

**MINUTES OF MEETING
GRAND HAVEN
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, July 15, 2010 at 9:30 a.m.**, in the **Grand Haven Room, Grand Haven Village Center, 2001 Waterside Parkway, Palm Coast, Florida 32137.**

Present at the meeting and constituting a quorum were:

Peter Chiodo	Chairman
Charles Trautwein	Vice Chairman
Dennis Cross	Assistant Secretary
Samuel Halley	Assistant Secretary
Dr. Stephen Davidson	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Matt Kozak	Wrathell, Hunt & Associates, LLC
Scott Clark	District Counsel
Barry Kloptosky	Operations Manager
Roy Deary	President/C.E.O. AMG
Howard (Mac) McGaffney	Amenities Manager
Grant Misterly	District Engineer
Cindy Gartzke	ABM Security
Brenda Nichols	ABM Security
Louise Leister	Horticulturist
Frank Benham	Grand Haven Croquet Club
Chip Howden	Resident
Richard & Diane Layng	Residents
Gary Noble	Resident
Ruben D. Jerri	Resident
Pilllian Jerri	Resident
Tony Mieidantre	Resident
Carolyn Hurley	Resident
Tom Lawrence	Resident
Sandy Trautwein	Resident
Frank Sockman	Resident
Mary Alice Brandt	Resident
Janet Ann Sullivan	Resident
John Pollinger	Resident
Bob & Marilyn Shields	Residents
D.J. & Laura Kagen	Residents

Marti Garzahi
Glen Laury

Resident
Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 9:32 a.m., and noted, for the record, that all Supervisors were present, in person.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

All present recited the Pledge of Allegiance.

The Village Center’s new home theatre and sound system was showcased and demonstrated.

THIRD ORDER OF BUSINESS

Audience/Resident Response, Report & Comments

Mr. Frank Benham, of the Grand Haven Croquet Club, advised the CDD of the club’s annual invitational tournament planned for October 13-16, 2010. Mr. Benham indicated the tournament will be conducted in the same way as it was the past three (3) years. He distributed and reviewed a copy of the tournament plans and requested the Board’s approval to charge a flat fee of \$100 for visitors and the use of Creekside for two (2) social events, catered dinner and lunch events.

Mr. Chip Howden, a resident, presented his “performance evaluation” of the Board and read the following:

“If I may paraphrase Supervisor Cross from the April 15th meeting this year, part of a performance evaluation is to outline where improvement is needed. With now less than three minutes, I’ll focus on the improvements needed.

The Board of Supervisors needs to improve in the following areas: Planning, Budgeting, Directing, Delegating and Time Management. Following are examples that support the above. Some support several of these areas.

- *2 years ago the condition of pond outfalls was brought to the Board’s attention. We are entering the 3rd budget cycle since that time and this*

issue has been on the last 2 Work Shop and last 2 Board Meeting Agendas. It has only been addressed by a comment made by the District manager, who I understand referred to it as they are on Barry's "Wish List".

- *The board approved a number of capital expenditures at its June meeting without reviewing the full list of needs, including those additional capital items submitted by its Operations Manager.*
- *The Maintenance worker III has been on 6 agendas since last July and while the Board recognized a need to hire a part time administrative assistant, approval to advertise was granted 5 month's ago with no approval to hire.*
- *Residents are tired of looking a long term "Yellow Taped Areas" like the Jasmine walkway, the Village Center trellis, and the South Gate as well as deteriorating infrastructure like the rusted gates here at the front of the Village Center. The Board needs to provide sufficient authority and if necessary, emergency budget, for the Operations Manager to make commitments without continually returning to meetings for approval of each little item.*
- *The Board will not specify a meeting time certain for it's contractors – example: District Engineer – to be present, and gives them no direction like - "bring us alternatives with recommendations"-, but merely asks "what do you think?"*

I for one, hope the Board's Performance will improve.

Chip Howden

7/15/10"

Ms. Diane Layng, a resident, complimented the Board on their teamwork with Ms. Leister; the revised landscaping looks better than ever and finally makes a statement of Florida beauty. Ms. Layng referred to the proposed budget and asked where the "reserve" line item is and what the "high privacy fence" is and where is it. Ms. Layng indicated she reviewed the 10-Year Summary Report – Capital Improvement Plan and stated, for the year 2010, \$184,103 was spent this year, \$218,177 is proposed for 2011 and \$835,412 is proposed for 2012. She asked if

this is being addressed for building up the District's reserves; the residents do not want an increase in three (3) years of about \$400 to \$500 in their assessment. She felt this should be addressed year-by-year and the District should be building a reserve. Ms. Layng asked what increase in assessments is being considered. She spoke of the community not wanting a special assessment.

Mr. Gary Noble, a resident, asked each Supervisor to judge the Operations Manager's performance on the repair of the south gates, on a scale of 1 to 5. Mr. Wrathell indicated the format of the Audience Comments section is that the comment is taken but there is no requirement for the Supervisors to respond.

Mr. Tom Lawrence, a resident, voiced his feeling that the yellow tape on the trellis at the Village Center is unacceptable. He requested the Board allow time, at this meeting, for the Operations Manager to explain the issue, the options and then for the Board to make a decision today giving the Operations Manager guidance to resolve the problem. Mr. Lawrence indicated realtors are looking at Grand Haven and thinking the community is not being taken care of, which will adversely impact property values. He stressed the importance of addressing the yellow tape.

Mr. Wrathell indicated a letter dated July 11, 2010, was received from Dr. Menchee Fulgado and read it into the record:

"Dear Craig:

*We returned to New York in March leaving several unresolved issues in Wild Oaks Estates. We are pleased to know that as we left, the security in reference to the gates was completed. However, other security matters have arisen which overshadow any other matter of course. Security is definitely of prime importance, one reason, if not THE very reason we opted for a gated community. Nonetheless, on the "Matter of the Sign" i.e. the **correction** of the name **Estates** as it should be at the entrance gate, kindly pass the information at the July CDD meeting, that my husband and I are honored and delighted to donate as gift to Wild Oaks Estates of Grand Haven, the nominal cost of correcting this sign. Again, the issue is not changing the name; it is **correcting an error**, which is obvious from the street sign immediately before reaching our gate.*

Although we had hoped the correction could be done as early as possible this summer when there are more prospective buyers visiting our community, should time not allow to have this matter presented and approved this month, kindly have the record reflect that we have made this offer open for consideration in at the next meeting.

In the event that our gift is accepted and action is taken now, let us know the amount and to whom the check should be addressed. Thanking you in advance, I remain...

Sincerely yours,

Menchee

161 Willow Oak Way

Wild Oaks Estates of Grand Haven”

Mr. Wrathell read Dr. Fulgado’s July 13, 2010 follow up email into the record:

Thanks Craig. Kindly be sure they also have the following information should they still insist that this matter if approved will just set precedence for other section to ask for name change. As stated in my previous email...

“The matter of other sections wanting to change their name is a moot question:

(1) This matter is NOT Changing the name to add ESTATES...it was in the section name from its inception, the street sign has it, it is a matter of rectifying an error

(2) Should they still insist, any other community advocating any change, will have to prove their cast that their name is also in error, AND

(3) Any section wanting a name change...will also have to find a donor.”

Take care, God bless..

Menchee

Mr. Wrathell referred to an email from Mr. Tom Cusa regarding the City Pathway and noted he emailed Mr. Cusa that he would place the item on the next workshop agenda. Mr. Wrathell read Mr. Cusa’s email into the record:

“Dear Board Members:

On January 29, 2010 I met with Mr. Cote, R.A., to review and discuss the construction / contract drawings for the pathway. Upon learning the documents

did not include "No Trespassing" signage and security fencing, I became concerned that the project was not properly planned. The lack of these security items completely negates the concept of a private community. Public access through a secure private property is a contradiction in terms, for it violates our rights to:

- 1. Privacy.*
- 2. Security.*
- 3. Quality of life.*
- 4. Causes Wild Oaks residents to become the upfront security force*
- 5. Completely negates the effectiveness of our security gates and security cameras.*

Mr. Cote stated the city was depending on the wetlands and a 42" rail on the path to prevent trespass. I advised him I did not believe the rail or wetlands would do the job. The incidents of trespass over the past six months has proven my point.

At this time, we, (the CDD, MHOA, and residents) as a team must take the position action needed to have the city correct their poor planning. If we do not, we become accomplices to the city's poor planning, and we will not have a defense against the first lawsuit to be filed by a trespasser. Again, history has proven this point with the settlement of the recent community center lawsuit. In order to remove the hazards and the liabilities from the CDD, HMOA and the individual resident, I believe the City must take the following corrective actions immediately:

- 1. Signage: At all access points and along the pathway through Wild Oaks "No Trespassing" signs need to be posted, listing the statutes and the penalties for trespassing.*
- 2. Fence: An 8' to 10' high black one (1)" mesh chain link fence topped with razor tape be installed.*
- 3. A security camera system with central station surveillance be installed, monitoring by the City, not Grand Haven, for we do not want to become the responsible for the surveillance.*

4. *Police monitoring of the path, day and especially at night, to include signs with hours of operation of the path, such as 'Dawn to Dusk Only'.*
5. *Establish a daily trash cleaning program for the wetlands, no only the path. One trip through the Lehigh Trail demonstrates it becomes littered with cups, plastic bags and paper, which proves the need for this program.*
6. *The City must pay for all of these corrective actions and roll the expenses into the City's general tax base, not assess Grand Haven or Wild Oaks. Also, the CDD, MHOA, and the individual residents of Grand Haven must be named as "additional insured" and "Hold Us Harmless" on the City's insurance policies. Why should we have to defend against lawsuits brought upon us by poor planning on the part of the City.*

This situation presents an imminent danger and liability to Grand Haven and its residents. This danger and litigious situation must be remediated to eliminate the liability it presents to our community and residents.

Thank you for your consideration.

Very truly yours,

Thomas L. Cusa"

Mr. John Pollinger, a resident, noted the residents desire to be heard as group. He indicated the #1 concern is the egress at Wild Oaks, as a result of the walkway path being built by the City of Palm Coast. He indicated the second issue is related to maintenance. He reported he researched the issues in an attempt to understand what the Board is doing in relation to Wild Oaks. Mr. Pollinger indicated the District Engineer recommended acceptance of Wild Oaks Phase II, with the exception of the ditch 10 weir, in November, 2008; however, Supervisor Cross had issues with that. Mr. Pollinger noted the March, 2009 minutes indicated the issues were more legal than engineering and asked Supervisor Cross if he made that determination. Mr. Wrathell reminded Mr. Pollinger that this is the public comment section and the Supervisors are not required to answer any questions. Mr. Pollinger highlighted various Wild Oaks issues addressed in the September, October and November, 2007; January, February, May, June, August, October and November, 2008; March, April, May, June, August and November, 2009; January, March and April, 2010 meeting minutes. Mr. Pollinger asked, rhetorically, who is responsible for maintaining to the water's edge and who has been maintaining them. He stated

his understanding that Aquatic Services presented a proposal but Mr. Cross, and possibly another Board Member, opposed it. Mr. Pollinger brought up the issue of pond maintenance. Mr. Pollinger referred to a 2006 memo, from Bonnie Cross' fax, regarding transfer of property. Mr. Wrathell noted, for the record, that Mr. Pollinger was allowed to speak longer than the regularly allotted three (3) minutes because he was speaking on behalf of several residents. Mr. Wrathell asked Mr. Pollinger for a copy of his statement.

FOURTH ORDER OF BUSINESS**Discussion: Wild Oaks Maintenance Issues**

Mr. Wrathell referred to Mr. Clark's memo.

Mr. Clark reviewed his memo and noted the Board has struggled with the fact that the developer did not follow the turnover guidelines, failed to perform its maintenance obligations and, eventually, quit maintaining the area. He indicated the developer's bankruptcy action is moving toward a conclusion and it is becoming clear that the developer will be relieved from virtually all contractual obligations with the District. Mr. Clark indicated the District might have a cause of action against them, for money, but is still determining the value, but does not realistically expect any recovery. He recapped the developer's continued work with South Florida Water Management District (SFWMD).

Regarding maintenance, Mr. Clark indicated it is clear the District will need to take over. He also addressed any unfinished projects and discussed to whom those costs should be assessed.

Mr. Clark presented the questions to be considered:

“What document legally requires the Grand Haven Community Development District (“CDD”) to maintain Wild Oaks PH 1&2 and all other infrastructure? The DRI? Some other documents?”

Mr. Clark indicated the plat is the document that deals with this and summarized a deed for phase 1 common areas was recorded in favor of the CDD; however, that was not done in phase 2, leaving the issue open. Mr. Clark identified the need to work with the developer's bankruptcy counsel to obtain title to the area, should the CDD move forward with assuming maintenance.

“Does the Landmar bankruptcy completion absolve them of any further financial obligation to the project, and/or to the CDD?”

Mr. Clark' opinion was yes.

“Does the Landmar bankruptcy completion absolve them from and/or all legal requirements/obligations towards the District, including maintaining the District grounds?”

Mr. Clark indicated the answer is yes.

“Does the Landmar bankruptcy completion nullify any argument that Landmar owes back money to the District for maintenance performed on Villages not yet “legally conveyed” to the District?”

Mr. Clark's opinion was yes, other than the very small amount which might be recovered from the litigation trust.

“Are there any outstanding legal documents (ie, the DRI, etc,) that require the GHCCD to maintain the infrastructure, even if it has not yet been legally conveyed and the developer has completed bankruptcy?”

Mr. Clark's opinion was no, except to the extent that local government authorities can compel them to finish permit obligations.

“Does the Landmar bankruptcy remove all legal as well as financial obligations of the developer towards the District/project in general?”

Mr. Clark indicated yes, except as previously discussed.

Supervisor Chiodo voiced his opinion that, from an ethical and moral standpoint, the CDD should be maintaining all of Wild Oaks, including certain areas that have not been turned over to the CDD. Supervisor Chiodo made a motion to authorize Staff to maintain all parts of Wild Oaks Phases I and II, with the exception of the weir. The motion was seconded by Supervisor Davidson.

Discussion ensued regarding the types of maintenance envisioned, currently being completed and what needs to be done. Mr. Wrathell indicated the estimated costs are needed in preparation for the Fiscal Year 2011 budget. Mr. Clark spoke of an agreement that was submitted to the city asking them to be responsible for ditch 10 and tract H. Mr. Wrathell confirmed the District has not received a signed copy of the agreement from the city. Supervisor Cross suggested amending the motion to approval to maintain with the additional exceptions of ditch 10 and tract H.

Mr. Kloptosky indicated he obtained quotes from the current aquatic services contractor for the cost to add the remaining ponds, reviewed the quotes and costs.

On MOTION by Supervisor Chiodo and seconded by Supervisor Cross, with all in favor, authorization of Staff to maintain all parts of Wild Oaks Phases I and II, with the exception of the weir, ditch 10 and tract H, was approved.

- **Wild Oaks Entrance Plantings (*for informational purposes*) (BK)**

Mr. Kloptosky indicated the plantings were delayed due to the grower running out of plants and was in no way the fault of the landscaper.

A Board Member gave an update on the issue of the construction of a roadway at ditch 10 and the eventual opening of the bike/walkway. He reported the city informed him construction is to take place by August 15th and the opening of the walkway is scheduled for September 1st; the delay is related to the prefab bridge, which did not fit. He indicated the city agreed to installation of a “No Trespassing” sign.

FIFTH ORDER OF BUSINESS

Consent Agenda Items

Mr. Wrathell referred to the high privacy fence expense on Page 4 of the Unaudited Financial Statements as of June 30, 2010 and noted it should be recoded and reclassified to the Marlin Drive Pump House expansion and some SE Cline work.

Mr. Wrathell presented the Consent Agenda items.

a. Approval of Minutes

- **May 20, 2010 Regular Meeting**
- **June 3, 2010 Community Workshop**
- **June 17, 2010 Regular Meeting**

Line 398: Insert “stormwater” before “liaison”

b. Approval of Requisitions

- **Number 185, Clark and Albaugh, LLP - \$70.50 (2004B Construction Account)**

c. Check Detail, June 2010

d. Unaudited Financial Statements as of June 30, 2010

e. **Approval of Operations and Maintenance Expenditures**

On MOTION by Supervisor Davidson and seconded by Supervisor Chiodo, with all in favor, the Consent Agenda Items, with corrections to the June 17, 2010 Regular Meeting Minutes and authorizing the District Manager and Operations Manger the latitude to potentially reclass the \$7,240 Senco and \$15,630 SE Cline expenses from the privacy fence line item, on the Unaudited Financial Statements as of June 30, 2010, to the Marlin Drive pump house expansion, were approved.

SIXTH ORDER OF BUSINESS

District Engineer's Report

- **Marlin Drive Pump House Improvements**

Mr. Misterly reviewed his analysis of the costs incurred on the Marlin Drive Pump House improvements.

On MOTION by Supervisor Cross and seconded by Supervisor Trautwein, with all in favor, the District Engineer's memo providing a cost breakdown was approved and Management was authorized to transmit to Mr. Mark Bowlus, at Hampton Golf.

- **Wild Oaks Roadway - Geotechnical Quotes**

Mr. Misterly presented geotechnical quotes soil borings through the asphalt, where subsidence is occurring, and testing the soil compaction, to determine if the upper levels of soil are not properly compacted.

On MOTION by Supervisor Davidson and seconded by Supervisor Chiodo, with all in favor, the Ellis & Associates proposal for \$988.90 was approved.

- **Gate House Repair - Architect Proposal**

Mr. Misterly reported that, even though the damage is cosmetic, the City of Palm Coast Building Department is requiring signed and sealed architectural and structural drawings for the repair. He reviewed the quote. Mr. Wrathell indicated the city is remaining firm on this

requirement and confirmed that the insurance company of the person who caused the damage will pay the costs.

Supervisor Chiodo recalled an earlier question about Mr. Kloptosky's performance in getting the repair completed and noted the city requirement caused the delay, not Mr. Kloptosky.

Mr. Kloptosky read the South Entrance Guard House Accident – Time Line into the record:

- *Accident occurred 5-25-10 @ approximately 4:00 P.M. – met w/law enforcement at scene & filed police report.*
- *Notified insurance carriers 5-26-10 (Both CDD & drivers insurance carrier) (Also notified community by e-blast).*
- *Met with Engineer for inspection of damages 5-27-10.*
- *Received email from insurance carrier acknowledging responsibility for payment 6-4-10.*
- *Received copy of structural letter from Engineer by email 6-10-10.*
- *Received (hard copy signed & sealed structural letter from Engineer 6-17-10.*
- *Notified contractors to request proposals 6-12-10*
- *I met with chief building inspector @ City of Palm Coast regarding requirements for permitting 6-23-10.*
- *Send email to ATM Engineer regarding City requirements for permitting 6-25-10.*
- *Received bids from 2 contractors 6-28-10.*
- *I notified ATM Engineer regarding blue prints in my possession for permitting requirements 6-29-10.*
- *ATM Engineer sent me an e-mail regarding approximately cost of services for City permitting requirements 6-30-10.*
- *I received 2 additional proposals from contractors 7-2-10.*
- *I sent e-mail blast to District manager requesting authorization for engineer to proceed with preparing City permitting requirements 7-7-10.*
- *I received authorization from District manager to proceed w/Engineer requirements for the City permitting 7-13-10.*

Mr. Kloptosky gave brief explanations of certain time line items, as he read.

Supervisor Trautwein commended Mr. Kloptosky for his attention to detail in creating the timeline and noted he has taken the heat for numerous items which were not his fault; he congratulated Mr. Kloptosky on a good job.

A resident suggested charging the cost of Mr. Kloptosky's time back to the insurance company that will be paying for the damage.

Supervisor Cross discussed the CDD's requests and the City of Palm Coast's response regarding the proposed stormwater ordinance. The city anticipates an implementation date of October 1, 2010. The city established a retroactive date of April 8, 2008 for adjustments. Supervisor Cross indicated he attended the stakeholders' meeting and it was noted that area east of Culbert Lane, Grand Haven proper, 1,586 lots, was officially designated on the new stormwater utility maps as not being a part of the city; therefore, the CDD is eligible for elimination. Supervisor Cross indicated the technical consultant concurred that the CDD is officially out, not only because it maintains its own stormwater system, but also because all of its water discharges into the intercoastal; the CDD does not use any of the city's utility. Supervisor Cross indicated he asked the city for automatic elimination of the \$8 per month, effective the first day the new ordinance is in effect. He reported that the city approved and, beginning October 1, 2010 the \$8 per month fee, per unit, will end. Supervisor Cross said he asked for reimbursement from the last two (2) years. The city responded indicating they will not look at individual retroactivity; any reimbursement to Grand Haven CDD must go to the CDD, not private residents. Mr. Cross asked the Board to authorize him to negotiate with the city.

Discussion ensued regarding how the reimbursement would be calculated and where the funds should be utilized.

Supervisor Cross confirmed he will negotiate but any final decision will be brought before the Board.

On MOTION by Supervisor Chiodo and seconded by Supervisor Halley, with all in favor, authorization of Supervisor Cross to negotiate retroactive adjustments with city for properties east of Colbert Lane; city requires adjustments be reimbursed only to CDD, was approved.

Supervisor Cross indicated it was determined that The Crossings and Wild Oaks are inside the city's stormwater district because The Crossings discharges into Grand Swamp and Wild Oaks discharges into ditch 10 and mosquito ditch. He indicated, for areas within the city, there is an appeals process. He indicated the CDD would be eligible for fee credits of 23% for

those areas. According to the city, the only way to appeal is to have a professional engineer present the technical data, along with the appeal, which then goes to the consultant engineer for review. Supervisor Cross felt the CDD would be eligible for an additional 36% deduction/credit for significant retention capacity, within the property. Supervisor Cross indicated the appeal cannot be submitted until after the bills are sent in October and you only have 90 days to file an appeal for retroactive adjustments.

Supervisor Davidson asked the District Engineer how much this work will cost. Mr. Mistry indicated he does not know and will research it and report back to the Board by the next workshop.

On MOTION by Supervisor Halley and seconded by Supervisor Trautwein, with all in favor, authorizing the District Engineer to prepare technical data for stormwater credit appeals and assist Supervisor Cross in filing appeals on behalf of properties in The Crossings and Wild Oaks areas west of Colbert Lane, was approved.

Discussion ensued regarding whether the Board would hear residents' comments after discussion items. Ms. Diane Layng, a resident and former Board Member, indicated there are several areas for which Grand Haven does not have conveyances. She mentioned there are many things being done by a Board Member that are the responsibility of the Operations Manager and suggested, if he were to do them, they would need another part-time worker. She felt there are certain Board Members who have overstepped their boundaries in what they are doing. She concluded, according to FS 190, some Board Members are doing much more than they should be doing and there is also an obvious problem with the Sunshine Law, in regard to certain Board Members.

Mr. Tom Lawrence, a resident, noted it cost the District \$180 for the Engineer to sit and wait, during this meeting, and recommended having a certain time for the engineer, to cut the cost.

SEVENTH ORDER OF BUSINESS

Continued Discussion: Revisions to Austin Outdoor Agreement as Recommended by Horticultural Consultant

******This item, previously the Eighth Order of Business, was presented out of order.******

Supervisor Davidson indicated this item is related to revisions to the Landscape Maintenance Agreement, not the Austin Outdoor Agreement.

Ms. Leister spoke of the last workshop and noted her impression that the Board approved the spec sheet in April and she spent hours revisiting things that were already approved; she was upset that the Board hired the consultant, approved it and they are now revisiting it, rather than moving forward.

Ms. Leister referred to Page 13 and indicated the section on soccer field maintenance and recommendations was left in because the Board did not advise of any change or removal of that area. She spoke of the need to employ a certified arborist for pruning trees over ten (10) feet; the new contractor is not a certified arborist. The Board discussed removal of the tree pruning section and hiring a separate contractor who is a certified arborist, to perform tree trimming.

Mr. Kloptosky clarified the current contractor only prunes lower level branches and felt that is what was meant to be in the contract. Ms. Leister confirmed that is fine and suggested amending this section for them to maintain to ten (10) feet on the sidewalks and parking lots.

Ms. Leister spoke to the fertilization schedule and noted it is what is necessary to maintain the turf, as desired, by the CDD. She noted fertilization for shrubbery was removed.

Ms. Leister noted the District's tree inventory is out-of-date and not correct. She could perform a tree inventory at an additional cost. She noted, when the contract went out to bid, the bidders should have measured and counted trees to give a tally to the District. She stated she would be suspect of the contractor's ability to perform the services for the cost they say, if they did not do this. Mr. Wrathell asked if it would be appropriate to modify the specifications to provide not only the initial tree count, for the purpose of the bid, but also on an ongoing basis to the contract. Ms. Leister replied affirmatively. Ms. Leister spoke of the specialty palms being in dire need of fertilization. She noted the palms have a major potassium deficiency from wear and tear and the soil type. She noted the bid is for \$1,402.50 to treat 50 palms but the price would change, depending on the tree count. The Board agreed to proceeding with the \$1,402.50 expense for treatment of the specialty palms.

Ms. Leister reported that she and Mr. Kloptosky reviewed the enhancements and circle islands and negotiated with Austin Outdoor. Regarding enhancements, she discussed changes and negotiations leading to the total project costs going from \$89,000, down to \$80,274. She

discussed savings on the circle islands part of the project and indicated the total savings for both projects amounted to \$11,957.50.

EIGHTH ORDER OF BUSINESS**Continued Discussion: Landscape Renovation and Rejuvenation Program (LRRP) Timelines and Budgetary Considerations**

******This item, previously the Ninth Order of Business, was presented out of order.******

It was noted that the funds for these projects are coming from this year's budget. Mr. Chiodo indicated the alarm regarding the expenses stems from a previous meeting or workshop where it appeared that, with all of the District's expenses, it would be over budget for this fiscal year, meaning the fund balance would go down by almost \$200,000. Mr. Chiodo stated there was concern that the these projects were a contributor, even though money was set aside for it, in the budget. Ms. Leister clarified that the circle islands were originally scheduled for next year's budget but that was changed due to outcry from the community. Ms. Leister indicated the desire was to do all of the circle islands, at once; however, there are some that do not need to be completed right away. Ms. Leister referred to the list and voiced the importance of completing the items highlighted in green.

Discussion ensued regarding the work, budgeted funds/line items. Mr. Wrathell stated, as long as the cost stays within the \$165,000, they are not going over budget on that item; it is distinct from the other items in the budget. Supervisor Chiodo reiterated his concern about the total projected expenditures for the entire District. Mr. Wrathell explained, based on last year's budget, the District went \$54,000 over budget and, based on what is happening this year, Management is projecting that expenditures will exceed what was budgeted, unless certain items are curtailed. Mr. Wrathell stressed that has nothing to do with the landscape component; there are items, such as sink holes, which were not budgeted. A Board Member suggested that an item like landscaping could wait; it does not need to be done just because it is in the budget.

Mr. Wrathell discussed how the Fiscal Year 2011 budget is being created, compared to budgets in previous years.

A Board Member voiced his concerns about the current budget and the possibility of the District going over budget this fiscal year. Supervisor Davidson asked that discussion return to

the horticultural consultant items and budget items be addressed during the budget discussion section.

As there is a possibility that the District may go over budget due to other items, Supervisor Chiodo voiced his opinion that some of the landscaping items should be put on hold, even though there is money in the budget for those particular items. Discussion continued about ways to complete the projects but doing so over time. Ms. Leister explained items that could be pushed to the next fiscal year but also stressed some items need to be completed, as they are a safety issue.

It was agreed that additional work on the circle islands will be pushed to the next fiscal year.

Ms. Leister indicated the bid specs require contractors to be certified in Best Management Practices (BMP); she will be teaching this class on August 24th and asked that contractors be notified so anyone that wants to bid has the opportunity to attend the class.

Ms. Leister spoke of a palm tree in Wild Oaks that needs to be removed; there are also several dead oaks that need to be removed or need trimming. Ms. Leister stressed the need to only allow certified arborists to work on the community's trees or remove trees. Supervisor Chiodo asked if that requirement should be in the contract. Ms. Leister indicated not in the maintenance contract; maintenance people do not work on trees. Mr. Wrathell clarified that requirement should be included in individual contracts for those types of items.

Ms. Leister report on the progress at Egret and Grand View, noting everything is in order. She identified a traffic issue at Birdie and Waterside Parkway and Lake Haven, where shrubs need to be removed. Brief discussion ensued regarding obtaining permits from the city to remove dead trees. Ms. Leister felt the city would issue any necessary permits.

Mr. Wrathell suggested Ms. Leister prepare the final contract and bid specs to be approved by the Board at the next meeting.

*****The meeting recessed at 12:23 p.m.*****

*****The meeting reconvened at 12:31 p.m.*****

NINTH ORDER OF BUSINESS

Amenity Center Manager's Report

*****This item, previously the Seventh Order of Business, was presented out of order.*****

Discussion returned to the Croquet Club’s request previously presented during the Second Order of Business.

On MOTION by Supervisor Chiodo and seconded by Supervisor Cross, with all in favor, the Croquet Club’s request to set \$100 flat fee for Croquet Club tournament and use of Creekside for Wednesday night and Saturday lunch, with District named as additional insured and with an alcohol rider, was approved.

a. Profit & Loss Statement – January through June 2010

Mr. Deary presented the Profit & Loss Statement for January through June, 2010, noting progress is being made and the bottom line is improving significantly.

Mr. McGaffney highlighted the Amenity Center report and status of pending items.

Supervisor Chiodo referred to an incident and asked that Mr. McGaffney and Mr. Kloptosky provide a report with ideas for changes, after their meeting with Sheriff Fleming. Supervisor Chiodo asked for an explanation of where cameras are positioned at the Village Center and at Creekside and how much of the problem areas are covered by the cameras. Mr. McGaffney indicated the cameras show good detail but there is not much coverage of the basketball courts or soccer field. Supervisor Chiodo suggested the Board consider repositioning and/or adding lighting. Mr. McGaffney noted youth activity is continuing on the basketball courts in the evening, even after the incident and sheriff’s involvement. Mr. Kloptosky indicated they are compiling various ideas for the Board’s review. Discussion ensued about forming an ad hoc group or a committee.

TENTH ORDER OF BUSINESS

Discussion/Update: Incident at Village Center on June 29, 2010

This item was briefly mentioned during the Ninth Order of Business. No additional information was presented or discussed.

ELEVENTH ORDER OF BUSINESS

Discussion/Consideration of ABM Security 3-Year Contract Extension

Mr. Wrathell indicated ABM has submitted a proposal for a three (3)-year contract extension.

Ms. Brenda Nichols, of ABM Security, introduced herself and Ms. Cindy Gartzke. She gave an overview of ABM Security’s work within the District. She indicated the last time ABM Security’s rate was increased was in 2007 and she is currently seeking a 3% rate increase, which amounts to an overall increase of \$3,610, for each of the next three (3) years. Ms. Nichols confirmed the increase is requested in order to raise the guards’ rate of pay.

Mr. Clark indicated he is not satisfied with the form of the agreement and suggested the Board approve it, subject to District Counsel’s revisions or prepared agreement. Mr. Wrathell recommended making the new agreement effective October 1, 2010, to coincide with the new fiscal year.

On MOTION by Supervisor Trautwein and seconded by Supervisor Davidson, with all in favor, authorization of District Counsel to prepare an agreement with ABM Security for a 3-year contract extension with a 3% rate increase, effective October 1, 2010, was approved.

TWELFTH ORDER OF BUSINESS

Continued Discussion of Proposed Budget for Fiscal Year 2011

Mr. Wrathell noted the security services line item will be updated to reflect the 3% increase just approved.

• **GASB Statement No. 54 Reserve Requirements**

Mr. Wrathell indicated, based on the new GASB No. 54 issues discussed at a previous meeting and noted, once funds are committed, a resolution to authorize expenditure of those funds. He indicated the roads are also included in that category. Mr. Wrathell indicated a preference for keeping three (3) months working/operating capital in the account.

Mr. Wrathell continued reviewing various line items throughout the budget. He confirmed this budget assumes a \$50 assessment increase and includes a negative \$176,000 for the current fiscal year’s budget. Supervisor Trautwein stressed his belief that the budget should include funding the reserve.

Supervisor Davidson presented his Planning Recommendations RE GHCCDD FY 2011 Budget (see Exhibit). He gave a historical analysis and reviewed his current concerns. Supervisor Davidson discussed his plan for strategic planning to incorporate projected significant capital expenditures (infrastructure reinvestment) explaining his input data, the capital improvement program for 2010-2019, and his strategic plan for infrastructure reinvestment. He concluded with a review of his alternative unacceptable action plans.

Discussion ensued regarding shifting budget items into the infrastructure reinvestment category.

Mr. Wrathell confirmed this would essentially be creating a new assessment, thus, a notice letter must be sent to the property owners at least 20 days in advance of the public hearing. For this reason, he recommended moving the public hearing to September.

A resident commented on the historical assessments paid by residents. She felt the assessments have not increased yearly at the level necessary to keep the community maintained and also build the reserve.

A resident felt the fact that all of the bonds will be up in 2019 and those funds will be available should be factored into the future plans.

On MOTION by Supervisor Davidson and seconded by Supervisor Trautwein, with all in favor, creation of an Infrastructure Reinvestment line item under the capital portion of the District's general fund budget, creation of an infrastructure reinvestment component to overall assessment (O&M + Debt Service + IR) and budgeting of the Wild Oaks expense conditions, the ABM Security fee adjustment of 3% and adjusting the Hampton Golf assessment for pump house expansion, was approved.

Mr. Wrathell noted the meeting reached its four (4)-hour time limit and the remaining items could be deferred to the workshop.

THIRTEENTH ORDER OF BUSINESS

Continued Discussion: Performance Objectives for Operations Manager (MK)

- **Time Frame**

This item was deferred.

- **Compensation Valuation Process**

This item was deferred.

FOURTEENTH ORDER OF BUSINESS

Continued Discussion: Analysis of Maintenance Worker I (CW)

- **Update: IRS Thresholds (Full-Time vs. Part-Time)**

This item was deferred.

- **Costs to Move from Part-Time to Full-Time**

- **Work Hours Gained and Costs**

This item was deferred.

FIFTEENTH ORDER OF BUSINESS

Staff Reports

a. Operations/ Field Manager

i. Project Tracking Form

- **Marlin Drive Expansion Project**
- **Security Camera System Installation**
- **Streetlight Painting/Refurbishment**
- **42 Eastlake Sinkhole Repair**
- **Esplanade Easement Sidewalk Erosion**

This item was deferred.

b. District Counsel

i. Report List

This item was deferred.

ii. Supervisor Election Participation

This item was deferred.

iii. Status of Letter to Hampton Golf Regarding 30-Day Notice to Repair Sidewalk

This item was deferred.

c. District Manager

i. Update: Reuse Revenue Analysis

This item was deferred.

ii. Update: Insurance For Easements

This item was deferred.

iii. League of Cities Health Insurance Program (to be provided under separate cover, for informational purposes)

This item was deferred.

iv. NEXT WORKSHOP/MEETING:

- **August 5, 2010 at 10:00 a.m. - WORKSHOP**
- **August 19, 2010 at 9:30 a.m. - MEETING**

SIXTEENTH ORDER OF BUSINESS**Supervisors' Requests**

- **Update: Proposed City Stormwater Utility Ordinance (DC)**

This item was deferred.

- **Aerator Electric Costs Provided to Mark Clark (DC)**

This item was deferred.

- **Update: Wildfire Mitigation Project and Ponds 19 and 14 (SD)**

This item was deferred.

- **Questions Regarding Infrastructure Maintenance Obligations and LandMar Bankruptcy (SD)**

- *What document legally requires the GHCDD to maintain Wild Oaks Phases 1 & 2 and all other infrastructure? The DRI?*
- *Does the LandMar bankruptcy completion absolve them of any further financial obligation to the project and/or to GHCDD?*
- *Does the LandMar bankruptcy completion absolve them from any/and all legal requirements/obligation towards the District, including maintaining the District grounds?*
- *Does the LandMar bankruptcy completion nullify any argument that LandMar owes back money to the District for maintenance performed on Villages not yet 'legally conveyed' to the District?*
- *Are there any outstanding legal documents (ie, the DRI, etc.) that require the GHCDD to maintain the infrastructure, even if it has not yet been legally conveyed and the developer has completed bankruptcy?*
- *Does the LandMar bankruptcy remove all legal as well as financial obligations of the developer towards the District/project in general?*

This item was discussed earlier in the meeting.

SEVENTEENTH ORDER OF BUSINESS Adjournment

There being no further business, all were in agreement with adjourning.

On MOTION by Supervisor Halley and seconded by Supervisor Cross, with all in favor, the meeting adjourned at 1:36 p.m.

EXHIBIT

PLANNING RECOMMENDATIONS RE GH CDD FY 2011 BUDGET

Historical

GH CDD Annual O&M Assessments, Fiscal Years:

2002	\$981		
2003	\$1060	+79	+8%
2004	\$1092	+32	+3%
2005	\$1125	+33	+3%
2006	\$1125	+ 0	+0%
2007	\$1200	+75	+7%
2008	\$1250	+50	+4%
2009	\$1300	+50	+4%
2010	\$1330	+30	+2%
2011	\$??		

Current Concerns:

FY 2010 Projected Deficit **<\$176,007>** due to:

Overestimated Income \$109K (Interest, Revenue Offset Discount Payment, non-bookable)
Underestimated Expenses \$67K (Field Ops, Prof & Admin.)

FY 2011 Projected Deficit of **<\$58,018>**, Two year projected deficit=**<\$234,025>**

FY 2011 Projected Deficit of **<\$58,018>** DOES NOT INCLUDE:

?Income Hampton Golf \$62,880

?Added Expenditures:

FOM's List of Current Uncorrected Infrastructure Problems

W/O Ph2 Pond Maintenance (+\$5580/yr+\$1669 1x/+\$9864/yr+\$2448 1x)

Street Light Underground Cable Failures

Unmet 10 year Ad Hoc FFG Capital Plan Contribution

Unmet 5 year DE Capital Improvement Plan Contribution

SJD Statement on Approving FY 2010 Budget (8/20/09):

"Vote on the GH CDD Fiscal Year '09-'10 Combined O&M and Debt Service Assessment contingent upon the Board of Supervisors agreement to discuss and develop a plan to fund Capital Reserves for the '10-'11 and subsequent fiscal years.

Request the Chairman poll the BOS re developing a plan to fund Capital reserves."

Capital Reserves now more accurately referred to as Infrastructure Reinvestment

Strategic Planning to Incorporate Projected Significant Capital Expenditures (Infrastructure Reinvestment)

Input Data:

ATM Capital Improvement Plan 2011-2015 (Horizontal Infrastructure Only, (N/I WO Ph 2)

Total 5 Year: Road Resurfacing, Storm Water Drainage System, Eng. & Admin.=**\$1,819,000(\$363,800/yr)**

If do nothing, end of 2015 \$1.8 million/1901 lots = **\$956/lot Special Assessment** (+O&M, +DS)

If Collect Yearly to "Pay as You Go" \$1.8 million/5 yrs/1901 lots = **\$191/lot/yr for IR**

GH Capital Improvement Program 2010-2019 Ad Hoc Group Report (7/2009)

Total 10 Year: Vertical and Horizontal Infrastructure, (N/I Storm Water Drainage System, Clubhouse Pier and Gazebo)= **\$4,116,000.(\$411,600/yr)**

If do nothing, end of 2019 \$4.1 million/1901 lots = **\$2,165/lot Special Assessment** (+O&M, ?+DS)

If Collect Yearly to "Pay as You Go" \$4.1 million/10 yrs/1901 lots = **\$217/lot/yr for IR**

Note: Utilizing Ad Hoc Group Calculations, **each lot unit consumes:**

$\$4,116,000/10\text{yrs}/1901\text{lots}/365\text{days} = \underline{\underline{\$.60/\text{day of GH Infrastructure.}}}$

Strategic Plan for IR

Create **Infrastructure Reinvestment Line Item** under Capital Portion of Budget (\$ target?) (**\$350,000?**)
(Individual projects listed as subsets)

For FY 2011 Budget:

Move Culvert/Pipe Replacement \$\$ here : \$75,000

Move Legal Litigation \$\$ here, fund LL with Reserves as "Emergency,
Rainy Day" item \$50,000

Move Solar Pool Heater \$\$ here, as Health & Safety Infrastructure problems
take priority over energy savings investments \$25,000

Create Infrastructure Reinvestment Section of General Assessment: (\$X/lot/yr)(**\$50X1901**)= **\$95,000**
\$245,000

(If needed, transfer [\$X/yr] from Unencumbered Reserves to achieve IR target \$X)

Example: General Assessment change with **\$50/lot/yr IR**: \$50 from O&M + \$50 from IR = \$100/lot
(2011 \$1430 +\$100 +7.5%) (+\$100 = \$.27/day increase)

Motion 1: Create Infrastructure Reinvestment Line Item under Capital Portion of Budget
Create IR Component to Overall Assessment (O&M +Debt Service + IR)

Motion 2: Fund Portion of FY 2011 IR with \$50/lot new assessment component , i.e.,
FY 2011 Assessment Increase= (O&M +\$50) + (IR +\$50) = \$100 increase

Motion 3: Fund remaining IR Component as described above.

Alternative Unacceptable Action Plans

Drastically Reduce Expenditures: Eliminate Repairs to Infrastructure
Close Amenities
Remove Gates
Grand Haven becomes "G Section" of Palm Coast
Property Values Plummet
BOS Supervisors violate CH 190 requirement to protect value of Infrastructure

Do Nothing: No Board has dealt with this issue
Leave it to another Board I'm not on
It is not popular to raise fees
Won't get elected/re-elected
Property Values Plummet
BOS Supervisors violate CH 190 requirement to protect value of Infrastructure

Issue New Bonds: Additional 2x cost placed on lot owners for Bond Counsel, Investment Banker, Audit, Arbitrage Compliance Fees and Long Term Interest Payments

Special Assessment: Don't believe in "Pay as You Go,
Consume all resources, pass burden on to future residents
I won't be living here by the time "the bill is due"
Infrastructure deliberately allowed to deteriorate
Additional costs to residents "left behind" to repair and/or replace preventable infrastructure deterioration
Property Values Plummet
BOS Supervisors violate CH 190 requirement to protect value of Infrastructure

MISSION STATEMENT, GOALS, VALUES: Supervisor Dr. Stephen J. Davidson

11/05/2009

Mission Statement: To maintain, protect and defend the horizontal and vertical infrastructure, amenities, and lifestyle that is the Grand Haven experience.

Goal: To accomplish the Mission Statement in the most:
Fiscally prudent,
proactive,
pay-as-you-go,
manner possible.

Value: Planning for Infrastructure Reinvestment Funding
Planning for and Building Emergency Disaster Funds
Strategic Planning to Avoid Special Assessments and New Bond Issues
Rewarding Exemplary Staff Performance



Secretary/Assistant Secretary



Chairman/Vice Chairman