

Naples, Florida, January 17, 1979

LET IT BE KNOWN, that the Pelican Bay Improvement District Board met on this date at 4:30 P.M. in Regular Session in Building "F" of the Collier County Courthouse Complex with the following members present:

PRESIDENT: Salvatore Scuderi
SECRETARY: Douglas Brown
TREASURER: Elinor Wenzel
Harmon Turner
Joseph Fernandez

ALSO PRESENT: Debbie Pantano, Recording Secretary; Tracy Bolesky, Attorney for the Board; Messrs. Obley, Storey, Koste, and Penn, Coral Ridge-Collier Properties; Gary Moyer, District Manager; Fred Biery, Post, Buckley, Schuh & Jernigan; and George Varnadoe, Attorney for Smith, Young & Blue.

AGENDA

1. Roll Call
2. Approval of minutes of December 28, 1978 meeting
3. Discussion of Interim Financing Program
4. Engineer's request for adjustment in Fee Schedule
5. Discussion re addendums to Engineering Contract
6. Supervisor's Requests
7. Engineer's Report
8. Manager's Report
9. Treasurer's Report
10. Adjournment

ROLL CALL

President Scuderi noted that all members of the Board were present and called the meeting to order.

MINUTES OF DECEMBER 20, 1978 MEETING - APPROVED AS SUBMITTED

Mr. Turner moved, seconded by Mrs. Wenzel and carried unanimously 5/0 that the minutes of the December 20, 1978 meeting be approved as submitted.

INTERIM FINANCING PROGRAM DISCUSSED - RESOLUTION ADOPTED AUTHORIZING ISSUANCE AND SALE OF WATER AND SEWER BOND ANTICIPATION NOTES

Mr. Moyer stated that due to the present conditions of the bond market, Goldman Sachs has recommended that the Board not proceed with the sale of long-term financed bonds which necessitates the alternative of bond anticipation notes. He further stated that the Barnett Bank is interested in funding \$3,960,250 in bond notes (\$3,650,000 for construction and \$310,250 for capitalized interest) at the interest rate of 8 1/2% for a term of one year with an option to renew for an additional year.

Ms. Lynn Villias¹⁰⁵, Hawkins, Delafield & Wood, explained that she has drafted a resolution which authorizes the issuance and sale of the bond anticipation notes explaining there have been some minor changes in the previously drafted resolution distributed earlier in the week to the Board. She further explained the resolution sets forth the terms of the notes, creates funds for the monies to be deposited, sets procedures for the utilization of the monies, authorizes the Barnett Bank to be the paying agent, and authorizes the sale of the notes to the Barnett Bank according to the terms set forth in the resolution. She continued the resolution authorizes the President and Secretary to sign and seal the notes and Purchase Agreement as well as any other documents necessary to facilitate the closing.

Responding to President Scuderi, Ms. Villias stated that the funds will be invested in such obligations of or guaranteed

by the United States government.

Mr. Turner questioned Section 3 of the proposed resolution which authorizes the President to authorize changes in the note purchase agreement. Ms. Villias explained this provision was added to the draft in case the bank wishes to make changes at the final closing the President would be authorized to approve such changes on advice from legal counsel without formal approval by the Board as a whole. She added this is only to help speed up the process of the final closing. Mr. Turner then stressed that this provision applies only to the closing of the sale and no other activity.

Mr. Moyer pointed out a change that has been made in Section 14, subparagraph (e) in that "or an additional series of water and sewer system bond anticipation notes" has been added which gives the Board the option to re-finance the bonds with an additional series of notes, if necessary.

Mr. Turner moved, seconded by Mrs. Wenzel and carried unanimously 5/0 that the Board adopt the resolution authorizing the issuance and sale of \$3,960,250 Water and Sewer System Bond Anticipation Notes, 1979 Series A and the President and Secretary be authorized to sign said Resolution.

It was determined by the Board that at the end of the meeting, the Board will recess rather than adjourn and continue the meeting on Wednesday, January 24, 1979 at 4:30 P.M. in Boardroom "F" of the Courthouse Complex.

DISCUSSION RE REQUEST FROM ENGINEER FOR ADJUSTMENT IN THEIR FEE SCHEDULE - FEE SCHEDULE APPROVED AS SUBMITTED BY ENGINEER

Mr. Biery explained he is submitting an itemized list of fee adjustments per the 1977 Engineer's contract allowing them to

do so no more than once a year. Mr. Biery noted that the adjustment is in the area of an 8% raise over a period of 18 months due largely to personnel expenses.

Mr. Turner moved, seconded by Mrs. Wenzel that the Board approve the revised rates for the Fee Schedule as submitted by the Engineer. The motion carried unanimously 5/0.

ADDENDUM TO ENGINEERING CONTRACT - APPROVED AS SUBMITTED BY THE ENGINEER

Mr. Moyer explained he is presenting a proposed engineering agreement regarding surveying and inspection services for water and wastewater treatment facilities which he explained does not require Board action at this time but is contingent upon the Board's approving an interim financing program.

Mr. Moyer presented another amendment to the engineering contract providing for engineering and surveying services connected with the water distribution and wastewater collection system. He stated the amounts being requested are for \$24,000 and \$2,800.

Mr. Turner moved, seconded by Mrs. Wenzel and carried unanimously 5/0 that the Addendum to the Engineering Agreement regarding services provided for water distribution and wastewater collection system be approved as submitted by the Engineer.

SUPERVISOR'S REQUESTS

None.

ENGINEER'S REPORT

Mr. Biery reported that the Board of County Commissioners has approved the connection fee schedule and a public hearing may now

be conducted on the matter. He reported that the contract documents have been given to the contractors for the water managment system. Mr. Biery noted that a pre-construction meeting was held the week before on the water management system.

In response to Mr. Fernandez's inquiry, Mr. Biery replied that the bids that were received on the underground water distribution wastewater collection system were lower in cost than originally estimated for the feasibility study.

Mr. Moyer briefly explained that a recent ruling by the Department of Revenue has caused problems with the bidding procedure in that the District had advertised that the purchasing of materials by the contractor would be tax exempt; however, under the new ruling, the purchase of materials would not be exempt.

Mr. Biery further explained that the contractor will apply for the exemption and if he is turned down, the sales tax will most likely be an obligation of the Board to pick up.

Mr. Varnadoe commented that this problem should not interfere with the bidding process, at least, not until the contractor has applied for the exemption and been denied.

President Scuderi commented he feels it is premature to address the issue at this time.

DISTRICT MANAGER'S REPORT

Referring to the bond resolution on the water management issue, Mr. Moyer requested the Board consider the adoption of a policy whereby the Engineer will be authorized to review all work performed by the contractor and if such work is in accordance with the contracts signed, he be authorized to pay the contractors for the work; later, the Engineer would present the paid statements to the Board.

President Scuderi commented that he does not feel that the Board has the authority to delegate such a responsibility and requested that Mr. Bolesky provide a legal opinion on the matter.

At this point, Mr. Moyer distributed copies of Requisition No. 1 providing for the payment for work accomplished by the Contractor (Coral Ridge-Collier) during the past two years in the amount of \$231,350.00.

Mr. Turner moved, seconded by Mr. Brown and carried unanimously 5/0 that the Board authorize the payment of \$231,350 to the developer in accordance with the requisition prepared by the Engineer and that the President be authorized to sign same.

TREASURER'S REPORT

President Scuderi requested the District Manager to notify the Developer that the District does not have sufficient funds at the present time to pay the routine bills and will have to request a loan from them.

Mrs. Wenzel presented the following bills to be paid:

Attorney's fees -	\$3,720
Naples Daily News	3.10
Naples Daily News	3.10
Accountant	180.00
Secretarial	78.40
Secretarial	72.24

Mr. Turner moved, seconded by Mr. Brown and carried unanimously 5/0 that the bills being presented by the Treasurer be paid upon receipt of funds from the Developer.

Mr. Turner moved, seconded by Mr. Brown and carried unanimously 5/0 that the Treasurer's Report be adopted as submitted.

Mr. Harmon presented a bill from the Engineer's in the amount of \$338.00 for work connected with the northwest fill area and moved that the Developer be authorized to pay said invoice. Mrs.

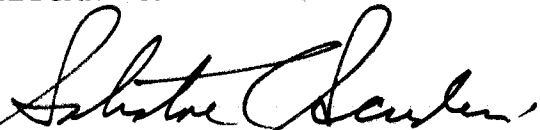
Wenzel seconded the motion and it carried unanimously 5/0.

Mr. Turner then stated he has submitted a bill to the Developer in the amount of \$300.00 for services rendered in November and December, 1978.

ADJOURNMENT

Mr. Turner moved, seconded by Mr. Brown and carried unanimously 5/0 that the meeting be recessed until Wednesday, January 24, 1979 at 4:30 P.M.

PELICAN BAY IMPROVEMENT DISTRICT BOARD



Salvatore Scuderi, President

TREASURER'S REPORT
FOR THE PERIOD OF DECEMBER 14, 1978 THROUGH JANUARY 10, 1979
PELICAN BAY IMPROVEMENT DISTRICT
NAPLES, FLORIDA

	DECEMBER 14, 1978 THROUGH JANUARY 10, 1979	YEAR TO DATE
CASH BALANCE - BEGINNING OF PERIOD	\$ <u>4,802.70</u>	\$ <u>16,625.17</u>
EXPENDITURES		
Meeting Expense	\$ 1,000.00	\$ 1,900.00
Office Expense	10.56	193.48
Secretarial Expense	119.00	284.30
Attorney's Fees	-0-	5,865.00
Accounting Services	-0-	440.00
Classified Advertising	57.10	161.03
Travel Expense	17.42	99.42
District Manager	<u>816.68</u>	<u>4,900.00</u>
	<u>\$ 2,020.76</u>	<u>\$ 13,843.23</u>
CASH BALANCE - END OF PERIOD		
Cash in Bank	\$ 2,761.94	
Petty Cash	<u>20.00</u>	
	<u>\$ 2,781.94</u>	<u>\$ 2,781.94</u>

Respectfully submitted,

Elinor A. Wenzel
Treasurer

Naples, Florida, January 24, 1979

LET IT BE KNOWN, that the Pelican Bay Improvement District Board met on this date at 4:30 P.M. in Regular Session in Building "F" of the Collier County Courthouse Complex with the following members present:

PRESIDENT: Salvatore Scuderi
SECRETARY: Douglas Brown
Harmon Turner
Joseph Fernandez

ABSENT: Elinor Wenzel, Treasurer

ALSO PRESENT: Debbie Pantano, Recording Secretary; Tracy Bolesky, Attorney for the Board; Ross Obley, Byron Koste, and Werner Buntmeyer, Coral Ridge-Collier Properties; Gary Moyer, District Manager; Fred Biery, Post, Buckley, Schuh & Jernigan; and George Varnadoe, Attorney for Smith, Young & Blue.

CLOSING OF THE \$3,960,250 BOND ANTICIPATION NOTES

Mrs. Lynn Villias, Hawkins, Delafield & Wood, explained that Barnett Bank has requested a certain provision be added to the "Note Resolution" the Board adopted the previous week which would clear up a certain ambiguity in the resolution pertaining to Sections 6 and 7 concerning certificates of deposit.

Mr. Turner moved, seconded by Mr. Brown, that the Resolution clarifying Sections 6 and 7 of the Note Resolution be adopted. The motion carried unanimously 4/0 with Mrs. Wenzel absent.

Per Mr. Moyer's explanation of the guarantee acknowledgement that the District will honor the terms and conditions of the notes if the Developer is required to pay the interest on the notes, a

form of liability, Mr. Turner moved, seconded by Mr. Fernandez, that the President and Secretary be authorized to sign said guarantee acknowledgement. The motion carried 4/0 with Mrs. Wenzel absent.

Mr. Moyer explained that Goldman Sachs has recommended that in order to avoid a pre-payment penalty, consideration should be given in that Barnett Bank will receive 1/8 of a point on the investment returns for their services rendered. He then introduced Messrs. Houston and McCorsky of the Barnett Bank as well as Mr. Easthope, Attorney for Barnett.

The President and Secretary then proceeded to sign the bond notes as well as the related documents.

In addition to the 1/8% of one point being requested by Barnett Bank for their services as paying agent, Mr. Moyer stated they are requesting an additional 1/8% of one point on returned investment interest in case the monies are refunded.

Mr. Turner moved, seconded by Mr. Brown, that the Board approve the payment of 1/8% and 1/8% (total 1/4% of one point) on the interest earned on the investment to compensate for the various services performed by Barnett Bank. The motion carried unanimously 4/0 with Mrs. Wenzel absent.

Mr. Moyer discussed the matter of the lease purchase option of property designated for the utility site stating that there are certain proposed changes

President Scuderi moved, that this item be tabled pending review of the proposed changes. The motion died for lack of a second.

Mr. Moyer explained that the proposed lease agreement incorporates the terms of the agreement and the lease previously presented to

the Board; however, it has been requested by the Company that the District landscape the property to shield it from adjoining properties.

President Scuderi expressed his objection to the provision in the lease which would require the District to surrender existing structures on the property to the lessor as well as the District being responsible for the removal of machinery.

President Scuderi commented on the provision concerning the designation of the Lessee and Lessor insured on the same policy stating that he feels it has previously been covered in the lease under the "Liability" clause. He suggested the words in the provision be changed to read the "Lessee's use" instead of the "Lessee's occupation." He pointed out an error on Page 6, paragraph 3 in that the word "not" should be removed.

Mr. Turner moved, seconded by Mr. Fernandez, that the proposed lease be approved subject to the aforementioned changes. The motion died with a roll call vote of 2/2, Messrs. Brown and Scuderi dissenting.

Mr. Turner moved, seconded by Mr. Fernandez and carried unanimously 4/0 that the proposed lease be approved subject to the deletion of Paragraph 8 and also the aforementioned changes.

Mr. Moyer commented that the lease will now go back to the Company for their approval.

Mr. Moyer referred to a proposed contract concerning the purchasing of a wellfield which specify the terms of purchase. President Scuderi expressed his objections to the language in Sections 3.2, 3.3, and 3.4. In paragraph 4.1, it was determined that the words "or insurable title" should be stricken.

Mr. Varnadoe briefly provided the status report of the title as of July, 1978.

Mr. Turner moved, seconded by Mr. Brown and carried unanimously 4/0 with Mrs. Wenzel absent, that the proposed purchased agreement be approved by the Board subject to the changes previously discussed.

Mr. Moyer requested authorization for the engineer to perform certain surveying and inspection work on the water and sewer construction required for the utility plant site and the wellfield. He noted this is in line with figures previously spelled out in the two-party engineering contract of June 21, 1977.

Mr. Turner moved, seconded by Mr. Brown, that an addendum to the engineering contract authorizing the engineer to perform surveying and inspection work as described by the District Manager be approved. The motion carried unanimously 4/0 with Mrs. Wenzel absent.

Mr. Biery presented his recommendations for bids received on Contract "A" (Phase I Wellfield) and Contract "C-2" (Treatment, Storage and Pumping Facilities),

Mr. Turner moved, seconded by Mr. Brown and carried unanimously 4/0 with Mrs. Wenzel absent, that the Board approve the bid award for Contract "A" to Layne-Atlantic Co. of Orlando in the amount of \$223,497 as recommended by the Engineer subject to the closing of the contract.

Mr. Turner moved, seconded by Mr. Brown and carried unanimously 4/0 with Mrs. Wenzel absent, that the Board award the bid for Contract "C-2" to Biltomre Construction Co. in the amount of \$1,889,375 as recommended by the Engineer subject to the satisfactory execution of the lease agreement.

Mr. Moyer referred to a proposed three-party agreement between the District, the Engineer and the Developer which authorizes the Engineer to proceed with design work on the Unit 2 Plat area. He noted that Mr. Biery has submitted a letter outlining the fees to be incurred. Mr. Turner commented that the figures cited in the letter are maximum figures.

Mr. Turner moved, seconded by Mr. Brown and carried unanimously 4/0 with Mrs. Wenzel absent, that the Board approve the addendum to the Engineering contract as outlined by the District Manager pertaining to design work on the Unit 2 Plat.

Mr. Moyer noted that the Board's approval for investments submitted by the First Pennsylvania Bank for water management proceeds in accordance with the Bond Resolution. He explained that the interest rate on the investments is between ^{9.5%} ~~8 1/4%~~ and 10.06%.

Mr. Turner moved, seconded by Mr. Brown and carried unanimously 4/0 with Mrs. Wenzel absent, that the schedule of investments be approved.

DISTRICT MANAGER'S REPORT

Mr. Moyer referred to the situation concerning the sales tax exemptions for purchase of materials by the contractors for certain projects. Mr. Biery stated that the contractor in question has documents from the State Department of Revenue indicating he is not eligible for the exemption.

Per the Board's request for a legal opinion, Mr. Bolesky stated that he has not reviewed the contracts already signed by the contractor but he assumes the District will be liable to pay the sales tax in that the District has indicated in their bid

specifications that the contractor would be exempt.

Mr. Varnadoe commented this situation is presently being processed through the courts for validation.

Mr. Turner moved, seconded by Mr. Brown and carried unanimously 4/0 with Mrs. Wenzel absent, that the President and Secretary be authorized to execute the contracts subject to the Attorney's opinion on whether or not the sales tax will be an obligation of the Board.

Mr. Bolesky submitted an Opinion to the Board concerning the matter of whether or not the Board may delegate their power to execute requisition directed to the Trustee for the disbursement of Water Management funds. He determined that the District does have the power to delegate such authority to an authorized officer, namely, President Scuderi, Mrs. Wenzel and/or Mr. Brown.

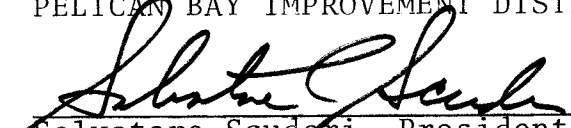
President Scuderi commented he is not willing to have such a responsibility and Mr. Brown commented he will consider it at another time when Mrs. Wenzel is present.

Mr. Brown moved, seconded by Mr. Turner and carried unanimously 4/0 with Mrs. Wenzel absent, that the accountants be authorized to date the travel vouchers as well as dating the reimbursement checks for the time period covered.

ADJOURNMENT

There being no further business, Mr. Turner moved, seconded by Mr. Brown and carried unanimously 4/0 with Mrs. Wenzel absent, that the meeting be adjourned. Time -- 7:10 P.M.

PELICAN BAY IMPROVEMENT DISTRICT BOARD



Salvatore Scuderi, President