



## The POA Lists Fifteen Questions for Pete Wahl to Answer About CDDs

In a recent Pete's Place column in the Daily Sun, Pete Wahl offered to give any resident a 20 question test on CDDs to test their knowledge.

Well, turn-around can be fair play. So, listed below are the POA's questions for Mr. Wahl. We list 15 questions and then the answers that the POA thinks Mr. Wahl should respond with. We will bank the other five Q's & A's for a later issue of the Bulletin.

**Question #1 - Mr. Wahl, all five supervisors of the VCCDD, as well as the two attorneys working for the VCCDD, have business or professional ties to the developer. How can these people be objective in their decision-making. Isn't this a conflict of interests?**

POA Answer - Yes, this appears to be a conflict of interests. The supervisors should resign in favor of elected officials; new attorneys should be retained. The POA has called for these actions in a recent issue of the POA Bulletin.

**Question #2 - Mr. Wahl, you were appointed by the hand-picked board of the developer. As the top administrative official of The Villages, however, shouldn't you represent resident's rights rather than the interests of the developer?**

POA Answer - Yes, the District Manager should be responsive to the best interests of the residents of the Villages and should be an elected position. Mr. Wahl should stand for election, or a confirm/dismiss vote, at the next opportunity.

**Question #3 - Sir, would you favor paying the yearly assessment for the CDD districts out of the monthly fee?**

POA Answer - This would make sense. There is no reason why the developer needs to charge us separately for an extra annual assessment when we all agreed to pay a monthly fee for the operating expenses of The Villages. The rationale for this annual assessment from the developer's point of view seems to be that the law allows a separate charge, so why not grab it?

**Question #4 - Isn't this annual assessment just another example of double taxation?**

POA Answer - Yes. Although the monthly fee and the annual assessment are two different charges, they represent the developer's effort to do a double dip into our pockets. The spirit of the monthly fee should be to pay all the operating expenses of The Villages. Isn't that what most people understood when they first agreed to buy property here?

**Question #5 - What is the monthly fee used for?**

POA Answer - The monthly fee was and is designed to pay for the services involved in maintaining the facilities in The Villages. This is spelled out in the Deed Restrictions that most homeowners received at or before closing on their house. In addition, the developer has elected to use that portion of the monthly fee not required for maintenance and administration for repaying bonds.

**Question #6 - If the monthly fee is for maintenance services, why are we repaying the bonds out of the monthly fee?**

POA Answer - There is no explicit provision in our agreement with the developer for residents to repay bonds. Residents agreed to pay the monthly fee as spelled out in each of our property deeds for vague purposes which the developer has interpreted as also covering bonds issued to purchase property and facilities from himself. However, the rationale is vague, at best.

**Question #7 - What is the amount of these bonds now?**

POA Answer - Around \$300 million now for principal and estimated future interest. This is roughly \$11,000 for each Village resident which we are obligated to pay off over the next 30 years.

**Question #8 - If we did not have to pay off the bonds, how much would be our monthly fee?**

POA Answer - The POA estimates that only \$70.00 per month is required now for

maintenance and administration. This should reduce over time as more and more residents move to The Villages and increase the base.

**Question #9 - But, if we did not assume responsibility for repaying the bonds, would we still have the wonderful facilities we now have around here?**

POA Answer - The problem is not bonds per se or purchase of facilities per se. The problem is the inflated prices that the VCCDD pays the developer when it buys the property and facilities. The Orlando Sentinel, in its award-winning series of articles about CDDs in October, 2000, noted that the VCCDD purchased property valued at \$8.8 million from the developer for \$84 million. If these deals and others with the developer had been done at reasonable valuations, say one-fifth of the original price used, it is possible that debt would be as low as one-fifth of the current level, say \$60 million, and the \$35.00 per month portion of our monthly fees that services this debt, could be, maybe, \$7.00. That would produce a monthly fee of \$77.00 right now rather than the \$105.00 that many of us pay. And we would still have the wonderful facilities that we now enjoy.

**Question #10 - I don't like paying all this extra money. Can't we vote out the VCCDD supervisors who agreed to this inflated deal with the developer?**

POA Answer - No, you can't vote them out. The Section 190 law allows the developer to appoint supervisors in the VCCDD because the developer designed the VCCDD to be in the center district where nobody lives. Therefore, the developer is allowed to appoint supervisors indefinitely. And, these supervisors, all of which have business ties to the developer, are able to obligate all residents to repay the bonds.

**Question #11 - Can I vote to not buy the facilities or to not incur the related debt?**

POA Answer - No, there is no way for residents to now vote directly on these issues. The POA supports initiatives of various residents' rights groups in Florida to change this portion of the law to allow resident votes. The POA has further proposed that a moratorium be established regarding further purchases from the developer.

Continued from page 1

**Question # 12 - How was the \$84 million price for \$8.8 million in property and facilities justified?**

POA Answer - The developer and the VCCDD used an appraisal technique known as the "income approach." This technique values an asset based on the income it is involved in producing. This often generates grossly inflated valuations as compared to more traditional appraisal techniques such as the "comparable properties" approach. These two different methods produced the \$84 million vs. \$8.8 million divergence. In another example, the Savannah Center was purchased by the VCCDD for about \$25 million based on an income approach when the property was probably on the books of the developer for roughly \$3-\$5 million in construction costs. The POA has proposed that the "comparable properties" technique be used for future purchases.

**Question #13 - One of the VCCDD attorneys says that the purchase of facilities from the developer is "value neutral" and that Villagers pay no more or no less a monthly fee whatever is the price of facilities. Please explain.**

POA Answer - The statement means that all resident homeowners agreed to pay the monthly fee, now capped at \$105.00 per month, when they first moved here. And, the developer decided that any portion of the \$105.00 not needed for maintenance could be used to purchase facilities from himself. However, residents are still required to pay \$105.00 per month no matter what portion of the fee is assigned to repay the bonds used to purchase the facilities. So, it is "value neutral" in the sense that we still have to pay the \$105.00 per month -- one way or another -- even if a significant portion of the monthly fee is used to purchase facilities.

**Question #14 - For what else am I paying the developer more money?**

POA Answer - First, you paid more for your house because you wanted to be in The Villages and close to our facilities. You probably thought that the price of your house covered the major development costs and all the nice facilities. Not so. Second, you have to pay off the developer's original construction bonds over ten years on your tax bill. That pays for roads, sewers, etc. You probably thought these costs were also in the higher price of your house. Not so. Third, you have to pay the annual assessment for CDD operating costs. You probably thought this was in the monthly fee. Not so. Fourth, you have to pay the monthly fee which obliges us to pay for the bonds used to buy all the facilities. You probably thought the facilities purchased by these bonds were included in the higher price of your home. Not so. Not so. Not so. But, at least the VCCDD attorney says it is value neutral.

**Question #15 - What can I do about these problems?**

POA Answer - The developer has shown little if any flexibility or responsiveness on these many issues. So residents are urged to get involved, study the issues, join and support the POA or any of the other organizations (Silver Hair Legislators, CHIPS) working for residents' rights, and do your part to work for changes. The best shot we have is to eliminate abuses in the Section 190 law that established the Community Development Districts. And, it is not out of the question to think that we (that's you and me) can make a difference. Apathy is partly to blame for getting us into this mess -- maybe passionate resident involvement can lead the way out.

-- Tom Poss --

**CHIP**

CHIP (Concerned Homeowners in Partnership, Inc) is dedicated to safeguarding the rights of homeowners in deed restricted communities. It arose out of a need for fair treatment, for true representation, for the homeowner's voice in the communities, for honest disclosure.

Most deed restricted communities in Florida, or in this area of Florida, have homeowners associations, which are involved with addressing the needs of the communities which those HOAs serve. These have been compared by a local legislator to "little governments".

One would hope that the "little government" addressing community issues and needs would be representative of the community. Sadly, however, this is not always the case.

Residents in some communities discover that, despite there being provisions for a homeowners association, the community is really controlled by the developer or a managing company. And that entity frequently disregards the concerns of the homeowners. Calls go unanswered. Promises are made but not kept. Upset homeowners who entrench themselves in the developer's office or on the worksite are assured that issues will be dealt with, and reassured, and reassured, until it is obvious that there is no intention of addressing the issue, that the person has been given lip service only.

Residents in other communities where there is a homeowners association in place discover that it is controlled by the management or by the developer, and too frequently those residents are faced with the same frustrations as those with no working homeowners association.

The little government, in the above situations, turns out to be a dictatorship, in actuality. It is run by a profit driven developer who for the most part gives the homeowners lip service or no service at all. The covenants

and deed restrictions of these communities can often be changed at the will of the developer, to the horror of the homeowners who have absolutely no say in the rules that control their community.

Homeowners in these situations look forward to takeover, thinking that at that time the control of the community will be theirs. But will that truly be the case? Could it be the homeowners won't have complete control over their community?

A few communities, with eyes on their takeover of the community, then find the developer adding phase upon phase to the original plat. Takeover becomes more and more distant, beyond the lifetimes of many of the residents.

Another concern of homeowners in these developer controlled communities is that their homeowner association is limited to cultural, social and recreational activities, not to management of the community at all. These homeowners then ask the question: does Florida law governing homeowners association pertain to my association if it is limited to only cultural, social, and recreational?

These are but a few of the conditions whereby CHIP was organized. CHIP wants to make a difference. In order to do that, CHIP needs your input. CHIP needs your membership. Numbers talk to the legislators. So CHIP needs you, if you are a resident in a deed restricted community. Together we can make the deed restricted community what it was intended to be: a community which works together to protect the value of its properties and its standard of living.

To join CHIP, or if you have a question or a concern, call Fanny Vail at 291-9495 (or e-mail me at Fannyvail@cs.com). Or you can call CHIP president Buddy Catledge at 861-1288 (or e-mail him at BCATFL@aol.com). Or you can ask any of our other directors. CHIP wants to hear from you!

In remembrance of

**THOMAS RITTER**  
 former director in the P.O.A.  
 Life time member of the P.O.A.  
 A good friend and neighbor  
 Passed away in August. He will  
 be missed

**SEPTEMBER**  
**Labor Day, Is this the time for more work?**  
**Grandparents Day, Remember them.**  
**Autumn begins, the changing of colors**  
**Rosh Hashanah — & — Yom Kippur**

## CAROL KOPE, LONG-TIME POA MEMBER AND OFFICER DIES

We just buried Carol Kope.

What a fine lady she was. Always a smile. Always personable. Always a sweet disposition. Always the kind of person you wanted to hug because you instinctively liked her. Gosh, we will miss her....

Carol was one of the stars of the POA over many years. She was POA secretary until earlier this year. She also singlehandedly wrote the Bulletin for many issues. She was in many activities in The Villages – and she loved to get involved. The POA directors often met at her house and talked into the late hours. Her husband Mike always understood her devotion to the POA, even when our late-night meetings went past bed time. Mike is a good man – we share his loss, and we are saddened by the thought of carrying on without Carol by our side.

Godspeed, Carol, we'll see you again, someday....

\*\*\*\*\*

What a sad thing it is to write the next part of this story.

The Villages Daily Sun carried Carol's obituary just after her death. The Sun deliberately excluded mention of her participation in the POA.

In the material provided to the Sun for that obituary, specific mention was made of her role as secretary of the POA. When the first obituary appeared in the paper, Carol's husband Mike called to tell the paper that her POA activities were omitted and asked that the obituary be re-run with the correction noted. He knew how important the POA was to her. The obituary was re-run, but mention of the POA role was omitted again.

Words like "disrespectful," "crass," "vulgar," "tasteless," "irreverent," and "insensitive" come to mind to describe the Daily Sun's action.

Whatever the Daily Sun thinks of the POA, how indecent can the Sun's editorial staff and the developer be to disrespect the memory of a fellow Village resident over what looks like censorship issues with the POA? How insensitive can the Sun and the developer be to ignore the wonderful life contribution of a fine person like Carol.

Is it the policy of the Daily Sun to censor any newspaper mention of POA activities or personnel?

Fair and objective reporting? Don't think so.

Don't we deserve better from our main source of news here in The Villages?

Didn't Carol deserve better?

--Publius--

## DOES THE DAILY SUN REPORT GOLF COURSE HYPE OR GOLF COURSE FACTS?

The Daily Sun in its July, 11, 2001, issue wrote a front-page story entitled "'Lush' Fairways Prevail" about our golf courses. The essence of the story was that the recent rainfalls have brought back "fairways that could be labeled 'lush.'" Other comments included "beautiful," "brighten things up," "great shape," "brilliant green," etc.

In that same July 11<sup>th</sup> issue, the Sun ran another article in the B section on the third page that described the problems with the executive courses and what was being done to remedy the problems. This article was unusually frank and mentioned the two closed greens at Mira Mesa, the one closed green at Chula Vista, and a host of other problems.

This second article was written by Tony Simpson of The Villages Golf Division and was surprisingly candid in its commentary. It is good to have a straightforward explanation of the problems without all the spin and blame-someone-else rhetoric of past years.

Although it is good to be truthful, one wonders why the Golf Division can't seem to solve these problems. Every year it is the same old thing about too much traffic, too much or too little rain, pesky weeds or bugs, or this problem, or that problem, etc. We need (maybe we deserve) results rather than excuses. Is anybody there knowledgeable enough to solve these problems? Is anybody there personally committed to solving these problems? Is anybody there listening?

Getting back to the front page Daily Sun article on the "lush" condition of the courses -- this article was very disturbing for the following reasons:

First, this was not the most balanced or objective statement that could be made about the state of our golf courses. Actually, it was misleading. Many greens on both executive and championship courses were in dismal condition at the time. That was the more objective news story – not that the fairways were finally "lush." At the very least, the front-page article about "lush" fairways should have been balanced with comments about "lousy" greens.

Second, why is the Daily Sun headlining a misleading, fluff piece like this? This makes a nice point for The Villages Sales Department -- but it makes one wonder at the same time about the journalistic ethics, independence, and objectivity of the Daily Sun.

Is the Daily Sun's mission to report on the news in an objective, independent manner as part of the American tradition of a free press? Or is it the paper's mission to be a tool of the Sales Department and promote selling features of The Villages? Is the editorial function of the newspaper subservient to the will of the developer?

If the paper wants to be truly free and objectively report on news events in The Villages, it should report facts rather than hype. Hype should be left to the sales department – not displayed on the front page of the Daily Sun newspaper.

--Publius--

## FLOWERS AND WEEDS

**WEEDS** - To The Villages sales department for creatively calling the storm water runoff areas "lakes" and charging lot upgrades of \$45,000 upward for "lake-front" property (see the terminology on The Village maps). It looks like Mr. Wahl now wants to change direction and currently refers to these "lakes" as "retention areas."

**WEEDS** - To the executive management of the VHA for their do-nothing-say-nothing approach on the residents' rights issues mentioned in the three previous "Weeds." What a disappointment this must be for the VHA membership to see their leadership sit silent on these important issues.

**FLOWERS** - To the residents fighting for repair of their leaky lakes. You can win the day with resident participation and active involvement. Apathy never gets you anything except being taken advantage of. Think about joining with the POA to give a wider voice to these residents' rights issues.

**FLOWERS** - To Sonny and Lois, owners of the Silverlake Club business. They published an open letter to residents saying that most of the Club features that we all loved will be brought back. Out with the new! In with the old! Congratulations! Let's party!

**FLOWERS** - To Paul Heim, Village resident, who wrote the letter-to-the-editor and an accompanying article in the August issue of the Lady Lake Magazine. Paul is concerned about the abuses of the Section 190 law that created the CDDs. He is also concerned about the potential greediness of the developer and the lack of objectivity in reporting by the Daily Sun. He sent the letter to several newspapers, including the Villages Daily Sun. Unfortunately, only the Lady Lake Magazine published the material. Paul, who has identified real problems. The POA shares your concerns and supports your initiatives.

**WEEDS** - To the Villages streets department for letting the stop signs and street name signs in the area around Paradise Center deteriorate to the point that many signs are not safely readable in nighttime conditions.

**INDECISIVE FOLIAGE** - To the managers of the Tierra del Sol restaurant. This may be the last chance you have to get it right! Don't drop the ball again. Also, please do something about the stagnant air smell.

**WEEDS** - For whoever is suppose to check the fire hydrants. Surprise, some of them don't work.

--Publius--

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**SEPT. 19 - POA GENERAL MEMBERSHIP MEETING**

Our next meeting is scheduled for Wed. Sept. 19, 7:00 PM. Paradise Rec. Center.

Guest Speaker :

**CHIP**

Concerned Homeowners in Partnership, Inc.  
Fanny Vail and Buddy Catelge

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Sept. 19, 2001 7 p.m.

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Due to the overhead of the Bulletin (P.O.A. Paper) any contributions above the amount of membership will be appreciated.

**The P.O.A. Bulletin**

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Articles are the opinion of the writer and must be signed. Articles may be edited for length, grammar and clarity. Mail Box letters must be signed by the writer, thus, giving the Bulletin permission to print the letter with signature. These letters will be edited only for inflammatory language.

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**P.O.A. MEETINGS**

Board of Directors - 7:00 PM

1<sup>st</sup> Tuesday of the Month

Charlie Chaplin Rm - Paradise Center

(all POA members welcomed)

General Meeting - 7:00 PM

3<sup>rd</sup> Wednesday of the Month

Paradise Recreation Center

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