis currently before the Board, and staff recognizes people here holding strong emotions on the matter of discussion; ultimately, it is the Board's decision as to which methodology to adopt.
- Mr. Cooper wished to remind residents in attendance wishing to speak on agenda items they need to fill out an information card, indicating the issue they wish to discuss. Each speaker is allotted three minutes to present their argument.
 - Ms. O'Steen wished the Minutes to reflect that she distributed to the Board a copy of the chart attached to the debt resolution adopted by the Board in 2006; it contains calculations the Board uses at present related to allocation of the O&M assessment.
 - Mr. Kessler commented, as background information, from the inception, the commercial properties at the time were assessed an amount for the CDD that was in the area of \$92,000. When the issue of rezoning arose, part of the agreement in the approval of rezoning those commercial properties to residential was that they would continue to contribute , the same amount of assessment for the CDD operations. He explained that when the assessment methodology was drawn up for the newly rezoned residential properties, specifically Phase 9 and Phase 12, there was the issue of the \$92,000 being more than would be assessed if they were originally part of the surrounding residential neighborhood. Thus, there

was an assessment methodology derived that was seemingly out of balance with what other residential property owners were paying. For example, a 90-foot lot paid \$686.54; currently, in Phase 12, the 50 foot lots and the 65-foot lots paid the same amount. The property owner of Phases 9 and 12 felt the assessment they paid was unfair, and the issue brought up was whether or not the assessment methodology should be altered to bring the assessments paid by those in Phases 9 and 12 more in line with the other residential phases. As to the issue of fairness, when the commercial portion was rezoned residential, a number of existing residential property owners saw increases in their assessments of up to 15 percent with no additional revenue coming in. Thus, there was an added burden for everyone in the effort to support an increased number of residents with no real added revenue. He discussed a table he devised containing three main columns and went on to discuss their contents.

- Ms. Davis noted she previously handed out to the audience in attendance a three-page document: one on the current assessment methodology, one with the straight line, and one with the front footage.
- Mr. Kessler continued his review of the three columns in his document: one column showed the current assessment methodology and the ensuing charges per lot; the next column illustrated what the frontal footage assessment per lot with the related change in assessment methodology; the final column showed an equal allocation, whereby every lot pays \$448.78. The two columns to the left showed the difference between the current methodology, and frontal footage methodology, how much each lot might go up or down, and the last column illustrated differences between existing methodology and changing to equal allocations. He pointed out the existing methodology via property owners paying the highest amount of \$686, which is \$411 more than those paying \$274; under the existing methodology, therefore, assessments were out of balance. If a frontal footage methodology were selected, this would increase the amount for those already paying the highest assessment, while those paying the least

would see a decrease. Thus, one might argue the frontal footage methodology actually increased the “unfairness factor with a bigger spread between these paying the most and those paying the least.”

- Ms. Matuga questioned if Mr. Kessler’s numbers matched those contained in the handout Ms. Davis distributed to the audience.
- Ms. Davis responded she was unable to say, as she had not seen Mr. Kessler’s list until the present evening.
- Mr. Koncar indicated the O&M numbers contained in Mr. Kessler’s list matched those in the documents given to the Board and on the chart.
- Ms. Matuga requested Ms. Ellis explain in a simplified manner how assessment methodologies work; specifically, the reasoning behind the frontal footage assessment methodology.
- Ms. Ellis replied the front footage was a way of applying a development’s assessment to the assessment areas. This could be found, for example, in the debt service methodology that included installed infrastructure, using various average-sized lots for the calculation, and those with a smaller front footage would have a smaller assessment, and those with larger frontal footage would be assessed more. This was the reason the bearing on the infrastructure was considered fair and reasonable to the debt and assessment levied to repay the debt.
- Ms. Matuga requested an explanation as to how a smaller sized lot in Piney-Z would receive less benefit than a larger sized lot.
- Ms. Ellis responded this could vary, as it depended on what was contained in the O&M Budget. With such budgets it was felt, whether it had to do with a condominium or a large estate home if an operations and maintenance budget were very simple consisting primarily of administration, there was no extra benefit the larger lots received compared to smaller ones. When there were more field and operations in the budget, this was when in most cases, the assessment methodology would follow the front footage or the same debt methodology because by some interpretations larger lots received more benefits than a smaller lot

did. She said it is what the Board considered fair and reasonable in determining which methodology to approve and adopt.

- Ms. Matuga wondered if anyone had a concept of what a larger lot would get that a smaller lot would not.
- Ms. Davis replied in the initial methodologies, for the debt service side, it was considered that a larger lot would have more cars and, therefore, would be using more of the roadways. More space might use more storm water control, etc. On the O&M side, however, everyone has access to the lodge, the pool and other community amenities.
- Ms. Matuga wished to determine if going with the frontal footage meant you accept there was an underlying premise that larger lots received more benefits than smaller lots, and vice versa. Her focus is on the tangible factors, such as having a bigger house meant more people could occupy it; there was a need to justify this point of view.
- Mr. Kessler stated he was unsure he could fully accept having a frontal footage for the infrastructure lies. He could accept some justification that larger homes take up more road, etc., and they enjoy increased benefits. He acknowledged that this was a standard practice in assessment methodology, but in looking at the O&M, everyone has the same access and opportunities to the community amenities. He felt that this was further justification or logic for an equal allocation method. He stated that another benefit to an equal allocation that was very defensible for the O&M funds was access to the amenities and the expense of operating the CDD. What was not very defensible was an increase in the disparity due to the use of the frontal assessment methodology.
- Ms. Matuga mentioned struggling with two issues: one was the frontal footage underlying assumption that a larger home received greater benefits and a smaller home got less benefits, as she was unsure if this was true. The second issue was with the equal allocations methodology, someone paying \$274 will now have to pay \$448; while this might be fair in the long run, she could easily imagine many property owners would not be

happy with this. Board members had to be able to justify the fairness of the change in assessment methodology when asked for an explanation by property owners. In her mind, the latter was not fair either.

- Mr. Kessler felt that, in addition, was the risk of someone taking the situation to court, and that might lead to the Board having to change the methodology again and pay for the court case along the way.
- Ms. Rudd was of the opinion that if the smaller lots had equal access to the community amenities as the larger lots, this was where the money is.
- Mr. Kessler commented that another aspect to an equal allocation methodology, according to his chart, was the imposition of a significantly greater fee on the 20-foot lots in Phase 9. This brought them closer to the assessment expected with the rezoning. He said there were alternatives, but the Board could opt to leave the current methodology in place. He stated that the present situation unfolded suddenly after a great deal of recent activity that forced the Board into considering an alteration, leading them to hold meetings and make plans as to a decision on short notice. He thought there were many who would have preferred to have the subject issue advertised around the community to gain more input and participation by those affected. The Board could choose to retain the current methodology, approve the budget, and reconsider an alternative methodology in the near future with more community input on which to base their decision to change.
- Ms. Davis reiterated, as Ms. O'Steen indicated earlier, that one of the Board's options was to adopt the current assessment methodology; thus, there were three options as reviewed before the Board from which to choose.
- Mr. Cooper indicated that the Board needed to make a decision at the present meeting on which assessment methodology to approve; because they have to do this each year
- Ms. Rudd stated that she thought everyone has lived with what they have without fussing.

- Mr. Kessler commented that this did not appear to be the case anymore.
- Mr. Cooper felt sure no one wished to go through an extended lawsuit over the matter of discussion for leaving the method the way it is. He mentioned receiving two cards from the members of the audience wishing to comment.
- Michael Eckert, representative of Mr. Zins, the landowner that lodged the objection to the current assessment methodology, summarized Mr. Crumbaker's presentation in July 2010 on how assessments had to be calculated according to Florida law:
 - They had to be based on benefit.
 - They had to be fairly and uniformly applied.
 - The proposal included in the July agenda package and before treated only some lots based on front footage and some lots not on front footage, therefore, was not based on a uniform methodology as required by Florida law.
 - If the District chooses front footage, you have to apply everything by virtue of front footage; this is not discretionary. The Board had the ability and some discretion in terms of how much to assign a particular parcel.
 - His position was that the Board did not have the discretion to ignore the second problem of what all special assessments must meet; that is, a uniform and fair allocation.
 - He reminded the Board that the front footage methodology is a fair and uniform methodology – We've seen that before. He thought there was testimony at the last hearing by Mr. Koncar that the methodology had to be based on a method, not setting a sum to be achieved and whatever the means of acquiring that sum constituting the method.
 - He reiterated the front footage method, across the board, was a fair and uniform method.
 - They wished to convey to the Board and staff their belief that the

current assessment methodology was an illegal assessment as proposed, as it did not have a fair and equal apportionment. It was an impairment of his client's property rights and constituted an equal protection issue; his client's property was being treated differently compared to those with the same front footage.

- Based on feedback received and his research through Minutes of the prior meeting, it appeared to him that the issue of assessment methodology was never fully resolved.
- He pointed out that the rezoning from commercial to residential did not cause the district to change or take on further debt assessments, nor had it led to the district needing to include new or increased budget line items. The developer had continued to pay the agreed upon assessments.
- On the issue of the unplatted methodology, they objected on the basis that appropriate notice was not sent to everyone about the methodology possibly changing if the Board voted to do so presently. This required a 20-day notice.
- Nowhere in the methodology could he find that it took into account the Phase 9 property was unplatted, vacant land. He was aware that the numbers were based on future residents; however, O&M assessments were based on a yearly budget, and what benefited a property in each particular year.
- He would proffer the rest of his presentation to the court reporter at end of the meeting.
- Mr. Cooper inquired as to why Mr. Eckert's client agreed to make the O&M payments for the last two years only to now decide the allocation was no longer equitable.
- Mr. Eckert responded that the resolution adopted for reallocating the assessment dealt only with debt assessments. There was an illustration on the attachment to the resolution that discussed O&M; Ms. Linnan and Cheryl Stewart said during the hearing the Board would have to make a

finding of benefit at some point in the future; the Board was not at that time making a decision on O&M assessments. He indicated, from that point forward, the issue seemed to get lost and was no longer discussed. When the District sent out notices in 2010 showing substantial increases in his client's assessment, this led him to revisit the situation to determine how his assessment could increase by some 40 percent. He directed the Board's attention to the proposed allocations, where it showed his client's assessment would increase more than everyone else's under the current methodology. Everyone else's appeared to be getting a reduction.

- Ms. Rudd pointed out that Mr. Eckert's client agreed to pay the same amount of money the District was receiving prior to the rezoning from commercial to residential. It is not right for the commercial property to be taken away and rezoned residential, with the residents having to pick up the tab. No, No, No, that is not right.
- Jan Bridges, resident wished to dispute Mr. Eckert's contention that what is happening is not necessarily a uniform and fair allocation. He concurred with other Board members that pointed out Mr. Zins, while appearing before the City Commission, was certainly aware of the circumstances he was entering into. He recalled that, in fact, at a prior City Commission meeting or a board meeting, there was some discourse involving Ms. Stewart on behalf of Mr. Zins. There they might have discussed the idea of giving him an opportunity to pay for and offer a formula for new rezoning and cost of assessment for rezoning in Phases 9 and 12. The commercial property was not considered a problem by Mr. Zimms at the time of the hearings with the City Commission or over the last two years. He felt there seemed no real recourse for the Board other than to use the existing formulas. Board elections are coming up in November 2010, and there could be some changes to the Board. In the interim, there was time for the Board and the community to fully examine the factors. He suggested, working with Mr. Zins and the Board, that they look at the current percentage Mr. Zins is paying as a proportion of the

total O&M in and come up with some formula that leaves him paying the same proportion. Thus, if Mr. Zins wished to come up with a formula for reallocating the O&M assessment across his properties, this was acceptable. He stated that, for the rest of the residential properties, the current formula should remain as is. If the Board decides to change the assessment methodology, he thought the flat rate on all the properties made the most sense for O&M; this was, at best, the lesser of the evils.

- Michael Lee, resident, questioned, in looking at what had transpired thus far, if it was the Board's opinion that what took place was an illegal transaction. Did Mr. Zins receive consideration; that is, did he agree to the existing assessment to allow him to rezone his properties from commercial to residential?
- Ms. O'Steen responded that there was no illegal transaction per se. With regard to the rezoning, what the City did was completely within its purview of the City which has authority and control over all zoning decisions. As is common, the City will take into account the expressed sentiments of area residents as to whether a rezoning should be approved. She said that what transpired was based upon the representations made by the developer and/or his representatives during those proceedings regarding assessments, including debt and O&M. The property was obviously rezoned. Then to switch over to the District's procedure with regard to assessments, at the end of 2006, the Board adopted a resolution revising the assessment methodology pertaining strictly to debt on its face. There was a chart attached illustrating how the assessments would be allocated on the O&M side as well and, based upon that, this was what the District had been using for several years. She pointed out that the current methodology was now being challenged by the developer, hence the issue reappearing before the Board.
- Mr. Lee wished to confirm that Mr. Zimms was not challenging the original agreement pertaining to the rezoning and getting the CDD Board approval; rather the challenge was regarding something that transpired in

2006.

- Ms. O’Steen reiterated that the Board had to adopt an assessment methodology for debt and O&M; that is the standard:
 - It has to be a fair and reasonable allocation of the assessments across all the benefitted property; that is the standard.
 - The Board needs to approve the methodology at the present meeting.
 - She repeated that there were three options for the Board to select from.
 - If the methodology currently in place was challenged, the argument would be that, based on past representations by the developer, the developer is now stopped and has waived the right to argue that those assessments are not fair and reasonable.
 - She was unable to say for sure if such a defense would “win the day” in a court of law.
- Mr. Lee questioned that if the chances of a winning defense in favor of the current methodology were similar to those of an alternate methodology mentioned as an option for change if homeowners were to sue.
- Ms. O’Steen explained that there is no guarantee no matter which methodology is adopted by the Board that there would be no challenges or successful defense in the event of a legal challenge.
- Mr. Lee asked if there was no case law in defense of consideration that the methodology in the agreement for revenues came from the sophisticated developer versus what the community were currently dealing with now.
- Ms. O’Steen replied that it was not a matter of consideration, as the latter did not go into a decision about the adoption of an assessment methodology. It was feasible for the District to put forth a legal defense that, based upon his representation, the developer was estopped from arguing it is not a fair and reasonable allocation if the methodology the board directs tonight is challenged.

- Mr. Lee queried if there was an alternative solution to accept the existing methodology and go to the developer to determine the actual dollar amount they were hoping to save.
- Mr. Eckert responded that his client was trying to get a front footage allocation all the way across the board if the Board is going to do front footage for anyone.
- Mr. Lee questioned if staff had any idea what the disparity would be from the current revenue.
- Ms. O'Steen responded it is on your chart.
- Ms. Davis indicated that the sheet handed out to the audience showed how many units the developer had and what types, and it would be a multiplication of that. There were 85 townhome units, 12 50-foot garage units, and eight 65-foot units.
- Mr. Lee stated so we don't know what the total would be so we don't know exactly how much many we're arguing about.
- Ms. O'Steen answered: for this year, no. Whatever methodology the Board adopts does not apply to the current fiscal year, it would apply to all prospective years.
- Ms. Davis stressed the dollar amount was not relevant to the assessment methodology the Board chose to adopt, though it is certainly relevant to the developer.
- Mr. Lee pointed out that the developer made a revenue agreement with the CDD. If you support me switching this zoning, I will pay this revenue. So, If the developer wished the methodology to be changed now, some plan should be put in place to recoup any lost future revenue based on the change; this would have to be worked out with the developer. He asked if the developer made a revenue guarantee in the agreement.
- Ms. O'Steen replied that there was no written agreement, and the Board has not, by resolution, adopted an O&M assessment methodology as yet; this was the task the Board was called upon to do at the meeting tonight. Were there representations made by the developer; According to what

people say, yes.

- Ms. Matuga felt there were a number of issues:
 - One pertained to the original representations made by the developer; these are completely now disengaged from the issue concerning this methodology. It is difficult for many to separate their feelings of betrayal, bait and switch or whatever you want to call it , by the developer.
 - The fact was if the situation remained unaddressed, the District would be going to court, and may end going to court anyway.
 - Despite feelings of being swindled, hoodwinked, etc., there was little chance of turning back the hands of time to fix that now.
 - It was incumbent on the Board to move forward in a way that would cost residents the least amount of money. She wished to make it clear that it was going to cost a fortune in attorney's fees if the District continued without changing its assessment methodology.
- Ms. Rudd suggested letting Mr. Zins pay it. She also remarked that because the developer desired the rezoning from commercial to residential, he made many concessions, and she could not understand why the Board should give in to Mr. Zins.
- Mr. Cooper believed the board needed to come up with a resolution and the Board has three options, and he knew this was not an easy decision to make, as he too had been torn by this situation. In his mind, the most equitable resolution seemed to be for everyone to pay the same O&M, but he really felt for the residents of smaller lots that would be burdened with that much more assessment. If the Board chose the third option, that is, staying with the current assessment methodology, going to court was likely. He pointed out that this would end up costing all community members, and he hated having to make such a decision. He forwarded a motion for all residential property owners of the subject community to pay the same O&M assessment, though he was not 100 percent in support of

that choice.

A MOTION was made by Mr. Cooper to change the current assessment methodology to a formula whereby all residents paid the same amount of O&M assessment.

- Ms. Matuga agreed that the situation warranted having to make an unpalatable decision; with the choice of any of the three options, there would be a large portion of people unhappy with the decision the Board made. This should not, however, deter the Board from making such a decision. She thought the most legally defensible methodology was everyone paying an equal amount of O&M assessment, echoing Mr. Cooper's sentiments that owners of smaller lots would be very upset with the Board. She hoped residents and the rest of the Board viewed the options as to either fix the assessment methodology now and pay to fix it; or leave it for a new Board to address and risk paying out large sums of money when the District was sued.

Ms. Matuga seconded the motion; on a VOICE vote with all in favor, the motion to approve Resolution 2010-4 passed with the equal allocation of assessments to all properties.

- Ms. Davis affirmed that with the approval of Resolution 2010-4, Exhibit B, the "straight line" assessment methodology would be used.
- Mr. Kessler stated that the budget figures would remain the same, as would the assessments in the current fiscal year.
- Ms. Davis indicated she would go over the matter in more detail once the budget was up for discussion, as there would be some change.

FIFTH ORDER OF BUSINESS

**Continuation of Public Hearings to
Consider the Adoption of the
Budget for FY 2011 (Resolution
2010-5) and (Resolution 2010-6)**

- Ms. Davis reviewed the backup information contained in the Board's agenda package:
 - Staff included two versions of the General Fund budget: one was based on straight line, and one based on front footage.
 - With the Board's adoption of the O&M assessment methodology of everyone paying the same or the "straight line" method, the Board is approving the budget on pages one through five; pages six through ten should be ignored..
 - The handouts showed that staff added a note on the straight line schedule, indicating that if the dollar amount of the total expenses on page three of the budget was divided by the number of homes, the resulting figure would be \$454.91 to be charged to each property owner.
 - When the mailed notices were sent out, it showed a figure of what the maximum amount the assessment would be. The 50-foot lots showed a maximum of \$448.78.
 - Staff was unable to do the actual straight line of \$454.91, and went with the \$448.78 so as not to violate the notice that was published and sent out.
 - This created a deficit, as they would be collecting less than their expenses, so on page four of the budget it shows pulling \$4,785 from Fund Balance forward to make up the deficit. This was the meaning of the note shown on the sheet, as it pertained to the straight line assessment methodology.
 - There would be the same amount of expenses shown in the budget at the Board's last public hearing; it would just be that less could

be collected simply due to the limitation caused by the notice.

- Nothing had changed as far as the line items, only where some of the funds were coming from; some would come from the roll, while others would come from Fund Balance forward.

On MOTION by Mr. Cooper, seconded by Ms. Matuga, with all in favor the public hearing was reopened.

- Mr. Eckert offered an objection on behalf of his client to the assessments and methodology the Board proposed on the following grounds:
 - A 20-foot undeveloped lot does not get the same benefit as a 90-foot lot.
 - The unplatted nature of the property has not been considered at this point in time.
 - The unplatted or equal treatment option was not something they offered. It was something District management came up with, in the event any member of the audience was under the impression his client made that offer.
- Ms. Davis indicated the current item for approval was Resolution 2010-5, adopting the budget.

A MOTION was made by Mr. Cooper to adopt Resolution 2010-5, adopting the CDD budget. The motion was seconded by Mr. Kessler; on a VOICE vote with all in favor, the motion to approve Resolution 2010-5 was passed.

A MOTION was made by Mr. Kessler to adopt Resolution 2010-6, adopting Resolution 2010-6. The motion was seconded by Ms. Matuga; on a VOICE vote with all in favor, the motion to approve Resolution 2010-6 was passed.

On a MOTION by Mr. Kessler to close the public hearing, seconded by Mr. Cooper, there was a unanimous vote of approval.

SIXTH ORDER OF BUSINESS**Manager's Report**

- Ms. Davis indicated that the only issue she had to report on was the Homeowners' Association (HOA) escrow account, which she is giving to the HOA treasurer. The documentation showed April, May and June had been paid on the FieldCrest lots, and for April, May and June on the common areas. She believed they received the check to pay them for that, and the balances were emailed to Ms. Rosemary White. There were still funds left to get through August and September; as staff receives invoices, they would be reimbursing them until the funds are expended.

SEVENTH ORDER OF BUSINESS**Attorney's Report**

- Ms. O'Steen pointed out that, as indicated on the agenda, she had an update on the District's request of the City to amend the Interlocal agreement (ILA.)
 - She received a draft for an amended and restated ILA, to which she sent comments back to the City Attorney's Office.
 - There was nothing inflammatory or contentious contained in the document. Thus, at the next meeting, she would have an amended and restated ILA to present to the Board for consideration and should that meet with their approval for adoption.
 - Upon the Board's approval, the amended ILA would go before the City Commission for consideration and, hopefully, approval.
- Mr. Kessler expressed confusion as to what the Board was asking the City to do. The discussion appeared to be about an amendment to the ILA, but

this should have very specific changes that would give the CDD the authority to do certain things and we have no plan. Though the Board just went through a terrible uproar with the agreements and funding between the HOA and the CDD. His understanding was that revising the ILA was to facilitate the provision of a method in the event the court case allowed the District to collect funds. It would provide a method for the CDD to continue to provide landscaping services and not be in violation of the City's ordinance and ILA. With this gone by the wayside, the Board left in place the request to the City to alter the ILA, but there was no collective plan between the HOA and the CDD on what would be done, including any proposal to provide services. He guessed there might be a possibility, if the HOA was collecting the funds, of entering into an agreement for the District to perform the contract maintenance for a fee. He was unsure if it made any sense to involve another body, particularly one that was slow-moving and non-communicative as this one. Isn't the point completely gone by the wayside?

- Ms. O'Steen recapped:
 - The Board previously requested either termination or an amendment of the ILA.
 - We agreed with the City to hold a public forum to receive comment from residents; this was held and residents gave their input.
 - Based upon residents' feedback, it became overwhelmingly clear that a majority of residents were not in favor of termination.
 - The Board then voted to amend its request to the City for only an amendment of the ILA rather than termination.
 - The amendment to the ILA would provide that if the District, at its discretion, wished to provide certain maintenance services on behalf of the HOA either in the common areas or to the extent provided by law to FieldCrest, the CDD would be authorized to do so and not be in violation of the ILA.

- She believed that the issue arose at the last meeting, and a motion to withdraw the request to amend the ILA failed for a lack of a second, but the Board could certainly reconsider the matter at this meeting to withdraw its request to amend the ILA.
- Mr. Kessler asked if the Board received a copy of what the District was requesting of the City.
- Ms. O'Steen stated she believed that copies were provided to the Board; if not, she would send him a copy.
- Ms. Matuga did not recall receiving a copy, but the issue appeared to be what came first, and the idea was that there was no sense in hammering out a plan if the City does not amend the ILA.
- Mr. Kessler remarked that the proposed alteration of the ILA was to fulfill a requirement, but it was difficult to fulfill a requirement when the Board was unable to say what was being requested.
- Ms. Matuga thought it was clear what was being requested; that is, the current ILA prevented the CDD from offering the above-mentioned maintenance services. Terminating the ILA would result in the CDD being able to exercise all of its powers under Chapter 190. The Board was only asking for an amendment to the agreement to allow the District to perform these very limited services.
- Mr. Cooper noted that the City was being asked to make a change that the Board had yet to approve the specific language of.
- Ms. O'Steen clarified that the Board, at a previous meeting, gave staff direction about what to request from the City, and there has been discussion on the record and the board has voted as to the scope of the request.
- Ms. Matuga said if the Board had come this far and it costs nothing to continue on, it seemed pointless to just forget about the request. The Board was, pretty much, feet away from the finish line.
- Ms. O'Steen affirmed this to be the case, commenting there was minimal cost associated with attending the City Commission meeting to answer any

questions they might have.

- Ms. Matuga saw little reason to prohibit the amended ILA from going forward when there was a chance the CDD might need it.
- Ms. O'Steen remarked that she could tell the Board what was currently contemplated in terms of the scope of the change in the draft she reviewed:
 - Provide repair and maintenance services to the common areas within the District owned by the Piney-Z Plantation HOA described in an attached exhibit which would be incorporated into the ILA by reference.
 - Provide landscape maintenance for the FieldCrest subdivision lots identified in the attached Exhibit C. This property would also be identified in an exhibit.
 - This was the extent of the request made by the CDD and, basically, the extent of the change to the ILA consistent with the Board's previous direction.
 - She would forward copies to the Board with the understanding the document was still in draft form.
- Mr. Cooper stated he could see it appeared that now the HOA has agreed to take care of and manage what the Board was asking the City to amend and allow the CDD to do. He said he thought that Mr. Cooper had a point, to which Ms. Rudd concurred.
- Mr. Kessler said that it appeared to be an awkward position and, from what he observed of the City in the past, they usually sought some input from a number of citizens in a particular development or community about actions that could take place or changes that could be made. In the subject instance, the other party involved was not even raising the issue.
- Ms. Matuga believed that the original intention of amending the ILA was due to the District wishing to be able to keep the lights on and the yards mowed, and there was a threat these services would cease. She thinks that threat still exists. The Board had no contract with the HOA, and who was

to say these things were not maintained; the CDD would be right back where they started without the ability to exercise that power. There was no point in stopping the process if we realize why it began in the first place. If the CDD told the City it wished to retract the whole request, it would not be looked upon favorably, particularly if the decision to amend was clearly based upon the will of the people at the hearing that was being held.

- Mr. Kessler commented that certain circumstances changed with a court decision and the CDD had no way to collect money to have the District complete such services.
- Ms. Matuga felt that the circumstances had not changed to the extent that the CDD should continue with the process in the event the lights needed to be kept on and the yards mowed.
- Ms. Davis stated that the existing ILA was something many districts did not have; they were allowed to exercise everything under Chapter 190:
 - Engage in contracts with other entities.
 - Perform services for other entities under contract.
 - These services could be provided whether or not monies were being collected by the CDD to cover those costs; the HOAs would be able to pay for the provision of those services.
 - This CDD has an ILA preventing them from being like every other CDD in the whole state. The proposed amendment to the ILA was an attempt to make it so, if the CDD is able to work out an agreement with the HOA, regardless of whether it is collecting any funds, the District could provide such services to them.
 - The process had gone this far, and significant monies had been spent, not to mention the huge meeting held at the pavilion where the City did hear from residents. The residents made it clear they were in favor of an amendment.
 - Hence, staff's going back and amending the request to the City to

say, instead of a termination, the CDD was asking for an amendment in line with the residents' desire. This was the thought process the City is moving forward with.

- Even if it were not the subject issue of the lights and lawn, at some point later the CDD might have a desire to manage the maintenance for the HOA. By moving forward with the proposed amendment to the ILA, the Board would not have to go back and do the process all over again when the money has already been spent once to do it.
- Ms. Matuga reiterated that she did not see what the advantage was to retracting the proposed request to amend the ILA; she could, however, see a possible disadvantage in the future if we retract the request.
- Mr. Kessler remarked that this should be a situation where the two organizations came together, formulated a draft agreement for specific services with specific terms and got that settled in a concrete plan. The CDD could then move forward with a consensus on the concrete plan.
- Ms. Matuga stated she believed that the CDD was not even allowed to enter into contract negotiations for such services without an amendment to the ILA.
- Ms. O'Steen replied that negotiations could be entered into, but it would be for naught if the City did not agree to amend the ILA.
- Mr. Cooper stated that, judging from what he heard from the HOA, they appeared uninterested in going through the CDD for such services.
- Ms. Matuga pointed out that a future HOA might be interested.
- Mr. Cooper acknowledged that this was possible. If the situation was looked at in this light, the Board should go ahead and forward its amendment to the ILA to the City Commission.
- Mr. Kessler asked the audience if there was any opinion on whether the HOA cared to be involved in such an arrangement with the CDD in the near future.
- Rosemary White, resident, mentioned that she was no longer the treasurer

of the HOA; there was now a new treasurer, Diana Swegman, a new President, Claudia Vaccaro, Vice President, Janey Greene and a new Secretary, Patty. This was a good HOA board now, and she wished to inform the Board they had turned on the utilities at the entrances; they were also taking care of the landscaping, and they would be sending their checks to the CDD so long as the escrow money permitted. She indicated this was the way they planned to do things for the moment. She was fully in agreement to go ahead with the amendment to the ILA, as it was ridiculous to spend a lot of money to have something done because the Board wanted it done, and then backtrack due to the results of the lawsuit.

- Claudia Vaccaro, concurred with Ms. Davis' comments that amending the ILA offered the CDD flexibility to broaden its powers and enter into any agreement. The HOA was not prepared to comment further at present.
- David Wszneauks, stated that he felt that the Board should move forward and continue with the process to have the ILA amended. It would be shortsighted to think because there was a court case stating the CDD could not collect dues that this was a reason to stop moving the amendment forward. He stated, as homeowners, it was important to minimize costs. Having been in contracting for a number of years, it was his hypothesis that if there was a chance to work out an agreement with a single vendor to take care of the CDD-owned land, the HOA-owned land and the FieldCrest properties, in the long run it might be a lesser cost if such an ability existed. Thus, amending the existing ILA with the City to allow the provision of such services on behalf of the community was beneficial to the homeowners.

A MOTION was made by Mr. Kessler to withdraw the Board's request to the City of Tallahassee to amend the ILA. The motion was seconded by Ms. Rudd; on a VOICE vote, with Mr. Kessler and Ms. Rudd in favor and Mr. Cooper and Ms. Matuga against the motion failed.

EIGHTH ORDER OF BUSINESS**Property Manager's Report**

- Mr. Rogers directed the Board's attention to Section Eight of his report contained in the agenda packet, noting that the first few things were regular business and he was ready to answer any Board questions. The section under capital outlay needed further discussion to facilitate some decisions.
 - There was failing equipment in the fitness center, and staff was endeavoring to keep it going as best as possible.
 - He had just went down to the fitness center to turn off the tv to stop the interference and found the treadmill was down again; two new treadmills are needed, as well as a replacement of an elliptical machine.
 - If the Board chose to replace all three for the amount listed in the document, the fitness center would be up and running well.
 - They had Fitness Pro for over eight years, and they provided all the original equipment, maintaining it with quarterly servicing and being available on call when needed.
 - For the last two years, the calls were more frequent, and the situation now reached the point where he worried as to liability with regard to the treadmills, etc.
 - There was \$17,000 in capital outlay available for the current fiscal year; all three pieces of equipment could be replaced or just two.
 - In the Five-Year Facility Maintenance Plan staff presented, they knew replacements were coming and there might be more in the next week or years. The equipment had about a five-year life and it is wearing out.
- Ms. Matuga wished to confirm that there would be no bulk discount if the CDD did not purchase all three pieces of equipment.
- Mr. Rogers answered: right; the discount shown was based on the

purchase of all three; he would have them rework the numbers if less equipment was being purchased.

- Mr. Cooper inquired if Mr. Rogers foresaw any other expenditures arising in the subject account.
- Mr. Rogers distributed handouts, replying that, for the current fiscal year, in the last ten days he noticed staff experiencing trouble with the air conditioning on this side of the building. If one were to walk into his office, in the rear of the building it would be cooler. He noted that the air conditioning in the ceiling needed a new compressor, and the low figure listed was just to keep it running; it was a very old machine of some 10 to 12 years old. The CDD could opt to go ahead and repair or replace it.
- Ms. Matuga remarked she definitely would like to see more estimates.
- Mr. Rogers responded as the situation just transpired, there had been little time to get more estimates. His main concern was whether the Board should wait on two more estimates and do the replacement, or do the repair and deal with replacement later.
- Mr. Cooper asked where staff would get the funds if the CDD was dealing with the \$6,000 and the \$12,000, making it \$19,000 so we're already \$2,000 over the budget. He realized the CDD was coming to the end of its fiscal year, questioning if there were any other budget line items.
- Mr. Koncar repeated that the \$17,000 for capital outlay did not have to be spent. He questioned if the air conditioner was replaced, could part of the cost come from capital outlay and the rest from the maintenance budget.
- Ms. Davis observed the subject line item was under Parks & Recreation General and that gave him quite a bit of leeway under that group of accounts. It was unlikely he would go over.
- Mr. Cooper sought confirmation that this would be the case even if \$20,000 were expended.
- Ms. Davis replied that this would be the case for the air conditioning line item but not for the group of accounts, and certainly not for overall expenses. Thus, it would not even require a budget amendment.

- Mr. Rogers remarked that the only other issue for consideration was if the money was spent to fix the compressor, there were no guarantees something else would not go wrong with the air conditioning system. That is: a new compressor could be installed for \$2,200 this week, and then three weeks later something else might need to be replaced.
- Mr. Rogers mentioned that the service technician pointed out the same thing: the air conditioning was making noise, and other negative things could be happening. The technician concurred with Mr. Koncars' sentiment, that even if the compressor was fixed, in another few weeks, something else might need fixing as well.
- Mr. Cooper believed that repairing one part put more pressure on the general system itself.
- Mr. Rogers indicated that the reason for the relative coolness in the room was due to his turning the thermostat way down very early in the day and keeping all the blinds shut to keep the heat from coming in. The other air conditioner was working hard to maintain the cool temperature.
- Ms. Davis pointed out an option the Board could choose was to allow the process to move forward and approve a "not to exceed" figure for the amount listed in the backup, and staff could get the other two quotes. They could then go with the lowest bid.
- Ms. Matuga supported this course of action.
- Mr. Cooper stated that this was an option he would like to see.
- Mr. Lee echoed Ms. Matuga's request for multiple bids, as this was a common request by homeowners of their HOA's. The Board should keep in mind there was a deficit in revenue, as well as possible legal action, so this was a time for "belt tightening." No one wanted to see one less treadmill working, but it might have to remain that way until the CDD had a better feel for where they were financially.
- Ms. Matuga commented that, while there was certainly money in the budget to fix both, the air conditioning was the more pressing need of the two. She inquired if the treadmills that were not working could be

removed.

- Mr. Kessler answered: yes; they would have to be removed. It had reached the point where there were liability concerns; their removal would generate complaints from residents, but it was the Board's decision.
- Mr. Kessler said people were feeling the effects, as he heard talk on the street and continual inquiries as to whether the equipment was still broken, etc.
- Ms. Matuga noted that if there was money in the budget to resolve the matter, the CDD would pay for the repairs/replacements.
- Mr. Cooper asked how the CDD was doing for surplus at present. He stated that there was last year's underfunding of the budget by \$100,000 to reduce the surplus. Even with the expenses, the Board had the impression the surplus was not completely depleted. He asked if staff had the figure of the amount of surplus readily available.
- Ms. Davis responded that the figure was reflected in the budget contained in the Board's agenda packet; there was a projection of what Fiscal Year (FY) 2010 would end up being.
- Mr. Cooper asked the Board if Mr. Rogers procured two more bids, would they permit them both to make the decision.
- Ms. Matuga thought the motion for approval would be a "not to exceed" motion for an amount of no more than \$6,164.
- Mr. Cooper affirmed this to be the case; this was as it related to the air conditioning. With regard to the fitness equipment, it might be better to vote on two separate motions.
- Ms. Matuga wondered how many companies there were in Tallahassee that dealt with fitness equipment.
- Mr. Rogers was unaware of there being very many, and some might not be located in Tallahassee. With equipment from any company other than Fitness Pro, there needed to be service technicians available for quarterly servicing. This meant there would be two companies servicing different equipment. He pointed out that, though this might not be "the end of the

world," it could get strange.

- Ms. Matuga felt it would do no harm having another company give an estimate.
- Mr. Rogers concurred but was unable to think of another company off hand; he would research the matter and try to get another estimate.
- Mr. Cooper remarked that the Board could make the approval of the expenditure for the two things in one motion, with an understanding of the total amount for the two not to exceed the amount of \$19,437
- Ms. Davis sought clarification as to what the not to exceed amount comprised: \$12,618 on the fitness equipment, and \$6,164 on the air conditioning?
- Mr. Cooper and Ms. Matuga confirmed.

A MOTION was made by Mr. Cooper to approve the expenditure to replace fitness equipment for an amount not to exceed \$12,618 and the air conditioning for an amount not to exceed \$6,164.

The motion was seconded by Ms. Matuga; on a VOICE vote, with all in favor, the motion was approved and passed.

NINTH ORDER OF BUSINESS

Supervisors' Requests

- Mr. Kessler noted that, as a point of orientation, the next regular meeting would take place on the second Monday of September.
- Ms. Davis confirmed that the meeting would take place on September 13, 2010, at 6:30 p.m.
- Ms. Matuga inquired if the Board needed to do further noticing for workshops, as many of them turned into regular meetings.
- Ms. Davis stated that she believed at the Board's previous meeting, a schedule was approved for the next fiscal year that comprised both

workshops and regular meetings. Therefore, preceding each regular meeting, the Board needed to state what the agenda would be, or not have a workshop. If at the regular meeting the Board decided it wished to change a workshop to a regular meeting, they would say so at that time, and staff would advertise the meeting as such.

- Ms. Rudd queried if the Board had one more meeting for the current fiscal year.
- Ms. Davis responded that, for the current fiscal year, the remaining regular meetings were scheduled for September 13, 2010, and one in November. There was a workshop scheduled for October, for which the agenda would be set at the next September meeting; if no agenda was set at that time, the workshop would not take place.
- Mr. Cooper commented that, at the present point in time, he did not know that the Board needed another workshop unless something arose next month. Mr. Cooper welcomed audience comments in the tenth order of business.
- Mr. Eckert thanked the Board for their consideration and professionalism on the assessment methodology issue, which he knew to be a difficult one for everyone. He thought it came down to some legal issues at this point in time.
- Ms. Vacarro, HOA president, mentioned a letter she gave to Chairman Cooper earlier requesting a spreadsheet, as they would be collecting HOA assessments for the first time. They wished to be as accurate as possible and hoped to be provided with a spreadsheet they could use for proofing to ensure they got the assessments right. She indicated that the letter detailed the columns they wished to see on the spreadsheet: parcel IDs, address, lot classification, and what the 2009/2010 HOA fees were. If staff was unable to do the last column, they understood, as the first three columns were really what they needed for proofing.
- Ms. Davis explained that the CDD's Excel spreadsheets were their work product, and staff could turn over whatever was a public record, but it

would be in the form of a PDF file, not as an Excel spreadsheet. It would not contain any of staff's calculations or such information.

- Ms. Vaccaro said that was acceptable, as they wished only to use it for proofing purposes to make sure the HOA's figures matched those of the District's.
- Ms. Davis did not believe, under law, the CDD was required to create a public record.
- Ms. O'Steen affirmed that, under law, the CDD was not required to create new documents to fulfill a public records request.
- Mr. Koncar wished to clarify who the information would be going to.
- Mr. Cooper answered: the HOA.
- Mr. Koncar requested further confirmation, as staff encountered a similar problem in the past when they submitted information to the HOA and were later told by HOA members it was sent to the wrong person. The person was no longer with the HOA.
- Ms. Davis said the information would be given to the HOA president, Claudia Vaccaro.
- Ms. Green remarked that, as Ms. Vaccaro signed the letter of request given to Mr. Cooper, the public records should be sent to her.
- Mr. Koncar acknowledged staff's receipt of a copy of the letter given to Mr. Cooper.

ELEVENTH ORDER OF BUSINESS

Acceptance of the June 2010 Financial Statements and Approval of the Check Registers and Invoices

- Mr. Cooper directed the Board's attention to their agenda packet in which the information was contained under the file labeled Financials, asking if there were any questions, additions or changes.
- Ms. Matuga commented one figure did "jump out" at her; the percentage increase on the legal services was quite shocking. It showed a 1,933

percent increase.

There being no further comments or questions:

On MOTION by Ms. Matuga seconded by Mr. Kessler with all in favor, the June 2010 Financial Statement was accepted, and the Check Registers and Invoices were approved.

TWELFTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Kessler seconded by Mr. Cooper with all in favor the meeting was adjourned.

Janice Eggleton Davis
District Manager

Thomas C. Cooper, Jr.
Chairman

Fourth Order of Business

4B

**PINEY-Z COMMUNITY DEVELOPMENT DISTRICT
REQUEST FOR PROPOSALS**

**District Auditing Services for Fiscal Year 2010, 2011, & 2012
Leon County, Florida**

INSTRUCTIONS TO PROPOSERS

SECTION 1. DUE DATE. Sealed proposals must be received no later than October 4, 2010 at 11:00 AM at the offices of the District Manager, located at 210 N. University Drive, Suite 702, Coral Springs, FL 33071. Proposals will be publicly opened at that time.

SECTION 2. FAMILIARITY WITH THE LAW. By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relieve it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

SECTION 3. QUALIFICATIONS OF PROPOSER. The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL. Proposers shall be disqualified and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

SECTION 5. SUBMISSION OF PROPOSAL. Submit ten (10) copies of the Proposal Documents, and other requested attachments at the time and place indicated herein, which shall be enclosed in an opaque sealed envelope, marked with the title "Auditing Services – Piney-Z Community Development District" on the face of it.

SECTION 6. MODIFICATION AND WITHDRAWAL. Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

SECTION 7. PROPOSAL DOCUMENTS. The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the "Proposal Documents").

SECTION 8. PROPOSAL. In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.

SECTION 9. BASIS OF AWARD/RIGHT TO REJECT. The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

SECTION 10. CONTRACT AWARD. Within thirty (30) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

SECTION 11. LIMITATION OF LIABILITY. Nothing herein shall be construed as or constitute a waiver of District's limited waiver of liability contained in section 768.28, Florida Statutes, or any other statute or law.

SECTION 12. MISCELLANEOUS. All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List position or title of all personnel to perform work on the District audit. Include resumes for each person listed; list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including resumes with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The lump sum cost of the provision of the services under the proposal.

SECTION 13. PROTESTS. Any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) hours after the receipt of the Proposal Documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to the Proposal Documents.

SECTION 14. EVALUATION OF PROPOSALS. The criteria to be used in the evaluation of proposals are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.

4C

Request for Proposals for Annual Audit Services for Piney-Z Community Development District

The Piney-Z Community Development District (the "District") hereby requests proposals from qualified independent Certified Public Accounting firms for independent annual audits of the District's general purpose financial statements for the fiscal years ending September 30, 2010, 2011, and 2012.

The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District was created by Leon County Ordinance and it has issued Special Assessment Bonds, Series 1997A, 1997B, 2002 & 2008, to finance the acquisition and construction of certain improvements for the benefit of the District.

The Auditing entity submitting a proposal must be duly licensed under Chapter 473, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards", as adopted by the Florida Board of Accountancy. Audits shall be conducted in accordance with Florida Law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers are available from the District Manager at the address and telephone number listed below.

Proposers must provide ten (10) copies of their proposals to Severn Trent Management Services, Attn: Stephen Bloom, 210 North University Drive, Suite 702, Coral Springs, Florida 33071, Telephone: 954-753-5841. Proposals must be received by **11:00 a.m. on October 4, 2010**. The envelope must be marked "Auditing Services – Piney-Z Community Development District." Please address all questions regarding this Notice to the District Manager.

Piney-Z Community Development District
Janice Eggleton Davis, District Manager

Sixth Order of Business

6A

AMENDED AND RESTATED INTERLOCAL AGREEMENT

THIS AMENDED AND RESTATED INTERLOCAL AGREEMENT (the "Agreement") dated as of this _____ day of September, 2010, is entered into by and between the CITY OF TALLAHASSEE, FLORIDA, a municipal corporation created and existing under the laws of the State of Florida, acting by and through its City Commission (the "City") and PINEY-Z COMMUNITY DEVELOPMENT DISTRICT, a local unit of special purpose government organized and existing under the laws of the State of Florida (the "District" or "Piney-Z CDD").

PRELIMINARY STATEMENT

WHEREAS, the District is a community development district duly organized, created, established and existing under the provisions of Chapter 190, Florida Statutes, as amended (the "Act"), for the purpose, among other things, of financing and managing the acquisition, construction, maintenance and operation of the major infrastructure within the boundaries of the District; and

WHEREAS, the District exists solely within the municipal corporate boundaries of the City, and in accordance with Section 190.005(2), Florida Statutes, following a public hearing, the City adopted Ordinance No. 97-O-0033AA, creating the District; and

WHEREAS, the parties entered into an Interlocal Agreement, dated July 9, 1997, ("Original Interlocal Agreement") that, in relevant part, identified the projects to be undertaken by the District and voluntarily limited the scope of powers to be exercised by the District; and

WHEREAS, on June 9, 1999, the City passed Resolution No. 99-R-0014, authorizing the District to plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain additional systems and facilities for parks and facilities for indoor and outdoor recreational, cultural and educational purposes. Accordingly, the parties amended the Original Interlocal Agreement on March 21, 2001 ("First Amendment"), to expand the scope of powers to be exercised by the District to include "Any project undertaken by the District pursuant to its special powers related to recreational, cultural and educational purposes;" and

WHEREAS, since the First Amendment, many requirements set forth in the Original Interlocal Agreement have been fulfilled, or are no longer possible; and

WHEREAS, the Piney-Z CDD has requested an amendment to the Original Interlocal Agreement to give it discretionary authority to provide services allowable under this Agreement to include services for maintenance including, but not limited to, landscape and lawn services that are deemed by both the Piney-Z CDD Board of Supervisors and the City Commission of the City of Tallahassee to be generally beneficial for the Piney-Z CDD's residents and landowners; and

WHEREAS, for ease of reference the parties have agreed to enter into this Amended and Restated Interlocal Agreement, which replaces the Original Interlocal Agreement in its entirety; and

WHEREAS, the parties enter into this Amended and Restated Interlocal Agreement for the reasons stated above and because it is in the best interest of the parties and the public.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual covenant and agreements hereinafter set forth, the parties hereto agree as follows:

SECTION 1. RECITALS. The recitals set forth above are true and correct and are hereby incorporated herein by reference. All exhibits to this Agreement are hereby deemed a part hereof.

SECTION 2. CAPITAL PROJECTS TO BE UNDERTAKEN BY THE DISTRICT.

While the District has the statutory authority, pursuant to its the Act, to undertake, finance, construct, acquire and operate numerous kinds of infrastructure projects, the District recognizes that the City does provide many of such projects and may be in a better position than the District to so provide some of such projects. In order to coordinate the efforts of the District and the City in providing the necessary infrastructure improvements to the property situated within the jurisdiction of the District, the District agrees that it shall undertake those kinds of projects relating to streets, drainage and water and sewer utilities ("District Projects"). To the extent any of the District Projects constitute public roads or utility facilities (including water, wastewater or stormwater facilities), such facilities shall be immediately dedicated to the City upon their completion notwithstanding the fact that the District, through its resources and debt instruments, will pay for such roads.

SECTION 3. VOLUNTARY LIMITATION ON UTILIZATION OF DISTRICT'S POWERS.

- (a) The District agrees and covenants with the City that it will exercise only those powers necessary and required to:

- (i) Finance and complete the District Projects and those special powers enumerated in section 190.012 (1)(d)1, Florida Statutes, limited to the construction and maintenance of street lights, alleys, landscaping, and hardscaping; and section 190.012 (1)(f), (2)(a), (2)(d); provided that the Piney-Z CDD satisfies the requirements of that subsection;
- (ii) Provide repair and maintenance services to the common areas within the District that are owned by the Piney-Z Plantation Homeowners Association, as described in the attached **Exhibit "B,"** which is incorporated herein by reference, or any similar such common areas designated and agreed upon by both the District and Piney-Z Plantation Homeowners Association in the future; and
- (iii) Provide landscape maintenance for the Fieldcrest subdivision lots identified in the attached **Exhibit "C"**.

The District further agrees and covenants that it will not utilize its ad valorem taxing powers but specifically reserves its rights and abilities to exercise its condemnation powers, and will issue no long-term debt (debt having a term in excess of one year including allowable renewal terms) with a final maturity date later than December 31, 2020.

SECTION 4. SPECIAL POWERS. The City Commission of the City of Tallahassee hereby grants to the Piney-Z CDD the special powers authorized pursuant to Sections 190.012 (1)(d)1.; (1)(f); (2)(a), and (2)(d), Florida Statutes. Powers exercised pursuant to Sections 190.012, (1)(d)1. shall be limited to the construction and maintenance of streetlights; alleys; landscaping; and hardscaping.

SECTION 5. DISSOLUTION. The District agrees and covenants that it shall file a petition to dissolve itself pursuant to section 190.046(9), Florida Statutes, within thirty (30) days following the retirement of the District's bonds or other debt incurred to finance all or any portion of the costs of the District Project and provided that it has no operating or maintenance responsibilities. Once the City has adopted a non-emergency ordinance granting the District's petition, the District shall be dissolved. Upon such dissolution, any District Projects that have not previously been dedicated to the City will be so dedicated, and any other property of the District shall be transferred to the City or such other entity as shall be designated by the City. Any District obligations (contractual, statutory or otherwise) existing at the time of dissolution related to the Piney-Z Plantation Homeowners Association and/or the Fieldcrest subdivision as addressed in Section 3 of this Agreement shall revert to the Piney-Z Plantation Homeowners Association upon termination of the District.

SECTION 6. REPRESENTATIONS OF THE CITY. The City hereby represents to the District that it has the authority to enter into this Agreement.

SECTION 7. REPRESENTATIONS OF THE DISTRICT. The District hereby represents to the City that it has the authority to enter into this Agreement.

SECTION 8. GOVERNING LAW AND VENUE. The laws of the State of Florida shall govern this Agreement and all agreements incorporated herein. Should any legal action be required, pursuant to this Agreement and all agreements incorporated herein, venue shall be in Leon County, Florida.