

**MINUTES OF MEETING
HAMAL
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Hamal Community Development District's Board of Supervisors was held on **Thursday, May 23, 2013 at 8:30 a.m.**, at the **Briar Bay Clubhouse, 3400 Celebration Blvd., West Palm Beach, Florida 33411.**

Present and constituting a quorum were:

Brian Dowling	Chair
Robert Simeone (via telephone)	Vice Chair
Ione Senior	Assistant Secretary
Steven Pincus	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Roy Van Wyk (via telephone)	District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 8:33 a.m., and noted, for the record, that Supervisors Dowling, Senior and Pincus were present, in person. Supervisor Simeone was attending via telephone. Seat 3 remains vacant.

SECOND ORDER OF BUSINESS

Approval of February 27, 2013 Regular Meeting Minutes

Mr. Wrathell presented the February 27, 2013 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Pincus and seconded by Ms. Senior, with all in favor, the February 27, 2013 Regular Meeting Minutes, as presented, were approved.

THIRD ORDER OF BUSINESS

Discussion: Appointment of Qualified Elector to Fill Vacancy in Seat 3

Mr. Wrathell asked for any nominations to fill Seat 3, previously held by Mr. Zakarian.

- **Administration of Oath of Office for Newly Elected Supervisor (*the following to be provided in a separate package*)**
 - A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
 - B. Membership, Obligations and Responsibilities**
 - C. Financial Disclosure Forms**
 - i. Form 1: Statement of Financial Interests**
 - ii. Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - iii. Form 1F: Final Statement of Financial Interests**

This item was deferred to the next meeting.

FOURTH ORDER OF BUSINESS

Continued Discussion: Holiday Lighting Designs, Inc.

- **Notice of Objection to Invoice #3374 Due to Breach of Contract**

Mr. Wrathell advised that this item is for informational purposes. He recalled that, at the prior meeting, the Board decided to send a letter to Holiday Lighting Designs, Inc. objecting to the invoice. Mr. Pincus asked if a response was received. Mr. Wrathell replied that a response was not received.

FIFTH ORDER OF BUSINESS

Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2012, Prepared by Grau & Associates

Mr. Wrathell presented the Audited Financial Report for fiscal year ended September 30, 2012. He noted that the audit was completed on March 6. The District met the state's deadline of March 31.

Mr. Wrathell reviewed the "Financial Highlights", located on Page 2, noting that the District's cash position improved by \$124,000, which is very good. The main components in this determination are the changing cash position, depreciation on the District's capital assets, no depreciation on the land but the physical improvements depreciate each year; and lastly, the payments on the bond debt. Mr. Wrathell explained that "depreciation" is an accounting term, intended to track the useful life of an asset and noted that proper maintenance extends the useful

life of that asset. A capital asset may be completely depreciated yet remains a useful asset. Mr. Wrathell indicated that the District properly maintains its assets.

In comparison with the prior fiscal year, the District's total net assets increased by \$353,538, attributable, primarily, to the District's improved cash position and paying down the bond debt faster than depreciation. As of September 30, 2012, the District's governmental funds reported combined ending fund balances of \$1,256,934, an increase of \$124,687 in comparison with the prior fiscal year, primarily attributable to the increase in the general fund balance.

Mr. Wrathell detailed the Balance Sheet, on Page 8, and indicated that, as of September 30, 2012 the District had \$817,649 in "Cash" and \$37,914 in outstanding "Accounts payable". He explained that, the funds received from tax collections are deposited into a general fund account and then transferred to debt service. The unassigned cash totals \$755,208.

Mr. Wrathell reviewed the "Reconciliation of the Balance Sheet", on Page 9, and the "Statement of Revenues, Expenditures and Changes in Fund Balances", on Page 10. He noted that, from September 30, 2011 to September 30, 2012, the general fund balance improved from \$642,497 to \$755,258 and the debt service fund increased by \$11,926. The "Capital Projects" fund was closed and Mr. Wrathell recalled a resolution that the Board adopted, at a prior meeting, authorizing closure of the account.

On Pages 16 and 17, Mr. Wrathell explained "Note 4 – Deposits and Investments" and "Note 6 – Capital Assets". Page 18 reflects the long-term liabilities, which are the outstanding bonds and gives a description of the bonds. On Page 20, Mr. Wrathell clarified that the last column is shown as a negative number because the prior management company showed this amount as a 'carry forward surplus' budgeted expense item. The auditor reflects it as an expense item, although it is not. He noted that Staff transitioned to reflect this currency as fund balances instead of a carry forward surplus, as in the past. The surplus carried forward causes the budgeted amount to reflect that the expenses exceed the revenues. Referring to the "Actual Amounts" column, Mr. Wrathell indicated that the revenues exceed expenditures by \$112,761, increasing the fund balance to \$755,258.

Mr. Wrathell stated that Page 22 reports that the auditor did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses, or any instances of noncompliance or other matters that are required to be reported. Page 23 confirms there were no current or prior year findings or recommendations. Mr. Wrathell concluded that this is a clean audit.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2013-5,
Accepting the Audited Financial Report
for the Fiscal Ended September 30, 2012**

Mr. Wrathell presented Resolution 2013-5 for the Board's consideration.

On MOTION by Ms. Senior and seconded by Mr. Simeone, with all in favor, Resolution 2013-5, Accepting the Audited Financial Report for the Fiscal Ended September 30, 2012, was adopted.

SEVENTH ORDER OF BUSINESS

Update: Construction Account Closure

Mr. Wrathell recalled the earlier discussion regarding closure of the construction account. Responding to Mr. Pincus' question, Mr. Wrathell indicated that the \$113 balance in the construction account may have been transferred to the revenue account or the general fund; he will research the matter.

EIGHTH ORDER OF BUSINESS

Consider Renewal/Extension of Service Agreements

Mr. Wrathell reported that Staff adds descriptions to the budget which assist in tracking expiring agreements. He advised that the King's Management Services, Inc. (King's Management) agreement was for a one (1)-year term and provides for 12-month extensions. If the expiration date passes, it is assumed that the agreement continued into the one (1)-year extension allowed in the agreement. He indicated that the F & S Enterprises, Inc. (F & S) agreement expires in June and Hulett Environmental Services (Hulett) expires in August.

Mr. Pincus asked if there is any reason not to continue with any of the agreements. Mr. Dowling advised that he would like to reconsider Hulett's agreement, as their services have deteriorated over the last 12 months. Mr. Wrathell noted that Hulett's agreement has a 30-day termination notice. Mr. Dowling indicated that there is sufficient time to receive bids prior to the June 26 meeting.

Mr. Dowling noted that the F&S invoices are coming in incredibly high and there is no method of tracking their work. Mr. Wrathell asked if King's Management has an opinion on F & S' work. Mr. Dowling indicated that he asked King's Management but did not receive an opinion. Ms. Senior commented that King's Management may not have the expertise to

comment. Mr. Pincus recalled that the District was forced into a contract with F & S. Mr. Dowling concurred and added that complaints were received, when King's Management was hired, because a license is required to perform irrigation work. Mr. Pincus asked if there are any problems with the District's irrigation system.

Mr. Dowling reported that the services provided by F & S are top notch, their response time is within 24 hours and the landscaping is in excellent condition. Mr. Dowling reiterated that there is no method in place to track their work. Mr. Pincus indicated that Mr. Dowling's concern holds true for any vendor. Mr. Dowling reported that, in addition to the F & S monthly \$1,200 fee, he recently approved a \$1,200 invoice for labor and parts. Mr. Wrathell indicated that the District has a good relationship with King's Management and noted that they are in a better position to gauge the work performed by F & S. Mr. Dowling stated that the law is unclear as to the amount of work a non-irrigation licensed vendor should perform. Responding to Ms. Senior's question, Mr. Dowling advised that F & S is preapproved to proceed with repairs under \$500. Mr. Pincus asked if F & S provides detailed invoices. Mr. Dowling replied affirmatively.

Discussion ensued regarding the validity of the F & S repairs and invoices. Mr. Pincus felt that the Board does not have a reason to doubt F & S, especially since they provide detailed invoices. Mr. Dowling provided a copy of an F & S invoice for the Board's review.

Mr. Wrathell clarified that, if King's Management held the appropriate license, it would be more cost effective for them to perform the irrigation tasks since they are on the premises frequently. Mr. Wrathell asked if King's Management will be obtaining the necessary licenses. Mr. Dowling indicated that he would like to compare recent F & S invoices with 2012 invoices. Mr. Pincus noted that F & S does not have a separate line item in the budget and it may be a lengthy research project for the accounting department. Mr. Wrathell indicated that he will have Staff research the irrigation expenses.

In response to Mr. Pincus' inquiry, Mr. Dowling indicated that F & S was recommended by King's Management. Mr. Dowling advised that he has questioned several invoices and F & S provided reasonable explanations. Mr. Dowling noted that there are too many repairs performed every month. Mr. Pincus questioned if the equipment breaking at the level F & S is reporting; King's Management must provide information regarding why the equipment is breaking so frequently. Kings Management should be asked to be more careful while the landscaping. Mr. Dowling pointed out that King's Management may not be causing all the damage and recalled that FPL trucks were parked on the grass, along Jog Road, the prior week.

Discussion ensued regarding the “Irrigation system maintenance” and “Irrigation repairs” line items. Mr. Pincus indicated that Mr. Dowling has a valid concern and suggested discussing this matter further during the next meeting. Mr. Pincus noted that, if research proves that the expenses are higher than the previous vendor, the next step is to find the reason.

A. King’s Management Services, Inc.

○ **Landscape Maintenance Services (1/27/13)**

- *twelve-month extensions upon mutual consent of both parties; no extensions more than 24 months*

Mr. Wrathell advised the Board that, if they are content with the services of King’s Management, a motion ratifying the agreement is appropriate. In response to Mr. Pincus’ question, Mr. Van Wyk stated that a motion is in order extending the contract for an additional year and advised that he will prepare a first amendment to the contract.

On MOTION by Mr. Pincus and seconded by Ms. Senior, with all in favor, authorizing the 12-month extension to King’s Management Services, Inc., Agreement for Landscape Maintenance Services, was approved.

Ms. Senior asked if the fee will change. Mr. Dowling advised that it will not. Mr. Wrathell asked if there is a CPI adjustment and noted that Staff made an adjustment in the budget. Mr. Dowling indicated that there is no CPI adjustment for the monthly maintenance; however, there may be an adjustment for the cost of product to cover the increases in their purchasing expenses, such as mulch. Mr. Pincus clarified that labor is not increasing. Summarizing the terms of the agreement, Mr. Dowling stated that the costs for monthly maintenance and labor are remaining the same; however, the costs for materials may change.

B. F & S Enterprises, Inc.

○ **Irrigation Maintenance Service (6/30/13)**

- *renewable for two additional one-year terms in writing within 30 days of expiration; contingent upon satisfactory performance evaluation*

This item was discussed during Item 8A.

C. Hulett Environmental Services

○ **Lawn Specialty Services (8/15/13)**

- *30-day termination notice*

This item was discussed during Item 8A.

NINTH ORDER OF BUSINESS

**Consideration of Resolution 2013-6,
Approving the District's Proposed
Budgets for Fiscal Year 2013/2014 and
Setting a Public Hearing Thereon
Pursuant to Florida Law**

Mr. Wrathell referred to Pages 2 and 5, of the proposed budget, and reviewed the landscape maintenance expenditures. Referencing the "Mowing, edging, pruning & weed control" line item, on Page 5, Mr. Wrathell advised that the \$86,572 amount was adjusted by CPI and, in his opinion, this category includes King's Management's labor. The line items below, such as, turf replacement, mulch, weed, fertilization and annuals may increase. Mr. Wrathell indicated that he can decrease "Mowing, edging, pruning & weed control" to \$84,500. Mr. Pincus suggested that the amount stay as is and, as the year progresses, if one (1) category progresses at a higher rate, \$2,000 may be transferred to that line item. Mr. Wrathell concurred. Discussion ensued regarding the frequency and costs for the 'annuals'. Mr. Pincus reiterated that the costs should be left as is and revisited, if needed; he noted that, if funds are spent disproportionately between categories, it is simple to move from one (1) category to another, as long as it is within the landscaping budget.

Mr. Wrathell reviewed the Fund Expenditures, on Page 4, and indicated that the Supervisors fee, Management/recording/accounting, Legal and Engineering expenditures are the same amounts as last year. The Audit was increased by \$17, from last year, to \$6,300. The amount budgeted was \$6,283 and the actual was \$6,100. The "Arbitrage rebate calculation" is an IRS requirement. Postage, legal advertising, office supplies, other current charges and the annual special district fee remain the same as last year.

On Page 5, Mr. Wrathell indicated that the general liability insurance is the same amount as last year. Tree pruning, at \$17,500, remained the same as last year. Mr. Dowling asked if the "Insect, weed, fertilization" \$42,750 line item pertains to Hulett's contract. Mr. Wrathell recalled that these line items were taken from King's Management's contract. Mr. Dowling asked if Hulett was hired by the District or King's Management. Mr. Pincus replied that Hulett was hired by King's Management. Mr. Dowling mentioned that, if King's is subcontracting work, the District is not required to obtain new bids. Mr. Wrathell mentioned that it is not the

District's issue. Mr. Pincus indicated that King's Management needs to be informed that they must find another subcontractor.

Referring back to the budget, Mr. Wrathell noted that "Irrigation repairs" were \$5,000. After today's discussion, he noted that this amount may not be sufficient but can be adjusted. Today, the Board will approve the proposed budget for the purpose of setting the public hearing; Mr. Wrathell advised the Board that they have until September 11 to make changes to the budget. He noted that the items that were previously put on hold, such as Briar Bay and Jog Road, were included in the budget, as well as \$25,000 for landscape replacement. Mr. Wrathell indicated that the contract amount for "Preventative maintenance: pump station" is \$8,050 and \$4,000 for additional repairs and maintenance. The agreement with Allstate Resource Management for "Lake maintenance" is \$21,600 and \$6,000 was budgeted for holiday lighting. Noting that \$21,000 was allocated for contingencies, Mr. Wrathell explained that, if another category is in need of additional funds, the amount can be reduced from the "Contingency" line item.

On Page 9, Mr. Wrathell reviewed the Assessment Comparison for Fiscal Year 2014. He noted that the District is doing well and the assessment increases for the condos and townhomes are approximately \$6 and less than \$8 for the single-family units. Mr. Wrathell pointed out that the increase is close to nothing and, if the Board chooses, it may decrease the "Contingency" and not raise assessments. Mr. Pincus requested an explanation for the assessment increases. Mr. Wrathell indicated that expenses increased. Mr. Dowling noted that expenses increased and nothing decreased. Mr. Wrathell noted that certain items were increased, such as the CPI for King's Management and the pump station maintenance. Mr. Pincus stated that, theoretically, if the budget is adopted as is, barring any unforeseen expenses or a lack of expenses, the District should be in the same revenue position, next year, as it is now.

Mr. Wrathell advised that he feels confident that the "Contingency" line item can be removed, unless a serious event occurred, such as hurricane. Mr. Pincus asked if the District has a separate account for disasters. Referring to Page 3, Mr. Wrathell noted the three (3) months working capital, which is needed until the tax revenues are received, \$50,000 for "Sound barriers", \$100,000 for "Stormwater pump station", and \$50,000 for "Culvert repair/replacement". He noted that "Disaster recovery" was increased from \$150,000 to \$200,000 and the District has \$231,320 in "Unassigned" fund balance. Mr. Dowling asked what happened to the \$150,000 from last year's disaster recovery fund. Mr. Wrathell stated that the

funds are still in the account. Mr. Dowling asked if another \$200,000 needs to be added. Mr. Pincus clarified that an additional \$200,000 is not being added, the money is held in case of an emergency.

Mr. Wrathell advised that, if everything holds and changes are not made to the budget, the District will probably add the fund balance at the end of the budget year. He noted that the District has a very good fund balance. If the District gets hit with a hurricane, as strong as Wilma, a lot of landscaping will be damaged; therefore, having extra funds will come in handy, Mr. Wrathell noted that \$200,000 can be spent quickly after a disaster. Mr. Wrathell stated that the Contingency can be removed, or reduced, as the District has reasonable cushions in other areas of the budget. Mr. Wrathell reiterated that the Board has until September 11 to make changes to the budget. Mr. Pincus suggested that the Board approve the proposed budget today and asked that Staff revise the budget removing the contingency and advise the Board how that change will affect assessments. The Board can revisit the budget the day of the public hearing.

Mr. Wrathell advised that decreasing the contingency by approximately \$8,500 will lower assessments to the same amount as last year. Mr. Dowling noted that the amount will be approximately \$9,250. Mr. Wrathell recalled that the contingency is over \$21,000. Mr. Pincus suggested directing Staff to reduce the contingency by the amount stated, to lower assessments. Mr. Dowling suggested that the Board wait until the day of the hearing. Mr. Dowling advised that other items need to be discussed and reminded the Board that the wall will need to be painted. Mr. Dowling advised that he obtained a bid for power washing and was advised that the process will remove the rest of the paint.

Mr. Wrathell advised that decisions can be made the day of the public hearing and the Board may instruct him, that day, to revise the budget to match last year's assessments and to reduce the contingency accordingly. Mr. Wrathell indicated that the debt service is slightly higher than last year and noted that the contingency could be lowered enough to make the amount the same as last year.

On Page 8, Debt Service Schedule, Mr. Wrathell advised that the debt service fund budget includes the November 1 interest payment and the May 1 and November 1, 2014 principal and interest payments.

Discussion ensued regarding the public hearing.

On MOTION by Mr. Pincus and seconded by Ms. Senior, with all in favor, Resolution 2013-6, Approving the District's Proposed Budgets for Fiscal Year 2013/2014 and Setting a Public Hearing for Wednesday, September 11, 2013 at 8:30 a.m., at this location, was adopted.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2013-7, Authorizing District Manager to Participate in Insured Cash Sweep (ICS) Through Existing Money Market Account with FineMark Bank

Mr. Wrathell recalled that the District opened an account with FineMark Bank. He advised that the District may keep the existing money market account and choose to participate in the Insured Cash Sweep (ICS) program, as well. FineMark Bank is a qualified public depository (QPD) and will serve as the main bank; any funds over \$250,000 will be placed in other participating FDIC insured banks. In response to Mr. Pincus' question, Mr. Wrathell explained that the ICS account will be a subaccount to the existing money market account. The ICS account cannot exist without the money market account.

Discussion ensued regarding daily management of the ICS account.

Mr. Pincus questioned who is ultimately responsible for the money if a bank that FineMark Bank utilizes fails. He asked if the District will be able to recoup from FineMark Bank or the FDIC. Mr. Wrathell advised that he is not sure if the QPD or the FDIC will step up, under that scenario. In Mr. Wrathell's opinion, the District will be relying on the FDIC. Mr. Wrathell summarized that he is not pushing the account but feels that this is a good program.

Mr. Dowling asked that this matter be deferred to the next meeting, which will give the Board time to research it.

ELEVENTH ORDER OF BUSINESS

Other Business

Mr. Pincus recalled that Mr. Giangrande was to provide an update regarding the South Florida Water Management District (SFWMD) application process. Mr. Wrathell asked the Board if they would like Mr. Giangrande to attend the June 26 Meeting. Mr. Pincus advised that Mr. Giangrande does not need to attend the meeting unless there is a problem; a written or email update will suffice. Reading from an email sent to him by Mr. Giangrande, in January, Mr. Dowling reported that, as of the date of that email, a pre-application meeting was not scheduled

with SFWMD. Mr. Wrathell advised that he will contact Mr. Giangrande. Ms. Senior noted that it is getting very close to hurricane season. Discussion ensued regarding recent rain.

Mr. Dowling indicated that an appointment should be scheduled with Allstate Resource Management (Allstate) for storm drain maintenance. Mr. Wrathell stated that he does not recall that storm drain maintenance is part of Allstate’s contract. Mr. Dowling agreed and noted that a bid could be requested from Allstate and South Florida Utilities, Inc., D/B/A Lift Station Services (SFU), for the maintenance. Mr. Pincus recalled that the Board previously authorized Mr. Dowling to proceed with this task, up to approximately \$10,000. Mr. Wrathell advised that the inspection will, most likely, be a visual inspection.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Van Wyk reported that he is preparing an outline of legislative changes that will affect the District.

B. Engineer

Mr. Wrathell reiterated that he will contact Mr. Giangrande and request an email status update regarding the SFWMD permit.

C. Manager

i. Approval of Unaudited Financial Statements as of March 31, 2013

Mr. Wrathell presented the Unaudited Financial Statements as of March 31, 2013. He reported that assessment collections were at 92%, through March 31.

*****Mr. Simeone left the meeting.*****

Ms. Senior advised that she will be out of town for the next meeting and will attend telephonically. Mr. Pincus asked Mr. Van Wyk if three (3) Board Members must attend the meeting, in person, or two (2) in person and one (1) by phone. Mr. Van Wyk replied that three (3) Board Members must be present, in person, at the meeting.

On MOTION by Ms. Senior and seconded by Mr. Pincus, with all in favor, the Unaudited Financial Statements as of March 31, 2013 were approved.

ii. 1,701 Registered Voters in District as of April 15, 2013

Mr. Wrathell reported that there were 1,701 registered voters residing within the boundaries of the District, as of April 15, 2013.

iii. NEXT MEETING DATE: June 26, 2013 at 8:30 A.M.

Mr. Wrathell advised that the next meeting will be held on June 26, 2013. He will confirm if Mr. Simeone is able to attend, in person; if not, the meeting can be rescheduled.

THIRTEENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors’

Mr. Dowling resumed discussion regarding painting the walls and recalled that there was a line item assigned to the project. Mr. Wrathell referred to Page 3 of the Unaudited Financial Statements. Mr. Pincus indicated that \$50,000 is assigned to the sound barriers. Mr. Wrathell reminded the Board that the budget has a lot of cushion and indicated that, unless the entire \$50,000 will be spent on the project, he suggests utilizing the contingency funds.

Mr. Dowling asked if the reserves reflect the accumulation of the funds in a line item. Mr. Wrathell advised that funds that are spent are the “Unassigned” line item, if there are sufficient funds in this line item to pay the District’s bills; the assigned line items are not affected. In response to Mr. Dowling’s question, Mr. Wrathell clarified that funds are not accumulating every fiscal year.

Mr. Dowling recalled that, approximately five (5) years ago, it may have cost the District \$100,000 to paint the walls. Mr. Wrathell indicated that, in addition to the \$50,000 in the reserve, and in anticipation of painting the walls in five (5) years, the Board may decide to set aside \$10,000, every fiscal year, instead of having to drastically raise the assessments.

Mr. Wrathell advised that he manages a District that owns the roads and they have prepared a resurfacing plan for the next 20 years. They budget money every year towards the resurfacing, as well as a road reserve.

Mr. Wrathell indicated that Hamal CDD has the ability to immediately paint the walls. Mr. Pincus questioned if the walls should be painted now or in October, after the rainy season ends. Mr. Dowling stated that more people might enjoy the painted walls during the summer, which is when the annuals bloom and the grass is greener. Mr. Pincus suggested obtaining an estimate for painting the wall. Mr. Wrathell stated that, if the wall painting estimate comes in at \$20,000, funds may from the contingency can be used, leaving the \$50,000 “Sound barriers” line item in tact. Mr. Pincus noted that it will depend on whether the contingency will be used to

lower the assessments. Mr. Wrathell stated that there are enough items in the budget to easily accommodate the wall painting.

Mr. Dowling asked if he must obtain three (3) bids. He explained that Briar Bay has a deal with Home Depot's Behr Paint (Behr); they provide premium paint, an authorized painter and they warranty the product and labor for seven (7) years. When the job is completed, Behr sends a representative to confirm that the paint was applied per their specifications. Mr. Dowling reported that he received information, from a Behr representative, regarding a new available product called lugestic, which is reported to have ten (10) times the ultra violet ray protection than regular paint and contains a chemical that cleans the wall as it rains. Mr. Wrathell suggested obtaining a quote for painting the walls.

Mr. Dowling asked if there is a need to proceed with a bidding process when there is a preferred specialty product and only one (1) vendor that provides the product. Mr. Van Wyk indicated that the District may turn to a sole source when there is no one else that provides the product. There is a \$180,000 bidding provision and the District is below the bidding requirement threshold. Seeking clarification, Mr. Dowling indicated that he was under the impression that, for amounts below \$180,000, obtaining three (3) bids was necessary but advertising was not. Mr. Van Wyk explained that an RFP is necessary for amounts over \$180,000, bids should be obtained; however, if there is a sole source for the product, the District may proceed with that vendor. In response to Mr. Dowling's question, Mr. Van Wyk confirmed that the District may proceed with the vendor.

Mr. Dowling will obtain information and present it to the Board for consideration. Mr. Pincus stated that he would be surprised if Behr's is the only vendor offering this product.

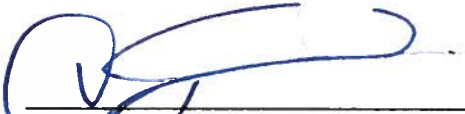
Mr. Dowling reported that he has been approached by residents regarding darkening the colors of the walls. Conversation ensued regarding selecting a different color.

FOURTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Ms. Senior and seconded by Mr. Pincus, with all in favor, the meeting adjourned at approximately 10:20 a.m.



Secretary/Assistant Secretary



Chair/Vice Chair