

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**PALMA SOLA TRACE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Palma Sola Trace Community Development District was held on Thursday, October 27, 2011 at 1:48 p.m. at the Palma Sola Trace Clubhouse located at 7408 Hamilton Road, Bradenton, FL 34209.

Present and constituting a quorum:

Mac McCraw	Board Supervisor, Chairman
Peter Gelman	Board Supervisor, Vice Chairman
James Fleming	Board Supervisor, Assistant Secretary
Dutch Neuweiler	Board Supervisor, Assistant Secretary

Also present were:

Greg Cox	District Manager; Rizzetta & Company, Inc.
Jere Earlywine	District Counsel; Hopping Green & Sams, P.A. <i>(via speakerphone)</i>
Denise Greer	District Engineer; King Engineering

Audience Members

FIRST ORDER OF BUSINESS

Call to Order

Mr. Cox called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

Consideration of Minutes of the Board of Supervisors' Meeting Held on September 22, 2011

Mr. Cox presented the minutes of the Board of Supervisors' meeting held on September 22, 2011 to the Board for consideration.

On a Motion by Mr. Gelman, seconded by Mr. Neuweiler, with all in favor, the Board approved the Minutes of the Board of Supervisors' Meeting held on September 22, 2011 as presented for Palma Sola Trace Community Development District.

THIRD ORDER OF BUSINESS

**Consideration of Operation &
Maintenance Expenditures for
September 2011**

Mr. Cox presented the Operation and Maintenance expenditures for September 2011 totaling \$31,039.26 to the Board for consideration.

On a Motion by Mr. Gelman, seconded by Mr. McCraw, with all in favor, the Board approved the Operation and Maintenance expenditures for September 2011 totaling \$31,039.26 for Palma Sola Trace Community Development District.

FOURTH ORDER OF BUSINESS

Staff Reports – Part I

A. District Engineer

Ms. Greer attended the meeting so she could meet the Board members and to explain her role as District Engineer. She informed the Board that SWFWMD inspections may be due soon, as per new guidelines with adjusted timelines.

FIFTH ORDER OF BUSINESS

Pond Maintenance Update

Mike Kaigen of Aquagenix provided a pond status update to the Board. He discussed duckweed issues and algae blooms, and treatment thereof. Mr. Kaigen also explained the function and importance of the stormwater drain system with regard to residents' fertilization and its effects on the ponds. Audience member Mr. Vukas inquired about trash pickup in the ponds, asking if the District is paying extra for that service then why isn't Taylor Morrison being charged for it. Mr. Cox advised that was not a question for the aquatics company staff, and that Mr. Vukas' concern could be shared during the "Audience Comments" portion of the meeting.

SIXTH ORDER OF BUSINESS

Consideration of Aquatic Plants Proposal

Mr. Cox presented a proposal from Aquagenix in the amount of \$2,769.00 for littoral shelf aquatic plantings to the Board for consideration. He also presented a secondary proposal in the amount of \$450.00 to be added for installation of plants to pond #6. Discussion ensued.

On a Motion by Mr. Neuweiler, seconded by Mr. Gelman, with all in favor, the Board approved the proposal from Aquagenix for littoral shelf aquatic plantings in the amount of \$2,769.00, modified to include pond #7 and subject to staff review, for Palma Sola Trace Community Development District.

SEVENTH ORDER OF BUSINESS

Street Light Update

Mr. Cox updated the Board on the status of recent street light repairs.

EIGHTH ORDER OF BUSINESS

Creek Maintenance Update

Mr. Cox provided an update for the Board of work performed in the creek area. He confirmed that the dead/dying black walnut tree has been removed, and also informed the Board that the tree service will remove a dead palm from the area as well. Mr. Cox also stated that Eco Consultants will split up its shifts so they can make more visits at no extra cost to the District.

NINTH ORDER OF BUSINESS

Staff Reports – Part II

B. District Counsel

No report given.

C. District Manager

Mr. Cox stated that the next regularly scheduled meeting will be held on January 24, 2012 at 1:30 p.m. He then presented the recommendation of the Audit Review Committee to the Board for consideration.

On a Motion by Mr. Gelman, seconded by Mr. Fleming, with all in favor, the Board accepted the auditing services proposal from Grau & Associates with further authorization for District staff to negotiate the form of the contract for Palma Sola Trace Community Development District.

Mr. Fleming inquired about the date of the next meeting, January 24th (a Tuesday) versus January 26th (a Thursday). Mr. Cox confirmed that at the last meeting they all agreed on the 24th without realizing the day was different from the usual schedule.

On a Motion by Mr. Fleming, seconded by Mr. Gelman, with all in favor, the Board approved the correction of the January meeting date from January 24, 2012 to January 26, 2012 at 1:30 p.m. for Palma Sola Trace Community Development District.

TENTH ORDER OF BUSINESS

Supervisor Requests and Audience Comments

Supervisor Requests:

Mr. Gelman expressed an interest in a complete walk-around inspection, compiling an asset replacement schedule (reserve study); he also inquired about engineering drawings. With regard to the Audit Report for Fiscal Year Ending September 30, 2010, Mr. Gelman asked about item 6 of the report's notes which states "the developer is owed \$991,600.00" which is "contingent on there being excess money", and asked for a written explanation of that statement. Mr. Cox stated this is "deferred cost content", which Mr. Earlywine explained to the Board. Mr. Gelman also inquired about budgeted figures versus year-to-date spending as shown on the monthly financial summary.

Audience Comments:

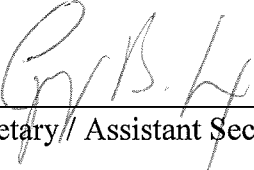
Mr. Vukas asked for a copy of payments (approximately \$40,000) made to Bellmore Electric for repairs made to streetlights that were damaged by Taylor Morrison and would like proof that the monies were repaid to the District. Mr. Cox advised him that is a public records request, and Mr. Earlywine suggested Mr. Vukas put his request in writing. Mr. Vukas refused, stating his request would be on the meeting recording and since the recording gets transcribed as written minutes, that should count as being in writing. He then stated that Taylor Morrison should have been billed directly and that the current method of paying vendors and then waiting to be repaid by the developer is wrong, and asked why that method is still in place when they have "already been caught" doing things the wrong way. Mr. Fleming replied that the District cannot make a blanket statement that all damage to streetlights is due to construction, that he recalls a recent payment of more than \$30,000.00 received from Taylor Morrison, and that Mr. Vukas is arguing about a simple accounting method. Mr. Earlywine told Mr. Vukas he should read minutes of past meetings to get better informed of what he is talking about, what he is saying is completely not true, and that the Board went through a difficult process in order to properly take care of the situation.


Mr. Vukas then asked about the attorney line item being overbudget due to Taylor Morrison issues. Mr. Cox advised Mr. Vukas that the meeting's audience section is not the proper forum to ask questions and have debates, it is a forum for comments and statements. Mr. Earlywine informed Mr. Vukas he was well beyond his allotted three minutes to speak. Mr. Fleming stated that budgets are simply a guideline.

ELEVENTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. McCraw, seconded by Mr. Fleming, with all in favor, the Board adjourned the Board of Supervisors' Meeting at 2:58 p.m. for the Palma Sola Trace Community Development District.


Secretary // Assistant Secretary


Chairman / Vice Chairman