

MINUTES OF MEETING

**THE GROVES
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of The Groves Community Development District was held on **Tuesday, July 1, 2003 at 11:00 a.m.** at The Groves Sales Center located at 7943 Shaddock Place, Land O' Lakes, Florida.

Present and constituting a quorum:

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| Bob Brown | Board Supervisor, Chairman |
| Eric Brown | Board Supervisor, Assistant Secretary |
| Stephen Brown | Board Supervisor, Assistant Secretary |

Also present were:

| | |
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| Pete Williams | District Manager, Rizzetta & Company, Inc. |
| Everett Morrow | District Engineer, Landmark Engineering |
| George Schwappach | Development Representative, Florida Dream Communities |

FIRST ORDER OF BUSINESS

Call to Order

Mr. Williams called the meeting to order.

SECOND ORDER OF BUSINESS

**Consideration of Minutes of the Board of
Supervisors' Meeting on June 3, 2003**

Mr. Williams stated that the first item on the agenda is to consider the minutes of the Board of Supervisors' meeting on June 3, 2003 (located behind tab 1). He asked the Board if there were any additions, deletions or corrections to the minutes. Hearing and seeing none, he asked for a motion to approve.

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| On MOTION by Mr. B. Brown, seconded by Mr. E. Brown, with all in favor, the Board approved the minutes of the Board of Supervisors' meeting on June 3, 2003 for The Groves Community Development District. |
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THIRD ORDER OF BUSINESS

**Consideration of Replacement Board
Supervisor**

Mr. Williams stated that the next item on the agenda is the consideration of a replacement Board Supervisor. He explained that there is currently a vacancy for a Board Supervisor. Mr. Williams asked for a nomination from the Board. Mr. B. Brown nominated Mr. George Schwappach for the Board Supervisor position. Mr. Williams asked for a motion to appoint.

On MOTION by Mr. B. Brown, seconded by Mr. E. Brown, with all in favor, the Board appointed Mr. George Schwappach to the Board of Supervisors for The Groves Community Development District.

FOURTH ORDER OF BUSINESS

**Oath of Office for Replacement
Board Supervisors**

Mr. Williams reminded the Board that Mr. Stephen Brown was appointed at the last meeting, but was not present in order to have the oath of office administered. He asked Stephen Brown and George Schwappach to raise their right hands and swear to the oath. Mr. Williams stated that he is a Notary for the State of Florida and is authorized to administer said oath. Stephen Brown and George Schwappach both swore and affirmed to the oath. Mr. Williams stated that he will forward a copy of the Financial Disclosure Form 1 to Messers. (*Mr. S. Brown left the meeting.*)

FIFTH ORDER OF BUSINESS

**Consideration of Authorization to
Disburse District Funds 2003-10**

Mr. Williams stated that the next item for discussion is the consideration of the Authorization to Disburse District Funds 2003-10 (located behind tab 2). The disbursement consists of invoices for standard contractual obligations, legal fees and management fees. Mr. Williams asked if there were any questions. Hearing and seeing none, he asked for a motion to approve.

On MOTION by Mr. B. Brown, seconded by Mr. Schwappach, with all in favor, the Board approved the Authorization to Disburse District Funds 2003-10 for The Groves Community Development District.

SIXTH ORDER OF BUSINESS

**Public Hearing on Fiscal Year 2003/2004
Budget and Consideration of Resolution
2003-11, Adopting Budget**

Mr. Williams stated that the next item on the agenda was the public hearing on the fiscal year 2003/2004 budget and consideration of Resolution 2003-11, Adopting Budget. He distributed a revised version of the proposed budget to the Board. Mr. Williams explained that meetings with the development representatives were conducted in order to review projects that would be online within the next fiscal year that would require additional funding for operation and maintenance. He asked for a motion to open the public hearing.

On MOTION by Mr. B. Brown, seconded by Mr. E. Brown, with all in favor, the Board opened the Public Hearing on Fiscal Year 2003/2004 Budget for The Groves Community Development District.

Mr. Williams stated that the initial proposed budget amount is \$800,950. He explained that the revised proposed budget amount is \$808,050. There are several categories of the budget that have changed. The Collection Agent portion of the budget has decreased in the amount of \$10,500. The Collection Agent portion will be handled directly through the title agency. The legal fees decreased (from \$7,500 to \$5,000) which was based upon the current needs of the District. Mr. Williams stated that the Electric Utility line item decreased from \$55,000 to \$48,000 (based upon a 12 month period of projected usage). The original proposed amount for the Gas Utility Services line item was decreased to \$18,000 (from \$20,000). Mr. Williams explained that due to extreme weather conditions that occurred over the past winter, the Gas Utility Services line item warranted an increase; therefore, it could be reduced at this time. Mr. Williams stated that the Property and Casualty Insurance line item increased from \$15,000 to \$25,000 due to increased premiums. The Landscape and Maintenance line item increased from \$275,000 to \$285,000. The Security System line item increased from \$128,000 to \$138,000. The Machinery and Equipment line item decreased to \$1,500 from \$2,400. Mr. Williams asked if there were any comments from the Board.

Mr. Brown asked if the budget could be increased or decreased after it was approved. Mr. Williams explained, per statutory requirements, the budget could not be increased or decreased after it is approved.

He explained that if funds allocated in the budget to a specific line item were not fully utilized, the surplus left could be placed in reserve or utilized to offset assessments in the future. Mr. Williams explained the governmental process of balancing a budget within line categories in which funds can be redirected to another area that is deficient in funds; however, the total expenditure cannot be adjusted above the amount that has been anticipated.

Mr. Williams asked if there were any further questions. There were none.

Mr. Williams stated that the next item on the agenda is to open the public hearing for public comment and testimony. He stated that there were no audience members in attendance. The public hearing for public testimony was closed due to the lack of public in attendance. Mr. Williams asked if there were any questions. Hearing and seeing none, he asked for a motion to approve.

On MOTION by Mr. B. Brown, seconded by Mr. E. Brown, with all in favor, the Board adopted the fiscal year 2003/2004 Budget and approved Resolution 2003-11 for The Groves Community Development District.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel
Not present.

B. District Engineer
Mr. Morrow stated that the Phase II construction plans have been approved by Pasco County and the DRC. He explained that the SWFWMD permit is in process and should be received shortly.

Mr. Morrow stated that he has obtained the contracts for Ripa & Associates pertaining to the infrastructure construction of Phase II and Phase II Club Villas. He explained that Ripa & Associates submitted the lowest bid. Ripa & Associates is available to begin construction immediately and they will begin the Club Villas project. Once the contracts are executed, the performance bonds can be ordered, which is anticipated to occur by the beginning of next week.

Mr. Morrow stated that the final plats will be submitted for building permits. There are several resolutions that have been submitted for the Board's approval which pertain to the platting process.

Mr. Williams explained that the execution of these resolutions is similar to resolutions that have been approved by the Board in the past. They contain standard verbiage that has been approved by District Counsel. Mr. Williams asked the Board to authorize the execution of the two resolutions pertaining to the platting of Club Villas Phase II and Club Villas Phase III. He asked for a motion to approve.

On MOTION by Mr. B. Brown, seconded by Mr. E. Brown, with all in favor, the Board approved the resolutions required for the platting of Club Villas Phase II and Club Villas Phase III for The Groves Community Development District.

Mr. Schwappach asked for verification of the completion date for Club Villas Phase II and Phase III. Mr. Morrow stated that the contractor will be informing him of the completion date once the project has commenced. He estimated that the completion date for the Club Villas will be approximately 90 days depending upon favorable weather conditions. Mr. Morrow stated that the completion time for the northern portion of the project will be approximately 120 days. Mr. Schwappach asked if the northern portion could have priority over the other project areas. Mr. Morrow stated that the northern portion would be completed first. There was a discussion pertaining to specific areas of construction and estimated completion times for each portion.

C. District Manager

Mr. Williams stated that the current Financial Statements are located behind tab 5.

EIGHTH ORDER OF BUSINESS

**Supervisor Requests and
Audience Comments**

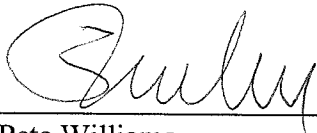
Mr. Williams stated that the next item on the agenda is Supervisor Requests and Audience Comments. There were no audience members in attendance other than those noted at the beginning of the meeting. He asked if there were any Supervisor requests. Mr. B. Brown reminded Mr. Williams to send a Financial Disclosure Form 1 to Mr. Schwappach. Mr. Williams asked if there were any further Supervisor requests. There were none.

NINTH ORDER OF BUSINESS

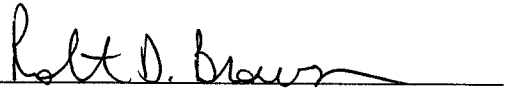
Adjournment

Mr. Williams stated that there were no other agenda items to come before the Board and asked for a motion to adjourn.

On MOTION by Mr. B. Brown, seconded by Mr. E. Brown, with all in favor, the Board adjourned the meeting for The Groves Community Development District.



Pete Williams
Secretary



Robert Brown
Chairman